



OPINION

European Economic and Social Committee

Guidelines for the employment policies of the Member States

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

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SOC/699

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Section responsible	Employment, Social Affairs and Citizenship
Adopted in section	07/09/2021
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Plenary session No	563
Outcome of vote (for/against/abstentions)	185/1/16

1. Conclusions and recommendations

- 1.1 The EESC welcomes the proposal for a Council Decision on guidelines for the employment policies of the Member States. The guidelines are a useful benchmark for steering the employment policies towards supporting the gradual hoped-for exit from the crisis situation caused by the pandemic and for directing the various forms of economic support towards a favourable outcome in terms of employment. Moreover, these guidelines provide a valuable reference for resilience and recovery measures to lay the foundation for the creation of quality jobs in an environmentally and socially sustainable economy. Coordinating effective employment policies is a key way to improve the level of cohesion between Member States and reduce social and economic disparities.
- 1.2 The employment guidelines must take into account the impact of the COVID-19 pandemic on the labour market, the European Pillar of Social Rights Action Plan and the outcome of the Porto Social Summit, which set ambitious social targets for employment, combating poverty and access to skills. The employment impact of aid instruments such as SURE and NextGenerationEU, based on EU bond issuance as a way of mutualising the debt generated to support labour policies, *inter alia*, will also need to be monitored. The national recovery and resilience plans will also ensure the availability of resources for Member States' labour policies, but will be subject to specific conditions on the objectives, areas of intervention and how the money is spent, with a special focus on active labour policies.
- 1.3 European policies need to be coordinated with the objectives of the employment guidelines, strengthening the labour market, supporting firms' productivity and competitiveness, as well as the social market economy of the European Union and strengthening structural measures for the transition from temporary job protection measures to quality job creation. In these processes, full use must be made of social dialogue, collective bargaining and the participation of the social partners and civil society representatives in decision-making.
- 1.4 With regard to Guideline 5, "Boosting the demand for labour", the EESC considers it necessary that the process of recovery in demand be accompanied by measures aimed at increasing demand itself, promoting access to the labour market, the economic and social sustainability of businesses, the professionalisation of workers and the upgrading of working conditions. This can be achieved by fully exploiting the opportunities to transform production systems, adopting digital technologies and tools for environmental sustainability and promoting lifelong learning. Economic policy measures must be closely coordinated with policies to boost demand for labour.
- 1.5 With regard to Guideline 6, which aims to increase labour supply and improve access to employment, skills and competences, the EESC notes that it is crucial that each Member State is able to plan effective coordination between the investment measures for training and the labour market provided for by the national recovery and resilience plans (NRRPs) and the Structural Funds. The current crisis has shone further light on the need to recognise and ensure the right to lifelong learning and effective access to quality education and training and skills upgrading, and to reduce the current disparity in the use of further training, both among production categories and between Member States; the target on access to training set in the social pillar action plan

will measure the capacity of Member States to equip themselves with new tools that reduce inequality of access and respond to labour market needs regarding the new skills needed.

- 1.6 As regards Guideline 7, "Enhancing the functioning of labour markets and the effectiveness of social dialogue", the EESC advocates establishing a European digital platform for matching of labour supply and demand. It would set a shared standard among Member States and employment services, so as to promote active policies and European mobility, including by strengthening public and private employment services. The adoption of strong measures for safety and risk prevention must be the basis for the promotion in each Member State of a more widespread culture of prevention, as a fundamental component for the dissemination and sharing of a "work culture" that enhances the potential of each person, promotes wellbeing and eliminates all situations of danger and risk in the workplace. Social dialogue and collective bargaining are an important pillar of the sustainability and resilience of European economies, but in some Member States there is still a need for a regulatory and institutional framework at national level that facilitates and supports industrial relations systems.
- 1.7 In tandem with strengthening employment policies aimed at employed work, the EESC considers it important to boost the capacity of Member States to promote self-employment and professional work, especially among young people.
- 1.8 Guideline 8 aims at "promoting equal opportunities for all, fostering social inclusion and fighting poverty". The EESC agrees with this approach, as it is essential to frame an employment policy strategy that ensures equal opportunities in the labour market and in employment relationships. The relationship between welfare, the labour market, the functioning of the economy and the fight against inequality and poverty constitutes a fundamental orientation and guideline for employment policies capable of establishing a connection between economic growth and social development. The EESC also reiterates the importance of designing effective inclusion policies, to be considered as a crucial investment in that same growth and upgrading of economic and production systems. It is also crucial to introduce measures to avert the risk of "new poverty" among low-income workers, in conjunction with other coherent anti-poverty strategies.

2. Background

2.1 Introduction

- 2.1.1 The employment guidelines were adopted in 2019; in 2020 they were aligned to incorporate elements related to the COVID-19 crisis, the green and digital transition and the Sustainable Development Goals. The EESC has already presented an analysis and assessment of this matter in opinion SOC/646, which we reiterate. This opinion, however, sets out further comments in view of the impact of the pandemic crisis on the living and working conditions of European citizens and on the need to re-jig the priorities of the Member States and the European institutions.
- 2.1.2 Under the Commission proposal, the employment guidelines – appended to Council Decision (EU) 2020/1512 – are to be maintained for 2021 and are to be taken into account by the Member

States in designing their employment policies and national reform programmes. The priority now appears to be to ensure that measures supporting resilience and economic and productive recovery have a positive social impact.

2.2 The guidelines are:

- 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.

2.3 The proposal stresses that the EU and its Member States should:

- 2.3.1 combat social exclusion and discrimination and promote social justice and protection, as well as gender equality, solidarity between generations and the protection of the rights of the child. At the Social Summit in Porto, Member States committed to implement the ambitious social targets for the development of national policies and new European instruments to support the green and digital transition and towards economic and social convergence that enhances the competitiveness of the EU social market economy;
- 2.3.2 ensure that economic and employment policies are coordinated to achieve climate neutrality in the EU, support Europe's transition to a sustainable digital and green economy, update skills, and improve competitiveness, while ensuring decent working conditions, stimulating innovation, promoting social justice and equal opportunities, as well as addressing regional inequalities and disparities. Sharing policies and implementing effective and consistent employment strategies is a key element in moving from emergency management to a recovery phase that promotes environmentally and socially sustainable development and creates new jobs and better employment conditions;
- 2.3.3 work together to address structural factors such as climate change and environmental challenges, globalisation, digitalisation, artificial intelligence, teleworking, the platform economy and demographic change, adapting existing systems where necessary;
- 2.3.4 adopt the necessary measures and policies to strengthen the sustainable growth of the economy, quality employment and productivity, while enhancing social and territorial cohesion, fostering upward convergence and the resilience of economies and promoting Member States' fiscal responsibility;
- 2.3.5 ensure that labour market reforms, including national wage-setting mechanisms, respect national practices of social dialogue and collective bargaining, with the aim of ensuring fair wages and decent living and working conditions;

- 2.3.6 ensure that the economic, social and employment impact of the COVID-19 crisis is mitigated with effective policies and instruments.
- 2.4 The Member States and the EU are to work towards developing a coordinated strategy for employment and particularly for promoting a skilled and trained workforce adapted to the ongoing changes (as well as labour markets that are future-oriented and responsive to economic change). The Member States are to regard promoting employment as a matter of common concern and are to coordinate their action in this respect within the Council. Article 148 TFEU provides that the Council is to adopt employment guidelines, which define the scope and direction of coordination of Member States' policies and serve as a basis for country-specific recommendations under the European Semester.
- 2.5 It is important to stress that the presence of risk factors, as made evident by the impact of the COVID-19 pandemic on economic and social systems, requires support instruments, including financial ones, that enable Member States to share common initiatives to counter the impact of crises on the working and living conditions of European citizens.
- 2.6 The EESC believes that the decisions taken by the Commission over the last few months, which have led to the adoption of national recovery and resilience plans, are to be welcomed and go in the direction of supporting a fair and sustainable development model. Similarly, it is important to prevent – when emerging from the crisis triggered by the pandemic – an increased risk of social exclusion and an acceleration in the territorial imbalance that has worsened in recent years, including between European regions, as noted in 2013 by the European Commission's Regional Competitiveness Index, which measures the competitiveness of regions.
- 2.7 Building an inclusive economic and development model requires policies and investments aimed at strengthening infrastructure for productivity, digitalisation and logistics, to be backed up by measures aimed at boosting territorial cohesion, promoting human capital and training the workforce, while also bolstering the tools that support the labour market and the system of social and personal services. A Europe that includes excessive differences and inequalities in access to opportunities is weaker, and the EESC believes that cohesion must continue to be the pillar of reference also for policies aimed at growth.
- 2.8 The crisis resulting from the pandemic has exacerbated certain structural problems in the European labour market. It has also highlighted issues that require a comprehensive policy to address both the situation of the most vulnerable groups and the problematic issues in particular sectors of the labour market. The transition that Member States are facing requires strongly supported and closely coordinated policies, actions and measures, as well as constant support through social dialogue.
- 2.9 All workers should have access to social protection, also in telework and in the new forms of work, including platform work, strengthening welfare systems. The inclusion of the most vulnerable groups and the full promotion of the female participation of the labour market must be encouraged, in order to avoid all forms of discrimination and to eliminate the gender pay gap.

3. General comments

- 3.1 With reference to previous opinions on the employment guidelines, the EESC stresses the following:
- 3.1.1 Combating discrimination ties in with efforts to improve the quality of work, and this requires strategies to be coordinated among Member States to link productivity and competitiveness to systems that promote human capital and ensure the best working conditions for workers.
- 3.1.2 Crisis situations tend to increase social risk factors and in particular inequality, and for this reason, investment and support for economic recovery must be linked to a robust system of investment in social and labour infrastructure, capable of improving social protection standards in the Member States through appropriate policies and measures.
- 3.1.3 The process of upgrading Europe's economic and social systems must include strong, joint action to prevent social dumping between Member States based on a reduction in protection, guarantees and safety for workers, while promoting fair innovation-orientated competition based on the development of the workforce and the sustainability of production and services. Active labour market policies are necessary such as temporary hiring incentives for vulnerable groups, upskilling and reskilling opportunities and entrepreneurial support, including for the social economy.
- 3.1.4 When it comes to innovation, the impetus from the younger generations, who must be guaranteed access to quality and stable jobs, is crucial; the mobility of workers between Member States must also be promoted. The EESC agrees with the content of the Porto Declaration, which states that "young people are an indispensable source of dynamism, talent and creativity for Europe". To this end, self-employment, intellectual and professional work is an important element to be supported, together with new business activities and innovative start-ups.
- 3.1.5 The need to ensure the social quality of growth calls for renewed focus on non-productive work, in particular personal and local services and forms of cooperative organisation of economic and social activities, in a context where social ties are seen as a key element for development and growth.
- 3.1.6 In this context, it seems essential that the guidelines focus on implementing the European Pillar of Social Rights, which is the benchmark for ensuring that the measures to overcome the economic and social crisis, have an appropriate, positive impact on society against a background of increased risk of exclusion caused by the health emergency¹. The three new targets set in the action plan on the employment rate, access to training and skills matching and combating poverty, starting with child poverty, require the Member States to establish policies and instruments, as part of the European Semester process, which set out the milestones for achieving these targets. In addition, the Committee has already stressed the need to establish new social indicators to measure the progress made by the Member States.

¹ Opinion [OJ C 374, 16.9.2021, p. 38](#).

- 3.1.7 The active and structured involvement of the social partners and civil society organisations is essential for implementing the national recovery and resilience plans (NRRPs) and achieving the objectives of the action plan. The Committee reiterates the need to establish formal consultation procedures that facilitate real exchanges with national governments and institutions and remove existing obstacles to the effective consultation and participation of civil society; furthermore, tools need to be developed to strengthen collective bargaining and to foster contractual coverage.
- 3.1.8 It is quite clear that training systems and lifelong learning are the link between social, economic and employment policies, and that this centrality and cross-cutting nature of skills is also crucial for the effectiveness of active policies and should be a basic tenet of the guidelines.
- 3.1.9 Developing the quality of training systems should be identified as a priority objective, not only when promoting cross-cutting skills related to digital and environmental sustainability, but also in terms of enhancing soft skills and the ability to cooperate among workers.
- 3.1.10 The emergency situation has led the activation of specific forms of support aimed at crisis management and mitigating the risk of unemployment, including the SURE programme. In the light of Guideline 5 and during the recovery process, it would seem important that the Commission maintain the financing and support instruments for combating the crisis, together with instruments and policies for reintegrating the unemployed into the labour market.
- 3.1.11 These interventions should allow for financial support for measures such as short-time working schemes, income compensation mechanisms and other measures to prevent unemployment, until the current crisis situation resulting from COVID-19 has been overcome.
- 3.1.12 From this perspective, it is crucial in 2021 to continue the policies launched since 2020, through the use of solidarity instruments, aimed at relieving situations with the greatest employment difficulties, supported by active labour market policies.
- 3.1.13 It is therefore vital to facilitate access to credit, support innovative and productive investments, and, in general, to create the territorial, fiscal and infrastructural conditions conducive to innovation and the promotion of economic initiatives, particularly for SMEs, social economy enterprises, self-employment and professional employment, which have an impact on employment.

4. Specific comments

- 4.1 The EESC reiterates the views it expressed in opinion SOC/646, but wishes to highlight certain points in view of the impact of the pandemic, which has shone a light on certain problem areas, as well as priorities for action. The EESC considers it essential, given the imbalances that have been growing for more than a decade and have been exacerbated by the crisis resulting from the consequences of COVID-19, to intervene with effective policies to align economic growth with social development, through measures to support competitiveness and build on the quality of labour systems and employment policies. To this end, investments linked to the NRRPs must be

implemented in the Member States and checked against the objectives of the guidelines for 2021, with a particular focus on enhancing labour demand and supply and promoting conditions for equal opportunities, the functioning of the labour market and inclusion. It is important to work towards close, consistent coordination between the policies adopted to deal with the emergency, the forms of support launched through the SURE fund, the measures and investments promoted for recovery through the Recovery Plan and the measures defined and financed through the 2021-2027 programming of the Structural Funds.

- 4.2 The economic recovery hoped for in 2021, made possible in particular by investment projects linked to the NRRPs, can lead to a widespread recovery in employment if accompanied by targeted measures by the Member States in the social and labour field that respond to the challenges of the changes taking place.
- 4.3 Against this backdrop, it is important to reiterate the objectives of the European Pillar of Social Rights and the Agenda for Sustainable Development. These are decisions that must push the Commission and the Member States in the direction of choices that cannot be postponed, which the pandemic has made even more evident and necessary in terms of the development model to be promoted. In particular, the objectives set in the Agenda for economic, environmental and social sustainability and the centrality of human wellbeing point to a path of extreme importance and inspire some fundamental choices that feature in both the Recovery Plan and the main guidelines of the European Structural Funds.
- 4.4 The EESC shares the view of the need to boost the demand for labour – Guideline 5 – and ensure adequate and fair minimum wages for all workers in Europe, according to national law and practices and extending social protection and access to welfare systems to all workers, including in the new forms of work. In order to move from crisis management to recovery, the focus should be on sustainable welfare measures and effective recruitment incentives, in particular for SMEs. In this regard, re-skilling measures should also be encouraged, including during periods of short-time working due to the pandemic. Social dialogue should be promoted and the social partners should be involved, through a sound industrial relations process, respecting their autonomy. Reducing the tax burden on labour must not result in a reduction in social coverage that would have a negative impact on welfare systems and their sustainability; the EESC believes that the fight against tax evasion and avoidance should be stepped up.
- 4.5 With regard to Guideline 6, which aims to increase labour supply and improve access to employment, skills and competences, the EESC notes that it is crucial that each Member State is able to plan effective coordination between the investment measures for training and the labour market provided for by the NRRPs and the Structural Funds. In particular, coordination is needed between the ESF+ and the social protection and employment safeguard measures provided for by the SURE programme and other instruments up to 31 December 2022, in order to facilitate the establishment of effective national employment activation systems enabling workers to integrate, retrain and relocate. Effective hiring incentives and re-skilling measures should be considered to support job creation during the recovery.
- 4.6 The pandemic, with the widespread adoption of remote working, has made it even clearer that rules and instruments need to be established to make the relationship between the organisation

of work, corporate wellbeing and the use of digital technologies a virtuous one. The EESC reiterates the importance to make use of the full potential offered by teleworking as a tool for improving working conditions and work-life balance, while safeguarding against it becoming a possible source of discrimination and hardship².

- 4.7 The current crisis has shone further light on the need to recognise and ensure the right to lifelong learning and effective access to quality education and training and skills upgrading, and to reduce the current disparity in the use of further training, both among production categories and between Member States; the target on access to training set in the social pillar action plan will measure the capacity of Member States to equip themselves with new tools that reduce inequality of access and respond to labour market needs regarding the new skills needed.
- 4.8 As regards Guideline 7, which aims to enhance the functioning of labour markets and the effectiveness of social dialogue, the EESC notes that the objectives of supporting workers' mobility and employability could be achieved by setting up a European digital platform for matching labour supply and demand. It would set a shared standard among Member States and employment services, so as to promote active policies and European mobility.
- 4.9 Social dialogue and collective bargaining are an important pillar of the sustainability and resilience of European economies, but in some Member States there is still a need for a regulatory and institutional framework³ at national level that facilitates and supports industrial relations systems; the implementation of the NRRPs will be a litmus test of the real willingness of the Member States to involve civil society in national development decisions and actions.
- 4.10 With regard to Guideline 8, on promoting equal opportunities for all, fostering social inclusion and fighting poverty, the EESC reiterates the importance at this stage of designing effective inclusion policies, to be considered as a crucial investment in the enhancement of economic and production systems. The EESC also affirms the role of labour integration as a tool for inclusion and combating poverty, avoiding the use of purely welfare measures and promoting inclusion through employability and job placement. However, it is crucial here to introduce measures to avert the risk of "new poverty" among low-income workers, in conjunction with coherent anti-poverty policies.
- 4.11 Finally, common standards for gender policies, integration for people with disabilities and vulnerable people and the establishment of social promotion systems to promote active ageing and the transfer of skills from one generation to the next are key components of the equal opportunities strategy.

² Opinions [OJ C 220, 9.6.2021, p. 13](#) and [OJ C 220, 9.6.2021, p. 1](#).

³ Opinion [OJ C 10, 11.1.2021, p. 14](#).

- 4.12 The pandemic has made it clear how crucial it is to invest in ensuring health and safety in the workplace and how urgent it is to strengthen labour inspectorates in the Member States to ensure checks to protect workers. Several European countries have signed protocols with the social partners to curb the spread of the virus in the workplace, demonstrating responsibility and responsiveness to emergency situations.

Brussels, 23 September 2021

Christa SCHWENG

The president of the European Economic and Social Committee
