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<Commission>{EMPL}Committee on Employment and Social Affairs</Commission>

<RefProc>2017/2114</RefProc><RefTypeProc>(INI)</RefTypeProc>

<Date>{28/09/2017}28.9.2017</Date>

<TitreType>OPINION</TitreType>

<CommissionResp>of the Committee on Employment and Social Affairs</CommissionResp>

<CommissionInt>for the {ECON}Committee on Economic and Monetary Affairs</CommissionInt>

<Titre>on the economic policies of the euro area</Titre>

(<DocRef>2017/2114(INI))</DocRef>

Rapporteur: <Depute>Yana Toom</Depute>

(\*) Associated committee – Rule 54 of the Rules of Procedure

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SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

A. whereas the employment rate in the euro area grew by 1.4 % in 2016; whereas in March 2017 the unemployment rate stood at 9.5 %, down from 10.2 % in March 2016; whereas despite recent improvements, unemployment rates have not yet returned to pre-crisis levels;

B. whereas the employment rate grew by 1.2 % in 2016 in the EU-28, and 234.2 million people were in employment in the first quarter of 2017, the highest number ever recorded[[1]](#footnote-1); whereas, however, the considerable number of jobs created in relation to economic growth hides challenges, such as the incomplete recovery in hours worked and modest productivity growth; whereas if lasting, these factors may put additional pressure on long-run economic growth aspects and social cohesion in the EU[[2]](#footnote-2);

C. whereas employment rates are generally lower among women: in 2015, the employment rate for men aged 20-64 stood at 75.9 % in the EU-28, as compared with 64.3 % for women;

D. whereas in March 2017 the youth unemployment rate in the euro area was 19.4 %, compared with 21.3 % in March 2016; whereas youth unemployment remains unacceptably high; whereas in 2015 the share of NEETs remained high and represented 14.8 % of 15-29 year olds, namely 14 million people; whereas NEETs are estimated to cost the Union EUR 153 billion (1.21 % of GDP) a year – in benefits and foregone earnings and taxes[[3]](#footnote-3), while the total estimated cost of establishing Youth Guarantee schemes in the euro area is EUR 21 billion a year, or 0.22 % of GDP; whereas EUR 1 billion is currently allocated to the Youth Employment Initiative, a sum which is to be matched by EUR 1 billion from the European Social Fund for the period 2017-2020;

E. whereas although long-term unemployment in the EU-28 decreased from 5 % in 2014 to 4 % in 2016, it remains a concern, accounting for almost half of total unemployment; notes with concern that the very long-term unemployment rate of 2.5 % in 2016 is still 1 % more than the 2008 figure; whereas wide disparities remain among the Member States;

F. whereas in many Member States, the size of the working-age population and the labour force is continuing to shrink, notably as a result of low birth rates; whereas the employability of women, together with the ongoing arrival of migrants, refugees and asylum seekers, are opportunities for Member States to deal with this issue and reinforce the workforce in the EU;

G. whereas one of the five Europe 2020 targets aims to reduce by at least 20 million the number of people in or at risk of poverty and social exclusion; whereas poverty is decreasing, with 4.8 million fewer people at risk of poverty and social exclusion in 2015 than in 2012; whereas this 2015 figure still exceeds the 2008 figure by 1.6 million; whereas 32.2 million persons with disabilities were at risk of poverty and social exclusion in the EU in 2012; whereas in 2013, 26.5 million children in the EU-28 were at risk of falling into poverty or social exclusion; whereas the at-risk-of-poverty or -exclusion rate is still unacceptably high at 23.7 %, with figures remaining very high in some Member States; whereas, moreover, energy poverty remains so high that for the 11 % of the EU population concerned, it leads to a cycle of economic disadvantage;

H. whereas growth in most Member States remains low, with the EU growth rate having fallen to a stable 2 % in 2016 (while, by contrast, global growth (excluding the EU) is expected to strengthen to 3.7 % this year and 3.9 % in 2018 from 3.2 % in 2016), despite positive temporary aspects such as low oil prices, low interest for credit and unconventional monetary policies, which demonstrates, therefore, that the EU can do more to boost the economic and social recovery so as to make it more sustainable in the medium term;

I. whereas as the Commission states[[4]](#footnote-4), in order to strengthen the convergence within countries and the EU, it is essential to achieve a more inclusive, robust and sustainable growth;

J. whereas labour market conditions and performances show substantial differences across Member States, though these disparities are decreasing;

K. whereas the economic policies of the euro area also greatly affect the economies of other Member States;

L. whereas tax evasion and corruption, which are increasingly cross-national issues, affect all Member States and undermine the EU’s economic performance, the rule of law and the credibility of democratic institutions;

M. whereas new forms of employment and labour are becoming more widespread with the digital revolution of the labour market;

N. whereas investment, be it private or public, is a key tool to increase cohesion and real economic growth, as well as productivity and global competitiveness;

1. Takes the view that continuous efforts are needed to achieve a balance between the economic and social dimensions of the European Semester process and to promote socially and economically balanced structural reforms that reduce inequalities and promote decent jobs leading to quality employment, sustainable growth and social investment; supports using the Social Scoreboard within the framework of the European Semester; calls for a greater focus on structural imbalances on the labour market in the country-specific recommendations (CSRs);

2. Reiterates the call for the three new headline employment indicators to be placed on an equal footing with existing economic indicators, thereby guaranteeing that internal imbalances are better assessed and making structural reforms more effective; proposes introducing a non-punitive social imbalances procedure in the design of the CSRs so as to prevent a race to the bottom in terms of social standards, building on an effective use of the social and employment indicators in macroeconomic surveillance; notes that inequality has intensified in around ten Member States and is one of the main socio-economic challenges in the EU[[5]](#footnote-5);

3. Highlights the fact that socially and economically responsible reforms must be based on solidarity, integration and social justice; stresses that reforms should also take into account sustained support for social and economic recovery, create quality employment, boost social and territorial cohesion, protect vulnerable groups and improve living standards for all citizens;

4. Believes that the European Semester process should help to address not only existing but also emerging societal challenges in order to ensure greater economic efficiency coupled with a more socially cohesive European Union; acknowledges, in this respect, the need for an assessment of the social impact of EU policies;

5. Calls on the Commission to secure adequate funding for fighting youth unemployment, which remains unacceptably high in the EU, and to continue the Youth Employment Initiative (YEI) beyond the end of the current multiannual financial framework (MFF), while at the same time improving its functioning and implementation and taking into account the latest findings of the European Court of Auditors’ special report on youth employment and the use of the YEI; calls on the Member States to implement the recommendations of the European Court of Auditors and to ensure that the Youth Guarantee is fully accessible; regrets budget shifts out of the European Social Fund (ESF), including the YEI, towards the European Solidarity Corps, which should instead be financed by all financial means available under the existing MFF Regulation; stresses the need for a qualitative and quantitative assessment of the jobs created; stresses that EU funding should not be used to replace national social welfare payments;

6. Underlines the fact that the implementation of the Youth Guarantee should be strengthened at national, regional and local level, and stresses its importance for school-to-work transitions; points out that special attention has to be paid to young women and girls, who could face gender-related barriers to obtaining a good-quality offer of employment, continued education, an apprenticeship or a traineeship; emphasises the need to ensure that the Youth Guarantee reaches young people facing multiple exclusions and extreme poverty;

7. Calls on the Member States to implement the proposals contained in the Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market[[6]](#footnote-6);

8. Considers that the scope, efficiency and effectiveness of active and sustainable labour market policies should be increased with proper and adequate funding with a focus on environmental, employer, worker, health and consumer protection; takes the view that the phenomenon of in-work poverty must be addressed; stresses the importance of increasing public investment and enhancing private-sector involvement in economic and social development;

9. Regrets the fact that the social economy has been overlooked by the Commission in its package of assessments/recommendations; points out that this sector encompasses 2 million businesses which employ more than 14 million people and contribute to the achievement of the 2020 targets; calls on the Commission and the Member States to give social economy enterprises greater recognition and a higher profile, through a European Action Plan for the social economy; considers that this lack of recognition makes it harder for them to access funding; calls on the Commission to come forward with a proposal for a European statute for associations, foundations and mutual societies;

10. Recalls the need to support and enhance social dialogue, collective bargaining and the position of workers in wage-setting systems, which play a critical role in achieving high-level working conditions; emphasises that labour law and high social standards have a crucial role to play in the social market economy, supporting incomes and encouraging investment in capacity; stresses that EU law must respect trade union rights and freedoms, comply with collective agreements in line with Member States’ practices and uphold equal treatment in employment and occupation;

11. Points out that the European economy has not recovered enough to provide employment for all job seekers and unemployed; stresses that alongside job creation, including through public investment, integrating those people furthest from the labour market through individually tailored measures benefits the individual, stabilises social security and supports the economy;

12. Calls on the Commission to build on Parliament’s resolution by putting forward ambitious proposals for a strong European Pillar of Social Rights and by fully pursuing the social objectives of the Treaties in order to improve everyone’s living and working conditions and provide good opportunities for all;

13. Calls on the Member States and the Commission to make every effort to reduce the administrative burden and financial cost to the business sector, especially micro, small and medium-sized enterprises, and to repeal legislation resulting in excessive bureaucracy, thereby boosting growth and employment;

14. Warns of the declining wage share in the EU, the widening wage and income inequalities and the increase of in-work poverty; recalls that both the UN’s 1948 Universal Declaration of Human Rights and the ILO’s 1919 Constitution recognise the need for workers to earn a living wage, and that all human rights declarations agree that remuneration should be sufficient to support a family;

15. Stresses that wages must enable workers to meet their needs and those of their families and that every worker in the European Union should receive a living wage that not only provides for the mere necessities of basic food, shelter and clothing, but that is also sufficient to cover healthcare, education, transportation, recreation and some savings to help provide for unforeseen events, such as illnesses and accidents; emphasises that this is the decent living standard that living wages should provide for workers and their families in the EU;

16. Asks the Commission to study how to identify what a living wage could encompass and how it should be measured, with a view to establishing a reference tool for social partners and to help exchange best practices in this regard;

17 Recalls that decent wages are important not only for social cohesion, but also for maintaining a strong economy and a productive labour force; calls on the Commission and the Member States to implement measures to improve job quality and reduce wage dispersion;

18. Points to the continuous need for better coordination at European level of social security systems, for which the Member States are responsible; stresses the absolute priority of ensuring the sustainability and fairness of social security systems, these being central pillars of a European social model; highlights that adequate, sustainable pensions are a universal right; calls on the Member States to ensure adequate and sustainable pensions in the light of continued demographic change; underlines the fact that pension systems should ensure an adequate retirement income above the poverty threshold and allow pensioners to maintain a proper standard of living; believes that the best way to ensure sustainable, safe and adequate pensions for women and men is to increase the overall employment rate and the number of decent jobs available across all age groups, and to improve working and employment conditions; points out that gender pension gaps remain significant and have negative social and economic consequences; highlights, in this regard, the importance of women’s integration into the labour market and other adequate measures to combat the gender-pay gap and old-age poverty; believes that reforms of pension systems and the retirement age in particular should also reflect labour market trends, birth rates, health and wealth circumstances, working conditions and the economic dependency ratio;

19. Considers that these reforms must also take account of the situation of millions of workers in Europe, particularly women, youngsters and the self-employed, suffering insecure employment, periods of involuntary unemployment and working-time reduction;

20. Calls on the Commission to continue to pay particular attention to the improvement of childcare services and to flexible working time arrangements, to the needs of aging men and women and other dependent persons as regards long-term care;

21. Deplores the persistence of the gender pay and pension gap; calls for the EU and the Member States, in cooperation with social partners and gender equality organisations, to set out and implement policies to close the gender pay and pension gap; calls on the Member States to carry out wage-mapping on a regular basis as a complement to these efforts;

22. Highlights the fact that insufficient and inadequately focused investment in skills development and lifelong learning, particularly digital skills and programming and other skills needed in growing sectors, such as the green economy, may undermine the Union’s competitive position; calls on the Member States to ensure a better exchange of knowledge, best practices and cooperation at EU level, so as to help foster skills development through the updating of qualifications and corresponding education, training programmes and curricula; notes the importance of skills and competences acquired in non-formal and informal learning environments; stresses, therefore, the importance of creating a validation system for non-formal and informal forms of knowledge, especially those acquired via voluntary activities;

23. Takes the view that better skills matching and improved mutual recognition of qualifications is necessary to address skills shortages and mismatches; highlights the role that vocational education and training (VET) and apprenticeships can play in this regard; calls on the Commission to develop a pan-European skills needs forecasting tool, including the skills needed in growing sectors; believes that in order to anticipate future skills needs, all labour market stakeholders must be strongly involved at all levels;

24. Urges the Commission to put in place all suitable mechanisms for greater mobility among young people, apprenticeships included; calls on the Member States to support apprenticeships and to fully use the Erasmus+ funds available for apprentices in order to guarantee the quality and attractiveness of this kind of training; calls for better implementation of the EURES regulation; highlights that better collaboration of public administrations and stakeholders at local level and better synergies among levels of governments would increase the outreach and impact of the programmes;

25. Takes the view that access to and quality of education should be improved; recalls that the role of the Member States is to ensure affordable access to quality education and training, notwithstanding the labour market needs across the EU; notes that increased efforts are required in many Member States to educate the workforce, including adult education and vocational training opportunities; places particular emphasis on life-long learning, including for women, as it provides the opportunity to re-skill in an ever-changing labour market; calls for further targeted promotion of science, technology, engineering and mathematics (STEM) subjects towards girls, in order to address existing education stereotypes and combat long-term gender employment, pay and pensions gaps;

26. Stresses the need to invest in people as early as possible in the life cycle in order to reduce inequality and foster social inclusion at a young age; calls, therefore, for access to quality, inclusive and affordable early childhood education and care services for all children in all Member States; stresses, moreover, the need to fight against stereotypes from the youngest age at school by promoting gender equality at all levels of education; encourages the Commission and the Member States to fully implement the Recommendation on Investing in Children and to monitor its progress closely; calls on the Commission and the Member States to develop and introduce initiatives such as a Child Guarantee, placing children at the centre of existing poverty alleviation policies;

27. Underlines the profound changes ushering in the labour market of the future following the emergence of artificial intelligence; calls on the Member States and the Commission to develop instruments and cooperative initiatives, involving the social partners, to enhance skills in this sector by means of preliminary, initial and ongoing training;

28. Calls, to this end and as a means of achieving a work-life balance, for consideration to be given to flexicurity arrangements, including teleworking and flexitime, in consultation with the social partners;

29. Highlights the importance of investment in human capital – a driving force behind development, competitiveness and growth;

30. Emphasises that a better work-life balance and strengthened gender equality are essential for supporting the participation of women in the labour market; underlines the fact that the key to women’s economic empowerment is the transformation and adaptation of the labour market and welfare systems in order to take into account women’s life cycles;

31. Welcomes the proposal for a directive on a work-life balance and regards it as a positive first step forward in ensuring reconciliation of work and private life for those men and women caring for their children and other dependents, as well as in increasing the participation of women in the labour market; regrets, however, the fact that no progress on maternity leave has been made; insists that securing appropriate remuneration and strong social security and protection are key to achieving these goals;

32. Calls on the Commission and the Member States to develop transformative policies and invest in awareness-raising campaigns to overcome gender stereotypes and promote a more equal sharing of care and domestic work, and to focus, moreover, on the right of and need for men to take up care responsibilities without being stigmatised or penalised;

33. Calls on the Member States to put in place proactive policies and appropriate investment tailored and designed to support women and men entering, returning to, and staying and advancing in the labour market, after periods of family and care-related types of leave, with sustainable and quality employment, in line with Article 27 of the European Social Charter; stresses in particular the need to guarantee: reinstatement to either the same post or an equivalent or similar post; protection against dismissal and less favourable treatment as a result of pregnancy; the right to apply for or take family leave; and a protection period for returnees to enable them to readapt to their job; reiterates that changes in working hours and/or routines on the return to work (including the need for the employer to justify a refusal) and training periods should also be guaranteed;

34. Calls on the Member States to step up protection against discrimination and unlawful dismissal relating to work-life balance; calls on the Commission and the Member States, in this context, to propose policies to improve the enforcement of anti-discrimination measures in the workplace, including by raising awareness of legal rights regarding equal treatment by conducting information campaigns, reversing the burden of proof and empowering national equality bodies to conduct, on their own initiative, formal investigations into equality issues and to help the potential victims of discrimination;

35. Considers that promoting women’s participation in the labour market would boost GDP; calls on the Commission and the Member States, therefore, to strengthen policies and increase investment supporting female employment in quality jobs, particularly in sectors and positions where women are under-represented, such as in the STEM and green economy sectors, or in senior management positions across all sectors;

36. Underlines the fact that the integration of long-term unemployed individuals through individually tailored measures is a key factor for fighting poverty and social exclusion and will ultimately contribute towards the sustainability of national social security systems; deems such integration necessary, in view of the social circumstances of these citizens and their needs in terms of sufficient incomes, adequate housing, public transport, health and childcare; stresses the need for better monitoring at European level of the policies implemented at the national level;

37. Stresses the importance of understanding new forms of employment and work, and of collecting comparable data on this issue, in order to render labour market legislation more efficient and to ultimately increase employment and sustainable growth;

38. Calls for joint efforts to reduce gender-based inequalities in the Member States and for continuous support for designated, locally adjusted plans to reduce gender employment and pay and pension gaps through economic policies;

39. Calls for an integrated anti-poverty strategy in order to achieve the Europe 2020 poverty target; underlines the role of Member States’ minimum income schemes in seeking to reduce poverty, especially when combined with social inclusion measures that involve the beneficiaries; requests that the Member States work towards the progressive establishment of minimum income schemes which are not only adequate but ensure sufficient coverage and take-up; considers adequate minimum income to mean an income that is indispensable for living a life in dignity and for fully participating in society throughout the entire lifespan; points out that in order for a minimum income to be adequate, it must be above the poverty line, so as to meet people’s fundamental needs, including non-monetary aspects, such as access to education and lifelong learning, decent housing, quality healthcare services, social activities and civic participation;

40. Calls for more efficient, targeted and more carefully monitored use of the European Structural and Investment Funds (ESI Funds) by national, regional and local authorities in order to promote investment in quality social, health, education and employment services, and to tackle energy poverty, increasing living costs, social exclusion, housing deprivation, and the insufficient quality of housing stock;

41. Calls on the Commission to support Member States in establishing specific investment programmes for their regions whose unemployment, youth unemployment and long-term unemployment rates exceed 30 %;

42. Deplores the fact that, in its package of recommendations, the Commission has disregarded Parliament’s request to step up the implementation of Article 349 TFEU, in particular through the adoption of specific measures designed to integrate the outermost regions more closely into the EU; notes that these regions have their own particular characteristics and constraints, with unemployment at over the 30 % mark; stresses the need for differentiated measures and programmes to reduce asymmetries and thereby maximise social cohesion in the EU;

43. Calls on the Commission to devote the next Spring Council to social investment in the sectors where there is strong evidence to suggest that it promotes social and economic returns (e.g. early childhood education and care, primary and secondary education, training and active labour market policies, affordable and social housing, and healthcare);

44. Regrets the fact that there will be little possibility for Parliament’s position, once adopted in plenary, to influence the CSRs under discussion; calls for an agenda that gives greater prominence to Parliament’s position and that takes it into account before a decision is reached; calls for the role of the EPSCO Council to be strengthened within the European Semester;

45. Calls for additional joint efforts to improve the integration of migrants and people with a migrant background into the labour market.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| **Date adopted** | 28.9.2017 |  |  |  |
| **Result of final vote** | +:–:0: | 34100 |
| **Members present for the final vote** | Guillaume Balas, Brando Benifei, Martina Dlabajová, Lampros Fountoulis, Elena Gentile, Arne Gericke, Marian Harkin, Czesław Hoc, Danuta Jazłowiecka, Agnes Jongerius, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Kostadinka Kuneva, Jérôme Lavrilleux, Jeroen Lenaers, Thomas Mann, Dominique Martin, Elisabeth Morin-Chartier, João Pimenta Lopes, Georgi Pirinski, Dennis Radtke, Robert Rochefort, Siôn Simon, Yana Toom, Ulrike Trebesius, Marita Ulvskog, Tatjana Ždanoka, Jana Žitňanská |
| **Substitutes present for the final vote** | Maria Arena, Georges Bach, Elmar Brok, Krzysztof Hetman, Dieter-Lebrecht Koch, Paloma López Bermejo, Evelyn Regner, Sven Schulze, Jasenko Selimovic, Michaela Šojdrová, Helga Stevens |
| **Substitutes under Rule 200(2) present for the final vote** | Klaus Buchner, Jens Nilsson, Gabriele Preuß, Jozo Radoš |

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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| **34** | **+** |
| ALDEEPPS&DVerts/ALE | Martina Dlabajová, Marian Harkin, Jozo Radoš, Robert Rochefort, Jasenko Selimovic, Yana ToomGeorges Bach, Elmar Brok, Krzysztof Hetman, Danuta Jazłowiecka, Dieter-Lebrecht Koch, Agnieszka Kozłowska-Rajewicz, Ádám Kósa, Jérôme Lavrilleux, Jeroen Lenaers, Thomas Mann, Elisabeth Morin-Chartier, Dennis Radtke, Sven Schulze, Michaela ŠojdrováMaria Arena, Guillaume Balas, Brando Benifei, Elena Gentile, Agnes Jongerius, Jan Keller, Jens Nilsson, Georgi Pirinski, Gabriele Preuß, Evelyn Regner, Siôn Simon, Marita UlvskogKlaus Buchner, Tatjana Ždanoka |

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| **10** | **-** |
| GUE/NGLECRENFNI | Kostadinka Kuneva, Paloma López Bermejo, João Pimenta LopesArne Gericke, Czesław Hoc, Helga Stevens, Ulrike Trebesius, Jana ŽitňanskáDominique MartinLampros Fountoulis |

Key to symbols:

+ : in favour

- : against

0 : abstention

1. Employment and Social Developments in Europe, Annual Review 2017, p. 11. [↑](#footnote-ref-1)
2. *Ibid*, p. 46. [↑](#footnote-ref-2)
3. Eurofound report on youth unemployment*.* [↑](#footnote-ref-3)
4. Commission press release of 22 May 2017 entitled ‘European Semester 2017 Spring Package: Commission issues country-specific recommendations’. [↑](#footnote-ref-4)
5. Employment and Social Developments in Europe, Annual Review 2017, p. 47. [↑](#footnote-ref-5)
6. OJ C, 20.2.2016, p. 1. [↑](#footnote-ref-6)