BUSINESSEUROPE

ANALYSIS

April 2015

LABOUR MARKETS REFORMS AND IMPLEMENTATION OF COUNTRY SPECIFIC RECOMMENDATIONS IN 2014

This document presents the BUSINESSEUROPE's analysis of the policy environment and implementation of structural labour market reforms in 2014 in the framework of the European semester process. In this analysis, we distinguish between the BUSINESSEUROPE members' assessment of the progress made in terms of implementation of labour market reforms overall (ANNEX 1) and the role of country specific recommendations to influence on government actions (ANNEX 2).

This qualitative assessment builds on the inputs received from 15 member federations. It should be read in conjunction with BUSINESSEUROPE 2015 reform barometer (in attachment).

I. Main messages

As highlighted in BUSINESSEUROPE's 2015 reform barometer, the Country-Specific Recommendations broadly focus on the right issues. But country-specific recommendations are not implemented appropriately in most countries. This is also the case in the social affairs area. Labour market reforms need to be implemented or deepened, with specific measures generally varying between Member States.

1) State of the policy environment for employment and social objectives

BUSINESSEUROPE member federations consider by and large their national situation not satisfactory (*see table 1 below*). They indicate a clear discontent on the issues of "social protection sustainability" and "labour market mobility". This does not however reflect the lack of positive assessment – but with less strong signals – on some issues such as "employment participation", "better learning outcomes / employability" and "employment protection".

Table 1:

	Excellent	***Satisfactory***	***Not satisfactory***	***Poor***	*total answers*
Job creation		5	7	3	*15*
Employment participation		7	8		*15*
Social protection sustainability		4	10	1	*15*
Better learning outcomes / Employability		5	9	1	*15*
Labour market mobility		1	13	1	*15*
Employment protection		6	8		*14**
Labour costs		2	9	4	*15*

**Finland did not reply to that question*

2) Trends

Some notable reforms were carried out in Belgium, Bulgaria, Finland, France, Germany, Poland and Spain. Some are assessed as very positive, others are problematic. Some reforms signed in late 2013 took effect last year and continued to be high on the national agendas. Other reforms signed in 2014 will be effective in 2015. This timeframe confirms that reforms are designed to reach medium to long-term objectives.

Wage setting continues to be a major source of concern for members at national level. A statutory minimum wage has been introduced in Germany and is expected to impact negatively on job opportunities especially for low skilled workers. Wage increases not reflecting productivity (Hungary), unjustified (Ireland) or with no formal consultation of social partners (Bulgaria) were reported. Information from Portugal and UK indicate growing pressure on minimum wage setting mechanisms at national level.

Adaptation of pension systems to changing demographics has accelerated in the last year, which is a positive sign. Structural reforms already took place in Austria, France, Hungary, Portugal and the UK, and start to enter into effect. More recently an important retirement and pensions reform was negotiated by social partners in Finland. The sustainability factor is a central issue for member federations (Finland, Germany, Portugal, Spain, UK, Austria) along with the need to take into account life expectancy, lengthen working careers and develop targeted incentives to employ older workers. In several cases, the reforms addressed the challenge of financial sustainability adequately, but much more needs to be done in some countries such as France and Austria.

Some progress was made but more efforts are also needed on skills mismatches, skills development and attracting talents. According to member federations positive efforts have been made on the reforms of educational systems and in particular on dual learning/VET. However the results are still unclear and not tangible. Reforms already took place in France and Spain, and more recently in Denmark; they are still on going in other countries. Attracting talents from 3rd countries is seen as an important topic, but the close link to migration policies does not facilitate the design of new regulations. Employers value close cooperation with governments on these issues.

Last year, governments' actions were taken on youth employment, generally linked to the EU youth employment initiative and the youth guarantee; Social partners are generally involved. There is a mix of approaches reported, namely: tripartite agreement in Bulgaria; branch specific summer traineeship programmes and financial support in Finland; focus on entrepreneurship skills in Czech Republic, Hungary and Spain; efforts on low skilled in France and Hungary; focus on NEETs in Poland; effectiveness of job services in the UK. In Ireland, the introduction of a new apprenticeship model is a significant development. In other countries (e.g. Austria, Denmark, Germany) a large variety of measures already exist.

3) Relations with governments and or role of social partners…

- *…in national reforms:* The level of social partners' involvement in labour market and social issues is widespread and overall satisfactory. However negative assessment was reported on the approach taken by different governments related either to the overall consultation process on reforms (Hungary, Luxembourg) or related to the lack of proper consultation / consideration of employers views on some key dossiers (Belgium, Bulgaria, Germany). A significant agreement between the government and social partners was signed in Spain aiming to foster tripartite dialogue.

- *…as part of the European semester process:* When asked about member federations' involvement in the European semester consultation process (the national follow-up of the European semester post-CSR adoption) members did not report any significant improvement or change of procedures already in place: formal consultations with Governments or meetings with European Commission officials took place in Austria, Czech Republic, France, Germany, Hungary, Luxembourg and Poland. However, the structures used are in general not well-defined (not necessarily ad-hoc meetings on CSRs) and if employers are given the opportunity to share their views the impact still needs to be assessed. It can be then inferred that more needs to be done to secure the employers' involvement at national level in the overall process. In this respect, we welcome the proposal made in the Annual Growth Survey (AGS) 2015 and in recent meetings of the Employment Committee (EMCO), to strengthen consultations of national social partners once the AGS is published.

The assessment of whether the CSRs play a role in steering actions by governments to undertake reforms is mixed. There is a wide gap between the CSRs and the progress made on reforms. It is sometimes considered by member federations that CSRs increase momentum for actions at national level, but in other cases CSRs are ignored. Linked to government taking action, although there may not have been a clear reference to CSRs in the national measures it does not mean these would not play a role. In that respect, one crucial element is the recognition by national governments that CSRs are important and must be followed-up.

As regards the employers priorities to improve competitiveness through employment and social policies, three key areas remain fundamental according to member federations: 1/ improving flexibility (working time, work contracts); 2/ limiting wage increases and focusing on labour costs adjustments; 3/ tackling skills and qualifications mismatches through VET and targeted skills development.

4) Important issues that feature more prominently at national level in 2015

A number of new issues are reported and provide insightful information on national developments.

Active Labour Market Policies (ALMPs)

Active Labour Market Policies can contribute to create incentives for unemployed people to (re)enter the labour market. Progress was made in Spain with an employment activation programme agreed in collaboration with Autonomous Communities. Despite positive changes also reported in Czech Republic, Portugal and Poland (e.g. new instruments designed for certain groups, measures to improve the functioning of Public Employment Services), members highlighted the need to pay attention equally to the broad framework of ALMPs, namely: bring more efficiency into the system, reduce administrative burdens, avoid creating new permanent rights.

Welfare benefits / inactivity

Some reforms of welfare benefits have been carried out in some countries (Belgium, Denmark, France and the UK) to make work pay. The main goal is activate groups (disabled, older workers) and tackle inactivity and long-term unemployment. The UK Universal Credit is an interesting example of an ongoing welfare reform. In some countries, the lack of concrete progress on the ground highlights the need for more ambitious and comprehensive reforms e.g. in Denmark of the welfare benefit system.

Court of Justice of the European Union: impact of recent cases

Both Finnish and UK member federations report important developments linked to ECJ rulings. A first case was reported on the calculation of holiday pay under the Working Time Directive (UK example). This is an illustration of a broader concern of European business reality to broad interpretation of existing EU rules widening the scope of European Directives beyond the original intention of member states. More positively, a preliminary ruling on restriction of use of temporary agency workers in collective agreements, linked to the Temporary Agency Work Directive, is expected in spring 2015.

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II. Examples of positive and negative labour markets reforms

Source: BUSINESSEUROPE REFORM BAROMETER - SPRING 2015

Flexible labour markets

Objective: Flexible labour markets that are characterised by the availability of different contractual arrangements, as well as the necessary working time and wage flexibility, including aligning wages with productivity levels, while respecting the autonomy of social partners in the collective bargaining process.

Positive

- **Poland**: Increased employment flexibility by providing the possibility to work on Sundays and holidays for operators providing cross-border services.
- **UK**: A flexible labour market is critical to UK competitiveness and the ability of businesses to grow. It allows firms to respond quickly to growth opportunities and provide individuals with the opportunity to fit work around other commitments, such as caring or studying. Flexible contractual arrangements, such as part time and zero hour contracts, helped to keep people in work during the recession and have contributed to record levels of employment in the UK.

Negative

- **Poland**: Amendments to the Labour Code proposed on provisions concerning fixed-term contracts. The bill tabled in the autumn of 2014 limits the flexibility of fixed-term contracts, imposes contract termination conditions which are equal to those applicable under indefinite-term employment contracts. This will substantially increase the employment protection level and reduce the flexibility of the Polish labour market.

Encouraging employment by making work pay

Objective: Reducing the tax burden on labour, including targeted cuts in employer's social security contributions, will encourage employers to hire more staff. Employment also needs to be a more attractive option than income support.

Positive

- **Belgium**: slight "gradual reduction of unemployment benefits" (FR: dégressivité) in unemployment benefits to reduce disincentives to work for long-term unemployed and youngsters ‹ 25 years.
- **Spain**: 1/ Reform of the active employment policies, which homogenises policy implementation in all the Autonomous Communities and makes the public funding conditional on the achievement of measurable results. 2/ Launching of the National System of Youth Guarantee, aiming to the improvement of skills and employability of young people. 3/ Promotion of public-private partnerships in labour intermediation services.
- **Poland**: Amendment of the Act on the promotion of employment and institutions of the labour market which provides for activities under the ALMP. Expected this will contribute to making the PES and the ALMP more effective. However, in creating

those incentives, no effort was made to simultaneously reduce the obstacles that make the situation of those persons in the labour market more difficult.

- UK: The continued roll out of Universal Credit (UC) aims to merge a number of benefits in order to simplify the system and ensure that work pays. UC will make it easier for individuals to recognise the financial benefits of work and in smoothing out the artificial thresholds the new system will increase flexibility as businesses will not have to organise staffing according to welfare policy.

Negative

- **Germany**: Minimum wage: introduction of a statutory minimum wage of €8.50 per hour (effective 1 January 2015), which will worsen the job opportunities especially for low-skilled workers. Only a very limited number of exceptions for special groups such as the long-term unemployed, apprentices and trainees are foreseen.
- **Bulgaria**: Minimum wage increase for 2015 (+11.8%) set without formal consultation of social partners; setting of minimum and maximum social security threshold for 2015 neglecting employers' federations official opinion.

Sustainability of social protection systems

Objective: Social protection systems need to be sustainable to cope with high levels of unemployment in the short-term (through encouraging people into work) and Europe's ageing population in the long-term. Pension reform - linking the retirement age to life expectancy - will help address the demographic challenge.

Positive

- **Finland**: Major pension reform negotiated by social partners. Main objectives: extend working careers by at least 1.5 years and raise effective average retirement age to at least 62.4 years by 2025; help reduce the sustainability gap of public finances by 1.1 % of GDP and promote employment; secure financing of statutory earnings related pensions and abolish pressure to increase the level of pension contributions.
- **Belgium**: 1/ Reduction of early-exit possibilities. 2/ Higher statutory retirement age and longer career length requirements.

Negative

- **France**: From 1 January 2015 any employer must take into consideration 4 "arduous/ strenuous work factors: night work, repetitive work, shift work and work in a compression chamber". Each employee earns bonus points and can be eligible to early retirement or to specific training. The system is a source of complexity, legal uncertainty and is very costly for business.
- **Bulgaria**: Changes in the social security ("right for choice" between second and first pillar - additional pension provided by private pension fund and first pillar for those born after 1959) without formal consultation of social partners.

Educate for employment

Objective: Education curricula need to be better aligned to the needs of the labour market with a focus on employability and overcoming skills mismatches. Resource-efficient training schemes are also required, inside and outside companies, on a cost-sharing basis.

Positive

- **Spain**: Recent Organic Law on the Improvement of Quality Education introduces dual vocational training. Represents a good step to bring the worlds of education and business closer. Royal Decree on a new training and learning contract going in the same direction of strengthening the dual VET in Spain. Although further efforts are needed to increase the labour market relevance of education and training.
- **UK**: Progress is being made on the government's agenda, including raising the participation age and requiring maths and English to be studied to a GCSE 'C' grade level until 18. Positive apprenticeship reform continues, however the progress on the funding reform has been slow.

Other

- **Austria**: Austria has a long tradition in apprenticeship training. The current government programme encompasses the further development of the dual system. Besides the general school system needs to be revised. IV has presented a new model for an Austrian school system that is currently discussed with all relevant stakeholders.

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III. Qualitative assessment of labour market reforms

ANNEX 1

BUSINESSEUROPE member federations were invited to give a qualitative assessment of labour market reforms in ten key areas, as follows:

Key areas	Members' assessments on actions taken by national government, if any?
1. Review wage setting practices to reinforce the link with productivity	Austria: No government action. In Austria there is no statutory minimum wage. However the coverage of collective agreements is very high. The IV highlights to reflect about the still existing seniority principle in wage setting practices as well as in other legal provisions and to shift more towards pay-for-performance principle. Belgium: No action, but revision foreseen in governmental agreement (10/10/2014). Has still to be executed. Bulgaria: Minimum Wage for 2015 is set without formal consultation with social partners; Minimum and maximum social security threshold for 2015 are also set without approval on behalf of employers' federations. Both do not correspond to the productivity developments after crisis of 2008 and interrelated negative trends in nominal and real ULC. Czech Republic: The wage setting mechanism in the CZ was not reviewed because it was always linked to the productivity development. The increasing of the minimum wage is a matter of the dialogue between the social partners based on the mutual consensus and conditions of the companies. Denmark: According to "The Danish Model" the question of wage setting practices and the link to the development in productivity remains a matter for companies and their employees. The government has taken no action in regard of this issue and it is I full conformity with the position of the Danish Employers' Confederation. Finland: No major openings in 2014. General approach has become more favourable to branch level collective agreements (as opposed to centralized agreements) due to them possibly allowing more flexibility for companies to negotiate locally the level and allocation/targeting of wage increases. France: No action taken. But wages have continued to rise in spite of the stagnation of productivity. Germany: The German system of free collective bargaining, which is based on the principle of social partner autonomy, has proven highly effective in mitigating the negative impact of the crisis by guaranteeing a sound development of wages in line with productivity. This system needs to be preserved.

	The introduction of a statutory minimum wage has damaged the system of free collective bargaining. The minimum wage of 8.50 € will destroy low productivity jobs, which have been a stepping stone into the labour market for low skilled workers. Hungary: Wage setting practises exit in company level, government and social partners debate on the national minimum wage (annual amount (2): general minimum wage and guaranteed minimum wage of professionals/skilled workers) and parties agree on a recommendation (percentage) for the general wage increase. Although the agreement concluded in the tripartite body for 2015, neither employers nor trade unions are satisfied. Based on the point of view of MGYOSZ-BusinessHungary, the economic achievement and productivity cannot allow such rate of increase (~4% regarding mandatory minimum wages, 3-4 % general recommendation), however we welcome the agreement and the fact that it can contribute to the small increase of poorest workers' wage. Ireland: The Irish Government has established a Low Pay Commission to make recommendations by mid-July each year on the minimum wage. Ibec has recognised that the minimum wage should increase as circumstances improve. However it has pointed out that recent cost of living trends, along with the inflation outlook for 2015, indicate that there is no justification for an increase at this time. Luxembourg: Not enough ad none at the moment. Not in line with federation position. Poland: No actions taken. Portugal: The Portuguese Government and the majority of the Social Partners signed on 24th September 2014 an agreement, within the Standing Committee for Social Concertation, on the revision and establishment of a new amount for the national minimum wage. It is important to highlight that the above mentioned agreement also established the creation of a tripartite commission to define criteria for the determination of future updates of the national minimum wage, with special incidence in aligning productivity, competitiveness and incomes policy and prices. Spain: On this matter, no action has been taken by the government. Nevertheless, the Second National Agreement for Employment and Collective Bargaining, subscribed by the social partners on 25 January 2012, includes, apart from wage moderation criteria, the possibility to amend collective agreements in order to foresee ways to link wage setting policies with productivity. There are currently negotiations between business organisations and trade unions for the renewal of this Agreement. Sweden: No actions UK: The National Minimum Wage is recommended to government on an annual basis by an independent Low Pay Commission (LPC). There has been growing pressure over the last year to change the role and remint of the LPC, which would undermine its independence although no changes have been implemented by the current government. The CBI supports an independent LPC as the body that sets the UK's only wage floor. Business is clear that increases in pay must reflect increases in productivity.

	To help illuminate the productivity challenges, the CBI believes the Office for Budget Responsibility should be asked to report regularly and in-depth on UK productivity growth. Over and above this, improving productivity must business-led.
2. Reduce the tax wedge on employment	Austria: Very little government action. High priority. First steps have been taken in 2014. IV highlights the urgent need to further explore the potential to reduce the non-wage labour costs. Belgium: Very limited action, but policy on reducing tax wedge foreseen in governmental agreement (10/10/2014). Has still to be executed. Bulgaria: As stated in p.1, raising minimum and maximum social security thresholds in 2014 and 2015 give a significant increase in income tax and social security contributions paid by employers which deteriorate employment conditions in certain sectors, regions, occupations, young entrants to the labor market and low qualified labor Czech Republic: The government reintroduced the possibility to apply the tax deduction for working pensioners with the effect from 2015. The tax deduction for second and subsequent child was increased from 2015. Denmark: Tax reforms decided in 2013 increases the ceiling for the top tax bracket and increases employment deductions. Some indirect taxes are lovered too. But much more needs to be done. Finland: Overall tax wedge has not been decreased. France: Yes, the “Responsibility pact” foresees a reduction of 40 billion euros by 2017, but this is not enough to impact companies’ competitiveness. Germany: Pension contributions have been reduced for the year 2015. However, they will rise in the long run due to the demographic change. Also, the rise of long-term care contributions for 2015 was even stronger than the reduction of pension contributions. Reduction of taxes and social security contributions will increase employment. Employment effects on domestic demand exceed wage growth effects by more than 100%. Efforts need to be made concerning the reduction of tax progression and the elimination of disincentives for second earners. Social security contribution rates, which are among the highest in the OECD, need to be reduced wherever possible. Hungary: Nothing has happened in 2014. Ireland: Budget 2015 reduced the marginal rate of income tax from 41% to 40%; the Universal Social Charge entry level has been increased from €10,000 to just above €12,000, with the upper ceiling for the first band increasing from €16,000 to just above the level of the minimum wage: the income tax standard rate band has been increased by €1,000 to €33,800. The reduction to the marginal rate, reform of the tax bands and the plan for more reductions will have a positive impact on the tax wedge on employment.

	Luxembourg: No Poland: There was no progress in reducing the tax-wedge on labour. On the contrary, new provisions were set out to increase taxation (social insurance) for civil law contracts on services. However these changes were introduced with partial support of Polish Confederation Lewiatan, since it improves social insurance coverage and clears competition rules between companies using civil law contracts and employment contracts. Portugal: There wasn't any relevant development in this matter. Spain: In general terms, there has been no reduction of the social contributions, although this is a repeatedly request from the business organizations and a commitment of the government to reduce it as counterpart of an increase of the VAT. However, mechanisms have been established to reduce the social contributions for specific groups young people, long-term unemployed, etc. Sweden: No actions UK: As the economic recovery has firmly bedded in we are beginning to see increases to the cost of employment. Wage increases in real terms combined with the continuation of auto-enrolment into pensions for small firms are pushing the cost up. Alongside these increases, the proportion of business spend on employment going to the Exchequer to fund welfare benefits (via higher National Insurance Contributions (NICs)) has increased. To ensure that individuals see more of what their employers spend on them, the CBI would like to see the threshold for employee NICs increased.
3. Create incentives for people to work and avoid unemployment traps	Austria: Government action. High priority. Belgium: Limited adaptations to unemployment benefit schemes: Slight degressivity for long-term unemployed and limits in time for unemployed youngsters < 25 years, who never worked or worked very little. Bulgaria: Partial ESF support is used but the number of subsidised jobs is unsatisfactory. No changes in labour legislation advancing flexible types of employment. (Please also refer next point.) Czech Republic: The creation of jobs for older people has been supported by an increase of the employment subsidy for older jobseekers. Many measures improving the situation of young people on the labour market became a part of the YG Action plan. Denmark: Some parts of the new rules on active labor market policy are DA positive about. This is a requirement that unemployed in the first 6 months must attend an interview at the job center every month and that companies will gradually be relieved of payment of compensation by dismissal. The whole reform package with a total of 28 different elements is estimated to raise employment marginally. Finland: Based on the Finnish Government's structural policy programme, the following actions have been or are being implemented. Some expected changes have been cancelled (e.g. splitting home-care allowance between parents and restricting the

	subjective right to day-care). 1) The employment area (in which an unemployed person is expected to accept work) was enlarged. 2) The number of job offers made to the unemployed by PES has been increased and if an unemployed person does not apply to the offered position(s) s/he will suffer a qualifying period as to the receipt of unemployment benefits. 3) The use of job alteration leave was made more restricted from September 2014 onwards. France: The unemployment insurance system has been reformed by the social partners who negotiated through an agreement (extended by the government): - rechargeable unemployment benefits: the more the beneficiary works, the more he extends his benefits duration (within the limit of 2 years). - cumulating wage and unemployment benefits (in case the beneficiary accepts a job contract with a lower wage than his previous one) becomes more simple and encourage people to get back to work. The "redundancy support agreement" has been reformed by social partners in December 2014 ; the main changes consist in: - lowering the replacement rate from 98.5% to 92.5% of the past net income (the duration stays the same: 1 year), - proposing a bonus in case of return to work, in the form of a capital equal to 50% of the remaining benefits. Germany: The federal government established a general statutory minimum wage that contradicts the efforts to improve employment opportunities for low skilled workers and workers with low productivity. The only very restricted number of exemptions from the minimum wage have to be revised in order to facilitate labour market access for the most vulnerable on the labour market, i.e. the young, the low qualified and the long-term unemployed. Hungary: Government further cut the unemployment benefit-entitlements in 2014, and widened the range of public working scheme as the main tool of "active labour market policy". In 2015 the public work become the main and more or less the only one instrument of treating unemployment. Based on the plan of the government unemployment benefit will be completely ceased by 2018. Ireland: Government 'Pathways to Work Strategy' has introduced (i) New-style social welfare offices which provide employment and income supports to jobseekers in the one place for the first time (ii) Greater conditionality on payment of unemployment benefits (iii) The Employment and Youth Activation Charter: Employers who sign this Charter commit that at least 50% of candidates considered for interview will be taken from the unemployment register (iv) A new account management approach to employers within the (v) JobPath, through which third-party providers with proven track records will be hired to provide additional employment services focused on the long-term unemployed. (vi) The introduction of a Working Family Dividend which will allow jobseekers returning to work to retain, for a set period, welfare payments known as Qualified Child Increases for their children. This will remove a potential welfare trap and ensure that work pays. Luxembourg: Not enough Poland: Most incentives were created through the amendment of the law on employment promotion and labour market institutions.

	These incentives mainly concentrate on ALMP rather than reduction of incentives to maintain from social benefits. Polish Confederation Lewiatan position was to make work pay through tax wedge reduction rather than reduction in social benefits, since the level of benefits and benefits entitlement are relatively low in Poland. Second area of actions suggested here by Polish Confederation Lewiatan was to make ALMP more effective which was partly done by the amendment of the law on employment promotion and labour market institutions. Portugal: Within the active labour market policies (ALMP) reform there where changes on some measures that aim to support the hiring of workers (e.g. measures that foresee the reduction of social security contributions or financial support) that can incentive people to work. The changes made were positive but in our perspective much more should be done, namely to rationalize and simplify the framework of the ALMP. In this matter we highlight that in Portugal all relevant actors recognize, including the governments themselves, that the ALMP measures are too many and fragmented and that this hindered the global and transversal view of the framework and therefore affects its implementation, especially by its main recipients: the unemployed and companies. Spain: The Spanish Strategy for Entrepreneurship and Youth Employment 2013-2016, together with the National Action Plan to Implement the Youth Guarantee, includes different incentives to promote youth employment. Also the Spanish Activation Strategy for Employment 2014-2016 and the Extraordinary Employment Activation Program addressed to long-term unemployed, approved in December 2014, should be mentioned. All these measures have been negotiated with the social partners. Therefore the business organizations share the philosophy justifying their establishment. Nevertheless, they disagree with some of the measures aimed to foster subsidized employment rather than provide flexibility to the labour relations framework as required by business to create employment. Sweden: Action taken. Introduced a fifth working tax credit UK: The introduction of Universal Credit, the government's most significant welfare reform, continues. The CBI supports the broad aims of Universal Credit which will merge a number of benefits in order to simplify the system and ensure work pays. Implementation of Universal Credit has been slow to date although at the end of 2014 national roll out plans were announced.
4. Make permanent contracts more attractive to employers	Austria: No government action. To make the creation of jobs more attractive for employers definitely helps to overcome the current crisis. Belgium: No action. Negative effect of suppression of probation period in contracts (see new harmonized statute of blue and white blue collar workers) Bulgaria: In opposite – contradictory amendments to Criminal Code making employers more vulnerable relieving workers from their obligations were adopted. Czech Republic: Majority of contracts in CZ are still on a permanent base. Part-time work, fix-term work and TAW are considered as

	a bridge to the more stable forms of contract. Denmark: There has been no action by government with regard to this issue – the conditions concerning permanent employment contracts are primarily dealt with in collective agreements concluded by employer organisations and trade unions. Finland: No change. (There was an attempt by the Ministry of Employment and the Economy to increase the possible length of employees' trial periods from four to six months but trade unions refused to negotiate the issue.) France: No action taken. Germany: No action has been taken. Germany has currently a rigid employment protection legislation concerning workers with open-ended contracts. The German jurisdiction on protection against dismissal demonstrates that in case of a dismissal legal certainty is usually difficult to achieve or is secured through the payment of compensations. As a result, small and medium-sized enterprises are often wary of recruiting new workers. Therefore we need a reform of protection against dismissal through the addition of a compensation option. Employer and employee generally must have the possibility to agree on an option for compensation. Hungary: Nothing has happened in 2014 Luxembourg: No Poland: PL government is trying to do that through making fix-term contracts and civil law contracts less attractive. This is opposite to Polish Confederation Lewiatan position, since it decreases overall labour market flexibility in Poland. Portugal: There wasn't any relevant development in this matter. Spain: The Law 3/2012, of 6 July, on urgent measures to reform the labour market, introduced the permanent contract for entrepreneurs (applicable by SME up to 50 employees) with a trial period of one year and several fiscal advantages. The Royal Decree-Law 16/2013, of 20 December, on measures to boost stable hiring and improve young people employability allows the use of this contract for part-time work purposes. In addition, the Royal Decree-Law 3/2014 on urgent measures for the promotion of employment and permanent hiring was adopted, reduces the business part of the social security contribution for common contingencies, varying the amount depending on whether the contract is full-time or part-time. Sweden: No actions UK: The UK has a strong record of creating permanent employment opportunities for those who want them. In the last year, there was a 3.2 percentage point decline in the proportion of temporary employees who could not find a permanent job. It must be noted that permanent work does not suit everybody. The proportion of employees working temporarily who would rather work permanently rose during the recession as employers contained rises in unemployment. But as the UK's economic recovery

	has continued to bed in, employers are creating permanent jobs again.
5. Allow for the development of flexible forms of work, i.e. agency work, fixed-term, part-time	Austria: Government action not sufficient. High priority. A flexible workforce is vital and important for job creation. Belgium: No action. Still no temporary agency work in public sector. Bulgaria: In opposite – preserving restrictions on temporary work agencies, no structural reforms and changes in the labor legislation. Czech Republic: The problematic situation with the TWAs was more complex in CZ. It was established an ad hoc group involving also the Association of the TWAs. The number of the TWAs became more transparent and cleaned of the unfair providers. Denmark: The implementation of the directive on temporary agency workers has from a company point of view reduced the flexibility with regard to these forms of employment relationships. Finland: No change. As for temporary agency work, many Finnish branch level collective agreements still contain restrictions on the use of temporary agency workers. EK considers that this is against the Directive on Temporary Agency Work. ECJ preliminary ruling on the Finnish issue is pending (C-533/13). Advocate-general's opinion was issued in November 2014 and judgement is awaited in spring 2015. France: No action taken. Germany: Status quo is satisfactory. Achievements of the “Agenda 2010” reforms need to be preserved. Plans of the new federal government to restrict the use of temporary employment and contracts of work and labour are highly counterproductive in this regard. They establish new entry barriers to the labour market esp. for the young, the low qualified and the long-term unemployed. Hungary: The “not-so-new” Labour Code (2012) rules the atypical work flexibly, employers have good experiences. Luxembourg: Progress was made when the access to permanent recruitment was allowed to be carried out by temporary work agencies Poland: Some actions are taken on the early stage for popularising agency work due to Polish Confederation Lewiatan. Ministry of Labour and Social Policy established working group for preparation of legislative proposals. No real progress in flexible forms and even some step back in the proposal on fixed term contracts. Portugal: There wasn’t any relevant development in this matter. Spain: The Law 3/2012, of 6 July, on urgent measures to reform the labour market foresees the strengthening of the public-private cooperation in the field of labour mediation services with the participation of private employment agencies. Likewise, The Royal Decree-Law 16/2013, of 20 December, on measures to boost stable hiring and improve young people employability, relaxes the part-time contract in the sense that additional hours can be more flexibility increased and the period to be given to workers to

	perform overtime hours has been reduced. Nevertheless, these modifications do not respond to the CEOE proposal of considering the part-time contract as an ordinary contract at all effects. Sweden: No actions. The current regulation by law is rather satisfactory regarding fixed-term contracts and agency work UK: Flexible forms of work are integral to the UK labour market and are one of the main reasons that the UK has been able to avoid the rise in unemployment that would usually have been associated with a peak to trough fall in GDP that the UK suffered in 2008-09. The form of flexible work receiving most attention in the UK at the moment is a 'zero hours contract'. This is where an individual is employed permanently and is generally entitled to the same employment protections as other employees, but the employer is not required to offer a minimum number of hours of work and the employee is not required to accept work when it is offered. Legislation is being introduced to prevent any abuse of this type of contract and ban exclusivity clauses in zero hours contracts. The CBI regards this as a proportionate response to an issue that affected a minority of the workforce.
6 Better align education system with labour market needs, e.g. promote dual learning; STEM education	Austria: Austria has a long tradition in apprenticeship training. The current government programme encompasses the further development of the dual system. Besides the general school system needs to be revised. IV has presented a new model for an Austrian school system that is currently discussed with all relevant stakeholders. Belgium: Raising awareness of public, schools, pupils and parents. Bulgaria: Changes in legislation for faster and broad adoption of dual learning. Czech Republic: Many positive steps have been done to improve cooperation between schools and companies and the tax incentives have been introduce for the companies and schools to promote technical education and VET. It was s common effort of the employers and Ministry of education based on joint memorandum. Denmark: Reform of the vocational training system in 2014 with focus on better and higher qualifications and the labour market needs. Finland: Ongoing changes in VET education to create more flexibility to meet labor market demands e.g. by creating the possibility to complete training in modules and work in between or to combine VET education with apprenticeship. At higher educational level ongoing efforts to promote structural reforms. France: See vocational training reform, Agreement December 2013 transposed into a law in March 2014 Germany: The dual vocational training system is essential in aligning education to labour market needs. Given the demographic change and the shortage of skilled workforce especially in STEM professions, additional efforts are needed, for example by providing early career guidance in schools with regard to STEM professions. Hungary: The reformulation of the education system is carry on, has started in under the previous Orban cabinet.

	Ireland: Government has introduced (i) A new enterprise-led apprenticeship model which should see a significant expansion of apprenticeships to new business and industrial sectors. Business organisations have been invited to identif the occupations which would be suitable for new apprentices. An Apprenticeship Council has been established to select suitable occupations and promote the new apprenticeships (ii) ICT Skills Action Plan with a target to meet ICT skills demand through domestic supply by 2018. This will be met through a range of actions in the education system including enhancing core provision and retention, continuing to provide conversion programmes and focusing the skills of young people, especially young female students, on ICT careers. (iii) Second level school curriculum reform Luxembourg: Work in progress Poland: Some legislative work was done in 2012, changing the rules for vocational education but the progress in implementation is unsatisfactory. Especially disappointing is lack of cooperation with employers. Portugal: Despite political intentions publicly assumed, there are no relevant measures in this area. Spain: The recent Organic Law on the Improvement of Quality Education introduces the Dual Vocational Training in the Spanish Education System as a new option, which has been positively welcomed by CEOE. Although this Law represents a good step to get closer the worlds of education and business, there is still a very long way to go. Also the Royal Decree 1529/2012, of 8 November, on a new training and learning contract goes in the same direction of strengthening the dual VET in Spain. These measures go alongside business approaches. Sweden: Actions taken. Introduction of new scheme where work is being combined with tutoring in the work place. The time in tutoring is not being paid for. Based on collective agreements and subsidised by the Gov UK: Progress is being made on the government's agenda, including raising the participation age and requiring maths and English to be studied to a GCSE 'C' grade level until 18. Positive apprenticeship reform continues, however the progress on the funding reform has been slow. The CBI want to see more systematic reform of the school system to better prepare young people for the world of work. This includes better careers advice and more rigorous, better valued vocational education and training.
7. Increase youth employment, including as part of EU youth employment initiative;	Austria: Government action taken. High priority. Belgium: Yes. Bulgaria: Signed National tripartite agreement for implementation of the National plan. More to be done for assuring necessary information for policy implementation (digitalised personal education and qualification profiles as proposed by BIA etc.). Czech Republic: The CZ Action plan for YG implementation is smoothly ongoing. There are many projects focused on better balance between education in the school and at the work place and entrepreneurship education. The role of the PES is increasing

	particularly in the individual approach and individual career consultations and plans. Denmark: The youth employment initiative has had no real effects in Denmark. Denmark has compared to other countries a relatively low youth employment. But DA has tried to use the focus on VET and dual training in Europe to give a new impetus to the functioning and quality of the Danish VET systems. We are now implementing a reform of the Danish VET programmes with effect from August 2015 Finland: Social partners have continued branch-specific summer traineeship programs; wage subsidies to support youth employment have been increased; financial support for apprenticeship has been increased and the threshold to use apprenticeship lowered (practice period prior to actual apprenticeship). France: In 2 years 150.000 “emplois d’avenir” have been created. The system will be renewed in 2015. It provides young people without any qualification a chance to enter the job market (employers get up to 75% of the total remuneration paid to the worker). Germany: There is a large variety of effective labour market instruments that are targeted on younger people and that are line with the EU youth employment initiative and the “youth guarantee”. Hungary: No specific data. In the frame of YEI the start of the Youth Guarantee program has been delayed by the Government from Nov 2014 to Spring of 2015. The program will include 4 of the most disadvantaged regions, aiming at 37.000 under 25 year-olds, with low-skills, providing financial support, activation programs, entrepreneurial skills development programs, etc. Ireland: A reduction in the qualifiying period for JobsPlus for jobseekers aged under 25 from one year to 4 months JobsPlus is a employer incentive which encourages who employ jobseekers from the unemployment register. The government makes a payment of €7,500 for each person recruited who has been unemployed for more than 12 but less than 24 months and €10,000 for each person has been unemployed for more than 24 months Luxembourg: Work in progress Poland: Government programme adopted on implementation of youth initiative in Poland. Due to its concentration on NEET group it will have only limited impact on improvement of young people in the labour market. Some provisions of the amendment of the law on employment promotion and labour market institutions might be beneficial for this group, especially new ALMP i.e. loans for start-ups. Portugal: There wasn’t any relevant development in this matter. However we must highlight that in this area the Government implemented the National Implementation Plan “Guarantee for Youth”, approved by the Ministers Council Resolution 104/2013, of 31th December, which comprehends the objectives, the principals and the specific measures to respond to the EU youth employment initiative. CIP agrees, in general, with the National Implementation Plan “Guarantee for Youth”. Spain: The Spanish Strategy for Entrepreneurship and Youth Employment 2013-2016, together with the National Action Plan to

	Implement the Youth Guarantee, includes different incentives to promote youth employment. In 2014 there have also been presented to the European Commission the Operational Programs on Youth Employment and Employment, Training and Education, which serve as financing instrument for the initiatives above. Sweden: See no 6. UK: Youth unemployment has been falling but remains above its pre-recession level at 16.6%. The government's Youth Contract provides support to unemployed young people. However, in August 2014, the wage incentive element of the Youth Contract was withdrawn due to low take up. Other government interventions include abolishing National Insurance for young people under 21 from April 2015. Further reforms to the education system, such as ensuring traineeships are of a high quality, are also necessary, as outlined above. In addition, the CBI recommends the introduction of Back to Work Coordinators. Their job would be to bring together all the services a young person might need, bypassing the current overly complex web of support. They would also deliver personalised support and be well placed to monitor the progress of young people, to ensure no one is left behind.
8. Attract talents from other EU countries or 3rd countries, e.g. reduction of regulated professions	Austria: Very little government action taken. High priority. Belgium: No action. Bulgaria: - Czech Republic: The employers vis-a-vis big labour market shortages in some professions (technical, ICT etc.) have been continuing in a constructive cooperation with the relevant ministries to facilitate economic migration from the third countries (fast tract for intracorporate transfer). Already two years is running the "fast track " project and in 2015 will start project enabling a training of the third country nationals in the Czech companies. Denmark: Changes in rules for the recruitment of foreign labour force from third countries from 2015 with changes in access rules for highly skilled workforce from third countries. No specific strategy for attracting talents from EU or third countries at the moment but it will part of the Danish thinking in the coming years. Finland: The period foreign graduates may stay and seek employment after completing their degree in Finland has been increased to 12 months (previously 6 months). Finland's National Migration Policy was adopted in 2013; it awaits implementation measures. France: Germany: Thanks to the reforms of immigration legislation and the improved recognition of foreign qualifications the German labour market has in recent years been opened up more for targeted skilled migration from other countries. This particularly applies to the EU Blue Card and the newly created possibilities for immigration of non-academic skilled workforce in professions that are subject to a shortage of skilled labour. It is also to be welcomed that the federal government has made efforts to make immigration legislation more transparent and easily comprehensible. The major challenge now is to make the new regulations more widely

	known and to eliminate red tape. Hungary: Nothing happened in 2014 Ireland: The Employment Permits Act 2014 has updated provisions for the employment permits schemes in line with policy and economic developments since 2007;provided greater flexibility to deal with changing labour market, work patterns and economic development needs which often require rapid response; provided for a robust employment permits regime which will provide clarity and certainty to potential investors and employers, both indigenous and multi-national, to better enable their business planning and HR decision-making; Luxembourg: Not enough progress Poland: No real actions visible in attracting talents. Process of deregulation of access to professions was continued. Portugal: There wasn't any relevant development in this matter. Sweden: No actions. The current regulation is satisfactory. UK: The UK is an attractive destination for EU and non-EU migrants and has consistently opted-out of EU directives on immigration. However the government's policies can undermine this position, for example by introducing a net migration target. A net migration target is a blunt tool which fails to appropriately value the key economic migration routes, to the detriment of UK growth. The free movement of people, including workers, is a founding principle of the EU that is necessary to ensure the effective working of the internal market. Restricting the movement of workers would be a breach of EU law or require amendment to the EU treaties. However we recognise there are real concerns about migration amongst those not coming to work. Listening to concerns about EU migration – for example around unbalanced entitlements to welfare – is key to maintaining support for the free movement of people.
9. Align the pension system to the national demographic structure	Austria: Government action not sufficient. High priority. Belgium: Yes, first steps taken. Higher statutory retirement age and longer career length requirements. Bulgaria: Delayed reforms. Forthcoming discussion in a tripartite format and possible adequate changes in legislation. Czech Republic: No CSR elaborated.. During the crises the trade unions didn´t push on the increasing of minimum wage respecting the economic situation and conditions of the companies.. In the year 2014 after the first (even if still modest) signal of the recovery the minimum wage was increased. Denmark: This is already a part of the Danish legislation. Finland: See reply to question 2 above. France: See pension system reforms in 2010 and 2012

	Germany: The federal government introduced exemptions to the general retirement age gradually increasing to 67 until 2031 (employees who have contributed to Germany's social-security system for 45 years will be able to retire on a full pension at the age of 63) and provided for additional benefits for certain groups (mothers of children born before 1992 will receive higher pensions, as they currently receive less benefits than those who gave birth to children born after this year). This places a heavy burden on the financial sustainability of the pension system in the medium and long term. The measures are in contrast to the former successful reforms of the pension system. Hungary: Nothing happened in 2014 Luxembourg: Not enough progress Poland: Progress is not satisfactory especially as it concerns pension systems for miners and farmers. There are no proposals on creation of the system for the assessment and recording of farmers' incomes, which is the crucial condition for aligning farmers' pension system with general system. Portugal: There wasn't any relevant development in this matter. However CIP highlight that the Decree Law 167-E/2013, of 31 December, entered into force in 2014 and changed the formula for the determination of the sustainable factor (factor that attends to the evolution of the average life expectancy). In practical terms, in 2014, the minimum legal age to access to pensions passed from 65 years of age to 66 years of age. In 2015 the minimum legal age to access to pensions is 66 years and in 2016 will be 66 years and 2 months. In the next years, legal age to access to pensions will depend on the evolution of the average life expectancy. Spain: A new Law (Law 23/2013, of 23 December) was recently adopted to introduce the sustainability factor and to modify the revaluation of pension criteria. The aim is to guarantee the sustainability of the pensions system in the medium and long term, with which CEOE basically agrees. Sweden: No actions UK: The State Pension Age will rise to 68 in the mid-2030s and the 2013 Pensions Bill has legislated for an independent body which will determine any necessary increases in the SPA due to rises in life expectancy in future years. The first review will take place in the next Parliament, and will report by 7 May 2017. A new single state pension will be introduced in April 2016 and auto-enrolment into pensions is over two years in, with medium sized and small businesses expected to be enrolling their employees into pensions for the first time in early 2015. The current government is in its final stages for legislating for a third pension system similar to the Dutch Collective Defined Contribution (CDC) system, 'Defined Ambition' (DA). Pooling of risk could potentially deliver higher returns for members but it also pools longevity risks. There has been little appetite from businesses so far to take up DA. In 2014 the new economic objective for the Pensions Regulator came into force. This will give businesses the flexibility to invest sustainably in their business and thus ensure the health of the sponsor and consequently the scheme's future.

10. Limit early retirement schemes and use targeted incentives to employ older workers	Austria: First steps taken by the government, but still not sufficient. High priority. Belgium: Yes, first steps taken to reduce early-exit possibilities. Collective agreement 104 to keep older workers at work and increase employment of older workers in companies. Bulgaria: As in p. 9. Czech Republic: CSR elaborated: To reduce the high level of taxation on labour, particularly for low-income earners. Denmark: The Danish Government has introduced legislation that makes a fixed retirement age of 70 years of age illegal. It is the position of the DA that the legislation will force companies to lay off employees in the late 60'ies and the legislation will therefore have the opposite effect than the purpose which were to increase employment for people over 65. Finland: See reply to question 2 above. Additionally, part-time pension will be replaced by a cost-neutral partial early old-age pension that will provide reduced benefits (25% or 50%) while it lasts and a reduced old-age pension after that. Further, pension ages will be adjusted to life expectancy and pensions adjusted with a life expectancy coefficient at the time of retirement, which will require and encourage longer working careers. France: Since the law of 9 November 2010, the employer cannot require that an employee retires until the employee reaches 70. Germany: see point 9 Hungary: It had happened before 2014 Luxembourg: Work in progress Poland: Some incentives to employ older workers introduced in the amendment of the law on employment promotion and labour market institutions. Portugal: There wasn't any relevant development in this matter. Spain: In 2013 a new Royal Decree-Law (5/2013 of 15 March) was adopted to postpone two years the early retirement age and to allow making contributions to the social security system beyond the ordinary retirement age. Sweden: No actions. Early retirement schemes is no longer commonly used in the Swedish labour market. UK: It is not clear that this is needed in a UK context. During and in the aftermath of the recession many older workers stayed in the labour market with the over 65 year olds contributing significantly to the rise in overall employment numbers. The government has recently set up an Ageing Workers Project and appointed a business champion for older workers. The CBI supports the government's measure to support our ageing society but are clear that any measures must be sustainable and affordable for both business and government.

ANNEX 2

Key areas	Role of CSRs to influence action by governments?
1. Review wage setting practices to reinforce the link with productivity	Austria: No. Not mentioned in the text. Belgium: Yes Bulgaria: Yes – an abolishment of Minimum social security threshold and moderate wage increase is proposed and more focus on the linkage with productivity. Czech Republic: No CSR elaborated. During the crises the trade unions didn´t push on the increasing of minimum wage respecting the economic situation and conditions of the companies. In the year 2014 after the first (even if still modest) signal of the recovery the minimum wage was increased. Denmark: No Finland: This reply applicable to all items (1.-10.) The conditions and environment that form the basis for CSRs are also the conditions and environment in which any action is taken. So while there may not have been an express reference to a particular CSR that is not to say that a CSR or conditions relevant to it would not have played a role in the taking of action. For items 1.-10. and actions listed here beside, Finnish CSRs 1. and 3. would have been the most relevant. France: Germany: The German federal government has constantly ignored the labour market related CSRs over the past years and even implemented measures that are in contradiction to the CSRs (most importantly in the pensions system). Hungary: CSR do not include this issue Luxembourg: Yes, CSR increased the pressure Poland: There were no CSR for Poland in that area. Portugal: No Spain: There was no specific CSR on this topic Sweden:

	UK: N/A
2. Reduce the tax wedge on employment	Austria: Yes. The CSR clearly highlights that the reduction of the high tax wedge on labour is important to stimulate economic and job growth. Belgium: Yes Bulgaria: As in p.1 Czech Republic: CSR elaborated: To reduce the high level of taxation on labour, particularly for low-income earners. Denmark: No Finland: See item 1 above. France: Germany: see p. 1 Hungary: CSR do not include this issue Luxembourg: No Poland: PL government is concentrated on stability of public finance system which is one of CRS. It is mostly doing it through rising incomes, among others for social insurance system. In that respect there is conflict between CSR on public finance stability and tax wedge reduction. Portugal: No specific recommendation was made in this area. Spain: There were targeted reductions instead of a general one. Sweden: UK: N/A
3. Create incentives for people to work and avoid unemployment traps	Austria: Not primarily decisive, according to our assessments reforms are driven by the current labour market situation. Belgium: Yes Bulgaria: As in p.1 Czech Republic: No CSR addressed to CZ. The unemployment benefit system is based on principle “Making work pay” leading to higher level of activation.

	Denmark: No Finland: See item 1 above. France: Yes Germany: see p. 1 Hungary: CSR nr 4. recommends to improve the effectiveness of public working schemes to enrich people by the necessary skills and experiences are need to find subsequent job in the competitive labour market. Secondly it recommends to consider the lengthening of unemployment benefit's eligibility from the recent 3 months. Luxembourg: No Poland: There are no clear CSR in that field for Poland. Portugal: There was a recommendation to continue the reform of ALMP. The reform of ALMP is under discussion for many years and therefore we are not able to say if the recommendation had or not a role on this matter. Spain: A review of the ALMP has been adopted. Sweden: No UK: Partially – The CSR highlighted the need to enhance efforts to support low-income households and reduce child poverty. Realigning the tax-benefit system to create clearer work incentives is an on-going policy intervention.
4. Make permanent contracts more attractive to employers	Austria: No. Not mentioned in the text. Belgium: No Bulgaria: Czech Republic: No CSR addressed to CZ and not needed. Denmark: No Finland: See item 1 above. France: Germany: see p. 1 Hungary: CSR do not include this issue

	Luxembourg: No Poland: CSR for PL recommends combating labour market segmentation by stepping up efforts to ensure a better transition from fixed-term to permanent employment and by reducing the excessive use of civil law contracts. Portugal: No specific recommendation was made in this area. Spain: There was a recommendation to further reduce labour market segmentation. Sweden: UK: N/A
5. Allow for the development of flexible forms of work, i.e. agency work, fixed-term, part-time	Austria: No. Not mentioned in the text. Belgium: Yes (puts pressure on issue) Bulgaria: Czech Republic: No special CSR in 2014 even if CZ had problem with the implementation of the TWA directive. The employers have decided for a constructive approach to solve situation in cooperation with the MoELSA. Denmark: No Finland: See item 1 above. France: Germany: see p. 1 Hungary: CSR do not include this issue Luxembourg: No Poland: CSR concentrates on combating labour market segmentation and therefore is counterproductive. Portugal: No specific recommendation was made in this area. Spain: There was no specific recommendation on this. Sweden: UK: N/A

6 Better align education system with labour market needs, e.g. promote dual learning; STEM education	Austria: Partly. The EC proposed in particular to enhance early childhood education, reduce the negative effects of early tracking and enhance cooperation measures to reduce dropouts. Belgium: Yes (raises awareness) Bulgaria: Yes. Promoting dual learning, STEM education, changes in VET legislation and institutions. Czech Republic: No CSR addressed to CZ by the EC. According the employers´ request for the support of the STEM education, VET and apprenticeship was incorporated in the NRP. Even if there is a progress (incentives, tax deductability), new effort is needed. Frankly speaking we would welcome any CSR in this respect. It could firstly encourage our Government to the further effort and give us an opportunity to obtain money for the projects in this field. Denmark: No Finland: See item 1 above. France: Germany: see p. 1 Ireland: CSR expressed strong support for expansion of apprenticeships Hungary: CSR nr. 6 draws up several areas of education to improve, inter alia the reduce of early school leaving and monitoring the reform of VET system, with improving the harmonization of the VET and employers' needs. First experiences of the new VET system are mixed, however its direction is great (introducing dual education system, but SME's possibility to participate is limited.) Social partners are not involved in the harmonization progress, the main partner of the Government is the Chamber of Commerce and Industry. Social dialogue does not exist in the education sector. Luxembourg: No Poland: Very general CSR on further improving the relevance of education to labour market needs, increasing the availability of apprenticeships and work-based learning places and by strengthening outreach to unregistered youth and the cooperation between schools and employers. There is a need for more concrete direction and guidance. Portugal: Portugal received a recommendation on this subject but there wasn't any relevant development in this matter. Spain: Several initiatives have been adopted following the CSR on this area, as explained above. Sweden: Maybe UK: Yes – apprenticeship reform is a key part of the youth employment CSR.

7. Increase youth employment, including as part of EU youth employment initiative;	Austria: Yes. Due to the difficult labour market situation the national government gives high priority to this topic. Belgium: Yes Bulgaria: Czech Republic: No CSR addressed to the Czech Republic, nevertheless a strong focus in the NRP 2014. Denmark: No Finland: See item 1 above. France: Germany: see p. 1 Hungary: CSR do not include this issue, please see our notes about education at the previous point. Luxembourg: Yes Poland: To some extent CSR repeats the widely known facts about main challenges and possible general directions of actions, but it is doubtful if it played any role in reforms. Portugal: Portugal received a recommendation on this subject but there wasn't any relevant development in this matter. Spain: Several initiatives have been adopted following the CSR on this area, as explained above Sweden: UK: Partially – the CSR reaffirmed the government's commitment to the Youth Contract
8. Attract talents from other EU countries or 3rd countries, e.g. reduction of regulated professions	Austria: No. Just a few little steps have been made, needed reforms as highlighted by a recent OECD report are still outstanding. Belgium: NO Bulgaria: - Czech Republic: No CSR addressed by the EC, but the further effort in the field of economic migration was addressed in the NRP according to the request of the employers. Denmark: No Finland: See item 1 above.

	France: Germany: see p. 1 Hungary: CSR do not include this issue Luxembourg: No Poland: CSR just stated the fact that it is needed to complete the ongoing reform aimed at facilitating access to regulated professions. Portugal: No specific recommendation was made in this area. Spain: There was no specific recommendation on this topic Sweden: UK: N/A
9. Align the pension system to the national demographic structure	Austria: Yes. Even the EC highlighted the importance the need of reforms of this field, many reforms have not been started yet. E.g. accelerated harmonisation of retirement ages between men and women. The planned raise of female retirement age from 2024 is too slow and should start rapidly. Link between the statutory retirement age to life expectancy is still missing. Belgium: Yes Bulgaria: Yes, on retirement age, years of services, early retirement etc. Czech Republic: CSR recommendation Denmark: No Finland: See item 1 above. France: Germany: see p. 1 Hungary: CSR do not include this issue Luxembourg: Yes Poland: Despite very clear instructions in CSR the government doesn't take appropriate actions. Portugal: No specific recommendation was made in this area.

	Spain: There was no specific recommendation on this topic. Sweden: UK: N/A
10. Limit early retirement schemes and use targeted incentives to employ older workers	Austria: Yes. As a structural reform (“Reha statt I-Pension” = “rehabilitation instead of disability pension”) has been started two years ago, the implementation phase has not been completed by now. Further adaptions seem to be needed in the future. Belgium: Yes Bulgaria: As in p. 9 Czech Republic: Denmark: No Finland: See item 1 above. France: Germany: see p. 1 Hungary: CSR do not include this issue Luxembourg: Yes Poland: Like in 7. Portugal: No specific recommendation was made in this area. Spain: There was no specific recommendation on this topic. Sweden: UK: N/A