Guidelines for the employment policies of the Member States

2017/0305(NLE) - 22/11/2017 - Legislative proposal

PURPOSE: to revise the guidelines for the employment policies of the Member States to align the text with the principles of the European pillar of social rights.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: the employment guidelines **set out common priorities and objectives for national employment policies**.

Whilst the broad economic policy guidelines remain valid for any duration of time, the employment guidelines need to be drawn up each year. The guidelines were first adopted together (‘integrated package’) in 2010, underpinning the Europe 2020 strategy. The integrated guidelines remained stable until 2014. Revised integrated guidelines were adopted in 2015.

The guidelines, other than framing the scope and direction for Member States’ policy coordination, also provide the basis for country specific recommendations in the respective domains. They also support the aims of the European Semester of economic policy coordination.

Since 2015, the **European Semester** has been continuously reinforced and streamlined, notably to strengthen its employment and social focus and to facilitate more dialogue with the Member States, social partners and representatives of civil society.

On 17 November 2017, the European Parliament, the Council and the Commission signed an interinstitutional proclamation on the **European Pillar of Social Rights**. The Pillar defines **20 principles** and rights to support well-functioning and fair labour markets and welfare systems. They are structured around three categories: (i) equal opportunities and access to the labour market, (ii) fair working conditions and (iii) social protection and inclusion.

Given the relevance of these principles for the coordination of structural policies, the Commission proposes to **align the employment guidelines with the European Pillar of Social Rights principles**:

CONTENT: the revised ‘Employment Guidelines’ as proposed by the Commission are as follows:

Guideline 5: Boosting the demand for labour

- facilitate the creation of quality jobs, including by reducing the barriers that businesses face in hiring people, by promoting entrepreneurship and self-employment and, in particular, by supporting the creation and growth of micro and small enterprises;
- actively promote the **social economy** and foster social innovation;
- ensure that the **tax burden** should be shifted away from labour to other sources of taxation that are less detrimental to employment and growth;

- encourage, in line with national practices and respecting the autonomy of social partners, transparent and predictable wage-setting mechanisms, allowing for the responsiveness of wages to productivity developments while ensuring fair wages that provide for a decent standard of living;
- ensure adequate **minimum wage** levels, taking into account their impact on competitiveness, job creation and in-work poverty.

Guideline 6: Enhancing labour supply: access to employment, skills and competences

- promote productivity and employability through an appropriate supply of relevant knowledge, skills and competences throughout people's working lives, responding to **current and future labour market needs**;
- address structural weaknesses in **education and training systems**, to provide quality and inclusive education, training and life-long learning and foster equal opportunities in education and raise overall education levels, particularly for the least qualified;
- reinforce **basic skills**, reduce the number of young people leaving school early;
- improve skills monitoring and forecasting, and increase **adult** participation in continuing education and training;
- make **skills more visible and comparable** and increase opportunities for recognising and validating skills and competences acquired outside formal education and training;
- put in place comprehensive strategies that include in-depth individual assessment at the latest after 18 months of unemployment should be pursued with a view to **significantly reducing and preventing structural unemployment**;
- continue to address **youth unemployment** and the high rates of young people not in education, employment or training (NEETs);
- support an adapted work environment for people with **disabilities**;
- ensure **gender equality** and increased labour market participation of women, including through equal pay for equal work.

Guideline 7: Enhancing the functioning of labour markets and the effectiveness of social dialogue

- work together with social partners to **implement flexibility and security principles**: (i) fight undeclared work and foster the transition towards open-ended forms of employment; (ii) prevent employment relationships that lead to precarious working conditions, including by prohibiting the abuse of atypical contracts; (iii) ensure access to effective and impartial dispute resolution and a right to redress, including adequate compensation, in case of unfair dismissal;
- **improve and support labour-market matching and transitions**: (i) strengthen the effectiveness of active labour-market policies; (ii) aim for more effective public employment services by ensuring timely and tailor-made assistance to support jobseekers;
- provide the unemployed with **adequate unemployment benefits** of reasonable duration ensuring that such benefits should not constitute a disincentive to a quick return to employment;
- encourage the **mobility** of learners and workers
- ensure the meaningful involvement of social partners in the design and implementation of economic, employment and social reforms and policies to achieve **more effective social dialogue** and better socio-economic outcomes.

Guideline 8: Promoting equal opportunities for all, fostering social inclusion and combatting poverty

- ensure **equal treatment** regarding employment, social protection, education and access to goods and services, regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation ;
- **modernise social protection systems** and implement preventive and integrated strategies through active inclusion;
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ensure **affordable, accessible and quality services** such as childcare, out-of-school care, education, training, housing, health services and long-term care;

- secure the **sustainability and adequacy of pension systems for women and men**, providing equal opportunities for workers and the self-employed and support pension reforms by measures that extend working lives and raise the effective retirement age.