

EMCO thematic review conclusions 2017-2018 - Country examination – Final version

Belgium			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of Youth Guarantee	Youth Guarantee	12/12/2017	<p>With youth unemployment above EU average, but a NEET rate below it, Belgium has taken a number of concrete initiatives, in some cases embedded in more general strategies, to support young people willing to enter the labour market. One relevant feature is the strengthening of partnerships at multiple levels. Concerns continue to focus on the need to streamline and improve coordination, synergies and reporting between the entities involved in the Youth Guarantee implementation. Better coordination between the Public Employment Service and the educational sector is important in this regard. Efforts should be sustained to improve access to information about Youth Guarantee offers for young people and relevant stakeholders. Recent initiatives on interconnecting data sources are welcomed.</p> <p>Although concrete actions have been undertaken to reach out to non-registered NEETs, the challenge remains to reach out to those furthest away from the labour market. The evaluations planned will help to further improve implementation of the Youth Guarantee.</p>
KEC 6: Tax wedge on labour cost significantly higher than EU average though decreasing.	Segmentation and labour taxation	01/02/2018	<p>The tax shift adopted in 2015 aimed at reducing the cost of labour for employers and increasing net income for employees continues to be rolled out with additional reductions entering into force in 2018 as planned. This has been showing effects by contributing to employment growth and lowering the tax wedge, with further future reduction expected in the latter, in particular for low-wage earners. However, the total tax wedge on labour remains among the highest in the EU.</p> <p>Additional measures, in particular extending flexi-jobs to the retail sector or the “starter jobs”, a tax reduction for employers hiring young workers between 18 and</p>

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			<p>21 years of age at the minimum wage could further help create employment by lowering labour costs. Further monitoring of the effects of labour market measures such as the extension of the flexi-jobs and the starter jobs will be key to assess their value added.</p>
<p>CSR 2: Ensure that the most disadvantaged groups, including people with a migrant background, have equal opportunities to participate in quality education, vocational training, and the labour market.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>Whilst monitoring systems are in place, achieving improvements in the employment rate of the low-skilled, people with a migrant background and older workers remains a difficult challenge for Belgium. More generally, disincentives to work remain high, although some measures have been presented to reduce these. A number of measures have been introduced to try to tackle discrimination in the labour market, but it remains to be seen whether these will improve outcomes. Activation measures should be further strengthened.</p> <p>Whilst there has been some progress in agreeing the broad outlines of the education reforms, there remains much to be done to deliver these, educational inequalities persist. Reforms to tackle high educational inequalities remain therefore important.</p>

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Bulgaria			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	The institutional framework for social dialogue is well-established and is positively assessed by all players. The involvement of social partners in the Semester can be further improved, in particular by providing more time and opportunities for contributions and more feedback. The social dialogue climate seems to be strongly affected by the current tensions on the setting of the minimum wage on a multiannual basis, the minimum social security contributions and seniority bonuses. In the conclusions of the thematic review on wages, EMCO strongly encouraged Bulgaria to set up a mechanism for the transparent and predictable setting of minimum wage, which would provide certainty, help a smooth convergence process and be robust to political influence. Action in this respect by all relevant actors, including the Government, is needed to strengthen social dialogue in practice and unblock the current stalemate, building on the existing elements of consensus.
Report on the implementation of the Youth Guarantee KEC: Employment rate for men, younger workers and low-skilled is low, with some positive developments for men. The youth NEET rate is significantly higher than the EU-average, with some positive developments.	Youth Guarantee	12/12/2017	The NEET rate remains very high, but there have been improvements in the labour market situation for youth, and progress in the implementation of the Youth Guarantee. Concerns were raised about early-school leaving rates and Bulgaria provided an overview of some initiatives in the area. Partnerships have been strengthened, but it was acknowledged that there is a need for stronger involvement at municipal level. There were also concerns about the mismatch between the education system and the needs of the labour market. Overall, the Youth Guarantee in Bulgaria is achieving positive results but efforts need to continue. In particular, outreach and activation measures need to be intensified to improve coverage.

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<p>CSR 3: In consultation with social partners, establish a transparent mechanism for setting the minimum wage.</p>	<p>Wages and competitiveness</p>	<p>25/01/2018</p>	<p>Bulgaria continues to make progress towards an agreement to improve the mechanism determining minimum wage (MW), with intense negotiations with social partners and efforts by the government, which is welcomed.</p> <p>Recent progress seems promising and EMCO hopes that the ratification of the ILO Convention on MW is a stepping stone for consensus. However, even after the efforts following Council recommendations since 2014, to date the agreement is not yet complete, nor final. The need for setting up a mechanism that provides certainty and helps a smooth economic convergence process is pressing in view of the recent significant increases in MW and the plans to increase it even further.</p> <p>EMCO reiterates the usefulness of examples in other countries to create mechanisms for transparent and predictable setting of MW, which are robust to political influence. While this is achieved, MW developments should take into account, among others, the impact on employment prospects, in particular those of vulnerable groups. Further evaluation of these effects is needed.</p>
<p>CSR: Step up enforcement of measures to reduce the extent of the informal economy, in particular undeclared work.</p>	<p>Segmentation and labour taxation</p>	<p>01/02/2018</p>	<p>Bulgaria has a high share of undeclared work, concentrated in specific sectors. Fake part-time work and underreporting of wages (envelope wages) are of concern. Bulgaria acknowledges the challenge. It has taken a number of focused measures (for example, the introduction of one-day contracts in agriculture) within the overall Strategy on Undeclared Work, and this has delivered some results.</p> <p>Looking forward, the changes to public procurement rules and improvements to inspections should do so in the future. The behavioural experiments are promising: it will be interesting to see if these do lead to increased compliance with the tax regime. These will take time to bear fruit, by definition, so the fact that a system of monitoring and evaluation is in place is welcome.</p>
<p>CSR 3: Improve the targeting of active labour market policies and the integration between employment and</p>	<p>Wages and competitiveness</p>	<p>22/02/2018</p>	<p>The labour market situation in Bulgaria is improving but the improvement is not evenly spread. Disadvantaged groups still experience high unemployment and</p>

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<p>social services for disadvantaged groups.</p>			<p>inactivity. The share of long-term unemployed in total unemployment and NEET rate are still high. The limited participation in active labour market policies together with low funding and fragmentation of programmes are weakening the potential of activation policies.</p> <p>The introduction of the new Job Integration Agreement can help enhancing individual support. The low participation in ALMP measures is still a problem, partly explained by the limited available resources. Attempts for better targeting ALMPs have been made. However, more focus on upskilling is needed, which will help tackling skill mismatches. The new integrated approach for employment and social services is welcome.</p> <p>The implementation of the Strategy for the Modernization of the Employment Agency has started. Efforts to promote regional targeting have been put in place and the results will need to be assessed. There has been some progress in implementing the recommendation, however challenges remain. Monitoring and evaluation of the measures are crucial.</p>
<p>CSR: Increase the provision of quality mainstream education, in particular for Roma</p>	<p>Vocational education and training, skills and lifelong learning</p>	<p>06/03/2018</p>	<p>The strong impact of socio-economic background on low educational outcome and the high ESL rate are challenges that Bulgaria faces. Roma inclusion in education remains a challenge. The Bulgarian government is aware of these long-term challenges and responds by taking several steps, including peer-counselling activities. The implementation of the curriculum and education reforms is on-going and they are expected to improve the low educational outcomes.</p> <p>Bulgaria plans to review the school funding model, there are plans to allocate targeted funding to low performing schools, however this discussion is still ongoing. There is lack of provision of early childhood education and care, possibly due to costs. There are plans to double salaries for teachers and there are on-going efforts to attract young teachers to the schools system. However, investment in education remains an issue. A set of measures to improve school retention was put</p>

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			<p>in place, and include among others an inter-sectoral mechanism to bring back students who have dropped out. This mechanism involves also monitoring and evaluation tools. There has been focus on adult literacy projects and on language courses. In general, Bulgaria has made some progress in implementing the CSR. Efforts need to continue.</p>
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Czech Republic			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>The Czech Republic has made progress in implementing the Youth Guarantee and this should continue. The labour market situation of young people is improving and is better than the EU average. Therefore the focus is on harder to reach NEETs and NEET counselling.</p> <p>There are partnership arrangements in place; however the PES capacity to manage those partnerships is considered to be a challenge. Implemented activities are project based: a more coherent, systematic and stable approach could be needed for the youth support scheme. Evaluation and monitoring are important and are ongoing.</p>
KEC: Limitations in the efficiency and effectiveness of the public employment service.	ALMPs, LTU and PES reform	22/02/2018	<p>The labour market situation in the Czech Republic is favourable. The ALMP system however does not have a profiling system and there could be more focus on tailored measures and training for vulnerable groups.</p> <p>In order to address the Key Employment Challenge on limitations in efficiency and effectiveness of the PES, steps to improve the cooperation between employment and social services have been undertaken. The Efficient Employment Services Project as well as actions to strengthen the cooperation with employers have been launched. It remains important to ensure the sustainability of this project-based approach.</p> <p>There is a need to re-align the focus of ALMPs on training activities, alongside further work to improve profiling of the unemployed and to build partnerships. The new IT system, currently in the try-out phase and expected to be introduced soon, can contribute in this regard. The effectiveness of the public employment services could be increased, including by putting in place a performance measurement</p>

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			<p>system to ensure a better design of targeted ALMPs.</p> <p>Overall, some progress has been achieved and efforts are to be maintained.</p>
<p>CSR 2: (...) fostering employment of underrepresented groups.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>Some steps have been taken towards removing obstacles to greater labour market participation by under-represented groups, in particular of women. Efforts are being made to improve access to childcare. New childcare facilities were built, with financial support from the ESF. However, sustainability of these measures should be further ensured. Measures aiming at reducing the gender pay gap and at making the childcare and caring professions more attractive to men are still under preparation.</p> <p>Despite some progress, further policy measures are needed to support sustainable quality public childcare for the youngest children (0-2 year-olds) and help mothers return to employment.</p> <p>Some improvements in work-life balance, such as flexible parental leave and long-term care allowance were launched. However, most initiatives are still in early stages. The take-up of flexible working arrangements and the labour market participation of the low-skilled and people with disabilities remain low.</p>

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Denmark			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>Denmark has a well-established range of policy measures focused on young people and had already fulfilled the Council Recommendation on establishing the Youth Guarantee even before it was endorsed in April 2013.</p> <p>The country has established a strong partnership-based approach for the YG with inputs from job centres, municipalities, educational institutions, youth guidance centres, production schools, youth units, unemployment insurance funds, social partners, and others. This partnership approach will be further strengthened (possibly through the introduction of one stop shops).</p> <p>The organization of the YG and the partnership approach results in offers of quality, leading to sustainable outcomes.</p> <p>More efforts to increase the coverage of those NEETs who are not registered with the PES or an educational institution would be welcome. Besides, while some measures already address the issue, there should be enhanced focus on people with low educational attainment and skills, as well as young unemployed migrants.</p>
KEC 8: Efficiency of education spending.	Vocational education and training, skills and lifelong learning	06/03/2018	<p>In Denmark, the school system performs about average. However, there has been a positive trend in PISA results. Denmark introduced a guide on the organisation of compulsory school's teaching of bilingual students, which includes educational topics such as "Basic education in Danish as a second language". There are some concerns regarding the falling participation in VET pathways.</p> <p>A new funding system for higher education is being implemented, which aims to increase the quality of education programmes and strengthen the leadership focus on good teaching and a better transition to the workforce upon completion of</p>

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			<p>studies. It also focuses on students completing their course of study within standard time limits.</p> <p>In general, it seems that the current KEC does not reflect well the challenges Denmark is facing and thus its reformulation should be considered.</p>
<p>KEC: The employment gender gap (aged 30-54) has increased significantly. The inactivity trap for second member of a couple is higher than the EU average.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>The active labour market policies implemented by the Danish authorities in recent years in order to tackle challenges linked to inactivity traps are welcome and need time to work. It is likely that they will address positively the KEC in the longer term.</p> <p>There is a strong focus on increasing the incentives to work, by introducing several measures aimed at “making work pay”, such as putting a ceiling on social assistance and introducing tax incentives for full-time work. These show positive first-hand results and are likely to tackle the issue related to inactivity traps in the longer term. The development of the employment gender gap in some age groups (i.e. 30-54 years) needs to be monitored, and the possible causes identified.</p>

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Germany			
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Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	The labour market situation of young people in Germany continues to be good, with low youth unemployment and NEET rates. The Youth Guarantee system is well developed and functioning appropriately. Building on previous progress, Germany continues intensifying their efforts to improve the system further, including the Alliance for initial and further training, the new partnership with key stakeholders now being developed, and the collaboration with Youth Employment Agencies. EMCO looks forward to seeing the results of recent monitoring of the work of these Agencies. In this context, the challenge of integrating certain groups, such as people with migrant background, refugees, and young women deserves continuous attention. Monitoring remains a challenge, in particular for follow-up of exits of the system, due to the complex organisational setting of information sources. This merits further efforts.
CSR 2: Create conditions to promote higher real wage growth, respecting the role of the social partners.	Wages and competitiveness	25/01/2018	<p>Against a background of strong and dynamic labour market performance, wage developments in Germany show a relative growth trend, at least when measured by real hourly wages. Structural factors and a possible change in the content of collective bargaining are affecting these developments.</p> <p>Beyond macro conditions, two key elements for wage growth seem to be available for government influence:</p> <p>First, the statutory minimum wage (MW) introduced in 2015 and raised in January 2017 is a strong element in supporting wages at the lower end of the wage scale, which is welcomed. The fact that the raise in 2017 was based on the assessment of the MW Commission is also positive. Before the</p>

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			<p>introduction of the statutory MW, minimum wages were established in certain sectors, such as the temporary agency workers or the long-term care sector. The reform of the Temporary Agency Work Act in 2017 which aimed at promoting equal pay for temporary workers is also a positive step. It will be essential to monitor the effect of those measures.</p> <p>However, by 2017 there still were high numbers of workers below or close to the level of MW. Effective implementation will be crucial.</p> <p>A second key element for wage growth is represented by collective bargaining, where the autonomy of the social partners has to be respected. Rules for collective bargaining were reformed in 2014 with the aim of strengthening it and countering the trend in declining coverage. Effective monitoring of effects will also be relevant.</p> <p>Sustained wage growth is necessary to contribute further to rebalancing the euro area. EMCO invites Germany to continue focusing on this challenge in the coming years.</p>
CSR: Reduce the high tax wedge for low-wage earners	Segmentation and labour taxation	01/02/2018	The review reconfirmed the main elements of previous conclusions. The CSR calls for a reduction of the high tax-wedge for low-wage earners. Limited steps were taken in the two previous years, but as EMCO noted then, this needed to be evaluated against the background of a strong and dynamic labour market and in light of the principled position of Germany that social security needs to be entirely financed by contributions. Again this year, rather limited steps have been taken and rather more could be done.
CSR: Accelerate public investment at all levels of government, especially in education, research and innovation.	Vocational education and training, skills and lifelong learning	06/03/2018	Education, research and innovation are priorities for the German government and the governments of the federal states (<i>Länder</i>). Public spending on education as share of GDP remains below the EU-average, however Germany has systematically increased investment in the field of

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			<p>education, including in the recent budgets and further financial planning (on federal as well as on regional level). Local level investment was increased and is mainly foreseen for the renovation of schools buildings. There are plans to revise upwards the target for research and innovation.</p> <p>The integration of students with a migrant background, increasing student numbers and inclusion of special needs students are challenges that need to be continued to be responded to. Germany has introduced the excellence strategy to strengthen universities. It has also introduced the Higher Education Pact which is based on 3 pillars: recruit additional university entrants (first pillar), the provision of overhead funding for research projects (second pillar) and the Quality Pact for Teaching (third pillar). These efforts are accompanied by monitoring and evaluation. In addition, Germany is expanding the KAUSA network.</p> <p>In general, Germany has responded to the CSR and plans to continue with those efforts, including through, among other, activities for the digitalisation of general and VET schools.</p>
<p>CSR 2: Reduce disincentives to work for second earners and facilitate transitions to standard employment.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>The labour market conditions in Germany are very good. The labour market participation of women has increased significantly in recent years, but the labour market potential for women can be still utilised more. Part-time work among employed women remains high. Germany is taking steps to reduce the Gender Time Gap. The measures to improve awareness of the factor-based method of taxation look promising. The extent of take-up of this method will need to be monitored.</p> <p>There are also a number of measures in preparation to improve work-life balance, including an increase in childcare provision. However, disincentives to work for second earners remain a concern. Stronger efforts are therefore needed to tackle the issue of fiscal/tax disincentives to work for low-wage</p>

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			and second earners. There is a shared understanding that the original aim of mini-jobs - to act as a bridge to employment - has not generally been met (another key goal was to curb illegal employment). Instead, many mini-jobs are mainly used as supplementary jobs by certain groups.
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Estonia			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	It should be noted that we have not received a contribution from the side of the Estonian employers. With that caveat, there is a well-established institutional set-up for social dialogue. The involvement of social partners has improved. Estonia has in place a system of e-consultation for a broad range of stakeholders, which in practice allows for active participation, although there is a call from the unions for a more formal tripartite consultation process. The engagement of social partners could be greater if capacity-building efforts continue, which would also have positive effects on bilateral social dialogue and collective bargaining.
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>Overall there has been an effective implementation of the Youth Guarantee in Estonia. The labour market situation for youth is favourable and trends are positive. Partnerships are in place, and there are plans to improve the working methods of the coordinating working group responsible for the partnerships. Registration of NEETs at the PES / outreach and the caseload of specialists are both challenges to address.</p> <p>The "Youth Prop-up Programme" and "My first job" are major initiatives, with evaluation of the latter suggesting a need for adjustment of the duration of contracts that have already been made. The sustainability of the offers will be important. Estonia is planning to introduce a NEETs-tracking system and related response mechanisms.</p>
CSR: Promote private investment in research, technology and innovation, including by implementing measures for strengthening the cooperation between academia and businesses.	Vocational education and training, skills and lifelong learning	06/03/2018	Estonia has shown commitment to addressing the CSR and has implemented several measures and some innovative projects (such as the ASTRA programme, the ADAPTER platform and the NUTIKAS programme) in order to boost the growth of the knowledge economy. Government spending on R&D and funding for public

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			<p>research institutions have been increased in recent years.</p> <p>Estonia made some progress on promoting private investment in research, technology and innovation. However, the impact of these measures has been limited so far. There is a mismatch between the needs of the business sector and the limited provision of knowledge from the public research system. The low private investment in R&D represents significant challenges to the further development of the country's innovation capacity.</p>
<p>CSR 1: Take measures to reduce the gender pay gap, in particular by improving wage transparency and reviewing the parental leave system.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>The Estonian Government has started to implement specific measures to reduce the gender pay gap and some new tools have been put in place. The first stage of the reform to make the parental leave and benefits system more flexible was adopted in December 2017. This is expected to shorten women's career breaks and increase fathers' take-up of the parental leave. The second stage will be fully in force only in 2022.</p> <p>The legislative measures related to wage transparency are planned to be adopted in 2018 and to enter fully into force in 2020. Broadening the scope of measures to improve wage transparency to cover the private sector, where the gender pay gap is usually higher, should be considered. Progress in both areas seems to be slow and stepping it up seems warranted.</p>

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Ireland			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>Ireland has a comprehensive offer available to young people and has made very good progress in implementing the Youth Guarantee. It has experienced a significant improvement in the labour market situation for young people. The NEET rate is above the EU average however Ireland has stressed issues relating to the complexity of the NEETs indicator which should be taken into account, particularly regarding the inactive NEETS.</p> <p>Ireland's approach tends to focus on the subgroup(s) actively searching for work. Those receiving disability benefits are a target group. There has been considerable progress in reducing the number of young people with spells of unemployment longer than 4 months. Support programmes create sustainable outcomes, supported by a clear focus on quality and evaluation. There are plans to improve links to employers and maintain efforts in dealing with early school leaving. There has been intensified engagement with young people: access to different programmes has been enhanced and partnerships have been strengthened alongside the more general apprenticeship reform.</p> <p>Timeliness of offers is a challenge. Ireland is planning to launch the Youth Employment Support Scheme in 2018 to further improve cooperation with employers and enhance insertion rates.</p>
KEC 8: The percentage of employed adult population (aged 25-64) participating in education and training is below the EU average. Insufficient provision of appropriate re-skilling and up-skilling opportunities	Vocational education and training, skills and lifelong learning	06/03/2018	<p>The adoption of the National Skills Strategy is a good basis for improving the re-skilling and up-skilling options in Ireland. The set-up of a National Skills Council is a key step in the right direction. New types of apprenticeship schemes are being introduced and promoted by relevant stakeholders.</p> <p>There is an increased focus on lifelong learning and ambitious targets are in place to increase participation in adult learning to 10% by 2020 and to 15% by 2025. These</p>

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			<p>measures will help address the skills gaps in the economy and support an increase in lifelong learning. The involvement of social partners, in particular the regional fora, is essential and already integrated in the model.</p> <p>Funding and support for lifelong learning programmes is provided by the National Training Fund and by the Further Education and Training Authority (SOLAS). Moreover, SOLAS is overseeing the development of a framework for employee skills development. At the lower skills end, ongoing preparations for the implementation of the Upskilling Pathways Recommendation should have a positive impact on the reintegration of inactive people. Increasing the digital skills of the adult population is a challenge to be addressed.</p> <p>In terms of up-skilling and re-skilling of the workforce, the newly introduced "Skills for work" programme, which provides flexible and adaptable training sessions, focuses on workers with low skills and addresses the basic skills demands, whereas the "Skillnets" programme designed to meet the higher levels of skills looks very promising.</p> <p>However, the VET system needs to be further developed to match the skill needs of businesses. The rate of participation in VET in Ireland is below that of other EU countries, due to the fact that it takes place for the most part at post-secondary education level. The lower attractiveness of VET compared to academic education remains an issue.</p>
<p>CSR 2: (...) deliver an integrated package of activation policies to increase employment prospects of low-skilled people and to address low work intensity of households.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>There are persisting issues with availability, accessibility and cost of childcare, which act as barriers to female labour market participation. Investment in early childhood education and care has risen considerably, albeit from a low base. The Affordable Childcare Scheme should help but implementation delays need to be overcome.</p> <p>Both household joblessness and long-term unemployment have decreased substantially in the last few years, and are now close to, and respectively, below the</p>

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			<p>EU average. Nevertheless, there are also persistent problems with low work intensity and inactivity, especially among those with care responsibilities. It will be important to implement, monitor, and evaluate the Action Plan for Jobless Households and to continue improving integrated support for people furthest from the labour market.</p> <p>Whilst there has been an increased focus on lifelong learning, more upskilling opportunities are needed to address the labour market participation of the low-skilled. EMCO also notes that more activation measures are planned to be introduced later this year.</p>
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Greece			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
<p>Report on implementation of Youth Guarantee</p> <p>KEC: Despite decreasing in recent years, youth unemployment is still high. High incidence of young NEET but showing positive development.</p>	<p>Youth Guarantee</p>	<p>12/12/2017</p>	<p>The labour market situation is improving in Greece, but continues to be very challenging, with youth unemployment and NEET rates well above EU average. Greece has taken important steps towards an effective implementation of the Youth Guarantee. Partnerships provide a strong basis for further improvement of outreach efforts. The capacity of the Public Employment Service is key and the significant modernisation of the PES should support the provision of personalised services. The reform of the apprenticeship system, recently adopted, needs to be swiftly implemented to show effects. The new web portal is very promising and, together with other measures, could contribute to increase the effectiveness of the Youth Guarantee system. Quality and timeliness of offers remain a challenge that requires continued efforts, as does the need to increase the labour market relevance of training.</p>
<p>KEC 8: Still weak links of Vocational education and training, apprenticeships and lifelong learning with labour market needs. Low participation in lifelong learning.</p> <p>KEC 9: Insufficiently developed evaluation culture at all levels and sectors of education.</p>	<p>Vocational education and training, skills and lifelong learning</p>	<p>06/03/2018</p>	<p>The reforms taken by the Greek authorities are going in the right direction. The National Strategic Framework for VET and apprenticeships adopted in 2016 provides a solid framework for upgrading VET. A series of institutional reforms have been undertaken in recent years to modernize and strengthen the VET system. Full implementation of the reforms and engagement of various actors is needed to ensure impact. New governance bodies have been established and quality frameworks for VET and apprenticeships have been developed. Dual learning has been reinforced with the introduction of an optional apprenticeship year for EPAL graduates facilitating transition to the labour market. Efforts are made to expand the number of companies offering apprenticeships.</p> <p>The introduction of a new quality framework for providers, under preparation, could improve the quality of CVET programmes. More active involvement of social partners is crucial to further increase attractiveness and market relevance of VET. There have been delays in updating the VET curricula. As a positive element, reinforcing the use of the mechanism for skills needs forecasting could improve the linkage of the VET system with</p>

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			<p>labour market needs.</p> <p>Efforts to increase the number of quality apprenticeship places must continue. Further attention should be given to increasing the capacity of teachers to adjust to curriculum updates in occupations and specialities in order to help them adapt to a more flexible apprenticeship system in the future. Furthermore, increasing the low participation in adult learning requires further action. Impact evaluation of adult training programmes as well as the systematic evaluation of VET system performance (including monitoring of transitions to labour market) are crucial in this respect.</p> <p>More efforts are needed to establish a well-performing evaluation structure. The introduction of self-evaluation of schools and senior education staff is a first step towards reinforcing quality assurance in primary and secondary education. Clear standards and guidelines applicable to all schools are needed.</p> <p>Support and guidance structures need to be further developed including by reinforcing the role of the quality assurance agency for primary and secondary education (ADIPDE). In higher education, a strong and independent Quality Assurance and Accreditation Agency (ADIP) with adequate staff and funding can contribute to a high-performing sector.</p>
KEC: High employment gender gap.	Labour market participation	12/04/2018	<p>Greece has taken several steps to address the challenge of high employment gender gap. Efforts are being made to increase the availability and affordability of early childhood education and care and to help parents reconcile family and professional life. The share of children in formal early childcare is a particular challenge for Greece, although more places have been subsidized by the state. These efforts should be stepped up as soon as the fiscal situation permits it. Vouchers for early childcare up to the obligatory pre-school age, co-financed by the ESF, are granted to an increasing number of children from low-income families.</p> <p>Steps towards a better coordination and provision of new services of elderly care are in the pipeline, but limited coverage remains an issue. The legal framework for flexible working</p>

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			arrangements and part-time work options is established but the quality of part-time jobs must be ensured in order to avoid segmentation. There is also scope to increase the focus on women in active labour market policies.
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Spain			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	Spain has mechanisms in place for social partner involvement, to which there have been recent improvements for example by introducing discussion roundtables. Further steps could be taken to better apply existing structures, such as agreeing a calendar and deepening the discussions.
Report on implementation of the Youth Guarantee KEC: Still low (though improving) employment rates, especially for young and older workers. High (though decreasing) incidence of long-term unemployment, youth unemployment and NEET.	Youth Guarantee	12/12/2017	<p>There have been improvements in the labour market situation for young people in Spain; however the LTU and early school leaving rates remain high but decreasing. Spain has stepped up efforts to involve stakeholders and coordinate with the regions. It has also increased its outreach to NEETs, even if more needs to be done to reach the most vulnerable.</p> <p>The profiling and job matching systems have been improved. PES capacity may need to be reinforced to ensure the delivery of more personalised pathways. The quality of the offers is not homogeneous, and the coordination between regions remains a challenge.</p> <p>Coordination with educational institutions and social services could be further strengthened. Overall there has been good progress in implementing the YG, but work needs to continue.</p>
CSR: Take measures to promote hiring on open-ended contracts.	Segmentation and labour taxation	01/02/2018	The share of temporary contracts is high, having increased after the crisis, and is not yet back to pre-crisis levels. There is a low transition rate from temporary to permanent contracts, especially for the young and the vulnerable. However, there has been strong employment growth recently, and more of this has been in permanent contracts than temporary. This is a government priority and there is recognition that previous measures have not been sufficient.

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			<p>There are measures to streamline the menu of contract options, introduce social security incentives, and incentivise companies not to have a high share of temporary contracts. Inspections have been boosted and the new IT tool seems to be helping to fight fraud.</p> <p>Changing a large number of temporary public sector contracts to permanent posts is also a welcome step. Discussions are ongoing, including with social partners, with the aim of reaching a broad approach to segmentation.</p> <p>EMCO looks forward to seeing the results of these discussions.</p>
<p>CSR 2: Reinforce the coordination between regional employment services, social services and employers, to better respond to jobseekers' and employers' needs.</p>	<p>ALMPs, LTU and PES reform</p>	<p>22/02/2018</p>	<p>Spain has taken steps to address challenges highlighted in the recommendation. The new multiannual Employment Activation Strategy represents a good basis for improving the impact of the existing measures. New tools like the Universal Social Card and the Social Inclusion Network should help to enhance cooperation between administrations at national, regional and local level.</p> <p>The effectiveness of these measures nonetheless relies strongly on the capacity of the regional public employment services to implement them, which is only slowly improving. Public employment services' resources are still below the levels of previous years. Greater employment services' capacity to manage a higher number of vacancies and further coordination with employers' needs would be needed to provide adequate job placements.</p> <p>Overall, the new policy measures go in the right direction. Nevertheless, they will have to be monitored to see whether they effectively contribute to addressing these persisting challenges. Risks still exist that, due to the existing economic and social disparities across regions and the still limited coordination between employment services, social services and employers, some regional public employment services might not have either the means or the capacity to comply with the objectives established in the Activation Strategy and the Annual</p>

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			<p>Employment Plans.</p> <p>Initiatives to integrate and improve transparency on social benefits need to be followed by budget increases and greater coordination efforts in some regions.</p>
<p>CSR 2: Increase the labour market relevance of tertiary education. Address regional disparities in educational outcomes, in particular by strengthening teacher training and support for individual students.</p> <p>CSR 3: Ensure adequate and sustained investment in research and innovation and strengthen its governance across government levels.</p>	<p>Vocational education and training, skills and lifelong learning</p>	<p>06/03/2018</p>	<p>A number of policy measures have been introduced at a relatively small scale in line with the CSR. However, limited progress was made in improving the overall labour market relevance of tertiary education and reducing regional disparities in educational outcomes, which will therefore require further efforts. Further policy measures could be taken to improve teacher training and support to individual students. Whilst there have been significant reductions in early school leaving rates in recent years, further efforts are needed. Greater coordination and cooperation among national and regional education administrations would also help deliver improved outcomes.</p> <p>The policy measures put in place to improve research and innovation look promising, if they are properly implemented. Monitoring will be needed to evaluate whether they will deliver the desired results.</p>

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France			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	The involvement of social partners in France, based on law, remains strong and permanent, allowing for extensive consultations. Additionally, considerable efforts have been made to involve social partners in the European Semester. There are some concerns regarding trade union membership. Recent labour market reforms undertaken in France have an impact on the social dialogue so the planned tripartite assessment of that impact is clearly welcome.
Report on implementation of the Youth Guarantee KEC: Youth unemployment rate is above the EU average, specifically for lower educated young people (ISCED 0-2)	Youth Guarantee	12/12/2017	France continues to develop a broad base of measures in a context where figures for the youth labour market situation improve slowly, in accordance with the general situation of the labour market. Actions in many areas seem to be strengthening the policy response. These include measures to tackle early school leaving (which is reducing significantly) or the continued efforts to improve the apprenticeships system. Overall, the Youth Guarantee system has an extensive outreach and is improving delivery. However, timeliness of offers is still a challenge. The new Plan of Investment in Human Capital seems ambitious and promising. The TRAJAM project to connect available data for better monitoring of individual trajectories could be instrumental in enhancing the quality of information available on the follow-up of exits and, as a consequence, on quality of offers.
CSR 3: Ensure that minimum wage developments are consistent with job creation and competitiveness.	Wages and competitiveness	25/01/2018	In a context of improving competitiveness and continued wage moderation, minimum wage (MW) is growing moderately, strictly following the pre-set formula. Close monitoring should continue to ensure that the MW growth evolves in line with general employment developments and should identify any possible negative effect on employment, particularly for the low-skilled, whose employment rates

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			<p>show only limited signs of improvement</p> <p>As for the objective of aligning wages with productivity and the need to restore competitiveness, France continues to adopt reforms affecting the wage-setting scenario and also the non-wage costs. Reductions in tax-wedge (CICE) are to be made permanent and strengthened for lower wages, which could have a positive effect.</p> <p>Options for collective agreements to adapt key working conditions at firm level (“<i>accords de compétitivité</i>”) may also help to address competitiveness challenges.</p> <p>The evaluation of the effects of recent measures will be essential to identify key elements upon which to build in the future.</p>
<p>CSR: Consolidate the measures reducing the cost of labour to maximise their efficiency in a budget-neutral manner and in order to scale up their effects on employment and investment.</p>	<p>Segmentation and labour taxation</p>	<p>01/02/2018</p>	<p>France responded to the need to reduce the cost of labour and continue restoring competitiveness in a context of a high tax-wedge and addressed the recommendation by deciding to consolidate the reduction in social security contributions brought by the Tax Credit for Competitiveness and Employment (CICE). This allows for a notable reduction of the tax-wedge for the low income earners with substantial positive effects expected, although the tax wedge on labour remains high for the average wage earners. Employees social contributions are also reduced in 2018 (-3,15 pp). Monitoring of further developments continues to be essential to identify the combined effects, both in the short term and in the longer term, arising from the adopted measures.</p> <p>On the related challenge of segmentation, characterised by one of the lowest rates of transition from temporary to permanent employment and the high share of short-term contracts, recent reform affecting conditions for dismissal should help addressing the challenge. Further measures around unemployment benefits or over taxation for temporary contracts, which are now being discussed with social partners could also be useful to help transitions into permanent employment.</p>

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			Monitoring remains warranted under this dimension too.
CSR 3: Improve access to the labour market for jobseekers, in particular less-qualified workers and people with a migrant background.	Labour market participation	12/04/2018	<p>Whilst the labour market situation is generally improving, unemployment amongst the low-skilled and people with a migrant background remains high. Discriminatory practices in hiring seem to be present; therefore measures tackling this are welcome. Hiring subsidies for people from priority neighbourhoods can also make a positive contribution. However, these are unlikely to be sufficient on their own and more remains to be done. Overall, strengthened efforts are needed to tackle the labour market participation of low-skilled and people with a migrant background.</p> <p>The planned reforms of VET and the investment in improving competences look promising, and it remains important to improve labour market relevance.</p>

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Croatia			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	The institutional setting for social dialogue is in place. The procedure for social partners' involvement in the European Semester cycle has improved, with the government providing feedback to the social partners' contributions. There are plans to further improve the procedure by providing the social partners with more time to contribute and have a greater impact, since tight deadlines have been identified as a key issue. There are also demands for a broader scope for consultation beyond traditional topics, in all steps of the process, and reaching all ministerial departments, as well as for greater influence in discussing policy initiatives. Fragmentation seems to be central to limiting the overall capacity of the trade unions to engage in a meaningful manner and therefore warrants specific action in regards to social dialogue. EMCO looks forward to hearing more on this in the future.
Report on implementation of the Youth Guarantee KEC: Youth unemployment and youth NEET rates are still high, with positive developments	Youth Guarantee	12/12/2017	Even though the NEET and youth unemployment rates are well above average, there are signs that the labour market situation in Croatia is improving for youth, and, overall, Croatia seems to have made good progress in implementing the Youth Guarantee. It was noted that Croatia has set up a well-structured plan with clear objectives. Croatia has created a NEET tracking system and is in the process of preparing an outreach campaign. There is a focus on personalized guidance and a systematic approach for building partnerships. The quality of offers and capacity of the stakeholders are also important challenges, as well as achieving the same level of outreach in the entire country.
CSR 4: In consultation with social partners, harmonise the wage-setting frameworks across the public administration and public services.	Wages and competitiveness	25/01/2018	Legislation aiming at harmonising wage-setting in the public sector is under preparation. Guidelines for collective bargaining were adopted in 2017 and negotiations based on the new guidelines are currently ongoing (having reached the

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			<p>final stage for some sectors).</p> <p>Croatia has decided to take a two-stage approach to the reform of the public sector wages, starting with civil servants and then moving on to the wider public sector. The goal is well defined; proceeding with implementation is now key. There are some concerns over the extent of social partner involvement in the harmonization of wage-setting frameworks. Monitoring of future developments is important.</p>
<p>KEC: Long-term unemployment rate and the share of long-term unemployed in total unemployment are higher than the EU average, with positive development. Low effectiveness and outreach of active labour market policies and limited capacities of public employment service.</p>	<p>ALMPs, LTU and PES reform</p>	<p>22/02/2018</p>	<p>The labour market situation in Croatia is improving. Active labour market policies could be targeted more to vulnerable groups and there is an insufficient outreach to employers through partnerships with public authorities.</p> <p>In line with the new ALMPs Guidelines for the period 2018-2020, from January 2018 three sets of measures are being implemented, aimed at supporting programmes for the long-term unemployed, encompassing counselling and activation; enhancing PES capacity; and introducing a revised package of ALMPs with emphasis on vulnerable groups. Croatia is also promoting partnerships with the involvement of employers and social partners.</p> <p>Croatia has been taking some measures to respond to the KEC. However, more efforts are needed to address the challenges, including limited PES capacity and outreach and high territorial discrepancies need to be addressed. Challenges also remain in education and training for both young and adults as far as quality and labour market relevance is concerned.</p>
<p>CSR: Improve adult education, in particular for older workers, the low-skilled and the long-term unemployed. Accelerate the reform of the education system.</p>	<p>Education and training, skills and lifelong learning</p>	<p>06/03/2018</p>	<p>Croatia faces wide-ranging challenges regarding both adult and school education, and an acceleration of the reforms of the education and training system is needed.</p> <p>The planned changes to school curricula look promising but need to be well delivered and supported. Pilots will need to be monitored to see whether reforms</p>

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			<p>need adaptation before being rolled out universally.</p> <p>Participation in adult education is low, though positive recent developments have been recorded in the numbers of unemployed people involved in education, and some steps have been taken to improve the quality of the education offer. Legislation and policy measures in preparation need to be agreed and put in place to ensure greater labour market relevance and quality of education and training. Robust monitoring and evaluation arrangements need to be set in place.</p>
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Italy			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	<p>Social dialogue in Italy has a long tradition and takes place both formally and informally. There are consultations on many issues, including at a technical level. There is a clear desire for more active involvement, even if recent improvements are acknowledged. More systematic and formalised involvement, particularly as regards the Semester, could be considered. There are some concerns about the coverage and fragmentation of social partner organizations.</p>
<p>Report on implementation of the Youth Guarantee</p> <p>KEC: Despite decreasing, youth unemployment and NEET rates still higher than EU average</p>	Youth Guarantee	12/12/2017	<p>The Youth unemployment and NEET rates have been declining in Italy the last two years. However, the levels of these indicators are still high and the situation remains challenging.</p> <p>Italy has an ambitious and comprehensive Youth Guarantee plan, based on a partnership strategy and a strong profiling methodology, providing for a personalised approach and individual pathways. The Youth Guarantee has been a driver for reforms in Italy, in the areas of ALMPs, PES and the Education system.</p> <p>However, more efforts are required to ensure full-scale implementation. Coverage of the NEET population remains low. Further emphasis could be put on apprenticeships and continued education offers, and ensuring young people get a timely, quality offer adapted to their needs. The process of reaching out to those at higher risk of social exclusion should improve. The results of the new measure dedicated to the outreach and activation of disadvantaged young NEETs will have to be further evaluated. There is also a strong heterogeneity across regions as regards the quality of services provided; despite the efforts of the central administration to foster exchanges of good practices. An increase in human resources of PES (1,600 operators) has recently been approved by the side of State and Regions.</p>

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			<p>The implementation in 2018 of the benchlearning processes already activated within the PES Network will focus, inter alia, on the measures and actions of the PES for young NEETs, identification and mutual sharing of good practices and solutions to common problems.” This is an interesting development, and EMCO would like to hear more about this in the future.</p>
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<p>CSR 4: With the involvement of social partners, strengthen the collective bargaining framework to allow collective agreements to better take into account local conditions.</p>	<p>Wages and competitiveness</p>	<p>25/01/2018</p>	<p>In a context of modest wage growth, Italy continues to promote collective bargaining at the second level, whose relevance is now widely acknowledged. This is pursued with an inspiring use of targeted tax breaks, recently strengthened to modernise collective agreements. This should allow for a better allocation of resources. There are signs of a new dynamism, with increased number of agreements at second level, although the actual impact is more difficult to assess and calls for further monitoring and evaluation.</p> <p>Tax incentives have also been targeted to support the introduction of work-life balance measures in collective agreements.</p> <p>Wage differentiation according to performance is about to be introduced in the public administration sector. These measures could contribute to a flexibilisation of working conditions, with positive implications for productivity.</p> <p>Greater representativeness as well as responsiveness of social partners represent a condition for the success of these policies. EMCO welcomes the commitment of the government to monitor carefully the results of current measures.</p>
<p>KEC 6: Tax wedge on labour costs (among low wage earners) shows a decrease but is still higher than the EU average.</p>	<p>Segmentation and labour taxation</p>	<p>01/02/2018</p>	<p>Italy is aware of the implications of the high tax burden on labour on employment growth in general, and in particular on access to employment of some groups, specifically women. Italy identifies Social Security contributions as the main factor behind the high tax wedge and consequently has recently adopted additional measures by permanently lowering social security contributions to support hiring of young workers and incentivising hiring in southern regions. These are steps in the right direction.</p> <p>It needs to be recalled that EMCO has warned about the need for measures supporting hiring of certain groups to be well-designed and monitored to ensure they are achieving their goals and not producing negative side-effects. Furthermore, embedding these measures in a comprehensive strategy based on systematic</p>

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			evaluation is warranted to enhance the policy response to this challenge.
CSR 4: Ensure effective active labour market policies.	ALMPs, LTU and PES reform	22/02/2018	<p>The reform of ALMPs was a central element of the Jobs Act; however, no significant progress could be registered on the implementation of these measures last year due to the delays and long negotiations post-referendum.</p> <p>The implementation of ALMPs reforms in Italy therefore still remains at a very early phase. Significant efforts are needed to reinforce public employment services and the effectiveness of active labour market policies.</p> <p>As the competences regarding ALMPs remain with the regions, the coordination role for the new agency ANPAL is still weaker than originally intended. Active labour market policies still suffer from several weaknesses. Resources devoted to public employment services are limited, their placement capacity remains very low, while monitoring and evaluation is still very limited. The Budget Law for 2018 allocated additional financial and human resources for PES to the Regions. Careful monitoring of the situation going forward is required.</p>
CSR 4: Facilitate the take-up of work for second earners.	Labour market participation	12/04/2018	<p>Whilst female labour market participation has increased, it remains an issue, with particularly pronounced regional disparities. Availability of childcare continues to be a problem, despite recent investments in capacity and improved support with costs (such as the childcare vouchers). Regional variation in service provision is also a concern. Some tax measures have been introduced, although their overall impact is not clear. A more comprehensive approach on tackling the issue of labour market participation of women may be needed.</p>

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Cyprus			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
<p>Report on implementation of the Youth Guarantee</p> <p>KEC: High unemployment rate, especially for young people. High (but decreasing) NEET rate.</p>	Youth Guarantee	12/12/2017	<p>Overall the labour market situation of young people in Cyprus is improving, with the youth unemployment rate falling notably. However, important challenges still remain, with youth unemployment and NEET rates significantly above the EU average. The inclusive approach to the implementation of the Youth Guarantee, including vocational guidance services, should be praised, but deepening coordination will be crucial for its successful implementation. Outreach is still a challenge which requires a comprehensive strategy. The capacity of Public Employment Services has been considered insufficient. The hiring of additional PES staff, who will be in place in early 2018, and the restructuring of PES procedures, are promising steps towards improving the quality of services and delivering individualized counselling. Plans to monitor and evaluate results should also be put into effect to help increase the quality and timeliness of offers to young NEETs.</p>
<p>KEC 2: High incidence of undeclared work. High (but decreasing) share of workers in involuntary temporary or part-time employment.</p> <p>KEC 6: Weak labour demand.</p>	Segmentation and labour taxation	01/02/2018	<p>Tackling undeclared work is a priority for the Cypriot government, and it is on a declining trend. Several measures were presented: the centralisation of inspections under the Ministry; the introduction of administrative fines for non-registered work; the launch of information campaigns. These are welcome steps.</p> <p>Concerns persist over the high share of involuntarily part-time contracts, and the high share of highly-educated young people in low-skilled jobs.</p>
<p>CSR 5: Speed up reforms aimed at increasing the capacity of public employment services and improving the quality of active labour market policies delivery.</p>	ALMPs, LTU and PES reform	22/02/2018	<p>The labour market situation in Cyprus is improving but unemployment remains high for young people and the LTU. Participation in active labour market policies is increasing, however remains below most EU Member States. The capacity of PES might be insufficient to meet the needs of the jobseekers, especially NEETs and those furthest away from the labour market. Measures have been taking to improve the capacity of the PES by hiring additional employment counsellors on a temporary</p>

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			<p>basis, the sustainability of this action needs to be ensured.</p> <p>In 2017, new ALMPs schemes were launched, targeting young people, the long-term unemployed and other vulnerable groups, including recipients of the guaranteed minimum income (GMI). A special training project was implemented for PES staff. A new measure for strengthening cooperation with private employment services is welcome and the effectiveness will need to be assessed in the future.</p> <p>Cyprus has benefited from technical assistance by the European Commission and the EU PES Network and has implemented two pilot projects. Monitoring and evaluation activities are being strengthened, including through the further development of the PES IT system and performance indicators. Overall some progress has been achieved in implementing the CSR but efforts need to be continued.</p>
<p>CSR: Complete the reform of the education system to improve its labour market relevance and performance, including teachers' evaluation.</p>	<p>Vocational education and training, skills and lifelong learning</p>	<p>06/03/2018</p>	<p>Cyprus' ongoing reforms of the VET system appear promising. More of the roadmap has been implemented since the 2017 review and further measures are in the pipeline. It remains to be seen whether these reforms will be able to contribute to the necessary improvements in participation rates in vocational education and training. The planned information campaigns are welcomed in this respect, but more may need to be done to reduce Cyprus' skills mismatch challenge.</p> <p>Within the education system more broadly, the introduction of a new, more competitive appointment system for teachers is welcome, and should deliver positive longer-term results. Other reforms (like the teachers' evaluation system) have proved more controversial and require further efforts. Progress should be made in the near future on both the professional learning programmes, and on the evaluation system for teachers.</p>

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Latvia			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	There is consensus among all relevant players on the well-developed institutional setting for tripartite dialogue, in which the National Tripartite Cooperation Council plays a key role. The involvement of social partners in the European Semester cycle can be further improved by providing more time to react, so as to avoid straining the capacity of social partners. To sustain the current level of engagement by social partners within the existing social dialogue arrangements, both at tripartite and bipartite level, efforts to develop their capacity should continue towards broadening their membership base.
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>EMCO notes Latvia's strong commitment to the Youth Guarantee and the progress made in its implementation. In particular, strong partnerships are in place and the profiling system is effective. Measures to support those with disabilities or multiple barriers to labour market participation are being implemented.</p> <p>Although overall coverage of the NEET population remains low. There is a need for expansion of outreach measures, which were introduced in Latvia in recent years, particularly for non-registered young NEETs.</p> <p>Current high dependency on EU funding means that in the future there will be a need for careful examination of the sustainability of youth employment support programmes.</p>

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<p>CSR: Reduce taxation for low-income earners by shifting it to other sources that are less detrimental to growth and by improving tax compliance.</p>	<p>Segmentation and labour taxation</p>	<p>01/02/2018</p>	<p>Latvia adopted a comprehensive tax reform in 2017 that is coming into force gradually from 2018. The tax reform increases the progressivity of the system and includes some shift away from labour taxation, along with measures aimed at enhancing tax compliance. This is a strong policy response that, when fully implemented, is expected to have a significant impact on revenues and lower the tax-wedge significantly for most earners.</p> <p>However, the tax-wedge for low-income earners will remain high and further targeted measures are needed. The effect of the reform on inequality may not be as strong as would have been desirable. EMCO looks forward to comprehensive monitoring of the reform on these outstanding challenges.</p>
<p>KEC: Low ALMP participation (activation support) and expenditure on ALMPs as percentage of GDP. Insufficient social and labour market reintegration measures</p>	<p>ALMPs, LTU and PES reform</p>	<p>22/02/2018</p>	<p>The labour market situation in Latvia is showing signs of improvement. Latvia is taking steps to improve the delivery and targeting of the ALMPs. A complex activation programme for the long-term unemployed has been implemented. The Latvian authorities have put in place a profiling system and an individual approach to provide effective support through ALMPs.</p> <p>The coordination between PES, social service providers and other stakeholders is improving, but there is still scope to increase the funding and sustainability of the ALMPs. There are still significant employment rate differences across regions and skill levels. Upskilling and strengthening of labour market relevance and participation in vocational education and training would be particularly important. More efforts are also needed to increase the coverage of ALMPs, especially for NEETs, the disabled and the long-term unemployed. Outreach for the most vulnerable groups, especially in regions with lower levels of economic activity, remains a concern.</p>

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<p>CSR: upskill the labour force by speeding up the curricula reform in vocational education.</p>	<p>Vocational education and training, skills and lifelong learning</p>	<p>06/03/2018</p>	<p>Latvia has undertaken significant reforms to modernize its VET system, including by updating and rolling-out new curricula, expanding work-based learning and involving employers in the process. Some good steps have been taken and efforts in these areas have been intensified in 2017.</p> <p>The reform of the VET curricula has picked up pace in 2017 and previously developed modular learning programmes are being rolled out in schools and will be offered in adult education as well. The Adult Education governing board and sectoral expert councils were established with the involvement of social partners. However, significant efforts have to be made to implement the planned modular programmes, examination contents and occupational standards.</p> <p>The centralised graduate tracking that is currently implemented for tertiary education should be expanded at the secondary level in order to improve the provision of VET programmes and increase the quality and labour market relevance of the training offers.</p> <p>Up-skilling efforts are lagging behind. The differences in unemployment rates of older and lower-skilled should be addressed by implementing the Upskilling Pathways Recommendation. Some promising projects are underway, aiming at increasing participation in work-based learning and developing the professional competences of employees, focusing on workers at social risk and on the low-skilled. Efforts in removing obstacles to adult learning and in ensuring sustainability are needed.</p>
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Lithuania			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	Social dialogue is gradually improving, with a well-established Tripartite Council, although there are calls for more systematic and substantial consultations. The government has introduced reforms aimed at encouraging collective bargaining and a recent national tripartite agreement focuses on the need for further improving social dialogue. The capacity of social partners seems to be key to effectively conclude collective agreements and, thereby, encouraging higher density for both trade unions and employers' organisations. Efforts to that end should therefore continue.
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>Lithuania has made good progress in implementing the Youth Guarantee. The labour market situation is favourable, with the NEET rate below the EU average. The institutional setup for the Youth Guarantee implementation is adequate and is being strengthened. Coordination and cooperation between stakeholders is well established and broad, but there remains a need for improved synergy between institutions.</p> <p>Recent measures to improve synergies include the establishment of one-stop shops and improved outreach and response mechanisms. New services and support measures are being introduced alongside general labour market reforms. However, there is a need to enhance education and training offers and the coverage of the Youth Guarantee to be extended. Uptake of apprenticeships could be promoted and the quality of traineeships - including the lack of remuneration - should be addressed.</p>
CSR 2: (Address skills shortages) through effective active labour market policy measures (...)	ALMPs, LTU and PES reform	22/02/2018	<p>The labour market in Lithuania is improving but the country faces demographic challenges that may add to existing skills shortages.</p> <p>The number of unemployed receiving the support of ALMPs remains low and the</p>

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			<p>ALMP system depends on ESF funding. Lately the training component has been strengthened by the allocation of additional funding. In addition, mobility grants are provided. Newly introduced measures are linked to the recognition of competences acquired through non-formal and informal learning, vocational training to employed persons, and the integration of vulnerable persons in the labour market. Additionally, the systematic structural reform of the PES is ongoing with emphasis on strengthening co-operation with employers and individualised support. Also, PES front service has been strengthened.</p> <p>Overall, Lithuania has made some progress towards addressing the ALMP component of the CSR. However, participation in ALMPs could be strengthened. Additional efforts are also needed to reinforce adult education and continued vocational training in terms of quality and labour market relevance.</p>
<p>CSR: Address skills shortages through...adult learning and improve educational outcomes by rewarding quality in teaching and in higher education.</p>	<p>Vocational education and training, skills and lifelong learning</p>	<p>06/03/2018</p>	<p>The Lithuanian government has prepared a series of proposals for reforms that aim at addressing the challenges identified in the CSR. Lithuania introduced a comprehensive programme focusing on adult education system, lifelong learning and training of adult education coordinators at local levels. In June 2017, it adopted an action plan for the development of lifelong learning for 2017-2020. The plan envisages training programmes for adults, second-chance education for early school leavers, training for the older workers, and funding for non-formal and continuing vocational training programmes.</p> <p>Adult training is funded through municipalities, which will improve the management of funding and the promotion of adult learning. Moreover, substantial efforts have been undertaken in modernising VET programmes. Lithuania has revised the Law on Vocational Education and Training in December 2017 to promote apprenticeships and work-based training, in cooperation with business and VET providers. The revised law should facilitate the uptake of apprenticeships and work-based learning. However, skills shortages in some sectors are already a challenge.</p>

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			<p>More efforts need to be made in the sector of adult learning as well as in providing subsidies and funding. Lithuania is developing a comprehensive system for assessing current and future demand and supply of skills.</p> <p>Reinforced efforts for upgrading the skills and competences of teachers and trainers look promising.</p> <p>The new collective agreement signed in November 2017 with the teachers' unions aims at increasing the attractiveness of the teaching profession and at improving the quality of teaching. The government has also initiated a process of university consolidation in an attempt to address the high level of fragmentation at tertiary level.</p> <p>The consolidation of universities is an important step towards improving the efficiency of the sector. However the initial steps in this direction need to be further consolidated and expanded.</p> <p>Many of the reform measures are at an early stage and it is too soon to assess their impact, but if implemented as foreseen, they will address the challenges identified during the review.</p>
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Luxembourg			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	The Youth Guarantee is well established in Luxembourg and builds on existing measures now maturing in a context of low NEET rates and a dynamic labour market. Strong partnerships with social partners seem to be effective and therefore positive. A one-stop shop in Luxembourg City hosting all services is a positive step. Outreach efforts, particularly towards drop-outs, are promising. However, the fact that young NEETs can access the system only once may hamper outreach and may need revision. Attention could focus on the quality of traineeships, which do not seem to yield good results. More generally, monitoring of results needs to be addressed to reduce the share of 'unknown' exits, possibly with more connected data in the future.
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.

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<p>CSR 2: (...) increase the employment rate of older people.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>The low employment rate of older workers continues to be a challenge. Extensive early retirement opportunities are one reason for this. The effective retirement age is significantly lower than the statutory retirement age. The consensus required to change this has led to the considerable persisting delays regarding the Age Pact. There has been some progress here as EMCO notes that one early retirement scheme has been abolished. New initiatives aimed at maintaining employment of older workers through upskilling and helping older jobseekers getting back into the labour market could contribute to increasing employment of older workers. However, further efforts and progress are needed to improve incentives for older workers to stay in the labour market and limit early retirement.</p> <p>Efforts have also been made to improve PES work in this area, and the incentives on the hiring of the long-term unemployed should also contribute to improving the situation. The Digital Skills Bridge project could be of great interest in this respect both for future older workers and for the existing target group if it benefits from some of its measures.</p>
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Hungary			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	There have been attempts to rationalise social dialogue structures in Hungary and there is some financial support available for social partners, despite recent reductions. There are significant concerns about the weakness and the insufficiently tripartite structure of the social dialogue and its overly broad approach. Social dialogue structures should be adjusted and developed.
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>Hungary is implementing the Youth Guarantee in a progressive but effective manner. It is doing so in a context of an improved economic environment and better labour market outcomes.</p> <p>PES is the only entry point to the YG system. The cooperation with the new generation centre to increase outreach and awareness is appreciated.</p> <p>Outreach is a challenge and coverage is low. More emphasis should be placed on vulnerable groups (including people with multiple barriers and long term NEETS) to be better targeted by the YG services. Measures initiated by the authorities, including various awareness-raising activities, will help identifying the inactive and improve outreach to NEETS.</p> <p>Hungary should make further efforts to ensure that offers made are of sufficient quality and more responsive to a changing labour market. Future initiatives such as personalized labour market services and the inclusion of NGOs in the provision of some labour market services seem promising. In addition, the involvement of social partners and youth organizations in design, monitoring and implementation of YG partnerships should be strengthened.</p>
CSR: Complete the reduction of the tax wedge for low-	Segmentation	01/02/2018	Hungary continues to reduce the overall tax wedge on labour with the

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income earners.	and labour taxation		<p>implementation of a multiannual plan following the 2016 tax-reform package. This is having a visible effect although the tax wedge is still high for some groups, which are not benefiting from the recent measures aimed at families.</p> <p>Progress towards reducing the tax wedge for all segments of population, including low-income earners without children, needs to continue. This will require targeted and well-designed measures. Monitoring will be of great importance to assess whether the objectives are met in this case.</p>
CSR 3: Better target the public works scheme to those furthest away from the labour market and provide effective support to jobseekers in order to facilitate transitions to the labour market, including by reinforcing active labour market policies.	ALMPs, LTU and PES reform	22/02/2018	<p>The labour market situation in Hungary continues to improve. The government took measures to limit the public works scheme, which is less effective than other tools in bringing participants back to regular employment. The focus of the public works scheme is gradually shifting towards the low-skilled and disadvantaged people. However, despite the observed decrease, the public works scheme remains the dominant labour market policy, limiting the transition to the open labour market.</p> <p>The budget allocations for ALMPs, including EU-funded projects, show increases. A profiling system was introduced. Evaluation activities are ongoing aiming to improve PES. The efficiency of PES services is however hindered by the dispersed management structure which might impair the coordination of the different ALMP measures.</p> <p>Despite some steps to address the country-specific recommendation, there is still room for progress, particularly in what concerns profiling and the personalisation of services. The measures taken seem to be oriented towards the goal of reducing the public works scheme in favour of other ALMPs and targeting of the policies, which nonetheless require further efforts.</p>
CSR: Take measures to improve education outcomes	Vocational education and	06/03/2018	<p>Hungary has put in place a quality framework for school education acknowledging that participation of disadvantaged students, including Roma, is a complex problem,</p>

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<p>and to increase the participation of disadvantaged groups, in particular Roma, in inclusive mainstream education.</p>	<p>training, skills and lifelong learning</p>	<p>which needs to be tackled. Concerns have been raised regarding the selectiveness of the school system, the discrepancies in the distribution of disadvantaged students and the relatively high impact of social-economic background on education outcomes.</p> <p>Hungary has taken measures to respond to the CSR. There are support programmes for disadvantaged students in place and there have been some significant legislative changes to tackle segregation. In addition a number of other measures with longer-term effects are in progress, including extending compulsory kindergarten, development of an early-warning and pedagogical support systems and provision of support to low performing schools. These measures will need to be further extended. Sectoral skill councils have been set up focusing as well on the content of training in vocational education and training.</p> <p>In general, Hungary has made some progress in implementing the CSR. However, those efforts will need to continue, including monitoring and evaluation efforts.</p>
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Malta			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	Malta is making very good progress in implementing the Youth Guarantee. It has made considerable progress in reaching out to and reducing the number of NEETs, but challenges remain with regard to young people with low educational attainment, those with disabilities and early school leavers. There are partnerships in place and a personalized approach towards outreach. Policy responses are in place, including a focus on training, and follow up of existing measures show positive results. There are plans for further outreach to NEETs with targeted measures, together with plans to launch a national campaign to raise awareness of the Youth Guarantee scheme. In general there is a focus on individualised guidance and tailor made solutions.
<p>KEC 8: Educational attainment remains low, despite significant improvements. Adjustment of skills to labour market needs still limited.</p> <p>KEC 9: Early school leaving remains high. Low attainment of basic skills.</p>	Vocational education and training, skills and lifelong learning	06/03/2018	<p>The implementation of the reforms adopted in previous years is the focus of government efforts. The Maltese government has taken a number of steps to increase access to and participation in education and training, as well as to improve the quality and labour market relevance of these programmes. Measures have been undertaken by the National Skills Council to address skills shortages and improve skills governance. The implementation of the National Lifelong Learning Strategy 2020 is on the right track and there is progress in enhancing career guidance.</p> <p>The newly adopted Work-based Learning and Apprenticeship Act and the VET curricula adaptation to better match the needs of the labour market are steps in the right direction.</p> <p>Some planned measures, such as the "My Journey" reform to be implemented in 2019-2020 and a set of measures to address early school leaving look promising. Some good steps have been made to strengthen the cooperation between education institutions and the labour market. These significant investments need to be sustained for further improvement. However, early school leaving is still high and</p>

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			<p>inequalities in educational outcomes based on socio-economic background, type of school and disability status still remain. Even though labour shortages and skill mismatches are present, participation in adult learning programmes is still low, so more needs to be done.</p> <p>The effectiveness and complementarity of the adopted measures need to be closely monitored and evaluated. Although Malta has recorded a near universal participation in early childhood education and care (for 4-5 year-olds), new challenges have emerged and more attention should be given to the already existing structures and mechanisms regarding the integration of migrant children into the education system.</p>
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The Netherlands			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>The Netherlands has good results in the area of youth unemployment, with the lowest NEET rate in the EU. Initiatives are in place to prevent early school leaving. There is a strong and diverse approach to partnership (although stronger central coordination might be considered).</p> <p>There continue to be challenges with young people with a migrant background, and there is scope for improving the outreach of the YG. A pilot project on outreach for young NEETs has recently been carried out in a number of municipalities.</p> <p>At the moment, no follow-up data are available to assess the sustainability of outcomes. EMCO looks forward to more data on this in the future.</p>
CSR 2: Create conditions to promote higher real wage growth, respecting the role of the social partners.	Wages and competitiveness	25/01/2018	<p>The general labour market situation in the Netherlands is positive. Wage growth has been moderate until now, but in line with productivity. There are concerns over labour market segmentation that may also partly explain this low wage growth.</p> <p>The government's role in wage negotiations is as facilitator: negotiations take place at sectoral and firm level. There is a high collective bargaining coverage rate despite low trade union density. The coalition agreement stipulates the desirability of stronger wage growth. The new government has announced an increase of the budget for teachers' salaries and a reduction of the tax burden on labour which should improve take home pay. It may nonetheless take some time for these measures to materialise and for the coalition agreement to be implemented. Continued monitoring and evaluations of the effects of the aforementioned measures will be important.</p>

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<p>CSR: Tackle remaining barriers to hiring staff on permanent contracts. Address the high increase in the self-employed without employees, including by reducing tax distortions favouring self-employment, without compromising entrepreneurship.</p>	<p>Segmentation and labour taxation</p>	<p>01/02/2018</p>	<p>The labour market situation in the Netherlands is improving very rapidly, and self-employment is rising. The number of permanent contracts is also rising, but more slowly, leading to increased segmentation. The situation is expected to improve due to the tightening of the labour market.</p> <p>The new coalition agreement has announced measures aimed at increasing job security through reducing the gap between temporary and permanent workers, improving the working of the dismissal law (in particular with the introduction of additional ground for dismissal for open-ended contracts), and changing the rules on the transition allowance. These are promising measures which need to be specified in the legislation.</p>
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Austria			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>Austria experiences a favourable labour market situation overall, but certain groups, particularly those who are non-EU born and who have lower levels of skills face higher risks in terms of unemployment. Austria has established a comprehensive Youth Guarantee, which builds on broad and effective partnerships between public authorities and social partners. Targeted measures include the "Education and Training until 18" programme, and the supra-company apprenticeship scheme.</p> <p>Furthermore, Austria has put into place monitoring based on comprehensive interconnected administrative data. Nevertheless, further outreach and support for the young low-skilled, particularly those with migrant background, remains a challenge.</p>
KEC 6: High tax wedge on labour cost	Segmentation and labour taxation	01/02/2018	<p>Austria is well aware of the outstanding issues concerning high tax-wedge on labour costs and is looking at how these can be tackled. EMCO looks forward to hearing about the next steps in this process.</p>
CSR: Improve the educational achievements of disadvantaged young people, in particular those from a migrant background.	Vocational education and training, skills and lifelong learning	06/03/2018	<p>In Austria, the impact of socio-economic background on education outcomes is a challenge and action is being taken to tackle the challenge. The implementation of the comprehensive education reform is on-going. This reform aims at equal opportunities and at improving the quality of education. During the last year Austria has in particular adopted a reform package on school autonomy.</p> <p>Austria is also implementing the initiative for Adult Education, and there are other additional measures on-going related to basic competences. There is a focus on language support measures, on digitalisation in the education sector and on promotion of all day schools. The national strategy on the social dimension of</p>

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			<p>higher education is being implemented and the implementation will continue.</p> <p>In general, Austria is continuing to partially respond to the CSR with several reform measures. However, these measures are still to show measurable impact on education outcomes in particular on basic skills of pupils with weak socio-economic and/or migrant background.</p>
<p>CSR 2: Improve labour market outcomes for women through, inter alia, the provision of full-time care services.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>Whilst there has been a strong increase in female labour market participation, part-time work among women is high, and a gender pay gap persists. Efforts have been made to increase quality and quantity of childcare provision, but more improvement is needed, particularly given regional disparities in availability. EMCO welcomes the awareness-raising work around the online calculator, as called for in last year's conclusions.</p> <p>While the measures presented by the Austrian government are welcomed, EMCO also points to remaining concerns on women labour market participation, including with regard to women with a migrant background.</p>

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Poland			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	There is a favourable context of a decreasing number of young NEETs and youth unemployment in Poland, although there is still margin for further progress. Programmes in place seem to be working, with a high coverage of the target population. Cooperation at local level is a strong point and could be improved at a more general level to engage employers. The key challenge is to benefit from freed-up capacity in the Public Employment Service to make offers within the time target and to provide better services, in particular profiling in order to tailor interventions to the needs of the youth. The quality and extent of information available could be further improved, especially on the follow-up, reducing the number of 'unknown' exits.
CSR: Take steps to increase labour market participation...including by...removing obstacles to more permanent types of employment.	Segmentation and labour taxation	01/02/2018	<p>The labour market situation in Poland is improving, and the share of fixed-term contracts is decreasing, but remains high. Measures have been implemented enhancing social security, limiting the use of fixed-term contracts, and fixing a maximum duration for them. Contracts must also be in writing before employment commences. The same minimum hourly wage now applies in many cases, regardless of contract type.</p> <p>The revisions of the labour code which are referred to in the recital to the CSR are in a preparatory phase at present. EMCO looks forward to hearing more about this in the future.</p>
CSR 2: Take steps to increase labour market participation, in particular for women, the low-qualified and older people.	Labour market participation	12/04/2018	Some steps have been taken to increase the labour market participation of women, especially in terms of support to early childhood education and care. However, the "Family 500+" allowance has opposite effects, leading to significant withdrawals of young women from the labour market rather than stimulating their participation. The challenge therefore remains.

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			<p>Apart from the national measures, such as the continuation of <i>Maluch+</i> (Toddler+) programme, most of the financing comes from the European Social Fund. The employment of women, persons with disabilities and older persons could benefit from the announced Accessibility + programme.</p> <p>Ensuring the adequate supply of skilled workers to sustain growth and ensure economic transformation should be a priority. It is necessary to strengthen the measures that have already been introduced to support adult learning. The newly established Network of Local Centres of Knowledge and Education targeting also people above 45 years represent a step in the right direction.</p> <p>More actions are needed to encourage the take-up of flexible working arrangements to reconcile work and family life. The design of support for people who provide long-term care to family members is needed for their labour market participation. In the case of older workers, effective incentives for pursuing longer professional careers should be considered. The lowering of the statutory retirement age for women is a point of concern.</p>
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Portugal			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
<p>Report on implementation of the Youth Guarantee</p> <p>KEC: High, although decreasing, level of youth unemployment.</p>	Youth Guarantee	12/12/2017	<p>The labour market for young people in Portugal is improving, however the youth unemployment rate remains higher than the EU average and segmentation continues to be a concern. There is a wide network of partnerships in place to deliver the Youth Guarantee, and individualised support is provided. Portugal shows a high level of sustainable integration, indicating the quality of offers made. NEETs remain a heterogeneous group, some of whom need tailored support in order to be in a position to accept offers they may receive. An outreach strategy is in place, focused on those hardest to reach.</p> <p>Some challenges remain: there are an increasing number of young people in the preparatory phase of the Guarantee. There is a need for impact evaluations which Portugal plans to undertake at the end of 2020, in the context of the strategy designed with the support of the ILO. Measures to improve the quality of services are planned as well as the additional training for case workers in public employment services.</p> <p>Overall there has been good progress in implementing the Youth Guarantee in Portugal but efforts need to be sustained.</p>
<p>CSR 2: Together with social partners, ensure that minimum wage developments do not harm employment of the low-skilled.</p>	Wages and competitiveness	25/01/2018	<p>In a context of robust job-rich recovery, Portugal continued in 2018 the path of substantial increases of minimum wage (MW) initiated in 2014, although at a slower pace. This is part of a policy to make work pay and reduce in-work poverty.</p> <p>The MW increases are based on a strong social dialogue and are accompanied by close, regular and comprehensive monitoring, which is welcomed. EMCO encourages Portugal to continue enhancing and deepening the analysis on the impact of MW increases.</p>

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			<p>So far, the risks of negative impacts, particularly on the low-skilled, have not materialised. Portugal continues to be aware of the potential implications of MW increases on employment and competitiveness. The MW is already high relative to the median wage, which leads to wage compression and the reduction of wage skills premium. High coverage of MW gives its developments great influence in labour market outcomes.</p> <p>Therefore, it continues to be extremely important to step up efforts to enhance employability, particularly through education and training, of those groups more at risk of having their employment prospects negatively affected by further increases in the MW. This needs to support a continuous improvement in the labour market situation of those groups. Portugal should not lose sight of the long-term potential implications of cumulative increases in MW.</p>
<p>CSR: Promote hiring on open-ended contracts, including by reviewing the legal framework.</p>	<p>Segmentation and labour taxation</p>	<p>01/02/2018</p>	<p>Whilst the recovery is picking up speed, Portugal has a high share of temporary contracts (of which a number are involuntary). There is also a high wage gap between temporary and permanent workers.</p> <p>The government takes steps to involve social partners in the discussion, and they are actively involved in this context. The basis for ongoing discussion on policy and EPL is the "Green Book on Labour Relations" in-depth study. The Commission raised concerns on some aspects of the framework for dismissals which it considers might discourage open-ended hiring, although Portugal argues that these concerns have not been raised by social partners.</p> <p>Portugal acknowledges that segmentation is a challenge and is working with the social partners to address it. The labour inspectorate has been reinforced, active labour market policies have been adjusted and a number of temporary public sector contracts are being made into permanent roles which are welcome steps. Further changes are planned.</p>

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<p>CSR 2: Ensure the effective activation of the long-term unemployed.</p>	<p>ALMPS, LTU and PES reform</p>	<p>22/02/2018</p>	<p>The Portuguese Government shows a clear commitment to tackle long-term unemployment. The continuous decrease of the long-term unemployment rate, which is nonetheless still very high, represents a good sign, as is the increase in the proportion of recipients of unemployment benefits integrated in the labour market. Combined measures that promote hiring on open-ended contracts and target vulnerable groups such as the long-term unemployed are welcomed and encouraged.</p> <p>The coverage of the ongoing measures is nonetheless still low when compared with the total number of long-term unemployed, which represent almost half of the total number of unemployed. Wider coverage is required to ensure greater effectiveness. The one-stop shops / single point of contact for employment could play an important role in stepping up the activation of a larger number of long-term unemployed.</p> <p>An evaluation of the on-going measures is critical in order to achieve better results.</p>
<p>KEC 8: Adult population with upper secondary and tertiary education below the EU average, but showing positive developments.</p> <p>KEC 9: Young people with at least upper secondary education below the EU average, but showing positive developments.</p>	<p>Vocational education and training, skills and lifelong learning</p>	<p>06/03/2018</p>	<p>Portugal faces a number of important challenges in the field of skills and educational attainment. A number of steps have been taken to address the challenges. These range from initiatives to give schools greater curricular flexibility to programmes to support disadvantaged areas and students, programmes to improve the qualifications of the low-skilled and initiatives to improve digital skills for all. It is as yet too early to assess the success of these policy responses, which will need to be properly monitored and evaluated in due course.</p> <p>Portugal has identified three main targets to fully achieve European convergence by 2030, that include achieving in that year a level of overall R&D investment of 3%, a level of 50% of tertiary education graduates in the 30-34 years old age group and a European leadership level of digital skills</p> <p>Following the presentation of the OECD evaluation report on the higher education,</p>

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			<p>science, technology and innovation systems the Government has approved several legal and programme initiatives on the areas of Qualification and Higher Education, knowledge, science and innovation and emerging technologies, that are now underway.</p> <p>Particular attention is being paid to the implementation of an innovation strategy for Portugal, a new “Science Law” and to the modernization of the legal regime of degrees and diplomas in higher education.</p> <p>The Committees will be interested to see how this develops.</p>
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Romania			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	Although there are different tripartite social dialogue structures in places in Romania there are significant concerns regarding the quality of social dialogue and its deterioration. Considerably improved consultation and negotiation processes are needed both for tripartite and bipartite social dialogue and this may require amendments to legislation. There are also concerns regarding the capacity of social partners. EMCO notes that the CSR on minimum wages has now been reconfirmed for four consecutive years.
Report on implementation of the Youth Guarantee KEC: High NEET rates (15- 24) and increasing for women. High and increasing share of inactive NEETs.	Youth Guarantee	12/12/2017	<p>We have witnessed some improvements in key labour market statistics in 2016, however unemployment rates and NEET rates for the youth are still high and Romania is found under the ‘critical situations’ of the JER social scoreboard. EMCO acknowledges the reform efforts made by Romania. It is positive that the “INTESPO” project has been launched, that the capacity of PES to outreach has been strengthened and that a wider modernisation process has started in PES. New activation bonuses were also launched. The characteristics of offers received through the Youth Guarantee point to their potential quality.</p> <p>However, and taking into consideration the labour market outcomes, much more needs to be done to ensure a better, more effective and sustainable implementation of the Youth Guarantee in Romania.</p> <p>More efforts are required in the area of coverage of the NEET population and in the area of follow up / monitoring. There is room for improvements as regards the outreach to young NEETs and support to the inactive. The use of YEI and ESF should speed up to increase effectiveness. And PES capacity should be reinforced. The political support for strengthening the PES capacity should be reinforced.</p>

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			Overall, the implementation of the Youth Guarantee has been limited with the result that there is a high stock of inactive people.
CSR 2: Establish a transparent mechanism for minimum wage-setting, in consultation with social partners.	Wages and competitiveness	25/01/2018	<p>The CSR adopted in 2017 stating "Establish a transparent mechanism for minimum wage-setting, in consultation with social partners" is in place for four years. Increases in minimum wages have been implemented in 2016 and 2017 and further increases are foreseen in the government programme until 2020. They are partly compensating for a shift in social security contributions from employers to employees, thus avoiding decreases in net wages. A Tripartite Working Group was set up by the government in January 2016 to study practices in other Member States and propose an evidence based minimum wage setting mechanism. However, until now the Government has decided not to follow these recommendations.</p> <p>There are structures in place for consultation with social partners but there is scope for making these more effective and though there are no specific criteria set for deciding on minimum wage changes, there is a Small and Medium Sized enterprises test carried out when deciding on legislative changes.</p>

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<p>CSR: Fight undeclared work, including by ensuring the systematic use of integrated controls.</p>	<p>Segmentation and labour taxation</p>	<p>01/02/2018</p>	<p>The estimated scale of undeclared work (including envelope wages) is high in Romania. The Romanian government acknowledges the challenge. When responding to this Romania is undertaking legislative changes, inter alia as regards the obligations of employers, the recording of working time, social security, and fines. Legal definitions have also been broadened.</p> <p>Romania is also carrying out a number of information campaigns to improve awareness. And there is a mutual assistance project ongoing.</p> <p>However, in order to be effective, adequate resources need to be made available to inspectorates and there are no plans to do this (although there are plans to create a dedicated unit within the inspectorate). The impact of these steps will need to be monitored and assessed.</p>
<p>CSR 2: Strengthen targeted activation policies and integrated public services, focusing on those furthest away from the labour market.</p>	<p>ALMPs, LTU and PES reform</p>	<p>22/02/2018</p>	<p>The labour market situation in Romania continues to improve. The Romanian authorities made steps towards addressing the CSR, for instance by designating PES as the single point of contact for the integration of the long-term unemployed. A profiling tool is being implemented as part of a larger reform package.</p> <p>However, the administrative burden remains a disincentive for employees and employers to use the available ALMPs. The capacity of the PES is undermined by a staff shortage as well as the insufficient and ineffective use of digital services. The high client-staff ratio for the Romanian public employment service has a significant negative impact on its capacity to provide individualised approaches to the long-term unemployed.</p> <p>The coordination of PES services with the education and social services should be improved. The modernisation of the PES as well as the use of integrated services been initiated, but progress remains slow.</p> <p>The measures introduced are a step in the right direction but it is unclear whether they can match the multifaceted nature of the challenges. The efforts for adjusting</p>

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			the ALMPs targeting those furthest from the labour market, alongside the modernisation of PES, are still ineffective. More efforts should be made to implement an appropriate mix of ALMPs that could help activate disadvantaged groups.
CSR: Improve access to quality mainstream education, in particular for Roma and children in rural areas.	Vocational education and training, skills and lifelong learning	06/03/2018	<p>The "Ready Set Go!" programme to increase early childhood development outcomes for Roma children was a positive initiative, the results of which will be published in the course of 2018. It would be useful to consider how this project – now ended – could best be followed-up at the scale necessary to make a significant impact.</p> <p>The national project "Relevant curriculum, open education for all" should, if delivered well, help to improve school attendance and results, and reduce absenteeism and early school leaving. The monitoring and evaluation system should allow the project to be assessed and developed throughout its lifespan.</p> <p>The provision of food packages or hot meals to disadvantaged pupils should also help to improve school attendance. However, additional sources of funding will be required if this is to be rolled out at a national level.</p> <p>These reforms do not however appear sufficient to meet the scale of the challenges Romania faces, particularly given below-average spending on education, the educational divide affecting Roma and children from rural areas and the need for upskilling of the workforce.</p>

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Slovenia			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	The picture for Slovenia is not complete since there was only limited input from the employees' organisations. Institutional consultation is adequately organised around the Economic and Social Council, with a wide scope for consultation and the involvement of groups of experts in all relevant fields. There has been some progress in the involvement of social partners in the European Semester cycle with the publication of a timetable for meetings. However, timing remains an issue. The social partners' engagement in the social dialogue process in general may be helped by strengthening capacity. Support to this end may be welcomed.
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	The implementation of the Youth Guarantee systems continues to progress in Slovenia amid rapidly falling numbers of unemployed youth and young NEETs. Partnerships, in which youth organisations in particular are intensively involved, are a good basis for effective implementation (although the involvement of employers could be further improved). The labour market relevance of training, despite some recent initiatives aimed at vulnerable groups, requires significant efforts, and timeliness of offers is still a challenge. Sustainability of offers remains an issue and is still affected by the high degree of labour market segmentation, despite recent positive developments. The availability of information to monitor follow-up of exits of the system and to assess the quality of offers continues to be key. Recently adopted legislation to facilitate the availability of data is therefore welcome.
CSR 2: Intensify efforts to increase the employability of low-skilled and older workers, particularly through targeted lifelong learning and activation measures.	ALMPs, LTU and PES reform	22/02/2018	The labour market in Slovenia is improving but the participation rate of older workers and the low-skilled continue to be among the lowest in the EU. The ability of the ALMP system to reach out to these groups should be further improved. A number of new measures to support the target groups are acknowledged. These

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			<p>include incentives to take up employment for low-skilled unemployed people and programmes related to the ageing workforce. A more balanced sanctions mechanism has been introduced with an obligation for the mandatory registration of unemployed people. A new apprenticeship system has been created, in which all unemployed people are eligible to participate.</p> <p>The declining participation in lifelong learning is of concern. To this end, cooperation with employers is important. Additional training programmes are expected to be rolled-out this year.</p> <p>In general, Slovenia has taken steps to increase the employability of the low-skilled and older workers, but efforts in this direction should be intensified, especially through lifelong learning and activation.</p>
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Slovakia			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Review with social partners	Social dialogue	22/11/2017	The involvement of social partners in Slovakia is transparent and at the right level. Social partners shape policies through the legislative process and contribute to the Semester in this way. There are some concerns over the time constraints for social partners to respond to consultations. There are also some issues (such as membership decline) regarding the capacity of social partners. There is an ESF-funded project which is aimed at improving the capacity of social partners also in order to help them to comply with the uniform time frame given by law for all the stakeholders: it will be interesting to see the outcome of this project.
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>Despite some positive developments, challenges remain in the labour market. Slovakia has made progress on the implementation of the Youth Guarantee. Counselling and individualized services for long-term unemployed are being provided. EMCO takes note of the programme "Be active and have a job" and the skills anticipation project, and looks forward to hearing more on their results.</p> <p>The current partnerships involve all the relevant partners, although partnerships at local level and in implementation could be improved.</p> <p>A stronger partnership with the educational side would also be of benefit, to promote enrolment in the dual VET system, or access to second chance education (which remains weak).</p> <p>Slovakia should also increase the outreach to inactive NEET. The current project "Activation and support of young NEET" is a promising project, and its results should be monitored and evaluated. In general, monitoring and evaluation processes should be strengthened.</p>

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<p>CSR 2: Improve activation measures for disadvantaged groups, including by implementing the action plan for the long-term unemployed and by providing individualised services and targeted training.</p>	<p>ALMPs, LTU and PES reform</p>	<p>22/02/2018</p>	<p>The labour market in Slovakia continues to show signs of improvement. Slovakia has taken steps to improve the activation of the long-term unemployed and disadvantaged jobseekers, introducing an individualised approach. Single points of contact have been established.</p> <p>However, the long-term unemployment rate of is still high. Challenges remain in terms of in-depth profiling of the long-term unemployed to facilitate referral to the right measures. Individualised counselling still needs to be put into practice. PES caseload rates for specialized counsellors are still high and outreach efforts need to be reinforced. Training programmes have been reinforced, but their coverage remains relatively low and targeting to the needs of long-term unemployed jobseekers should be strengthened further. Stronger focus on up-skilling measures is needed in the context of increasing skills shortages.</p> <p>Continuous implementation of the Action Plan would be particularly important. The capacity of PES needs to be strengthened by increasing the number and the training of professional staff dealing with the long-term unemployed and with employers, as well as by improving the cooperation with private partners.</p>
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<p>CSR: Improve the quality of education and increase the participation of Roma in inclusive mainstream education.</p>	<p>Vocational education and training, skills and lifelong learning</p>	<p>06/03/2018</p>	<p>In Slovakia, the impact of socio-economic background on educational outcomes is high and increasing ESL is a challenge, the lower educational outcomes pose concerns. In addition, students with Roma background are overrepresented in special schools and there are major disparities in the distribution of disadvantaged students.</p> <p>Slovakia has launched some initiatives to promote more inclusive education which include employment of teacher assistants, implementation of inclusive curricula and the introduction of all day schooling. However, they are still to deliver the expected results. Also, there has been some progress in increasing the capacity and access to early childhood education and care, the enrolment though still can be considered to be low. Initiatives have also been put in place to increase the attractiveness of the teacher profession, including through gradual pay rises. There are plans to increase the entry requirement in teacher profession. However, investment in education remains more broadly a key issue. The "Learning Slovakia" strategy was published in 2017 is to be translated into a National Education Development Plan, and improvement of dual VET is being prepared.</p> <p>Overall, Slovakia has taken some steps, but there is limited progress in responding to the CSR overall, in addition those efforts will need to continue in a systematic way also in the future.</p>
<p>CSR 2: Enhance employment opportunities for women, especially by extending affordable, quality childcare.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>Efforts are being made to facilitate access to childcare and improve the work-life balance: ESF co-financed construction of new facilities has started and work-life balance projects were launched. The Social Services Act was amended so as to make childcare more accessible to non-working parents.</p> <p>Projects promoting flexible childcare and working arrangements are underway, and the number of men on paternity leave is increasing. However, the take-up of flexible working arrangements remains low.</p> <p>Given the high impact of motherhood and care responsibilities on women's</p>

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			<p>employment, further actions need to be taken to provide quality and affordable childcare facilities, to improve the design of family-related leaves and to encourage the use of flexible working arrangements. Some measures have been put in place, which go in the right direction but they are still at an early stage, therefore efforts need to continue. The close monitoring of the effects of such measures is warranted, and further efforts to set up childcare facilities might be needed.</p>
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Finland			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
<p>Report on implementation of the Youth Guarantee</p> <p>KEC: The youth unemployment ratio is high; the youth unemployment and NEET rates are deteriorating</p>	Youth Guarantee	12/12/2017	<p>Finland has made very good progress in implementing the Recommendation and has a well-established Youth Guarantee scheme with a strong focus on personalized guidance. Three-quarters of NEETs are included in the Youth Guarantee scheme. A slight increase in the number of NEETs has been observed recently. The strong performance of the one-stop shops was acknowledged, as well as the efforts in building new partnerships and strengthening existing ones.</p> <p>Finland is likely to meet the key employment challenge if the well-functioning mechanics are maintained. In this respect some concerns were voiced regarding the impact of the planned administrative and VET reforms. Finland affirmed that the positive features of the current system will be retained. It was considered, however, that more needs to be done to address the problem of NEETs in challenging situations.</p>
<p>CSR 2: Promote the further alignment of wages with productivity developments, fully respecting the role of social partners.</p>	Wages and competitiveness	25/01/2018	<p>There are general improvements in the labour market conditions in Finland. Unit labour cost developments have been moderate, thanks to the Competitiveness Pact. There is a trend towards sectoral and local wage bargaining, with a round of negotiations between social partners currently ongoing, and the government calling for moderation. First outcomes of the wage negotiations seem promising by safeguarding cost competitiveness while securing a potential increase in purchasing power. It will be necessary to continue monitoring the outcomes of the negotiations.</p>
<p>CSR 2: Take targeted active labour market policy measures to address employment and social challenges, provide incentives to accept work (...)</p>	ALMPs, LTU and PES reform	22/02/2018	<p>In response to the CSR, Finland has introduced a range of new measures and has strengthened incentives to take up work. The benefit system now includes provisions for financial sanctions for inactive persons and incentives are provided</p>

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			<p>to support entrepreneurship and training. However, some inactivity traps persist</p> <p>The newly introduced social impact bond model aims at addressing long-term unemployment by making use of a payment-by-results approach. PES capacity might prove to cause challenges, especially regarding personalized support and appropriate follow up. The PES reform is envisaged for 2020.</p> <p>Overall, some progress has been recorded in addressing the CSR. The impact and effect of the new measures undertaken will have to be closely monitored.</p>
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Sweden			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
Report on implementation of the Youth Guarantee	Youth Guarantee	12/12/2017	<p>Sweden implements the Youth Guarantee Recommendation in a satisfactory manner and EMCO notes the particular efforts made regarding newly arrived migrants.</p> <p>The structured partnership cooperation (between municipalities and the state) seems strong. The one stop shop model in outreach, the 90 day guarantee which is fully introduced, and online registration are also commendable features of the Swedish approach.</p> <p>Outreach to inactive NEETs could improve, whilst monitoring and systematic evaluation could further improve the policy response. There is also room for improvements as regards the need for a comprehensive IT system for follow-up (regarding NEETs including women from third countries).</p>
KEC 9: School outcomes are at the EU average but equity is declining.	Vocational education and training, skills and education	06/03/2018	<p>The targeted support provided by the government directly to schools facing the most severe problems and municipalities with the highest proportion of newly arrived pupils could be an effective way of improving equity. Clear monitoring frameworks are being put in place and it will be important to assess whether the measures have the desired results. Further measures might be needed to tackle the wider issue of the relative educational attainment of boys and girls.</p> <p>Salary increases to improve the attractiveness of the teaching profession are welcome, although salary is only one part of the overall picture: improving professional development and teaching environment would also be important. Care should be taken to ensure that local discretion on the use of salary increases does not cause problems with regard to equity and morale of teachers.</p>

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<p>KEC: Employment rate of non-EU nationals is lower than EU average.</p>	<p>Labour market participation</p>	<p>12/04/2018</p>	<p>Sweden is among the Member States that have experienced the largest inflows of non-EU migrants and refugees. The Swedish authorities have introduced several ambitious policy measures aiming at improving the labour market integration of non-EU migrants. A stronger focus on simplification and on making employment schemes for newly arrived more effective is expected to tackle the challenges.</p> <p>The reform of the "Introduction jobs" will streamline the existing five different forms of special employment support into a single one. The "Entry jobs" for new entrants to the labour market, in most cases recently arrived migrants, will allow the beneficiaries to combine employment with education. The fact that the "Entry jobs" is a common initiative by the social partners increases its potential to succeed in providing employment for job-seekers. This will address the challenges for the low-skilled migrants, which seem to affect women in particular.</p> <p>The Swedish government has also proposed regulatory changes in the area of social and labour market integration for newly arrived migrants. These amendments, intended to be aligned with rules currently applicable for Swedish jobseekers, include an education obligation and a labour market programme. They are likely to have a positive medium-term impact, given the evidence suggests that labour market integration of migrants takes from 5 to 15 years.</p>
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United Kingdom			
CSR/KEC 2017	Topic thematic review	Date	Conclusions
<p>Report on implementation of the Youth Guarantee</p> <p>KEC: The ratio of the youth unemployment rate (15-24) to the overall unemployment rate is comparatively high.</p>	Youth Guarantee	12/12/2017	<p>The strong labour market performance in the UK was noted, as well as the decreasing youth unemployment and NEET rates. UK does not implement the Youth Guarantee, as suggested by the Recommendation, but instead pursues measures similar in scope and type to those recommended. There is a clear political commitment to tackle youth unemployment and dedicated policy measures and resources in place. There is a clear focus on policies related to skills (including apprenticeships). Outreach is strong, but some concerns were voiced about reaching inactive NEETs.</p>
<p>CSR: Address skills mismatches and provide for skills progression, including by continuing to strengthen the quality of apprenticeships and providing for other funded 'further education' progression routes.</p>	Vocational education and training, skills and lifelong learning	06/03/2018	<p>The United Kingdom has dedicated significant financial and administrative resources to improve the up-take of apprenticeships in England. The introduction of the Apprenticeship Levy, the creation of an Institute of Apprenticeships and the announced reforms of the Technical Education programmes and the National Retraining Scheme have the potential to provide learning pathways for those workers in low-wage, entry-level jobs.</p> <p>New standards for apprenticeships are designed by groups of employers, providing students with job-specific but also transferable skills that should facilitate progression on the labour market.</p> <p>Vocational paths for school leavers are being reformed with the introduction of T-levels, which represent technical qualifications that 16- to 19-year olds may be able to take as an alternative to A-levels, the main school leaving qualification. The requirement that all T-levels programmes must include substantial work placement with an employer should improve transition to the labour market.</p> <p>These measures offer strong progression possibilities for those entering the workforce and help address the labour market needs. However, for those already</p>

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			<p>in the workforce, the resources devoted through the National Retraining Scheme are much less significant than those dedicated to apprenticeships and T-levels. But the fact that the retraining scheme is done in partnerships between employers, workers and public authorities indicates better relevance and effectiveness.</p> <p>The quality of apprenticeships (measured by the level of qualification) appears to be improving. Nevertheless, challenges remain in relation to skills gaps and shortages as well as skills forecasting.</p>
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