Guidelines for the employment policies of the Member States

2023/0173(NLE) - 24/05/2023 - Legislative proposal

PURPOSE: adoption of guidelines for the employment policies of the Member States.

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: pursuant to the Treaty on the Functioning of the European Union, Member States are to regard their economic policies and promoting employment as a matter of common concern and shall coordinate their action within the Council. The Council is to adopt employment guidelines, specifying that they must be consistent with the broad economic policy guidelines.

In 2022, the guidelines were 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. In 2023, they were postponed again, while adjusting the recitals to reflect the new EU headline and national targets on jobs, skills and poverty reduction and recent initiatives.

CONTENT: under the terms of the draft Council Decision, the guidelines for the employment policies of the Member States, which are set out in the annex to Council Decision (EU) 2022/2296, are **maintained for 2023** and must be taken into account by the Member States in their employment policies and reform programmes.

The revised ‘Employment Guidelines’ are the following:

Guideline 5: Boosting the demand for labour.

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

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

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

The proposal includes the following clarifications:

- Member States and the Union must work towards developing a **coordinated strategy for employment** and, in particular, for promoting a skilled, trained and adaptable workforce and future-oriented labour markets responsive to economic change, with a view to achieving the objectives of full employment and social progress, balanced growth and a high level of protection and improvement of the quality of the environment;

- the Union must **combat social exclusion and discrimination** and promote social justice and protection, as well as equality between women and men, solidarity between generations and protection of the rights of the child;

- with a view to facilitating the ecological and digital transitions and achieving inclusive labour markets, Member States should promote **quality education, training, future-oriented vocational education and training**, and life-long upskilling and reskilling, as well as effective active labour market policies and improved career opportunities by strengthening the links between the education system and the labour market;

- the Union's and Member States' economic and employment policies should go hand in hand with Europe's **fair transition to a climate neutral, environmentally sustainable and digital economy**, improve competitiveness, ensure adequate working conditions, foster innovation, promote social justice and equal opportunities and upward socio-economic convergence, as well as tackle inequalities and regional disparities;

- the EU and its Member States are to **work together** to effectively and proactively address those structural developments such as climate change and other environmental challenges, the need to ensure a fair ecological transition, a new shift towards energy independence, increased competitiveness of zero-net industries and the need to ensure Europe's open strategic autonomy, as well as digitalisation, artificial intelligence, increased teleworking, the platform economy and demographic change;

- **coordinated strategic action** at both EU and national level should stimulate sustainable investment and renew the commitment to reforms to strengthen sustainable and inclusive economic growth, quality job creation and productivity, provide adequate working conditions, increase social and territorial cohesion, foster upward socio-economic convergence and resilience, and promote fiscal responsibility;

- the European Pillar of **Social Rights**, with its accompanying Social Scoreboard, constitutes a reference framework to monitor the employment and social performance of Member States, to drive reforms and investments at national, regional and local level and to reconcile the 'social' and the 'market' in today's modern economy, including by promoting the social economy;

- the **EU headline targets for 2030 on employment** (at least 78 % of the population aged 20-64 should be in employment), skills (at least 60 % of all adults should participate in training every year) and poverty reduction (at least 15 million fewer people at risk of poverty or social exclusion, including five million children), will help in monitoring progress towards the implementation of the principles of the European Pillar of Social Rights as part of the policy coordination framework in the European Semester;

- **reforms to the labour market**, including national wage-setting mechanisms, should respect national practices of social dialogue and the autonomy of the social partners, with a view to providing fair wages that enable a decent standard of living and sustainable growth and upward socio-economic convergence;

- following the **Russian invasion of Ukraine**, temporary protection offers quick and effective assistance in European countries to displaced people fleeing the Russian war of aggression against Ukraine and allows them to enjoy minimum rights across the Union that offer an adequate level of protection. Member States should involve social partners in the design, implementation and evaluation of policy measures aimed at addressing the employment and skills challenges, including the recognition of qualifications, stemming from the Russia's war of aggression against Ukraine;

- **discrimination in all its forms** should be tackled, gender equality ensured and employment of young people supported. Equal access and opportunities for all should be ensured and poverty and social exclusion, in particular that of children, persons with disabilities and the Roma people;

- for the 2021-2027 programming period, Member States should make full use of the European Social Fund Plus, the European Regional Development Fund, the Recovery and Resilience Facility and other Union funds, including the Just Transition Fund as well as the InvestEU.