

EESC asks for 2020 Employment Guidelines to be adapted in the face of Covid-19 pandemic



The European Economic and Social Committee (EESC) has welcomed the Commission's proposal on revised employment guidelines for Member States, but asked for the guidelines to be adapted to take account of the looming employment and social crisis caused by the Covid-19 outbreak and to help cushion its adverse effects on Europe's labour markets.

The EESC suggests that, although the employment guidelines should be stable over a longer period and valid for all EU countries in their national contexts, for this year the possibility should be exceptionally considered of introducing an additional extraordinary or emergency guideline that would help Member States adjust their employment policies to the current unprecedented circumstances.

Such an emergency Covid-19 employment guideline could include references to efficient temporary measures needed to mitigate the impact of the crisis, such as short-term work arrangements, income support, extension of sick pay, postponement of employers' social security contributions, preliminary tax on salaries and value added tax and the promotion of remote working while respecting employers' responsibility for the health and safety of the employees, the EESC said.

The EESC has put forward its proposals in an opinion on the Commission's proposal for a Council decision on guidelines for employment policies of the Member States, adopted at its first plenary session since the outbreak of the pandemic. The plenary was held remotely on 7 May, with votes cast by EESC members in writing.

The Commission's proposal was adopted on 26 February 2020, before the start of the coordination of emergency measures to deal with the Covid-19 outbreak.

The rapporteur-general for the EESC opinion, **Ellen Nygren**, said: *The economic shock caused by the Covid-19 outbreak may have a severe and long-lasting impact on European labour markets. The employment guidelines could be an important tool for Member States, helping them to develop and implement policies and measures that could mitigate the economic and social impact of the Covid-19 crisis in the short term and to emerge from the crisis without undermining labour rights or losing competitiveness.*

A strong social dialogue is essential for any employment policy, Ms Nygren stressed. More needs to be done to facilitate and promote social dialogue, both at national and European level.

Although the role of the employment guidelines to serve as a compass is

important in the current context, when short-term measures are getting most of the attention, the long-term perspective must not be forgotten even in times of urgency, with a view to striving for sustainable economic and social development in all Member States and to eliminating disparities.

The crisis has earned Europe's healthcare workers enormous respect and appreciation, and has clearly pointed to the need to invest into public services and in the welfare system. Many workers who are typically considered low skilled and are commensurately low paid have emerged as indispensable in keeping the world moving during the lockdown, which has highlighted the need to protect these most vulnerable groups in the labour market both now and once the crisis ends.

The Covid-19 crisis is also sharply illustrating the existing structural problems in European labour markets, with workers in more precarious forms of work being harder hit in terms of losing income and job security.

Commenting on Guideline 5, which encourages the Member States to foster "innovative forms of work", the Committee acknowledged that new forms of work and innovation provided opportunities for growth. At the same time, it reiterated its warning about the many challenges associated with this type of work. It said the guidelines should seek to translate these trends into fair employment opportunities based on a balance between smooth transitions in labour markets and appropriate provisions for the security of workers.

It welcomed the call to set adequate and fair wages and recommended that the guideline should include proposals to strengthen the effectiveness of collective agreements by enhancing their coverage, while at the same time respecting the subsidiarity principle and the autonomy of the social partners.

For Guideline 6, which deals with enhancing labour supply and improving access to employment, skills and competences, the EESC welcomed the fact that the guideline referred to an overarching vision of competences aligned with a sustainable productive system, but called for more sustainable financing for reskilling and up-skilling of all adults through lifelong learning.

In a comment on Guideline 7, which relates to the social dialogue and the functioning of labour markets, the EESC welcomed advances made by the Commission in involving civil society in the European Semester process and said this should be built upon.

However, the EESC said Guideline 7 failed to address the need to improve occupational health and safety, which is vital in the context of the Covid-19 outbreak.

The Committee warned that the EU's coordination of employment policies must be adapted to respond to this new situation and, in this context, welcomed the establishment of the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) as a positive initiative to give immediate support to workers and businesses.

The employment guidelines have an important role in bringing together the Commission, national governments, employers and trade unions to modernise employment policies and social protection systems to match the changing economic and social context in Europe.

Under the EU Treaties, economic policies and promoting employment in the EU is a matter of common concern and, in this regard, Member States must coordinate their action with the Council of the EU. The latter has to adopt employment guidelines.

First adapted in 2010 in connection with the Europe 2020 strategy, the guidelines were aligned with the principles of the European Pillar of Social Rights in 2018. With the European Semester updated to incorporate the UN Sustainable Development Goals, the Commission is now also proposing a revision of the employment guidelines.