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From:	Employment Committee
To:	Permanent Representatives Committee/Council
Subject:	2016 EMCO Multilateral Surveillance Conclusions

Delegations will find attached the conclusions of the 2016 EMCO multilateral surveillance conclusions, as an addendum to the EMCO Horizontal Opinion on the 2016 CSRs.

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Belgium			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Belgium, has taken a number of concrete initiatives to tackle the issues young people leaving school and/or willing to enter the labour market are faced with. Young people remain an important target group for the Belgian authorities, and the actions taken go in the right direction. Concerns were raised regarding coordination of the different activities, and thus more efforts are required to streamline and improve the coordination, synergies and reporting mechanisms between the entities involved in the YG implementation. Additional efforts might also be required to increase knowledge and to improve access to information about the YG offers for young people and relevant stakeholders. Belgium is working towards some joint initiatives. Registration with the PES remains an important criterion for the young unemployed to have access to most of the offers under the YG scheme. Although concrete actions are also undertaken to reach out to the non-registered NEETs, better cooperation with the educational sector and with the PES is important in this regard. As regards the YG data collection, EMCO is looking forward to consolidated data from all regions.
CSR 3 (partial): Improve the functioning of the labour market by (…) addressing skills shortages and mismatches. KECs: Participation in LLL is below average. Transitions in labour status and pay level below the EU average.	**Skills and lifelong learning**	**14/03/2016**	Belgium faces challenges regarding the low level of participation in life-long learning, in particular by low-skilled. Belgium is making progress in addressing those challenges. A number of reforms are on-going or have just started, covering the main elements of the challenges. These reforms are ambitious and go in the right direction. The focus is then on implementation and monitoring progress, so that they are completed without delay and, where possible, progress faster for enhancement of quality, relevance and efficiency, while guaranteeing that their benefits reach the older workers. Sustained coordination and strong cooperation among all key players remain crucial.

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CSR 3: Improve the functioning of the labour market by reducing financial disincentives to work, increasing labour market access for specific target groups.	**Labour market participation of specific groups**	**15/03/2016**	In the context of stable employment figures, Belgium is still facing challenges related to the labour market situation of people with migrant background. Belgium continues to make some progress in addressing this challenge. A tax reform that increases workers net income seems an appropriate step forward with promising estimated effects. However, further efforts will be needed to cater for the needs of specific groups. An integrated approach for those efforts will be useful.
CSR 2: Adopt and implement a comprehensive tax reform broadening the tax base, shifting the tax burden away from labour and removing inefficient tax expenditures.	**Labour taxation**	**15/04/2016**	Belgium has introduced a tax shift that will contribute to gradually, up to 2018, reducing the tax wedge on labour. This broadly addresses the CSR and should have positive effects on employment. The regions, which play an important role on taxation, have also introduced measures to shift taxes away from labour, which go in the right direction. However, the tax wedge remains among the highest in the EU. It needs to be monitored to what extent the reform reaches the objective of budget neutrality.
Review on request of the Commission	**Wage developments**	**03/05/2016**	The Committee acknowledges that Belgium has made efforts leading to substantial wage moderation in the last few years and has adopted a broad tax reform that will gradually lower the tax burden on labour. This has already had a positive impact on competitiveness. However, looking forward, concerns remain about the possible future effects of the institutional wage-setting mechanism, which risks to again produce high wage growth. Therefore, EMCO looks forward to the announced modernisation of the wage-setting mechanism planned for 2016. According to the key elements of the reform as presented in the NRP, this seems to go in the right direction. The reform should contribute to the objective of favouring wage developments to respond to productivity developments.

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Bulgaria			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
CSR 3 (partial): (Develop an integrated approach for groups at the margin of the labour market, in particular older workers and) young people not in employment, education or training (…)	**Youth Guarantee/youth employment**	**10/12/2015**	Bulgaria has taken steps to improve delivery of YG and to address the CSR, introducing a wide range of activities as well as putting attention on integrated approach and groups at the margin. EMCO welcomes the steps taken by the Bulgarian Authorities to reform and promote vocational education and training. The country has achieved progress in developing the legal framework for dual training and has launched new measures. Efforts in this area should be pursued. The new approach [Youth Mediators] to recruit young unemployed persons at municipal level to help identify, outreach and activate non registered inactive young people is interesting, also in terms of ongoing monitoring, however an impact assessment is only available in 2017. Moreover, most of the measures presented here which are funded by the ESF seem to be of a relatively short duration, ending far before 2020, thus it is difficult to ensure longer term impact, while key labour market indicators well underperform EU averages. Despite progress, the limited labour market relevance of the education system result in skills mismatches. Measures for prevention and early intervention need to be strengthened. While employment services are being reformed, there is room for improvements in targeting and strengthening ALMPs to the NEET. The proportion of young people who remained in the YG beyond 4 months remained over 50% in 2014, while the targeting and activation of the low-skilled NEETs remains a challenge. To meet the objective of the YG, Bulgaria needs to make further efforts to promote a more holistic approach in activating young people most in need. No follow up data were provided during the 2014 YG data collection exercise and EMCO welcomes that Bulgaria will try to improve the data as well as the provision of good quality offers.

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KECs: Long-term unemployment high and ALMP spending and activation is low. Unemployment trap higher than the EU-average.	**Long-term unemployment**	**26/01/2016**	Long-term unemployment continues to be a rising concern in Bulgaria. The authorities are well aware of the problem and are taking measures to address the problem. The coverage of activation measures targeting the long-term unemployed remains problematic. The training programme for the long-term unemployed is thus far at a very small scale and would need very significant upscaling to be effective. Stronger links between active and passive measures and better enforcement on job search obligations, as well as better use of labour market information for the orientation of measures should be considered. The establishment of dedicated Centres for Employment and Social Assistance should help to coordinate labour market structures and social assistance benefits. These Centres are currently being piloted and, successful upscaling will be a key part of implementation. The efforts currently undertaken should be stepped-up and more should be done on coordinating relevant services and ALMPs. EMCO looks forward to seeing the results of the efforts made by the Bulgarian authorities to improve institutional structures.
CSR 3 (partial): "In consultation with the social partners and in accordance with national practices, establish a transparent mechanism for setting the minimum wage and minimum social security contributions in the light of their impact on in-work poverty, job creation and competitiveness."	**Wages and competitiveness**	**16/02/2016**	Lack of transparent mechanism and criteria for setting the minimum wage leads to uncertainty about wage developments, which may hinder a smooth economic convergence process. In this respect, Bulgaria's existing mechanism for determining the minimum wage needs improvement. Some timid steps have been taken in the right direction but more is needed to make its workings transparent in terms of process and criteria used to determine the minimum wage evolution. It also needs to be more robust to withstand political difficulties. Bulgaria might usefully look to examples elsewhere e.g. the UK's Low Pay Commission, to see how other countries have tackled these issues. That said, given the level of the minimum wage in Bulgaria, it is far from clear that this is the most urgent concern for the Bulgarian economy. Thus the need for policy action is better identified if the focus is on the minimum wage setting mechanism rather than simply on the level of the minimum wage and the relative importance of the CSR can be questioned.

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CSR 4: Adopt the reform of the School Education Act, and increase the participation in education of disadvantaged children, in particular Roma, by improving access to good-quality early schooling.	**Education reforms**	**14/03/2016**	Concerns were expressed regarding early school leaving in Bulgaria, especially for the most vulnerable pupils. It is also of concern that socially disadvantaged groups including Roma rank below the general population in terms of educational participation and performance. Tertiary education attainment rate among 30-34 year-olds has been increasing since 2011 and pre-school enrolment rates have also increased significantly over the last decade with mandatory pre-school age now being age 5-6. Bulgaria has recently adopted the Pre-School and School Education Act in response to the CSR, and with the aim of facilitating equal access to good-quality pre-school education. This builds a new educational structure and, among other measures, foresees school autonomy, career development for teachers, external assessment, new state educational standard. One of the aims is to decrease the share of early school leavers and of underachievers. Early school leaving of vulnerable pupils remain a major challenge.
CSR 3 (partial): Develop an integrated approach for groups at the margin of the labour market, in particular older workers.	**Labour market participation of specific groups**	**15/03/2016**	Although employment rate of older workers has increased recently, it remains low for the low skilled. Bulgaria is making significant efforts to broadly address this challenge. Older workers are a priority for the Public Employment Services and receive individualised attention. The specific measures taken in the last year seem overall appropriate, although some are still in an initial pilot phase and therefore coverage is limited. When rolled out they will benefit from effective targeting to older workers and being reinforced with additional measures. Further positive effects are expected once the pensions reform enters into force in 2016. However, further monitoring and evaluation of the results of these policy measures is needed.
Undeclared work – request from Commission	**Undeclared work**	**03/05/2016**	Bulgaria has a strategy in place to address the high share of undeclared work in the country. One-day contracts in agriculture have been introduced in the summer of 2015 and the country is making efforts to monitor and assess the impact of its Tax Collection and Compliance Strategy. Despite some progress, the practice of under-reporting of actual wages continues and this results in reduced fiscal revenue, while the number of self-reported cases of employment without a contract has increased in recent years.

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Czech Republic			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	EMCO takes note of the efforts made by the Czech Authorities to improve the labour market situation of young people. Measures presented aim to strengthen and broaden the offer. The country is taking some steps under the YG, to support employment, school-company cooperation, to improve the quality of vocational training and reinforce youth employability through retraining, traineeships and education support. Professional youth traineeships are the key activity carried out to support school-to-work transition. However, some of the measures are in the development stage and no ex-ante impact assessment or monitoring is available. The YG focuses almost exclusively on registered NEETs, and therefore more attention needs to be paid to the most vulnerable young people who might not be registered with the Public Employment Services. The effective implementation of the measures provided by the YG scheme will depend on quality of performance of the public employment services and their ability to deliver appropriate well-targeted ALMPs. Efforts should be put particularly into ensuring quality of individualised services for young people and into improving the efficiency and effectiveness of the service delivery. As regards the 2014 YG regular data exercise, the proportion of the NEET population covered by the YG is lower than the EU average, while there is no clear definition of the quality offer and no follow up data are provided to assess the sustainability of YG outcomes. Thus the country should proceed with the monitoring of the follow up of the offers, ensuring sufficient evaluation of effectiveness of the services provided.
CSR 4: Adopt the higher education reform. Ensure adequate training for teachers, support poorly performing schools and take measures to increase participation among disadvantaged children, including Roma.	**Education reforms**	**14/03/2016**	Clear and adequate steps were taken by the Czech Republic to respond to the CSR. Substantial progress has been made in adopting the higher education reform. The Higher Education Act has been amended to place a strong emphasis on improving quality and labour market relevance of studies. Concerns were expressed regarding the remuneration of teachers. The Czech Republic has taken action to increase the attractiveness of the teaching profession. However, for the new career system for teachers to effectively

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			enhance the attractiveness of the profession, it will need sufficient, sustainable funding and incentives for teachers to take part in continuing professional development activities. Concerns were expressed regarding de facto segregated schools although the Czech Republic state that they are working to address it. The School Act is in the process of amendment and will establish a system of individual support for disadvantaged groups and the introduction of obligatory pre-school. The progress in setting up a framework for inclusive education is significant and it will be essential to ensure adequate methodological and financial support for it to bring effective results.
CSR 3 (partial): Further improve the availability of affordable childcare.	**Labour market participation of women; child care**	**15/03/2016**	The Czech Republic have taken some steps to implement the CSR and tackle the challenge they are facing, particularly given that the childcare question is only one part of a broader issue that could be addressed in a reformulated CSR on female labour market participation. Further measures suggested by the Expert Commission would certainly help the situation and should be implemented.
CSR 3 (partial): Reduce the high level of taxation levied on low-income earners, by shifting taxation to other areas. (…)	**Labour taxation**	**15/04/2016**	The Czech Republic has taken some measures to reduce the tax burden, particularly for working pensioners and families, but it is not clear how they will affect the low-wage workers, which are in a more vulnerable situation as the general population. Focus should be now on employers' social contributions, which are very high, also for the low-wage workers. The planned general reduction in social contributions has been discarded due to its potential pro-cyclical effect in a very good and improving labour market situation. As part of the continuous attention to vulnerable groups, such as the long-term unemployed, the space for measures targeted at low-wage workers should be explored, particularly at those without children, which would be compatible with fiscal objectives.

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Denmark			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Denmark is implementing the YG and is very well advanced; it has good results in the field of youth unemployment. The Danish response to the YG data collection is equally very welcome, though the good coverage results must be contextualised in terms of the quality of offers. Nevertheless there are challenges to be tackled, particularly when it comes to those with low educational attainment and skills and low labour market attachment. Youth unemployment amongst migrant groups also remains challenging. The Building Bridge to Education programme has aimed to tackle this and will be rolled out on a larger scale in the near future (and Danish experiences in upscaling local projects may well be of wider interest to other Member States).
KEC**:** The labour market potential of immigrants from outside the EU remains underutilised.	**Labour market participation of specific groups**	**15/03/2016**	In a context of positive labour market situation, the employment rate of migrants remains below the national average, particularly for those of non-EU background. This long standing challenge has now been actualised by the recent large influx of refugees. Denmark had an initial reaction with the reform of integration policies in 2015 and has now initiated a tripartite negotiation process with a broad scope to improve the labour market integration of these groups. Among the issues being considered are incentives, employers' engagement and the role of local authorities. The Committee looks forward to a positive and ambitious result of the negotiations to address the challenges identified of the labour market inclusion of marginalised groups, such as the low-skilled or immigrants, both recent and with longer presence in the country.

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Germany			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	The labour market situation for young people in Germany is significantly better than the EU average and the YG is effective for young NEETs registered with the PES. Outreach to non-registered NEETs has been discussed as a concern. However, Germany has stepped up efforts in this area, stressing that NEETs is not a homogenous group: Support for school-to-work transitions has been increased through measures such as career start coaching (*Berufseinstiegsbegleitung*), youth employment agencies and assisted vocational training, with a focus on vulnerable groups. Moreover, Germany plans to further consider the situation of young people with migrant background including refugees. As regards the YG data collection, EMCO is looking forward to see follow up data on the sustainability of the offers.
KEC: Activation of LTU is stagnating.	**Long-term unemployment**	**26/01/2016**	Unlike many other Member States, Germany's problem with the long-term unemployed is structural rather than cyclical. Germany is clearly aware of this and is taking the right measures to address this challenge. Individual profiling of the unemployed is a strength of the German approach. Germany is also seeking to find the right balance between individual counselling, labour market services, and active labour market measures, but the decreasing share of active measures for the long-term unemployed remains a concern. 'Creaming' of those unemployed people closest to the labour market will not resolve Germany's structural problem and should be addressed. The coordination of employment and social services is challenging, although Germany's focus on the local level is bearing fruit thus far. Monitoring should also be addressed, and particularly the definition of who counts as being long-term unemployed.

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KEC: Despite better results in PISA 2012, low education attainment of people with social economic disadvantage and migrant background persists.	**Education reforms**	**14/03/2016**	Public investment in education is important. Clarification on trends and statistics on public investment in education is needed. Germany expanded early childhood education and care and all day schooling. The federal and regional levels have agreed on an approach to work together on assuring the quality of early childhood education and care. Equity in education is an important aim for Germany. Socio-economic background may, as in other Member States, be an important factor explaining differences of education outcomes of people living in Germany though the performance of pupils with a migrant background has improved significantly if compared to PISA 2013 results. Germany presented three new measures: the number of KAUSA services providers is being expanded; there are plans to integration vocational orientation into school programmes; and extracurricular activities are being financed.
CSR 2: Take measures to reduce high labour taxes and social security contributions, especially for low-wage earners, and address the impact of fiscal drag. Revise the fiscal treatment of mini-jobs to facilitate the transition to other forms of employment.	**Labour taxation**	**03/05/2016**	In general the labour market situation in Germany is strong and dynamic. Reforms "to reduce high labour taxes and social security contributions" asked for in the CSR are to be evaluated against this background. Limited steps have been taken to reduce the income tax burden on low wage earners. EMCO notes that reducing social security contributions is not on the table for Germany (partially supported by references in different Council conclusions) as the social security system is seen as a closed system. EMCO therefore considers that there is to a certain degree ambiguity on the aims and instruments for a possible reform. Beyond the introduction of the minimum wage, no legislative measures have been taken to facilitate the transition from mini-jobs to standard employment. It will therefore be interesting to see if minimum wage changes and administrative measures taken have a lasting impact on mini-jobs, and EMCO looks forward to seeing the results of this.

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Estonia			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Estonia exhibits positive youth unemployment outcomes, significantly better than EU averages. However, the NEET rate is rather stagnant and early leavers from education and training increased in 2014. EMCO takes notes of the efforts to address main challenges. New measures started in the 4th quarter of 2014 within the framework of the YG, to improve school to work transition and increase youth opportunities, while there is evidence of work to build partnership approaches across government agencies. Preventive measures (workshops at schools) are likely to meet the challenge and lower the ESL rate. Moreover, subsidised employment measures such as "My first job" provide young, low qualified people who have been registered as unemployed with a work experience together with raising the qualification level through job related training. However, there is no ex-ante impact assessment of these measures and evaluation is not foreseen before 2019. Despite efforts to reach out to young people who are not registered, the identification and activation of non-registered young who are not in employment, education or training (NEETs) remains a challenge [less than one fifth of the total NEET population (15-24) was enrolled in the scheme in 2014]. On the 2014 YG regular data exercise, no follow up data are provided, while all types of offers are recorded, even very short term offers (e.g. 1 day training) causing concerns. EMCO however welcomes that the country will take into consideration the data collection approach on the types of offers.
CSR 3 (partial): Increase participation in vocational education and training, and its labour market relevance, in particular by improving the availability of apprenticeships.	**Vocational education and training**	**14/03/2016**	Estonia has broadly implemented this CSR, and reforms seem to be on track. The development of apprenticeships and joint work with employers is going well. There have been welcome improvements for Russian language groups. And Estonia is taking active steps to tackle the problem of drop-outs from VET, although it remains to be seen whether this is sufficient.

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CSR 2 (partial): Improve labour market participation (…). Improve incentives to work through measures targeting low-income earners. Take action to narrow the gender pay gap. Ensure (…) availability of childcare services at local level.	**Labour market participation of women; child care**	**15/03/2016**	Estonia has tax incentives for low-income earners in place but their effects may fade out rapidly. Estonia could consider how to sustain these effects (e.g. through linking them to the evolution of wages). Estonia developed a comprehensive strategy to address the gender pay gap but measures now need to be spelled out in detail, adoptied and implemented. EMCO looks forward to seeing the details and first results of these measures (accepting that eliminating the gender pay gap is a long-term concern). The measures taken by Estonia on childcare seem to be the right scale to tackle the challenge pointed out in the CSR, although monitoring is important. Estonia is also encouraged to improve SILC data to ensure that the data it provides is more comparable.
CSR 2 (partial): Improve labour market participation including by implementing the Work Ability Reform. – review at the request of the Member State	**Labour market participation**	**03/05/2016**	Estonia has now started with the implementation (in several stages) of the Work Ability Reform and has therefore fulfilled that section of the CSR. EMCO very much welcomes this and looks forward to hearing about the results of the re-assessment and re-integration process.

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Ireland			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on addressing KEC	**Youth Guarantee/youth employment**	**10/12/2015**	EMCO welcomes the efforts to implement the YG in Ireland and the positive results being experienced in relation to youth unemployment. These positive outcomes should be continued together with efforts to reduce the timespan within which the offer to young people is made. Ireland has introduced several new programmes in 2015, in addition to the pre-existing programmes, offering employment, work experience and training/developmental internship opportunities to the youth. Programmes are relevant to address youth labour market challenges and address the issues underlying the YG. EMCO is looking forward to overall evaluation results of the new initiatives. Substantial progress has been made in the FET/VET sector and apprenticeships, aimed at ensuring their relevance to labour market needs. Ireland has also taken important steps toward reforming the PES and providing a more effective PES engagement process. As regards the 2014 data collection exercise, data cover those aged 18-24 and in receipt of unemployment benefits.
KEC: Long-term unemployment is high but showing improvements. Adjustments of the employment services in terms of effectiveness and capacity to address particular challenges of specific groups of unemployed, including long-term unemployed.	**Long-term unemployment**	**26/01/2016**	Long-term unemployment is on a decreasing trend in Ireland but it still remains a concern. Ireland had taken action to significantly reform the employment service. The Intreo one-stop-shops are now rolled out and are providing an integrated service to clients. The JobPath initiative, specifically designed to address the challenge of long-term unemployment, is being put in place and it will soon be fully operational. The restructuring of activation policies in Ireland, including the full rollout of Intreo one-stop-shops, will have a positive impact on the labour market.

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KEC: Lifelong learning participation significantly below EU average. Provision of appropriate re-skilling and up-skilling opportunities to ensure the education and training system provides the types of skills required by the economy. Participation in VET below EU average.	**Skills and lifelong learning**	**14/03/2016**	Ireland is aware of the challenge of the economic recovery offering uneven opportunities for the low skilled and, at the same time, the need of better matching of training to address intensifying and emerging skills shortages. The Irish authorities have taken a number of wide-ranging reforms in the further education and training area that go in the right direction. Some of the most recent, such as the National Skills Council or the Regional Skills Fora, focus on coordination and bringing together training institutions and employers, which is welcomed. Now the key is implementation and, where possible, to step up efforts to fully reap the benefits of reforms.
CSR 3 (partial): Take steps to increase the work-intensity of households (…) through better access to affordable full-time childcare.	**Labour market participation of women; child care**	**15/03/2016**	Ireland has taken steps towards implementing the CSR. The measures taken to improve the quality of childcare look comprehensive and seem relatively convincing. It is less clear that the overall capacity of childcare will be improved enough to meet the scale of the challenge (particularly with regard to affordability). The single affordable childcare programme should contribute to making the system rather less complex for its users and this is a welcome initiative. EMCO will be interested to see if this works, particularly for those who need it most, and encourages Ireland to monitor it closely. The other recommendations made by the Interdepartmental Working Group may be worth considering as well, as they seem rather promising.

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Greece			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	As the labour market situation in Greece continues to be very challenging, the PES capacity is not sufficient though activities are undertaken to improve this. Greece has taken steps towards the efficient and effective implementation of the Greek YG scheme. Short- and longer-term measures have been aligned to support youth, partnerships have been built to implement the YG and there are plans to facilitate outreach activities. The success of these measures will also depend inter alia on the labour demand and the capacity of the labour market to generate new jobs. Greece is taking steps towards modernising and expanding the vocational education and training schemes. The implementation of the "Apprenticeship Roadmap" in the framework of the apprenticeship reform will be important in this respect. As regards the YG data collection, EMCO is looking forward to Greece completing the follow up data in the next year's data collection to include offers by education and training providers.
KEC: Long-term unemployment is high. Need to further enhance the capacity of the Public Employment Service OAED to deliver better designed ALMPs.	**Long-term unemployment**	**26/01/2016**	Long-term unemployment is a major challenge in Greece, linked partly as well to labour demand. It is important to increase the capacity of the National Public Employment Service (OAED) to better target activation measures and for better matching of labour market supply and demand. The system of labour market diagnosis will be launched in February 2016. Access to benefits for long-term unemployed has been enhanced. The targeting of the public benefit employment scheme that continues to be implemented has been improved with plans to link it to training activities. Greece is in the process of drafting new guaranteed employment schemes. The pilot programme “Guaranteed Social Income Scheme” has already been implemented. It is important to link income support with access to services and activation measures in a comprehensive way.

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KECs: Very low participation in LLL. Need to further increase the connection of Vocational Education and Training, Apprenticeships and Life Long Learning to the labour market needs.	**Skills and lifelong learning**	**14/03/2016**	Greece faces several challenges regarding skills and VET including: very low participation and weak link to labour market needs. Further reform appears to be necessary. Work on the strategic lines of reform is on-going, although behind schedule, and benefits from a whole of government approach. It provides sufficient basis for the necessary changes and to effectively address the Key Employment Challenges if implemented fully. Reforms, respecting national practices for social dialogue, will have to address a better identification of future skills needs in order to make VET more relevant, and to maintain focus on both initial and continuous training.
KEC: Employment is significantly below the EU average in general but especially for women, older people and youth.	**Labour market participation of specific groups**	**15/03/2016**	The labour market in Greece is showing encouraging signs of improvement, although the problem of low employment rate remains and job creation is a major challenge. Greece is doing significant efforts to set up a number of measures, some of them quite ambitious, which go in the right direction. This policy response is starting to materialise. Of particular interest is the establishment of a training voucher. Although the measures implemented so far may have a positive impact, the scale of the problem calls for the reinforcement of cooperation with private agencies, as well as for measures in areas beyond the Public Employment Services domain. The long-term impact of the measures will depend on the effectiveness and efficiency of the implementing labour market institutions. Continuous monitoring and evaluation is therefore welcomed.

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Spain			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
CSR 3 (partial): (Take steps to increase the quality and effectiveness of job search assistance and counselling) including as part of tackling youth unemployment. (…)	**Youth Guarantee/youth employment**	**10/12/2015**	Spain faces very serious challenges in the field of youth unemployment. It shows a strong commitment to the Youth Guarantee and its delivery is being supported by reform in other areas (for example, in the co-ordination of PES between different levels of government). In general, Spain is improving the coordination between regions: the internal bench-learning and exchange of best practice between regions is a positive development. Progress in monitoring and data collection (including the deployment of a new integrated IT system linked to PES databases) is very welcome and should lead to improved results. However challenges remain. The overall capacity of the PES remains a concern. Whilst outreach to large employers is functioning well, for smaller employers the experience of other MS may be a useful input. Ensuring quality offers and sustainability also remains an issue. The registration of and outreach to all NEETs is recognised to be a major challenge, as is the quality of job offers (which is part of a wider picture of labour market segmentation). EMCO invites Spain to provide for next year's data collection data on unsubsidised offers and to monitor young people exiting to unemployment, inactivity or unknown destinations.
KECs: Very high levels of long-term unemployment. Low level of participation in activation measures.	**Long-term unemployment**	**26/01/2016**	Long-term unemployment in Spain is at a very high level and has both a cyclical and a structural component. A number of programmes have been launched but several challenges remain. PES capacity needs to be further improved. The coverage and effectiveness of active labour market policies should be considered, and those which are effective should be developed further. Co-ordination with regions continues to be strengthened and needs to be fully exploited. The links between active and passive measures as well as between employment and social services need to be improved. The use of benefit conditionality and sanctions should be complemented by improved social services provision. Participation rates in lifelong learning and labour market outcomes need to

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			be improved for the low-skilled. The Employment Activation Programme should be maintained as a "last resort" measure rather than as the primary way of tackling long-term unemployment, while avoiding incentives towards creaming.
Report on addressing KEC	**Labour market segmentation and contractual arrangements**	**27/01/2016**	Spain acknowledges that segmentation in the labour market with all its negative consequences remains high and tackling segmentation remains a priority. Spain has addressed segmentation with a comprehensive strategy including reforms of labour market institutions paired with activation policies. Among others, the 2012 reform reduced the difference of dismissal costs between permanent and temporary contracts and has been followed up since then by additional measures in 2014 and 2015. Discussion is continuing about better legal certainty in legal disputes and about successive temporary contracts. Incentives to hire on permanent contracts have been revised to target those with lower wages. Additionally, new employment initiatives have been launched Results for the reform to show up in figures take time among others due to the entrenched attitudes of employers that need to be tackled. An evaluation will be carried out of the reforms to decide on the further needed steps. Concerns were expressed regarding involuntary part time work. Spain carries out careful monitoring of the developments in this regard.
CSR 3 (partial): "Promote the alignment of wages and productivity, in consultation with the social partners and in accordance with national practices, taking into account differences in skills and local labour market conditions as well as divergences in economic performance across regions, sectors and companies."	**Wages and competitiveness**	**16/02/2016**	The 2012 reform of collective bargaining and the June 2015 Social Partners Agreement contributed to control of Spain’s overall wage growth above productivity levels and sets out clear principles for wage setting. The monitoring mechanism attached to the Agreement is welcome and could be further reinforced. Although the take-up of firm-level agreements seems to be rather limited and should be followed closely, it is possible that in the current economic circumstances the possibility for an “opt-out” leads in itself to sufficient moderation. The enhanced possibilities to foster internal flexibility are welcome.

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CSR 3 (partial): Take steps to increase the quality and effectiveness of job search assistance and counselling. (…) foster regional mobility.	**ALMPs and PES reform**	**25/02/2016**	Spain is well aware of the challenges highlighted in the CSR and is taking steps to address it, although progress is not as quick as might be desired. Spending on active labour market policies is low. PES capacity needs to be further improved and effectiveness to be enhanced. Spain faces a particularly challenging institutional set-up: in this respect the internal benchmarking and mutual learning EVADES programme looks innovative and it is to be hoped it achieves the desired result. Similarly, the involvement of private agencies is an interesting development, but may require better coordination with social agencies. Overall things seem to be moving in the right direction, but a change of gear would be very welcome.
KECs: Skills mismatch between labour demand and supply. Low employment rate for low education attainment (20-64), but increasing share of people with medium-high education. Early school leaving remains very high but continuous decrease in recent years. Low youth education attainment level (aged 20-24), but showing a positive trend.	**Vocational education and training**	**14/03/2016**	The messages in this review are similar to other reviews Spain has had in this cycle: Spain faces serious challenges; it is making considerable efforts to tackle these challenges and has a clear strategy for doing so; co-ordination between different actors is both a necessity and a particular challenge. Spain now needs to implement its strategy and then monitor it to see if it delivers the desired results. On the specific topic, Spain faces the same problems of work-based learning that other countries with an SME-based economy face. Their more individualised approach to improving learning and skills is very promising and EMCO looks forward to hearing about its results.

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France			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	France has developed a broad base of YG measures involving different actors. During the past year the offers have been further improved and enhanced. The development of a more comprehensive and efficient early school-leaving policy has produced significant results. The new plan for apprenticeships provides subsidies to support young apprentices in small and medium-size enterprises. Further efforts for a more comprehensive outreach strategy and better follow-up are being considered, among others to ensure that the YG benefits the hardest to reach as well. Furthermore, better coordination between actors is needed, especially between *Pôle Emploi* and *Missions locales*. Moreover, closer coordination with the education sector is important and the French authorities are working in this direction. As regards the YG regular data collection, EMCO is looking forward to obtain follow up data on the sustainability of the offers.
CSR 6 (partial): Reform the labour law to provide more incentives for employers to hire on open-ended contracts. Facilitate take up of derogations at company and branch level from general legal provisions, in particular as regards working-time arrangements. Reform the law creating the accords de maintien de l'emploi by the end of 2015 in order to increase their take-up by companies. (…)	**Labour market segmentation and contractual arrangements**	**27/01/2016**	The measures France has now proposed will go a long way to meeting the CSR, if implemented as planned. The overall reform of the collective bargaining system will be watched with considerable interest if the accords d'entreprise prove to be successful then the importance of the accords de maintien d'emploi may well turn out to be less important than was previously believed. If this is so, then the expectations of them may turn out to have been rather too high: implementation of the relevant section of the CSR should be considered in that context. Incentives provided to employers remain to be assessed. It will be important to judge the success of these measures not only by the overall share of short-term contracts, but also by their length, their breakdown among sectors and an assessment of the types of contract being used. EMCO welcomes the reform of labour courts as being a move which goes very much in the right direction. The proposed indicative list of compensation is an interesting development and EMCO will be interested to hear its results. EMCO will also be interested to see if the new Personal Activity Account facilitates labour market transitions as planned.

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CSR 6 (partial): (…) Take action in consultation with the social partners and in accordance with national practices to reform the unemployment benefits system in order to (…) provide more incentives to return to work.	**ALMPs and PES reform**	**25/02/2016**	France are well aware of the challenges highlighted in the CSR. Negotiations between social partners on the unemployment benefits system have only recently begun so at the moment it is very much a question of waiting to see the results, and whether they strike the right balance as regards financial sustainability and incentives to return to work. It is to be hoped that some of the more effective measures that France has taken – for example the *droits rechargeables* – are reinforced and extended. At the same time others, such as those on the unemployment benefit contribution by employers, should probably be revisited. The developments on training and apprenticeships are a positive step, and to be welcomed.
CSR 3: Ensure that the labour cost reductions stemming from the tax credit for competitiveness and employment and from the responsibility and solidarity pact are sustained, in particular by implementing them as planned in 2016. Evaluate the effectiveness of these schemes in the light of labour and product market rigidities. Reform in consultation with the social partners and in accordance with national practices, the wage-setting process to ensure that wages evolve in line with productivity. Ensure that minimum wage developments are consistent with the objectives of promoting employment and competitiveness.	**Labour taxation**	**03/05/2016**	The reforms discussed form part of a much broader package. France is seeking to address competitiveness and labour market dynamism via these reforms, and has certainly made important reductions in unit labour costs as a result. Whilst the section of the CSR referring to implementation in 2016 has therefore clearly been addressed, there has been less progress on wage setting. France is also clear that it does not see the changes to the minimum wage recommended in the CSR as a priority. The outcome of the ongoing discussions on labour law reform continues to be very important. EMCO looks forward to the adoption of this law and the ensuing results.
VET – request from Commission	**VET**	**03/05/2016**	There is an acknowledged problem with VET – there are insufficient numbers taking up apprenticeships and insufficient participation in lifelong learning. There are also questions about variations in regional practices and delivery, although some of these seem objectively justified. France is introducing a number of measures to address these. EMCO believes that we should give France time to implement these in order to assess the situation better.

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Croatia			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	EMCO takes note of the measures adopted by the Croatian Authorities to implement the YG scheme and to strengthen the capacity of the PES applying individualized consultations. In the field of tracking NEETs and individual paths, EMCO welcomes the efforts of linking different databases and exchanging data between different institutions with the aim of developing targeted integration measures. However, more efforts should be made to improve the capacities and coordination amongst the different bodies, the delivery of services and the effectiveness of the education system reforms, given also the weak labour market situation of the youth. The implementation of policies to improve labour market relevance of education is moving ahead, but many components of the ambitious reform of the Croatian qualifications framework are still at the initial stage. The newly adopted Strategy for lifelong career guidance should support the development and provision of tailor-made services, counseling and support for young, including NEETs, depending on the coordination of the bodies responsible for implementation. EMCO looks forward to more information as regards evaluation and monitoring mechanisms that need to be further developed to ensure close follow-up and effective implementation of the wide-range of measures.
KEC: Long-term unemployment is particularly high. The unemployment rates for young are significantly higher than the EU average.	**Long-term unemployment**	**26/01/2016**	Long-term unemployment is a significant challenge for Croatia. The latest policy measures, especially the increased specialisation of counsellors and the work initiated on statistical profiling, are steps in the right direction. Concerns were expressed regarding resources available and targeting of ALMPs, in particular in view of the low participation of long-term unemployed and/or minimum income scheme beneficiaries in trainings. Monitoring and impact evaluations of measures are important. There are ongoing efforts to put in place a one stop shop approach.

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CSR 3 (partial): "Tackle the weaknesses in the wage-setting framework, in consultation with the social partners and in accordance with national practices, to foster the alignment of wages with productivity and macro-economic conditions."	**Wages and competitiveness**	**16/02/2016**	Over recent years, wage growth has contracted but the system of wage determination in the public sector still hampers government's control over the public wage bill. Croatia presented three types of measures that are being taken with an evidence-based approach and in consultations with social partners: - a study of the effects of minimum wage; - a draft law on public sector wage-setting; - policies raising productivity and efficiency in state-owned enterprises. While these measures represent steps in the right direction, it is now important that concrete measures are implemented.
CSR 3 (partial): Strengthen incentives for the unemployed and inactive to take up paid employment. (…)	**ALMPs and PES reform**	**25/02/2016**	Croatia is seeing a positive trend in labour market conditions, although employment rate remains low, long-term unemployment high and youth unemployment continues to be high. Croatia is implementing a number of initiatives in the area of ALMPs in a continuation of previous programs, some focusing on the most vulnerable groups. ALMPs coverage is improving but remains very low, and PES reform is progressing to build up the needed capacity. Given the size of the challenge, this will require continued efforts through a more comprehensive approach, including implementation of planned measures such as statistical profiling and one-stop-shops. The evaluation of ALMPS just completed is welcomed as a very positive step and the challenge is now to translate it in the re-design of policies.

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Italy			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Italy faces very serious challenges in the field of youth unemployment. It has presented ambitious plans for the Youth Guarantee, which is acting as one of the drivers for many reforms, also beyond the issue of youth unemployment. The Youth Guarantee is therefore only one part of a wider approach and context (e.g. Jobs act) and dependent on other reforms. Full-scale implementation of the ambitious plans, including a higher number and quality of offers, is the primary challenge at present. Moreover, work-based learning, VET and dual learning still needs to be improved. The commitment of various actors, and the resources being made available for implementation, are very welcome, though employers' involvement could be reinforced. Convergence seems to be helping overcome issues with regional implementation. The monitoring systems seem strong, but should be reinforced to permit a good follow-up of those who completed the Guarantee. Italy should also evaluate the effectiveness of measures.
CSR 5 (partial): Adopt the legislative decrees on (…) the revision of contractual arrangements (…)	**Labour market segmentation and contractual arrangements**	**27/01/2016**	EMCO commends Italy on the work undertaken to address the CSR, which it has essentially done in full. Implementation of the measures brought in is now crucial, alongside sufficient robust evaluation and monitoring to allow for subsequent fine-tuning. This evaluation should certainly examine the stock of short-term contracts but also composition of the type of contracts, as well as flows and transitions. The success of many of these measures will also, ultimately, be determined by macroeconomic circumstances. For the future EMCO would be interested in the way Italy addresses self-employment, and how it seeks to move from temporary labour market incentives to a more permanent and sustainable system.

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CSR 5 (partial): "Adopt the legislative decrees on the design and use of wage supplementation schemes (…) Promote, in consultation with the social partners and in accordance with national practices, an effective framework for second-level contractual bargaining."	**Wages and competitiveness**	**16/02/2016**	The CSR has two relevant sections. Of these, the first, on the adoption of the legislative decrees on wage supplementations scheme, has been carried out. On the second part, on second level contractual bargaining, Italy seems to have short-term wage growth under control. However, there may be weaknesses in the longer term. The future policy choices on minimum wage and collective bargaining overall (and going beyond the issue pointed out in the CSR) are not clear. Therefore EMCO looks forward to getting further clarity as the situation evolves.
CSR 5 (partial): Adopt the legislative decrees on (…) work-life balance and the strengthening of active labour market policies.	**ALMPs and PES reform**	**25/02/2016**	Italy has adopted the legislation as requested by the CSR, so that CSR must be considered as fulfilled (although it must be noted that the problem of taxation on second earners has not yet been tackled). In general, given the amount of reforms Italy has brought in recently it is now important that enough time is allowed to see what effects these have. Evaluation and monitoring is therefore very important. On PES and active labour market policies, the task remains formidable. Italy is doing much, but there is a great deal still to do. Recentralisation of competences would be helpful but depends on the results of the forthcoming referendum. Insufficiency of PES resources and capacity remains a problem.
CSR 5 (partial): (…) As part of efforts to tackle youth unemployment, adopt and implement the planned school reform and expand vocationally-oriented tertiary education.	**Vocational education and training**	**14/03/2016**	Italy has adopted and implemented the school reform as recommended in the CSR. EMCO welcomes this and looks forward to seeing the results of this reform in future. School and VET reforms are one part of a much wider reform process going on in Italy, encompassing education, the labour market, and constitutional reforms. Implementation of this will be by definition challenging. Monitoring of the reform going forward will be crucial. The introduction of the new school-to-work model represents a major shift. Whilst this is a challenge, the early numbers look good. Similarly, the changes to VET tertiary education have also produced promising early numbers and indicate that things are on the right track. Whilst some relevant steps have been taken on universities these may possibly be the target of the next stage of reform.

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Review on request of the Commission	**Female labour market participation**	**03/05/2016**	There is a gap in the employment situation of women, partly intensified by the crisis, which may have long term effects, for instance on access to pension rights. Additional efforts are necessary to reinforce positive trends that are starting to emerge. These efforts should entail reviewing tax-incentives, balancing the use and length of parental leaves for men and women and, crucially, promoting the offer of care services for all dependants, both children and the elderly, including with participation of the private sector. A comprehensive strategy would be welcomed.

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Cyprus			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Cyprus faces important challenges with regards to youth unemployment which remains significantly above the EU average. The National Action Plan for Youth and its annex – the YG Implementation Plan – broadly address the challenges the young people are facing, and measures had a large number of beneficiaries. However, the current capacity of the PES is insufficient in terms of delivering individualized counselling and vocational guidance services. Some additional activities are planned to improve the situation. A more comprehensive outreach strategy to non-registered NEETs needs to be developed. As regards the YG data collection, EMCO is looking forward to see follow up data on the sustainability of the offers.
KEC: Long-term unemployment rate is increasing.	**Long-term unemployment**	**26/01/2016**	The labour market in Cyprus has shown some positive developments, although long-term unemployment (though being on a decreasing trend) remains a major challenge. Targeting of long-term unemployed is important. The Public Employment Service (PES) continues to lack the capacity to respond to their extended tasks and increased demand for their services. There are currently plans to hire additional PES counsellors. A new subsidy scheme has been introduced. Involvement of private employment services is foreseen, CY is currently implementing a pilot project to introduce job placement vouchers.
Report on addressing KEC	**ALMPs and PES reform**	**25/02/2016**	Employment situation in Cyprus has finally started to improve, with falling unemployment rate, also for the youth, although rates are still high and long-term unemployment is persistent. In response to the challenges, Cyprus is adopting quite ambitious measures directed to young people that go in the right direction and are part of a broader reform of ALMP and PES. Accent on coordination, particularly between Education and Labour seems promising. Still, PES capacity and ALMPs weaknesses are sources of concern and efforts for reform and capacity building should continue, with a renewed focus on monitoring and evaluation.

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KEC: Very low participation and lack of effectiveness of Vocational Education and Training to meet the needs of the labour market	**Vocational education and training**	**14/03/2016**	Low participation in vocational education and training is clearly a challenge, given both cultural preferences for general secondary education and the high prevalence of SMEs in the Cypriot economy. Cyprus is well aware of this challenge and has a strategy in place to tackle it. This progress is welcome. The development of post-secondary VET institutes looks particularly promising and EMCO looks forward to seeing how these develop in the future.

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Latvia			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Latvia has clearly made progress although results must be carefully contextualised (there is a decline of the youth population driven by low birth rates and emigration). The implementation of the Youth Guarantee started early, but there are some delays in the work on outreach to NEETs, Latvia should make sure all of the municipalities have the capacity to take part in the "know and do" outreach programme. Assistance to young people facing multiple barriers could be improved, which will require improved links to social services. Work-based learning should be reinforced. The planned reduction in childcare vouchers could prove problematic in terms of keeping some groups of NEETs in contact with the labour market. As regards the YG regular data collection exercise, EMCO is looking forward to obtain follow up data on the sustainability of the offers.
KECs: Unemployment trap shows some positive development but remains high. Low ALMP participation (activation support) and expenditure on ALMPs as % of GDP but show some positive developments. Low coverage and adequacy of social assistance benefits and insufficient social and labour market reintegration measures for the benefit recipients.	**Long-term unemployment**	**26/01/2016**	Latvia is now tackling the core of long-term unemployment in their country, many of whom are hard to reach and face health and / or other social issues. The capacity of social services to help these people is currently limited and needs to be addressed. Labour market authorities in Latvia are well placed to address the challenges faced. The approach of profiling and re-profiling is particularly strong. The re-activation programme is just starting but looks promising and EMCO looks forward to seeing the results. EMCO also notes Latvia's positive and appropriate approach to dealing with the refugee issue.

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CSR 3 (partial): (…) take measures to increase employability.	**ALMPs and PES reform**	**25/02/2016**	With unemployment rates decreasing, Latvia has taken a number of coherent steps towards a more targeted approach of ALMPs and PES assistance, which could contribute to improve employability of jobseekers. They include the use of information and communication technology to provide e-services and to allow shifting staff to individual attention, as well as revising activation conditions for long-term unemployment, building on evaluation and making the use of European Social Fund. Specific measures to integrate refugees have also been taken. However, and despite funding for ALMPs will be increased in 2016, coverage of ALMPs remains a challenge (is one of the lowest in the EU) and needs sustained efforts and close monitoring, while the role of PES in intermediation needs strengthening.
CSR 2 (partial): Improve vocational education and training, speed up the curricula reform and increase the offer for work-based learning. Ensure that the new financing model of the higher education system rewards quality. (…)	**Vocational education and training**	**14/03/2016**	Latvia has taken a major step forward regarding the section of the CSR concerning the financing model for higher education. This reform now needs some time to bed down to see if it delivers results and, in particular, if the quality drivers are strong enough. Regarding the rest of the CSR, apprenticeships are certainly important but are not the only issue. There is a VET strategy in place but there is still a long way to go. As an economy with a large proportion of SMEs Latvia faces particular challenges when it comes to VET. It is trying various incentive measures, but it is well known that this is not an easy task. There remains a disagreement over the timing of curricula reform. Latvia maintains that it is not necessary to speed this up, whilst the Council continues to maintain that this is indeed necessary.

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CSR 3 (partial): Reduce the high tax wedge for low-income earners by shifting tax burden to other sources less detrimental to growth. (…) CSR 4 (partial): (…) link remuneration to responsibilities.	**Labour taxation**	**15/04/2016**	Latvia comes from a system skewed towards labour tax and has one of the highest tax wedge rates in the EU, particularly for single low-wage earners. The Latvian authorities have taken a number of adequate measures to decrease the tax wedge and to shift tax burden away from labour. A study is being carried out, considering among others the high level of the tax wedge on low-wage earners. The taxation of the micro-enterprises may be having side effects that could impact on the social protection of the workers affected, so it should be balanced against its objective.

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Lithuania			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Lithuania has made progress towards implementing the YG scheme and providing better tailored services to the youth. Measures offering tailored early intervention services aim at improving young people's employability as well as offering practical work experience. Monitoring and evaluation mechanisms are foreseen and will be established from the second quarter of 2016 onwards. Outreach remains a challenge as many of the NEETs are inactive and it is likely that most of them are not registered with the PES. Actions for raising-awareness have been started. The Lithuanian authorities are setting up a system aimed at improving the identification of unregistered NEETs. It remains to be seen if the monitoring system, still under development, will help to track unregistered NEETs and contribute to better results. As regards the YG data collection, data are mostly complete and no obvious divergences from the Indicator Framework have been identified. Traineeships and apprenticeships are not recorded as exits. EMCO welcomes the fact that the country provides a definition of a suitable job.
CSR 3 (partial): (…) improve the employability of those looking for work.	**ALMPs and PES reform**	**25/02/2016**	With general positive trends in the labour market, Lithuania has taken a step forward with incentives addressing the employability of young people, which still present comparatively low employment rate. The focus on developing social and labour market skills in the “Discover Yourself” Program seems promising. However, the initiatives reported seem mainly focused on youth, when other groups, such as the low skilled or older workers also face challenges that need to be addressed comprehensively, as also does the activation of social benefit’ recipients. Despite some progress lately, ALMPs coverage and effectiveness still present some weaknesses and shifting focus away from public works program will be a challenge. Evaluation and monitoring based on enriched information for ALMPs will be key.

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CSR 2 (partial): Address the challenge of a shrinking working-age population by improving the labour-market relevance of education, increasing attainment in basic skills (…);	**Skills and lifelong learning**	**14/03/2016**	Lithuania is facing two main challenges: low attainment of basic education skills and the need to increase the labour market relevance of education. Lithuania is taking measures, mainly by putting in place an action plan for general education and by a draft amendment law on higher education. The focus of the reform is in increasing the attractiveness of the teaching profession, orienting training centres to higher performance through monetary incentives to directors and also on measurement of outcomes and monitoring of individual cases. The challenge is to ensure quality and performance as well as emphasis on evaluation.
CSR 2 (partial): (…) reduce the high tax wedge for low-income earners by shifting the tax burden to other sources less detrimental to growth.	**Labour taxation**	**15/04/2016**	The measures taken by Lithuania are broad, well targeted and a step forward in reducing the tax wedge on low income and shifting the tax burden. The combined impact of the amendments to the tax system on income is expected to be fully covered. However, these measures are moderate and may have limited effect in lowering the tax wedge on low-wage earners, which is still comparatively high. It will be necessary to materialise plans for further changes in taxes that can benefit specifically this group.

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Luxembourg			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Luxembourg has pursued an effective approach to implement the YG, building on comprehensive reforms of the public employment services and the vocational education and training system. Supporting language skills is playing an important role in this regard. Efforts for outreach to young NEETs will continue. Luxembourg will continue paying close attention to the quality of the offers As regards the YG regular data collection, EMCO is looking forward to see follow up data on the sustainability of the offers. Furthermore, a clearer definition of what a quality offer constitutes could be elaborated.
CSR 3: "Reform the wage-setting system, in consultation with the social partners and in accordance with national practices, with a view to ensuring that wages evolve in line with productivity, in particular at sectoral level".	**Wages and competitiveness**	**16/02/2016**	The labour market situation in Luxembourg is favourable. Concerns were expressed regarding evolution of unit labour costs in different sectors taking into account the medium-term perspective. Luxembourg is continuously looking at ways to align wage developments to productivity and to reduce costs for employers. There are no plans to amend the indexation system. The temporary modulation of wage indexation ended in July 2014. Nevertheless, although the index mechanism as it existed before the recent variation was reintroduced in 2015, no adjustment took place over the past year. Depending on the future Brent crude price's evolution, the next automatic wage indexation might occur in the fourth quarter of 2016 or in the second quarter of 2017.
KEC: educational outcomes remain unsatisfactory for children of people with migrant background.	**Skills and lifelong learning**	**14/03/2016**	Luxembourg enjoys a generally positive education and labour market situation, reflected in low NEET rate, low rate of early school leavers and high share of tertiary graduates. However, there are concerns about the situation of pupils with migrant background. Along with other accompanying measures, Luxembourg is developing a comprehensive strategy against Early School Leaving, based on individual support and connected with the Youth Guarantee, which could yield positive results. Implementation is therefore crucial. Monitoring and evaluation, building on previous efforts, should also be continued.

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KECs: Low employment rate of older workers yet increasing over the last years. Low duration of working life with improving trend.	**Labour market participation of specific groups**	**15/03/2016**	Luxembourg enjoys a generally positive general labour market situation. However, the employment rate for older workers remains low and the increasing trend of past years may have halted. This challenge is linked to early retirement conditions. The Age Pact, which is not yet adopted, will be key to ensuring higher employment rates for older workers. Other factors have been addressed, such as a comprehensive life-long learning strategy or the reclassification act dealing with incapacitating situations, which could have a positive impact on the employment of older workers. In addition, other appropriate measures have been taken to help reintegrate older job seekers into employment. It will be necessary to evaluate the combined effect of all the reforms, since they need to have great impact to address the challenge. The Committee looks forward to the study on long-term unemployment to be published in 2017.

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Hungary			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	The implementation of the Youth Guarantee is happening too gradually. Hungary has recognised that registration and outreach are a big issue and it has made initial efforts, although more is needed. PES capacity remains insufficient and needs to be scaled up. Public works schemes are a major element of Hungary's policy mix, but it is unclear if these are translating successfully into longer-term perspectives: this will require careful evaluation. Monitoring systems could usefully be improved. As regards the YG regular data exercise, EMCO is looking forward to obtain follow up data on the sustainability of the offers.
CSR 4 (partial): Reorient the budget resources allocated to the public work scheme to active labour market measures to foster integration into the primary labour market; (…)	**ALMPs and PES reform**	**25/02/2016**	Whilst there is broad agreement that a well-functioning open labour market and an adequate social safety net are desirable, the CSR for Hungary reflects the doubts of the Commission and Council that Hungary's approach is the most efficient. It is unclear that this is the best use of the available means to ensure labour market integration, compared to other possible measures such as wage subsidies. Hungary has not implemented the CSR. Instead it has taken measures to improve PES functioning, such as better profiling, which should be welcomed. It has also sought to improve integration from its public work schemes into the labour market. Certain design features of these schemes clearly need to be reviewed to reduce "lock-in" effects or negative impacts on labour mobility. Enhanced monitoring and evaluation of the whole system would also be welcome: this should also include the "end users" of public works schemes as the experience of other Member States has shown that this can be a factor in entrenching public works schemes.

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CSR 5: Increase participation of disadvantaged groups in particular Roma in inclusive mainstream education and improve the support offered to these groups through targeted teacher training; strengthen measures to facilitate the transition between different stages of education and to the labour market, and improve the teaching of essential competences.	**Education reforms**	**14/03/2016**	Concerns were expressed regarding stagnating early school leaving figures, the impact of socio-economic background on education outcomes, and de facto segregation in schools. Hungary explained that different measures including student grants are available to improve access to quality inclusive education and there are ongoing expert discussions about how to tackle this better. Further activities in those fields will be elaborated in the National Reform Programmes. The action plan of the Strategy Against School Leaving without Qualifications comprises a wide set of actions like inter-sectoral cooperation, early warning systems, teacher training and others, it will be important to implement the measures. In order to support school success, the compulsory kindergarten from the age of 3 was introduced: this is a clear response to part of the CSR. Reorganization of the governance and provision of vocational education and training (VET) institutions to ensure high quality VET is ongoing.
CSR 3 (partial): (…) reduce the tax wedge for low-income earners, including by shifting taxation to areas less distortive to growth; (…)	**Labour taxation**	**15/04/2016**	Hungary has taken some measures in the area of taxation, including the reduction of the flat rate of the personal income tax and the extension of the family tax credit. However, effects are limited and unclear for low-income earners, particularly for those without children. Although there are plans to further lower taxes, no additional targeted measures for this group are envisaged. Therefore, there is limited progress on shifting tax burden away from labour and on reducing the tax wedge, which despite positive effect of the Jobs Protection Acts is still above the EU average, especially for low-wage earners.

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Malta			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	EMCO welcomes the steps taken by the Maltese Authorities towards addressing youth unemployment and activating the NEET within the framework of the Youth Guarantee scheme. Malta experiences high early school leaving rates, well above the EU averages. Given the low educational attainment of two thirds of NEETs, the current focus on preventive measures to keep young people in the education system or identifying alternative learning opportunities as well as improving the transition from education to employment is welcome. The education system needs to provide more relevant skills that the labour market requires from the vocational education and training. Efforts to reach out to inactive or unregistered NEETs should be continued. EMCO takes note of the fact that further actions targeting specific needs of a very heterogeneous group of the Maltese NEETs and development of an individual approach will be developed, taking into account the results from the NEET Census and the Evaluation of the NEET activation scheme and looks forward to fresh information. It is also essential to continue to monitor properly the implementation of the Youth Guarantee through, inter alia, the regular data collection for YG monitoring. EMCO welcomes the fact that Malta has a definition of good quality offers.
CSR 2: Take measures to improve basic skills and further reduce early school-leaving by promoting the continuous professional development of teachers. KECs: Educational attainment is very low but positive developments are recorded. Participation in Lifelong learning remains low. Participation of inactive in education or training is low. Labour market relevance of education. Teaching skills/quality of teaching need to be more effective to address early school leaving and basic	**Skills and lifelong learning**	**14/03/2016**	Malta continues to face several substantial challenges related to skills and life-long learning. The Maltese authorities are aware of the magnitude of the challenges and have made significant efforts building on previous strategies, such as the comprehensive plan against Early School Leaving. The measures taken are positive steps to address the challenges, for instance, to increase quality of teaching or apprenticeships or by showing budgetary commitment. To address long standing and emerging challenges, advances in governance should be pursued, strengthening links between Education and Employment worlds, in particular to overcome the fragmented provision of training and to enhance career guidance. It is necessary to ensure that reform implementation continues and that all stakeholders are kept on board.

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skills attainment.			
KECs: The female employment rate remains low despite considerable improvements. The employment rate for older workers remains below the EU average, in particular for female workers, despite small improvements. Despite positive developments the duration of working life is still low. Low employment rate of persons with disabilities.	**Labour market participation of women; child care**	**15/03/2016**	EMCO welcomes the significant improvements to childcare provision that Malta has made in recent years. There are also improvements regarding labour market participation of older workers, but given that the starting point is rather an unfavourable situation, and taking into account the cohort effect, these will clearly take some time to bear fruit. EMCO can broadly welcome the other measures Malta has taken to improve labour market participation, particularly as regards making work pay and on work-life balance. EMCO notes Malta's concern that the Labour Force Survey may seriously underestimate the employment rate in Malta.

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The Netherlands			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	The Netherlands is seeing good results in the area of youth unemployment. Strong working links with the municipalities are a major part of this. There continue to be challenges with young people from migrant backgrounds. Sustainability of Youth Guarantee offers is a point to watch, as there may be a link with overall labour-market segmentation. The Netherlands considers it important to assess individual measures rather than the Youth Guarantee as a whole. However, the Netherlands should make sure that data fit with the reporting agreed within the Youth Guarantee framework.
Report on addressing KEC	**Labour market segmentation and contractual arrangements**	**27/01/2016**	The share of temporary contracts in the Netherlands is one of the highest in the EU, while the transition rates from temporary to permanent contracts are among the lowest. The government introduced in July 2015 several measures aimed at reducing the duality between permanent and temporary contracts, such as easing the dismissal procedure and decreasing the dismissal costs, increasing the period between temporary contracts for those to be regarded as successive. It has also limited the maximum duration for receiving unemployment benefits from 36 to 24 months and adopted measures to increase activation. The reform of the dismissal law also envisaged the introduction of a transition allowance, which will help employees find another job if they are made redundant. Concerns were expressed regarding the rapid increase in the number of self-employed taking into account the impact this practice might have on the social protection system, Netherlands acknowledges this challenge and has introduced some initial measures to tackle this development among others in the areas of fighting bogus self-employment, incentives for employers and social security.

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Report on addressing KEC	**ALMPs and PES reform**	**25/02/2016**	With a trend of increasing employment rate, NL has taken relevant appropriate steps to address most of the key challenges identified, in particular the significant increase in tax-credit for lower income earners and the Participation Act for people with disabilities. The exception is the non-EU migrant background group, where no specific targeted measures have been discussed, although some specific action may be required beyond tailor made ALMPS, for instance in the line of the Action Plan against Discrimination. Efforts for a comprehensive strategy for evaluation of the Participation Act, including early warnings and ex-post overall external evaluation are welcomed, since interest remains in monitoring and evaluation efforts, given that the decentralisation process makes the capacity of municipalities to respond key for the success of reforms in this policy area.

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Austria			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	The labour market situation in Austria is favourable, and Austria has made significant efforts towards a comprehensive YG scheme. Austria continued to further develop measures to address the needs of the target group, in the form of supra-company apprenticeship schemes, production schools and youth coaching. Concerns were expressed regarding the not-so-favourable labour market outcomes for disadvantaged youth, including those with migrant background where a link to education system has been established. Hence, further efforts to tackle early school-leaving and ensure better outreach with a focus on disadvantaged groups will be important. It is expected that the establishment of coordinating bodies (*KoST-Koordinationsstellen*) and the planned education/training measure until 18 (*AusBildung bis 18*) will improve the situation even further. EMCO welcomes the fact that the country provides a definition of a quality offer, and includes only offers with a higher quality threshold in the YG data collection 2014.
CSR 2 (partial): Take steps to improve the educational achievement of disadvantaged young people.	**Education reforms**	**14/03/2016**	Concerns were expressed regarding the educational achievement of disadvantaged young people particularly those with migrant backgrounds. Equity and equality of opportunity are important aims for Austria. Different measures are implemented to work towards this, for example improvements in language skill provision, nation-wide quality criteria for kindergartens and a second compulsory kindergarten year are clearly adequate and promising measures in this regard. Additional measures are taken in the context of inflow of refugees. Austria acknowledges that early tracking remains a challenge. The nationwide introduction of the New Secondary School which prevents early tracking at the age of 10 will be completed by the school year 2018/19 on all levels. Additional initiatives like the pilot (model) regions for a joint school of 6-14 years-olds are in the planning phase. Expansion of all day schools is ongoing.

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CSR 2 (partial): Strengthen measures to increase the labour market participation of older workers and women, including by improving the provision of childcare	**Labour market participation of women; child care**	**15/03/2016**	The employment rate for older workers in Austria is below EU average. Austria has a comprehensive strategy in place which looks promising (and the *bonus-malus* system in particular) and should contribute quite substantially to tackling this problem. However, addressing the issue will of necessity take a considerable amount of time. Tackling the gender pay gap is an important part of Austria's strategy to address labour market participation of women, as it is considered to send an important signal to labour market actors. Austria is making efforts to increase availability and accessibility of childcare but there are doubts over whether this will be enough to enable full-time work. The 'long term care leave' system should be monitored to see it achieves its aim of increasing female labour market participation.
CSR 1 (partial): Ensure the budget neutrality of the tax reform aimed at reducing the tax burden on labour.	**Labour taxation**	**03/05/2016**	Austria's reforms of the tax wedge on labour are generally welcome. However, the possibility of a low wage trap must be watched carefully. Capping social security contributions has an impact in that the percentage of income taxed in fact decreases for very high wage earners, which seems to be an anomaly. There is some disagreement between the Austrian authorities and the Commission as to the projections regarding the financing of the tax reduction, which relies to a relatively large extent on revenues from improved tax compliance.

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Poland			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Poland is continuing to make progress on the implementation of the YG. The proposed programme "job for the youth" and activation projects are likely to have a positive influence on youth employment, especially if accompanied by an effective profiling system. Poland will need to continue to monitor and assess the impact of these activation projects and to ensure their follow-up. Poland will also pay close attention to the quality of the offers and will encourage outreach to the young NEETs, in particular those who are not registered with the PES. Labour market segmentation particularly for youth is a concern. Poland has made continuing efforts to tackle labour market segmentation, particularly in view of the high share of temporary contracts in youth employment. As regards the 2014 YG regular data collection, EMCO welcomes the ongoing efforts to provide updated and complete data.
CSR 3: Take measures to reduce the excessive use of temporary and civil law contracts in the labour market.	**Labour market segmentation and contractual arrangements**	**27/01/2016**	The CSR in question addresses a long-standing issue, although the exact nature of the problem is somewhat disputed. Whilst the CSR, as upheld by EMCO, refers to excessive use of temporary and civil law contracts Poland argues that the problem is abuse of such contracts, rather than the total amount *per se*. In that context, Poland has taken a number of measures which look promising, although their overall impact remains to be seen. Establishing the primacy of labour law is a step forward. The proposed strengthening of the relevant inspectorate in order to tackle abuse seems eminently sensible but will now need to be implemented. Other measures taken to address the abuse of civil law contracts seem to go in the right direction: their impact on the numbers of such contracts will need to be reviewed in the future. Similarly, it is not yet clear if the measures Poland has taken on temporary contracts are sufficient. Overall, EMCO believes that Poland has made sufficient progress on the specific issues of civil law and temporary contracts to address the CSR for the moment. For the immediate future it would therefore suggest that any

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			future discussions move away from this long-standing issue to a focus which is more on the overall balance of Polish labour law.
Report on addressing KEC	**ALMPs and PES reform**	**25/02/2016**	In the context of gradually improving labour market conditions, including for youth, older workers and women, PL has taken additional relevant steps forward in the right direction to address some of the groups most in need of targeted action, in particular youth, while continues to implement long-term strategies for older workers and is increasing PES effectiveness. No specific additional measures for women, for instance, regarding childcare are reported. The Work for Youth Program is a realistic measure, with promising content that combines incentives to employment and focus on skills, which are key to increase employability, although its efficiency needs to be closely monitored. In general, the efficiency of the measures constitutes a substantial challenge, in particular the measures to provide the unemployed and workers with the right skills according to labour market demand and trends.
KECs: Low participation in lifelong learning activities. The system of vocational education and training needs adjustments to the labour market requirements. Quality of general and higher education and market relevance – mismatch between the skills and jobs on the Polish labour market.	**Vocational education and training**	**14/03/2016**	Poland's education system is very comprehensive and early school leaving is very low. The question for Poland seems to be whether education is giving people the right skills and transferable competences for today's labour market. This is a very fluid scenario. Shortages may relate to regional labour mobility and working conditions as well as skills. Poland also has shortcomings when it comes to in-work lifelong learning. Tackling this may involve the promotion of non-formal education, or tweaks to labour law. It will certainly require the engagement of all actors. VET reforms are going in the right direction, but will need to be monitored and evaluated to see if they are flexible enough and deliver the right results. Poland's initiatives on active labour market policies and internships are welcome but the low take-up rate may indicate problems with the design of these measures.

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Portugal			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
CSR 3 (partial): (Improve the efficiency of public employment services), in particular by increasing outreach to non-registered young people (…)	**Youth Guarantee/youth employment**	**10/12/2015**	Portugal is highly committed to the Youth Guarantee, and the improvement in the national situation is linked to this. Portugal has brought together a wide range of stakeholders, particularly for outreach activities: this is very welcome, given the scale of the outreach challenge. Improvement of the monitoring system is to be welcomed, but more is needed on the follow-up of Youth Guarantee participants. Future monitoring of results of Youth Guarantee activities as a whole will be essential.
Report on addressing KEC	**Labour market segmentation and contractual arrangements**	**27/01/2016**	Segmentation in the labour market remains significant, though temporary employment has partly a seasonal character. There was robust hiring on permanent contracts in the last two years, which suggests that the previous reforms of employment protection legislation might have an effect in supporting the labour market recovery through an increase in regular employment. Internal and external evaluations of the past reforms are ongoing. Two measures have been launched – a scheme ("Stimulus Employment") providing a higher financial incentive for those employers hiring on a permanent basis, and a regional measure in the Algarve region to tackle seasonal unemployment. The excessive use of temporary contracts is a concern for the Portuguese Government. Hence, measures aimed at strengthening regulations and social security rules to achieve a better balance between temporary and permanent contracts are being discussed further.

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CSR 2: "Promote the alignment of wages and productivity, in consultation with the social partners and in accordance with national practices, taking into account differences in skills and local labour market conditions as well as divergences in economic performance across regions, sectors and companies. Ensure that developments relating to the minimum wage are consistent with the objectives of promoting employment and competitiveness."	**Wages and competitiveness**	**16/02/2016**	The CSR has two relevant sections. The first concerns the alignment of wages and productivity. Here, Portugal seems to have wage developments under control. The social dialogue framework is under development and it remains to be seen how this will operate in practice, as firm-level bargaining is not picking up and the conditions for derogating from sectoral contracts remains somewhat strict. On the minimum wage there does not appear to be any immediate problem with the level of the wage as such, although the effect of the recent increases needs to be closely monitored. Therefore, the monitoring being developed by Portugal with the social partners in the framework of the Social Concertation Standing Committee is certainly welcome. EMCO looks forward to further developments in this area.
CSR 3 (partial): Improve the efficiency of public employment services (…) Ensure effective activation of benefit recipients (…)	**ALMPs and PES reform**	**25/02/2016**	Portugal is very much aware of the need to address the efficiency of Public Employment Services (EPS) and have taken various initiatives, particularly regarding the long-term unemployed. 75% of the long-term unemployed are now in active labour market measures, which is positive. The PES profiling system seems to be working well, although it remains to be seen whether it produces the desired results. Portugal has also made considerable efforts on outreach to non-registered young people. As noted in the Youth Guarantee conclusions the progress which has been made should be recognised and welcomed, but the sheer scale of the remaining challenge must also be underlined. There still looks to be scope for further improvement in a number of areas, such as the effective activation of benefits recipients (which will also require stronger coordination between social and employment services).

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KECs: High rate of early school leavers but with recent improvement Adult population with upper secondary and tertiary education below the EU average but showing positive developments Skills mismatch between labour demand and supply	**Vocational education and training**	**14/03/2016**	Portugal faces serious challenges in the field of education and training and is making serious efforts in response. Reforms are needed throughout the whole education system from early years onwards: clearly, trying to change the whole culture of education is very challenging. Some improvements have already been made but more time is clearly needed for such profound changes to be both made and take effect. It will be important now that no backtracking occurs, and progress is maintained, particularly on the issue of early school leaving. The revaluation of the technical strand of Higher Education is very welcome. As for other Member States, broader university reform could well be the next step. As with other Member States, lifelong learning is challenging in an economy with a high proportion of SMEs.

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Romania			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
CSR 3 (partial): (Strengthen the provision of labour market measures), in particular for unregistered young people (…)	**Youth Guarantee/youth employment**	**10/12/2015**	Romania faces significant challenges in the area of youth unemployment and outreach to NEETs. The work on the YG is strongly linked to the broader development of labour market institutions, within which it is important for Romania to choose priorities carefully. Given this, measures should be implemented properly, as the low take-up of some, notably apprenticeships and traineeships, is troubling. Improvement of 'second chance' policies is welcome and it will be important to evaluate and learn lessons from the apprenticeship schemes. The new integrated NEET databases, when finalised, are likely to be a positive development which should feed into future monitoring. At present it is unclear whether the envisaged public works programmes will lead to sustainable integration into the labour market. PES will need sufficient (national and EU) resources and enhanced partnerships at national level, to continue YG work into the future, and to address the diversity of NEETs, many of them being inactive. EMCO invites Romania to provide for next year's data collection more information on education offers. Concerns were raised that services to young people (such as career guidance) are counted as employment offers.
CSR 3 (partial): Strengthen the provision of labour market measures, in particular for (…) the long-term unemployed. (…)	**Long-term unemployment**	**26/01/2016**	EMCO notes that long-term unemployment is not, per se, a major problem in Romania: it is low, decreasing and largely cyclical. The main issues Romania faces are inactivity, PES capacity and functioning, and active labour market policies. Romania is aware of the challenge it faces in tackling the quality of active labour market measures and employment services, but limited steps have been taken to address this. Romania should also consider the linkage of the public works schemes to training and integration into the open labour market.

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CSR 2 (partial): "Implement the comprehensive tax compliance strategy, strengthen verification control systems in order to tackle undeclared work…" CSR 3 (partial): "Establish, in consultation with the social partners and in accordance with national practices, clear guidelines for setting the minimum wage transparently."	**Wages and competitiveness**	**16/02/2016**	Two CSRs were examined for Romania. The first concerned verification control systems to tackle undeclared work. EMCO welcomes the priority given to this by Romania, but there is much still to do. The capacity of labour inspectorates is clearly insufficient to the scale of the challenge. It is to be regretted that the pilot projects examined, which seem to have had considerable success, have not been scaled up. Romania might usefully learn from other countries, for example by looking at Ireland's Hidden Economy Working Group. On the minimum wage, the fact that Romania has a structure in place to take decisions is welcome but other factors, in particular, the transparency and predictability of the criteria for setting the minimum wage should be improved. The overall level of the minimum wage does not appear to be a problem at present.
CSR 3 (partial): (…) Increase the provision and quality of early childhood education and care, in particular for Roma. Take action to implement the national strategy to reduce early school leaving. (…)	**Education reforms**	**14/03/2016**	In Romania, pupils from poor families, from rural areas and from Roma backgrounds rank significantly below the general population in access to education, completion rates and performance, including in access to early childhood education and care. Concerns were expressed regarding increasing early school leaving rates and regarding insufficient focus on early detection of segregation in schools. Romania explained that reducing early school leaving and improving education outcomes for all citizens is a priority for the Government and that there are instruments for early detection and early intervention that are being enhanced. The adopted activities aimed at increasing participation of preschool children, especially from disadvantaged communities, in the kindergarten educational programme (”kindergarten ticket”) are clearly steps in the right direction. Public funding for education has increased for the last three years and three new strategies in education field (among others on early school leaving) have been adopted in 2015. Implementation and coordination of the strategies will be key.

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Slovenia			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on addressing KEC	**Youth Guarantee/youth employment**	**10/12/2015**	The implementation of YG scheme is well on track and the situation of youth in the labour market is improving. Slovenia continues efforts to tackle the labour market segmentation and is carrying out a traineeship system reform. Programmes are being implemented to address youth unemployment and improve the outreach to NEETs, and the initial results are promising. Slovenia is pursuing significant efforts to obtain comprehensive data on the sustainability of outcomes and is working towards continuing measures after 2015. There are plans to further develop the vocational education and training system. As regards the YG data collection, EMCO is looking forward to obtain comprehensive data on the sustainability of outcomes.
CSR 2 (partial): Take measures to address long-term unemployment (…)	**Long-term unemployment**	**26/01/2016**	Labour market developments are generally favourable. However, long-term unemployment and expenditure on active labour market policies remain a challenge. Although Slovenia informed that some additional resources will be devoted to ALMPs in 2016, expenditure on active labour market policies remains below EU average. Some measures have been taken or strengthened, aimed at better targeting long-term and very long-term unemployed. Services for unemployed, other jobseekers and employers are aimed at improving effectiveness of PES. Public works has been targeted to LTU, but their potential in terms of outcomes remains a challenge. Monitoring and impact evaluations of those measures are important and will be carried out.

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Report on addressing KEC	**Labour market segmentation and contractual arrangements**	**27/01/2016**	Most of the newly conducted contracts are still fixed-term however the transition rates from fixed-term to permanent contracts increased substantially and the share of newly concluded permanent contracts is increasing, particularly for youth. Student work continues to be attractive despite the adoption of the student work regulation in February 2015, which made student work more costly however its misuse seems to have been reduced. Concerns were raised about the increase in the number of the self-employed with only one client and hence possible bogus self-employment. For this purpose, supervisory measures have been strengthened to ensure better compliance with labour legislation and prevent misuse of certain forms of work, there are further plans in this regard. New financial incentives and subsidies for employers to hire workers on permanent contracts are foreseen for 2016. Since the changes in legislation addressing labour market segmentation are relatively recent, the effects of the reform still need to be assessed. Therefore, further monitoring of the developments in the labour market and evaluations are carried out.
CSR 2: "Review, in consultation with the social partners and in accordance with national practices, the mechanism for setting the minimum wage, and in particular the role of allowances, in light of the impact on in-work poverty, job creation and competitiveness."	**Wages and competitiveness**	**16/02/2016**	The growth of the average wage has been in line with productivity gains. Concerns were expressed regarding the impact of the past minimum wage increases particularly on labour market participation of vulnerable groups, Slovenia informed the Committee that there are no plans to increase the minimum wage in 2016. Two measures have been put forward to respond to the CSR: an analysis of the economic and social effects of the minimum wage increase that will serve as a basis for further decisions in this area, and amendments to the Minimum Wage Act with the aim to ensure equal treatment of all minimum wage receivers. The tax burden has only marginally been addressed, but a tax reform is in planning and there are plans to introduce tax incentives for certain groups.

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CSR 2 (partial): Increase the employability of low-skilled and older workers. (…) provide adequate incentives to extend working lives.	**Labour market participation of specific groups**	**15/03/2016**	Slovenia is experiencing improving labour market conditions, but low-skilled and older workers still have low employment rates, which remains a challenge. Slovenia has strengthened ALMPs in the right direction and has taken measures addressing incentives for workers aged 55 or more. Planned measures in ALMPs or life-long learning, if well targeted and sustained in the long term, could further increase the employment rate of these groups. The impact of the measures adopted recently will need time to be monitored.

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Slovakia			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	Slovakia has made progress in implementation of the Youth Guarantee. However, many measures are relatively recent (e.g. PES reform, VET reform, reinforced role of apprenticeships) and will therefore need to be evaluated in future reviews (improved monitoring of the Youth Guarantee work is welcome). The upscaling of 'second chance' education appears as a positive step but may need more evaluation and monitoring. The guidance to young people on labour market functioning is also a positive initiative, as is the development of online labour market matching. Outreach to NEETs, particularly those not registered with PES, remains a real challenge. Subsidised employment will need to be evaluated to see how sustainable its effects are. As regards the YG regular data collection exercise, there are indications that only a minority of NEETs receive a timely quality offer under the YG.
CSR 2 (partial): Take additional measures to address long term unemployment by improving activation measures, second chance education and introducing high-quality training tailored to individuals' needs.(…)	**Long-term unemployment**	**26/01/2016**	Long-term unemployment remains an important challenge in Slovakia as well as spending on ALMPs and PES. Responding to the CSR Slovakia has launched three new measures: providing mentoring at the workplace, supporting employment of LTU in specific areas of public sector and strengthening the cooperation with private employment agencies. Education and training could be further enhanced in line with the plans expressed by Slovakia. A single point of contact for services to the long-term unemployed has been established and implementation of the individualized approach is ongoing. However, PES capacity and active labour market policies funding - among the lowest in the EU- need to be strengthened to this aim.

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CSR 3: Improve teacher training and the attractiveness of teaching as a profession to stem the decline in educational outcomes. Increase the participation of Roma children in mainstream education and in high-quality early childhood education.	**Education reforms**	**14/03/2016**	Some clear steps were taken by Slovakia to respond to the CSR. Significant legislation was adopted in the summer of 2015 to promote desegregation in education. It will be important to ensure monitoring of both its implementation and its actual impact on the education of disadvantaged students. Concerns were expressed regarding the attractiveness of the teacher's profession and particularly regarding teacher education and salaries though Slovakia has increased salaries somewhat and is providing training programmes. Further steps being considered or planned by Slovakia are linking teacher training to career progression, and looking at how the newly acquired skills are put into practice. From 2016 new kindergarten capacities are being created, targeted at in areas with Roma communities. Taking this into account it will be important to further monitor the actual increase in participation in early childhood education and care by children of socially disadvantaged backgrounds including from Roma communities.
CSR 2 (partial): Improve the incentives for women to remain in or return to employment by improving the provision of childcare facilities.	**Labour market participation of women; child care**	**15/03/2016**	EMCO welcomes the steps Slovakia has taken to increase childcare places. There remains more to do, especially – but not only – in the under-3 age group. EMCO also welcomes the increase in childcare allowances and the reduction in their complexity (the latter being an important success factor). As with many other Member States, taking a more integrated approach to female labour market participation linking childcare with leave arrangements and other labour market institutions will be important. EMCO notes its interest in the results of the pilot project "Family and Work" and looks forward to seeing both its results, and how Slovakia chooses to build on this in the future.

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Finland			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
CSR 3 (partial): Pursue efforts to improve the employability of young people (…)	**Youth Guarantee/youth employment**	**10/12/2015**	EMCO welcomes the efforts made by Finland to ensure the efficient implementation of the YG scheme and to broaden the outreach youth work to cover the whole country. In order to maintain the high level of services and reach the ambitious goals, the financing of the YG should remain stable and on adequate level. There is also a need to consider covering remote areas suffering from structural changes through e.g. e-services. The new Government Programme proposes a revision to the delivery the YG, which promotes best practices in municipalities. Maintaining the current level of the YG could however be challenging in view of the budget cuts, especially when it comes to addressing the hardest to reach. The YG scheme puts a stronger focus on health and rehabilitation measures to reach the youth in most difficult situation, offering tailored services through one stop shops. EMCO looks forward for the monitoring and evaluation results. Based on the key LM indicators, more efforts are necessary to improve employability and address mismatches. In what concerns the CSR 3, there is scope for increasing work-based learning opportunities, in particular as they have proven efficient in providing the skills needed in the labour market. As regards the 2014 data collection, no follow up data are provided, although the country follows the situation of young people after leaving the measure. EMCO takes note of the intentions by Finland to improve the data collection system.
CSR 3 (partial): "Promote wage developments in line with productivity fully respecting the role of the social partners and in accordance with national practices."	**Wages and competitiveness**	**16/02/2016**	Finland has made some progress in addressing the CSR on wages and competitiveness. The central wage agreement valid until 2016 has been successful at wage moderation. The planned measures to improve cost-competitiveness are likely to help meet the challenge. The two measures planned are wage moderation policy and collective bargaining reform. The results of the negotiations of the social partners on a one-off 5% reduction of labour costs will be decisive for the future steps taken by Finland. The reform of the collective bargaining system with the aim to promote local bargaining is under preparation, a tripartite working group has been

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			established for this.
CSR 3 (partial): Pursue efforts to improve the employability of (…) older workers and the long-term unemployed, focusing particularly on developing job-relevant skills.	**Labour market participation of specific groups**	**15/03/2016**	Finland is going through a difficult situation in the labour market, with increasing unemployment and higher and more diverse long term unemployment. Therefore, the Finnish authorities are reacting with a wide range of measures that broadly address the challenge. They focus on removing incentive traps, activating jobseekers or conducting pilots of contracting-out employment services. Overall, these policy responses seem promising. However, some concerns remain on the effects on older workers of the disincentives remaining in the scenario after the pension reform. Decentralisation of ALMPs and employment services to municipalities is a central element of the policy response and a challenging move with profound implications, with will be implemented with the added difficulty of a context of budget cuts. Monitoring will be essential once it actually materialises.

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Sweden			
CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	The job guarantee for youth in Sweden is a framework programme introduced in December 2007. EMCO welcomes the measures taken to shorten the period of unemployment, and to facilitate the transition from education to the labour market given that low-skilled young people and people with a migrant background face difficulties in entering the labour market. The Swedish government is gradually introducing a 90-day guarantee for unemployed youth, with an ambition that in 2018 all young unemployed (<25) registered at PES should receive job or support than leads to a job or an education before reaching 90 days of unemployment. Once fully implemented, the reinforcement of the guarantee is likely to improve the early intervention aspect. The strengthening of municipalities' responsibility to monitor young people under 20 not in education and keep records of the interventions is welcome and EMCO looks forward to relevant results. The Swedish Government has decided about a strategy for young people not in employment, education or training. Knowledge about the composition of this group of young people and knowledge about efforts that are effective are necessary to implement the right measures targeted at this group. However, more efforts are nonetheless needed in order to identify the NEETs and to provide well targeted outreach measures. As regards the 2014 YG data collection, the follow up data are among the best received in terms of completion and low proportion of unknown. Sweden has a long experience of a broad range of register data that allows follow up or evaluation of individuals.

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KECs: Share of low-achievers in reading, science and mathematics is above the EU average, and there has been a decline in school outcomes over the last decade. Deterioration of education outcomes and equity.	**Education reforms**	**14/03/2016**	Sweden focuses on early intervention particularly as regards reading, writing and arithmetic skills. Teachers are regarded as the most important factor for success in schools. Additional funding has been earmarked for teacher salaries: this is clearly a positive step to increase the attractiveness of the teaching professions, given that concerns have been expressed regarding teacher shortages in the future. There is an emphasis on quality of teaching. A reading -writing-arithmetic guarantee is planned from 2017 for pupils when they finish grade 3. Government grants are available for preschool class and grade 1-3, where steering of funding might be important. Mandatory support material for the grant assessments will be introduced. There are plans to increase the number of teaching hours in mathematics. The initiatives already taken are steps in the right direction and can contribute to the broader reform efforts needed in the education system. A proposal for a comprehensive school reform is to be presented by the Swedish School Commission in early 2017.

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CSR/KEC 2015	**Topic thematic review**	**Date**	**Conclusions**
Report on implementation of YG	**Youth Guarantee/youth employment**	**10/12/2015**	The UK supports the aims of the YG, but for subsidiarity and national specificity reasons prefers to continue with its existing approach, inter alia, the Youth Contract, with a focus on providing apprenticeships and work experience. EMCO acknowledges the significant efforts made by the UK to tackle youth unemployment and to address the challenges faced by young people, especially NEETs in accessing the labour market and the fact that measures have some innovative elements. However, further outreach and activation measures targeting specific groups of young NEETs would be welcome, and some groups will need better progression prospects. As regards the 2014 data collection, the UK has provided a limited YG data set. The UK is unable to provide data different from published Youth Contract data, due to governmental and UK Statistics Authority procedure. Consideration should be given in order to maximise contributions to future YG monitoring exercises.
CSR 3 (partial): "Address skills mismatches by increasing employers' engagement in the delivery of apprenticeships. Take action to further reduce the number of young people with low basic skills." KECs: High number of young people leaving school with poor basic skills. Number of early school leavers is slightly above the EU average.	**Skills and lifelong learning**	**14/03/2016**	The UK shows good general labour market figures. The reform of the apprenticeship system is still ongoing and will need more time for assessment of its effectiveness and evaluation of its impact. Meanwhile, continuous monitoring is necessary, among other things to prevent misuse and a trade-off between quantity and quality of apprenticeships. More time will also be needed to see if new PISA results on basic skills show the impact of recent education reforms.
CSR 3 (partial): Further improve the availability of affordable, high-quality, full-time childcare.	**Labour market participation of women; child care**	**15/03/2016**	The UK has continued to work on improving the availability of affordable, high-quality, full-time childcare. However it still has some way to go to have a childcare system matching its economy. Initiatives to reduce the complexity of the system are important and welcome, as are initiatives to help parents more readily understand and navigate the system. Concerns about the quality of childcare are less than before as UK structures seem increasingly adequate.

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