



Council of the
European Union

Brussels, 12 June 2017
(OR. en)

9653/17
ADD 1

SOC 437
EMPL 341
EDUC 268

NOTE

From: Social Protection Committee
To: Permanent Representatives Committee
Subject: 2017 EMCO multilateral surveillance conclusions

Delegations will find attached the conclusions of the 2017 EMCO multilateral surveillance, as an addendum to the EMCO Horizontal Opinion on the 2017 CSRs.

Belgium

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	Registration is linked to unemployment benefits, thus ensuring almost total registration. The PES act as a single point of contact and work with a number of other relevant institutions (including social services) to provide individualized services. All registered persons go through a comprehensive screening process leading to an individualised approach however their effectiveness should be improved. PES co-operate with employers to facilitate the activation process and employment of LTU, although incentives for hiring could be strengthened. The overall capacity of PES is stretched, with the workload for counsellors being rather high.
CSR 2: (...) Ensure the effectiveness of labour market activation policies (...)	ALMPs and PES reform	17/01/2017	<p>The focus of Belgium's CSR is in improving (cost-)efficiency or value for money rather than in effectiveness. The recent policy changes, in the wake of the Sixth State Reform, seem to go in the right direction but need to be closely monitored and evaluated in this light, taking into account the risk for dead-weight, substitution and lock-in effects. EMCO welcomes monitoring efforts, in particular joint monitoring efforts, which have been announced by Belgian authorities and looks forward to further information and first results.</p> <p>While the recent reforms reinforce the potential for taking into account regional specificities, they also underline the need for continuous cooperation between regional Public Employment Services and for reinforced coordination and communication between and within the different policy levels.</p>
CSR: Move forward with education and vocational training reforms and provide training support for disadvantaged groups, in particular people from a migrant background.	Skills and education	09/03/2017	<p>Belgium is well aware of the challenges and has taken a number of important steps. The reforms on VET are important and there has been progress on tackling the lower-level of participation (particularly amongst the low-skilled). It remains to be seen whether these reforms achieve the desired increase in overall numbers participating.</p> <p>There are major reforms ongoing in school education which look promising but will continue to be the subject of discussion and implementation for some time to come. It will also be some time before their impact becomes clear. Support to teachers will</p>

			<p>be crucial if the reforms are to be successful, and the details of the support which will be given remain somewhat unclear.</p> <p>Inequalities in educational outcomes remain worrying, particularly amongst students with a migrant background, and it is unclear whether the section of the CSR relating to training support has yet been tackled.</p>
<p>KEC: Low labour market participation of people with a migrant background.</p>	<p>Labour market participation of specific groups</p>	<p>14/03/2017</p>	<p>The Belgian labour market is far from full employment - hence Belgium's focus on measures to tackle labour market functioning more generally. The measures identified might respond to the challenge. However, Belgium could benefit from more joint thinking on how to foster the integration of people with a migrant background: the division of competences does not lend itself to a unified approach, or the identification and sharing of best practices.</p> <p>The focus on early integration of newcomers (avoiding the repetition of past mistakes) seems correct.</p>
<p>CSR 2: Carry out the intended review of the Law of 1996 on the promotion of employment and the safeguarding of competitiveness in consultation with the social partners. Ensure that wages can evolve in line with productivity.</p>	<p>Wages and competitiveness</p>	<p>05/04/2017</p>	<p>Belgium continues to take steps to regain competitiveness and these are already having some positive effect on employment. On top of the tax shift to reduce tax wedge on labour, Belgium addressed the recommendation by adopting after consultation with social partners the reform of the Law of 1996 with relevant changes to the wage setting mechanism. The social partners already applied the new rules for 2017 wage revision. The reform reduces the "historic wage gap", takes into account previous "excessive increases" and habituates the government to take measures in case of excessive wage growth.</p> <p>In addition, productivity developments are to be taken into consideration, although not in a deterministic way, which should allow for necessary wage dispersion in the economy. This goes a long way in preventing wages decoupling excessively from productivity growth. Monitoring of wage developments will help to assess how this works over the longer term.</p>

Bulgaria

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on the implementation of the LTU Recommendation</p> <p>CSR 1: Reinforce and integrate social assistance, including relevant social services, and active labour market policies, in particular for the long-term unemployed</p> <p>KEC: Long-term unemployment high. Participation in activation measures low, with positive developments.</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>Long-term unemployment in Bulgaria is relatively high and diverse, though partly cyclical, so the situation may improve with economic growth. There is a challenge related to outreach to and registration of discouraged workers, with a relatively low coverage of measures for LTU and a lack of preventive activities. Work on the Job Integration Agreement seems to be going in the right direction, and the link with reinforced activation and active labour market policies is good. PES capacity, risk of creaming/selecting short-term unemployed and sufficient resources for ALMP remains a concern.</p> <p>Regarding the Country-Specific Recommendation, there is a limited provision of social services to support the long-term unemployed taking a job, as local municipalities – the main social service providers – have not been involved in the integrated centres. The pilot project on integrated services (Centres for Employment and Social Assistance) looks very interesting but now needs upscaling. Its long-term sustainability will also need to be addressed.</p>
<p>CSR (youth): "Reinforce and integrate social assistance, including relevant social services, and active labour market policies, in particular for...young people not in employment, education or training."</p> <p>CSR (segmentation): "...take measures to reduce the extent of the informal economy, including undeclared work".</p>	<p>Youth employment</p> <p>Undeclared work</p>	<p>26/01/2017</p>	<p><u>Youth</u></p> <p>In Bulgaria positive developments started to be visible concerning youth unemployment, however, it still remains a serious challenge. A broad and comprehensive approach has been put in place, and progress is visible. However, questions remain whether there is sufficient capacity to implement these measures. In addition, there is need for further efforts concerning outreach actions for NEETs and the mismatch between education and labour market needs remains a challenge.</p> <p><u>Undeclared work</u></p> <p>In Bulgaria the issue of undeclared work is a serious and persistent problem. Bulgaria recognises the issue and has a clear holistic plan, which puts emphasis on specific problematic sectors. However, the progress is slow. A specific challenge to this direction concerns the need of awareness-raising which is both time and resource consuming. Given the extent of this challenge EMCO encourages Bulgaria to continue the effort to tackle it. Concerning the one-day contracts more effort are required to facilitated transitions to more permanent jobs</p>

<p>CSR: Increase the provision of quality education for disadvantaged groups, including Roma.</p>	<p>Skills and education</p>	<p>09/03/2017</p>	<p>Bulgaria has taken a number of steps to tackle the existing challenges of quality and high educational inequities, in a particularly challenging demographic context. Resources are being made available to mitigate the challenges. Low-performing schools are to be identified, and additional funding is to be supplied.</p> <p>The legal framework which has been created looks very good and thorough, but now needs to be fully implemented. Measures planned need to be rolled out, including the implementation of the ban on class segregation.</p>
<p>CSR 3: In consultation with social partners establish guidelines and criteria for setting the minimum wage.</p>	<p>Wages and competitiveness</p>	<p>05/04/2017</p>	<p>Bulgaria has taken positive steps to improve the mechanism determining minimum wage with intense negotiations with social partners, which is acknowledged. Positions are now closer, mainly in the criteria to use, but an agreement could not yet be reached.</p> <p>EMCO strongly encourages Bulgaria to redouble efforts to reach an agreement and looks forward to the set-up of a mechanism that provides certainty and helps a smooth economic convergence process.</p> <p>EMCO also reiterates the usefulness of examples in other countries to create mechanisms for transparent and predictable setting of minimum wage robust to political influence</p> <p>While this is achieved, minimum wage developments should take into account the impact in particular on vulnerable groups' employment prospects, considering that the minimum wage has increased quite fast in recent years and already has a sizeable coverage rate. Recent evaluation of the effects of the minimum wage is welcomed and building on this base monitoring and further evaluation will be key.</p>

Czech Republic

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	<p>The Czech Republic has in place a number of outreach actions to non-registered persons with clear financial incentives, but more resources are needed for both registration and the prevention of de-registration. The creation of one-stop shops providing integrated social and employment services at a local level is a significant and positive development, however improvements are needed in setting up a single point of contact. Individual action plans are in place and the new action announced for 2017 offers a good platform to develop Job Integration Agreements. The Czech Republic has made good efforts to improve matching between the labour market demand and supply in cooperation with the social partners (e.g. via employment pacts), but greater incentives for employers are worth consideration.</p>
CSR: Raise the attractiveness of the teaching profession and take measures to increase the inclusion of disadvantaged children, including Roma, in mainstream schools and pre-schools.	Education reforms	09/03/2017	<p>Concerning R&D, the measures taken by the Czech Republic go in the right direction, however, implementation is key and concerns remain regarding governance.</p> <p>Concerning raising the attractiveness of the teaching profession the Czech Republic is aware of the challenges. It is a complex issue and forms a long-term concern. The Czech Republic has recently increased wages for teachers and the government has adopted a draft new career system for teachers but additional effort will be needed to increase the perceived attractiveness of the occupation. Given the nature of the problem, results will take time to be seen; however, the measures already put in place go in the right direction.</p> <p>Concerning increasing the inclusion of disadvantaged children, the plans are comprehensive and interesting; however, concerns arise whether they will be enough to solve the problem, especially for the Roma population.</p> <p>EMCO welcomes that these measures are not seen in isolation, but are embedded in a broader inclusion strategy, including social and housing policies.</p> <p>Finally, EMCO finds that the scope of this CSR item on inclusiveness, i.e. the focus on education only, is rather narrow and that it could have been broadened to other</p>

<p>CSR 3: (...) Remove the obstacles to greater labour market participation by under-represented groups, in particular women.</p>	<p>Labour market participation of women</p>	<p>14/03/2017</p>	<p>sectors.</p> <p>In a context of a high employment rate and low unemployment, Czech Republic is fully aware of the importance of the challenge of closing the gender gaps in the labour market, including the second highest gender pay gap in the EU.</p> <p>Some progress is acknowledged with measures launched to increase availability of childcare, which are increasing the options for provision of these services, with micro-nurseries and children groups. These measures could increase local availability of services, which is welcomed. However, further attention to childcare availability, in particular for the youngest children, is still needed.</p> <p>The Family Policy Strategy currently being prepared seems to go into the right direction. The "Project 22%" to reduce gender pay gap involving all relevant stakeholders could have a positive effect.</p> <p>Additional measures on re-integrating children's caretakers into employment with the involvement of PES are welcomed.</p> <p>Overall, these measures, if fully implemented, would address the recommendation.</p> <p>EMCO looks forward to a full implementation of the Roma Integration Strategy 2020 recently adopted.</p>
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Denmark

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on implementation of LTU Recommendation</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>Denmark is quite advanced in addressing LTU in terms of range, institutional settings and procedures, and level and share are among the lowest in the EU. The tools for the implementation of the recommendation are in place and sufficient resources and administrative capacities are available.</p> <p>The decentralized provision of benefits and services by the job centres of the municipalities as a single point of contact has proven itself to be comprehensive and effective. A strong incentive to register – via various channels – prevails due to conditionality for benefit withdrawal (which will be further enhanced in the future). An individual assessment of jobseekers is conducted at an early stage of unemployment. A statistical data-based profiling instrument is at hand and can be used if considered appropriate. It is planned to revise and improve this tool continuously.</p> <p>Social partners are closely involved in all labour market-related questions. Professional and consistent service for businesses provided by all job centres is introduced and a handbook on enterprises as clients is to be released.</p>
<p>CSR: Incentivise the cooperation between businesses and universities. KEC: Low efficiency of education and research spending</p>	<p>Education reforms</p>	<p>09/03/2017</p>	<p>EMCO expresses some doubts whether last year's CSR 2 for Denmark was covering a key priority. Also, in the view of EMCO, the formulation of the CSR was not optimal, on the contrary the formulation of the KEC better captures the problem. EMCO therefore suggests to the Commission to look at the problem in a broader perspective within the framework of the current European Semester.</p> <p>Concerning the CSR and the KEC, Denmark is aware that value-creation from the high level of spending on education and research could be improved and has put in place a series of relevant measures. However implementation and efficient delivery are key and should be pursued. EMCO notes that some of measures presented could form good mutual learning opportunities, specifically, the programme aiming at providing information to students on labour market needs.</p> <p>Concerning the CSR, Denmark seems to be on the on the right track, however broader issues remain.</p>

<p>KEC: The labour market potential of immigrants from outside the EU remains underutilised.</p>	<p>Labour market participation of specific groups</p>	<p>14/03/2017</p>	<p>Denmark has a clear awareness of the issue identified, the political will to tackle it, and considerable expertise to deploy. Denmark's holistic approach encompasses making work pay, the functioning of the labour market, individualised measures, and an orientation towards companies. This is a good balance of measures and looks very promising.</p> <p>There is a danger of raising overly high expectations and of over-qualification, but this risk seems a price worth paying for labour market integration. EMCO welcomes the Tripartite agreement, and marks the complications of the gender issue across generations as a point of general interest for Member States.</p>
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Germany			
CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	<p>Given that LTU as a share of total unemployment is just above EU average, LTU has been the focus of attention for employment policies for a long time now. Germany has a well-established system that in general provides good quality assistance to LTU in all areas covered by the Recommendation. In particular it relies on well-developed JIA, low caseloads for caseworkers and integrated approach to LTU needs.</p> <p>However, Germany still sees some room for improvement. The JIA has been revised recently by enhancing its individual relevance and its binding character. There are plans to offer multichannel registration process and train caseworkers, as well as strengthening employers involvement on the basis of small scale programmes recently launched, for on-the-job-coaching for stabilizing the integration into employment.</p> <p>EMCO looks forward to seeing whether these initiatives will help reach those farthest away from the labour market.</p>
CSR: (...) facilitate the transition from mini-jobs to standard employment.	Labour market segmentation	26/01/2017	<p>For Germany, the CSR and previous conclusions remain entirely valid. No new, additional measures have been put in place and there are no plans for additional measures before the new government will take office after the September 2017 elections. Nevertheless, it is worth observing that, in particular since the introduction of the minimum wage in Germany, the “mini jobs” issue is mainly one of second earners / provision of care services, rather than of labour market segmentation or in-work poverty.</p>
CSR 3: Reduce the high tax wedge for low wage earners (...)	Labour taxation	05/04/2017	<p>The CSR calls for reforms on high labour taxes and social security contributions. Limited steps were taken the previous year but, as EMCO noted then, needed to be evaluated against the background of a strong and dynamic labour market and in light of the principled position of Germany that</p>

		<p>social security needs to be entirely financed by contributions. Again this year, rather limited steps have been taken and rather more could be done.</p> <p>On a more general note, going beyond the discussion of this CSR, EMCO notes that there seems to be a general approach towards CSR implementation in Germany which does not contribute to the overall legitimacy of the process.</p>
<p>CSR 3: (...) reduce disincentives to work for second earners (...)</p>	<p>Labour market participation of women</p>	<p>03/05/2017</p> <p>The situation of women in the German labour market continues to improve, with already high participation rates. However, there is still room to raise rates of employment at full-time equivalent to make full use of their potential in the labour market.</p> <p>This should be tackled in a broad framework addressing all the relevant factors. In particular, in what concerns the tax system, the unbalanced treatment of second earners creates disincentives for their participation in the labour market at their full potential. The magnitude of this effect on employment rates is contested and the debate would benefit from a shared understanding of this impact. Reforming the tax system is a complex issue with winners and losers and should be approached carefully. However, Germany should aim to remove from it any feature that may interfere in decisions for participation in the labour market.</p> <p>Germany continues to increase availability of childcare, which is welcomed. Efforts should continue to provide childcare compatible with full time employment.</p> <p>Finally, the developments in part-time employment, in particular among younger generations, and transitions into full-time employment should be monitored to gain a full picture of this issue.</p>

Estonia

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	Estonia's implementation of the Recommendation is well advanced: the Single Point of Contact is in place; Job Integration Agreements are well developed and implemented; there is good work being done on outreach to employers. The main challenge relates to registration of all LTU: initiatives are in hand but more is to be done as under-registration is quite significant.
KEC: Ensuring provision of good quality work ability assessments.	ALMPs and PES reform	17/01/2017	Estonia has responded to their 2015 CSR and 2016 KEC on work ability assessments. The measures look well designed and are well on their way to being implemented. Initial results look promising. Some questions on capacity remain open for the future: it is not clear that the allocated budget will be enough, and the system as a whole seems very reliant on assessment of documents rather than of persons.
CSR: Promote private investment in research, development and innovation, including by strengthening cooperation between academia and businesses. KEC: The education outcome is not sufficiently responsive to labour market needs.	Education reforms	09/03/2017	Estonia shows very strong performance in terms of education outcomes; however challenges remain. Estonia has introduced well-designed package to strengthen lifelong learning and to reduce the share of low-skilled adults. The Lifelong Learning Strategy is very interesting and started already to show results. The OSKA skills forecasting system could constitute a good mutual learning example. Concerning the CSR, which is focused on R&D, in Estonia this constitutes one aspect of a broader issue of industrial policy, and relates to general questions as to where the Estonian economy will need to focus. The challenge is the low spending of the private sector in R&D but this probably is more related to the general architecture of the Estonian economy rather than the R&D policy. The industrial policy Green Book is a positive development in this area.
CSR 1: (...) Adopt and implement measures to narrow the gender pay gap, including those foreseen in the Welfare Plan.	Labour market participation of women	14/03/2017	Estonia has a high employment rate for women, but also the highest gender pay gap in the EU, that has nonetheless started to decline in in recent years. Admittedly, this is a long-term concern driven by many factors, such as segregation in employment and long parental leaves.

<p>The Welfare Development Plan just adopted is a welcomed comprehensive strategy addressing, among other issues, the causes of gender pay gap, in particular through equal pay audits, supervision by the Labour Inspectorate or, building on current activities, awareness-raising initiatives.</p> <p>However, the strategy needs to be spelled out in detail, adopted and implemented.</p> <p>The draft amendment of parental leaves could have a positive effect towards a more balanced use of benefits and EMCO looks forward to its swift adoption.</p> <p>Estonia has implemented a project to increase availability of statistics on gender pay gap, including by creating a combined database of all relevant drivers of this phenomenon. This is a positive step, but it is not clear if it addresses the need to improve data quality, in particular SILC data, that was noted by EMCO in previous conclusions.</p>
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Ireland

CSR/KEC 2016		Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	LTU	Long-term unemployment	15/12/2016	Ireland is a very advanced stage in implementing the Recommendation. Registration is carried out successfully, underpinned by the single benefit system, with outreach work focused on the most vulnerable groups. Services relevant to LTU are in one place (under arrangements which pre-date the Recommendation), coordinated by the PES. Nevertheless, there may be room for improving the data exchange with social services. The agreement with the unemployed (JIA) is regularly updated. Employer engagement is well advanced.
KEC: Provision of appropriate re-skilling and up-skilling opportunities to ensure that the education and training system provides the types of skills required by the economy Lifelong learning participation is below the EU average and shows a negative development. Participation in VET is below the EU average.		Skills and lifelong learning	09/03/2017	In a rapidly improving labour market, Ireland still faces challenges regarding low levels of participation in life-long learning and VET reform. Strong actions taken in this area include the adoption of a National Skills Strategy that diagnoses skills-related problems, and the set-up of a National Skills Council in early 2017 to identify and prioritise skills needs. This builds on the positive experience of the Regional Skills Fora, which bring together employers and the education and training system. Ireland is also reorienting some of the programmes for up-skilling and re-skilling (FET) together with additional action in Skillnets, although further sustained efforts to offer more opportunities for adult retraining would be welcome. EMCO looks forward to the implementation of this Strategy and the institutional changes that should translate into effective impacts on the ground.
CSR 3: Expand and accelerate the implementation of activation policies to increase the work intensity of households (...) Improve the provision of quality, affordable full-time childcare.		Labour market participation of women	14/03/2017	Even with strong employment growth (including among women) and falling unemployment, Ireland still faces a high share of its population in low work intensity households and the challenge of easing the impact of having children on the probability of being in employment. "Pathways to Work", last reviewed in 2016 and focusing on expanding access to

			<p>activation services to jobless people, is a welcome measure that addresses the recommendation and needs to be translated into action, since implementation is key for its effectiveness.</p> <p>Ireland is focusing its budgetary efforts on the provision of quality and affordable childcare. The Affordable Childcare Scheme plays an important role in that respect. The introduction of Childcare Regulations in 2016 should also help to improve the quality and availability of childcare provision. Efforts with this aim need to be sustained over time.</p>
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Greece			
CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	<p>EMCO's previous reviews have shown that there is considerable diversity across the EU in the type of long-term unemployment which Member States experience: in some it is a core group of LTU persons, whereas in others LTU is little different from short-term unemployment. Greece is clearly one of these latter countries: it is the overall economic picture which is causing the major difficulties. This has seen some small improvements recently but remains very challenging.</p> <p>As Greece has acknowledged, the authorities are not yet very advanced in implementing the LTU Recommendation and there is a long way to go. Nonetheless positive steps are being taken: outreach initiatives are to be welcomed; the new profiling system looks interesting; efforts are being made to link services together; the use of improved data collection should also help. EMCO looks forward to hearing about the impact of these and other steps which may be taken in the future.</p>
KEC: Need to further enhance the capacity of the Public Employment Service Oaed to deliver better designed ALMPs.	ALMPs and PES reform	17/01/2017	<p>Greece continues to show improvements in the labour market that are gradually reaching the most vulnerable groups, although the challenges ahead are still sizeable.</p> <p>Greece is aware of the need for change and continues with the efforts of reform in the area of ALMPs and PES, mainly on the basis of the "re-engineering" project started in 2013 aimed at a new service model and that has now entered its final phase. This project has already set forth a number of reforms, such as profiling methodology, an online portal, retraining of staff or satisfaction surveys. However, many other reforms will only materialise next year, such as increasing the number of caseworkers, drafting a new organisational chart or introducing performance indicators, which are needed to change management culture.</p> <p>Planned reforms should allow Greece to make decisive steps in 2017 and, if put in practice as foreseen, will address the challenge. Therefore, complete implementation without delay, based on the strong commitment of the Greek authorities is key.</p> <p>Evaluation will be a critical area and continuous monitoring and evaluation will be welcomed. The committee looks forward to learning from the results of these efforts.</p>

<p>KEC: High incidence of young NEET but showing positive development.</p> <p>KEC: Youth unemployment is still high</p>	<p>Youth employment</p>	<p>26/01/2017</p>	<p>In Greece the situation of the labour market continues to show positive signs, with youth unemployment and NEET rates falling, which is also reflected in the slightly improved social situation of youth. However, indicators are still at worrying levels, in some cases the highest in the EU.</p> <p>The effects of reforms continue to depend, among other factors, on recovery of the economy and of labour demand, while well-designed activation policies are key to support the integration of the unemployed in the labour market as the economy and labour demand gradually recover.</p> <p>In the framework of broader reforms, including a deep redesign of the delivery model of ALMPs, Greece has taken a number of initiatives around the Youth Guarantee, which go in the right direction and may have a notable impact in the long run. Focus on work-place training is welcomed. The programme on providing work experience in cutting-edge sectors benefits from work on skills anticipation, showing results of previous efforts. EMCO also welcomes the focus on employers' involvement, as it is essential for the success of apprenticeships and in the workplace training.</p> <p>Still, further efforts are needed to increase impact of the Youth Guarantee, both in terms of coverage and effectiveness. There is a need to thoroughly evaluate measures adopted in the last, broadening and deepening the current efforts.</p>
<p>KEC: Low participation in LLL and secondary VET.</p> <p>Need to further increase the connection of Vocational education and training, apprenticeships and lifelong learning to labour market needs.</p> <p>Promotion of an evaluation culture at all levels and sectors of education.</p>	<p>Skills</p>	<p>09/03/2017</p>	<p>Although there are some signs of improvement concerning the employment situation, the current context is still difficult for Greece with sizeable challenges related to skills and the VET system. Greece has undertaken extensive preparations for the VET reform and has designed a very ambitious reform package, of which many items are already in place. The Roadmap for modernisation and expansion of VET has been adopted, the Network of bodies responsible for skills has been defined, a quality framework has been established and a qualifications register is functioning.</p> <p>These efforts are therefore to be acknowledged, although their impact is not yet visible in addressing the Key Employment Challenges. All these reforms need sustained financing efforts to be effective. Monitoring and evaluation cannot be neglected since they are critical to identify progress and if necessary reorient policy. Therefore, Greece has work to do to ensure a thorough evaluation, both of the system in general and of individual policies. This can build on the recently launched evaluation of VET pilot projects.</p>

Spain

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on implementation of LTU recommendation</p> <p>KEC: Very high levels of long-term unemployment but decreasing for youth.</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>Spain has taken steps to address the problems of LTU but more needs to be done. The number of long-term unemployed remains very high. There is a focus on ensuring national minimum standards in the services provided to the unemployed and ensuring implementation of tools such as the Common Services Portfolio. Regional PES capacities also need to be strengthened.</p> <p>Spain has a wide range of employment policies to support the integration of LTU into the labour market and a PES information system. These are a good foundation but need to be built on further particularly regarding coordination with social services.</p> <p>Regarding the involvement of employers there are some regional experiences and also employer incentives for recruiting LTU but they are not yet yielding the desired results and need further refinement.</p>
<p>CSR 2: Take further measures to improve labour market integration, by focusing on individualised support (...) Enhance the capacity of regional employment services and reinforce their coordination with social services.</p>	<p>ALMPs and PES reform</p>	<p>17/01/2017</p>	<p>Spain is experiencing strong employment growth and there are positive trends related to unemployment with support of recent reforms, although high rates of unemployment and of long-term unemployment are still challenging.</p> <p>Policy action has been affected by interim political situation. Nevertheless, Spain is aware of the need for additional efforts and is taking important measures in the right direction, including additional funding for regional PES, developing a profiling tool or setting common standards for the provision of services by regional PES. Previous measures to modernise the PES have not sufficiently helped to increase the individual support.</p> <p>However, effectiveness of these reforms depends on regional PES capacity and these initiatives may not be sufficient for some regional PES, lacking the capacity to comply with objectives. The conditional funding should help orienting reform of PES while continuing to provide adequate funding to regional PES that need it the most.</p> <p>ALMPs spending shows increased focus on services, which is welcomed. Efforts of PES to attract vacancies should continue.</p> <p>It is important that the planned new Strategy for Activation Policies builds on the</p>

KEC: High (though decreasing) incidence of youth unemployment and NEET	Youth employment	26/01/2017	<p>conclusions of PES evaluation exercises, as well as other relevant inputs, including those on coordination with social services and translates into concrete policy action.</p> <p>Spain is experiencing a positive trend with increasing youth employment rate, job creation and decreasing youth unemployment. However, important challenges remain related to access of youth into the labour market and skills. Fighting youth unemployment and bringing down the high number of NEETs are still key issues. EMCO welcomes the series of initiatives which Spain has launched at national level to strengthen the provision of employment services to young people in school-to-work transitions.</p> <p>These should be monitored closely to assess effectiveness and impact. EMCO also encourages Spain to focus on the quality of offers in relation to the YG and sustainability of labour market integration and to continue efforts to reach all NEETs. EMCO notes the immediate positive effect on the coverage rate in the YG following from the new registration regulation. The planned new strategy for measures earmarked youth will be interesting to follow.</p>
<p>CSR: (Take further measures to improve labour market integration, by...) strengthening the effectiveness of training measures.</p> <p>CSR: Take further measures to improve the labour market relevance of tertiary education, including by incentivising cooperation between universities, firms and research institutions.</p>	Skills and education	09/03/2017	<p>Regarding CSR 2, a number of training reforms have been introduced which now need time to bed down. Evaluation of these will be important, but the arrangements for monitoring and evaluation are currently unclear. Arrangements for the involvement of stakeholders could also be reconsidered.</p> <p>A number of positive measures have been introduced regarding CSR 2: the initiative on work experience for doctoral students and the work on graduate tracking, for example. These do not yet seem to represent a comprehensive strategic approach, however.</p> <p>Budget changes have had a clear impact on the teaching profession and efforts to promote the mobility of students, and this context is important.</p> <p>Finally, EMCO notes the desire to carry out future reforms in higher education, and will watch this with interest. Those reforms would be expected to create a more favourable environment to cooperation between universities and business, namely in the area of education.</p>

France

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	<p>France still faces a significant challenge with LTU (and very LTU). It has taken action that is gradually improving the institutional setting in order to provide comprehensive quality assistance to LTU.</p> <p>This includes the main elements of the Recommendation and the system is now to be tested. In particular, it remains to be seen if what is perceived to be the key challenge - better coordination of <i>Pôle Emploi</i> with other organisations (such as <i>Mission Locale</i> for Youth or others for people with disabilities) - delivers the desired effects for continuity of attention to the LTU.</p> <p>More action is needed to involve employers in the integration of LTU. However, a number of initiatives, such as the "Zero Unemployed" to be launched at local level or the programme to employ 500,000 jobseekers seem promising and should have a positive impact.</p>
CSR: Reform the labour law to provide more incentives for employers to hire on open-ended contracts.	Youth employment	26/01/2017	<p>France took important steps to address the CSR, as the legislation that it called for was adopted in August 2016. The new measures built on measures taken in previous years. The results of the package are to be seen (i.a. in terms of use of collective bargaining provisions) and further ongoing discussions will follow (i.a. on the unemployment benefit), but the whole package goes clearly in the right direction and the necessary evaluations have been foreseen.</p>
CSR: Improve the links between the education sector and the labour market, in particular by reforming apprenticeships and vocational training, with emphasis on the low-skilled.	Skills	09/03/2017	<p>France needs to ensure effectively smooth access from VET to the labour market. The significant increase in enrolment numbers for apprenticeships is a positive first step.</p> <p>France is pursuing a number of ambitious measures with a comprehensive approach and a special focus on the low skilled. The Personal Activity Account, introduced in 2017 is a positive step forward. It merges and upgrades previous instruments, specifically the Personal Training Account and has reinforced support measures for the low skilled. The <i>Parcours d'Avenir</i> Programme, which intensifies career orientation and counselling, is promising. The reform streamlining governance, with a particular focus on national and regional cooperation is welcomed and the</p>

			<p>introduction of blocks of competences could provide flexibility to the VET system. There are encouraging developments although the overall impact needs to be assessed over time, particularly as the results which are hoped for are very ambitious.</p> <p>Work should continue on complementary issues such as school-based VET curricula reform and making the Personal Activity Account fully operational.</p>
<p>CSR 3: (...) By the end of 2016, take action to reform the unemployment benefit system in order to bring the system back to budgetary sustainability and to provide more incentives to return to work.</p>	<p>Labour market participation</p>	<p>14/03/2017</p>	<p>The reform of the unemployment benefit system, which is the core of the CSR, has now been adopted, which is welcomed. EMCO looks forward to seeing how it contributes to reconciling the various demands of stability and sustainability, the automatic stabiliser function of such benefits, its implication for labour costs and segmentation, the provision of incentives to work, and the prevention of poverty.</p> <p>France has done a lot in other areas to encourage return to work. These measures appear to be well thought-through but will need to be monitored and evaluated to see if they achieve their goal of increasing employment. Regarding the specific labour market inclusion challenges faced by people with a migrant background, EMCO takes note that these people have access to all the measures of ordinary law, complemented where relevant with policies prioritising certain geographical areas. Again, monitoring and evaluation will be needed to ensure that these are improving the situation of these people sufficiently.</p>
<p>CSR 2: Ensure that the labour cost reductions are sustained and that minimum wage developments are consistent with job creation and competitiveness.</p>	<p>Wages and competitiveness</p>	<p>05/04/2017</p>	<p>With a broad package of measures, France has set as a priority to restore competitiveness. It has done so by reducing labour costs lowering the tax wedge with tax credits that are now being strengthened and with additional incentives for SMEs. This is showing results, but needs to be sustained over time.</p> <p>France has also adopted structural reforms affecting the wage setting scenario. The 2016 Reform of the Labour Law, enabling more flexibility in collective bargaining, is welcomed and has the potential to affect wage dynamics. This will require social partners translating the new rules to their everyday practice.</p> <p>On minimum wage, recent trend is moderate, but the level is still high. Looking forward, continuous monitoring will be important to identify any possible negative effect on employment and ensure it evolves in accordance to employment developments.</p>

Croatia

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on implementation of LTU Recommendation</p> <p>CSR 2: Provide appropriate up- and re-skilling measures to enhance the employability of the working-age population, with a focus on the low-skilled and the long-term unemployed.</p> <p>KEC: Both the long-term unemployment rate and the share of long-term unemployed in total unemployment are significantly higher than the EU average.</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>Croatia has taken a number of steps to implement the Recommendation but more remains to be done. Registration of the Long-Term Unemployed is not a particular problem in Croatia. Work is in hand to develop a Single Point of Contact on the basis of the principle of exchange of information but there is a long way still to go. The ongoing work on a profiling tool to help prepare Job Integration Agreements is of interest, and EMCO looks forward to hearing more about this in the future. Improved caseload for PES case managers is a good step but the overall capacity of PES remains a large issue. More could be done on employer involvement.</p> <p>As regards Croatia's Country-Specific Recommendation, measures have been put in place and a strategy is being developed – but implementation is challenging due to resource constraints.</p>
<p>KEC: Youth unemployment and youth NEET rates are very high.</p>	<p>Youth employment</p>	<p>26/01/2017</p>	<p>Despite positive developments in the labour market, an increase in youth employment and a reduction in youth unemployment, the situation of young people - in particular high long-term unemployment and high NEET-rate - is still a key challenge which needs to be addressed. Shortcomings in the education system at many levels (poor basic skills, skills mismatch etc.) is also a problem which requires further action as this impact the transitions to the labour market.</p> <p>EMCO welcomes the many initiatives which Croatia has taken to address the challenges. The actions taken are relevant and on the right track but further efforts are needed. It will be particularly interesting to follow the redefinition of the ALMP, including the measures relating to youth, and the revision of the implementation of the YG. EMCO encourages Croatia to continue monitoring and evaluating the measures and processes.</p>
<p>CSR 2: By the end of 2016, take measures to discourage early retirement (...)</p>	<p>Labour market participation</p>	<p>14/03/2017</p>	<p>Croatia faces a serious challenge of pension adequacy in a difficult demographic context. Croatia is well aware of this challenge and has developed thorough proposals which should help address this challenge. Implementation of this will be politically challenging, but delay is likely to result in more drastic measures being needed later.</p>

			<p>Croatia is well aware of the need to build public support and involve the social partners in order to overcome the obstacles to implementation. EMCO encourages Croatia to press on and succeed in its reform efforts.</p> <p>EMCO also notes a particular interest in Croatia's reform of the classification of hazardous jobs and would like to hear about how this progresses: it is an area of interest for many Member States.</p>
<p>CSR 3: In consultation with social partners, harmonise the wage-setting frameworks across the public administration and public services.</p>	<p>Wages and competitiveness</p>	<p>05/04/2017</p>	<p>Croatia continues to take steps in the right direction to reform the complex system of collective bargaining in the public sector. Progress is acknowledged in the preparatory works on the adjustment of wage-setting mechanisms in public sector and the development of a central coordination system for collective bargaining, with a common methodology and guidance for negotiating, coordinating and monitoring collective agreements. Involvement of social partners in these works is positive and should help materialise the reform.</p> <p>However, the new legislation to harmonise wages across the public administration and public services recently postponed is still needed to effectively adjust in practice wage-setting across the whole public sector, thus strengthening government control over the public wage bill, but also contributing to wage developments in the general economy consistent with preserving competitiveness. EMCO looks forward to implementation of the reform.</p>

Italy

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on implementation of LTU Recommendation</p> <p>KEC: Long-term unemployment high, especially among young people</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>Italy is far from having in place the main elements of the approach set out in the Recommendation. However, Italy is fully aware of the magnitude of the challenge and of the need for a deep reform of pre-existing policies, practices and even infrastructure to provide services to LTU.</p> <p>Therefore IT has launched an important programme of reforms that focus on PES capacity. The Agency for ALMPs (ANPAL), which was reported to be operational by beginning of 2017, is bound to play an important role. Substantial efforts need to be materialised when implementing those reforms in terms of coordination, exchange of data or standardisation of services provided to address regional disparities. The extent to which the policy response can also facilitate addressing these disparities warrants monitoring.</p> <p>The push for reforms is expected to continue and the Committee looks forward to seeing further reforms in place in the future.</p>
<p>CSR 4: Implement the reform of active labour market policies, in particular by strengthening the effectiveness of employment services. (...)</p>	<p>ALMPs and PES reform</p>	<p>17/01/2017</p>	<p>Despite slow economic growth, the labour market situation has improved in Italy, with falling rates of unemployment also for youth and low-skilled, partly supported by reforms. However, important challenges remain, notably in the form of structural weaknesses and the PES traditional low capacity and limited individual support.</p> <p>Italy recognises the need for reform in ALMPs and PES and has taken a number of steps forward in the right direction with the implementation of reforms for strengthening the effectiveness of employment services. The reforms in this area will go ahead unaffected by the referendum of December. In fact, the new National Agency for Active Labour Policies, ANPAL, is operative since November. ANPAL is in charge of developing a national system of active policies, by coordinating all actors, particularly regions and is therefore responsible to ensure policy consistency. This is a step in the right direction to address the long standing challenges in this area.</p>

The development of a profiling tool is welcomed and the launch of online services is a positive step.

However, the pace of reform is slower than expected. The Strategic Plan on ALMPs now being discussed with the regions will be key to materialise it in practice and the Committee looks forward an early adoption of the Plan.

The voucher for jobseekers (“*assegno di ricollocazione*”) recently introduced is creating a market for placement services, looks capable of changing the current model of service provision and the Committee looks forward to seeing results and learn from this experience.

The establishment of the National Institute for Analysis of Public Policies, launched in December, shows commitment to evaluation of these policies.

<p>KEC: Youth unemployment rate is very high, though improving.</p>	<p>Youth employment</p>	<p>26/01/2017</p>	<p>In Italy labour market conditions are improving. However, the situation of youth remains challenging with high unemployment and NEETs rates, many of them inactive. The implementation plan of the Youth Guarantee was ambitious and actions are showing encouraging results, with high numbers of young people registered, profiled and getting offers. The implementation of the Youth Guarantee has been a lever for structural change in ALMPs, PES reorganisation and improvements in the Education system in a context of broader reform, all of which is likely to have a positive impact on youth labour situation.</p> <p>The targeted reduction of social security contributions, linked to the use of a voucher for placement services (<i>assegno di ricollocazione</i>), has the potential to facilitate smooth transitions into employment.</p> <p>A key challenge is to make all these measures effective and ensure full-scale implementation in a coherent way exploiting synergies with existing measures.</p> <p>Given the number of reforms monitoring and evaluation of effects will be crucial. The use of a pilot to test the voucher is particularly welcomed.</p>
<p>KEC: Allocation and rewarding of labour not reflecting skills</p> <p>Low share of population with tertiary education but some positive developments</p> <p>High share of early school leavers but some positive developments.</p>	<p>Education reforms</p>	<p>09/03/2017</p>	<p>Italy has been implementing broad reforms in the area of skills and education over the last years. These reforms include the education system reform ("<i>La Buona Scuola</i>") and the Jobs Act. These are long-term reforms and it will take time for results to be visible. Despite these efforts, further actions are necessary, especially in the area of higher education and adult learning.</p> <p>Italy faces challenges regarding tertiary education, both in terms of low tertiary attainment and of labour market outcomes for graduates. Identifying and addressing the underlying reasons would be the necessary starting point for improving the situation. Participation in adult learning is low, especially among low-skilled people. Italy started in 2016 a National Skills Strategy; the implementation of this strategy is crucial and should also cover the enhancement of adult learning.</p> <p>Overall, EMCO welcomes the reforms and measures that have been put in place, particularly, the dual-system for work-based learning ("<i>alternanza scuola-lavoro</i>"), which Italy is introducing from scratch.</p>

<p>CSR 4: (...) Facilitate the take-up of work for second earners (...)</p>	<p>Labour market participation of women</p>	<p>14/03/2017</p>	<p>Despite recent improvements, progress is slow regarding gender gaps and Italy still faces a sizable gap in the employment situation of women, with potential long-term effects, for instance on pensions' equality. This is the result of multiple factors, among them low skills particularly of older generations, requiring broad policy action.</p> <p>Italy has adopted a number of measures addressing women participation in the labour market, including by reviewing tax-benefits, balancing the use and length of parental leaves, restricting discriminatory practices, such as the blank resignations for women or introducing from 2017 incentives for childcare in the form of nursery vouchers. Additional measures are planned to promote flexible work arrangements and extending child related protection to the self-employed.</p> <p>This wide range of measures goes in general in the right direction and will contribute to increase women participation. However, they are not part of a broader strategy that would help to provide consistency to the measures and it is unclear how attractive measures will be and whether their effect in the long run will be enough to address the challenge.</p>
<p>CSR 1: Shift the tax burden from productive factors onto consumption and property.</p>	<p>Labour taxation</p>	<p>05/04/2017</p>	<p>Italy has introduced a number of measures which amount to a step in the right direction in reducing the tax burden on labour, but the measures presented do not in isolation amount to a major tax shift.</p> <p>The tax exemption measures to incentivise local-level bargaining are interesting, and EMCO would like to hear how these develop in the future.</p> <p>As regards the measures supporting the hiring of certain groups, the usual caveats apply: these must be well-designed and monitored to ensure they are achieving their goals and not producing negative side-effects.</p>

Cyprus

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on implementation of LTU Recommendation</p> <p>CSR 5: Enhance the capacity of the public employment services and their provision to the long-term unemployed; improve outreach to the non-registered unemployed</p> <p>KEC: Long-term unemployment rate is increasing</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>Cyprus is taking steps to encourage registration of job-seekers, although further outreach efforts are both required and planned. PES capacity is being enhanced, and this will be crucial for the ability of PES to deliver integrated services. CY does have an existing mechanism for the SPOC, but the ongoing strengthening of PES capacity will be essential to offer intensified counselling and guidance. More resources will however be needed for the further implementation and follow up of these action plans.</p> <p>Individual action plans are in place and the number of PES counsellors is being increased. Cyprus has a number of initiatives underway in the field of co-operation with employers. EMCO welcomes the intention of performing an opinion survey amongst the registered unemployed to provide information on the de-registration, among others. The results of the opinion surveys carried out should be followed up with regard to the delivery or reskilling of LTU to meet labour demands and tailor made services for employers.</p> <p>Linking to that, regarding the implementation of the CSR/KEC, a number of ALMPs have targeted LTU and the rate of LTU has decreased but still is well above the EU average. Further efforts are needed in this area in terms of the quality and the availability of services provided (counselling, upskilling, profiling etc.).</p>
<p>KEC: Limited capacity of PES to deal with increased unemployment.</p>	<p>ALMPs and PES reform</p>	<p>17/01/2017</p>	<p>Unemployment in Cyprus is decreasing but is still at a high level. The sharp rise in Cyprus after 2008 caused the Public Employment Services (PES) serious capacity problems, but ground is now being made up (albeit with delays). The capacity of the PES is being improved, which is being welcomed. Equally welcome are the steps which are being taken to improve its efficiency as well, of which the upgrading of e-services is an important step.</p> <p>Co-operation with private employment services is welcome, and EMCO will be interested to see the results of the pilot project. As ever, it will be important to design an appropriate framework for co-operation and to get the incentives right.</p> <p>EMCO also welcomes the introduction of a comprehensive monitoring system for active labour market policies.</p>

<p>KEC: Youth unemployment and NEETs are higher than the EU-average.</p>	<p>Youth employment</p>	<p>26/01/2017</p>	<p>Data show that the youth labour market situation in Cyprus is improving but remains a significant challenge (youth unemployment and NEET rates are still high). A number of policy measures are being deployed, which go in the right direction. It seems that Cyprus is implementing a comprehensive approach to address the issue. Good connections and partnerships with other Ministries and social partners seem to be in place.</p> <p>Concerning the design of specific measures, Cyprus took into account in the issue of deadweight effects and made efforts to prevent it. The continued follow-up by counsellors of subsidised young employed, even after the end of the subsidy, is a good practice.</p> <p>Concerning the promotion of outreach activities, Cyprus is aware that outreach to NEETs remain a challenge and has put in place a relevant strategy, while the effects of disincentives to work are being monitored. However, structural challenges, such as PES capacity and the issue of skills mismatch remain.</p>
<p>KEC: Low participation and lack of effectiveness of Vocational Education and Training to meet the needs of the labour market</p>	<p>Vocational education and training</p>	<p>09/03/2017</p>	<p>Cyprus is making efforts to address the KEC, and the Committees look forward to seeing their results in the future. Much of the roadmap has been implemented although much still needs to be done. Improvements in apprenticeships are welcome but concrete results still need to materialise. Enhancing the VET schools capacity and reinforcing outreach and awareness-raising will now be important to increase take-up of VET to the desired levels. The current positive work with industry provides a good basis to cater for specific local needs and build for the future.</p>

Latvia

Latvia			
CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	Implementation of the Recommendation in Latvia is well advanced: the Single Point of Contact is in place (and further improvements to it are planned); Job Integration Agreements are comprehensive and regularly revised; significant employer outreach is carried out although the employer incentives is less clear and extra initiatives aimed at older LTU are to be commended. Registration remains a concern: under-registration is significant, and there are doubts about the effectiveness of using the social assistance system to keep people registered, suggesting more outreach is needed.
CSR 2: (...) step up measures supporting recipients in finding and retaining work, including through increased coverage of activation measures. (...)	ALMPs and PES reform	17/01/2017	<p>The improving labour market situation in Latvia underlines the remaining challenges regarding older workers and disadvantaged groups. EMCO welcomes the activation measures for social assistance recipients, although there is some concern as to whether these are holistic (with sufficient access to related services e.g. health) and sustainable enough. Latvia's co-operative approach with international institutions in this area is commendable.</p> <p>Whilst, overall, the CSR is certainly implemented, the efficiency of those implementing measures remains to be seen.</p>

<p>CSR: Speed up the curricula reform in vocational education, establish – with the involvement of social partners – a regulatory framework for work-based learning and increase their offer.</p>	<p>Skills</p>	<p>09/03/2016</p>	<p>The establishment in 2016 of the regulatory framework for Work Based Learning is a welcome move to address the CSR. Latvia takes a "bottom-up" approach to work-based learning reform. Scaling up of employers' engagement will be a challenge. Progress has been limited in the ambitious reform of VET curricula. The curricula reform with the aim of moving to a learning-outcome-based system and a reduced number of professional standards is a desirable objective. The reform is progressing according to schedule, but needs to advance at a faster pace to reach the key milestones set for 2018.</p> <p>Other developments go in the right direction, in particular the involvement of employers in the Sectorial Councils, the effort to produce labour market forecasts underpinning training priorities, and reforms in governance related to skills.</p>
<p>CSR 1: Reduce the tax wedge for low-income earners by exploiting a growth-friendly tax shift towards environmental and property taxes and improving tax compliance.</p>	<p>Labour taxation</p>	<p>05/04/2017</p>	<p>Latvia continues to take measures to reduce their tax wedge on labour. Nonetheless it remains one of the highest in the EU. Latvia is well aware of the issue of inequality: this could perhaps be explicitly included in a future CSR. Latvia has also taken steps to improve tax compliance.</p>

Lithuania

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	<p>Lithuania is experiencing positive trends in the labour market with the share of LTU now among the lowest in the EU. Many elements of the Recommendation on LTU are in place, with the individual action plans regularly updated and an IT platform for data sharing as strong points. Cooperation agreements with employers to hire long term unemployed are valuable.</p> <p>However, performance is uneven more can be done to improve registration of the long-term unemployed and Lithuania acknowledges the need for further action, in particular on the Single Point of Contact.</p>
CSR 2: (...) Reinforce the coverage and effectiveness of active labour market policies. (...)	ALMPs and PES reform	17/01/2017	<p>The labour market situation continues to improve in Lithuania, with falling general and youth unemployment rates and low long-term unemployment. However, some groups, namely older and low-skilled workers, have low participation rates.</p> <p>The shift from subsidized employment towards training measures as well as the commitment to improve the scope and coverage of ALMPs are welcomed as steps forward in addressing the CSR. However, spending on ALMPs remains comparatively low and there is still scope for additional funding.</p> <p>The new Law on Employment seems promising and may contribute to improve the effectiveness of ALMPs if implemented as planned. There is scope for new ALMPs addressing apprenticeships, traineeships, vocational training combined with employment incentives or mobility, which will be delivered with greater responsibility by the municipalities.</p> <p>The Committee reviewed also the YEI-supported project "New Start", which builds on the previous "Discover yourself", which had favourable comments in last review. The Committee expressed great interest in the regular assessment of the efficiency of training measures and the follow-up of the employment situation of beneficiaries.</p>

<p>CSR: Strengthen investment in human capital and address skills shortages, by improving the labour market relevance of education, raising the quality of teaching and adult learning.</p>	<p>Skills and education</p>	<p>09/03/2017</p>	<p>A number of positive steps have been taken, especially in the area of VET. However, skills shortages, and linked with that e.g. adult learning and the quality of teaching remain a concern.</p> <p>Raising teacher salaries and salary development towards full-time (instead of hourly) payment in general is important to raise the attractiveness of the teaching profession. More Continuing Professional Development (CPD) for VET teachers would be welcome.</p> <p>Challenges remain also related to Higher Education: A number of additional measures are planned which should also help improving educational outcomes, in particular the compulsory assessment of teachers and the planned tracking of higher education graduates which might also contribute to improving the labour market relevance of education. These measures now need to be implemented, monitored, and evaluated, to see if they have the desired impact.</p>
<p>CSR 1: Reduce the tax burden on low-income earners by shifting the tax burden to other sources less detrimental to growth (...)</p>	<p>Labour taxation</p>	<p>05/04/2017</p>	<p>Lithuania has made progress in reducing the tax burden on low-income earners, and there is now potential scope for shifting tax to other sources. New systems for ensuring better tax compliance are also welcome. The reforms will now need to be monitored for their overall effect on revenue, labour supply and income inequality.</p>

Luxembourg

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	Luxembourg is taking a number of measures to discourage de-registration once benefits are exhausted, although there is room for improvement as regards multi-channel registration possibilities. Coordination of services to the LTU is rather weak, not least due to the fact that exchange of data is not permitted, although efforts are being made to enhance co-operation in service delivery. Preventive action and personalised support from the PES offer a good basis for JIAs. Work with employers is well established and greater joint skills forecasting has been identified as an area for future exploration.
KEC: Educational outcomes remain unsatisfactory for children of people with migrant background	Skills and education	09/03/2017	Luxembourg is taking a number of measures to address the challenges related to the particularly high heterogeneity of their school population. These include a greater stress on language acquisition in early childhood education and care, strengthening the induction and further training of teachers and a reform of the orientation procedure at the end of primary education to the different tracks of secondary education. The establishment of a national observatory to monitor school quality is also a positive move. A number of other important reforms are planned which will help to address the challenge, and the Committees look forward to their implementation in the future.
KEC: Low employment rate of older workers yet increasing over the last years. Low duration of working life with improving trend. (Linked to the part of CSR 1 on increasing incentives to work longer.)	Labour market participation	14/03/2017	The issue identified in the KEC is not an urgent priority for Luxembourg. It has nevertheless taken sensible steps in the right direction. Discussions should now lead to action, as postponing further will make the situation progressively worse.

Hungary

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	Hungary's self-assessment as still having some considerable way to go on implementation was commendably clear and honest (it should also be noted that LTU is not the main concern for the Hungarian labour market). A Single Point of Contact is not yet in place and there is currently a lack of cooperation and IT support exchange between key actors. Implementation plans for all the crucial aspects of the Recommendation (registration, SPOC, JIA...) which look well thought-through at this stage exist: now they need to be put in place. EMCO looks forward to reviewing this implementation in the future.
CSR 3: Facilitate the transition from the public works scheme to the primary labour market and reinforce other active labour market policies. (...)	ALMPs and PES reform	17/01/2017	<p>The issue of the public works scheme in Hungary has been contentious in recent times. EMCO's position on such schemes is that they can be a useful part of a policy mix but must lead to the open labour market. The improved labour market situation in Hungary puts an even stronger emphasis on the need for this transition.</p> <p>In this context, EMCO very much welcomes the shift in emphasis towards other active labour market policies (ALMPs), and improved targeting for these as well as for public works scheme. An increased training offer to public works scheme participants is also a good step, as is an improved profiling scheme.</p> <p>Policies in Hungary therefore appear to be very much on the right track. EMCO notes that a number of planned actions may be announced in the near future which would also have a bearing on this policy area.</p>

<p>CSR: Take measures to improve educational outcomes and to increase the participation of disadvantaged groups, in particular Roma, in inclusive mainstream education.</p>	<p>Education reforms</p>	<p>09/03/2017</p>	<p>Hungary is aware of the challenges it is facing in the area of education and skills and has put forward a number of measures, which go in the right direction. The ESL early warning system, which started operating in November 2016, is promising, as is the special support program for students and schools which are characterised by low performance of students. According to EMCO these measures constitute steps forward; however there is scope in linking these efforts to other labour market initiatives.</p> <p>EMCO also welcomes the efforts aiming at strengthening the quality and capacity of the VET schools, and considers as a step forward the measures targeted to enhancing pre-school education. Furthermore, EMCO welcomes the measures presented for promoting desegregation and attracting teachers.</p> <p>However, the question remains to what extent these measures will be enough to address the challenges Hungary is facing, in particular as regards improving the educational attainment levels of the Roma population; adapting VET to the needs of the labour market and assisting young people who have already dropped out from the education system. This will be judged by the outcomes when these will be available.</p> <p>EMCO takes note of the continuous debate on education reform and waits for more information when further decisions will be taken.</p>
<p>CSR 2: (...) reduce the tax wedge for low-income earners.</p>	<p>Labour taxation</p>	<p>05/04/2017</p>	<p>Hungary has certainly taken steps to reduce the tax wedge and further, conditional, steps are planned: EMCO will be interested to see how these work out.</p> <p>Some classic measures have been taken to encourage the hiring of certain groups. As ever these need to be well-designed to avoid substitution and deadweight effects, and so on. Ex-post evaluation of the labour market impact of these measures will be important.</p> <p>More could certainly be done in this area but any future CSRs probably need to be more focused than the current, rather broad formulation.</p>

Malta

CSR/KEC 2016		Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	LTU	Long-term unemployment	15/12/2016	Malta is at an advanced stage of implementation of the Recommendation. In general, its investment in prevention of LTU seems to work well. The Maltese system of financial incentives for private operators to find non-registered or inactive people is distinct and interesting. There are differences of opinion as to exactly how unified Malta's 'single point of contact' is but it must be concluded that it seems to work well. The Job Integration Agreement is well established, but the monitoring and follow-up actions could be further strengthened. The outreach to employers is very comprehensive, inter alia as a result of the PES benchlearning exercise.
CSR: Take measures to strengthen labour supply, in particular through increased participation of low-skilled persons in lifelong learning.		Skills and lifelong learning	9/03/2017	<p>Confronted with challenges related to skills shortage, still high early school leaving rate and a high share of low qualified workers Malta continues to take measures to address skills imbalances. These are positive steps based on analysis of skill needs, data on labour market integration of graduates and changes in occupations (particularly the deployment of a National Skills Survey). The commitment to focus on the needs of the low skilled looks promising.</p> <p>There is also visible progress in other areas: the National Skills Council, which aims at improving governance by bringing together the worlds of education and skills, is already operational. There is also progress in enhancing career guidance and there are programmes in place to promote investing in skills both by firms and individuals. These are good policy responses which need to be sustained, since results will take time to have effect.</p>

<p>KECs: The female employment rate remains low despite significant improvements</p> <p>Despite improvements, the employment rate of older workers remains below EU average, and the employment rate of older women significantly below EU average.</p> <p>Despite improvements, duration of working life remains below EU average. For women, this indicator shows significant improvements but from very low levels.</p>	<p>Labour market participation of women</p>	<p>14/03/2017</p>	<p>Malta is experiencing very positive trends in female labour market participation, with employment rate for women under 30 years of age well above the EU average.</p> <p>These developments are reinforced by the comprehensive and successful set of measures implemented to increase availability and affordability of childcare and to make work pay, including the in-work benefits, increased conditionality ("tapering of benefits"), hiring incentives ("access to employment"), tax rebates and the free childcare scheme operating since 2014. These are producing tangible results already visible in evaluations.</p> <p>The issue of low labour market participation of older women needs to take into account the cohort effect and that it will take time to bear fruit.</p> <p>EMCO continues noting Malta's concern that the Labour Force Survey may seriously underestimate the employment rate in connection to problems to sample foreign workers.</p>
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The Netherlands

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on implementation of LTU Recommendation</p> <p>KEC: Share of long-term unemployed in total unemployment is increasing</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>The Recommendation is, to a very large extent, already implemented in the Netherlands. Registration is not a problem. The Netherlands does not have a Single Point of Contact as such due to the specific institutional division of labour, but the existing arrangement seems to function much like a SPOC in practice, in particular from the point of view of the LTU. Co-operation between services could nonetheless improve in some areas. Joint Integration Agreements are not signed in paper form but tracking and monitoring does not seem to be a problem. Older workers are a particular problem in the Netherlands, and the targeted policy response could be of interest in other countries.</p>
<p>KEC: Level of activation of unemployed and spending on active labour market policies are decreasing.</p>	<p>ALMPs and PES reform</p>	<p>17/01/2017</p>	<p>The budget for active labour market policies remains reduced. The Netherlands is attempting to compensate for this reduction in the level of activation partly through tax-reduction measures on low-wage earners, which is an interesting initiative. There has been much decentralisation of service provision to the municipalities which raises questions on coordination and quality assurance. The Netherlands is putting in place a monitoring system and retains the ability to take corrective action centrally where problems arise.</p> <p>As a forerunner in the provision of e-services it is interesting to note that the Netherlands is now refining its system through re-introducing a greater personalised element for certain vulnerable groups.</p>

<p>CSR: Tackle remaining barriers to hiring staff on permanent contracts and facilitate the transition from temporary to permanent contracts. Address the high increase in self-employed without employees (...)</p>	<p>Youth employment</p>	<p>26/01/2017</p>	<p>For the Netherlands the CSR and last year's MLS remain valid. The Netherlands provided an update on temporary contracts and self-employed without personnel. Concerning temporary contracts it is still relatively early to conclude whether the measures that had been put in place had the desired outcome. In addition, it is difficult to identify the reason behind the rise in the short-term contract as it is difficult to distinguish whether the increase is due to the economic cycle or due to policy response.</p> <p>Concerning the self-employed the government is reassessing the design of the Employment Relations Deregulation Act (DBA), which is not expected to be put in force before January 2018. EMCO will welcome more information on the Dutch response to labour market segmentation, perhaps in the context of the mutual learning.</p>
<p>KEC: Weak labour market outcomes for people with a non-EU migrant background.</p>	<p>Labour market participation of specific groups</p>	<p>14/03/2017</p>	<p>The Netherlands has close to full employment which puts the focus on particular groups who are doing less well. The policy focus on education, and tackling early school leaving in particular, is important for improving outcomes for second or third generation migrants. It will be important to monitor local implementation to ensure that best practices are shared.</p> <p>Labour market discrimination is notoriously difficult to tackle. The measures introduced by the Netherlands are limited but may help to improve the situation.</p> <p>The Dutch approach of avoiding past mistakes with new arrivals, and intervening early with the participation contract and a focus on labour market integration seems important.</p>

Austria

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	<p>Austria's system in place to provide assistance to the LTU builds on the experience of many years, and is generally in line with the principles of the Recommendation. One of its particular strengths is strong involvement of social partners and a close partnership with employers.</p> <p>An area of interest to watch in the future is coordination with the <i>Länder</i>, which are responsible for minimum income schemes, in particular considering that a framework coordination agreement with the federal authorities expires at the end of 2016 and is not planned to be extended.</p>
CSR: Take steps to improve the educational achievements of disadvantaged young people, in particular those from a migrant background.	Education reforms	09/03/2017	<p>Austria demonstrates a very good labour market performance which puts a particular focus on the position of migrants in the labour market and the strong impact of socioeconomic and migrant background on education results. EMCO welcomes the new Education Investment Act, which aims at the further expansion of all-day school forms, however notes that synergies with other initiatives for provision of childcare facilities should be pursued.</p> <p>In addition EMCO welcomes the adoption of the legislative package implementing part of the 2015 reform plan, the 2016 School legislation package. This is a long-term, ambitious programme therefore short-term results should not be expected. EMCO encourages the implementation of the full package and notes that the sustainability of some of the measures relating to duration and funding should be ensured. The presented measures for provision of language courses are interesting and important, and the fact that they focus not only on children and incoming migrants but also on other adults is welcome. Also, the possibility to combine them with other active labour measure should be further explored. Finally, EMCO finds that the scope of this CSR, i.e. the focus on education only, is narrow and that it could have been broadened to other sectors such as social and health.</p>

<p>CSR 2: Improve the labour market participation of women. (...)</p>	<p>Labour market participation of women</p>	<p>14/03/2017</p>	<p>Austria enjoys a good position in terms of female employment rate, but part-time employment is far more frequent among women than among men and after rising steadily in the last few years now more than 80% of workers on part-time are women.</p> <p>The National Action Plan for Gender Equality, which provides the framework for policy action in this area, is well on track, with most of the measures already implemented. The right of part-time workers to get information on full-time vacancies is positive but part-time is still one of the main drivers of gender gaps in the labour market and efforts should continue.</p> <p>Austria continues to make efforts in providing childcare and following these efforts, some progress is visible, with coverage rate for children under 3 years of age increasing.</p> <p>The Family Time Bonus Act, which entered into force in March 2017 and aims at supporting the more equal sharing of childcare between women and men, is a positive step, in particular the planned partnership bonus for parents splitting equally care responsibility.</p> <p>Awareness raising initiatives, such as the "online calculator for the joint household income" could also be helpful to promote equality. The results of these measures should be closely monitored.</p> <p>A wider strategy on gender pay gap would be welcomed.</p>
<p>KEC: High tax wedge on labour costs</p>	<p>Labour taxation</p>	<p>05/04/2017</p>	<p>Austria's tax reforms, which are essentially additional supplementary measures to the major tax reform which was implemented in 2016, are welcomed. The tax wedge remains high but recent evolution is substantial. Austria is well aware of the outstanding issues and is looking at how these can be tackled. EMCO looks forward to hearing about the next steps in this process.</p>

Poland

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	<p>Poland's provision of information on labour market services works well, although incentivising people to enter the labour market is a challenge. The main challenges faced by Poland are the lack of a Single Point of Contact, which has been difficult but could be established through the local labour market centres, and the cooperation with employers that could be strengthened in order to target the more vulnerable groups of the labour market.</p> <p>Individual action plans are in place for all registered unemployed people, but data is not shared across organisations. There are formal arrangements in place for the involvement of employers and other stakeholders in implementing labour market policy but there is room for improvement in this area, and Poland has plans to address this.</p>
KEC: Effectiveness of PES targeting of specific groups of unemployed.	ALMPs and PES reform	17/01/2017	<p>Labour market conditions kept their positive trend in Poland during 2016, which resulted in low levels of general unemployment and also improved the situation of older workers, youth and women, although they still have lower employment rates.</p> <p>The cooperation between PES and social assistance is being promoted by the Activation and Integration Programme, aimed at groups most distant from the labour market, in particular the LTU.</p> <p>The main challenge is now to exploit all employment reserves, with particular attention to those under-represented in the labour market (notably older workers, vulnerable groups and disabled) and PES effectiveness is key in that respect. Plans for further reform need to materialise and evaluation should be strengthened to guide reform.</p> <p>Youth unemployment remains a cause of concern and Poland continued to implement specific measures targeted at this group. The "Work for Youth" Program, which aims to reach 25% of unemployed youth continues to be well regarded as an effective tool to integrate youth, in particular, the pillar of the Program combining employment and skills development through the National Training Fund.</p> <p>The review also examined the situation of programmes aimed at older workers and</p>

<p>CSR: increase participation in the labour market by (...) improving the labour market-relevance of education and training.</p>	<p>Skills</p>	<p>09/03/2017</p>	<p>women, in particular the “<i>Maluch</i>” Program, which seeks to improve quality of childcare. This program seems to go in the right direction, although it is too early to identify its impact.</p> <p>After a broad debate at national level, Poland has just adopted a wide ranging reform of the VET system, introducing two-level training in newly-branded “Sectorial (or Trade) Schools”, intended to work closely with their economic sector. The measures to assure this link are still to be developed. Curricula have been already partially revised and new titles are planned. This is welcome.</p> <p>Additional action includes strengthening guidance for students, a move to better integrate and register of existing qualifications facilitating validation of skills acquired through work experience and setting up a Higher education Graduate Tacking System and an Occupational Barometer, which are positive steps towards greater skills monitoring and forecasting.</p> <p>However, some concern surrounds the potential negative effect of earlier tracking on students and the insufficient focus on key competences. Life-long learning, in particular for low-skilled adults' needs stronger focus and policy response.</p> <p>Action to facilitate the smooth re-integration in the labour market of Poles returning from abroad and to counterbalance the loss of human capital due to migration outflows would also be beneficial.</p>
<p>CSR 2: (...) increase participation in the labour market, by (...) removing obstacles to more permanent types of employment (...)</p>	<p>Labour market participation</p>	<p>14/03/2017</p>	<p>There is a long history to this CSR: for some time in the past discussions focused on the reduction in the use of the civil law contract. In 2016 EMCO concluded that the time was right to look at this issue as part of the broader balance of labour law. The measures introduced by Poland go in the right direction but need to be implemented thoroughly and the use of open-ended contracts is still discouraged by a number of obstacles. EMCO looks forward to hearing about how Poland's plans progress in the future, especially as per the ongoing labour law reform.</p>

Portugal

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on implementation of LTU Recommendation</p> <p>CSR 3: Ensure the effective activation of the long-term unemployed and improve the coordination between employment and social services.</p> <p>KEC: High share of long-term unemployment.</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>Portugal is well aware of the scale of the LTU challenge they face (the rate of long-term unemployment remains one of the highest in the EU), and has identified several relevant policies and initiatives in order to address it, including an individual approach, a more detailed registration and a more complete Job Integration Agreement.</p> <p>Public Employment Services are at the centre of the on-going reforms. Registration with PES is generally good, and the Employment Plan is a good basis for the integration of LTU, although more efforts are needed in ensuring their effective activation. However, plans to go forward with setting up a Single Point of Contact faces difficulties related to PES capacity and institutional obstacles. Progress on that front could build on the positive experience of a pilot project in selected municipalities. Enhancing involvement of employers also needs further action.</p> <p>Regarding the application of the CSR, more efforts are needed in ensuring effective activation of long-term unemployed. Despite active labour market measures targeted at long-term unemployed developed in recent years it will take time to absorb such high levels of LTU and additional specific measures targeted at their integration based on the recent study of Active Labour Market Policies produced by the Government are necessary.</p>
<p>CSR: Strengthen incentives for firms to hire through permanent contracts.</p>	<p>Youth employment</p>	<p>26/01/2017</p>	<p>The labour market situation in Portugal is gradually improving. However, the excessive use of temporary contracts remains a significant concern, and it is also related to the challenges in the labour market situation of young people. Portugal has in place a comprehensive strategy to reduce segmentation, in terms of EPL and ALMPs, however, it is still early to judge the effect of these measures.</p> <p>New measures are under discussion and evaluations of existing measures are being carried, however, there is still room for improvement regarding some of the provisions of current measures.</p> <p>EMCO encourages Portugal to continue with the evaluation and improvement of the reforms, building upon the ones that are already in place. Furthermore, EMCO welcomes the re-increase in the number of labour inspectors.</p>

<p>CSR: Incentivise cooperation between universities and the business sector.</p>	<p>Education reforms</p>	<p>09/03/2017</p>	<p>Portugal has implemented a strong and integrated plan to address the challenges, which is bringing together elements of research, education, labour market as well as of industrial policy. This plan seems ambitious and comprehensive and also responds to Portugal's aim to prevent brain drain, which is a serious concern.</p> <p>Significant efforts have been made to foster education cooperation in the polytechnic institutes. On the side of the universities, cooperation with businesses is namely supported for research programmes and less for the teaching programmes.</p> <p>According to EMCO, Portugal has gone a very long way in implementing this CSR. Therefore, EMCO suggests to the Commission, in case the issue is to be maintained for the current year, to focus on specific elements.</p>
<p>CSR 2: In consultation with social partners, ensure that the minimum wage is consistent with the objectives of promoting employment and competitiveness across sectors.</p>	<p>Wages and competitiveness</p>	<p>05/04/2017</p>	<p>Portugal has significantly increased the minimum wage in recent years as part of policy to make work pay and to reduce in-work poverty, following its freeze between 2012 and October 2014.</p> <p>Portugal is aware of the potential implications of increasing the minimum wage on employment and competitiveness. For this reason, it is monitoring closely minimum wage developments with quarterly reports that are discussed with social partners. This is very welcomed.</p> <p>Portugal is also pursuing to make recent increases in minimum wage compatible with preserving employment and competitiveness with accommodating measures, including in the tax system.</p> <p>In view of planned further increases in the minimum wage and taking into account that its level is already high relative to median wage (second highest in EU), and the coverage rate is high among the low-qualified and young workers, it will be essential to keep the current careful monitoring in place. Portugal also has to step up efforts to enhance employability of those groups more at risk of having their employment prospects negatively affected by further increases in the minimum wage, particularly by education and training.</p>

Romania

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU recommendation	Long-term unemployment	15/12/2016	<p>Although only the jobseekers registered with PES benefit from the services and ALMPs provided according to the law, registration of LTU is low and needs improvement. Although Romania does not yet have a Single Point of Contact, initiatives are in place to set up joint intervention teams from PES and social services to better support LTU.</p> <p>Romania has implemented individual action plans that are currently drafted for every registered unemployed. In 2016, the PES developed for the first time a profiling and segmentation procedure for jobseekers. However, complete JIAs are not yet foreseen.</p> <p>Cooperation with employers has to be further developed. Measures have been taken to incentivise more placements with employers for the long-term unemployed.</p>
CSR 2: Strengthen the National Employment Agency's services to employers and jobseekers, in particular by tailoring services to jobseeker profiles, better linking them with social assistance, including social services (...)	ALMPs and PES reform	17/01/2017	<p>Romania is experiencing strong positive trends in the labour market with low unemployment and increasing employment rates.</p> <p>Romania acknowledges the need for reform and has taken very important measures in line with the CSR. These measures are welcome, although success will depend on their sustainability. Progress is visible in strengthening services to jobseekers.</p> <p>A thorough reform of service delivery is being implemented by the National Employment Agency, including training of PES staff and a profiling procedure for jobseekers which will allow individualised interventions, with special focus on disadvantages groups of jobseekers.</p> <p>ALMPs have also been revised. Late in 2016 Romania launched a comprehensive reform to promote geographical mobility of jobseekers aimed to address the obstacles previously identified. It is too early to see results, but the package is promising and monitoring will be important for future assessment. In any case, a more integrated approach may be needed to have greater impact. Attention also needs to be paid to the focusing, targeting and provision of ALMPs to groups furthest away from the labour market.</p>

			<p>Romania is also stepping up efforts towards youth, since integration of youth into employment remains a challenge. Cooperation with the education sector and social services is planned. In parallel, new incentives were introduced to boost hiring of LTU and young NEETs.</p> <p>However, plans to enhance services to employers are lagging behind.</p> <p>Overall, important progress has taken place, but efforts should continue to have real impact on jobseekers and the labour market in general.</p>
<p>CSR: "[Strengthen the National Employment Agency's services to employers and jobseekers, in particular by...] reaching out to unregistered youth (...)</p>	<p>Youth employment</p>	<p>26/01/2017</p>	<p>The labour market in Romania is improving, although the situation of youth remains challenging, with still high unemployment and NEETs rates and many NEETs inactive. The reform efforts of Romania are acknowledged. Coverage of the Youth Guarantee has so far been low. The initiative to register potential NEETs is a valuable contribution to address the current challenges. Together with the use of profiling tools it will allow tailor-made interventions. This, coupled with enhanced cooperation could in turn help overcome the challenges related to the limited capacity of PES.</p> <p>Dedicated measures within the Youth guarantee need to be launched to provide quality offers and efforts need to be sustained to materialise reforms and have real impact on youth as soon as possible.</p>

<p>CSR: Take action to prevent early school leaving and increase the provision of quality education, in particular among Roma.</p>	<p>Education reforms</p>	<p>09/03/2017</p>	<p>Romania has put in place a number of reforms which seem to go in the right direction. EMCO welcomes the measures aiming at taking additional legal action to ban school segregation in schools, providing funding to attract and retain qualified and competent teachers in disadvantaged schools, and upgrade teachers' competences. The measures for improving early child education and care, as well as the recent initiatives to prevent early school leaving are steps forward.</p> <p>However, these measures need up-scaling, while concerns arise regarding their sustainability. Most importantly, implementation must be ensured. Despite the relevance of these measures EMCO has doubts whether they will be enough to address Romania's challenges regarding early school leaving and provision of quality education for all.</p>
<p>CSR 2: Establish, in consultation with social partners, objective criteria for setting the minimum wage.</p>	<p>Wages and competitiveness</p>	<p>05/04/2017</p>	<p>Minimum wage is set to grow by almost 30% between 2016 and 2020 on top of previous significant increases. Overall, the past, present and planned developments of minimum wage in the circumstances of the Romanian labour market make it a factor of risk for competitiveness that could also end up affecting productivity and vulnerable groups. This makes it necessary to find a sustainable growth path from now on.</p> <p>EMCO greeted last year that Romania has a structure in place to take decisions on the minimum wage. The formalisation of the tripartite expert group with the active involvement of social partners to build a strong evidence base for the design of a mechanism for future minimum wage adjustments is a positive step forward. However, no results are yet in place and it is important that the results of this works are taken into account to set the minimum wage in the future.</p> <p>The need for a transparent and predictable mechanism for setting the minimum wage in Romania continues. Good experiences of other countries in this respect could be a useful reference. Monitoring and evaluation should also be a key ingredient to set the minimum wage in the future.</p>

Slovenia

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation KEC: More than half unemployed are long-term unemployed.	Long-term unemployment	15/12/2016	<p>Long-term unemployment still represents more than half of all unemployment in Slovenia. A large majority of jobseekers are registered with the PES, and efforts are underway to strengthen co-operation with social service centres. Further measures to reach out to discouraged inactive people could be considered. The PES acts as a single point of contact, and there is a special procedure in place to aid labour market integration for people with multiple social obstacles. However there is room for improvement with regard to the mechanism for the exchange of information between the different relevant institutions providing services to the LTU.</p> <p>The individualised approach will be developed through a profiling tool and counsellor training and EMCO looks forward to hearing about progress towards strengthening job integration agreements. There is room for improved contact with employers regarding the most vulnerable, and Slovenia is taking initiatives to improve co-operation with employers.</p>
KEC: Despite a positive trend, persistently low spending on ALMPs and low participation of older and low-skilled workers.	ALMPs and PES reform	17/01/2017	<p>The labour market in Slovenia is improving at fast pace, with unemployment rate now below EU average. Positive trends reached also older and low-skilled workers, although for the former employment rate remains far from the national average and both groups constituted a substantial share of total unemployment, therefore remaining a focus of attention.</p> <p>Spending on ALMPs, which has been traditionally low, is increasing and planned to meet the estimated needs in the current period. However, spending is still below the average and there is room for further efforts especially as regards a better integrating of older workers and low-skilled.</p> <p>Participation of these groups on ALMPs shows a very positive trend although it should increase further to meet the challenge.</p> <p>Slovenia has strengthened its ALMPs as a response to the KEC. In particular, following an OECD report, it has launched a wage supplement to speed-up exits</p>

			<p>from unemployment of the low-skilled. The experience of Competence Centres seems to be also positive.</p> <p>Slovenia is also intensifying efforts towards older workers while continuing the tax relief for employers hiring workers older than 55. Slovenia is also starting a new five years ESF supported programme for active ageing at work that provides support to employers to increase employability of older workers. Finally, it is also reinforcing the Program for Human Resource Development to support employers retain older workers in certain occupations.</p> <p>The Strategic document on older workers could be instrumental in promoting better situation of this group when translated into action.</p> <p>All these measures, which add to the reforms examined in previous reviews aimed at improving PES effectiveness, could have a positive impact on targeted groups if sustained over time.</p> <p>Monitoring and evaluation of all those measures will be important and the Committee looks forward to seeing the results of those evaluations.</p>
<p>CSR 2: In consultation with social partners, increase the employability of low-skilled and older workers, including through targeted lifelong learning and activation measures.</p>	<p>Labour market participation of specific groups</p>	<p>14/03/2017</p>	<p>Slovenia has policies in place which take a holistic approach to labour market participation, and which encompass both groups (older and low-skilled workers) specifically mentioned in the CSR. These policies appear to be well thought-through but now need to be implemented, monitored and evaluated to see if they deliver the hoped-for results (and are sustainable) in the medium to long term.</p>
<p>KEC: Need to strengthen social dialogue at the tripartite level.</p>	<p>Labour taxation</p>	<p>05/04/2017</p>	<p>EMCO welcomes Slovenia's reforms of existing systems in an attempt to improve social dialogue. As ever, social dialogue comes with no guarantees – Member States can only create conditions for co-operation. Slovenia has certainly taken some major steps to try to do this and now has to see if they achieve the desired result.</p> <p>Representativeness of social partners is an issue for Slovenia as for many other Member States, as it the need for governments to balance support for social partners with respect for their independence.</p>

Slovakia

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on implementation of LTU Recommendation</p> <p>CSR 2: Improve activation measures for the long-term unemployed and other disadvantaged groups, including individualised services and targeted training.</p> <p>KEC: Insufficient provision of personalised services to the long-term unemployed. Long-term unemployment is very high but decreasing</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>Slovakia has a comprehensive registration system in place, although more outreach work could be beneficial. In particular, further improvements could be made in terms of outreach activities to register unemployed who are not currently receiving a benefit. A single point of contact exists, delivering integrated social and employment services. There is a scope for improvement with regard to re-assessment and reactivation of jobseekers who enter the social benefit system and in the provision of individualised services. The ambitious action plan on long-term unemployment is addressing these issues. Individual action plans exist, and are being developed further in line with the Council Recommendation. Whilst there is some co-operation with employers, there is room for improvement in this area.</p> <p>Drawing on this, with a view also to the CSR, some steps have been taken to improve activation measures for the long-term unemployed and other disadvantaged groups. However, more efforts are needed including on individualized measures for the long-term unemployed.</p>
<p>KEC: Share of employees in involuntary temporary employment contracts around the EU average but increasing significantly.</p>	<p>Youth employment</p>	<p>26/01/2017</p>	<p>The Slovak authorities are aware of the challenge of the increasing share of temporary contracts. Legislative measures have been put in place, which go in the right direction, however, the results of these measures will take time to be visible. In the case of Slovakia, temporary employment should be seen in a broader context, and especially in relation to EPL and unemployment benefits.</p>

<p>CSR: Improve educational outcomes by making the teaching profession more attractive and by increasing the participation of Roma children from early childhood in mainstream education.</p>	<p>Skills and education</p>	<p>09/03/2017</p>	<p>Slovakia has a long-term commitment to significant annual salary increases for teachers. More pay raises are also envisaged in the future but it remains to be seen whether these will be sufficient overall to increase the attractiveness of this profession.</p> <p>Slovakia has also introduced a number of other measures: changes to working conditions, better CPD, reduction of the administrative burden. This broader approach to the issue of the attractiveness of the teaching profession is very much welcomed, and should continue in the future in order to address this challenge.</p> <p>Difficulties continue to be experienced with the Roma, and more needs to be done to tackle this particular challenge. The question of the marginalised Roma pupils continues to be a major challenge for the education sector in Slovakia, particularly in terms of desegregation and inclusion into quality mainstream education.</p>
<p>CSR 2: (...) Facilitate the employment of women, in particular by extending the provision of affordable, quality childcare. (...)</p>	<p>Labour market participation of women</p>	<p>14/03/2017</p>	<p>Slovakia still experiences one of the highest impacts of motherhood on women employment rates in the EU, with a consolidated difference in the use of long parental leaves.</p> <p>EMCO welcomes the continuous efforts to increase childcare services. Progress is more visible for children of 3 years or more, but not so for children below that age.</p> <p>The amendment of Social Services Act will help to set quality standards for care of children 0-3 years and facilitate new offers of childcare services, which is welcomed. However, ensuring quality will need sustained efforts. Taking an integrated approach to female labour market participation linking childcare with leave arrangements and other labour market institutions will be important.</p> <p>Childcare allowance is also a positive step contributing to address the recommendation.</p> <p>EMCO continues to be interested in the results of the pilot project "Family and Work" and looks forward to hear about the assessment of its results.</p>

Finland

CSR/KEC 2016	Topic thematic review	Date	Conclusions
<p>Report on implementation of LTU Recommendation</p> <p>KEC: Continued increase in (long-term)unemployment, putting pressure on the provision of ALMPs</p>	<p>Long-term unemployment</p>	<p>15/12/2016</p>	<p>The situation in Finland is advanced and in line with the contents of the Recommendation. Although registration is very good for the group covered by the Recommendation, there are challenges related to young people and services for discouraged workers. There is a 'one-stop shop' for the LTU but the transmission of data on a job integration agreement between PES and social service as well as between PES and private service providers could be further improved. Job Integration Agreements tend to be rather broad but could still be improved. <i>Inter alia</i> through better follow-up and regular updates. Co-operation with employers is well-established and successful, and the recruitment trial is an interesting model.</p>
<p>CSR 2: (...) Increase incentives to accept work and ensure targeted and sufficient active labour market measures, including for people with a migrant background. (...)</p>	<p>ALMPs and PES reform</p>	<p>17/01/2017</p>	<p>Finland's CSR addresses the need to ensure cost-effectiveness of active labour market policies and avoid dead-weight effects. Finland has introduced a number of measures to address this. The monitoring of the long-term unemployed at three month intervals is welcome. The Social Investment Bonds are an interesting initiative, and EMCO looks forward to seeing the results of the in-built evaluation mechanism. The integration of language and vocational training for migrants is valuable and should yield positive results. And the basic income scheme being piloted will doubtless be of interest for the EU as a whole.</p>
<p>CSR: Take measures to reduce regional and skills mismatches.</p>	<p>Skills</p>	<p>09/03/2017</p>	<p>Finland faces skills mismatches and training of workers challenges, in particular, in order to be able to respond to rapid growth and economic changes while sustaining past efforts. The policy response in the South-West region to rapid growth in skilled labour demand is an example to follow.</p> <p>Finland is preparing a comprehensive reform of VET system for 2018 which will be a move towards a more flexible, customer-oriented system based on competences. Work Based Learning and apprenticeships will be extended. The reform foresees a reduction in the number of qualifications and merging the current two training systems (initial and continuing VET) into one. This planned reform seems promising.</p>

			<p>Reforms are also planned in higher education, where the duration of studies will be reduced. Furthermore there will be a special focus on immigrants' basic skills and the long-term unemployed. Action should also focus on retraining of workers to increase their employability and on ensuring that equitable access to VET is maintained.</p>
<p>CSR 2: While respecting the role of social partners, ensure that the wage setting system enhances local wage bargaining and removes rigidities, contributing to competitiveness and a more export industry-led approach.</p>	<p>Wages and competitiveness</p>	<p>05/04/2017</p>	<p>Building on previous efforts, Finland has taken additional decisive measures to determinedly address the challenge of competitiveness. In particular the Competitiveness Pact, freezing wages for one year, among other measures, is a significant step forward with a wide range of measures likely to have a positive impact on employment. Progress in promoting wage bargaining at local level and the initial consensus by social partners on moving towards an export industry-led wage-setting mechanism are substantial steps in the direction of the recommendation, yet some aspects of the future system of wage negotiations are still open.</p>

Sweden

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	Sweden has a well-developed registration system which allows cross-registration with other authorities (e.g. those providing social services). Although there is no single point of contact as such there is well-established and effective co-operation between all authorities, which includes the sharing of information. JIAs are agreed early in the period of unemployment, when profiling for the risk of LTU also takes place.
KEC: Youth unemployment ratio higher than EU average.	Youth employment	26/01/2017	Sweden enjoys a positive situation in the labour market, also for youth, with particularly good outcomes in relevant features. Building on past experience, Sweden continues to roll-out gradually the 90 day guarantee while seeking to provide early intervention with additional measures. Plans to strengthen cooperation with municipalities are considered key for success. Plans are adequate and have the potential to address the challenge of decentralisation. Exchange of experiences from local authorities could also be useful to address new challenge like the integration of new arrivals. Outreach to potential and unregistered NEETs continues to be a difficult task, whereby the exchange of experiences and the evaluation of different approaches at local level may prove particularly helpful. Particular groups with multiple barriers to employment remain a challenge for employment policies and therefore merit particular attention.
KEC: Share of low-achievers in reading, science and mathematics around the EU average, but showing significantly negative developments. Deterioration of education outcomes and equity.	Skills and education	09/03/2017	Sweden has undertaken a number of positive initiatives which should help deal with the main challenges identified by the KEC, particularly the direct investment in teachers' salaries. The recent 2015 PISA results indicate that outcomes are moving in the right direction, and on-going initiatives should help reinforce that positive trend.

United Kingdom

CSR/KEC 2016	Topic thematic review	Date	Conclusions
Report on implementation of LTU Recommendation	Long-term unemployment	15/12/2016	<p>With positive trends in the labour market and record low unemployment, the UK has in place an almost complete system to cater for the LTU, with a quite unique approach in which private providers play a major role.</p> <p>Policies for LTU are in a transition scenario as the UK moves towards the full roll-out of the universal credit. There is a registration challenge for those who are unattached to the labour market and not claiming a benefit.</p> <p>There are a number of other promising initiatives which may deliver positive results in the future in particular regarding employers' involvement or enhanced attention to those furthest away from employment.</p>
CSR: Address skills mismatches and provide for skills progression, including by strengthening the quality of apprenticeships.	Skills and lifelong learning	09/03/2017	<p>The UK is making major policy changes with appropriate budgetary support in the area of skills. In particular, the introduction of an apprenticeship levy will raise dedicated funds from firms from May 2017, and the Institute for Apprenticeships in England, an independent body led by employers, will promote quality standards in apprenticeships. This goes in the direction of addressing the recommendation. The involvement of employers is particularly welcome.</p> <p>The recently announced reform of technical education could also contribute to provide training opportunities for adults.</p> <p>Skills forecasting requires further action to overcome dispersed responsibility and to provide an authoritative source of skills intelligence. Finally, the ambitious objectives identified in the Apprenticeships vision in England for 2020 including quality will require timely policy implementation if they are to be attained.</p>

<p>CSR 3: (...) Further improve the availability of affordable, high-quality, full-time childcare.</p>	<p>Labour market participation of women</p>	<p>14/03/2017</p>	<p>In a context of high female employment rate, the UK is aware of the need to promote employment among those with care responsibilities and continues to work on increasing the availability of quality childcare.</p> <p>Extended free childcare to parents of 3-4 years old children from September 2017 could have significant positive effects given the promising results in terms of coverage by early adopters.</p> <p>The tax-free childcare is an innovative incentivising instrument that merits close monitoring of use and effects. EMCO looks forward to hear from the Government's assessment of this measure.</p> <p>The strengthening of the universal credit for parents of small children could also contribute to address the recommendation.</p> <p>While quality is increasingly being addressed, additional action has been taken to increase availability of childcare, such as relaxing planning rules or simplifying procedures to become child-minders. However, sufficient supply of affordable, full-time quality care remains a challenge for the UK to have a childcare system matching its economy.</p>
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