



Opinion of the European Economic and Social Committee

Proposal for a Council Decision on guidelines for the employment policies of the Member States

(COM(2024) 599 final — 2024/0599 (NLE))

(C/2025/120)

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Legislative procedure	EU Law Tracker
Referral	15.7.2024
Legal basis	Article 148 of the Treaty on the Functioning of the European Union
European Commission documents	COM(2024) 599 final – 2024/0599 (NLE)
Relevant Sustainable Development Goals (SDGs)	SDG 1 – No poverty SDG 5 – Gender equality SDG 8 – Decent work and economic growth SDG 10 – Reduced inequalities
Section responsible	Employment, Social Affairs and Citizenship
Adopted in section	3.10.2024
Adopted at plenary session	23.10.2024
Plenary session No	591
Outcome of vote (for/against/abstentions)	239/0/3

1. RECOMMENDATIONS

The European Economic and Social Committee (EESC):

1.1. welcomes the proposal for a Council decision on guidelines for the employment policies of the Member States, with the aim of promoting a competitive and sustainable economy. Is very pleased to see that these guidelines have been updated to include more elements, in line with the new needs of the labour market;

1.2. highlights the need to strive towards upward convergence and to strengthen the role of the European Semester in supporting effective and coordinated economic policy responses. In this context, hopes that the indicators that the European Semester uses to analyse the social situation of each Member State have the same level of importance as macroeconomic indicators, and calls for monitoring to ensure that the effects of the new economic governance framework do not jeopardise the implementation of the Member States' employment guidelines, and the achievement of the European Pillar of Social Rights and the 2030 targets;

1.3. stresses, in the light of the proposal for a Council recommendation, the need to strengthen the role of social partners (through social dialogue and collective bargaining) and, where relevant, the need to involve civil society organisations in designing and implementing employment reforms and policies;

1.4. points out that it is of paramount importance to support and increase labour supply and improve access to employment and quality jobs, partly given the growing difficulties businesses are facing in finding the staff they need. Greater participation in employment needs to be fostered, especially among young people, women and older people; measures should be promoted to support employment, including self-employment; and efforts need to be made to improve legal pathways for labour migration;

1.5. supports the Commission's call for the Member States to strengthen inclusion policies aimed at promoting equal opportunities for access to work and career development. Such opportunities are instrumental in fostering greater participation and more inclusive labour markets, as well as sustainable and equitable growth, with a view to integrating those groups that are most vulnerable and at risk of exclusion;

1.6. stresses the importance of strengthening skills in the light of the ongoing green and digital transitions and the need to recognise and ensure the right to lifelong learning and effective access to high-quality lifelong education and training; underlines the importance of basic skills, which are imperative for vocational integration;

1.7. highlights the urgent need, while respecting national practices and the autonomy of the social partners, to ensure fair and decent wages, in line with productivity and competitiveness, by promoting collective bargaining, the effective involvement of the social partners and the adoption of effective data collection tools, as well as measuring and monitoring wage levels and dynamics nationally;

1.8. hopes that the Member States will support and monitor the introduction and deployment of artificial intelligence (AI) in working environments, including algorithmic management, in order to promote its ethical and socially sustainable use, putting in place appropriate tools to assess the impact on jobs and work organisation, and possible impacts in terms of opportunities and potential risks. Given the extraordinary scale of this innovation, greater coordination of national strategies is desirable, starting with the pooling of experience and evaluations, and the full involvement of social partners;

1.9. stresses the importance of the Member States modernising social protection instruments (in the light of major changes in society, such as demographic changes and growing poverty) and adapting to new forms of employment, including by ensuring all workers are covered by social protection, by designing tax and benefit systems more effectively, and by monitoring the redistributive impacts of policies;

1.10. in this context, invites the Member States to put in place and reinforce policies aimed at supporting affordable, available and adequate housing, as well as measures to prevent and alleviate homelessness, including through the instruments made available by EU funds;

1.11. calls on the Member States to boost the quality of the labour markets by strengthening the effectiveness of policies to combat irregular work and promote quality work, including health and safety in the workplace and preventing the spread of informal and precarious working conditions.

2. EXPLANATORY NOTES

Arguments in support of recommendations 1.1 and 1.2

2.1. With the 2024 European Semester Spring Package, the European Commission provides strategic guidance to Member States to promote the construction of a robust and future-proof economy capable of ensuring competitiveness, resilience and the creation of quality employment. In 2024, the guidelines for Member States' employment policies set out common priorities for national employment and social policies, with a view to making them fairer and more inclusive as part of upward social and economic convergence and the strengthening of the role taken on by the European Semester over the past five years in supporting effective and coordinated economic policy responses.

2.2. The guidelines for 2023 have been updated to include actions to address skills and labour shortages and improve basic and digital skills. They also cover new technologies, artificial intelligence and algorithmic management and their impact on the world of work. In addition, the guidelines refer to recent policy initiatives in areas of particular relevance, such as platform-based work, the social economy and affordable housing.

2.3. At the same time, the new economic governance framework lays down fiscal policy guidelines and decisions aimed at strengthening Member States' debt sustainability and promoting the inclusive and sustainable growth of all States, through prudent fiscal policies, while ensuring that growth in net expenditure is consistent with the adjustment requirements set out in the new governance framework. In this context, it is important to monitor and ensure that the effects of the new economic governance framework do not jeopardise the Member States' implementation of employment guidelines, or the achievement of the European Pillar of Social Rights and the 2030 targets;

Arguments in support of recommendation 1.3 (Guideline 8)

2.4. Social dialogue plays an essential role in shaping economic, labour and social policies aimed at promoting upward convergence in living standards and working conditions between and within Member States, as well as in responding effectively to the labour challenges facing Europe ⁽¹⁾. Referring to previous opinions ⁽²⁾, the EESC stresses that the specific role of social partners should be fully recognised and respected in social dialogue structures and processes, at both European and national levels. In contexts where this role still appears weak, a regulatory and institutional framework needs to be promoted in order to strengthen social dialogue and increase collective bargaining coverage, in line with the provisions of the Directive on adequate minimum wages.

Arguments in support of recommendation 1.4 (Guideline 5)

2.5. Although the labour market performed well in 2023, growing labour and skills shortages are hampering economic growth and competitiveness, and risk slowing down the green and digital transitions. In the second quarter of 2023, the job vacancy rate stood at 2,7 %, which is above the average of 1.7 % for the period 2013-19 ⁽³⁾. It is therefore necessary to develop broader and more widespread participation of European citizens in employment, starting with young people. Member States should commit to more effectively promoting not only education and vocational training that is inclusive, high-quality and updated to the needs of the world of work, while strengthening the mentoring, guidance and counselling activities carried out by public and private employment services, but also better-quality tools for the integration of young people into employment, such as apprenticeships and traineeships. They should commit to encouraging self-employment and intellectual and professional work – the uptake of which has decreased significantly in recent years, especially among young people.

2.6. Labour mobility, within and outside the EU, is an opportunity to address unmet needs in terms of labour and skills. Member States are asked to focus more on reinforcing the tools for managing migration from non-EU countries (by promoting legal channels of entry into the EU), enhancing the monitoring and forecasting of employment needs, improving the procedures for recognising qualifications obtained in non-EU countries and making prevention tools concerning exploitation and illegal work, which more often affect workers from third countries, more effective. At the same time, they should commit to ensuring that foreign workers are included more effectively in the European labour market. The lack of recognition of formal qualifications and language barriers remain among the main obstacles to full labour integration ⁽⁴⁾.

⁽¹⁾ Proposal for a Council recommendation on strengthening social dialogue in the European Union, COM(2023) 38 final.

⁽²⁾ Opinion of the European Economic and Social Committee on the proposal for a Council Recommendation on strengthening social dialogue in the European Union (COM(2023) 38 final – 2023/0012 (NLE)) and on the communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on strengthening social dialogue in the European Union: harnessing its full potential for managing fair transitions (COM(2023) 40 final) (OJ C 228, 29.6.2023, p. 87).

⁽³⁾ Joint Employment Report 2024.

⁽⁴⁾ Opinion of the European Economic and Social Committee – Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Skills and Talent Mobility (COM(2023) 715 final) – Proposal for a regulation of the European Parliament and of the Council establishing an EU talent pool (COM(2023) 716 final - 2023/0404 (COD)) – Proposal for a Council recommendation Europe on the Move – learning mobility opportunities for everyone (COM(2023) 719 final) – Commission recommendation on the recognition of qualifications of third-country nationals (C(2023) 7700 final) (OJ C, C/2024/4067, 12.7.2024, ELI: <http://data.europa.eu/eli/C/2024/4067/oj>).

Arguments in support of recommendation 1.5 (Guidelines 6 and 8)

2.7. Despite employment growth in recent years, gender inequalities in the labour market remain widespread and are reflected in both employment levels and pay and pension gaps. Some sectors and occupations continue to be impacted by poor working conditions and low wages, and more women tend to work part time, including in involuntary part-time work. Gender-based inequalities need to be tackled through the effective implementation of the Pay Transparency Directive, among other measures, such as tax incentives, to foster women's increased participation in the labour market. It is important that Member States commit to improving the availability of good-quality and affordable early childhood education and care and long-term care services, as well as measures to support work-life balance and a fair distribution of caring responsibilities between men and women.

2.8. Greater effort should also be made to promote the employment of persons with disabilities. Despite recent improvements, in 2022 the employment gap between people with and without disabilities in the EU stood at 21,4 percentage points, while the unemployment rate of people with disabilities was almost twice as high as for those without⁽⁵⁾. In line with the Strategy for the Rights of Persons with Disabilities 2021-2030⁽⁶⁾, further efforts are needed towards ensuring labour market inclusion, through active employment policies, developing the potential of social enterprises that can play an important role in the EU labour market, and tackling stereotypes, in order to ensure that people with disabilities can access work opportunities that meet their needs.

Arguments in support of recommendation 1.6 (Guideline 6)

2.9. In the light of the major economic and social transformations brought about by the green and digital transitions, an ageing population and the transformation of working patterns, measures are urgently needed to promote the development of individuals, their skills and their employability, by enhancing basic and lifelong skills and competences. Adult participation in training activities remains a problem in Europe, accounting for just 37,4 %, which is much lower than the 60 % target to be achieved by 2030, as set out in the European Pillar of Social Rights Action Plan⁽⁷⁾. The quality of the training offer needs to be strengthened, in terms of content, methodologies and tools, to make it responsive to requirements in terms of the skills companies need and the employability of workers and to foster greater participation, including through the use of new technologies. Tools should also be promoted to create a closer connection between training and career progression, and to support the analysis of individual skills and the development, implementation and recognition of micro-credentials, in line with the Council recommendations on individual learning accounts. Additionally, the role of employment services, both public and private, should be further strengthened through adequate resources. As expressed in previous opinions, the right to lifelong learning and effective access to good-quality lifelong education and training must be recognised and ensured⁽⁸⁾, including through the evaluation of new tools, such as paid leave for training.

2.10. In particular for workers likely to be hit hardest by the ongoing transitions and those whose employability is low, it is necessary to strengthen all upskilling and reskilling tools, with targeted active policy interventions of an educational but also an advisory nature, relating to active job search support. The potential offered by AI applications for customising policy interventions should be harnessed and tools put in place to enable effective and reliable monitoring of the impact of training measures, in terms of access to employment and career transition.

2.11. It is particularly urgent to provide digital training, for both adults and young people. The deployment of AI applications in the workplace will make it even more crucial to update the digital and technological skills of the population. Member States should take more decisive measures to tackle this challenge, by enhancing the digital skills of school pupils and adults of all ages and developing digital education and training ecosystems supported by key enabling factors, such as high-speed connectivity for schools, equipment and teacher training.

⁽⁵⁾ Joint Employment Report 2024.

⁽⁶⁾ European Commission. *Disability Employment Package to improve labour market outcomes for persons with disabilities*.

⁽⁷⁾ Joint Employment Report 2024.

⁽⁸⁾ Opinion of the European Economic and Social Committee on 'Proposal for a Council Decision on guidelines for the employment policies of the Member States' (COM(2023) 599 final — 2023/0173 (NLE)) (OJ C, C/2023/870, 8.12.2023, ELI: <http://data.europa.eu/eli/C/2023/870/oj>).

2.12. It is of paramount importance to spur on the modernisation of education systems at all levels as well as vocational education and training (VET) systems to ensure that they meet the needs of businesses for present and future skills, not least in the light of the impact that artificial intelligence applications will have. The training provision for hard skills, especially in STEM, as well as that of soft skills, needs to be strengthened in order to prepare the new generations to work in a context of increasing integration between humans and technology. At the same time, it is also necessary to strengthen basic skills, which is the best way to guarantee entry into a career path. Reading, writing, speaking and counting are essential skills for successful vocational integration, especially for people from disadvantaged backgrounds.

Arguments in support of recommendation 1.7 (Guidelines 5 and 6)

2.13. Despite nominal wage increases, real wages have declined in almost all Member States as a result of inflation ⁽⁹⁾. In-work poverty also remains a key concern. As well as monitoring and mitigating the negative impact of inflation on workers' purchasing power, the effectiveness of the instruments designed to ensure fair and decent wages, which are responsive also to productivity developments, must be strengthened, not only for low-wage earners but also for all those earning average levels of pay, whose purchasing power has been affected by inflationary pressure in recent years. It is important that Member States fully implement the Directive on adequate minimum wages.

2.14. The EESC believes that the Member States should enable, encourage and promote collective bargaining in this area, enhancing the role of the social partners and identifying appropriate tools to measure levels of collective bargaining coverage, which remains weak in many countries. They should also have effective data collection tools to monitor salary trends and promote wage growth, in line with national laws and practices, national socio-economic conditions and productivity levels, competitiveness and developments, taking into account sectoral and territorial differences.

Arguments in support of recommendation 1.8 (Guideline 7)

2.15. Work is one of the aspects of society that is undergoing the biggest transformation as a result of the introduction of AI systems. AI can be used to improve the organisation of workflows, eliminate dangerous and tedious tasks, foster the inclusion of people with disabilities, and help the market bridge the labour supply gap. It can also help to better match training, reward-based and welfare policies to the needs of workers and from a perspective that is seen as more merit-based. However, the development of AI also raises concerns about the impact it could have on employment levels and workers' lives. The increasing use of AI in supporting decision-making relating to workers could pose challenges when it comes to workers' rights, working conditions and income. AI can change the way work is monitored and managed, which could pose risks to workers' privacy and autonomy. It could also introduce or perpetuate bias and discrimination, amplifying existing inequalities. In addition, there are concerns surrounding the transparency and explainability of algorithms, as well as their accountability.

2.16. It is therefore a priority for Member States to measure, monitor and assess the impact of AI on employment and the organisation of work, in order to promote its ethically and socially sustainable use, which improves the competitiveness of systems, employment and job quality, without undermining workers' rights or harming working conditions. AI will also radically change the organisation of work. It is therefore crucial that social partners be fully involved (at all levels) in managing these changes and identifying innovative models of work organisation, while also safeguarding the 'human in control' principle. Social dialogue and collective bargaining are key to managing the changes brought about by technological developments, address potential issues and foster workers' adaptation, by developing appropriate and timely policy responses. The historic scale of this ongoing change makes it desirable that national strategies be coordinated better, starting with the pooling of experience and evaluations.

Arguments in support of recommendation 1.9 (Guideline 8)

2.17. Social protection systems play a key role in ensuring social cohesion and economic security and countering the risks of macroeconomic destabilisation; as such, they need to be adapted to new requirements, taking into account the objectives of economic sustainability and in the light of the ageing of the population, changes in the world of work – especially the increase in new forms of employment – and the fiscal targets provided for in the new economic package. Corporate welfare can also be a factor to help support and supplement social protection systems, to be utilised in a complementary manner rather than as a replacement for public welfare.

⁽⁹⁾ Joint Employment Report 2024.

2.18. It is important that Member States reform social protection systems in line with present and future needs, increasing labour participation, providing social protection for atypical forms of employment, preventing exclusion and strengthening social and health care systems, in order to promote inclusive labour markets and sustainable growth, and ensure the present and future sustainability of the systems. From this point of view, Member States should be encouraged to carry out systematic assessments of the distributional impact of the various social protection measures, in order to assess their specific and overall impact and to support policy improvements.

Arguments in support of recommendation 1.10 (Guideline 8)

2.19. The new challenges ahead include affordable housing. In 2022, almost one in ten people in the EU lived in a household where total housing costs represented more than 40 % of total disposable income, with a significant increase recorded since 2020 ⁽¹⁰⁾. Member States need to put in place and reinforce policies aimed at supporting affordable, available and adequate housing, as well as measures to prevent and alleviate homelessness, in part through the instruments made available by EU funds.

Arguments in support of recommendation 1.11 (Guidelines 7 and 8)

2.20. The EESC stresses the need to strengthen policies to combat illegal employment, by introducing prevention measures and incentives for legal employment, ensuring better coordination of inspection and control activities, including through greater integration of national databases and the use of AI, and preventing the irregular use of posting of workers. It is crucial to foster a wider dissemination of the culture of legality, including through information and awareness-raising campaigns, starting with schools.

2.21. The consistently high number of workplace accidents also means that Member States need to make a greater effort to put in place reduction measures supported by adequate labour inspectorates. The EESC supports the 'vision zero' approach to work-related deaths in the EU ⁽¹¹⁾, and reiterates the need to invest in the culture of prevention in the workplace.

2.22. The increasing spread of platform work raises concerns about working conditions and transparency in the use of algorithms for labour management. As already highlighted by the EESC in previous opinions ⁽¹²⁾, the biggest concerns include more limited access to social protection and social security coverage, health and safety risks, insecure work, fragmented working hours and inadequate levels of income and difficulties in ensuring the recognition of collective rights. It is therefore necessary for Member States to work to implement the Directive on improving platform working conditions.

Brussels, 23 October 2024.

The President
of the European Economic and Social Committee
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⁽¹⁰⁾ Joint Employment Report 2024.

⁽¹¹⁾ EU strategic framework on health and safety at work 2021-2027 *Occupational safety and health in a changing world of work*, COM(2021) 323 final.

⁽¹²⁾ Opinion of the European Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Better working conditions for a stronger social Europe: harnessing the full benefits of digitalisation for the future of work (COM(2021) 761 final) and the Proposal for a Directive of the European Parliament and of the Council on improving working conditions in platform work (COM(2021) 762 final) (OJ C 290, 29.7.2022, p. 95); and Opinion of the European Economic and Social Committee on the Proposal for a Council decision on guidelines for the employment policies of the Member States [COM(2022) 241 final] (OJ C 486, 21.12.2022, p. 161).