



0000/0000(INI)

25.7.2019

DRAFT REPORT

on employment and social policies of the euro area
(0000/0000(INI))

Committee on Employment and Social Affairs

Rapporteur: Yana Toom

CONTENTS

Page

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....3

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on employment and social policies of the euro area (0000/0000(INI))

The European Parliament,

- having regard to Articles 3 and 5 of the Treaty on European Union (TEU),
- having regard to Articles 9, 145, 148, 149, 152, 153, 174 and 349 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to the Interinstitutional Agreement of 13 April 2016 between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making¹,
- having regard to the Charter of Fundamental Rights of the European Union, in particular Title IV (Solidarity) thereof,
- having regard to the UN Convention on the Rights of Persons with Disabilities,
- having regard to the UN Sustainable Development Goals (SDGs), in particular goals 1, 3, 4, 5, 8, 10 and 13,
- having regard to the Five Presidents' Report of 22 June 2015² entitled 'Completing Europe's Economic and Monetary Union',
- having regard to the Council recommendation of 14 May 2018 on the economic policy of the euro area³,
- having regard to the Commission communication of 12 June 2019 entitled 'Deepening Europe's Economic and Monetary Union: Taking stock four years after the Five Presidents' Report – European Commission's contribution to the Euro Summit on 21 June 2019' (COM(2019)0279),
- having regard to the Commission communication of 5 June 2019 on the 2019 European Semester: country-specific recommendations (COM(2019)0500),
- having regard to the Commission proposal of 27 February 2019 for a Council decision on guidelines for the employment policies of the Member States (COM(2019)0151), and to Parliament's position thereon of 4 April 2019⁴,
- having regard to the Commission communication of 21 November 2018 entitled 'Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty' (COM(2018)0770),

¹ OJ L 123, 12.5.2016, p. 1.

² https://ec.europa.eu/commission/sites/beta-political/files/5-presidents-report_en.pdf

³ OJ C 179, 25.5.2018, p. 1.

⁴ Texts adopted, P8_TA(2019)0337.

- having regard to the draft Joint Employment Report from the Commission and the Council of 21 November 2018 accompanying the Commission communication on the Annual Growth Survey 2019 (COM(2017)0761),
- having regard to the Commission recommendation of 21 November 2018 for a Council recommendation on the economic policy of the euro area (COM(2018)0759),
- having regard to the Commission report of 21 November 2018 entitled ‘Alert Mechanism Report 2019’ (COM(2018)0758),
- having regard to the Commission communication of 21 November 2018 entitled ‘2019 Draft Budgetary Plans: Overall Assessment’ (COM(2018)0807),
- having regard to the Commission proposal of 22 November 2017 for a Council decision on guidelines for the employment policies of the Member States (COM(2017)0677), and to Parliament’s position thereon of 19 April 2018⁵,
- having regard to the Commission communication of 26 April 2017 entitled ‘Establishing a European Pillar of Social Rights’ (COM(2017)0250),
- having regard to the Commission communication of 26 April 2017 entitled ‘An initiative to support work-life balance for working parents and carers’ (COM(2017)0252),
- having regard to the Commission staff working document of 26 April 2017 entitled ‘Taking stock of the 2013 Recommendation on “Investing in children: breaking the cycle of disadvantage”’ (SWD(2017)0258),
- having regard to the Commission’s Strategic Engagement for Gender Equality 2016-2019, and to the European Pact for Gender Equality 2011-2020 and the Council conclusions thereon of 7 March 2011⁶,
- having regard to the 2002 Barcelona childcare targets, namely to provide childcare, by 2010, to at least 90 % of children between three years old and the mandatory school age and to at least 33 % of children under three years of age,
- having regard to the Commission communication of 4 October 2016 entitled ‘The Youth Guarantee and Youth Employment Initiative three years on’ (COM(2016)0646),
- having regard to the Commission proposal of 14 September 2016 for a Council regulation amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (COM(2016)0604),
- having regard to the Commission communication of 14 September 2016 entitled ‘Strengthening European Investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan’ (COM(2016)0581),

⁵ Texts adopted, P8_TA(2018)0181.

⁶ OJ C 155, 25.5.2011, p. 10.

- having regard to the Commission communication of 10 June 2016 entitled ‘A new skills agenda for Europe – Working together to strengthen human capital, employability and competitiveness’ (COM(2016)0381),
- having regard to the Commission communication of 2 June 2016 entitled ‘A European agenda for the collaborative economy’ (COM(2016)0356),
- having regard to the Circular Economy Package (Directives (EU) 2018/849⁷, 2018/850⁸, 2018/851⁹ and 2018/852¹⁰),
- having regard to the Commission communication of 1 June 2016 entitled ‘Europe investing again – Taking stock of the Investment Plan for Europe and next steps’ (COM(2016)0359),
- having regard to the Commission communication of 8 March 2016 on launching a consultation on a European Pillar of Social Rights (COM(2016)0127) and the annexes thereto,
- having regard to the Commission white paper of 16 February 2012 entitled ‘An Agenda for Adequate, Safe and Sustainable Pensions’ (COM(2012)0055),
- having regard to the Council conclusions of 7 December 2015 on the promotion of the social economy as a key driver of economic and social development in Europe,
- having regard to its resolution of 13 March 2019 on the European Semester for economic policy coordination: employment and social aspects in the Annual Growth Survey 2019¹¹,
- having regard to its resolution of 26 November 2018 on education in the digital era: challenges, opportunities and lessons for EU policy design¹²,
- having regard to its resolution of 25 October 2018 on the economic policies of the euro area¹³,
- having regard to its resolution of 11 September 2018 on pathways for the reintegration of workers recovering from injury and illness into quality employment¹⁴,
- having regard to its resolution of 16 November 2017 on combating inequalities as a lever to boost job creation and growth¹⁵,
- having regard to its resolution of 24 October 2017 on minimum income policies as a

⁷ OJ L 150, 14.6.2018, p. 93.

⁸ OJ L 150, 14.6.2018, p. 100.

⁹ OJ L 150, 14.6.2018, p. 109.

¹⁰ OJ L 150, 14.6.2018, p. 141.

¹¹ Texts adopted, P8_TA(2019)0202.

¹² Texts adopted, P8_TA(2018)0485.

¹³ Texts adopted, P8_TA(2018)0432.

¹⁴ Texts adopted, P8_TA(2018)0325.

¹⁵ OJ C 356, 4.10.2018, p. 89.

- tool for fighting poverty¹⁶,
- having regard to its resolution of 14 September 2017 on a new skills agenda for Europe¹⁷,
 - having regard to its resolution of 19 January 2017 on a European Pillar of Social Rights¹⁸,
 - having regard to its resolution of 26 May 2016 on poverty: a gender perspective¹⁹,
 - having regard to its position of 2 February 2016 on the proposal for a decision of the European Parliament and of the Council on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work²⁰,
 - having regard to its resolution of 25 November 2015 on the EU Strategic Framework on Health and Safety at Work 2014-2020²¹,
 - having regard to the Commission’s 2018 Pension Adequacy Report: Current and future income adequacy in old age in the EU, published on 26 April 2018,
 - having regard to the Commission’s 2018 Ageing Report: Economic and Budgetary Projections for the EU Member States (2016-2070), published on 28 May 2018,
 - having regard to the revised European Social Charter and the Turin Process, launched in 2014 with the aim of strengthening the treaty system of the European Social Charter within the Council of Europe and in its relationship with the law of the European Union²²,
 - having regard to the concluding observations of the UN Committee on the Rights of Persons with Disabilities of September 2015 on the initial report of the European Union to the Committee of June 2014,
 - having regard to the European Court of Auditors Special report No 5/2017 of April 2017 entitled: ‘Youth unemployment – have EU policies made a difference? An assessment of the Youth Guarantee and the Youth Employment Initiative’,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs (A9-0000/2019),
- A. whereas labour market conditions in the EU keep improving; whereas the employment rate continued to increase and reached 73.5 % in the last quarter of 2018, with 240.7 million people in work, a new record level; whereas disparities in employment rates

¹⁶ OJ C 346, 27.9.2018, p. 156.

¹⁷ OJ C 337, 20.9.2018, p. 135.

¹⁸ OJ C 242, 10.7.2018, p. 24.

¹⁹ OJ C 76, 28.2.2018, p. 93.

²⁰ OJ C 35, 31.1.2018, p. 157.

²¹ OJ C 366, 27.10.2017, p. 117.

²² <https://www.coe.int/en/web/turin-european-social-charter/turin-process>

persist between the Member States; whereas the pace of growth of the employment rate has slowed down and whereas this trend is expected to continue; whereas, if these dynamics continue, the employment rate will reach 74.3 % in 2020;

- B. whereas the employment rate has grown strongly among workers above 55 years of age;
 - C. whereas the employment gender gap was 11.6 percentage points in 2018; whereas it has not improved substantially in recent years;
 - D. whereas the total number of hours worked has been increasing steadily but slowly since 2013; whereas the rate of permanent and full-time employment continues to rise while the rate of part-time employment is in decline;
 - E. whereas the unemployment rate in the euro area fell for all age groups and for both men and women; whereas large differences in rates remain between Member States; whereas youth unemployment remains very high; whereas long-term unemployment, while in decline, remains high;
 - F. whereas horizontal and vertical labour market segmentation persists and affects, in particular, women, low-skilled, young and older people, people with disabilities, national, linguistic, ethnic and sexual minorities and people with migrant backgrounds;
 - G. whereas the job vacancy rate continues to rise; whereas structural skill mismatches and skills shortages exist;
 - H. whereas the social situation continues to improve; whereas poverty and the risk of poverty, and gaps in coverage of social protection systems and access to services, persist;
 - I. whereas in 2017 the per capita gross disposable household income exceeded the pre-crisis level in the euro area; whereas this was not the case in all Member States;
1. Notes that while the economic conditions in the EU are currently favourable and overall employment is steadily growing, there is still a need for improvement in terms of youth unemployment, labour market segmentation and inequalities, in-work poverty and productivity;
 2. Takes note of the Commission's 2019 country-specific recommendations (CSRs) and welcomes the stronger focus on investment; notes that almost one third of the CSRs issued until 2018 have not been implemented; welcomes the fact that considerable progress has been achieved in legislation governing labour relations and employment protection; is concerned that progress on the 2018 CSRs is worse than performance in previous years and urges the Commission to put the necessary pressure on Member States to implement the recommendations; believes that strong reform implementation is crucial to strengthen the growth potential of EU economies;
 3. Notes that considerable divergences in employment persist between countries, regions and population groups; considers it necessary to increase employment rates and promote decent job creation in order to achieve the Europe 2020 goal of an employment rate of at least 75 %;

4. Underlines the need for well-designed labour market policies and reforms that create quality employment, promote equal opportunities and the equal treatment of workers, facilitate equal access to the labour market and social protection, facilitate labour mobility, reintegrate the unemployed and tackle inequalities and gender imbalances;
5. Notes that participation of women in the labour market continues to grow but that gender inequalities in terms of employment and pay persist; takes the view that efforts should be strengthened to reduce the gender pay gap, the gender pension gap and disincentives to work, improve work-life balance and provide access to affordable childcare, early childcare and long-term care facilities;
6. Points out the need to fight ageism in labour markets, including by raising awareness of Council Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation, and by securing access to life-long learning opportunities;
7. Calls on the Commission and the Member States to step up efforts for the further inclusion of people with disabilities in the labour market, by removing legislative barriers to creating incentives for their employment and ensuring the accessibility of workplaces;
8. Stresses that a transformation of the education and training systems is necessary in order to make full use of the opportunities offered by information and communication technologies and the media and to develop the skills and competences required to meet the demands of the labour market of the future; considers that skills shortages and mismatches can be major investment obstacles; emphasises that in order to acquire adequate skills it is necessary to improve the quality, availability, affordability and accessibility of education and training, including vocational training, and improve the mutual recognition of qualifications; calls on the Member States to prioritise comprehensive training in digital and entrepreneurial skills, taking into account the shift towards the digital economy and to a greener economy; believes that the challenges of climate change and the transition to a greener economy demand support to help workers to adapt, especially in the most affected regions;
9. Calls on the Commission to provide incentives and technical assistance to young people to set up their businesses and to propose measures to promote entrepreneurship, including through school curriculums in the Member States;
10. Emphasises that the Union's social and economic goals should have equal priority; calls on the Commission and the Member States to reinforce social rights by delivering the European Pillar of Social Rights and implementing the social aspects of the Country Specific Recommendations;
11. Notes that the social situation continues to improve and that poverty is in decline, but that it still remains unacceptably high; stresses that while the number of people at risk of poverty or social exclusion (AROPE) in the EU continued to decrease in 2017, some 113 million people in the EU and 74 million in the euro area were AROPE in 2017; urges the Commission and the Member States to take the necessary steps to reduce poverty, including child and in-work poverty, in order to achieve the Europe 2020 goal; emphasises that decent job creation, access to social protection regardless of employment relationship or contract type, wage growth and well-resourced, quality

public education systems have a significant impact on reducing inequalities, the risk of poverty and social exclusion;

12. Instructs its President to forward this resolution to the Council and the Commission.