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Employment, Social Policy, Health and Consumer Affairs

Luxembourg, 19 June 2014

President

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Main results of the Council

*The Council held a policy debate on the **European Semester 2014** in the field of employment and social policy and approved the employment and social policy aspects of the country-specific recommendations.*

The President of the Council, Mr Ioannis Vrontsis, declared: "Through close cooperation with the other member states, the Hellenic Presidency has left its mark by achieving agreements on numerous dossiers that are important for the European integration. Moreover, I believe that we succeeded in developing tools and policies which will help us to respond to the needs and demands of our citizens and to meet their expectations for a decent life, quality jobs and opportunities for a lifelong career development."

*The Council discussed the social dimension of the **EU/EMU** on the basis of reports drafted by the Social Protection Committee.*

*The Council adopted [conclusions](#) on "**Women and the economy: Economic independence from the perspective of part-time work and self-employment**".*

Ministers took note of progress reports on:

- a decision establishing a new Platform to improve prevention and deterrence of **undeclared work**,*
- a regulation regarding the **EURES** (EUropean Employment Services) network,*
- a directive on **women on company boards**, and*
- the **equal treatment** directive.*

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OTHER ITEMS APPROVED

none

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

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Member

Member

Member

ITEMS DEBATED

EMPLOYMENT AND SOCIAL POLICY

European Semester 2014

Under this year's European Semester, the EPSCO Council held a policy debate approving its contributions to the European Council on the employment/social policy aspects of the country-specific recommendations (CSRs) and the results of the multilateral surveillance.

This year's process is all the more important as it takes place in the midst of a gradual, but still fragile recovery. The objectives remain clear: the momentum of the ongoing structural reforms has to be maintained if lasting results are to be achieved.

Overall, the discussions reflected broad agreement on the common challenges such as the sustainability of pensions and strengthening the resilience of the labour markets. Significant measures have been taken by member states in terms of combatting labour market segmentation, preventing early labour market withdrawal and in putting in place a Youth Guarantee.

Further progress has still to be made to ensure that active labour market policies become more efficient, including the increase in female participation.

Against the background of increasing poverty, there is also an urgency to ensure an adequate level of social protection. Efforts need to continue to improve the efficiency and effectiveness of social protection systems.

On pensions, most member states consider closing first the gap with the effective retirement age as the most urgent issue. Raising the statutory retirement age should not be the one-size-fits-all option. In addition, pension adequacy will constitute a major political and social challenge for the years to come.

One of the biggest challenges are the growing divergences in the employment and social situations of member states within the euro area. As a result of the economic crisis, some member states are confronted with declining household disposable income, rising inequalities, poverty and social exclusion.

In the context of the policy debate, the Council endorsed an opinion of the Employment Committee (EMCO) on the national reform programmes (2014) and the implementation of the 2013 country-specific recommendations ([10338/14](#)).

It endorsed the key messages of an assessment of the 2014 package of Council recommendations on cross-cutting issues prepared by the Social Protection Committee (SPC) ([10814/14](#)). These key messages identify key social protection and inclusion issues in the 2014 package and include considerations on the European Semester governance.

The Council also endorsed the employment performance monitor and benchmarks ([10763/14](#)) as well as a joint EMCO-SPC opinion on the scoreboard of employment and social indicators ([10337/14 + ADD 1](#)). The scoreboard is one of the main instruments for the strengthening of the social dimension of the EMU and the European Semester. Its objective is to enhance the capacity to identify at an early stage major employment and social trends which can severely undermine employment and social cohesion in the euro area and the EU at large. This should be achieved through a full integration between the scoreboard and the existing social monitoring instruments.

It also endorsed a report on the implementation of the Youth guarantee ([10339/14](#)).

The social dimension of the EU/EMU

The Council took stock of the latest developments regarding the social dimension of the EU/EMU on the basis of four reports of the Social Protection Committee (SPC).

Ministers had an exchange of views that the Presidency summarised as follows:

The economic policy, the employment policy and the social policy are interlinked and constitute the main pillars of a sustainable development policy. For that reason and taking into account the principle of subsidiarity, we have to promote, in the context of an holistic approach, the coordination of all these policy areas. The review of the Europe 2020 strategy constitutes a unique opportunity to promote the coordination and a closer cooperation between the different Council configurations. A critical aspect for success will be the further development and strengthening of the social governance of the EU. Social investment and efficient systems of social protection will contribute to address the social impact of the crisis. Crucial is also the role of minimum income schemes which have to provide for a decent life.

This year is for the first time applied the employment and social scoreboard. It clearly indicates the impact of the crisis on employment and social cohesion, resulting into a growing divergence between member states. An increasing polarisation within societies is noted. This runs counter the objectives of the EMU. At the same time, the most recent data also demonstrate that the EU is drifting away from the 2020 poverty reduction targets.

This worrying situation will only be improved if the EU will be able to put substance under the headline of a social dimension for the EMU. In defining and implementing its policies, the EU is to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion and a high level of education, training and protection of human health. To develop a deeper EMU, a coherent vision of what needs to be done is required.

The SPC reports concern:

- **Social dimension of the Europe 2020 strategy ([10403/14](#))**: The report recommends that in the remaining years to 2020, the fight against poverty, inequalities, social and labour market exclusion should remain a high priority for member states and the EU. The strategy needs to support member states in their efforts to strengthen social investment across policies. The focus should be on investing in human capital development, activating labour market participation, and improving the capacity of social protection systems to provide an effective protection against the risks people face across the life cycle.
- **Ex-ante coordination of major social policy reforms ([10386/14](#))**: The report focuses on the outcome of a feasibility test during which plans for major policy reforms by some volunteering member states (CY, EE, IT, SI and RO) in areas falling under the EPSCO remit were examined. This approach is coherent with the work carried out by the Economic Policy Committee (EPC) and responds to the European Council conclusions of 25 October 2013, which called for further enhancement of the coordination of the economic, employment and social policies and for strengthened cooperation between the Council configurations in order to ensure consistency of those policies.
- **Minimum income schemes in the euro area ([10407/14](#))**: The report indicates that almost all of euro area member states have in place provisions for granting means-tested minimum income benefits to eligible individuals and households. The remaining member states are taking preparatory measures for developing such schemes. The level of these benefits varies across the euro area and reflects country-specific economic and social conditions and political choices.
- **Adequate social protection for long-term care needs in an ageing society ([10406/14+ADD 1](#))**: This report, which was endorsed by the Council, examines what can be done to help member states reduce the risk of a gap emerging and ensure that adequate provisions for long-term care needs can be organised in a sustainable way even at the height of population ageing.

Long-term care encompasses a range of services and support for people who are dependent on help with their daily living over a long period of time. This need is usually the result of disability caused by health problems and therefore may affect people of all ages. But the great majority of the recipients of long-term care are older people.

Increasingly long-term care in the EU will be facing three major, related and simultaneous challenges. The first is a huge increase in need. Over the next five decades the number of Europeans aged over 80 and at risk of needing long-term care is expected to increase threefold. The second is the threat to the supply of long-term carers from the decline in the number of people of working age, and from social changes which make it less likely in the future that families will provide the informal, home-based care on which the great majority of older people now rely. The third is the pressure that rapid growth in demand, and the expectations of the “baby boom” generation will place on care quality, enforcement of care standards and on public expenditure.

EU platform against undeclared work

The Council took note of a progress report on a decision establishing a Platform to improve cooperation at EU level in order to prevent and deter undeclared work more effectively ([10871/14](#)).

Many ministers expressed appreciation for the rapid progress made on this dossier during the Hellenic presidency and regretted that the Council was not in a position to agree a general approach. They called for the completion of the discussions as soon as possible under the Italian presidency.

The Platform will aim to facilitate the exchange of best practices and information, provide a framework at EU level to develop expertise and analysis, and promote joint actions between the different national enforcement authorities of member states.

The proposal envisages the participation of all member states in the Platform, as this is crucial to address cross-border situations. Each member state would be invited to nominate one single point of contact.

The Platform should involve the social partners at EU level, both cross-industry and in those sectors more severely affected by undeclared work, and cooperate with relevant international organisations such as the International Labour Organisation and EU decentralised agencies, in particular Eurofund and the European agency for safety and health at work.

The Platform would work on the basis of two-year work programmes, setting out its detailed tasks covering all aspects related to undeclared work such as labour law, labour inspections, health and safety, social security, tax and migration. It would also regularly inform the European Parliament and the Council about its activities.

EURES (EUROpean Employment Services) network

The Council took stock of progress on a regulation which establishes new rules improving EURES efficiency as well as the cooperation among member states ([10130/14](#)).

The aim of the proposal is to support fair mobility by enhancing access to labour mobility support services, thus assisting workers in overcoming barriers to mobility and increasing access to employment opportunities throughout the EU.

An important element of the proposal is the re-establishment of the EURES network, addressing the shortcomings identified to date in the current framework for cooperation based on regulation 492/2011, and aiming to adapt the EURES network to the current market needs by also supplying a solid and adequate legal basis.

On 17 January 2014, the Commission adopted the above proposal and the Council working party examined it on several meetings.

During the examination of the proposal in the Council working party, the delegations considered this proposal useful in its aim to facilitate mobility, thus contributing to tackling the issue of unemployment in Europe by better matching supply and demand in the labour market.

Women on company boards

The Council took note of a progress report on a directive improving the gender balance on company boards ([9864/1/14 REV 1](#)).

During the Hellenic Presidency, the Council working party discussions have revealed a broad consensus in favour of the objective of the proposal; nevertheless opinions continue to differ sharply regarding the best way of achieving it.

While all delegations are in principle in favour of improving gender balance on company boards, a number of delegations continue to prefer national measures (or non-binding measures at the EU level) whereas others support EU-wide legislation. During the Hellenic Presidency, the working party has mainly concentrated its work on technical aspects. Further work and political reflection will be required before a compromise can be reached.

The Commission's proposal would seek to increase the proportion of the under-represented sex to 40% of non-executive board members by 2020. This is not a hard quota but a binding objective that would be achieved by applying certain rules in the selection procedure.

Equal treatment

The Council took note of a progress report ([10038/1/14 REV 1](#)) on the equal treatment directive in terms of religion or belief, disability, age or sexual orientation. The directive prohibits discrimination in the following areas: social protection, including social security and healthcare; social advantages; education; and access to goods and services, including housing.

The proposed directive, which requires unanimity, has been on the Council's agenda since 2008. The Hellenic Presidency has advanced the work on certain issues, including the concept of discrimination and the scope.

Nevertheless, certain delegations still have general reservations, questioning the need for the proposal, which they believe infringes upon national competences and conflicts with the principles of subsidiarity and proportionality. Other delegations have concerns relating, in particular, to the lack of legal certainty, the division of competences, and the practical, financial and legal impact of the proposal.

"Women and the economy: Economic independence from the perspective of part-time work and self-employment"

The Council adopted conclusions on "Women and the economy: Economic Independence from the perspective of part-time work and self-employment" ([9711/14](#)).

The conclusions are based on a report prepared by the European institute for gender equality and focus on the vital issue of equal economic independence.

They include a set of three new indicators. These indicators will improve our understanding of the labour market experience of women and men by showing the rates of full-time equivalent work, part-time work and self-employment for women and men. The indicators also give an insight into the extent to which part-time work is a voluntary preference.

Employment is the bedrock of economic independence. Yet not all workers have full-time jobs. Part-time work has the potential to enhance women's economic independence. Working part time can also facilitate work-life balance. On the other hand, it can also create unfair differences in pay, working conditions and career advancement.

Any other business

- **Completed dossiers under the Hellenic Presidency**
The Presidency informed the Council about legislative dossiers that it finalised, namely the posting of workers directive, the decision on the creation of a network of public employment services and the regulation on the Fund for the most deprived.
- **International Labour Organisation conference 2014**
The Presidency and the Commission informed ministers about the outcome of the 103rd International Labour Organisation conference which took place in Geneva (28 May - 12 June 2014).
- **Roma summit**
The Commission informed the Council on the third European Roma summit which took place in Brussels on 4 April.
- **Ratification and implementation of the UN Convention on the rights of people with disabilities**
The Commission informed the Council about the ratification and implementation of the UN Convention on the rights of people with disabilities.
- **Work programme of the incoming Presidency**
The Italian delegation informed ministers on its work programme in the field of employment and social policy.

OTHER ITEMS APPROVED
