European semester for economic policy coordination: employment and social aspects in the annual growth survey 2017

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The Committee on Employment and Social Affairs adopted an own-initiative report by Yana TOOM (ADLE, EE) on the European Semester for economic policy coordination: Employment and Social Aspects in the Annual Growth Survey 2017.

Members noted that unemployment in the EU has been slowly decreasing since the second half of 2013, 8 million new jobs have been created since 2013, and **unemployment stood at 8.6 % in September 2016,** reaching its lowest level since 2009. However, the proportion of young people not in employment, education or training (NEETs) remains high and represents 14.8 % of those aged between 15 and 29.

Members welcomed the fact that in the Annual Growth Survey 2017, emphasis is placed on the importance of ensuring social fairness as a means of stimulating more inclusive growth, as well as on creating quality and inclusive employment and enhancing skills and on the need to strengthen competitiveness, innovation and productivity. They regretted, however, the continuing **low rates of public investment** and stressed that the European Fund for Strategic Investments (EFSI) has not developed sufficient investment in social infrastructure.

In this context, the report made the following recommendations:

Reduction in unemployment and working conditions: Members welcomed the increase in the employment rate but noted that the rising employment rate in Member States has been accompanied by the growing emergence of **atypical and non-formal forms of employment**, zero hours contracts included. They were also concerned that high unemployment continues, especially in countries still suffering from the crisis.

They stressed that sustainability and quality of employment created should be a priority, along with the need to **combat deteriorating wage and working conditions**, which must be addressed as part of any actions in favour of employment and social protection. The report encouraged Member States to make further efforts, as well as to remain open towards new solutions and approaches in order to reach the Europe 2020 employment rate target of **75 %,** including by focusing on groups that have the lowest labour market participation such as women, older workers, low-skilled workers and persons with disabilities.

Migration could play an important role, with a view to making sustainable investments with the aim of integrating workers into the labour market and reducing unemployment.

Youth employment: the report stressed that the implementation of the **Youth Guarantee** should be strengthened at national, regional and local level and prolonged until at least 2020 with the active participation of the social partners and strengthened public services, and it highlighted the importance of the Youth Guarantee for **school-to-work transitions**. Members called on the Commission and Member States to provide adequate funding for the Youth Guarantee in order to ensure that it is implemented properly in all Member States and to help even more young people.

Underlining that insufficient investment in the public education system may undermine Europe's competitive position and the employability of its workforce, the report stressed the need to **invest in**

people as early as possible in the life cycle in order to reduce inequality and foster social inclusion at a young age.

Long-term unemployment: Members recognised that the integration of long-term unemployed individuals into quality employment through individually tailored measures, in particular through active employment policies, is a key factor for fighting their poverty and social exclusion if sufficient decent work is available. They highlighted the importance of skills and competences acquired in non-formal and informal learning environments and their validation and certification, and of access to life-long learning.

The report called for the establishment and development of **partnerships** between employers, social partners, public and private employment services, public authorities, social services and education and training institutions in order to provide the tools needed to better respond to the needs of the labour market and prevent long-term unemployment. It recalled that **personalised and individualised follow-up,** capable of delivering effective responses for the long-term unemployed, is indispensable.

Gender equality: Members called on the Commission and the Council to improve the strategy for an overarching gender equality objective. They supported the use of the Commission's annual gender equality reports in the context of the European Semester to enhance gender mainstreaming. Member States were asked to incorporate the gender dimension and the principle of equality between women and men in their National Reform Programmes and stability and convergence programmes, by setting targets and defining measures that address persisting gender gaps.

Investment in children: Members called for programmes offering support and opportunities as part of an **integrated European plan to invest** in early childhood and combat child poverty, including the creation of a Child Guarantee, which will ensure that every child in Europe at risk of poverty (including refugees) has access to free healthcare, free education, free childcare, decent housing and adequate nutrition.

Poverty and social exclusion: the report requested Member States to accelerate their actions towards the achievement of the Europe 2020 target to **reduce the number of persons at risk of poverty by 20 million.** It called for policies that respect and promote collective bargaining and its coverage in order to reach as many workers as possible while at the same time also aiming at **better wage floors in the form of minimum wages set at decent levels** and with the involvement of social partners.

Education: Members stressed that disparities in the availability and quality of education should be addressed in order to strengthen schooling for all and reduce early school leaving. In order to overcome the gap in terms of skills shortages and mismatches on the European labour market, the report called on Member States to prioritise comprehensive training in **digital skills,** programming and skills that are highly sought after by employers for all, while at the same time maintaining high standards in traditional education. It stressed the importance of implementing a true **culture of entrepreneurship**, which stimulates young people from an early age.

Population ageing: the report underlined the impact in terms of increasing informal and formal care needs, the need to invest in public health promotion and disease prevention while ensuring and improving the sustainability, safety, adequacy and effectiveness of social protection systems and the provision of quality long-term social services over the coming decades. It encouraged Member States, therefore, to develop strategies to ensure adequate funding, staffing and development for those systems and services.