Basic information

2019/2111(INI) INI - Own-initiative procedure	Procedure completed
Employment and social policies of the euro area **Subject** 4.10 Social policy, social charter and protocol 4.15 Employment policy, action to combat unemployment 5.20.02 Single currency, euro, euro area	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
EMPL Employment and Social Affairs	TOOM Jana (Renew)	24/07/2019
	Shadow rapporteur WALSH Maria (EPP) JONGERIUS Agnes (S&D) PETER-HANSEN Kira Marie (Greens/EFA) ZALEWSKA Anna (ECR) REIL Guido (ID) PEREIRA Sandra (GUE/NGL)	

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	THYSSEN Marianne

Key events

Date	Event	Reference	Summary
19/09/2019	Committee referral announced in Parliament		
02/10/2019	Vote in committee		
07/10/2019	Committee report tabled for plenary	A9-0016/2019	Summary
10/10/2019	Decision by Parliament	T9-0033/2019	Summary
10/10/2019	Results of vote in Parliament		
10/10/2019	Debate in Parliament		

10/10/2019	End of procedure in Parliament		

Technical information	
Procedure reference	2019/2111(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/9/00754

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE639.822	25/07/2019	
Amendments tabled in committee		PE639.999	16/09/2019	
Committee report tabled for plenary, single reading		A9-0016/2019	07/10/2019	Summary
Text adopted by Parliament, single reading		T9-0033/2019	10/10/2019	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2019)669	03/02/2020	

Employment and social policies of the euro area

2019/2111(INI) - 07/10/2019 - Committee report tabled for plenary, single reading

The Committee on Employment and Social Affairs adopted the own-initiative report by Yana TOOM (Renew Europe, EE) on employment and social policies of the euro area.

The report noted that labour market conditions in the EU continue to improve, mainly thanks to a lengthy period characterised by a positive international economic environment. The employment rate has continued to increase and reached 73.5 % in the last quarter of 2018, with 240.7 million people in work, a new record level. The employment rate in the euro area has increased from 66.5% in 2017 to 67.4% in 2018.

However, great disparities in employment rates persist between Member States, regions and population groups. Furthermore, the pace of growth of the employment rate has slowed down.

Members stressed that quality employment is an important factor in the fight against poverty and social exclusion. There is a need to reach all members of society who are furthest from the labour market and at risk of poverty and social exclusion.

The report noted that 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.

Social dialogue and reducing inequalities

According to Members, a well-functioning social dialogue is a key element of the European social market economy which strengthens social cohesion and reduces conflicts in society, to the common benefit of workers, employers and governments. Social dialogue and collective bargaining are key to designing and implementing policies which can improve working conditions and terms of employment.

Members also noted that while the economic conditions in the EU are currently favourable and overall employment is steadily growing, it remains vital to tackle youth unemployment and the issues faced by young people not in employment, education or training (NEETs) swiftly, and there is still an urgent need for improvement 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 strongly regretted that real wage growth at Union level remains below what could be expected given the positive labour market and economic performance and in this respect called on the Commission to present a European unemployment benefit reinsurance scheme to protect citizens and reduce the pressure on public finances during external shocks. They called for a new financial instrument to tackle long-term unemployment, which provides financial support for measures and projects in regions with above-average long-term unemployment.

Country-specific recommendations

The Commission's 2019 country-specific recommendations (CSRs) were taken into consideration and the stronger focus on investment was welcomed. However, almost one third of the CSRs issued until 2018 have not been implemented. The Commission is urged to put the necessary pressure on Member States, regardless of their membership of the euro area, to implement the recommendations. They considered that the implementation of future-oriented reforms is crucial to strengthening the growth potential of the EU economy, fostering social inclusion and improving social rights and the well-being of all residents in the Union.

Poverty

The report noted that 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. Members 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.

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.

Education and digitalisation

Members stressed 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. They 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.

Regulatory framework and funding

Members stressed the importance of closely monitoring and, where necessary, reviewing Union funds in order to ensure effective funding in line with EU objectives. They called for the Commission and the Member States to tackle any misuse, fraud and corruption relating to Union funds.

Lastly, Members believed that in order to maintain and increase global competitiveness, the labour market regulatory framework in the Member States needs to be clear, simple and flexible while maintaining high labour standards.

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.