



Answers to questions submitted by participants following the meeting of 6 November 2020

Given the commonality issues raised in the questions 2,3,6 these replies to these questions should be considered together as a whole.

Note that in some cases specific points related the issues have been addressed by the Spanish and Polish experts.

Q.1 Do we have guidelines on how to implement the Open Method of Coordination (OMC) in member states?

General

The OMC is used in policy areas where Member States retain full national authority (e.g. education, employment, social policy). There are no specific guidelines on how to implement OMC. However, the procedure is as follows:

- A member state or group of member states presents, or the European Commission presents a proposal to the Council of Ministers for an area for cooperation and coordination.
- The EU27 member states as a group consider the proposal set against existing EU policies.
- If they agree on moving forward with the proposal, the EU27 at working level define the objectives and activities to meet the objectives, targets, performance indicators etc. as well as how the progress in meeting the objectives is monitored and reported. The Council of Ministers then decide on the elaborated proposal. Since OMC is not part of the EU treaties so there is no voting procedure. The Council of Ministers agree the OMC based on consensus.
- Each EU Member State then defines its own action plan (they often exchange ideas as to how they will each undertake their respective actions, so policy learning helps)
- Each Member States reports to the European Commission on the progress it is making, the Commission reviews overall progress and informs the Council of Ministers on developments.

The Open Method of Coordination of the European Union

The 'Open Method of Coordination' (OMC) is a form of EU soft law, a process of policymaking which does not lead to binding EU legislative measures nor require Member States to change their law. The Open Method of Coordination (OMC) aims to spread best practices and achieve greater convergence towards the main EU goals. The OMC was originally created in the 1990s as part of European Employment Strategy (EES). It was a reaction to the EU's economic integration process, where Member States were reticent to delegate powers in the employment field to the European Institutions.

The OMC has provided a new framework for cooperation between the EU countries, whose national policies are thus directed towards certain common objectives. Under this intergovernmental method, the EU countries are evaluated by one another (peer pressure), with the Commission's role being limited to surveillance. The European Parliament and the Court of Justice play virtually no part in the OMC process.

The OMC takes place in areas which fall within the competence of EU countries, such as employment, social protection, education, youth and vocational training. The OMC is principally based on:

- jointly identifying and defining objectives to be achieved (adopted by the Council);
- jointly established measuring instruments (statistics, indicators, guidelines);
- benchmarking, i.e. comparison of EU countries' performance and the exchange of best practices (monitored by the Commission).

The implementation of the European Employment Strategy through the OMC is underpinned by five key factors: subsidiarity, convergence, mutual learning, an integrated approach and management by objectives. Initially implemented in the field of employment policies, it has been extended to many other thematic areas, such as social inclusion, long-term care or cultural policies.

Source: https://eur-lex.europa.eu/summary/glossary/open_method_coordination.html.

Spain

The European Union uses the OMC to coordinate national policies. In Spain, a strongly decentralised country where competencies in the fields of employment and social protection are distributed among the central state and the regions, a similar approach started to be considered in 2011 with the first Active Employment Strategy, whose main aim was to reinforce coordination between central state and regions. The OMC is not a tool to be implemented as such, it is just an inspiration for coordination that consists of several elements (common objectives, monitoring and sharing of experience) that has proved to be useful.

Poland

In Poland due to the reform of territorial administration undertaken in 1998 majority of tasks in the area of employment are decentralised to the local level. Since 2000, the public employment service (PES) in Poland has been delivered both through 16 regional (*voivodeship*) labour offices (WUP) and 340 local (*poviat*) labour offices (PUP) as well as by state administration bodies, (e.g. 16 *voivodes*). Each body is autonomous with no hierarchical relationship with any other. This makes coordination of policies challenging, and calls for the use of OMC. One of the ways to harmonise actions is the use of National (and Regional) Action Plans for Employment. The National Action Plan for Employment operationalises the National Reform Programme for the implementation of the Europe 2020 strategy in the area of the labour market, as well as provides guidelines for the local governments at the voivodeship level in preparing annual Regional Action Plans for Employment.¹ At present, the National Action Plan for Employment provides for an annual (earlier, until 2018 - three-year) implementation perspective.

The coordination of Europe 2020 strategy implementation in Poland is vested in the **Team for the Europe 2020 Strategy**². The team is an intra-ministerial body and operates under the leadership of the Minister of Development, Labour and Technology (previously under the Ministry of Family, Labour and Social Policy). The team consists of:

- Secretaries or Undersecretaries of State of all ministries,
- presidents or vice presidents of the Central Statistical Office (GUS), the Office of Competition and Consumer Protection (UOKiK) and the Public Procurement Office (UZP),
- representatives of: local government bodies, business organizations, trade union organizations, chambers of commerce and agriculture, non-governmental organizations, scientific and research units invited by the chairman of the Team.

Team tasks include: (1) opinions on draft National Reform Programs (NRP) and other documents related to the Europe 2020 strategy; (2) opinions on compliance with the NRP on draft strategic documents prepared by government administration bodies, (3) monitoring and evaluation of the implementation of structural reforms referred to in the NRP, (4) preparing recommendations for increasing the effectiveness of the implementation of the Europe 2020 strategy, (5) strengthening cooperation and shared responsibility for the implementation of the Europe 2020 strategy at the national level, (6) ensuring effective communication with social and economic partners.

As such OMC allows for the coordination of actions and policies at all levels of governance. The Team reports its activities annually, and detailed reports are available on governmental website³.

¹https://www.gov.pl/documents/1048151/1060973/Krajowy_Plan_Dzia%C5%82a%C5%84_na_rzecz_Zatrudnienia_na_2019_rok.pdf/20ce4c24-0310-aa9f-3452-4f8d796259d1

² <https://www.gov.pl/web/rozwoj-praca-technologie/zespol-do-spraw-strategi-europa-2020>

³ <https://www.gov.pl/attachment/5fd2d12b-977f-42dd-82de-f211cb979139>

Q.2 Are there procedures in place on how to integrate EU Guidelines into national policy?

There are no set procedures on how each EU member state should integrate the EU employment guidelines into national policy. The varied circumstances of each member state require that each country takes a customised approach to incorporating the guidelines into national and regional policies.

In many instances, the guidelines which are very general in nature, and which apply to all Member States, are followed up by more customised Country Specific Recommendations which each member state would need to additionally consider.

Q.3 How are the EU guidelines integrated into the respective strategies of the two countries? In the case of Spain, we heard that it is not the most important priority. But still, to what extent are the guidelines consulted?

Spain

For Spain, EU employment guidelines are of crucial importance. If I have conveyed that they are not, then it has been a mistake in how I have communicated this. The [Employment Guidelines of 2018](#) and [2020](#) (they are very similar) are:

- Guideline 5: Boosting the demand for labour
- Guideline 6: Enhancing labour supply: access to employment, skills and competences
- Guideline 7: Enhancing the functioning of labour markets and the effectiveness of social dialogue
- Guideline 8: Promoting equal opportunities, fostering social inclusion, combatting poverty

The current Spanish Active Employment Strategy 2017-2020 addresses in a way or another these guidelines. Please, check in chapter 3 and table 3 in document with the Spanish case study the objectives of the Spanish Active Employment Strategy to see how these guidelines are reflected in them. However, these guidelines serve as a general guide for all countries about how to address the EU common objectives, but the countries' labour markets are very different and have different needs: these needs are described for each country in the Country Specific Recommendations, that vary each year. It is in fact these annual Specific Recommendations that most strongly guide the annual Spanish National Reform Programmes and the Annual Employment Policy Plans (which are the annual executive policy of the Active Employment Strategy 2017-2020).

EU countries elaborate their annual National Reform Programmes following guidance of the European Commission. As an example, the EC guidance for the elaboration of the 2019 NRPs⁴ included that countries shall draft a chapter where the economic, employment and social policies have to be described, **pointing out how they respond to the Country Specific Recommendations**. Additionally, the guidance provided by the EC included that countries should draft another chapter devoted to describing the **contribution of the country's policy measures to the 2020 targets**. Thus, the Spanish NRP 2019 includes such a chapter, where it is explained, e.g. that Spain intends to contribute to the EU target of 75% employment rate by 2020 by increasing the Spanish employment rate to 74% by 2020 and that, in order to do so, a set of employment measures -which are described- will be implemented. Examples of such measures are: Shock Plan for Youth Employment; change of the relationship between public employment services and vocational training providers; Strategic Plan for Vocational Training; change in the education law; universalisation of child care services for children aged 0 to 3 years; increase of the minimum wage to reduce in-work poverty...

As an essential complement of this description of policy measures, the Spanish NRP includes two annexes: 1) the first one includes a table where all policy measures described are classified according to the Country Specific Recommendation they respond to; 2) in the second annex, the measures are classified according to the EU target they intend to contribute, specifying the quantitative contribution. In this second annex of the NRP, the EU indicators are used, often completed with national indicators that are relevant for Spain. As additional examples, Spain intends to contribute to the EU target of reducing poverty by 20% through the reduction of the number of persons living in AROPE situations by 1.4 million persons⁵. Also, the contribution of Spain to the EU target of reducing early school leaving is that Spain intends to reduce the rate to 15% by 2020.

⁴ The national NRP 2020 were elaborated and presented to the EC in the context of the response to the Covid-19 crisis and may not respond well to the usual functioning of the European Semester.

⁵ This Spanish target has is very far from being achieved.

Q.4. Who is directly responsible for fulfilment of EU targets e.g. "Employment: 75% of the 20-64 year-olds to be employed."

General

The Council of Ministers (employment) of the EU agree on the targets. Each member state is then responsible for meeting the employment targets.

Spain

The EU targets are adopted jointly by all Member States and the EU institutions and their fulfilment is therefore a joint responsibility and the result of joint efforts of all member states and EU institutions. The idea behind is that of the OMC: the efforts of the countries and of EU institutions are aligned towards these jointly agreed objectives (e.g. employment rate of 75%), so that the probabilities that the target is attained increase. Regular monitoring of the targets on the basis of commonly agreed indicators alerts of possible hindrances so as to identify timely and adequate solutions and to correct possible problems. This monitoring, identification of hindrances and proposal of solutions is the essence of the European Semester (with the National Reform Programs, the Country Reports and the Country Specific Recommendations). If timely and adequate solutions are designed and implemented, then the progress towards the target in each country shall be achieved and, as a result, also in the EU as a whole.

Q.5 The draft Joint Employment Report (JER) is published as an annex accompanying the Annual Growth Survey and the Alert Mechanism Report. The Joint Employment Report provides a scoreboard of key employment and social indicators on the basis of which EU countries are benchmarked. Can we say that JER is the only employment strategy related document tracked on the EU level?

Spain

The OMC was first implemented with the European Employment Strategy back in 1998 and has since then evolved and applied to other policy fields (social inclusion, long term care and pensions). By then, the European Employment Strategy comprised a specific monitoring process that included annual employment guidelines, and annual National Action Plans for Employment elaborated by each member state and assessed by the European Commission. This process was parallel with the harmonisation and assessment of the economic policies; and that of the monitoring of the social inclusion, long-term care and pensions policies.

With the Europe 2020 strategy, a new governance model was introduced (the European Semester), based, among others, on "[Integrated guidelines for the economic and employment policies of the Member States](#)". In short, the idea is to merge the various former processes into one unique process, seeking for complementarities and strengthened coordination. Taking these integrated guidelines as reference, the member states elaborate annual National Reform Programmes, that gather both their economic, employment and social inclusion policies. As mentioned above, specific employment guidelines have been issued in 2018 and 2020.

Poland

The development of the European Employment Strategy, with the changing perspectives and targets is shortly described here: <https://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/european-employment-strategy>.

For reference (which might be useful to ETF PCs), the European Semester process is simply described in Factsheets: https://ec.europa.eu/info/publications/european-semester-factsheets_en

"Who does what" infographics is also available: <https://www.consilium.europa.eu/en/infographics/european-semester/>

The Autumn Package that starts the Semester Process is available here: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/autumn-package_en

Q.6 - Does EU Employment Strategy exists as a separate document, or it a part of Europe 2020 strategy?

General

The European Employment Strategy is an integral part of the overall EU 2020 strategy.

Q.7 How are the national strategies are linked with indicators and targets on EU level? Since 2015 JER includes three employment indicators (activity rate, long-term and youth unemployment rate) in its main scoreboard of indicators we can find additional indicators that are included in its auxiliary scoreboard (Early leavers from education and training, Gender employment gap, Income quintile ratio, etc.) Do all EU countries tend to have the same indicators integrated into their employment strategies (at least those from JER)?

Spain

The EU indicators are a necessary reference for all EU countries, since they are the quantitative basis for monitoring the progress of each country towards the joint targets. Countries would often add to the EU indicators some indicators that may be of special relevance for them and include them in the National Reform Programmes. In Spain, the NRPs draw heavily on these indicators. Additionally, the current Spanish Active Employment Strategy has designed a system of indicators to monitor the so-called structural objectives (see table 3 in document) of the strategy: these indicators relate to the employment guidelines, to the Country Specific Recommendations and to other interests.

Poland

As stated above the target values of the Europe 2020 Strategy have been defined at the European Union level. However, individual EU Member States are very diverse both economically and socially. Each of them has a different "starting point" and therefore the target values are also different, and should be generally achievable within the time horizon assumed by the Strategy. Each country must also implement different means/measures for achieving these goals, adapted to their specificity and problem areas. Therefore, the European Commission obligated the Member States to translate the overarching objectives of the European Union Europe 2020 Strategy into national goals and to define methods of their implementation. Cumulative actions and their effects on a level of all member states, as a result, are to lead to the implementation of common EU goals. National goals and measures aimed at achieving them have been formulated by the Member States in documents called National Reform Programs (NRP). Poland, in terms of the five leading goals of the strategy, declared the achievement of the following values:

- Employment rate of people aged 20-64 at the level of 71 percent,
- 1.7% of GDP expenditure on research and development (R&D),
- decrease in primary energy consumption to the level of approx. 96 Mtoe,
- decrease to 4.5% percentage of early school leavers,
- increase to 45% percentage of people aged 30-34 with higher education,
- 1.5 million drop in the number of people at risk of poverty or social exclusion.

All of these targets are monitored at the national level and reported to the EU. Its implementation is coordinated currently by the Ministry of Development, Labour and Technology. The actions aimed at reaching the targets – including the changing socio-economic context – are described in detail in annual actualisations of the National Reform Programmes. On the Ministry website⁶ all of the annual changes are published.

Current update (2020-2021) (available in English⁷) includes:

- detailed description of measures towards implementation of 2019 Country-Specific Recommendations, with the monitoring table of actions under each recommendation,
- description of progress made towards reaching Europe 2020 targets in the monitoring period,
- description of the institutional process of NRP updating and involvement of stakeholders.

⁶ <https://www.gov.pl/web/rozwoj-praca-technologie/krajowy-program-reform>

⁷ https://ec.europa.eu/info/sites/info/files/2020-european-semester-national-reform-programme-poland_en.pdf

Q. 8 Is it possible to get some technical templates on the EU level that covers this process?

Spain

These are some examples of guidance provided by the EC to Member States to produce the Recovery and Resilience Plans as a response to the Covid-19 crisis:

[Annual Sustainable Growth Strategy](#)

[Guidance to Member States Recovery and Resilience Plans - Part 1](#)

[Guidance to Member States Recovery and Resilience Plans - Part 2](#)

Poland

I have no access to the Stability and Convergence Programmes Guidelines (apart from those mentioned above), but these are certainly being made available to Member States:

“On 6 April 2020, the Commission provided guidelines on how the format and content of the 2020 Stability and Convergence Programmes (SCPs) can be streamlined in light of the exceptional circumstances related to the Covid-19 pandemic and the severe constraints under which Member States are working. The minimum guidelines have been agreed with the Economic and Financial Committee and are in line with the requirements of Regulation 1466/97. The Commission recognises that the exceptional circumstances demand particular understanding of the difficulties that Member States may face in providing the data usually required in their SCPs. The minimum guidelines set out in this note imply that it is likely that there will be important differences in the content of the SCPs submitted by Member States. The guidelines for streamlined SCPs have also been shared with the Independent Fiscal Institutions (IFIs).”⁸

⁸ https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/national-reform-programmes-and-stability-convergence-programmes/2020-european-semester_en

Q.9 Why are there changes to the European Semester in 2021? Why is the EU simplifying the originally designed reporting process?

General

We don't have an answer to this but there are two possibilities: a) the COVID19 crisis is generating more demand on member states to address the associated employment challenges and b) a next EU programme period for 2021-2027 is getting underway which can lead to revised operational measures.