# Employment and social policies of the euro area

2019/2111(INI) - 10/10/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 422 votes to 131, with 101 abstentions, a resolution on employment and social policies of the euro area.

The unemployment rate in June 2019 fell to 6.3 % in the EU and 7.5% in the euro area, youth unemployment remains unacceptably high (14.2 %). Great disparities in employment rates persist between Member States, regions and population groups. More than one European in five is at risk of poverty and social exclusion. Although some progress has been made towards the poverty target of the Europe 2020 strategy with a 5.6 million reduction since 2008, the target of reducing poverty by at least 20 million by 2020 is still far off, with 113 million people still at risk.

***Tackle unemployment and reduce inequalities***

Parliament highlighted that it is vital to tackle youth unemployment and the issues faced by young people not in employment, education or training (NEETs). Moreover, it is necessary to improve in terms of long-term unemployment, labour market segmentation and inequalities, inclusion of vulnerable groups, in-work poverty and productivity, especially in the context of a potential global economy slowdown or recession. Members stressed that the Member States and the Commission should ensure the implementation of specific employment policies to address the constraints and difficulties experienced by regions at a demographic disadvantage, such as depopulated or sparsely populated regions, with a special focus on the agricultural sector.

Parliament regretted that real wage growth at Union level remains below what could be expected given the positive labour market and economic performance. The Commission should present a European unemployment benefit reinsurance scheme to protect citizens and reduce the pressure on public finances during external shock.

The Commission is called on to propose a directive on pay transparency in order to quickly close the gender pay gap (16% at present).

***European minimum wage against poverty***

In 2017, 9.4 % of all employed people in the EU were at risk of poverty and that in-work poverty is increasing in many Member States. Member States are urged to take decisive action to ensure that people can afford a decent life for themselves and their families on their wages. Parliament called on the Commission to put forward a legal instrument to ensure that every worker in the Union has a fair minimum wage, which can be set according to national traditions, or through collective agreements or legal provisions. Stressing the need to eradicate child poverty, the Commission is called on to propose legislation for the implementation of a European Child Guarantee.

Both the Commission and the Member States are urged to make better use of the European Semester to monitor and support progress on housing affordability and homelessness. A European Framework for Social and Affordable housing for the efficient coordination of Member State policies should be proposed by the Commission. Member States are called on to step up their efforts to ensure the accessibility, availability, affordability, quality and cost-effectiveness of their healthcare systems.

***Online platform workers***

Online platform work in the EU has increased by more than 25 % over the past two years to up to 5 million workers. Platform workers are often not covered by social protection systems. Parliament called for a coordinated EU initiative to ensure that platform workers have access to social protection and are guaranteed all their social and labour rights, regardless of their employment status, and to extend collective agreement coverage to platform workers.

The resolution insisted that a transformation of the education and training systems is necessary in order to make full use of the opportunities offered by digitalisation and the greening of the economy. It considered that skills shortages and mismatches can be major investment obstacles. Therefore, the accessibility of education and training, including vocational training should be improved. Investment in education is crucial for social cohesion. Member States are called on to step up and encourage investments in upskilling and reskilling and in comprehensive training in digital, vocational and entrepreneurial skills.

***Social and economic objectives on an equal footing***

Parliament stressed that the Union's social and economic goals should have equal priority and secured financial resources within the next budget, and that the European Semester should be enhanced to include a social dimension all throughout its cycle involving the competent bodies of the EU and Member States which deal with social policies. Members urged the Commission to enhance the country-specific recommendations for eurozone members.