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From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
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Subject:	Proposal for a COUNCIL DECISION on guidelines for the employment policies of the Member States - Adoption

I. INTRODUCTION

On 27 February 2019, the Commission submitted a proposal for a Council Decision on guidelines for the employment policies of the Member States, based on article 148(2) TFEU. For 2019, the Commission has proposed to maintain unchanged the guidelines for the employment policies of the Member States of 2018. In 2018, they were aligned with the principles of the European Pillar of Social Rights¹.

¹ The employment guidelines were first adopted together as an integrated package in 2010 with the broad economic guidelines, underpinning the Europe 2020 Strategy.

The Employment Committee (EMCO) transmitted its Opinion² on the employment guidelines to the Council, including the Social Protection Committee's (SPC) contribution on the social aspects of the guidelines. In their work, both committees took due consideration of the European Parliament's Opinion, which was adopted in its plenary session of 20 March 2019.

The European Council, at its meeting on 21-22 March 2019, considered the employment situation of the Union and adopted conclusions thereon.

Based on the work of the Committees, the Social Questions Working Party on 6 May 2019 examined the proposal. In doing so, the Social Questions Working Party also took account of the European Parliament's Opinion to approve the Commission's proposal without modifying it.

The Committee of the Regions decided not to issue an opinion on the proposal³. The opinion of the Economic and Social Committee was adopted at its plenary on 20 June 2019.

The Council has now all the necessary opinions for its examination of the employment guidelines for 2019.

The text of the employment guidelines is attached for information (Annex I).

II. CONCLUSIONS

The Permanent Representatives Committee is invited to examine the complete package of opinions and, if appropriate, to recommend to the Council (EPSCO) to adopt the employment guidelines at its meeting on 8 July 2019, as finalised by the legal-linguists and set in document 10475/19.

² Letter from EMCO Chair on 29 April 2019.

³ Letter from the Committee of the Regions on 08 May 2019.

Employment Guidelines as set in the Decision (EU) 2018/1215 and in the Commission document 7015/19**Guideline 5: Boosting the demand for labour**

Member States should facilitate the creation of quality jobs, including by reducing the barriers that businesses face in hiring people, by fostering responsible entrepreneurship and genuine self-employment and, in particular, by supporting the creation and growth of micro and small enterprises. Member States should actively promote the social economy and foster social innovation. Member States should encourage those innovative forms of work which create quality job opportunities.

The tax burden should be shifted away from labour to other sources of taxation that are less detrimental to employment and growth, taking account of the redistributive effect of the tax system, while protecting revenue for adequate social protection and growth-enhancing expenditure.

Member States should, whilst respecting the autonomy of the social partners, encourage transparent and predictable wage-setting mechanisms which allow for the responsiveness of wages to productivity developments and provide fair wages for a decent standard of living. These mechanisms should take into account differences in skills levels and divergences in economic performance across regions, sectors and companies. Respecting national practices, Member States and the social partners should ensure adequate minimum wage levels, taking into account their impact on competitiveness, job creation and in-work poverty.

Guideline 6: Enhancing labour supply and improving access to employment, skills and competences

In the context of technological, environmental and demographic change, Member States should promote productivity and employability, in cooperation with the social partners, through an appropriate supply of relevant knowledge, skills and competences throughout people's working lives, responding to current and future labour market needs. Member States should make the necessary investment in both initial and continuing education and training (lifelong learning). They should work together with the social partners, education and training providers, enterprises and other stakeholders to address structural weaknesses in education and training systems, to provide quality and inclusive education, training and life-long learning. They should seek to ensure the transfer of training entitlements during professional transitions. This should enable everyone to anticipate and better adapt to labour market needs, and to successfully manage transitions, thus strengthening the overall resilience of the economy to shocks.

Member States should foster equal opportunities for all in education, including early childhood education. They should raise overall education levels, particularly for the least qualified and learners from disadvantaged backgrounds. They should ensure quality learning outcomes, reinforce basic skills, reduce the number of young people leaving school early, and increase adult participation in continuing education and training. Member States should strengthen work-based learning in their vocational education and training systems (including through quality and effective apprenticeships), enhance the labour-market relevance of tertiary education, improve skills monitoring and forecasting, make skills more visible and comparable, and increase opportunities for recognising and validating skills and competences acquired outside formal education and training. They should upgrade and increase the supply and take-up of flexible continuing vocational education and training. Member States should also support lowly skilled adults to maintain or develop their long term employability by boosting access to and take up of quality learning opportunities, through the establishment of Upskilling Pathways, including a skills assessment, an offer of education and training matching labour market opportunities, and the validation and recognition of the skills acquired.

Unemployment and inactivity should be tackled, including through effective, timely, coordinated and tailor-made assistance based on support for job-search, training, and requalification.

Comprehensive strategies that include in-depth individual assessment at the latest after 18 months of unemployment should be pursued with a view to significantly reducing and preventing long-term and structural unemployment. Youth unemployment and the issue of young people not in employment, education or training, should continue to be addressed through prevention of early school leaving and structural improvement in the school-to-work transition, including through the full implementation of the Youth Guarantee⁴.

Member States should aim to remove barriers and disincentives to, and provide incentives for, participation in the labour market, in particular for those most removed from the labour market. Member States should support an adapted work environment for people with disabilities, including through targeted financial support and services that enable them to participate in the labour market and in society.

Member States should ensure gender equality and increased labour market participation of women, including through ensuring equal opportunities and career progression and eliminating barriers to participation. The gender pay gap should be tackled, including by ensuring equal pay for equal work, or work of equal value. The reconciliation of work, family and private life for both women and men should be promoted, in particular through access to long-term care and affordable quality early childhood education and care services. Member States should ensure that parents and other people with caring responsibilities have access to suitable family leave and flexible working arrangements in order to balance work, family and private life, and to promote a balanced use of these entitlements between women and men.

⁴ OJ C 120, 26.4.2013, p. 1

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

In order to benefit from a dynamic and productive workforce, new work patterns and business models, Member States should work together with the social partners on flexibility and security principles, balancing rights and obligations. They should reduce and prevent segmentation within labour markets, fight undeclared work and foster the transition towards open-ended forms of employment. Employment protection rules, labour law and institutions should all provide both a suitable environment for recruitment, and the necessary flexibility for employers to adapt swiftly to changes in the economic context, while preserving appropriate security and healthy, safe and well-adapted working environments for workers. Employment relationships that lead to precarious working conditions should be prevented, including by fighting the abuse of atypical contracts. Access to effective and impartial dispute resolution and a right to redress, including adequate compensation, should be ensured in cases of unfair dismissal.

Policies should aim to improve and support labour-market participation, matching and transitions. Member States should effectively activate and enable those who can participate in the labour market. Member States should strengthen the effectiveness of active labour-market policies by increasing their targeting, outreach, coverage and better linking them with income support for the unemployed, whilst they are seeking work and based on their rights and responsibilities. Member States should aim for more effective and efficient public employment services by ensuring timely and tailor-made assistance to support jobseekers, supporting labour-market demand and implementing performance-based management.

Member States should provide the unemployed with adequate unemployment benefits of reasonable duration, in line with their contributions and national eligibility rules. Such benefits should not disincentivise a prompt return to employment and should be accompanied by active labour market policies.

The mobility of learners and workers should be promoted with the aim of enhancing employability skills and exploiting the full potential of the European labour market. Barriers to mobility in education and training, in occupational and personal pensions and in the recognition of qualifications should be removed. Member States should take action to ensure that administrative procedures are not an unnecessary obstacle to workers from other Member States taking up employment. Member States should also prevent abuse of the existing rules and address potential ‘brain drain’ from certain regions.

Building on existing national practices, and in order to achieve more effective social dialogue and better socioeconomic outcomes, Member States should ensure the timely and meaningful involvement of the social partners in the design and implementation of employment, social and, where relevant, economic reforms and policies, including through support for increased capacity of the social partners. The social partners should be encouraged to negotiate and conclude collective agreements in matters relevant to them, fully respecting their autonomy and the right to collective action.

Where relevant and building on existing national practices, Member States should take into account the experience on employment and social issues of relevant civil society organisations.

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

Member States should promote inclusive labour markets, open to all, by putting in place effective measures to fight all forms of discrimination and promote equal opportunities for under-represented groups in the labour market. They should ensure equal treatment regarding employment, social protection, education and access to goods and services, regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Member States should modernise social protection systems to provide effective, efficient, sustainable and adequate social protection throughout all stages of an individual's life, fostering social inclusion and upward social mobility, incentivising labour market participation and addressing inequalities, including through the design of their tax and benefit systems. Complementing universal approaches with selective ones will improve effectiveness of social protection systems. The modernisation of social protection systems should lead to better access, sustainability, adequacy and quality.

Member States should develop and implement preventive and integrated strategies through the combination of the three strands of active inclusion: adequate income support, inclusive labour markets and access to quality services, meeting individual needs. Social protection systems should ensure adequate minimum income benefits for everyone lacking sufficient resources and promote social inclusion by encouraging people to actively participate in the labour market and society.

The availability of affordable, accessible and quality services such as early childhood education and care, out-of-school care, education, training, housing, health services and long-term care is essential for ensuring equal opportunities, including for women, children and young people. Particular attention should be given to fighting poverty and social exclusion, including reducing in-work and child poverty. Member States should ensure that everyone has access to essential services. For those in need or in a vulnerable situation, Member States should ensure access to adequate social housing or housing assistance. Homelessness should be tackled specifically. The specific needs of people with disabilities should be taken into account.

Member States should ensure timely access to affordable preventive and curative health care and long-term care of good quality, while safeguarding sustainability over the long run.

In a context of increasing longevity and demographic change, Member States should secure the adequacy and sustainability of pension systems for workers and self-employed, providing equal opportunities for women and men to acquire pension rights, including through supplementary schemes to ensure an adequate income. Pension reforms should be supported by measures that extend working lives, such as by raising the effective retirement age, and be framed within active ageing strategies. Member States should establish a constructive dialogue with the relevant stakeholders, and allow an appropriate phasing in of the reforms.
