

COUNCIL OF THE EUROPEAN UNION



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Europe 2020 strategy for jobs and growth: the Council adopts guidelines for the member states' employment policies

The Council today¹ took an important step in the implementation of the new Europe 2020 strategy for jobs and growth, by adopting a decision establishing new guidelines for the employment policies of the member states ($\underline{14338/10} + \underline{14338/10} COR 1 + \underline{14917/10}$ ADD 1).

The guidelines for the employment policies form one part of the integrated guidelines, the other part being the broad guidelines for the economic policies of the member states, which the Council already adopted in July 2010 (11646/10). The integrated guidelines represent the main tool of the Europe 2020 Strategy, the new ten-year strategy for jobs and smart, sustainable and inclusive growth. They lay the foundations for structural reforms which the member states will have to carry out.

The integrated guidelines contain five EU headline targets, of which three belong to the guidelines for the employment policies of the member states and concern labour market participation, the fight against social exclusion and poverty, and the quality and performance of education and training systems.

The headline target on labour market seeks to increase by 2020 to 75% the **labour market** participation for women and men aged 20-64 through, inter alia, greater participation of youth, older workers and low skilled workers and the better integration of legal migrants.

The decision was taken at a meeting of the Council in charge of Employment, Social Policy, Consumer and Health.



The headline target on **social inclusion and combating poverty** aims to lift at least 20 million people out of the risk of poverty and exclusion. The population is defined as the number of persons who are at risk-of poverty and exclusion according to three indicators (at-risk-of poverty; material deprivation; jobless household), leaving member states free to set their national targets on the basis of the most appropriate indicators, taking into account

their national circumstances and priorities. On the basis of this definition, 120 million Europeans face currently the risk of poverty and exclusion. The headline target for the **improvement of the quality and performance of education and training systems** which is to reduce drop out rates to less than 10%, and increase the share of 30-34 years old having completed tertiary or equivalent education to at least 40%.

The two remaining headline targets of the integrated guidelines belong to the broad guidelines for the economic policies of the member states; they aim to increase the combined public and private investment levels for research and development to 3% of Gross Domestic Product (GDP) by 2020 and to reduce by 2020 greenhouse gas emissions by 20% compared to 1990 levels, to increase the share of renewable energy sources in the final energy consumption to 20 %; and moving towards a 20 % increase in energy efficiency.

All five headline targets must be translated by member states into national targets, taking into account their relative starting positions and national circumstances. Member states must submit their draft national reform programmes including their national targets by 12 November. By mid-April 2011, the national reform programmes should be finalised. The European Council will assess annually the progress made at both EU and member state level under the 2020 Strategy.

The integrated guidelines are as follows (guidelines 1 to 6 form the broad guidelines for the economic policies of the member states and the of the Union, guidelines 7 to 10 constitute the guidelines for the employment policies of the member states):

- 1. ensuring the quality and the sustainability of public finances;
- 2. addressing macroeconomic imbalances:
- 3. reducing imbalances in the euro area;
- 4. optimising support for research, development and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy;
- 5. improving resource efficiency and reducing greenhouse gases;
- 6. improving the business and consumer environment and modernising the industrial base in order to ensure the full functioning of the internal market;
- 7. increasing labour market participation and reducing structural unemployment;

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- 8. developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning;
- 9. improving the performance of education and training systems at all levels and increasing participation in tertiary education;

10. promoting social inclusion and combating poverty.

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