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NOTE

From: Presidency
To: Permanent Representatives Committee/Council
Subject: European Semester 2019
- Policy debate

Delegations will find attached a discussion paper prepared by the Presidency, in preparation of the policy debate at the EPSCO Council on 15 March 2019.

"The European Pillar of Social Rights – an initiative for improving the functioning of the labour market and social protection systems across the EU"

European Semester 2019 - Policy debate

EPSCO Council, 15 March 2019

The European Pillar of Social Rights proclaimed at the Social Summit for Fair Jobs and Growth in Gothenburg on 17 November 2017 sets the principles for a more social Europe for all EU citizens. It aims to strengthen social rights by supporting fair and well-functioning labour markets and welfare systems, in the short and medium term.

Despite the economic upswing, further efforts are needed to foster more sustainable and inclusive growth, including innovative ways to improve social systems and to boost quality job creation across the EU. Boosting skills and productivity, reducing disparities and ensuring the effective implementation of the European Pillar of Social Rights are key to achieving these goals. Moreover, there is a need to reinforce the economic and monetary union.

The implementation of the principles set out in the European Pillar of Social Rights has to be supported by the allocation of adequate resources to increase employment opportunities, especially for those furthest away from the labour market. Special attention has to be given to preventive measures and to ensuring that strategies are integrated.

In order to build more dynamic labour markets, investment in skills and in efficient adequate tools is crucial. It is important to maintain a balance between vocational training and education, the responsibilities of individuals and of employers.

At the same time, an appropriate balance between active labour market measures and adequate levels of social protection is needed, based on a multidimensional approach, including a flexible set of measures in accordance with the socio-economic specificity of each Member State.

Creating more and better jobs is also one of the main objectives of the Europe 2020 Strategy. In this context, the European Employment Strategy, including its Employment Guidelines and programmes, was designed to contribute to economic growth and job creation, workers mobility and social progress. The Europe 2020 Strategy will soon come to an end, and thus the EU needs to reflect upon the way forward. In particular, it needs to maximise the synergies between EU policies and the UN Sustainable Development Goals.

Meanwhile, the Member States have to continue to implement policies aimed at maintaining an optimal level of employment by creating new jobs, preserving existing jobs and increasing the employability of the unemployed as well as by improving and adapting their skills to the requirements of the local labour market.

In the context of the new world of work, in which working lives are becoming longer, more diverse and mobile, social and employment policies have to be tailored to the new reality, in order to allow workers to acquire proper skills, thereby fostering access to different jobs (ensuring labour mobility). At the same time, it is also necessary to safeguard or even to improve the level of social protection in the context of new forms of employment. Such systems need to be adapted to workers' and employers' capacity to contribute and to the new patterns of employment and must take into account demographic dynamics and projections. Acquired social protection rights should also be preserved in case of transition between different working situations in accordance with national practices.

At the same time, a bigger number as well as a greater diversification of jobs constitute important elements to respond to the challenges regarding unemployment persisting at EU level. Additional investment is needed to stimulate growth and the development of a favourable environment for creating quality jobs, both by implementing entrepreneurship development programmes and by reducing tax burden on labour.

Ongoing changes in employment patterns are also changing the balance of responsibilities between employers and workers. In some cases, workers' responsibilities regarding their own working conditions are likely to increase. Irrespective of the changes in the structure of employment, decent working conditions must be ensured for all.

A functioning single market is one that also cares for the social implications of the reforms needed to boost employment and growth and to enhance competitiveness.

In the context of these new European trends, it is necessary to identify new ways to promote reliable and flexible labour relations, combined with adequate support during transitions, while aiming to avoid labour market segmentation as well as ensuring protection against social risks.

Against this background, Ministers are invited to consider the following issues:

1. *What action could be taken in the context of the European Pillar of Social Rights in order to better link employment and social protection policies?*
2. *What (new) instruments are needed at European level in order to strengthen national and local initiatives to create quality jobs leading to inclusive growth?*
3. *Based on the experience gained in the European Semester cycles, which reforms are needed to effectively combat unemployment?*