II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION
of 13 March 2000
on guidelines for Member States' employment policies for the year 2000

(2000/228/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 128(2) thereof,

Having regard to the proposal from the Commission

Having regard to the opinion of the European Parliament [1],

Having regard to the opinion of the Economic and Social Committee [2],

Having regard to the opinion of the Committee of the Regions [3],

Having regard to the opinion of the Employment and Labour Market Committee,

Whereas:

(1) Employment remains the top priority of the European Union. Coordinated action must be pursued in a sustained manner to combat unemployment and raise the present levels of employment on a lasting basis.

(2) The Luxembourg process, based on the implementation of the coordinated European Employment Strategy, was launched by the extraordinary European Council meeting on employment on 20 and 21 November 1997. The Council Resolution of 15 December 1997 on the 1998 Employment Guidelines [4], confirmed by the European Council, has launched a process with high visibility, strong political commitment and a wide-ranging acceptance by all parties concerned.

(3) The Council resolution of 22 February 1999 on the 1999 Employment Guidelines [5] has allowed consolidation of the Luxembourg process through compliance with those guidelines.

(4) The contribution of the social partners in the framework of the Standing Committee on Employment, the social dialogue and the contacts established with the Heads of State or Government and the Commission should be taken into account.

(5) The opinion of the Employment and Labour Market Committee was drafted jointly with the Economic Policy Committee.

(6) The 1999 Joint Employment Report, drawn up by the Council and the Commission, describes the employment situation in the Community and examines the action taken by the Member States in implementing their employment policy in line with the 1999 Employment Guidelines.

(7) On 14 February 2000 the Council adopted recommendations on the implementation of Member States' employment policies.

(8) In Cologne on 3 and 4 June 1999 the European Council took the initiative for a European employment pact which provides a basis for a sustained and comprehensive strategy for more growth and employment and has added macroeconomic dialogue (Cologne process) as a third pillar to the coordinated employment strategy (Luxembourg process) and economic reform (Cardiff process).

(9) Consistency and synergy between the employment guidelines and the broad economic policy guidelines must be ensured.

(10) In Helsinki on 10 and 11 December 1999 the European Council adopted conclusions on Employment Guidelines for the year 2000, introducing a limited number of changes to further sharpen the guidelines' focus and aims.

[1] Opinion delivered on 4 November 1999 (not yet published in the Official Journal).
[2] OJ C 368, 20.12.1999, p. 31.
[3] OJ C 57, 29.2.2000, p. 17.
[4] OJ C 30, 28.1.1998, p. 1.
[5] OJ C 69, 12.3.1999, p. 2.

(11) The preventive and active measures to be taken should encourage effective integration into the labour market.

(12) There is a need to develop skills in information technologies and to provide schools with computer equipment, as well as access to the Internet.

(13) The social partners at all levels as well as the regional and local authorities need to be involved in the implementation of the guidelines so that they can contribute, in their field of responsibility, to promoting a high level of employment.

(14) Public employment services should play an important role in delivering preventive and active measures and in identifying job opportunities at local level, to achieve a better functioning of the labour market.

(15) The implementation of the guidelines may vary according to their nature, the parties to whom they are addressed and the different situations in the Member States. They should respect the principle of subsidiarity and Member States' responsibilities with regard to employment.

(16) In implementing the employment guidelines, in accordance with the subsidiarity principle, Member States should be able to take regional situations into account, while fully respecting the attainment of national targets and equal treatment of all citizens.

(17) Directive 1999/85/EC [1], which provides for the possibility of applying a reduced VAT rate on labour-intensive services on an experimental basis, should be followed up in order to examine, in particular, the impact of national initiatives in terms of job potential.

(18) The implementation of the employment guidelines could play a positive role in dealing with the problem of undeclared work.

(19) The Commission and the Member States have agreed to continue and accelerate work on indicators and systems for the collection of comparable data, which will make it possible to assess the implementation and impact of the annexed guidelines and to refine the Community and national targets which they contain. Good practice from the Member States should also be taken into account.

(20) A mid-term review of the employment guidelines during the year 2000 would be desirable, with a view to streamlining and consolidating them within the existing four-pillar structure.

(21) Focused national reports, supported by indicators, will permit an effective peer-group review by other Member States and the Commission in order to assess progress achieved by each Member State in implementing the guidelines.

(22) The contribution of the European Social Fund to the European Employment Strategy in the new programming period should be highlighted.

(23) Sustainable development and the integration of environmental concerns into other Community policies were endorsed by the European Council in Amsterdam. Member States are invited to give effect to such integration within their national employment strategies by promoting employment creation in the environmental field,

HAS DECIDED AS FOLLOWS:

Sole Article

The guidelines for Member States' employment policies for the year 2000, annexed hereto, are hereby adopted. They shall be taken into account by the Member States in their employment policies.

Done at Brussels, 13 March 2000.

For the Council

The President

E. FERRO RODRIGUES

[1] OJ L 277, 28.10.1999, p. 34.

ANNEX

THE EMPLOYMENT GUIDELINES FOR 2000

I. IMPROVING EMPLOYABILITY

Tackling youth unemployment and preventing long-term unemployment

In order to influence the trend in youth and long-term unemployment the Member States will intensify their efforts to develop preventive and employability-oriented strategies, building on the early identification of individual needs; within a period to be determined by each Member State which may not exceed three years and which may be longer in Member States with particularly high unemployment, Member States will ensure that:

1. every unemployed young person is offered a new start before reaching six months of unemployment, in the form of training, retraining, work practice, a job or other employability measure with a view to effective integration into the labour market.

2. unemployed adults are also offered a fresh start before reaching twelve months of unemployment by one of the aforementioned means or, more generally, by accompanying individual vocational guidance with a view to effective integration into the labour market.

These preventive and employability measures should be combined with measures to promote the re-employment of the long-term unemployed. In this context, Member States should pursue the modernisation of their public employment services so that they can deal with the strategy of prevention and activation in the most effective way.

Transition from passive measures to active measures

Benefit, tax and training systems, where that proves necessary, must be reviewed and adapted to ensure that they actively support employability. Moreover, these systems should interact to increase the incentive to return to the labour market. Each Member State:

3. will endeavour to increase significantly the number of persons benefiting from active measures to improve their employability with a view to effective integration into the labour market. In order to increase the numbers of unemployed who are offered training or any similar measure, it will in particular fix a target, in the light of its starting situation, of gradually achieving the average of the three most successful Member States, and of at least 20 %.

4. will review and, where appropriate, refocus its benefit and tax system:

   — to provide incentives for unemployed or inactive people to seek and take up work or measures to enhance their employability and for employers to create new jobs, and

   — in addition, it is important to develop a policy for active ageing, encompassing appropriate measures such as maintaining working capacity, lifelong learning and other flexible working arrangements, so that older workers are also able to remain and participate actively in working life.

Encouraging a partnership approach

The actions of the Member States alone will not suffice to achieve the desired results in promoting employability. Consequently:

5. the social partners are urged, at their various levels of responsibility and action, to conclude as soon as possible agreements with a view to increasing the possibilities for training, work experience, traineeships or other measures likely to promote employability of the young and adult unemployed and to promote entry into the labour market.

6. in order to reinforce the development of a skilled and adaptable workforce, both Member States and the social partners will endeavour to develop possibilities for lifelong learning, particularly in the fields of information and communication technologies, and each Member State will set a target according to national circumstances for participants benefiting from such measures. Easy access for older workers will be particularly important.

Easing the transition from school to work

Employment prospects are poor for young people who leave the school system without having acquired the aptitudes required for entering the job market. Member States will therefore:

7. improve the quality of their school systems in order to reduce substantially the number of young people who drop out of the school system early. Particular attention should also be given to young people with learning difficulties.

8. make sure they equip young people with greater ability to adapt to technological and economic changes and with skills relevant to the labour market. Member States will give particular attention to the development and modernisation of their apprenticeship and vocational training systems, where appropriate in cooperation with the social partners, to developing appropriate training for the acquisition of computer literacy and skills by students and teachers as well as to equipping schools with computer equipment and facilitating student access to the Internet by the end of 2002.

Promoting a labour market open to all

Many groups and individuals experience particular difficulties in acquiring relevant skills and in gaining access to, and remaining in, the labour market. A coherent set of policies promoting the integration of such groups and individuals into the world of work and combating discrimination is called for. Each Member State will:

9. give special attention to the needs of the disabled, ethnic minorities and other groups and individuals who may be disadvantaged, and develop appropriate forms of preventive and active policies to promote their integration into the labour market.

II. DEVELOPING ENTREPRENEURSHIP

Making it easier to start up and run businesses

The development of new enterprises, and the growth of small and medium-sized enterprises (SMEs), is essential for job creation and for the expansion of training opportunities for young people. This process must be promoted by Member States encouraging greater entrepreneurial awareness across society and in educational curricula, by providing a clear, stable and predictable set of rules, by improving the conditions for the development of, and access to, risk capital markets. The Member States should also reduce and simplify the administrative and tax burdens on SMEs. These policies will support Member States' attempts to tackle undeclared work. To that end the Member States will:

10. give particular attention to reducing significantly the overhead costs and administrative burdens for businesses, and especially SMEs, in particular when an enterprise is being set up and when hiring additional workers.

11. encourage the development of self employment by examining, with the aim of reducing, any obstacles which may exist, especially those within tax and social security regimes, to moving to self-employment and the setting up of small businesses as well as by promoting training for entrepreneurship and targeted support services for entrepreneurs and would-be entrepreneurs.

Exploiting new opportunities for job creation

If the European Union wants to deal successfully with the employment challenge, all possible sources of jobs and new technologies and innovations must be exploited effectively. To that end the Member States will:

12. promote measures to exploit fully the possibilities offered by job creation at local level and in the social economy, especially in new activities linked to needs not yet satisfied by the market, and examine, with the aim of reducing, any obstacles in the way of such measures. In this respect, the special role and responsibility of local and regional authorities, other partners at the regional and local levels, as well as the social partners, needs to be more fully recognised and supported. In addition, the role of the public employment services in identifying local employment opportunities and improving the functioning of local labour markets, should be fully exploited.

13. develop framework conditions to fully exploit the employment potential of the services sector and industry-related services, *inter alia*, by tapping the employment potential of the information society and the environmental sector, to create more and better jobs.

Making the taxation system more employment friendly

and reversing the long-term trend towards higher taxes and charges on labour (which increased from 35 % in 1980 to more than 42 % in 1995). Each Member State will:

14. set a target, if necessary and taking account of its present level, for gradually reducing the overall tax burden and, where appropriate, a target for gradually reducing the fiscal pressure on labour and non-wage labour costs, in particular on relatively unskilled and low-paid labour, without jeopardising the recovery of public finances or the financial equilibrium of social security schemes. It will examine, if appropriate, the desirability of introducing a tax on energy or on pollutant emissions or any other tax measure.

III. ENCOURAGING ADAPTABILITY OF BUSINESSES AND THEIR EMPLOYEES

Modernising work organisation

In order to promote the modernisation of work organisation and forms of work, a strong partnership should be developed at all appropriate levels (European, national, sectoral, local and enterprise levels):

15. the social partners are invited to negotiate and implement at all appropriate levels agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive and competitive and achieving the required balance between flexibility and security. Subjects to be covered may, for example, include training and retraining, the introduction of new technologies, new forms of work and working time issues such as the expression of working time as an annual figure, the reduction of working hours, the reduction of overtime, the development of part-time working, and access to training and career breaks.

16. for its part, each Member State will examine the possibility of incorporating in its law more adaptable types of contract, taking into account the fact that forms of employment are increasingly diverse. Those working under contracts of this kind should at the same time enjoy adequate security and higher occupational status, compatible with the needs of business.

Support adaptability in enterprises

In order to renew skill levels within enterprises Member States will:

17. re-examine and, where appropriate, remove the obstacles, in particular tax obstacles, to investment in human resources and possibly provide for tax or other incentives for the development of in-house training; they will also examine new regulations and review the existing regulatory framework to make sure they will contribute to reducing barriers to employment and helping the labour market adapt to structural change in the economy.

IV. STRENGTHENING EQUAL OPPORTUNITIES POLICIES FOR WOMEN AND MEN

Gender mainstreaming approach

Women still have particular problems in gaining access to the employment market, in career advancement, in earnings and in reconciling professional and family life. It is therefore important, *inter alia*:

— to ensure that active labour market policies are made available for women in proportion to their share of unemployment,

— to reduce tax-benefit disincentives, wherever identified, because of their negative effects on the female labour supply,

— to give particular attention to obstacles which hinder women who wish to set up new businesses or become self employed,

— to ensure that women are able to benefit positively from flexible forms of work organisation on a voluntary basis. Therefore, the Member States will:

18. adopt a gender-mainstreaming approach in implementing the guidelines of all four pillars. In order meaningfully to evaluate progress on this approach, Member States will need to provide for adequate data collection systems and procedures.

Tackling gender gaps

Member States and the social partners should translate their desire to promote equality of opportunity into increased employment rates for women. They should also pay attention to the imbalance in the representation of women or men in certain economic sectors and occupations, as well as to the improvement of female career opportunities. Member States will:

19. attempt to reduce the gap in unemployment rates between women and men by actively supporting the increased employment of women and will take action to bring about a balanced representation of women and men in all sectors and occupations. They will initiate positive steps to promote equal pay for equal work or work of equal value and to diminish differentials in incomes between women and men. In order to reduce gender gaps, Member States will also consider an increased use of measures for the advancement of women.

Reconciling work and family life

Policies on career breaks, parental leave and part-time work, as well as flexible working arrangements which serve the interests of both employers and employees, are of particular importance to women and men. Implementation of the various directives and social-partner agreements in this area should be accelerated and monitored regularly. There must be an adequate provision of good quality care for children and other dependants in order to support women's and men's entry and continued participation in the labour market. An equal sharing of family responsibilities is crucial in this respect. In order to strengthen equal opportunities, Member States and the social partners will:

20. design, implement and promote family-friendly policies, including affordable, accessible and high quality care services for children and other dependants, as well as parental and other leave schemes.

Facilitating reintegration into the labour market

Those returning to the labour market after an absence may have outmoded skills and experience difficulty in gaining access to training. The Member States will:

21. give specific attention to women, and men, considering a return to the paid workforce after an absence and, to that end, they will examine the means of gradually eliminating the obstacles in the way of such return.