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**PROPOSAL**

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From: Secretary-General of the European Commission,  
signed by Mr Jordi AYET PUIGARNAU, Director

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of  
the European Union

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No. Cion doc.: COM(2020) 70 final ANNEX

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Subject: ANNEX to the Proposal for a COUNCIL DECISION on guidelines for the  
employment policies of the Member States

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Delegations will find attached document COM(2020) 70 final ANNEX.

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Encl.: COM(2020) 70 final ANNEX



Brussels, 26.2.2020  
COM(2020) 70 final

ANNEX

**ANNEX**

**to the**

**Proposal for a COUNCIL DECISION**

**on guidelines for the employment policies of the Member States**

## ANNEX

### Guideline 5: Boosting the demand for labour

Member States should actively promote a sustainable social market economy and facilitate and support investment in the creation of quality jobs. To this end, they should reduce the barriers that businesses face in hiring people, foster responsible entrepreneurship and genuine self-employment and, in particular, support the creation and growth of micro-, small- and medium-sized enterprises, including through access to finance. Member States should actively promote the development of the social economy, foster social innovation, social enterprises, and encourage those innovative forms of work, creating quality job opportunities and generating social benefits at local level.

The tax burden should be shifted away from labour to other sources more supportive to employment and inclusive growth and at the same time aligned with climate and environmental objectives, taking account of the redistributive effect of the tax system, while protecting revenue for adequate social protection and growth-enhancing expenditure.

Member States having in place national mechanisms for the setting of statutory minimum wages should ensure an effective involvement of social partners in a transparent and predictable manner allowing for an adequate responsiveness of wages to productivity developments and providing fair wages for a decent standard of living, paying particular attention to lower and middle income groups with a view to upward convergence. These mechanisms should take into account economic performance across regions and sectors. Member States should promote social dialogue and collective bargaining with a view to wage setting. Respecting national practices, Member States and social partners should ensure that all workers are entitled to adequate and fair wages through collective agreements or adequate statutory minimum wages, 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 and environmental transitions, as well as demographic change, Member States should promote sustainability, productivity, employability and human capital, fostering relevant knowledge, skills and competences throughout people's lives, responding to current and future labour market needs. Member States should also adapt and invest in their education and training systems to provide high quality and inclusive education, including vocational education and training. Member States should work together with the social partners, education and training providers, enterprises and other stakeholders to address structural weaknesses in education and training systems and improve their quality and labour market relevance, also with a view to enabling the environmental transition. Particular attention should be paid to challenges of the teaching profession. Education and training systems should equip all learners with key competences, including basic and digital skills as well as transversal competences to lay the foundations for adaptability later in life. Member States should seek to ensure the transfer of training entitlements during professional career changes, including, where appropriate, through individual learning accounts. They should enable everyone to anticipate and better adapt to labour market needs notably through continuous reskilling and upskilling, with a view to supporting fair and just transitions for all, strengthening

social outcomes, addressing labour market shortages and improving the overall resilience of the economy to shocks.

Member States should foster equal opportunities for all by addressing inequalities in education and training systems, including by providing access to good quality early childhood education. They should raise overall education levels, reduce the number of young people leaving school early, increase access to and completion of tertiary education and increase adult participation in continuing learning, particularly among learners from disadvantaged backgrounds, the least qualified. Taking into account new requirements in digital, green and ageing societies, Member States should strengthen work-based learning in their vocational education and training systems (VET) (including through quality and effective apprenticeships) and increase the number of Science, Technology, Engineering and Mathematics (STEM) graduates both in medium-level VET and in tertiary education. Furthermore, Member States should enhance the labour-market relevance of tertiary education and research, improve skills monitoring and forecasting, make skills more visible and qualifications comparable, including those acquired abroad, 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 low skilled adults to maintain or develop their long-term employability by boosting access to and take up of quality learning opportunities, through the implementation 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.

Member States should provide unemployed and inactive people with effective, timely, coordinated and tailor-made assistance based on support for job-search, training, requalification and access to other enabling services. Comprehensive strategies that include in-depth individual assessment of unemployment should be pursued as soon as possible 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 Guarantee <sup>(1)</sup>.

Member States should aim to remove barriers and disincentives to, and provide incentives for, participation in the labour market, in particular for low income, second earners and those furthest away 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 in leadership at all levels of decision-making. The gender pay gap should be tackled. Equal pay for equal work, or work of equal value, and pay-transparency should be ensured. The reconciliation of work, family and private life for both women and men should be promoted, in particular through access to affordable quality long-term care and early childhood education and care services. Member States

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<sup>(1)</sup> OJ C 120, 26.4.2013, p. 1.

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 promote a balanced use of these entitlements between women and men.

#### 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 fair, transparent and predictable working conditions, 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, protecting labour rights and ensuring social protection. Employment relationships that lead to precarious working conditions should be prevented, including in the case of platform workers and 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 dis-incentivise a prompt return to employment and should be accompanied by active labour market policies

The mobility of learners and workers should be adequately supported with the aim of enhancing employability, skills and exploiting the full potential of the European labour market, while also ensuring fair conditions for all those pursuing a cross-border activity and stepping up administrative cooperation between national administrations with regard to mobile workers. Barriers to mobility in education and training, in occupational and personal pensions and in the recognition of qualifications should be removed and recognition of qualifications made easier. Member States should take action to ensure that administrative procedures are not an unnecessary obstacle to workers from other Member States taking up employment, including for cross-border workers. Member States should also prevent abuse of the existing rules and address underlying causes of 'brain drain' from certain regions including through appropriate regional development measures.

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 by supporting increased capacity of the social partners. Member States should foster social dialogue and collective bargaining. 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 fighting 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, with due attention to the regional and territorial dimension. They should ensure equal treatment regarding employment, social protection, health and long-term care, 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 adequate, effective, efficient, and sustainable 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, quality, adequacy and sustainability.

Member States should develop and integrate the three strands of active inclusion: adequate income support, inclusive labour markets and access to quality enabling 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, including through targeted social services.

The availability of affordable, accessible and quality services such as early childhood education and care, out-of-school care, education, training, housing, health and long-term care is a necessary condition for ensuring equal opportunities. Particular attention should be given to fighting poverty and social exclusion, including in-work and child poverty. Member States should ensure that everyone, including children, 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. The specific needs of people with disabilities including accessibility should be taken into account in relation to these services. Homelessness should be tackled specifically.

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 social partners and other relevant stakeholders, and allow an appropriate phasing in of the reforms.