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REPORT

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to: Council (EPSCO)

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Subject: Draft Council Conclusions on the future prospects for the European Employment Strategy in the context of the new cycle of the Lisbon Strategy

Delegations will find attached draft Council Conclusions, as agreed by the Permanent Representatives' Committee at its meeting on 28 November 2007, with a view to their adoption during the Council session (EPSCO) on 5/6 December 2007.
DRAFT
COUNCIL CONCLUSIONS

“Future prospects for the European Employment Strategy in the context of the new cycle of the Lisbon Strategy”

THE COUNCIL OF THE EUROPEAN UNION

RECALLING that:

1. at the Luxembourg Summit of 1997, the Member States agreed to launch the European Employment Strategy, with a focus on common guidelines and mutual learning processes to improve employment policies and performance across the European Union;

2. in 2000, the Lisbon Strategy placed emphasis on employment as a crucial variable to strengthen the virtuous interaction between economic growth and social cohesion and agreed on common strategic targets in this field;

3. after 2005, the Revision of the Lisbon Strategy incorporated the employment guidelines as a fundamental dimension of the National Reform Programmes, further expanding the scope and integrative potential of the European Employment Strategy;

4. there are provisions for the coordination of employment policies in the Treaty, in particular in Article 128;
RECOGNISING that:

1. a high level of employment is one of the European Union's goals as well as one of the top priorities of citizens, given employment's primary role in promoting access to individual opportunities, sustainable well-being and social cohesion;

2. the European Employment Strategy has been instrumental in fostering progress in labour market performance, namely through the correct identification of problems, priorities and best practices, enhancing mutual learning and setting ambitious quantitative targets; it has also played a leading role in innovation concerning instruments and methods, opening the way for important developments at the European level, namely in the context of the Lisbon Strategy, through agreed common goals, guidelines and targets and the Open Method of Coordination;

3. ten years later, the coordination of policies in the context of the European Employment Strategy, integrated into the Lisbon Strategy, remains a key instrument for integrated European progress in employment, growth and social cohesion;

4. in the framework of the European Employment Strategy, Member States have implemented policies, mainly in the field of attracting more people into the labour market, which have contributed to higher activity and employment rates; since 1997, the employment rates for older workers and for women, as well as overall rates, have risen substantially, while both unemployment and long-term unemployment have decreased significantly;

5. the implementation of the National Reform Programs has yielded positive results and progress in the implementation of the majority of Lisbon measures, but with significant differences between sectors and Member States and there are still regions and groups, such as migrants, people with disabilities or the low-skilled, lagging behind;
6. structural changes, namely in the labour markets, are key elements to increase employment, competitiveness and sustainable economic growth, to improve social cohesion and to develop more inclusive labour markets. Member States should improve their efforts to carry out the necessary structural changes to their labour markets in order to better deal with economic and social challenges.

REAFFIRMS that:

1. policy coordination, including through mutual learning, agreed common objectives, employment guidelines, and country-specific recommendations related to the integrated guidelines, is a key tool for the EU in the context of the OMC and the Lisbon Strategy;

2. in the light of the present global, strategic and demographic challenges for Europe, it is important to reinforce the implementation of current policies and objectives and, also, to further improve existing coordination instruments and dynamics to make them more coherent, effective and efficient, in order to maximize the potential of the Lisbon Strategy and the European Employment Strategy;

3. in the employment and social fields, the Lisbon Strategy is the ideal framework for implementing and monitoring European developments; in this context, the timely preparation of the new cycle, improving instruments, resources and methods, as well as a clear identification of the key challenges faced by European societies, are of the utmost importance.
STRESSES

1. the importance of involving all relevant stakeholders, and especially the social partners, in the different stages of the design, implementation and monitoring of the European Employment Strategy, at European, national and other appropriate levels; this will improve the participation and mobilisation of the different actors, helping to promote commitment and results, as well as the public visibility of the Strategy;

2. the need for a pro-active and leading role of the Employment Committee (EMCO), where appropriate in articulation with other relevant committees, such as the Social Protection Committee (SPC), the Economic Policy Committee (EPC) and the Education Committee, in improving the monitoring of political priorities and targets, as well as the links and the coherence between different policy fields in the context of the European Employment Strategy;

3. the need to improve the definition of common goals and targets, to clearly measure progress taking into account the different points of departure of Member States, and also to improve the nature and quality of indicators already agreed or to be developed;

4. the importance of the use, by the Member States and in articulation with the Commission, of instruments such as the Structural Funds, in particular the European Social Fund, to support the implementation of policy objectives related to employment and social inclusion, thus improving their efficiency, with positive impacts on economic performance;

5. the strengthening of the Lisbon Community Programme as an essential tool for supporting the implementation and efficiency of the National Reform Programmes;
UNDERLINES:

1. the need to combine an adequate degree of stability of the existing instruments of the Lisbon Strategy, in order to focus on implementation and delivery at the national level, with the consideration of improvements, where necessary, in order to meet new developments and update responses to core challenges, while taking into account the Commission's Communication "The European Interest: Succeeding in the age of globalisation"\(^1\);

2. the importance of strengthening the virtuous interaction between different objectives and policy fields in the context of the Lisbon Strategy: namely, by enhancing the effectiveness and visibility of mutually reinforcing policies for growth, more and better jobs, and social cohesion in order to achieve the Lisbon goals;

3. the need to take better account of the common social objectives of Member States within the Lisbon Strategy, as stressed by the European Council of 8 and 9 March 2007, in particular in the preparation of the new three-year cycle of the National Reform Programmes;

4. in particular, the specific relevance and contribution of the social dimension to our integrated approach to modernisation in the context of the Lisbon Strategy, bearing in mind the financial, economic and social sustainability of our social and economic models; this can be highlighted in particular through issues that have simultaneous positive impacts on social cohesion, employment and economic growth, among which are active ageing and the modernisation of pension systems, which have direct links to the three dimensions of sustainability mentioned above and to the three pillars of active inclusion as proposed in the recent Commission communication;

\(^1\) COM(2007) 359 final
5. that the European Employment Strategy should pay due attention to policy fields such as education and training, innovation, research and development, environment, energy and migration;

6. the imperative need to foster the creation of new jobs in order to support high levels of labour market participation which are key to the Lisbon Strategy and for which there are agreed common goals at European level;

7. the importance of “good work” and its underlying principles, including workers' rights and participation, equal opportunities, health and safety at work and family-friendly policies, as a means of promoting improvements in work patterns, leading to better jobs, better productivity of work and prolonging working careers;

8. the requirement of gender equality, including progress towards the elimination of the gender pay gap and segregation, gender gaps with regard to senior management positions and entrepreneurship; and the need to upgrade strategies to promote the reconciliation of work, family and private life, through employment and family-friendly policies designed to support both labour market participation and the quality of family life;

9. also, the relevance of a lifecycle perspective paying specific attention to both older workers and the challenges of youth employment, namely in the context of transitions from education to work;

10. the relevance of paying special attention to particularly vulnerable groups, situations of in-work poverty and the most severe forms of poverty and exclusion, including specific policy efforts to address such situations in the context of strategic approaches to employment and social protection;
11. and takes full note of the EMCO opinion² on this subject;

AND WELCOMES, AS PRIORITIES TO BE EMPHASISED:

1. the recent steps towards broad and balanced flexicurity policies, adapted to specific national circumstances, as a comprehensive approach to the current challenges of managing change, which highlight the links between flexible and reliable contractual arrangements, active labour market policies and comprehensive lifelong learning as well as modern and adequate social protection, both by providing resources and security through transitions and promoting individuals' and companies' adaptability and the creation of new jobs;

2. the recent communication from the European Commission and consultation on active inclusion as an important contribution to the Open Method of Coordination on Social Protection and Social Inclusion, highlighting the positive role of inclusion policies in employment performance and social cohesion, through integration into the labour market, adequate income support and quality social services, as an essential component of sustainable development strategies for Europe by maximising the potential of European societies and economies;

3. the concept of investing in people and the initiative “new skills for new jobs”, which aims to use existing instruments to provide new opportunities for education and training which are adequate in the context of current trends in the economy and in labour markets, thereby equipping citizens for the future and improving the match between employment policies, education and training systems and key sectors for job creation;

² Doc. 15207/07
4. the increasingly established field of active ageing and the modernisation of pension systems, bearing in mind their financial, economic and social sustainability, as a crucial area for an integrated approach to both the long-term viability and adequacy of social protection, and other dimensions of the Lisbon goals;

5. the importance of the external dimension of the Lisbon Strategy for the global promotion of employment, core labour and social standards and decent work, competitiveness, openness and fairness, as well as the management of migration flows.