

## Information Note on COM (2020) 70 – Employment Guidelines

### 1. Proposal

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

### 2. Date of Commission document

26 February 2020.

### 3. Number of Commission document

COM (2020) 70.

### 4. Number of Council document

2020/0030

### 5. Dealt with in Brussels by

Primarily dealt with by the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) and its attendant preparatory bodies - Social Questions Working Party, the Employment Committee (EMCO), and the Social Protection Committee (SPC). The European Parliament, Committee of the Regions and the European Economic and Social Committee will also be consulted.

### 6. Department with primary responsibility

Department of Employment Affairs and Social Protection.

### 7. Other Departments involved

Department of Business, Enterprise and Innovation; Department of Education and Skills; Department of Justice and Equality; Department of Children and Youth Affairs; Department of Health; Department of Housing.

### 8. Background to, Short summary and aim of the proposal

The Employment Guidelines proposal forms part of the European Commission's European Semester, setting out the EU's economic and social priorities for the year ahead. This combination of the various different instruments provides an overarching framework for the integrated multilateral surveillance of economic, budgetary, employment and social policies.

The Employment Guidelines present common priorities and targets for national employment policies.

In 2020, the proposal aligns the Guidelines with the principles of the European Pillar of Social Rights<sup>1</sup>, with a view to enhancing Europe's social cohesion.

By virtue of Article 148(2), the Guidelines need to be confirmed by a Council Decision, following consultation with the European Parliament, the European Economic and Social Committee, the Committee of Regions and the Employment Committee. Furthermore, the Guidelines must be consistent with the broad economic policy guidelines (Article 121).

### 9. Legal basis of the proposal

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<sup>1</sup> [https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights\\_en](https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights_en)

EU Treaty (TFEU) Article 148 (2).

#### **10. Voting Method**

Qualified Majority Voting (QMV).

#### **11. Role of the EP**

Consultation pursuant to Article 148(2) TFEU.

#### **12. Category of proposal**

Non-legislative proposal.

#### **13. Implications for Ireland & Ireland's Initial View**

The Employment Guidelines are part of the integrated guidelines for implementing the Europe 2020 Strategy. They are intended as a guide to policy implementation in Member States, and in the Union, where the resultant coordinated policies and reforms will achieve positive spill-over effects. They will be reflected, as appropriate, in the formulation of policy measures and reforms to be presented in the National Reform Programmes of Member States which will be submitted to the European Commission in April 2020.

In general, the Employment Guidelines, which are drawn up each year, signify a large amount of continuity from year to year.

Ireland is in agreement with the Proposal for a Council Decision on guidelines for the employment policies of the Member States.

#### **14. Are there any subsidiarity issues for Ireland?**

No, the proposal does not raise subsidiarity issues.

#### **15. Anticipated negotiating period**

By virtue of Article 148(2), the Guidelines validity for 2020 needs to be confirmed by a Council decision, following consultation of the European Parliament, the European Economic and Social Committee, the Committee of Regions and the Employment Committee.

#### **16. Proposed implementation date**

These guidelines are part of the integrated guidelines for implementing the Europe 2020 strategy.

The guidelines need to be drawn up each year.

#### **17. Consequences for national legislation**

N/A.

#### **18. Method of Transposition into Irish law**

N/A.

**19. Anticipated Transposition date**

N/A.

**20. Consequences for the EU budget in Euros annually**

None. The proposal is compatible with existing financial programming.

**21. Contact name, telephone number and e-mail address of official in Department with primary responsibility:**

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Brussels, 26.2.2020  
COM(2020) 70 final

2020/0030 (NLE)

Proposal for a

**COUNCIL DECISION**

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

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## **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

Proposal for a

## **COUNCIL DECISION**

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

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<sup>2</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>3</sup>,

Having regard to the opinion of the Committee of the Regions<sup>4</sup>,

Having regard to the opinion of the Employment Committee<sup>5</sup>,

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.
- (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 (<sup>6</sup>), 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

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<sup>2</sup> OJ C , , p. .

<sup>3</sup> OJ C , , p. .

<sup>4</sup> OJ C , , p. .

<sup>5</sup> OJ C , , p. .

<sup>6</sup> 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).

on establishing a Youth Guarantee <sup>(7)</sup>, the Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market <sup>(8)</sup>, the Council Recommendation of 19 December 2016 on Upskilling Pathways <sup>(9)</sup>, the Council Recommendation of 15 March 2018 on a European Framework for Quality and Effective Apprenticeships <sup>(10)</sup>, the Council Recommendation of 22 May 2018 on Key Competences and Lifelong Learning <sup>(11)</sup>, the Council Recommendation of 22 May 2019 on High Quality Early Childhood Education and Care Systems <sup>(12)</sup> and the Council Recommendation of 8 November 2019 on Access to Social Protection <sup>(13)</sup>.

- (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 <sup>(14)</sup>. 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 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 <sup>(15)</sup>. 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.

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<sup>7</sup> OJ C 120, 26.4.2013, p. 1.

<sup>8</sup> OJ C 67, 20.2.2016, p. 1.

<sup>9</sup> OJ C 484, 24.12.2016, p. 1.

<sup>10</sup> OJ C 153, 2.5.2018, p. 1.

<sup>11</sup> OJ C 189, 4.6.2018, p. 1–13

<sup>12</sup> OJ C 189, 5.6.2019, p. 4–14

<sup>13</sup> OJ C 387, 15.11.2019, p. 1–8

<sup>14</sup> UN Resolution A/RES/70/1

<sup>15</sup> OJ C 428, 13.12.2017, p. 10.

- (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 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*

## **ANNEX**

### **Guideline 5: Boosting the demand for labour**

Member States should facilitate the creation of quality jobs, including by reducing the barriers that businesses face in hiring people, by promoting entrepreneurship and self-employment and, in particular, by supporting the creation and growth of micro and small enterprises. Member States should actively promote the social economy and foster social innovation.

Member States should encourage innovative forms of work, which create job opportunities for all in a responsible manner.

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

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

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

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

Member States should foster equal opportunities in education and raise overall education levels, particularly for the least qualified. They should ensure quality learning outcomes, reinforce basic skills, reduce the number of young people leaving school early, enhance the labour-market relevance of tertiary degrees, improve skills monitoring and forecasting, and increase adult participation in continuing education and training. Member States should strengthen work-based learning in their vocational education and training systems, including through quality and effective apprenticeships, make skills more visible and comparable and increase opportunities for recognising and validating skills and competences acquired outside

formal education and training. They should upgrade and increase the supply and take-up of flexible continuing vocational training. Member States should also support low skilled adults to maintain or develop their long term employability by boosting access to and take up of quality learning opportunities, through the establishment of Upskilling Pathways, including a skills assessment, a matching offer of education and training and the validation and recognition of the skills acquired.

High unemployment and inactivity should be tackled, including through timely and tailor-made assistance based on support for job-search, training, and requalification. Comprehensive strategies that include in-depth individual assessment at the latest after 18 months of unemployment should be pursued with a view to significantly reducing and preventing structural unemployment. Youth unemployment and the high rates of young people not in education, employment or training (NEETs), should continue to be addressed through a structural improvement in the school-to-work transition, including through the full implementation of the Youth Guarantee<sup>1</sup>.

Tax reforms to shift taxes away from labour should aim to remove barriers and disincentives to participation in the labour market, in particular for those furthest away from the labour market. Member States should support an adapted work environment for people with disabilities, including targeted financial support actions and services that enable them to participate in the labour market and in society.

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

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

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

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<sup>1</sup> *OJ C 120, 26.4.2013, p. 1–6*

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

Member States should provide the unemployed with adequate unemployment benefits of reasonable duration, in line with their contributions and national eligibility rules. Such benefits should not constitute a disincentive to a quick return to employment.

The mobility of learners and workers should be promoted with the aim of enhancing employability skills and exploiting the full potential of the European labour market. Barriers to mobility in education and training, in occupational and personal pensions and in the recognition of qualifications should be removed. Member States should take action to ensure that administrative procedures are not a blocking or complicating factor for workers from other Member States in taking up active employment. Member States should also prevent abuses of the existing rules and address potential 'brain drain' from certain regions.

In line with national practices, and in order to achieve more effective social dialogue and better socio-economic outcomes, Member States should ensure the timely and meaningful involvement of social partners in the design and implementation of economic, employment and social reforms and policies, including by providing support for increased capacity of social partners. Social partners should be encouraged to negotiate and conclude collective agreements in matters relevant to them, respecting fully their autonomy and the right to collective action.

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

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

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

Member States should develop and implement preventive and integrated strategies through the combination of the three strands of active inclusion: adequate income support, inclusive labour markets and access to quality services. Social protection systems should ensure the

right to adequate minimum income benefits for everyone lacking sufficient resources and promote social inclusion by encouraging people to participate actively in the labour market and society.

Affordable, accessible and quality services such as childcare, out-of-school care, education, training, housing, health services and long-term care are essential for ensuring equal opportunities, including for children and young people. Particular attention should be given to fighting poverty, social exclusion, including reducing in-work poverty. Member States should ensure that everyone has access to essential services, including water, sanitation, energy, transport, financial services and digital communications. For those in need and vulnerable people, Member States should ensure access to adequate social housing assistance as well as the right to appropriate assistance and protection against forced eviction. Homelessness should be tackled specifically. The specific needs of people with disabilities should be taken into account.

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

In a context of increasing longevity and demographic change, Member States should secure the sustainability and adequacy of pension systems for women and men, providing equal opportunities for workers and the self-employed, of both sexes, to acquire pension rights, including through supplementary schemes to ensure living in dignity. Pension reforms should be supported by measures that extend working lives and raise the effective retirement age, such as limiting early exit from the labour market and increasing the statutory retirement age to reflect life expectancy gains. Member States should establish a constructive dialogue with the relevant stakeholders, and allow an appropriate phasing in of the reforms.