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TEXTS ADOPTED

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**P8\_TA(2014)0060**

**Employment and social aspects of the EU2020 strategy**

**European Parliament resolution of 25 November 2014 on employment and social aspects of the Europe 2020 strategy (2014/2779(RSP))**

*The European Parliament,*

- having regard to Articles 2 and 9 of the Treaty on the Functioning of the European Union,
- having regard to the Commission communication of 19 March 2014 entitled ‘Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth’ (COM(2014)0130),
- having regard to the European Council conclusions of 20 and 21 March 2014,
- having regard to its resolution of 16 June 2010 on the Europe 2020 strategy<sup>1</sup>,
- having regard to the Commission report of 13 November 2013 entitled ‘A Single Market for growth and jobs: an analysis of progress made and remaining obstacles in the Member States – Contribution to the Annual Growth Survey 2014’ (COM(2013)0785),
- having regard to its resolution of 15 November 2011 on the European Platform against poverty and social exclusion<sup>2</sup>,
- having regard to its resolution of 17 July 2014 on Youth Employment<sup>3</sup>,
- having regard to the questions to the Council and to the Commission on Employment and social aspects of the EU2020 strategy (O-000076/2014 – B8-0035/2014 and O-000077/2014 – B8-0036/2014),
- having regard to the motion for a resolution by the Committee on Employment and Social Affairs,

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<sup>1</sup> OJ C 236 E, 12.8.2011, p. 57.

<sup>2</sup> OJ C 153 E, 31.5.2013, p. 57.

<sup>3</sup> Texts adopted, P8\_TA(2014)0010.

- having regard to Rules 128(5) and 123(2) of its Rules of Procedure,
- A. whereas the integrated approach of the Europe 2020 strategy underlines the principle that smart, sustainable and inclusive growth cannot be achieved without reaching all five headline targets;
- B. whereas despite the integrated nature of the Europe 2020 strategy, the social impact of fiscal consolidation measures and the need to preserve an adequate level of social investment as a factor enhancing development and growth has not been sufficiently recognised in other policy areas;
- C. whereas the EU is far from having achieved the employment and poverty reduction headline targets of the Europe 2020 strategy;
- D. whereas since the Europe 2020 strategy was put in place in 2010 unemployment levels have continued to rise in some Member States and the unemployment rate for the EU-28 has reached the alarming level of 10,1 % in 2014, with 24,6 million unemployed in the Union and with the number of working poor also on the rise; whereas even worse levels are recorded in the outermost regions, where the average unemployment rate stands at 24 % and the average youth unemployment rate at 51 %<sup>1</sup>;
- E. whereas the number of people at risk of poverty or social exclusion has increased by 10 million since 2008 to over 122,6 million, with one in four citizens affected; whereas differences between Member States are also growing; whereas the average at-risk-of poverty rate in the EU is 24,8%, while the equivalent figure for children (aged up to 18) stands at 28 %, and whereas these figures have risen since the Europe 2020 strategy was put in place in 2010;
- F. whereas for people with disabilities the rate of poverty is 70 % higher than the average, partly owing to limited access to employment;
- G. whereas an additional 16 million citizens in employment are required in order to meet the 75 % employment rate target in 2020;
- H. whereas, according to the latest Commission forecasts, the EU unemployment rate is expected to decrease by only a very negligible amount, to 10,4 %, in 2015;
- I. whereas high unemployment rates in the EU are correlated with its shrinking industrial and manufacturing productive base;
- J. whereas reforms must continue in order to meet citizens' demands in the employment and social sphere;
- K. whereas divergences in employment rates are growing between Member States and across regions, leading to a polarisation of the EU between core and periphery and thus risking the creation of increased social imbalances in the long term;
- L. whereas Article 174 TFEU states that the EU is to develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion, including in regions that suffer from severe and permanent natural or demographic challenges;

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<sup>1</sup> Eurostat, EU Employment and Social Situation Quarterly Review, September 2014.

- M. whereas, to tackle the crisis, certain Member States have made severe cuts in public expenditure at the same time as demand for social protection has increased in response to the rise in unemployment; whereas national budget allocations for social security cover have been further stretched as contributions have fallen in the wake of large-scale job losses or wage cuts, thus seriously jeopardising the European social model;
- N. whereas regions that suffer from severe natural or demographic challenges are often characterised by lower employment levels and greater difficulties in accessing public services such as education and healthcare;
- O. whereas youth unemployment levels remain an issue of growing concern, having reached the alarming level of 23,3 % (EU average in 2013), while more than 40 % of young people are on temporary contracts and nearly 25 % are working part-time;
- P. whereas unemployment and youth unemployment are also linked to the absence of effective measures to stimulate public investment in the fields of innovation, research and development, professional qualification and skills, which are drivers of economic growth and triggers for economies of scale;
- Q. whereas in February 2013 the Commission adopted the Social Investment Package;
- R. whereas in the framework of the Europe 2020 strategy, country-specific recommendations aimed at promoting female employment have been addressed to 13 Member States;
- S. whereas the increase in the employment rate for women is in certain Member States mainly due to the increase in part-time work; whereas in full-time equivalent terms only 53,5 % of the female workforce is employed in the EU; whereas in 2012 the part-time employment rate for women was 32,9 % as compared to 8,4 % for men;
- T. whereas the European Social Fund supports efforts to achieve the Europe 2020 targets through actions aimed at fighting unemployment with a special focus on youth; whereas the EUR 300 billion investment package promised by Jean-Claude Juncker should be used to achieve the Europe 2020 targets; whereas particular attention should be paid to poverty reduction and the creation of quality jobs;
- U. whereas the European Council, in its conclusions of 27 June 2014, stressed that the current unemployment level in the EU is unacceptably high and therefore agreed on a Strategic Agenda with a strong focus on jobs, growth and competitiveness;
- V. whereas whilst the EU is on target to reach its early school-leaving targets, there are still large discrepancies between dropout rates in the Member States; whereas reducing school dropout rates will increase the employability of young people;
- W. whereas income inequalities have risen, with the top 20 % earning 5,1 times as much as the bottom 20 % in 2012, this being another indicator of the increasing social divergences within and between Member States; whereas such a rise in inequality risks destabilising societies in Europe and as such has to be tackled by adopting growth-inducing measures in the field of employment and access to public knowledge and through the creation of quality employment;
- X. whereas specific attention should be paid to gender mainstreaming and policies targeted at women in order to achieve the employment and poverty reduction headline targets of

the Europe 2020 strategy and close the persisting gender gaps in terms of unemployment and poverty;

- Y. whereas demographic challenges and ageing populations will continue to have an impact on Member States' ability to achieve the Europe 2020 targets;
  - Z. whereas the Commission points to the presence of macroeconomic imbalances and disparities between the labour market performances of Member States, particularly with regard to youth unemployment;
  - AA. whereas an increase in economic growth does not, of itself, guarantee more decent jobs, a reduction in poverty or a reduction in social inequality, but requires appropriate policy choices for meeting such goals;
  - AB. whereas whilst social, employment, fiscal and economic policies are closely interrelated, the Social Protection (SPC), Employment (EMCO), Economic Policy (EPC) and Economic and Financial (EFC) Committees still deal with these issues in relative isolation, thus hindering integrated policy-making;
1. Expresses regret that current policies remain focused solely on economic growth without acknowledging the need for an inclusive, rights-based and sustainable approach; stresses that the benefits of growth need to be spread throughout society for it to become sustainable;
  2. Expresses regret that the Annual Growth Surveys and Country-Specific Recommendations (CSRs) adopted so far as part of the annual European Semester cycles have not been sufficiently aligned with the Europe 2020 employment, poverty reduction and education targets; regrets that the importance of social security systems as key instruments for stabilising the economy, as well as society, and reducing poverty is not taken sufficiently into account; calls for more determined efforts to guide and coordinate EU policies, so as to help strengthen the Single Market with a view to tackling obstacles to its performance and reaping its potential to boost smart, sustainable and inclusive growth and create jobs; calls on the Commission to ensure that the future CSRs make the achievement of the Europe 2020 targets a priority;
  3. Acknowledges the ongoing work on 'Beyond Growth', as exemplified by the efforts of the Italian Presidency, and considers that this should contribute to the review of the Europe 2020 strategy; recalls the position expressed in its resolution of 8 June 2011 on 'GDP and beyond – measuring progress in a changing world'<sup>1</sup>;
  4. Calls for an obligatory principle in the Europe 2020 strategy of bench-learning in the policies of the Member States, especially concerning the European labour market; this would mean implementing efficient monitoring and recording of best-practice models and methods in Europe, focusing on reducing unemployment rates, especially among young people; this should result in benchmarking and ranking of relevant national examples, leading to concrete political consequences being derived from these findings by all Member States;
  5. Calls on the Member States to apply a more ambitious and concrete approach when translating EU targets into their own targets at national level; in particular, calls for

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<sup>1</sup> OJ C 380 E, 11.12.2012, p. 81.

employment, poverty reduction and education targets to be broken down by age and gender in order to facilitate benchmarking;

6. Considers that the achievement of reindustrialisation targets is paramount for the competitiveness of the EU and that the relaunch of a genuine European industrial policy could foster growth and create new high-quality jobs;
7. Calls for the introduction of a system of dual education, to operate at national or regional level in flexible form, and for the creation of an efficient Employment Service with close links to the European network; calls, furthermore, for the application of genuine lifelong learning (LLL) concepts and measurements on the labour market with a view to boosting the qualification levels of older workers;
8. Recalls the importance of the social partners when it comes to labour market policies, and stresses that consultation with them should be an integral part of the process; calls, therefore, on the Council, the Commission and the Member States to increase the involvement of the social partners in order to ensure the successful implementation of the Europe 2020 strategy;
9. Calls for a platform of social partners to combine the interests of employers and employees;
10. Urges the Commission and the Member States to ensure that any increase in the employment rate is the result of adding to the number of quality jobs within the European economy;
11. Regrets the fact that the increases in employment rates have partly been the result of precarious forms of employment such as zero-hour contracts, bogus self-employment and involuntary part-time work; is concerned that such jobs do not provide workers with a decent living and adequate labour rights;
12. Stresses that job quality is important for bringing more people into employment and making it possible for them to work longer, and is therefore a crucial factor for reaching the employment target of the Europe 2020 strategy; considers, therefore, that employment indicators should focus not only on the number of people finding employment, but also on the quality of work, in order to provide a thorough picture of national labour markets;
13. Considers that all Member States should submit National Reports on their annual progress towards the achievement of the Europe 2020 strategy goals; calls on the Commission, in addition, to provide an annual Progress Report on the implementation of Europe 2020 and all headline targets;
14. Welcomes the first use of the scoreboard of key employment and social indicators in this year's cycle; calls for the inclusion of additional indicators such as child poverty levels, access to healthcare and homelessness; asks for an additional analysis of the characteristics of Member States' subpopulations living in poverty in order to make the policy efforts more concentrated; calls on the Member States and the EU to use the scoreboard as an early-warning mechanism with a view to developing suitable policies;
15. Calls for a rebalancing within the Strategy of financial and economic priorities with strong social priorities, in order to ensure that social policies are enabled; stresses that employment and social considerations should be put on a par with macroeconomic ones

in the procedure of the European Semester; calls, furthermore, for the organisation of joint meetings between the EPSCO and ECOFIN Councils in order to achieve a coherent position;

16. Considers that the objective of creating quality employment and quality jobs, as well as resource efficiency, must be made more effective and visible in the Europe 2020 flagship initiatives, especially in the Resource-efficient Europe, Innovation Union, Digital Agenda and Industrial Policy initiatives, inter alia through the inclusion of quantifiable employment indicators in the relevant scoreboards;
17. Considers it important, furthermore, that in future exercises the key employment and social indicators included in the scoreboard should systematically differentiate between men and women;
18. Calls on the European Council, as a matter of urgency, to complete the reform of Economic and Monetary Union (EMU), in particular through ex-ante coordination of future major economic reform plans, social impact assessment and associated solidarity mechanisms; calls for such coordination to be supported by a comprehensive ex-ante and ex-post social and gender impact assessment;
19. Recalls that, according to Eurofound, the cost of NEETs (in lost income, lost tax revenue and increased spending on welfare transfers) in the EU rose from 153 billion in 2011 to 162 billion in 2012 and that, according to the International Labour Organisation (ILO), a total of EUR 21 billion is needed to contribute to resolving the problem of youth unemployment in the euro area; considers, therefore, that increased EU funding is needed in order to attain the Europe 2020 strategy target of 75 % employment; stresses that frontloading is not fresh money and involves the risk of funding being concentrated at the beginning when take-up is low and running out at times of high take-up, which makes the work of the project beneficiaries on the ground more difficult and unpredictable; considers, furthermore, that there is a need for comprehensive and precise guidelines from the Commission for the Member States and their Public Employment Services on the eligibility of their programmes under the Youth Employment Initiative;
20. Believes that Member States must be more responsive to labour market needs, notably by ensuring strong links between the world of education and the world of work;
21. Calls on the Commission to closely align the European Social Fund and other European Structural and Investment Funds to the policy priorities of the Europe 2020 strategy in order to reinforce their role as financial pillars of the strategy;
22. Stresses that the implementation of the Youth Guarantee needs to be monitored so as to hold Member States responsible for what they signed up for in the Youth Guarantee recommendation;
23. Encourages Member States, in order to reach the 75 % employment targets, to improve leadership, management and entrepreneurial skills among young people in order to enable new businesses and start-ups to take advantage of new markets and thus realise their growth potential so that young people can become employers and not just employees;

24. Welcomes the adoption of the Youth Employment Initiative programmes of some Member States; stresses that the sum of EUR 6 billion is not sufficient to deal with the problem of youth unemployment in the EU; calls on the Commission, therefore, to resolve the question of funding after the 2014-2015 period;
25. Welcomes the announcement by Commission President Jean-Claude Juncker concerning a comprehensive investment programme to fight unemployment; stresses the need for increased investments (in infrastructure, research and development, green jobs, innovation and the completion of the internal digital market) that are targeted at keeping and creating jobs in keeping with the Europe 2020 strategy investments and look beyond inputs alone in order also to take account of real policy outcomes; stresses that such investment could, with a view to longer-term benefits, be targeted at high-quality formal and non-formal education infrastructures and at eliminating barriers in order to improve equality of access; encourages linking these investments to concrete employment and poverty-related goals, given that investment in areas such as high-quality public services is also important to meet the goals of an inclusive society;
26. Calls on the Commission and the Member States to take special account of the outermost regions, whose natural handicaps, including their remoteness, geographical fragmentation, fragile economies and natural constraints, lead to heightened inequalities as regards access to job opportunities, work placements and training for their populations; stresses that these regions therefore require specific enhanced mechanisms to implement investment programmes in order to meet the Europe 2020 strategy targets and unlock their potential in terms of economic and social development;
27. Calls on the Member States to focus on sectors with high growth and job creation potential such as the green sector, the white sector and ICT;
28. Recommends, in the context of a new investment programme dedicated to the fight against unemployment, focusing on combating youth unemployment, which is today one of the most serious problems in the EU; to this end, more funding should be allocated to Erasmus for Young Entrepreneurs, in order to more efficiently support youth entrepreneurship and youth mobility as an effective means of fighting youth unemployment, poverty and social exclusion;
29. Calls on the Council, the Commission and the Member States to incorporate a gender pillar into the Europe 2020 framework so as to measure progress on reducing the gender employment gap and enable the policy measures in the Annual Growth Survey to be reflected in the country-specific recommendations;
30. Reiterates its call for the implementation of the Social Investment Package, including the following: the communication on ‘Social Investment for Growth and Cohesion’; the recommendation ‘Investing in Children – breaking the cycle of disadvantage’; the staff working documents on ‘Evidence on Demographic and Social Trends’, ‘Active Inclusion of People Excluded from the Labour Market’, ‘Social Services of General Interest’, ‘Long-term care in ageing societies’, ‘Confronting Homelessness in the European Union’, ‘Investing in Health’ and ‘Social investment through the European Social Fund’;
31. Notes that the timetable and procedures of the European Semester have evolved in a way which does not grant Parliament a formal role in the cycle and therefore does not allow it sufficient time for deliberation prior to the Spring European Council;

32. Calls on the Member States to eliminate unnecessary administrative burdens and bureaucracy for the self-employed, micro-enterprises and SMEs, and to facilitate the conditions for start-up businesses;
33. Stresses the need to shift the tax burden away from labour towards other forms of sustainable taxation in order to promote growth and job creation;
34. Calls on the Member States and the Commission to promote and improve labour mobility mechanisms, in particular the European Job Mobility Portal EURES and the Public Employment Services, in order to boost employment and youth employment;
35. Notes that the objectives of the Europe 2020 strategy are yet to be achieved, and believes that, with a view to achieving these objectives, stronger measures should be put in place to bridge the present gap; calls on the Commission, therefore, to open a public consultation procedure for the review of the European Semester in order to improve its effectiveness and legitimacy, as part of the mid-term review, given that the Semester process should assist in the delivery of the Europe 2020 strategy;
36. Expresses regrets that the European Council did not deliberate on the poverty reduction headline target in its preliminary discussion on the assessment of the Europe 2020 strategy on 20 and 21 March 2014;
37. Calls on the Commission to develop a strategy that would support Member States in tackling homelessness through integrated policies and appropriate social investments;
38. Stresses that an increase in inequality, as experienced in the EU and documented by the country reporting in the Semester, involves major democratic risks; points to the warnings by the IMF and the ILO that a further rise in inequalities in the EU could destabilise our societies; reiterates its call for more ambitious targets and more precise and objective forms of measurement with a view to reducing inequality, poverty and social exclusion, both within and between Member States, especially in light of the growing social divergences in some Member States;
39. Calls on the Member States to take urgent measures to reverse the trend of increasing rates of at-risk-of-poverty and social exclusion in order to meet the Europe 2020 headline target of lifting at least 20 million people out of the risk of poverty or social exclusion;
40. Calls on the Member States to guarantee access to the labour market and adequate social security for the most vulnerable members of society;
41. Calls on the Commission to take new concrete measures in the fields of education and innovation policies in order to strengthen the complementarity between growth and fighting inequality;
42. Calls for a sub-target for reducing child poverty to be set in the Europe 2020 mid-term review;
43. Calls, therefore, for objective indicators of 'poverty' to be used for the measurement of Member States' poverty rates so as to help identify those at risk of exclusion;
44. Recalls, however, that a poverty indicator provides no direct evidence of the experience of social exclusion, and therefore calls for improved measurement of perceived social



exclusion in order to reach a better understanding of the reasons for social exclusion and of which groups are particularly affected;

45. Recognises that Member States are responsible for achieving the Europe 2020 targets, in line with the subsidiarity principle, with the EU supporting them in their actions; considers that the process has the potential, through peer review and the sharing of best practice, to support Member States in carrying out necessary structural reforms, increasing labour market flexibility and putting in place conditions for businesses to create jobs; stresses, however, the importance of timely Member State action, since non-action would have serious consequences across the EU; calls for the involvement of national parliaments and local and regional authorities in the design and implementation of the National Reform Programmes, including through multi-level governance arrangements;
46. Regrets the fact that the Multiannual Financial Framework adopted for 2014-2020, with a budgetary allocation of EUR 960 billion, represented the first ever net reduction in the EU budget; considers that the MFF is not sufficient to help achieve the employment and social targets of the Europe 2020 strategy; considers, therefore, the mid-term review of the MFF to be of paramount importance for reshaping the strategic orientation of the EU's expenditure towards a job-rich economic recovery;
47. Recalls the role of the Committee on Employment and Social Affairs in monitoring effective spending of the European Social Fund (ESF), not least the 20 % available for social inclusion, and how Member States have made effective use of this investment resource for meeting the Europe 2020 targets;
48. Stresses the need for employment, poverty reduction and education targets to be more precisely monitored and for the more timely production of comparable statistics; calls, therefore, for real-time unemployment figures and 'at risk of poverty or social exclusion' indicators, especially at NUTS 3 level, with a view to assessing the actual situation on national labour markets;
49. Calls on the Commission to establish a specific youth employment target and/or a specific integrated guideline on youth employment on the occasion of the mid-term-review of the Europe 2020 strategy;
50. Calls for meaningful consultations with civil society, in addition to the social partners, to become a systematic element of the Europe 2020 strategy at all stages of the process; calls on the Commission to produce guidelines for such a procedure;
51. Stresses that genuine consultation with civil society stakeholders would not only boost the democratic legitimacy of the process and the chances of reforms being acceptable to citizens and successful in their implementation, but could also strengthen the evidence base for the evaluation of reforms; believes that, to this end, the Annual Convention against Poverty and Social Exclusion should be more closely aligned with the European Semester;
52. Calls on the Commission to take into account the outcome of the ongoing public consultation before publishing concrete proposals for the mid-term review of the strategy; insists equally that Parliament must be consulted on the final decisions before they are adopted;

53. Calls for a strong ambition to achieve the climate change and energy sustainability targets, as these are integral to smart, sustainable and inclusive growth;
54. Instructs its President to forward this resolution to the Commission, the Council, the national parliaments and the European Council.