# Guidelines for the employment policies of the Member States

2017/0305(NLE) - 16/07/2018 - Final act

PURPOSE: to amend the guidelines for the employment policies of Member States in order to adapt the text to the principles of the European Pillar of Social Rights.

NON-LEGISLATIVE ACT: Council Decision (EU) on guidelines for the employment policies of the Member States.

CONTENT: the Council adopted a Decision on guidelines for the employment policies of Member States.

Since the 2015 revision, the employment guidelines had been maintained as they were. They are now being amended to align them with the principles of the European Pillar of Social Rights, an inter-institutional proclamation signed on 17 November 2017, the European Parliament, the Council and the Commission.

The Pillar sets out twenty 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. The Pillar constitutes a reference framework to monitor the employment and social performance of Member States, to drive reforms at national level and to serve as a compass for a renewed process of convergence across Europe.

By virtue of this Decision, Member States shall take into account the following guidelines in their employment policies and reform programmes:

**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 fostering responsible entrepreneurship and genuine self-employment and, in particular, by supporting the creation and growth of micro and small enterprises;
- actively promote the social economy and encourage those innovative forms of work which create quality job opportunities;
- whilst respecting the autonomy of the social partners, encourage transparent and predictable wage-setting mechanisms which allow for the responsiveness of wages to productivity developments and provide fair wages for a decent standard of living.

The tax burden should be shifted away from labour to other sources of taxation that are less detrimental to employment and growth.

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

- promote productivity and employability, in cooperation with the social partners, 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;
- foster equal opportunities for all in education, including early childhood education;

- raise overall education levels, particularly for the least qualified and learners from disadvantaged backgrounds, ensure quality learning outcomes, reinforce basic skills, reduce the number of young people leaving school early, and increase adult participation in continuing education and training;
- tackle unemployment and inactivity, including through effective, timely, coordinated and tailor-made assistance based on support for job-search, training, and requalification;
- provide incentives for participation in the labour market, in particular for those most removed from the market;
- ensure gender equality and increased labour market participation of women.

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

- work together with the social partners on flexibility and security principles, balancing rights and obligations;
- fight undeclared work and foster the transition towards open-ended forms of employment;
- prevent employment relationships that lead to precarious working conditions, including by fighting the abuse of atypical contracts;
- provide the unemployed with adequate unemployment benefits of reasonable duration, in line with their contributions and national eligibility rules.

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

- promote inclusive labour markets, open to all, by putting in place effective measures to fight all forms of discrimination and promote equal opportunities for under-represented groups in the labour market
- pay particular attention to fighting poverty and social exclusion, including reducing in-work and child poverty, specifically tackle homelessness and take into account the specific needs of people with disabilities;
- secure the adequacy and sustainability of pension systems for workers and self-employed.