Guidelines for the employment policies of the Member States

2022/0165(NLE) - 23/05/2022 - Legislative proposal

PURPOSE: to adopt guidelines for Member States' employment policies for 2022.

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: along with the broad economic policy guidelines, the employment guidelines are presented as a Council Decision on guidelines for the employment policies of the Member States and provide the basis for country specific recommendations in the respective domains.

In 2022, the guidelines for the employment policies of the Member States have been notably amended to align the text by retargeting of the narrative to the post-COVID 19 environment, bringing in more elements related to fairness in the green transition, reflecting recent policy initiatives and adding policy elements of particular relevance in the context of the Russian invasion of Ukraine.

CONTENT: the Commission proposes to adopt the following guidelines for Member States' employment policies:

Guideline 5: Boost the demand for labour

Member States should promote a sustainable social market economy and facilitate and support investment in quality job creation, also taking advantage of the potential of the digital and green transitions. To this end, they should:

- reduce barriers to employment, promote responsible entrepreneurship and genuine self-employment and, in particular, support the creation and growth of small and medium-sized enterprises, including through access to finance;

- promote the development of the social economy and encourage business models that create quality employment opportunities, in particular in the circular economy and in the areas most affected by the transition to a green economy;

- put in place, following the COVID-19 crisis, well-designed short-time work schemes and similar mechanisms to facilitate and support restructuring processes, in addition to preserving employment;

- consider hiring and transition incentives and retraining measures to support job creation and address labour and skills shortages, particularly in the light of digital and green transformation and the impact of the Russian invasion of Ukraine;

- shift taxation away from labour and towards other sources, in line with climate and environmental objectives, while preserving revenues for adequate social protection;

- promote collective bargaining for wage setting and ensure effective involvement of the social partners, to allow adequate adjustment of wages to productivity developments and promote fair wages that ensure a

decent standard of living, with particular attention to low and middle income groups in order to strengthen upward socio-economic convergence.

Guideline 6: enhancing labour supply and improving access to employment, lifelong acquisition of skills, and competences

In the context of digital and green transitions, demographic change and the war in Ukraine, Member States should in particular:

- promote sustainability, productivity, employability and human capital, by fostering the lifelong acquisition of skills and competences and by addressing current and future labour market needs;

- invest in and adapt their education and training systems to provide inclusive and quality education, including vocational education and training, access to digital learning and language training (e.g. in the case of refugees, including those from Ukraine);

- exploit the potential of micro-credentials to support lifelong learning and employability and to enable people to anticipate and better adapt to the needs of the labour market;

- promote equal opportunities for all by tackling inequalities in education and training systems;

- reduce the number of early school leavers, supporting access to education for children in remote areas, increasing the attractiveness of vocational education and training (VET), access to higher education, facilitating the transition from education to employment for young people through quality apprenticeships and traineeships, and increasing the participation of adults in lifelong learning;

- strengthen work-based learning in their VET systems and increase the number of graduates in science, technology, engineering and mathematics (STEM), especially for women;

- provide unemployed and inactive people with effective, coordinated and personalised support, with particular attention to vulnerable groups;

- continue to tackle youth unemployment and address the problem of young people not in employment, education or training (NEET);

- promote labour market participation and contribute to fostering labour supply, in view of the acute labour shortage in certain occupations and sectors;

- address the gender gap in employment and pay.

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

Member States should in particular:

- reduce and prevent segmentation in labour markets, combat undeclared work and bogus self-employment, and promote the transition to open-ended forms of employment;

- ensure that, in the context of the use of flexible working arrangements such as telework, workers' rights in terms of working time, working conditions and work-life balance are respected;

- avoid employment relationships that make working conditions precarious, including for platform workers, especially if they are low-skilled, and combat the abuse of atypical contracts;

- provide effective incentives for those in a position to enter the labour market, in particular vulnerable groups;

- provide unemployed people with adequate unemployment benefits for a reasonable period of time, without discouraging a prompt return to work.

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

Member States should:

- promote inclusive labour markets open to all, with effective measures in place to combat all forms of discrimination and promote equal opportunities for all;

- modernise social protection systems to ensure that they provide adequate, effective, efficient and sustainable social protection for all at all stages of life;

- pay particular attention to the fight against poverty and social exclusion, including in-work poverty, and fight in particular against child poverty;

- ensure the universal provision of essential services, including for children, and ensure access to adequate social housing or social housing assistance for those in need;

- ensure a clean and fair energy transition and combat fuel poverty;

- provide an adequate level of protection for Ukrainian refugees, including residence rights, access to and integration into the labour market, access to education, training and housing, as well as access to social security systems, medical care;

- ensure the adequacy and sustainability of pension schemes for employed and self-employed workers.