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COVER NOTE

From:	The Employment Committee
To:	Permanent Representatives Committee
Subject:	EMCO thematic review conclusions 2018-2019 and Country examination

Delegations will find attached the EMCO thematic review conclusions 2018-2019 and Country examination, as an addendum to the Horizontal Opinion on the 2019 CSRs.

BELGIUM

CSR (part) 2018 ¹	Topic thematic review	Date	Conclusions
Remove disincentives to work and strengthen the effectiveness of active labour market policies, in particular for the low-skilled, people with a migrant background and older workers.	ALMP, PES reforms and LTU	19 February (PAG)	<p>The labour market in the three Belgian regions has specificities requiring the implementation of different packages of measures. Large regional disparities remain a challenge. The vacancy rate in Belgium is among the highest in the EU, signaling significant skills mismatches that need to be tackled, and labour market participation remains low, especially for the low skilled, older people and people with a migrant background. The labour tax wedge remains the highest in the EU and disincentives to work remain high, especially for some groups, and therefore further action in this area should be considered. Despite some improvement, the participation rate in adult learning remains below EU levels.</p> <p>Overall, Belgium has taken steps in addressing the CSR, such as the ‘Jobs Deal’, a 28-measure package announced last summer to improve work incentives. However, since Belgium currently has a caretaker government, not all measures are in place and much needs to be done to ensure the full adoption of the package.</p> <p>An impact assessment should be conducted in order to evaluate to what extent the proposed package would lead to improving the effectiveness of ALMPs, especially for the vulnerable groups. Regional measures are seen as policy responses to the CSR. We acknowledge the 3-component incentive for training in Wallonia, encouraging training in occupations with real prospects,</p>

¹ In the review on social dialogue on 21 November in accordance with the working methods in addition to CSRs also recitals were examined (cf below), case study conclusions from the review on 21 November (DE and NL) are not included in this table

			as well as the social interpreting measure implemented by Actiris, targeting people with a migrant background. However additional and tailor-made efforts are needed for people with migrant background and their descendants.
Pursue the education and training reforms, including by fostering equity and increasing the proportion of graduates in science, technology, engineering and mathematics.	Education, skills, VET and adult learning	13 March (with EDUC)	The French Community is currently carrying out a fundamental reform of its education system, and will continue to do so over the coming years. This reform looks well-developed and is very promising. However, major reforms are still pending and others need to be implemented on the ground. The Committees therefore encourage Belgium to continue these efforts. The Flemish Community has completed legislative work to reform all levels of education. The legislation now needs to be implemented. It remains to be seen whether these reforms have a sufficient impact on equity. On STEM, there are numerous initiatives and measures in place, but these perhaps fall short of an overall strategic approach, given the amplitude of the challenge in this area.

BULGARIA

CSR (part) 2018	Topic thematic review	Date	Conclusions
Improve tax collection and the efficiency of public spending, including by stepping up enforcement of measures to reduce the extent of the informal economy.	Labour market segmentation and undeclared work	24 January	The economic situation in Bulgaria is improving, with good labour market developments. Still, the level of undeclared work seems to remain high. The overall strategy for tackling undeclared work is in place. New measures introduced in 2018 should move towards the implementation of the CSR. The low tax wedge helps to reduce the grey economy and undeclared work. The combination of different measures is key for the successful implementation of the CSR. Risk-based approach and joint inspections are good measures to improve the cooperation between public institutions and make these efforts more effective. Moreover, additional flexibility to one-day contracts in agriculture and changes in public procurement procedures represent positive developments. Awareness-raising campaigns are welcome for re-establishing confidence in public institutions and for lowering the general tolerance of grey economy but need to continue. It is necessary to conduct a systematic evaluation of the adopted measures. Further efforts to tackle the issues identified in the CSR are still needed.
Increase the employability of disadvantaged groups by upskilling and strengthening activation measures.	ALMP, PES reforms and LTU	19 February (PAG)	The labour market situation in Bulgaria is improving but not all groups are benefiting – particularly NEETs and the low-skilled. The participation in Active Labour Market Policies and Adult Learning remains low. Bulgaria has taken steps to respond to the CSR, in broadening initiatives to train disadvantaged groups. In general, there is a greater focus on upskilling and training measures, though the labour market relevance of the training provided needs to be ensured. However, concerns remain over the rate of participation in active labour market policies that needs to be increased. Measures to improve outreach are welcomed. Moves to integrate the provision of employment and social services are positive but their

			sustainability needs to be ensured. Monitoring and evaluation of the measures introduced will be important. Additional efforts are needed to increase the participation in targeted active labour market policies (ALMP) and to strengthen the offer of vocational education and training.
Improve the provision of quality inclusive mainstream education, particularly for Roma and other disadvantaged groups.	Education, skills, VET and adult learning	13 March (with EDUC)	By implementing a wide range of programs, Bulgaria has made some progress in increasing inclusiveness and quality of the education system. Measures have also been undertaken to fight early school leaving, improve digital competences, help students overcome learning gaps, increase teachers' salaries and improve their competences. Nevertheless, a substantial, continued and sustainable effort is still needed to improve outcomes of the education system, increase the labour market relevance of vocational education and training, and further reduce early school leaving, which remains high especially among Roma and in rural areas.

CZECH REPUBLIC

CSR (part) 2018	Topic thematic review	Date	Conclusions
Foster the employment of women, the low-skilled and disabled people, including by improving the effectiveness of active labour market policies.	Labour market participation	18 February	The Czech Republic took broader steps and comprehensive approach to address challenges women are facing on the labour market. Measures fostering labour market participation of low-skilled and disabled people have also been gradually improving though challenges remain regarding the higher effectiveness of active labour market policies. Improvements are observed through the increase in the number of childcare facilities, with the support from EU funds. Further steps are being prepared to ensure the sustainability of these measures. It is also necessary to expand the access to affordable childcare services to all families with children at pre-school age. An overall ex-ante and ex-post impact assessment of these measures is also needed, in particular of childcare needs. Other measures expected to improve work-life balance have been introduced, together with a broad strategy to address gender gaps on the labour market, and to remove barriers to female participation in the labour market and to combat gender inequalities. Other measures might be needed in the future, after the impact of the strategy has been assessed. There is room for improving provision of individualised services by public employment services. A comprehensive approach that takes into account the multidimensional aspect of disadvantages should be further enhanced, providing tailored training to overcome skills barriers in combination with social assistance.
Strengthen the capacity of the education system to deliver quality inclusive education, including by promoting the teaching profession.	Education, skills, VET and adult learning	13 March (with EDUC)	The Committees noted that this was a light review: a number of educational reforms are either ongoing or envisaged for the next period. There have been positive reforms with regard to inclusive education though the impact on Roma is still limited. Increased financial resources are essential for delivering quality and for increasing the attractiveness of the teaching

			profession. The additional funding for this is therefore welcome but results still have to be assessed. There is scope for further measures to improve the attractiveness of the profession and measures announced should now be implemented.
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GERMANY

CSR (part) 2018	Topic thematic review	Date	Conclusions
Reduce disincentives to work more hours, including the high tax wedge, in particular for low-wage and second earners. Take measures to promote longer working lives.	Labour market participation	18 February	Germany made positive steps towards reducing disincentives to work for second earners, facilitating transitions to standard employment and reducing the high tax wedge for low-wage earners, a considerable part of which are women. Measures have also been taken to enhance the quality and affordability of childcare services and to prevent lock-in in part-time jobs. However, disincentives to increase working hours persist, particularly for second earners and the low-waged, due to the substantial tax wedge and tax rules. It will be important to closely monitor the impact of the newly introduced measures, in particular the Act on Part Time and Fixed-Term Employment as well as the Improving Pensions and Stabilising the Statutory Pension Insurance, since efforts made so far may not be enough to create effective work incentives for low-wage and second earners.
...use fiscal and structural policies to achieve a sustained upward trend in public and private investment, and in particular on <u>education</u> ... Improve educational outcomes and skills levels of disadvantaged groups.	Education, skills, VET and adult learning	13 March (with EDUC)	The Committees noted that this was a light review. The additional education funding made available represents an important step forward. However, implementation of this additional funding is still ongoing and has not yet led to comprehensive results. A level of funding that matches the challenges Germany faces should be further ensured. Work to tackle the equity challenge at all levels of education should continue.
Create conditions to promote higher wage growth, while respecting the role of the social partners.	Wages, competitiveness and labour taxation	21 March (PAG)	The wage-setting system in Germany is based on collective bargaining and the government only intervenes in a regulatory capacity, if necessary to safeguard minimum standards with regard to working conditions, the general statutory minimum wage and sector-specific minimum wages. Social partners are actively involved in the process through the Minimum Wage Commission, a bipartite body which proposes adjustments to the federal

			<p>government every two years. The last increase was introduced in January 2019. Additional government measures that would encourage social partners to increase the coverage of collective agreements could contribute to wage increases and that could thus contribute to wage increases might be considered. Also, further discussions to incentivise social partners to conclude more collective agreements could be a step in the right direction. Other regulatory or legislative measures with an impact on the framework of wage formation which are being considered look promising. Further developments need to be closely monitored.</p>
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ESTONIA

CSR (part) 2018	Topic thematic review	Date	Conclusions
<p>Recital 9: These changes are expected to give women an incentive to return to work earlier and thereby contribute to lowering Estonia's gender pay gap. The proposal on the second stage of parental leave reform is being discussed. Continued engagement with social partners and strengthening their capacity, in light of very low membership rates, remain important in this context and beyond.</p>	<p>Social dialogue</p>	<p>21 November</p>	<p>The institutional set-up for social dialogue, and the involvement of social partners, has improved in Estonia. Since the last EMCO review, an important positive development has taken place: tripartite social dialogue has been reinforced since May 2018 when high level regular meetings between government and social partners, to discuss relevant topics for all partners, were initiated. Moreover, good progress has been made in bipartite social dialogue at national level with the conclusion of two sectoral collective agreements in the transport and healthcare sectors. The rate of unionization of the Estonian workforce is very low and the significant majority of employers are micro-companies and therefore the capacity of both trade unions and employers to participate in the design and implementation of reforms is challenging. The low coverage of both types of social partners should be addressed. Efforts towards capacity-building from all sides, including the government, should intensify.</p>
<p>Take measures to reduce the gender pay gap, including by improving wage transparency in the private sector.</p>	<p>Labour market participation</p>	<p>18 February</p>	<p>The gender pay gap remains high in Estonia. Reform of the parental leave system is a welcome step. The importance of the availability of childcare was also highlighted, in order to address the issue of care responsibilities. Further legislative changes to improve wage transparency have been postponed due to the Parliamentary elections. The possible introduction of IT tools to help with wage transparency could be promising and it will be important to monitor the process going forward. Estonia also highlighted the awareness-raising activities which are being carried out.</p>

IRELAND

CSR (part) 2018	Topic thematic review	Date	Conclusions
Prioritise the upskilling of the adult working-age population, with a focus on digital skills.	Education, skills, VET and adult learning	13 March (with EDUC)	Skills shortages, digital skills gaps and the participation of the low qualified in adult learning are continuous challenges. Adult learning participation is increasing, and recent measures focused on older workers and the low skilled as well as on transversal and digital skills. Ireland has used the Upskilling pathways approaches in its policy efforts, new initiatives have been launched including the policy framework “Skills to Advance”, EXPLORE programme and the Skills for Growth Audit tool. Continuation and monitoring and evaluation of those efforts is important.

GREECE

CSR (part) 2018	Topic thematic review	Date	Conclusions
-	Social Dialogue	24 April (Country Exam)	Greece outlined three key policy responses to the social dialogue challenge: enhancing the role of the Supreme Labour Council, the new procedure for raising the minimum wage; and the return to sectoral collective bargaining as the main level of bargaining. There are signs of better social partner involvement but it could be further improved, including via better use of the existing institutional framework. EMCO also noted the legacy of the Memoranda weighing on social dialogue in Greece and on the involvement of social partners in the European Semester. Further involvement of social partners could be considered in the future. There is room for development as regards the capacity of social partners. The project of an integrated monitoring mechanism for the implementation of the European Pillar of Social Rights is interesting.
-	ALMP and PES reforms	24 April (Country Exam)	The Greek PES completed a re-engineering programme in 2018 with the support of EU funds. The reshaping of the ALMP system to improve their relevance and effectiveness is ongoing, and a new profiling methodology has been developed. The involvement of stakeholders and social partners is significant and welcome, as is the focus on digital skills. Monitoring and evaluation of these reforms and changes will be important going forward. Although Greece is making real progress, long and very long-term unemployment remains a major challenge to be addressed.
-	VET and education	24 April (Country Exam)	The early school leaving rate has dropped considerably, and there has been a significant increase in tertiary educational attainment. Skills mismatches are a concern, given the number of tertiary graduates working in jobs below their qualification level. There has been progress made in improving the

			labour market relevance of education, but issues remain. Technical Educational Institutions are being reformed with the aim of further improving the educational system's links to the labour market. EMCO looks forward to hearing the outcome of this reform. Evidence-based policy-making and monitoring are very important here. Participation in VET and adult learning needs to further increase. Greece has a clear strategy to improve the attractiveness and quality of VET, and a common quality framework for VET and apprenticeships is in place.
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SPAIN

CSR (part) 2018	Topic thematic review	Date	Conclusions
Ensure that employment and social services have the capacity to provide effective support for jobseekers, including through better cooperation with employers.	LTU review (CSR) ²	3 October	Steps have been taken in the right direction to respond to both the Recommendation and the CSR: there is a high level of registration with the PES, efforts have been made to improve service delivery and the use of the Individual Action Plan, there are improvements in the coordination between employment and social services. Further efforts are required to address disparities in implementation of coordination of services and involvement of employers. The emphasis on policy monitoring and evaluation, and the two recent initiatives (the youth employment plan and the plan for reducing long-term unemployment) are noted and EMCO looks forward to hearing the results of recent changes. Finally, despite the labour market recovering, long-term unemployment remains a challenge and there continue to be PES capacity constraints at regional level, despite some recent improvements.
Recital 11: The involvement of social partners in policy design has increased recently but there is still room for further improvement.	Social dialogue	21 November	Spain has social dialogue mechanisms in place, and has recently increased its efforts to use these mechanisms to promote better involvement of social partners in policy design and implementation. The resumption of tripartite round-tables is a good example of this, although the approach of the work of tripartite round-tables and their intensity varies. It remains to be seen if these efforts lead to positive socioeconomic outcomes. Social partners continue to call for both deeper and wider involvement, and note the discussions on recent policy developments where they would like more effective and timely involvement. EMCO notes Spain's intention to include social partners in these latter reform considerations. There have been improvements in the way that social partners are involved in the Semester

² Amended at the EMCO Country Exam 24 April 2019

			process but engagement could still be more timely and effective. EMCO notes that there are plans to improve further, for example by establishing a roadmap with a clear calendar of consultation, and looks forward to seeing the results of these. Overall, therefore, EMCO observes partial improvement as regards social dialogue in Spain.
Foster transitions towards open-ended contracts.	Labour market segmentation and undeclared work	24 January	The Spanish labour market is improving but concerns about segmentation remain. There are some positive developments such as the increasing share of permanent contracts in new hiring, however the overall share of temporary contracts is still high, particularly for young and low-skilled people. And there are concerns about the low rate of transitions to permanent contracts as well as the duration of some of the temporary contracts. Tackling segmentation is clearly a priority for the Spanish government. Efforts to strengthen the labour inspectorates are already bearing fruit, to judge from the first results. And social partners are actively engaged in an ongoing revision of the regulatory framework. Work is also ongoing to assess existing hiring incentives with a view to improve their effectiveness. Recruitment competitions to reduce the reliance of fixed term employment in the public sector are ongoing at a slow pace. Overall, some progress has been made, but the size of the challenge means that efforts must continue.
Reduce early school leaving and regional disparities in educational outcomes, in particular by better supporting students and teachers. Increase cooperation between education and businesses with a view to mitigating existing skills mismatches.	Education, skills, VET and adult learning	13 March (with EDUC)	There has been constant progress in improving the still high early school leaving rates and tertiary education attainment, but important gaps remain, including significant regional disparities. Spain has recently adopted policy measures which could potentially address the CSR, and has allocated significant budget resources to implement them. However, their implementation will depend on the regions who are competent for education and training policy and on the future Spanish government receiving broad political support for reforms. Spain has undertaken efforts to reduce the early school leaving rate. Reducing regional disparities both in early school leaving rate and education outcomes remains a challenge. The new orientation programme to reduce early school leaving with focus on students from disadvantaged background looks promising in this regard.

			<p>Enhancing cooperation and exchange of best practices among regions would help to address these education challenges. Additionally there are efforts ongoing to reduce course repetition rates. Career counselling has been strengthened and efforts have been made to improve the VET system. Initiatives to support teachers training and geographical mobility have been introduced. There continues to be a mismatch between qualifications and labour market needs, and low take-up of VET and participation in adult learning, therefore the recent efforts to improve the system are welcome and should be further pursued, monitored and evaluated. Measures have been taken to strengthen the mechanisms for involving stakeholders and further efforts should be made.</p>
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FRANCE

CSR (part) 2018	Topic thematic review	Date	Conclusions
Foster equal opportunities and access to the labour market, including for people with a migrant background and people living in deprived areas.	Labour market participation	18 February	Despite recent improvements, ensuring equal opportunities and access to the labour market for those furthest from the labour market in France remain a challenge. People living in most deprived areas and people with a migrant background face multiple cumulative disadvantages, related to, lower educational attainment as well as limited social inclusion and integration in the labour market, indicating the need for a comprehensive policy response. Prior existing measures for equal opportunities do not appear sufficient to comprehensively address the existing challenges for some vulnerable groups. New measures, such as “Garantie d’activité”, Employment skill paths (parcours emploi compétences), freed contrats (“Emplois francs”), ... have been recently introduced to foster equal employment opportunities for low skilled workers, newly arrived migrants, people with a migrant background and people living in deprived areas, whose impact should be carefully monitored in order to assess their effectiveness.
Pursue the reforms of the vocational education and training system to strengthen its labour market relevance and improve access to training, in particular for low-qualified workers and jobseekers.	Education, skills, VET and adult learning	13 March (with EDUC)	There have been improvements in the labour market situation, though the unemployment rate of the low-skilled is still relatively high and there are increasing skills mismatches. Labour market outcomes for IVET graduates are improving. Participation in adult learning is broadly stable and above the EU average. However, participation in adult learning by the low-skilled and unemployed is relatively low, so there is a need to target those measures to those who would benefit the most. In response to these challenges, France has introduced comprehensive reforms, targeting Vocational Education and Training and Apprenticeships. The reforms encompass a number of actions including the revamped personal training

			<p>account, better counselling, reform of the apprenticeship system including its attractiveness, connection with employers and reshaped governance of the VET system. The reform is welcome and has the potential to address the CSR. It is further supported by the substantial investment foreseen as part of the 5-year Skills Investment Plan (2019) aimed at supporting NEETs & the low skilled and the planned complementary reform of school-based vocational education. The overall policy response is based on a coherent strategy with coordinated and systemic actions, aimed at upgrading skills and key competencies of the labour force and at addressing skills mismatches. Monitoring and evaluation will be important, so as to see if all regions benefit equally and actions are appropriately coordinated.</p>
<p>Ensure that minimum wage developments are consistent with job creation and competitiveness.</p>	<p>Wages, competitiveness and labour taxation</p>	<p>21 March (PAG)</p>	<p>Cost-competitiveness in France has improved since 2012, but the level of unemployment for the low-skilled and young people is still high. France has taken a comprehensive approach to responding to this CSR: implementation should be monitored and evaluated to see if this has the desired effect. There is a dedicated Committee to consider the setting of the minimum wage, which has evolved in strict compliance with the setting mechanism. There are some concerns over the indexation rule (which has particular importance in the current political context) which could cause challenges under different macroeconomic conditions. Tax credits on corporate tax have been replaced as of January 2019 by a direct reduction in employers' contributions, with additional cuts applying to low-wage earners scheduled to take effect in October 2019. Finally, there has been significant VET reform to improve productivity and opportunity for the low-skilled.</p>

CROATIA

CSR (part) 2018	Topic thematic review	Date	Conclusions
Recital 9: Even though the social dialogue structure in Croatia is in place, the actual interaction between the authorities and stakeholders in the policy preparation process is limited and has been mostly confined to the provision of written feedback on the government proposed measures. In addition, the fragmentation of trade unions limits their overall capacity to engage in social dialogue.	Social dialogue	21 November	In principle there is a framework in place in Croatia for social dialogue: the Economic and Social Council is a tripartite advisory body with a number of thematic committees and working groups. However the ESC is currently experiencing a pause in its functioning. And social partners express concerns about whether the working methods and procedures it follows are efficient for a genuine social dialogue. It is not clear that the specific status of social partners and the particular character of social dialogue are properly differentiated from wider consultation. Social partner involvement in the National Reform Programme has developed , as social partners are now included earlier in the process, providing for more time to contribute. However, further improvement is needed. Whilst social partner involvement could be improved across the board, the quality of social dialogue also relies on the capacity of social partners, and this should be addressed. The issue of the fragmentation of trade unions poses a challenge here. Overall, then, EMCO notes limited progress in improving social dialogue. Croatia could consider more monitoring of the impact of social partner involvement on national policy-making, building on existing frameworks.
Deliver on the reform of the education and training system to improve its quality and labour market relevance for both young people and adults.	Education, skills, VET and adult learning	13 March (with EDUC)	Croatia has taken a systematic approach towards addressing the requirements of the CSR, comprising three elements: curricular reform; reform of VET; increasing participation in adult education and quality of adult education. The substantial measures planned on curricular reform focused essentially on primary and secondary education. Further progress is therefore needed towards the full implementation of the broader Strategy

			for Education, Science and Technology, including addressing the challenges related to early childhood education and care or to tertiary education. There is a need for continuous monitoring, evaluation and adaptation to assess the effectiveness of the introduced changes. There have been some positive steps in VET system and adult education, however these are the beginning of more substantial reform efforts that await their implementation in the future and results and impact cannot be assessed for the moment. Efforts have been undertaken to raise the digital competences of teachers and students. Croatia is also encouraged to maintain the effective cooperation and involvement of all stakeholders at all phases of the reforms.
In consultation with social partners, introduce harmonised wage-setting frameworks across the public administration and public services.	Wages, competitiveness and labour taxation	21 March (PAG)	Croatia has taken a two-step approach in responding to the CSR. The first step involves civil servants. Social partners have been involved and a new legislative framework devised to reduce fragmentation, improve transparency and better reward performance was prepared. This framework now needs to be implemented. The second step concerns public servants more generally. More needs to be done here, and the involvement of social partners should be assured. There is a need to keep the situation under review.

ITALY

CSR (part) 2018	Topic thematic review	Date	Conclusions
Step up efforts to tackle the shadow economy, including by strengthening the compulsory use of e-payments through lower legal thresholds for cash payments.	Labour market segmentation and undeclared work	24 January	Despite a slight decrease, undeclared work is widespread, especially in some sectors and in the southern regions. Italy has carried out a comprehensive institutional reform to strengthen the labour inspectorate, simplify inspections and make them more effective. It is also looking to improve the regulation of casual work, improve the incentives for the self-employed in the south, and reduce the cost of labour. Overall, Italy has made some progress. But these efforts should be continued and their effects monitored. And some specific targeted measures may be needed to supplement them.
Encourage labour market participation of women through a comprehensive strategy, rationalising family-support policies and increasing the coverage of childcare facilities	Labour market participation	18 February	The labour market participation of women has increased but remains a major issue. There are also strong regional discrepancies in the participation rate of women. The review highlighted a number of factors behind it: skills levels across age groups; the limited availability of childcare; the need for more balanced parental leave. The Budget Law for 2019 increases the number of primary schools teachers and extends rights to paternity leave (from 4 to 5 days), both of which may improve the situation. Furthermore, the new Citizen's Income scheme may also help in certain critical situations, though it does not specifically target women. These measures are welcome but efforts need to continue as part of a more comprehensive strategic approach, as acknowledged by the choice of a light review.
Step up implementation of the reform of active labour market policies to ensure equal access to effective job-search assistance and training.	ALMP, PES reforms and LTU	19 February (PAG)	Key labour market indicators have improved, though unemployment rate and youth unemployment rate remain high. Italy has taken some steps to address the CSR, such as the measures adopted in the area of PES organisation and staff and the inclusion of households at risk of poverty through the citizenship basic income. More efforts are needed to put these

			<p>measures in full practice. Despite improvements, the implementation of the reform of ALMPs to ensure equal access to effective job search assistance and training remains challenging. Efforts to strengthen PES are acknowledged and are needed to improve the quality of ALMPs. As placement capacity and overall efficiency of PES vary widely between regions, more efforts are needed to reach potential beneficiaries and to improve the capacity to provide individual assessment plans. The integration of the PES with social and educational service providers should be reinforced. EMCO is looking forward to further information on the two digital platforms to serve for the purposes of analysis, monitoring and evaluation (e.g. of implementation of citizen income). Cooperation with employers, as required by the LTU Recommendation, as well as their involvement in the ALMPs, need to be strengthened.</p>
<p>Foster...digital skills...and increase participation in vocational-oriented tertiary education.</p>	<p>Education, skills, VET and adult learning</p>	<p>13 March (with EDUC)</p>	<p>The share of university graduates is improving and within vocational training pathways, the employment rate of graduates from tertiary vocational education institutes (ITS) is above 80%, however further efforts are needed in terms of attracting more learners to these paths, as well as a focus on key competencies and basic skills. Altogether employment rate of VET graduates is well below the EU average. Significant gaps exist among regions as regards skills challenges. Reform measures have so far focused on the formal education system, for example, the 2015 national plan for digital schools is proceeding with modest results. However, there are parts of the population – older workers and the inactive – who could benefit from additional support and targeted measures. There is a need for further efforts to increase the level of digital skills of the whole population, through upskilling. This would then need reversing the decreasing trend of adult participation in learning, in particular for low-skilled/ low-qualified people. Some initiatives have been recently adopted to strengthen post-secondary and tertiary vocational education, for example allocation of additional resources for ITS pathways and tax credit for training and skills linked to 4.0 technologies. Further efforts are needed to broaden tertiary vocational education and to improve monitoring and evaluation. Career guidance has</p>

			been strengthened. There is a general need to address skills mismatches.
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CYPRUS

CSR (part) 2018	Topic thematic review	Date	Conclusions
Complete reforms aimed at increasing the capacity and effectiveness of the public employment services and reinforce outreach and activation support for young people who are not in employment education or training.	ALMP, PES reforms and LTU	19 February (PAG)	Cyprus has looked to enhance the capacity of PES through hiring extra counsellors and setting up an IT platform for employers. A strategic document setting performance indicators and targets for the PES, together with a legislative proposal for the PES are in preparation, and it will be important to ensure close monitoring of the implementation and assessment of the impact. Whilst an action plan has been developed to tackle NEETs, the NEET rate remains high and efforts need to continue to provide tailor made services to youth and other vulnerable groups. Overall, Cyprus has taken steps to respond to the CSR, but there is still room for improvement and efforts should continue.
Complete the reform of the education and training system, including teacher evaluation and actions to increase the capacity of vocational education and training.	Education, skills, VET and adult learning	13 March (with EDUC)	Cyprus has continued its efforts to modernise the education and training system at all levels and to improve educational outcome, though measures should be underpinned by a more in-depth monitoring and evaluation system. Implementing a sound evaluation system for teachers and educational work would represent a further step forward. In the field of vocational education and training, Cyprus took promising steps in reducing the skills mismatches. Efforts to increase the participation levels and VET attractiveness should however be continued, also considering the high employability of VET students. In this respect, attracting employers and increasing cooperation with other relevant stakeholders would be key. More efforts are still necessary to reduce skills mismatches for tertiary graduates and to enhance adult learning, especially for the low-skilled.

LATVIA

CSR (part) 2018	Topic thematic review	Date	Conclusions
Recital 11: The implementation of the new work-based learning approach has started, with the involvement of social partners and companies. (...) In a broader context, strengthening social partners' capacity is important to foster their engagement.	Social dialogue	21 November	Latvia has a well-established institutional setup and procedures to ensure social partner involvement in policy making through centralised tripartite consultations. The National Tripartite Cooperation Council is consulted on a wide range of policy areas and the social partners are timely and meaningfully involved in the design and implementation of reforms. Also, promising developments are visible in sectoral social dialogue, with the conclusion of the first sectoral collective agreement in the private sector (i.e. in the construction sector), while further efforts are being undertaken for the implementation of the collective agreement system, funded by ESF projects, with the aim of supporting the autonomy of collective bargaining. The rate of unionization of the Latvian workforce remains low and the capacity of both trade unions and employers to participate in the design and implementation of reforms is sometimes challenging. Further capacity building measures could improve the engagement of social partners and the results of the social dialogue. Efforts by all sides, including the government, should intensify. More dynamic social dialogue at sectoral level, supporting the autonomy of collective bargaining, could help in this respect.
Increase the labour market relevance of vocational education and training, and foster upskilling of low-skilled workers and jobseekers	Education, skills, VET and adult learning	13 March (with EDUC)	Latvia has implemented a number of significant reforms of the VET system in recent years, and this progress has continued. In particular, reform of the VET curriculum has continued, and work-based learning has expanded. Adult learning is being strengthened. However, challenges remain. In particular, participation in VET and adult learning remains low. The Committees encourage Latvia to continue their efforts in this area, and look forward to hearing about the implementation of the further initiatives Latvia

			has planned.
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LITHUANIA

CSR (part) 2018	Topic thematic review	Date	Conclusions
Recital 11: In a broader context, strengthening social partners' capacity is important to foster their engagement.	Social dialogue	21 November	Tripartite social dialogue works relatively well at national level, institutionalised in the Tripartite Council and its seven thematic subcommittees. The national agreement on main structural reforms signed in October 2017 and the representativeness criteria for social partners seeking to be members in the Tripartite Council should contribute to an improved social dialogue. Social partners should be more strongly involved in the social dialogue process. Bipartite social dialogue shows some progress being made by an increasing number of concluded sectoral collective agreements in public sector, however, sectoral social dialogue in private sector is rather weak. The government is implementing measures to improve the capacity of social partners. Efforts to that end should therefore continue, in particular focusing on training the staff of the social partners and building on their expertise, as well as on incentivising the engagement in negotiations at sectoral and company level. The announced comprehensive assessment of the impact of the new labour code on the development of the social dialogue is welcome and we look forward to seeing its results.
Improve the quality, efficiency and labour market relevance of education and training, including adult learning.	Education, skills, VET and adult learning	13 March (with EDUC)	In general education teachers working conditions are being improved including by introducing a full time teacher payments scheme. Lithuania has undertaken a number of initiatives to modernize the VET system and has completed the reform of the governance of the VET institutions. These initiatives now need to be fully implemented, and sustained over the long-term and further measures are needed to address the low VET enrolment rates. Measures are also being taken to strengthen adult learning and activation measures, but results are yet to materialize, as participation in adult learning is well below EU average. Special attention is needed to

			address the situation of the low-skilled, who face particular difficulties in the Lithuanian labour market. Activation and adult learning will be supported with EU funds. There are plans to improve accessibility to higher education and universities are being merged. Efforts are acknowledged, but need to be sustained in the future and impact is yet to be seen.
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LUXEMBOURG

CSR (part) 2018	Topic thematic review	Date	Conclusions
Increase the employment rate of older people by enhancing their employment opportunities and employability	Labour market participation	18 February	The Luxembourg authorities continued implementing the existing measures but a comprehensive strategy that promotes active ageing measures and foster access to training for older workers is still missing. PES have introduced specific measures targeting older jobseekers to get back in the labour market and a bill was passed in 2017 limiting the access to early retirement. However, the effects of the latter measure will take time to deploy. Reforms further limiting early retirement would be necessary if no decisive impact on the average effective retirement age will be visible, also with the view of safeguarding the sustainability of the pension system in the long run. Adopting the bill on age management strategies and introducing the partial retirement scheme would represent positive steps.

HUNGARY

CSR (part) 2018	Topic thematic review	Date	Conclusions
Improve the quality and transparency of the decision-making process through effective social dialogue and engagement with other stakeholders and by regular, adequate impact assessments.	Social dialogue	21 November	The system of social dialogue remains underdeveloped in Hungary and no substantial changes occurred since the last EMCO review on this topic. The two main institutions involved in social dialogue at national level are the National Economic and Social Council (NESC) established in 2011 and the Permanent Consultation Forum of the Private Sector and the Government (VKF) established in 2012. The National Economic and Social Council cannot be considered a genuine social dialogue body because the Government is not represented and its membership is very broad, being more of a civil society body even if the social partners are involved in its work. The Permanent Consultation Forum of the Private Sector and the Government is a real tripartite body, but with a limited range of negotiated topics and without sufficient legal basis. Sectoral Dialogue Committees are established as bipartite social dialogue forums to discuss sectoral issues affecting employment and labour relations. Social dialogue in Hungary is limited to basic information sharing by Government to social partners. The weaknesses of existing structures for tri-partite social dialogue do not allow for a proper and meaningful involvement of social partners in the design and implementation of relevant policy reforms. Social dialogue structures should be adjusted and developed. Regular formal information and consultation exchanges addressing national and EU level policies should be organised.
Unlock labour reserves through improving the quality of active labour market policies.	ALMP, PES reforms and LTU	19 February (PAG)	The labour market situation in Hungary is improving, and skill shortages are emerging. The quality of PES has improved, but efforts need to continue to improve their capacity and strengthen the coordination with social and

			<p>health services with the view to support the most disadvantaged jobseekers and inactive. Hungary is enforcing ALMPs and reducing the use of public work scheme, but the latter still remains significant. There are also plans to link the databases of PES and National Tax Authority to provide better data for the monitoring of the ALMPs. There is a need to focus more on training in the ALMP service offer. Hungary presented some initiatives incentivizing training participation and quality assurance. It is important to monitor and evaluate ALMPs. With the shrinking of the labour reserve the provision of individualized support could also be strengthened to integrate those furthest away from the labour market.</p>
<p>Improve education outcomes and increase the participation of disadvantaged groups, in particular Roma, in quality and inclusive mainstream education.</p>	<p>Education, skills, VET and adult learning</p>	<p>13 March (with EDUC)</p>	<p>Hungary has initiated a number of measures to combat increasing early school leaving and has adopted legislative changes to prevent the segregation of disadvantaged pupils in the education system. Yet, these measures may be insufficient to meet the substantial challenges faced by the education system in Hungary and their impact on education outcomes may take long time to display. Efforts are therefore still needed to reduce the selectiveness of the school system, to increase participation of disadvantaged pupils, in particular Roma, in inclusive mainstream schools, to improve the outcomes of the education system and to increase the enrolment in tertiary education.</p>

NETHERLANDS

CSR (part) 2018	Topic thematic review	Date	Conclusions
Reduce the incentives to use temporary contracts and self-employed without employees, ... and tackle bogus self-employment.	Labour market segmentation and undeclared work	24 January	The economic situation in the Netherlands remains favourable. In order to address the issues identified in the CSR, a number of initiatives were proposed and should enter into force in 2020. The package includes measures such as (1) the introduction of a new, additional ground for dismissal, (2) the entitlement to the transition allowance as of day 1 of temporary contracts, as well as (3) the possibility to differentiate unemployment contributions per type of contract. At the same time, most measures regarding bogus self-employment are still being developed. Overall, no concrete measures have been adopted yet. Discussions and reflections are still ongoing. Therefore, the adoption and implementation of these measures should be closely monitored.
Create conditions to promote higher wage growth, respecting the role of the social partners.	Wages, competitiveness and labour taxation	21 March (PAG)	Wage growth remains moderate but is expected to accelerate in 2018 and 2019. In the Netherlands, wages are primarily determined through negotiations between the social partners. Since negotiations take place at sectoral and firm level, the government's influence on wage growth is limited. Public sector wages increased at a faster rate in the previous year. In addition, the government has taken measures that support higher disposable real incomes of households by a reduction of personal income taxes. The Dutch government aims to indirectly raise productivity and growth by stimulating research and development and investing in skills and human capital. Overall, some measures have been undertaken. Some additional analysis of the underlying causes of the slower-than-expected wage growth may be warranted.

AUSTRIA

CSR (part) 2018	Topic thematic review	Date	Conclusions
Improve labour market outcomes of women.	Labour market participation	18 February	As mentioned in previous conclusions and underlined by the choice of a light review, there is a significant gender pay gap and high levels of part time work. There have been efforts to improve the quantity and quality of childcare, and extend all-day schooling opportunities, but these need to be continued. Efforts to improve the training available to women were noted, as were ongoing discussions on how to improve wage transparency.
Improve basic skills for disadvantaged young people and people with a migrant background.	Education, skills, VET and adult learning	13 March (with EDUC)	Socio-economic and / or migrant backgrounds have a strong influence on educational outcomes in Austria. A comprehensive package of measures is planned but these remain at different stages of implementation at present. The concrete impact of these measures is therefore yet to be seen, particularly as regards the target groups mentioned in the CSRs. A number of measures has also been taken to address specific shortages of teachers (e.g. in certain regions or subjects). It now needs to be seen if these have the desired effect.
Reduce the tax wedge, especially for low-income earners, by shifting the tax burden to sources of revenue less detrimental to growth.	Wages, competitiveness and labour taxation	21 March (PAG)	The government has undertaken targeted measures to reduce the tax burden for low-wage earners, second earners and families with working parents with the aim to increase incentives for working longer. The new Family Bonus + is an important reform measure and a relevant response to the CSR. The overall tax structure remains unchanged and there is still scope for shifting the tax burden to more growth-friendly sources of revenue. The planned measures are still in their early stage and a further follow-up is needed. Further reform measures are planned for the coming period.

POLAND

CSR (part) 2018	Topic thematic review	Date	Conclusions
Remove remaining obstacles to more permanent types of employment.	Labour market segmentation and undeclared work	24 January	Overall, the labour market situation is steadily improving. Despite the strong decrease of the share of temporary employment, it is still high. Measures aiming at removing obstacles to permanent employment were already introduced in 2016-2017 and have contributed to the positive trends observed. The policy response is directed towards the implementation of the measures introduced in previous years to tackle labour market segmentation: limiting the possibility to abuse temporary employment, increasing social security contributions on some non-standard labour contracts and applying minimum hourly wage for some of these contracts. The only new action reported in 2018 is the amendment of the Act on trade unions. Overall trends are positive but challenges persist and further efforts are needed.
Take steps to increase labour market participation, including by improving access to childcare	Labour market participation	18 February	A certain number of steps have been taken, but these do not constitute a full policy response as shown by the choice of a light review. Poland is making efforts to expand the provision of childcare and support the labour market participation of people with disabilities. There is also a focus on assisting older workers, including through wage subsidies. Awareness-raising campaigns are being carried out, and flexible work is being promoted. Efforts to tackle the challenge should be continued. In particular, further measures are needed to support the labour market participation of the low-skilled, older workers, women and persons with disabilities.
Take steps to increase labour market participation, including...by fostering labour market relevant skills, especially through adult learning	Education, skills, VET and adult learning	13 March (with EDUC)	Poland has initiated a number of relevant measures to address up-skilling amongst its labour force and to increase the uptake of adult learning and training with the involvement of a wide range of actors. Attention should be

			<p>paid to the systemic nature, effective coordination and sustainability of policy response, in particular as regard to adult learning policies. The work on the Skills Strategy could provide a good opportunity to improve consultation and governance mechanisms. The reform of vocational education and training is positive, but the link with labour market could be further strengthened by expanding work-based learning opportunities and addressing the low levels of basic skills of VET students. Efforts are also needed to fully implement the Upskilling Pathways Recommendation and improve teachers' skills.</p>
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PORTUGAL

CSR (part) 2018	Topic thematic review	Date	Conclusions
Promote an environment conducive to hiring on open-ended contracts, including by reviewing the legal framework in consultation with social partners.	Labour market segmentation and undeclared work	24 January	Although the labour market situation has improved, there is still a high share of temporary contracts. The government is taking a holistic approach to the issue. A tripartite agreement has been agreed which aims to reduce segmentation and precariousness (for example by tackling the overuse of fixed-term contracts), as well as to improve the dynamism of collective bargaining, and is now being considered in Parliament. The labour inspectorate is being reinforced and strengthened. Further employment incentives are in preparation and will be implemented in the near future. Active labour market policies have been targeted to the needs of specific groups. Overall Portugal has made some progress in tackling the CSR but efforts need to be maintained and their effectiveness measured and evaluated.
Increase the skills level of the adult population, including digital literacy, by strengthening and broadening the coverage of the training component in adult qualification programmes. Improve higher education uptake, namely in science and technology fields.	Education, skills, VET and adult learning	13 March (with EDUC)	Portugal has achieved a significant increase in recent years in the number of the adult population with at least secondary education and basic digital skills; however the challenges in upskilling its adult population are still significant, and particularly as regards digital skills. Although enrollment in higher education has risen, overall, progress on overall (high education) attainment rate is still limited compared to the target rate. There is a significant shortage of ICT specialists and graduates. PT has introduced measures to improve enrollment and completion rates of higher education. Efforts have been directed to address the digital skills challenge, notably through the IncoDe.2030 initiative. VIDA ATIVA programme is an important tool to support the training of low skilled. Portugal should continue with their reform efforts in these areas, and monitor and evaluate those already

			put in place.
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ROMANIA

CSR (part) 2018	Topic thematic review	Date	Conclusions
<p>Improve the functioning of social dialogue.</p> <p>Ensure minimum wage setting based on objective criteria.³</p>	Social dialogue	21 November	<p>The Ministry of Foreign Affairs has launched an Action Plan to implement Country-Specific Recommendations and to work on the National Reform Programme. This plan includes consultations, which is a welcome step, although there are concerns over the quality of involvement. More generally, whilst Romania has a framework for social dialogue in place, the structures are not used to promote or allow meaningful involvement. There seems to be a lack of mutual trust and no sense of shared responsibility. It does not seem that there has been any progress in the functioning of social dialogue since EMCO's 2017 review or in response to the 2018 CSR, so the need to make significant improvements to both bipartite and tripartite social dialogue remains. Discussions on the law on social dialogue have stalled, and thought should be given as to how to move forwards. The ILO Recommendations should be discussed in a tripartite setting and incorporated into legislation. Consideration should also be given to how to improve the capacity of social partners.</p>
<p>Improve upskilling and the provision of quality mainstream education, in particular for Roma and children in rural areas.</p>	Education, skills, VET and adult learning	13 March (with EDUC)	<p>Improving the provision of quality inclusive mainstream education and of upskilling opportunities in Romania remains a substantial challenge, especially for Roma and children in rural areas. Measures undertaken to increase inclusiveness of education are comprehensive in their approach and are a positive step, but they represent limited progress and need to be strengthened, scaled up and made systemic. Efforts are still needed to increase the quality and labour market relevance of secondary and vocational education. Participation in adult learning remains low, thus</p>

³ The second part has been discussed in Country Exam 24 April, cf conclusions Country Exam

			limiting the capacity of the workforce to adapt to changes in the labour market and shifts in the economy.
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SLOVENIA

CSR (part) 2018	Topic thematic review	Date	Conclusions
Increase the employability of low-skilled and older workers through lifelong learning and activation measures.	ALMP, PES reforms and LTU	19 February (PAG)	The labour market performance in Slovenia continues to improve, due to robust economic growth. Activity and employment rates of older workers and the low skilled remain nonetheless below the EU average, explained by early exit from the labour market, among other reasons. Slovenia's steps in addressing the CSR are acknowledged. The country has implemented several policy measures to increase employability of older and low-skilled workers, which are part of a holistic policy package. Efforts in this direction should nonetheless be intensified, especially through activation. We take note of the planned revision of all the ALMPs, as well as of policy responses to population ageing. The establishment of a national skills strategy with the support of the OECD represents a move in the right direction. Implementation of this strategy will help to address the issues identified in the CSR, notably the mismatches and the skill element of the CSR. Cooperation between all stakeholders in the fields of employment and social services should be further improved, ensuring a more comprehensive approach needed to target low skilled and older workers.

SLOVAKIA

CSR (part) 2018	Topic thematic review	Date	Conclusions
Reinforce activation and upskilling measures, including quality targeted training and individualised services for disadvantaged groups, in particular by delivering on the action plan for the long-term unemployed.	LTU review (CSR)	3 October	Slovakia has taken key steps to improve the activation of long-term unemployed and has made progress in implementing the various elements of the Council Recommendation. There is a comprehensive institutional setting for the registration of the unemployed, which could be further improved. Single points of contact have been established in all labour offices (46) in line with the Recommendation, with a strong role in counselling. The client-counsellor ratio has been dramatically improved, which should allow for better counselling. As for the implementation of job integration agreements, a comprehensive strategy has been elaborated. New services such as "Networking" and "Committees on Employment" have been introduced in order to improve the involvement of employers. Overall, a comprehensive set of new measures was introduced, which should contribute to further improving the labour market integration of the long-term unemployed. Further efforts to improve profiling, including monitoring, individualised counselling and provision of tailor-made activation measures for the long-term unemployed and inactive people are needed.
Foster women's employment, especially by extending affordable, quality childcare	Labour market participation	18 February	Labour market participation of women has increased in Slovakia, but there remain concerns, particularly over the employment impact of parenthood. Slovakia is aware of this challenge and the need to develop enough quality childcare. New investment, drawing on EU funding, has been launched, and some measures have been introduced which aim to improve the quality of childcare personnel. Following up on these measures, and ensuring their sustainability, will be important. Projects to encourage flexible working arrangements have been carried out and more are now being planned, but

			there is scope for promoting still greater take-up or use of flexible working arrangements. Increases in paternity leave rights are also welcome. Further attention should be paid to women with low levels of education.
Improve the quality and inclusiveness of education, including by increasing the participation of Roma children in mainstream education from early childhood onwards.	Education, skills, VET and adult learning	13 March (with EDUC)	Slovakia adopted a number of measures to improve the quality of the education system, including by increasing teachers' wages, strengthening the dual training system, increasing the quality of tertiary education institutions. It will be crucial to swiftly implement the adopted reform program and the new legal acts, in cooperation with the educational community. Yet, further measures and funding may be necessary to produce a systemic impact. Some measures aiming at improving the inclusion of disadvantaged pupils have been adopted and the capacity of kindergartens is being increased especially for Roma communities. However, desegregation of Roma pupils in schools, the rising early school leaving rate and the low participation of Roma children in early childhood education and care need to be urgently addressed with continued efforts and a systematic approach.

FINLAND

CSR (part) 2018	Topic thematic review	Date	Conclusions
Improve incentives to accept work and ensure adequate and well-integrated services for the unemployed and the inactive.	ALMP, PES reforms and LTU	19 February (PAG)	The labour market situation in Finland is improving, while skills shortages are emerging. It is worth noting that there is a regional reform pending which will affect service delivery in a number of areas. The Finnish government is committed to a national workability programme to identify the needs of LTU. There is also a government commitment to reform activation measures, but Parliamentary elections may affect this. The two main changes planned, if implemented, should help address the CSR. Overall, further efforts are needed and whilst Finland is taking some steps to address the CSR, it remains to be seen how effective they will be.

UNITED KINGDOM

CSR (part) 2018	Topic thematic review	Date	Conclusions
Address skills and progression needs by setting outcome targets for the quality and the effectiveness of apprenticeships and by investing more in upskilling those already in the labour force.	Education, skills, VET and adult learning	13 March (with EDUC)	A series of measures have been implemented by the UK to address the CSR. The constructive dialogue with social partners in launching the National Retraining Scheme is an important step forward. Ongoing reform of vocational education and training is welcome, although implementation is slow. Challenges still exist in regard to ensuring the quality of the apprenticeships, and improving their currently low uptake. There is also concern about the shortage of skilled workers, and the upskilling of vulnerable groups.