



## EMPLOYMENT POLICY

Creating more and better jobs is one of the main goals of the Europe 2020 strategy. The European employment strategy (EES), with its monitoring process and connected funding instruments, contributes to 'soft coordination'. EU law is relevant in certain areas even if the responsibility for employment and social policy lies primarily with national governments.

### LEGAL BASIS

Article 3(3) of the Treaty on European Union (TEU) and Articles 8-10, 145-150, 156-159 and 162-164 of the Treaty on the Functioning of the European Union (TFEU).

### OBJECTIVES

Among the important principles, objectives and activities mentioned in the TFEU is the promotion of a high level of employment through the development of a coordinated strategy, particularly with regard to the creation of a skilled, trained and adaptable workforce and labour markets responsive to economic change. According to the horizontal clause in Article 9 of the TFEU, the objective of a high level of employment must be taken into consideration in the definition and implementation of EU policies and activities.

### ACHIEVEMENTS

**A.** From the early stages (1950s to 1990s) to the Europe 2020 strategy

As long ago as the 1950s, workers were benefiting from 'readaptation aid' in the European Coal and Steel Community (ECSC). Aid was granted to workers in the coal and steel sectors whose jobs were threatened by industrial restructuring. The European Social Fund (ESF) ([2.3.2. European Social Fund](#)), created in the early 1960s, was the principal weapon in combating unemployment.

In the 1980s and early 1990s, action programmes on employment focused on specific target groups, and a number of observatory and documentation systems were established.

In a context of high unemployment in most EU countries, the White Paper on Growth, Competitiveness and Employment (1993) launched a debate on the EU's economic and employment strategy by bringing the issue of employment to the top of the EU agenda for the first time.



The new Employment title in the Amsterdam Treaty, which entered into force in May 1999, provided the basis for setting up the European Employment Strategy and the permanent, Treaty-based Employment Committee (EMCO) with advisory status to promote the coordination of the Member States' employment and labour market policies. The competence for employment policy remains, however, primarily with the Member States. The inclusion of a 'social protocol' in the Treaty enhanced the involvement of the social partners ([2.3.7. Social dialogue](#)).

The extraordinary Luxembourg Job Summit in November 1997 launched the European employment strategy (EES) together with the open method of coordination — the so-called Luxembourg process, which is an annual coordinating and monitoring cycle for national employment policies based on the Member States' commitment to establishing a set of common objectives and targets.

The EES set a high level of employment on the same footing as the macroeconomic objectives of growth and stability.

In 2000, the Lisbon European Council agreed on the new strategic goal of making the EU 'the most competitive and dynamic knowledge-based economy in the world', embracing full employment as an overarching objective of employment and social policy, and on concrete targets to be achieved by 2010 (the Lisbon strategy).

The EES was reviewed in 2002 and re-launched in 2005, with the focus on growth and jobs. In order to simplify and streamline processes, a multiannual time framework was introduced (the first cycle being 2005-2008) and the employment guidelines were integrated into the broad economic policy guidelines (BEPG).

Following the financial crisis, in 2010 the Europe 2020 strategy was adopted and the European semester was introduced as the mechanism for financial and economic policy coordination.

This 10-year strategy for jobs and smart, sustainable and inclusive growth defined for the first time a number of headline targets, including:

- Labour market: increase the labour market participation of people aged 20 to 64 to 75% by 2020;
- Social inclusion and combating poverty: lift at least 20 million people out of the risk of poverty and exclusion;
- Improving the quality and performance of education and training systems: reduce the proportion of early school leavers to 10% (from 15%), and increase the share of 30-34-year-olds having completed tertiary or equivalent education to at least 40% (instead of 31%).

All five headline targets had to be translated by Member States into national targets, taking into account their relative starting positions and national circumstances. The repercussions of the financial crisis of 2008 have, however, made it difficult to achieve the strategy's employment and poverty targets.

The monitoring cycle for employment policies includes the following components:



- Employment guidelines, formulated by the Commission and adopted by the Council;
- Joint Employment Report, published by the Commission and adopted by the Council;
- National Reform Programme plans (NRPs);
- Country reports and country-specific recommendations (CSRs), formulated by the Commission and the latter adopted by the Council.

The employment guidelines (Article 148 of the TFEU) present strategic objectives for national employment policies and contain policy priorities in the fields of employment, education and social inclusion. They combine policy priorities with a number of ongoing key elements. Four employment guidelines form part of the 10 integrated guidelines, which also feature six broad economic policy guidelines (Article 121 of the TFEU).

The most recent guidelines (2018) have been aligned to the principles of the European Pillar of Social Rights ([2.3.1. Social and employment policy: general principles](#)). In agreement with the European Parliament, these have been maintained for 2019. They target four domains:

- Boosting demand for labour (job creation, labour taxation and wage setting);
- Enhancing labour and skills supply (including youth and long-term unemployment);
- Better functioning of labour markets (with a specific focus on labour market segmentation);
- Fairness, combating poverty and promoting equal opportunities for all.

#### **B. Binding legal acts – EU law**

Based on the provisions laid down in the Treaty on the Functioning of the European Union relating to the fields of employment and social affairs, a number of directives, regulations and decisions have been adopted to ensure minimum standards across EU Member States in the following areas:

- Health and safety at work: general and specific rights and obligations, work equipment, specific risks, e.g. dangerous substances, carcinogens ([2.3.5. Health and safety at work](#))
- Equal opportunities for women and men: equal treatment at work, pregnancy, maternity leave, parental leave ([2.3.9. The fight against poverty, social exclusion and discrimination](#))
- Protection against discrimination based on sex, race, religion, age, disability and sexual orientation ([2.3.9. The fight against poverty, social exclusion and discrimination](#))
- Working conditions: part-time work, fixed-term contracts, working hours, employment of young people, informing and consulting employees ([2.3.6. Workers' right to information, consultation and participation](#); [2.3.7. Social dialogue](#))



- Supporting services: Decision No 573/2014/EU of the European Parliament and of the Council of 15 May 2014 on enhanced cooperation between Public Employment Services (PES)

Further EU law supports the fundamental freedoms governing the movement of persons, services and capital within the EU (single market):

- Free movement of workers: equal treatment, access to social benefits ([2.1.5. Free movement of workers](#))
- Posting of workers: duration, pay, sectors covered ([2.1.13. Posting of workers](#))

### C. Coordination through Recommendations and other policy initiatives:

In addition to the so-called ‘hard law’ listed above, further measures help to increase coordination among EU Member States through ‘soft law’. The latter encompasses Council Recommendations, which are non-binding legal acts, and other policy initiatives issued by the Commission. These can have a considerable impact, if well prepared, supported and monitored at EU level. Important EU policy initiatives include, for example, the:

- Council Recommendation on establishing a European Youth Guarantee (April 2013), which aims at ensuring that all young people under the age of 25 receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education;
- European Alliance for Apprenticeships (launched in July 2013);
- Council Recommendation on a Quality Framework for Traineeships (March 2014);
- Council Recommendation on the integration of the long-term unemployed into the labour market (February 2016);
- European Solidarity Corps (2016) for young people, which focuses on providing assistance in the event of natural disasters or helping to tackle social issues in communities;
- New Skills Agenda for Europe (June 2016). This policy package brings together 10 key actions to equip citizens with skills that are needed in the labour market (e.g. the Council Recommendation of 19 December 2016 on upskilling pathways: New Opportunities for adults or the **Council Recommendation on a European Framework for Quality and Effective Apprenticeships** of 15 March 2018).

To improve working conditions, including social protection and fair mobility, all three EU institutions supported the European Social Pillar in a common proclamation in November 2017 ([2.3.1. Social and employment policy: general principles](#)).

### D. Supporting EU funding instruments

A number of EU funding programmes support programme development, measures and capacity building in the Member States:

- The European Social Fund (ESF) supports a broad range of initiatives in the Member States. In addition, the European Council agreed in February 2013 to



create a Youth Employment Initiative to target young people aged 15-24 who are neither in employment nor in education or training (NEETs) in regions particularly affected by unemployment ([2.3.2. European Social Fund](#));

- The EU programme for employment and social innovation (EaSI) 2014-2020, adopted by Parliament and the Council, brings together three programmes (PROGRESS - Programme for Employment and Social Solidarity; EURES - European Employment Services; and Microfinance and Social Entrepreneurship);
- The European Globalisation Adjustment **Fund** (EGF) supports people who have lost their jobs due to structural changes in world trade patterns.

In May 2018, the Commission published its proposals for revised funding instruments. These are currently under negotiation ([2.3.2. European Social Fund](#)).

## ROLE OF THE EUROPEAN PARLIAMENT

Parliament's role in this area has developed gradually. Since the Amsterdam Treaty came into force, Parliament must be consulted on the employment guidelines before they are adopted by the Council. In addition, the open method of coordination has enhanced the role of parliaments — not only that of the European Parliament, but also that of the national parliaments, which should be involved in the setting and achievement of national targets.

Parliament has given its strong backing to the Europe 2020 strategy. A number of the initiatives aimed at combating youth unemployment stem from Parliament proposals for concrete, practical actions, namely the EU Youth Guarantee and minimum standards on internships. Since 2010, Parliament has strongly supported the establishment of the Youth Guarantee Scheme and monitors its implementation. In its resolution of 17 July 2014, it called for an EU legal framework introducing minimum standards for the implementation of the youth guarantee — including the quality of apprenticeships — which covers young people aged 25-30. Furthermore, Parliament supported the approach taken in the Recommendation on long-term unemployment in its resolution of 29 October 2015. Parliament's intensive work on skills development had an impact on the New Skills Agenda for Europe issued by the Commission in June 2016.

Parliament's **resolution of 13 March 2019 on the European Semester** stresses that the EU's social goals and commitments are just as important as its economic goals. It calls for social rights to be reinforced through the implementation of the European Pillar in order to combat poverty and rising inequality and enhance social investment. In addition, it urges the Commission and the Member States to fight in-work poverty. Finally, it stresses the need to better regulate new forms of work and to grant universal access to adequate retirement and old age pensions.

Susanne Kraatz  
12/2019

