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

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The European Parliament adopted by 317 votes to 233 with 117 abstentions, a resolution 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. The number of long-term unemployed remains high, at around 10 million.

Parliament welcomed the progress towards achieving a balance between the economic and social dimensions of the European Semester process.

Stressing that **investment in social development** contributes to economic growth and convergence, it called for stronger efforts to combat poverty and rising inequality, and, where needed, for greater investment in **social infrastructure** and support for those hit hardest by the economic crisis.

Parliament made the following recommendations:

Reduction in unemployment and working conditions: whilst welcoming the increase in the employment rate, Members noted that this 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. Parliament encouraged Member States to make further efforts, 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: Parliament wanted the **Youth Guarantee** to be strengthened and prolonged until at least 2020, emphasizing its importance in the transition from school to work. It wanted to see **adequate funding** for the Youth Guarantee in order to ensure that it is implemented properly in all Member States. 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 stressed the importance of non-formal and informal learning environments and their validation and certification and of access to life-long learning.

Parliament 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.

Gender equality: Members called on the Commission and the Council to improve the strategy for an overarching gender equality objective. 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: stressing that the European Semester cycle still lacks a child centered approach, 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: Members asked the Commission and Member States to complement the Scoreboard of key employment and social indicators with data on the quality of employment and on poverty. They 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.** Policies should promote collective bargaining, while at the same time aim 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 education is a fundamental right and 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, Parliament called on Member States to strengthen the link skills and training and the requirements of the EU labour market, and 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: Parliament:

- underlined that **universal access to public, solidarity-based and adequate retirement and old-age pensions** must be granted to all; pension system reforms should focus among other aspects, on the effective retirement age and reflect labour market trends, birth rates, the health and wealth situation, working conditions and the economic dependency ratio;
- stressed 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;
- urged the Commission, Member States and social partners to **adapt labour markets for older workers** through age-friendly working conditions enabling them to work up to statutory retirement age.

Lastly, Parliament was concerned with the delay in implementing the operational programmes during the current programming period. It calls on the Member States to make more active use of the **European Structural and Investment Funds** (ESIFs) and the **youth employment initiative** (YEI) to address employment and social priorities.