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DRAFT REPORT

on European Semester for economic policy coordination: Employment and Social Aspects in the Annual Growth Survey 2019
(2018/2120(INI))

Committee on Employment and Social Affairs

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CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	3

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on European Semester for economic policy coordination: Employment and Social Aspects in the Annual Growth Survey 2019 (2018/2120(INI))

The European Parliament,

- having regard to the Commission communication of 21 November 2018 entitled ‘Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty’ (COM(2018)0770),
 - having regard to the draft Joint Employment Report from the Commission and the Council of 21 November 2018 accompanying the Commission communication on the Annual Growth Survey 2019 (COM(2017)0761),
 - having regard to the Commission recommendation of 21 November 2018 for a Council recommendation on the economic policy of the euro area (COM(2018)0759),
 - having regard to the Commission report of 21 November 2018 entitled ‘Alert Mechanism Report 2019’ (COM(2018)0758),
 - having regard to the Commission communication of 21 November 2018 entitled ‘2019 Draft Budgetary Plans: Overall Assessment’ (COM(2018)0807),
 - having regard to its resolution of 25 October 2018 on the employment and social policies of the euro area¹,
 - having regard to its resolution of 14 March 2018 on the European Semester for economic policy coordination: employment and social aspects in the Annual Growth Survey 2018²,
 - having regard to the debate with representatives of national parliaments on the priorities of the 2018 European Semester,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs and the opinion of the Committee on Women’s Rights and Gender Equality (A8-0000/2019),
- A. whereas the employment rate for those aged between 20 and 64 stood at 73.2 % in 2017, indicating that the EU is well on track to reach the 75 % employment rate target specified in the Europe 2020 strategy;
- B. whereas there are substantial disparities in employment rates across the EU;
- C. whereas while long-term unemployment and youth unemployment rates are declining at

¹ Texts adopted, P8_TA(2018)0432.

² Texts adopted, P8_TA(2018)0078.

EU level, they remain high in a number of Member States;

- D. whereas as new forms of work emerge, including platform and own-account work, social protection traditionally geared to covering workers in full-time open-ended contracts will need to be modernised and adapted;
- E. whereas although income inequality in the EU decreased slightly in 2017, in-work poverty remains unacceptably high, standing at 9.6 % of the working population;
- F. whereas the total number of people at risk of poverty or social exclusion (AROPE) stands at 22.5 % and while this is below pre-crisis levels, the Europe 2020 headline target of reducing AROPE by 20 million remains far from being reached; whereas the AROPE rate for children continues to decline but is still unacceptably high;
- G. whereas globalisation has helped to drive and underpin economic growth but its benefits are unequally shared;
- H. whereas the EU economy is now entering its sixth year of continuous growth and the dispersion of growth rates across the euro area is the smallest in the history of the EMU;
- I. whereas household incomes have grown more slowly than GDP and this raises questions about the inclusiveness of recent growth;
- J. whereas demographic change and increasing life expectancy present the pension, healthcare and long-term care systems with very significant challenges relating to sustainability and adequacy;
- K. whereas a well-functioning social dialogue is a key element of the European social market economy which strengthens social cohesion and reduces conflicts in society, to the mutual benefit of workers, employers and governments;
- L. whereas 80 million Europeans have disabilities and are therefore at greater risk of poverty and social exclusion;
- M. whereas the employment rate of women in 2017 is 66.5 %, yet the gender employment gap remains substantial, as does the gender pay gap;
- N. whereas informal or family carers are at greater risk of experiencing poverty, both during their period of caring and when accessing pension entitlements;
- O. whereas significant progress has been made towards reaching the 2020 headline target of an early school leaving rate of 10 % and on reaching the target of 40 % for tertiary education attainment, but large disparities still persist between Member States;
- P. whereas more than 40 % of adults in the EU do not have basic digital skills;
- Q. whereas housing exclusion, homelessness and housing affordability represent a highly significant challenge in many Member States;
- 1. Acknowledges the progress made regarding the Social Scoreboard, but notes that most Member States face challenges on at least one headline indicator and that 10 % of all

assessments are identified as ‘critical situations’;

2. Notes that all Member State economies are forecast to continue growing but at a slower pace; highlights the need to bridge the investment gap for research and innovation in infrastructure; calls on the Commission and the Member States to maximise their efforts in investing in affordable, accessible and high-quality education and training, including digital and transferable skills, and to promote lifelong learning and skills development; highlights the importance of reinforcing the initial training and continuous professional development of teachers and trainers; calls on the Member States to strengthen their vocational education and training systems and increase their alignment with labour market needs;
3. Calls on the Commission and the Member States to carefully examine the issue of in-work poverty and to propose solutions at both EU and national level to counter this most insidious issue; believes that immediate and coordinated action must be taken to reverse this trend, which threatens to fragment social cohesion and intergenerational solidarity; reiterates its concern at the high number of people at risk of poverty and social exclusion despite the decreasing trend; is especially worried about the high rates of child poverty; asks the Commission and the Member States to adopt all necessary measures to significantly reduce poverty, particularly child poverty; calls on the Commission and the Member States to give greater recognition to the work and expertise of NGOs, anti-poverty organisations and people experiencing poverty themselves, encouraging their participation in the exchange of good practices; points out that high levels of inequality diminish economic output and the potential for sustainable growth;
4. Notes with concern that skills mismatches are considerable, and calls on the Member States to prioritise quality public investment in education and training as a driver of sustainable and inclusive growth;
5. Underlines that the integration of the long-term unemployed through individually tailored measures is an important factor for fighting poverty and social exclusion and contributing to the sustainability of national social security systems;
6. Calls on the Member States to ensure that young people not in employment, education or training (NEETs) can avail of and benefit from the Youth Guarantee in a real and meaningful way;
7. Calls on the Commission and all Member States to initiate and/or strengthen the regulation of new forms of work; in this context, expresses concern about the coverage of atypical workers and self-employed workers, who often do not have full access to the social protection system;
8. Calls on the Member States to increase the coverage and effectiveness of active labour market policies, working in close cooperation with the social partners;
9. Calls on the Commission and the Member States to step up efforts for the further inclusion of people with disabilities in the labour market, by removing legislative barriers to creating incentives for their employment and ensuring the accessibility of workplaces;

10. Notes that micro-enterprises and small and medium-sized enterprises (MSMEs) are important for sustainable and inclusive development and job creation; calls on the Commission and the Member States to give greater consideration to the interests of MSMEs in the policymaking process;
11. Calls on the Member States and the Commission to take all necessary measures to improve work-life balance and boost gender equality; calls for the development of accessible and affordable high-quality care services and childcare and early education services, as well as adequate forms of support for family carers, who deliver the greater part of care in the EU; deplores the continuing gender pay gap; recognises that this issue requires a multifaceted response, and calls on the Member States to address it as a matter of urgency;
12. Recalls that increasing life expectancy requires the adaptation of pension systems in order to ensure sustainable and adequate pensions;
13. Deplores the failure to include the housing crisis among the top policy priorities for 2019, as house affordability and homelessness are fundamental issues of concern in many Member States;
14. Is of the opinion that cohesion policy, as one of the main investment policies of the European Union, has demonstrated its effectiveness in increasing social cohesion and reducing inequalities; encourages Member States to make full use of the funding available; welcomes the closer alignment of the European Semester and cohesion policy;
15. Instructs its President to forward this resolution to the Council and the Commission.