EUROPEAN PARLIAMENT 2014 - 2019

Committee on Employment and Social Affairs

2014/2245(INI)

20.4.2015

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Regional Development

on investment for jobs and growth: promoting economic, social and territorial cohesion in the Union
(2014/2245(INI))

Rapporteur: Danuta Jazłowiecka

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SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

A. whereas, in certain Member States, the financial crisis has impacted upon cohesion policy and led to even higher unemployment rates, increased poverty, social exclusion and increased divergence between regions of the Union;

B. whereas the latest figures for 2013 portray long-term unemployment in the Union at a historically high level of 5.1 % of the labour force; whereas long-term unemployment has crucial consequences for individuals throughout their lives and can become structural, particularly in peripheral regions;

C. whereas there has recently been a 15 % decline in public investment in the Union in real terms, and whereas many regions, especially those facing demographic challenges, have been unable to contribute adequately to the Europe 2020 targets, in particular the headline target of reaching 75 % employment by 2020, the target of decreasing poverty by 20 million people and the target of limiting early-school leaving;

D. whereas regions which suffer from severe and permanent natural or demographic handicaps usually have higher unemployment rates, less economic growth and a lack of significant investment, leading to a structural divergence in the Union; whereas in these regions employment rates are, on average, around 10 percentage points below the national target as compared to only 3 percentage points below in the more developed regions;

E. whereas the European Structural and Investment Funds (ESIF) are still one of the Union's main investment instruments, with the potential to reduce disparities and structural imbalances between regions, alleviate negative trends resulting from the economic crisis and create quality and sustainable jobs, as well as sustainable growth, especially in the regions that need it most, if used efficiently; whereas the European Social Fund (ESF) is the main instrument for investing in human capital, promoting integration in the labour market and combatting poverty and social exclusion;

F. whereas socioeconomic imbalances between Member States have deepened further, while the reverse is true with regard to the goal of regional convergence; whereas the core-periphery gap in unemployment has increased from 3.5 % in 2000 to 10 % in 2013; whereas this divergence increases the risk of fragmentation and threatens the Union's economic stability and social cohesion; whereas the Sixth Cohesion Report highlights the role that the ESIF play in overcoming inequality, especially during the crisis;

1. Considers it regrettable that the job creation potential of Union funds is still insufficient, and notes that it should be further strengthened through more efficient and results-based policy-making and implementation; expresses, in this regard, its concern about delays in the adoption and implementation of operational programmes for the programming period 2014-2020, and urges the Commission and the Member States to speed up the process; calls on the Commission and the Member States to ease the access to funding for all

beneficiaries, especially SMEs, which have recently generated 80 % of the new jobs in the Union;

2. Calls on the Commission and the Member States to design tailor-made policies to support quality job creation for the long-term unemployed, senior unemployed people, women and other priority groups hit especially hard by the crisis;

3. Considers it regrettable that the unemployment rate among young people still remains too high, especially in those Member States hardest hit by the economic crisis; calls on the Member States promptly to make best possible use of the money available under the Youth Employment Initiative, especially the EUR 1 billion in pre-financing – once it has been released – in order to facilitate access to employment for young people; encourages the Member States to use available Union funds to complement and enhance national programmes aimed at boosting cohesion, regional competitiveness and employment, and at fostering an entrepreneurial spirit, particularly amongst young people; calls as well, in this respect, on European higher education institutions to make a greater effort to adapt their programmes to the needs of the labour market and society in general, and to develop individual guidance programmes and counselling that can help fight large-scale youth unemployment;

4. Points out that the number of early school leavers in the Union is still very high and is affecting the youth unemployment rate; stresses that this problem needs to be tackled by modernising education systems and curricula, making use of ESF assistance;

5. Underlines the importance of the gender dimension of job creation; calls on the Commission to allocate sufficient funding to tackle unemployment among women; is of the opinion that women could benefit from technological advances allowing for more flexible working hours, and calls on the Commission to invest in this area;

6. Calls on the Commission to pay special attention to the situation of minority groups across the Union, as they are subject to all forms of social exclusion and are therefore more likely to suffer from structural unemployment; considers that any policy planning towards social cohesion in the Union must take into account the integration of minorities;

7. Emphasises that, on account of changes in production patterns and an ageing population, the role of the ESF, and of investments in adapting workers' skills, have grown significantly; strongly believes that, in this respect, the ESF should be complementary to national approaches in the Member States; calls on the Member States and the Commission to ensure that available resources are used as effectively and efficiently as possible with a view to ensuring workers' employability, social inclusion and gender equality; underlines, at the same time, that training programmes financed under the ESF should also be tailored to the needs of entrepreneurs and staff at managerial level, in order to ensure the sustainable development of companies, especially SMEs, which generate a majority of the job opportunities in the Union;

8. Calls on the Member States and the Commission to continue to work, in particular, to improve and extend the EURES platform as an effective tool to facilitate worker mobility in Europe, in particular cross-border mobility, by improving workers' knowledge of the Union labour market, informing them of job opportunities and helping them with

formalities; encourages the Member States to develop and support EURES networks, not least in recognition of the fact that cross-border workers are the first to be hit by adaptation problems and difficulties in securing recognition of professional qualifications; notes that by bringing together public employment services, the social partners, local and regional authorities as well as other private stakeholders, these networks facilitate and support cross-border mobility;

9. Emphasises the need to direct the creation of quality jobs with the assistance of new technologies; is of the opinion that the Commission should link the reduction of unemployment with the Digital Agenda and Horizon 2020 tools;

10. Stresses that the Union should invest in businesses and support business creation with a particular focus on SMEs and micro-enterprises, which represent 99 % of all businesses in the Union and have recently generated 80 % of the new jobs, by facilitating access to finance, reducing bureaucratic burdens, simplifying legislation within the REFIT programme, and providing a hospitable environment and the right regulatory framework, also for start-ups; underlines that such measures should not lead to the undermining of labour and social rights in the EU; welcomes, therefore, the intention to set up the new European Fund for Strategic Investments as a complementary tool to the Cohesion Policy, with the potential to generate 1.3 million additional jobs within three years;

11. Emphasises that cohesion policy should be used to generate smart and sustainable growth in those regions that need it most by supporting the start-up and development of micro, small and medium-sized enterprises through a range of measures and financial instruments;

12. Calls on the Member States, with a view of reaching socio-economic convergence, to ensure that also outer and small regions have the necessary capacity such as human resources to absorb available funds;

13. Calls on the Member States, in view of the negative effects that the ageing population and other demographic challenges have on labour markets, to develop projects that address population decline and support mobility;

14. Calls on the Commission to ensure that investments are targeted to economically weaker regions suffering from high unemployment, and to SMEs in such regions, given their limited access to financing, in order to ensure that these efforts have a meaningful impact where they are needed most, with choices made with due regard to the economic features of the investments; shares the Commission’s view that there is a need for a skilled work force in growing sectors such as the digital economy, green sectors and health care;

15. Recalls that aligning wages with productivity is important not only for social cohesion, but also for maintaining a strong economy and a productive labour force;

16. Stresses the role of territorial cohesion and, in this respect, underlines the importance of investments in cross-border infrastructure, such as inland waterways, in recognition of their role in fostering socio-economic development of regions;

17. Considers that cohesion policy measures have an essential role to play in reducing internal

competitive disparities and structural imbalances in regions that need it most; calls on the Commission to consider pre-financing in order to facilitate the full use of funds by the Member States concerned in the 2014-2020 period, while always ensuring that the principle of budgetary accountability is upheld;

18. Considers that budgetary discipline is of vital importance for achieving growth and job creation that is smart and sustainable; calls for a renewed focus on better spending and on combatting fraud;

19. Stresses that growth and jobs policies have differentiated territorial impacts, depending on the specific situation in each region, and that regional disparities have been widening since the beginning of the crisis; stresses that the Country-Specific Recommendations should take into account territorial differences within Member States to boost growth and jobs while preserving territorial cohesion.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	16.4.2015
Result of final vote	+: 39 –: 13 0: 2
Members present for the final vote	Laura Agea, Guillaume Balas, Tiziana Beghin, Brando Benifei, Mara Bizzotto, Vilija Blinkevičiūtė, Enrique Calvet Chambon, David Casa, Ole Christensen, Martina Dlabajová, Lampros Fountoulis, Elena Gentile, Arne Gericke, Danuta Jazłowiecka, Rina Ronja Kari, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Patrick Le Hyaric, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Anthea McIntyre, Joëlle Mélin, Elisabeth Morin-Chartier, Georgi Pirinski, Marek Plura, Terry Reintke, Maria João Rodrigues, Claude Rolin, Anne Sander, Sven Schulze, Siôn Simon, Jutta Steinruck, Romana Tomc, Ulrike Trebesius, Ulla Tørnæs, Marita Ulvskog, Renate Weber, Tatjana Ždanoka, Jana Žitňanská, Inês Cristina Zuber
Substitutes present for the final vote	Amjad Bashir, Elmar Brok, Tania González Peñas, Eva Kaili, Neoklis Sylikiotis, Ivo Vajgl
Substitutes under Rule 200(2) present for the final vote	Maria Grapini, Ivan Jakovčić