Council Decision (EU) 2020/1512 of 13 October 2020 on guidelines for the employment policies of the Member States

COUNCIL DECISION (EU) 2020/1512

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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[(1)],

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

After consulting the Committee of the Regions,

Having regard to the opinion of the Employment Committee[(3)],

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 future-oriented and responsive to economic change, with a view to achieving the objectives of full employment and social progress, balanced growth, a high level of protection and improvement of the quality of the environment laid down in Article 3 of the Treaty on European Union. 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, 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, a high level of education and training and protection of human health as laid down in Article 9 of the Treaty on the Functioning of the European Union (TFEU).

(3) In accordance with the TFEU, the Union has developed and implemented policy coordination instruments for economic and employment policies. As part of these instruments, the Guidelines for the Employment Policies of the Member States (the ‘Guidelines’) set out in the Annex to this Decision, together with the Broad Guidelines for the Economic Policies of the Member States and of the Union set out in Council

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Recommendation (EU) 2015/1184[(4)], 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 are consistent with the Stability and Growth Pact, existing Union legislation and various Union initiatives, including Council Recommendation of 22 April 2013[(5)] (the 'Youth Guarantee'),Council Recommendation of 15 February 2016[(6)],Council Recommendation of 19 December 2016[(7)],Council Recommendation of 15 March 2018[(8)],Council Recommendation of 22 May 2018 on Key Competences and Lifelong Learning[(9)],Council Recommendation of 22 May 2019[(10)],Council Recommendation of 8 November 2019[(11)] and Council Recommendation of 10 March 2014[(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. The Union's 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, 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 proclaimed the European Pillar of Social Rights[(13)] (the 'Pillar'). 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 the Union's 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 social, employment and economic impact of the COVID-19 crisis is mitigated and that the transformations are fair and socially just, strengthening recovery and 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 and in digital skills. Timely and equal access to affordable long-term care and healthcare services, including prevention and healthcare promotion, are particularly relevant, in light of the COVID-19 crisis and 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 upskilling 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. Those committees and other Council preparatory bodies involved in the coordination of economic and social policies should work closely together. Policy dialogue between the European Parliament,

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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 (the 'Guidelines'), as set out in the Annex, are hereby adopted. The Guidelines shall form part of the Integrated Guidelines.

Article 2

The Member States shall take the Guidelines into account in their employment policies and reform programmes, which shall be reported in accordance with Article 148(3) TFEU.

Article 3

This Decision is addressed to the Member States.

Done at Luxembourg, 13 October 2020.

For the Council

The President

M. ROTH

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ANNEX

Guideline 5: Boosting the demand for labour

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

In light of the serious economic and social consequences triggered by the COVID-19 pandemic, well-designed short-time work schemes and similar arrangements should be available to preserve employment, contain job losses and prevent long-term negative effects on the economy, companies and human capital. Well-designed hiring incentives and reskilling measures should be considered in order to support job creation during the recovery.

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

Member States, including those having in place national mechanisms for the setting of statutory minimum wages, should ensure an effective involvement of social partners in a transparent and predictable manner, allowing for an adequate responsiveness of wages to productivity developments and providing for fair wages that enable a decent standard of living, while paying particular attention to lower and middle income groups with a view to upward convergence. Wage-setting mechanisms should take into account economic performance across regions and sectors. Member States should promote social dialogue and collective bargaining with a view to wage setting. Respecting national practices and the autonomy of the social partners, Member States and social partners should ensure that all workers have adequate and fair wages by benefitting, directly or indirectly, from collective agreements or adequate statutory minimum wages, taking into account their impact on competitiveness, job creation and in-work poverty.

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

In the context of technological and environmental transitions, as well as demographic change, Member States should promote sustainability, productivity, employability and human capital, fostering relevant knowledge, skills and competences throughout people's lives and responding to current and future labour-market needs. Member States should also adapt and invest in their education and training systems to provide high quality and inclusive education, including vocational education and training, and access to digital learning. Member States should work together with the social partners, education and training providers, enterprises and other stakeholders to address structural weaknesses in education and training systems and improve their quality and labour-market relevance, also with a view to enabling the environmental and digital transitions. Particular attention should be paid to challenges faced by the teaching profession, including by investing in teachers' digital competences. Education and training systems should equip all learners with key competences, including basic and digital skills as well as transversal competences, to lay the foundations for adaptability and resilience throughout life. Member States should seek to strengthen the provisions on individual training entitlements and ensure their transferability during professional transitions, including, where appropriate, through individual learning accounts. They should enable everyone to anticipate and better