



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.1.2006
COM(2006) 32 final

2006/0010 (CNS)

Proposal for a

COUNCIL DECISION

Guidelines for the Employment Policies of the Member States

(presented by the Commission)

EXPLANATORY MEMORANDUM

The new Lisbon strategy operating from 2005 onwards is based on a new cycle of governance, with an integrated package of guidelines remaining in principle valid until 2008. Based on the integrated guidelines, which encompass economic, social and environmental dimensions, Member States have drawn up their national reform programmes, which set out their three year strategy to deliver growth and jobs.

The assessment of the national reform programmes by the Commission is set out in the Annual Progress Report and in the accompanying draft Joint Employment Report, which will be adopted in accordance with the procedure of article 128(1) of the Treaty. The assessment leads to the following overall conclusions as regards national employment policies:

- all programmes attach high importance to attracting and retaining more people in employment, but the chances of ensuring effective delivery would be enhanced if they were based on lifecycle approaches to facilitate swift employment transitions throughout a career;
- the importance of further measures to improve the adaptability of workers and enterprises is frequently neglected. Greater attention should be given to establishing conditions of "flexicurity" and better links between the tax and benefits systems, and to actively involve the social partners;
- although the crucial importance of developing the skills needed in knowledge-based economies is acknowledged, the need of stepping up investment and achieving a real breakthrough should better be reflected in the policy response;
- Member States should demonstrate their commitment to the new Lisbon agenda by ensuring that spending is targeted to support the Lisbon strategy, by promoting public ownership and by involving the social partners in the governance process.

These conclusions confirm the policies and the reform agenda expressed in the current Employment Guidelines. For procedural reasons laid down in article 128(2), their validity for 2006 needs to be confirmed by a Council decision, following consultation of the EP, the Committee of Regions, the Economic and Social Committee and the Employment Committee.

The Commission considers it appropriate, at this stage of the three year governance cycle, not to propose Employment Recommendations in the sense of art. 128§4 of the Treaty, but draws Member States' attention to the priorities and conclusions of the detailed country assessments contained in the Annual Progress Report.

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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 Commission¹,

Having regard to the opinion of the European Parliament²,

Having regard to the opinion of the European Economic and Social Committee³,

Having regard to the opinion of the Committee of the Regions⁴,

Whereas:

- (1) The reform of the Lisbon Strategy in 2005 has placed the emphasis on growth and jobs. The Employment Guidelines of the European Employment Strategy and the Broad Economic Policy Guidelines have been adopted as an integrated package⁵, whereby the European Employment Strategy has the leading role in the implementation of the employment and labour market objectives of the Lisbon Strategy.
- (2) The Employment Guidelines and the Broad Economic Policy Guidelines should be fully reviewed only every three years, while in the intermediate years until 2008 their updating should remain strictly limited.
- (3) The examination of the Member States' National Reform Programmes contained in the Commission's Annual Progress Report and in the Joint Employment Report shows that Member States should proceed with employment policy reforms across the board in accordance with the priorities set out in the 2005-2008 Guidelines.
- (4) In view of the integrated nature of the guideline package, Member States should fully implement the Broad Economic Policy Guidelines.

¹ OJ C , , p. .

² OJ C , , p. .

³ OJ C , , p. .

⁴ OJ C , , p. .

⁵ OJ L 205, 6.8.2005 p. 21 ff (Employment Guidelines) and p. 28 (Broad Economic Policy Guidelines)

HAS ADOPTED THIS DECISION:

Article 1

The guidelines for Member States' employment policies as set out in the annex to Council decision 2005/600/EC of 12 July 2005 on guidelines for the employment policies of the Member States are maintained for 2006 and shall be taken into account by the Member States in their employment policies.

Article 2

This decision is addressed to the Member States.

Done at Brussels,

*For the Council
The President*