Verbatim report of proceedings

SITTING OF TUESDAY, 17 NOVEMBER 1998

Employment in the Union

Flynn, Member of the Commission - I thank you, Mr van Velzen, for your report. It is a stimulating document, containing a thorough examination of the key problems of the European Union labour market, and it certainly has a number of very good and interesting proposals for future action.

A year ago I presented to Parliament the first set of employment guidelines. I am very pleased to inform you that we have achieved very considerable progress and success since then. All the Member States have lived up to the political commitments they made at Luxembourg last year. The Commission, in its draft joint report for 1998, has duly reflected this progress by making national employment policies more structured and transparent, for instance, by reporting on concrete funding for the NEPs and on monitoring and evaluation structures. This progress is clearly in line with the proposals in Mr van Velzen's report.

In particular I am pleased to see that the messages of prevention and activation as guiding principles for employment policy have penetrated the thinking of the national authorities and the social partners. Such principles have begun to be translated into concrete action, which the Member States have already started on this year. I recognise and welcome this progress.

You all know that early intervention to prevent youth and long-term unemployment and the move from a curative to a preventative approach lie at the very heart of the strategy. This is the key point Mr van Velzen has been making - that we have to have a preventative approach.

Concrete action has also been taken, for instance in reducing the number of young people leaving training and educational systems without adequate qualifications. This point is made very forcefully by Mr van Velzen and by Mr Thomas Mann and I agree wholeheartedly. You will notice, Mr van Velzen, that in our recommendation for the 1999 guidelines, life-long learning is a key issue for consideration at Vienna. What we are saying in the new guidelines is that we want to increase the number getting access to the labour market, in particular older workers. Not enough attention has been paid to that point and the report supports us on that.

I should just draw your attention to a remark in the employment rates report, that high employment rates depend on educational attainment. That must be a key feature in the development of these policies by the Member States.

We are talking about improving the environment for enterprise, encouraging and assisting business start-ups, coordination between the relevant authorities in the Member States, making the social partners more aware of their potential contribution, developing the adaptability pillar, introducing tax reforms to reduce the tax burden on labour, promoting greater awareness of the avoidance of gender segregation and facilitating access to the labour market for all. Here I would refer Mrs Van Lancker's comments on women in the labour market. In fact the employment rates report deals with this very point. I would just like to draw to your attention, Mrs Van Lancker, that equality is now a key element in our strategy. You will notice that we are not just talking about mainstreaming, we are talking about
The draft joint report identifies these encouraging developments, but that is just the beginning and there is a long way to go. We need to involve the social partners more fully at all levels and to foster and develop a strong partnership approach at local level, promoting employment entrepreneurship and local economic development, especially in the services sector. I agree entirely with what Mrs Ojala said about the services sector. You will notice that in the employment rates report, where we draw the comparison between what happens in the United States and what happens in the European Union, the key issue is that we have not developed the services sector as they have done in the United States. In the European Union 39.2% are employed in the services sector, in the United States it is 54%. That is a big difference.

We need to work out new options for lowering taxation on labour compatible with the overall macroeconomic strategy for stable growth and raising employment in the EMU, to devise and implement more concrete action to develop equal opportunities in our labour markets for women, disabled people and immigrants.

Your report, Mr van Velzen, puts forward a wide range of suggestions for further developing the strategy. I think that is going to happen. The momentum is there. I am pleased to tell you that many of your proposals and ideas have already been taken on board in our proposal for 1999. You will see that reflected in the outcome of the Vienna Summit.

In its proposal for employment guidelines for 1999 the Commission has sought to consolidate the political momentum that has been gained this year. You yourself said, Mr van Velzen, that there is a quiet revolution. I would like to think that it was not so quiet. But the momentum is there, the Member States have taken on the commitment and I believe that it is going to be very much strengthened after Vienna.

In the interests of consistency and continuity, there are very few adjustments of substance in the 1999 proposal. It preserves the four pillar structure and the three Europe-wide operational targets. Nevertheless it incorporates the orientations of the European Council at Cardiff and it draws from the assessment of the 1998 joint employment report and the employment rates report for 1998. Some substantive additions and, in some cases, new guidelines aim at putting particular emphasis in 1999 on active measures: developing life-long learning, making the labour market more open to all, fully exploiting the jobs potential of the services sector and better reconciling work and family life.

The Commission has also identified a number of horizontal issues. They include gender mainstreaming, the information society, undeclared work, the role of the structural funds, especially the social fund, local development and the need for improving common indicators and quantitative targets. Moving in this direction requires realism and ambition. Common targets require comparable statistics at European level and concrete action to improve the current state of such statistics will be proposed by the Commission in a specific report to the Vienna Summit.

This year's revision of the guidelines is, however, a good opportunity to further develop this dimension of the strategy. The Commission has proposed a new target to be set individually by the Member States for increasing the number of workers benefitting from life-long learning. Furthermore, the Member States are invited to set concrete targets for other guidelines according to their national priorities and possibilities.

Mrs Boogerd-Quaak and Mrs Todini referred to the Community financing initiatives for the EIB and the EIF. I should just like to say that the EIB Edinburgh facility of the ECU 5b in loans to general infrastructure projects is ongoing. The Copenhagen SME facility is in place and the facility has been fully taken up. The growth and environment pilot project is in place for loans of perhaps ECU 1.6b. The EIF is authorised to commit up to 20% of its own funds. The EIB's Amsterdam special action