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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	26 February 2020
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2020) 70 final
Subject:	Proposal for a COUNCIL DECISION on guidelines for the employment policies of the Member States

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

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EUROPEAN
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2020/0030 (NLE)

Proposal for a

COUNCIL DECISION

on guidelines for the employment policies of the Member States

EXPLANATORY MEMORANDUM

The Treaty on the Functioning of the European Union provides that Member States are to regard their economic policies and promoting employment as a matter of common concern and shall coordinate their action within the Council. It provides that the Council is to adopt employment guidelines (Article 148), specifying that they must be consistent with the broad economic policy guidelines (Article 121).

Whilst the broad economic policy guidelines remain valid for any duration of time, the employment guidelines need to be drawn up each year. The guidelines were first adopted together ('integrated package') in 2010, underpinning the Europe 2020 strategy. The integrated guidelines remained stable until 2014. Revised integrated guidelines were adopted in 2015. In 2018 the employment guidelines were aligned with the principles of the European Pillar of Social Rights proclaimed in November 2017 by the European Parliament, the Council and the Commission, with a view to drive reforms at national level and to serve as a compass for a renewed process of convergence across Europe and remained unchanged in 2019. The guidelines, other than framing the scope and direction for Member States' policy coordination, also provide the basis for country specific recommendations in the respective domains. Along with the broad economic policy guidelines, the employment guidelines are presented as a Council Decision on guidelines for the employment policies of the Member States (Part II of the Integrated Guidelines).

The guidelines for the employment policies of the Member States have been amended to align the text integrating the four dimensions of the Annual Sustainable Growth Strategy (ASGS) and in particular, the environmental sustainability dimension, reflecting the Stronger Social Europe for Just Transitions narrative and integrating the UN Sustainable Development Goals (SDGs).

The revised "Employment Guidelines" are the following:

Guideline 5: Boosting the demand for labour

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

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

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

2020/0030 (NLE)

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 148(2) thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament[1],

Having regard to the opinion of the European Economic and Social Committee[2],

Having regard to the opinion of the Committee of the Regions[3],

Having regard to the opinion of the Employment Committee[4],

Whereas:

(1) Member States and the Union are to work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce, as well as labour markets that are responsive to economic change, with a view to achieving the objectives of full employment and social progress, balanced growth and a high level of protection and improvement of the quality of the environment set out in Article 3 of the Treaty on European Union. Member States shall regard promoting employment as a matter of common concern and shall coordinate their action in this respect within the Council, taking into account national practices related to the responsibilities of management and labour.

(2) The Union is to combat social exclusion and discrimination and promote social justice and protection, as well as equality between women and men, solidarity between generations and the protection of the rights of the child. In defining and implementing its policies and activities, the Union is to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against poverty and social exclusion and a high level of education and training as set out in Article 9 of the Treaty on the Functioning of the European Union.

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1 OJ C , , p. .
2 OJ C , , p. .
3 OJ C , , p. .
4 OJ C , , p. .

(3) In accordance with the Treaty on the Functioning of the European Union (TFEU), the Union has developed and implemented policy coordination instruments for economic and employment policies. As part of these instruments, the present Guidelines for the Employment Policies of the Member States, together with the Broad Guidelines for the Economic Policies of the Member States and of the Union set out in Council Recommendation (EU) 2015/1184 ([5]), form the Integrated Guidelines. They are to guide policy implementation in the Member States and in the Union, reflecting the interdependence between the Member States. The resulting set of coordinated European and national policies and reforms are to constitute an appropriate overall sustainable economic and employment policy mix, which should achieve positive spill-over effects.

(4) The Guidelines for the Employment Policies are consistent with the Stability and Growth Pact, the existing Union legislation and various Union initiatives, including the Council recommendation of 22 April 2013 on establishing a Youth Guarantee ([6]), the Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market ([7]), the Council Recommendation of 19 December 2016 on Upskilling Pathways ([8]), the Council Recommendation of 15 March 2018 on a European Framework for Quality and Effective Apprenticeships ([9]), the Council Recommendation of 22 May 2018 on Key Competences and Lifelong Learning ([10]), the Council Recommendation of 22 May 2019 on High Quality Early Childhood Education and Care Systems ([11]) and the Council Recommendation of 8 November 2019 on Access to Social Protection ([12]).

(5) The European Semester combines the different instruments in an overarching framework for integrated multilateral coordination and surveillance of economic and employment policies. While pursuing environmental sustainability, productivity, fairness and stability, the European Semester integrates the principles of the European Pillar of Social Rights, including strong engagement with social partners, civil society and other stakeholders. It supports the delivery of the Sustainable Development Goals ([13]). The Union and Member States' employment and economic policies should go hand in hand with Europe's transition to a climate neutral, environmentally sustainable and digital economy, while improving competitiveness, fostering innovation, promoting social justice and equal opportunities as well as tackling inequalities and regional disparities.

(6) Climate change and environmental related challenges, globalisation, digitalisation and demographic change will transform European economies and societies. The Union and its Member States should work together to effectively address these structural factors and adapt existing systems as needed, recognising the close interdependence of the Member States' economies and labour markets and related policies. This requires a

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5 Council Recommendation (EU) 2015/1184 of 14 July 2015 on broad guidelines for the economic policies of the Member States and of the European Union (OJ L 192, 18.7.2015, p. 27).
6 OJ C 120, 26.4.2013, p. 1.
7 OJ C 67, 20.2.2016, p. 1.
8 OJ C 484, 24.12.2016, p. 1.
9 OJ C 153, 2.5.2018, p. 1.
10 OJ C 189, 4.6.2018, p. 1–13
11 OJ C 189, 5.6.2019, p. 4–14
12 OJ C 387, 15.11.2019, p. 1–8
13 UN Resolution A/RES/70/1

coordinated, ambitious and effective policy action at both Union and national levels, in accordance with the TFEU and the Union's provisions on economic governance. Such policy action should encompass a boost in sustainable investment, a renewed commitment to appropriately sequenced structural reforms that improve productivity, economic growth, social and territorial cohesion, upward convergence, resilience and the exercise of fiscal responsibility. It should combine supply- and demand side measures, while taking into account their environmental, employment and social impact.

(7) The European Parliament, the Council and the Commission signed an inter-institutional proclamation for a European Pillar of Social Rights ([14]). The Pillar sets out twenty principles and rights to support well-functioning and fair labour markets and welfare systems, structured around three categories: equal opportunities and access to the labour market, fair working conditions and social protection and inclusion. The principles and rights give direction to our strategy making sure that the transitions to climate-neutrality and environmental sustainability, digitalisation and demographic change are socially fair and just. The Pillar constitutes a reference framework to monitor the employment and social performance of Member States, to drive reforms at national, regional and local level and to reconcile the "social" and the "market" in today's modern economy, including by promoting the social economy.

(8) Reforms to the labour market, including the national wage-setting mechanisms, should follow national practices of social dialogue and allow the necessary opportunity for a broad consideration of socioeconomic issues, including improvements in sustainability, competitiveness, innovation, job creation, lifelong learning and training policies, working conditions, education and skills, public health and inclusion and real incomes.

(9) Member States and the Union should ensure that the transformations are fair and socially just, strengthening the drive towards an inclusive and resilient society in which people are protected and empowered to anticipate and manage change, and in which they can actively participate in society and the economy. Discrimination in all its forms should be tackled. Access and opportunities for all should be ensured and poverty and social exclusion (including that of children) should be reduced, in particular by ensuring an effective functioning of labour markets and of social protection systems and by removing barriers to education, training and labour-market participation, including through investments in early childhood education and care. Timely and equal access to affordable healthcare services, including prevention and health promotion are particularly relevant in a context of ageing societies. The potential of people with disabilities to contribute to economic growth and social development should be further realised. As new economic and business models take hold in Union workplaces, employment relationships are also changing. Member States should ensure that employment relationships stemming from new forms of work maintain and strengthen Europe's social model.

(10) The Integrated Guidelines should form the basis for country-specific recommendations that the Council may address to the Member States. Member States should make full use of the European Social Fund Plus and other Union funds, including the Just Transition Fund and InvestEU, to foster employment, social investments, social

[14] OJ C 428, 13.12.2017, p. 10.

inclusion, accessibility, promote up- and reskilling opportunities of the workforce, lifelong learning and high quality education and training for all, including digital literacy and skills. While the Integrated Guidelines are addressed to Member States and the Union, they should be implemented in partnership with all national, regional and local authorities, closely involving parliaments, as well as the social partners and representatives of civil society.

(11) The Employment Committee and the Social Protection Committee should monitor how the relevant policies are implemented in light of the guidelines for employment policies, in line with their respective Treaty-based mandates. These committees and other Council preparatory bodies involved in the coordination of economic and social policies should work together closely. Policy dialogue between the European Parliament, the Council and the Commission should be maintained, in particular as regards the guidelines for the employment policies of the Member States.

(12) The Social Protection Committee was consulted,

HAS ADOPTED THIS DECISION:

Article 1

The guidelines for the employment policies of the Member States, as set out in the Annex, are hereby adopted. These guidelines shall form part of the integrated guidelines.

Article 2

The Member States shall take the guidelines set out in the Annex into account in their employment policies and reform programmes, which shall be reported in line with Article 148(3) TFEU.

Article 3

This Decision is addressed to the Member States.

Done at Brussels,

For the Council
The President