



BACKGROUND BRIEF¹
Brussels, 4 March 2015

Employment, Social Policy, Health and Consumer Affairs Council Employment and Social Policy issues Monday 9 March in Brussels

The Council meeting, starting at 9.30, will be chaired by Mr Uldis Augulis, Latvia's minister for Welfare.

The Council will hold a policy debate on the employment and social policy aspects of the **2015 European Semester** exercise, adopting relevant documents.

The Council will endorse key messages on financing arrangements and allocation of resources for **social protection systems**.

It will adopt conclusions on **inclusive labour markets** and on a strategic framework on **health and safety at work 2014-2020**.

The Council is expected to reach a general approach on decisions establishing the Employment Committee and the Social Protection Committee.

Over lunch ministers will have a discussion on the **Investment plan - What is in for job creation** and social inclusion.

The presidency will hold a press conference at the end of the meeting (+/- 13.00).

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This note has been drawn up under the responsibility of the press office.

European Semester 2015

The Council will hold a <u>policy debate</u> on the employment and social policy aspects of the 2015 European Semester exercise.

Ministers will be invited to focus in particular on the following questions put by the presidency:

- Does the new 3-pillar approach (investment, structural reforms and fiscal responsibility) of the 2015 AGS sufficiently cover the employment and social aspects?
- What measures need to be pursued in order to ensure that working careers better adapt to new requirements, including technological change and ageing and to ensure well-functioning and inclusive labour markets and high levels of employment?
- What is the scope for member states to learn from each other and provide advice to each other? What should be the role of the integrated assessment of the European Commission? What can and should be done to better involve other actors, including social partners, in the process?

The policy debate will be also based on the:

- **Annual growth survey** (AGS), submitted by the Commission in November 2014. The survey recommends building an integrated approach for the EU's economic and social policy with three main pillars:
 - (i) a coordinated boost to investment:
 - (ii) a renewed commitment to structural reforms:
 - (iii) pursuing fiscal responsibility.
- <u>Joint employment report</u> which contains an analysis and messages based on the employment and social situation in member states. This annual report constitutes the basis for the European Council to consider the employment situation in the EU. Its key messages are:
 - The employment and social situation continues to cause concern
 - Reforms supporting well-functioning labour markets must continue
 - Step up the implementation of the youth guarantee
 - Investing in human capital through education and training will increase productivity
 - Foster labour market reintegration of the long-term unemployed
 - Tax and benefits systems should support job creation
 - Tackle gender gaps
 - Modernisation of social protection systems with protection for all and investment in human capital.

The EPSCO Council will adopt <u>conclusions</u> on the annual growth survey and on the joint employment report.

The Council will endorse the <u>key messages</u> of a Social Protection Committee report on the social situation in the EU.

Social protection systems: Financing arrangements and resource allocation

The Council will take note of the <u>report</u> on financing arrangements and the effectiveness and efficiency of resource allocation and endorse its <u>key messages</u>.

The key messages point to the need for future-oriented reform strategies. The aim of these reforms is to make social protection systems adequate and sustainable in order to underpin inclusive economic growth. As these systems are very complex, the approach needs to be broad and go beyond single indicators.

These reforms require a comprehensive assessment of existing social protection arrangements and challenges faced by member states. The analysis should also allow a comparison between member states in order to identify best practices and evaluate their efficiency in different contexts.

The report should be viewed as a starting point. It is intended to provide a framework for collecting this broad evidence and could complement the existing social monitoring instruments at EU level. All together, they can form the basis for further in-depth analysis of the situation in individual member states.

Inclusive labour markets

The Council will adopt conclusions on inclusive labour markets.

Moving towards more inclusive labour markets in the EU is one of the priority objectives of the presidency.

Inclusive growth must enable everyone to take up employment, education or training and ensure that all citizens benefit from adequate social protection when exposed to different risks.

Most definitions of inclusive labour markets have something in common: they encompass a joint belief that increasing labour market participation and ensuring the sustainability of social security systems are decisive for a better standard of living. It is equally essential to maintain the adequacy and sustainability of social protection systems.

Job quality has come under pressure over the past years, and its relationship with rising inequality, in-work poverty and social exclusion call for urgent answers. Economies are recovering slowly from the crisis, job creation is still lagging behind and at best only picking up gradually in some member states. The consequence is that long-term unemployment has increased and some of it has even become structural. Well-functioning public employment services and well-targeted active inclusion strategies are crucial for preventing and overcoming long-term unemployment and reducing poverty whilst stimulating activation.

Strategic framework on health and safety at work 2014-2020

The Council will adopt <u>conclusions</u> on a strategic framework on health and safety at work for the 2014-2020 period.

These draft conclusions are the Council's reaction to the Commission's communication published last year.

They confirm that the Council and the Commission agree on the need:

- to improve the implementation of the existing occupational safety and health legislation;

- to prevent existing, new and emerging risks to health and safety at work; and
- to address the challenges posed by an ageing workforce and longer working careers.

Adapting to these challenges requires action both by member states and by the EU.

The conclusions also recognise that, in the field of health and safety at work, the action by the social partners is of great importance.

They call for the social partners to continue their action in the field of health and safety at work, from the European level down to the company level. There is also an important role to be played by the sectorial social partners, as some sectors and some categories of workers are facing or are affected by particular health and safety risks.

The changes in the working environment and in technologies used may require the existing legislation for health and safety at work to be updated. It is important to ensure that the member states and the EU as a whole continue to improve working conditions. This also implies that they have up-to-date tools to respond to today's challenges and to those of the future.

Employment Committee (EMCO) the Social Protection Committee (SPC)

The Council is due to reach a general approach on decisions on the EMCO and SPC.

The functioning of EMCO and SPC is based on Council decisions dating back to 2000 and 2004 respectively. Since then many developments have taken place, including Treaty change in 2009. The output of the committees needs to keep up with these changes and their functioning needs to be adjusted in order to ensure an effective input to the Council's work.

The contribution of the EMCO and SPC committees is very valuable – even more so in recent years, when the committees have taken over a very important role in the annual European Semester.

The decisions aim to enhance committees' efficiency and continuity in particular with regard to the European Semester process. In this context, the role of the committees should be strengthened.

The modifications also aim at ensuring consistency in the coordination of economic, employment and social policies. Furthermore, the amended texts aim to improve the cooperation between the EMCO and SPC as well as with the ECOFIN committees.

Any other business

a) Tripartite social Summit

The presidency will inform the Council about the forthcoming social summit on 19 March.

- b) i) High-level conference on "A new start for social dialogue" (Brussels, 5 March 2015)
 - ii) Commission proposal on the youth employment initiative

The Commission will inform the Council about the high-level conference on the re-launching of social dialogue, organised by the Commission on 5 March in Brussels, and a proposal on the <u>pre-financing of the youth employment initiative</u>.

c) i) Country reports (European Semester 2015) and the guidelines for the employment policies of the member states

The Commission will present to the Council the country reports and the guidelines for the employment policies of the member states.

ii) EMCO and SPC work programmes 2015

The respective Chairs will inform the Council about the EMCO and SPC work programmes for 2015.