

Employment, Social Policy, Health and Consumer Affairs Council

Thursday 18 and Friday 19 June in Luxembourg

*The EPSCO Council will begin on **Thursday at 9.30** with employment and social policy issues and will continue on **Friday at 10.00** with health items. With the exception of any other business items the whole meeting will be public and can be followed by video streaming at <http://video.consilium.europa.eu/>.*

Employment and Social Policy

The Council meeting 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.*

*It is expected to reach a general approach on the guidelines for the **employment policies** of the member states.*

*Regarding **youth employment**, the Council will adopt conclusions on the European Court of Auditor's special report on the EU youth guarantee and will take stock of the implementation of the measures already agreed.*

*It will take note of progress reports on the **women on company boards** directive and on the **equal treatment** directive.*

*The Council is due to adopt conclusions on **equal income opportunities for women and men: Closing the gender gap in pensions**.*

*Over lunch ministers will have a discussion on the **equality between women and men: Strategic orientations up to 2020**.*

The presidency will hold a press conference at the end of the meeting (+/- 13.15).

¹ This note has been drawn up under the responsibility of the press office.

Health

Health and Consumer Affairs items will be addressed under the chairmanship of Guntis Belēvičs, the Latvian health minister.

*The Council will try to agree the substance of its negotiating stance on two draft regulations concerning **medical devices and in vitro medical devices**.*

Under any other business, ministers will address the EU alcohol policy and the health dimension in the European agenda on migration.

The presidency will hold a press conference afterwards (+/- 13.00).

Press conferences and public events by video streaming: <http://video.consilium.europa.eu/>

*Video coverage for preview and download in broadcast quality (MPEG4):
<http://tvnewsroom.consilium.europa.eu>*

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Employment and Social Policy

European Semester 2015

Completing the 2015 European Semester and preparing the EPSCO contribution to the European Council on the employment/social policy aspects of the country-specific recommendations (CSRs- [9229/15](#)), the Council will hold a [policy debate](#) on the basis of the following presidency questions:

1. Do the new CSRs address all the key challenges in a balanced way? Does the recommendation on broad guidelines for member states of the euro area take the employment and social aspects sufficiently into account?
2. Are there employment or social policy areas – and, if yes, which – that need improved coordination and cooperation or other new approaches for a better functioning EMU? Do the new employment guidelines and CSRs anchor convergence adequately? What has been the experience with the rules-based and guidance-type concepts so far as regards outcomes and results?

The outlook for economic growth in the EU has improved slightly and unemployment is slowly receding from its high levels in most member states. Real GDP growth in the euro area is now expected to pick up from 0.9 % last year to 1.5% in 2015 and 1.9% in 2016. In the EU-28, GDP growth is now forecast to rise from 1.4% in 2014 to 1.8% this year and 2.1% in 2016.

Employment is expected to grow by 0.9 % in the EU-19 (euro area) and by 1 % in the EU-28 in 2015, and by 1.1 % in the euro area in 2016. The unemployment rate remains high and is decreasing at a very slow pace; it is projected to decline somewhat to 9.2 % in the EU-28 and 10.5 % in the euro area in 2016.

Youth unemployment is also declining; in March 2015 it stood at 20.9 % in the EU – a decrease of approximately 520 000 over one year - and at 22.7 % in the euro area. Nevertheless, one young person out of five on the labour market is still without a job. In addition, nearly 12 million people in the EU-28 have been unemployed for one year or more.

For the 2015 **European Semester**, the **annual growth survey** proposes a three-pillar response to exit the crisis:

- boosting investment,
- accelerating structural reforms and
- pursuing responsible, growth-friendly fiscal consolidation.

The member states should better implement the country-specific recommendations. The streamlined process also aims at increasing ownership at national level, including the social partners and other stakeholders.

In the **employment and social protection** area, the 2015 CSRs aim at the promotion of job creation, labour market participation, activation and effective income support combined with employability. They also put a focus on skills development, advocating quality apprenticeships and lifelong learning.

The sustainability challenge and the current and projected adequacy of future **pensions** need to be addressed in a comprehensive way. Increasing the statutory as well as the effective retirement ages remains an important issue in the 2015 Semester cycle.

In the area of **healthcare**, the main focus is on ensuring cost-effectiveness and sustainability while ensuring universal access for all to adequate and quality healthcare.

In the context of the policy debate, the Council will endorse [opinions](#) of the Employment Committee (EMCO) and the Social Protection Committee (SPC) on the examination of the 2015 national reform programmes and the 2014 CSR implementation .

It will also endorse the [employment performance monitor](#) of the EMCO.

Employment policies of the member states

The Council will agree a general approach on a decision on the [employment guidelines](#) of the member states.

The set of integrated guidelines for 2015 reflect the new approach to economic policy making, built on investment, structural reform and fiscal responsibility.

The four employment guidelines can be summarised as follows:

- Boosting demand for labour

Member states should facilitate the creation of quality jobs, reduce the barriers that businesses face in hiring people, and promote entrepreneurship. The tax burden should be shifted away from labour to other sources of taxation less detrimental to employment and growth, while protecting revenue for adequate social protection and growth-enhancing expenditure.

- Enhancing labour supply, skills and competences

Member states, in cooperation with social partners, should promote productivity and employability through an appropriate supply of relevant knowledge, skills and competences. Structural weaknesses in education and training systems should be addressed to ensure quality learning outcomes, and to reduce the number of young people leaving school early. Youth unemployment and the high number of young people neither in employment, education, nor training (NEETs), should be comprehensively addressed, through a structural improvement in the school-to-work transition, including through the full implementation of the youth guarantee.

- **Enhancing the functioning of labour markets**

Member states should reduce and prevent segmentation within labour markets and fight undeclared work. Employment protection rules, labour law, and institutions should all provide a suitable environment for recruitment, whilst offering adequate levels of protection to all those in employment and those seeking employment. Member states should promote inclusive labour markets open to all men and women, putting in place effective anti-discrimination measures, and employability by investing in human capital.

- **Fostering social inclusion, combatting poverty and promoting equal opportunities**

Member states should modernise social protection systems to provide effective, efficient, and adequate protection throughout all stages of an individual's life, fostering social inclusion, promoting equal opportunities, including for women and men, and addressing inequalities.

Youth employment

The Council is due to adopt conclusions 9300/15 on the European **Court of Auditor's special report** on the EU youth guarantee.

The member states are in the middle of implementing the youth guarantee, with the help of funds earmarked for that purpose under the youth employment initiative (YEI).

At the beginning of this year, the Court of Auditors issued a special report on "EU youth guarantee: first steps taken but implementation risks ahead" assessing the implementation of the youth guarantee. It based its findings on the Commission figures and input.

The Court identified three potential risks to the effective implementation, namely the adequacy of total funding, the lack of a definition on good-quality offer and the lack of a comprehensive monitoring system.

The Council will take note of a Commission presentation on the state of play in the implementation of **measures to fight youth unemployment** ([9301/15](#)).

Member states are expected to comment on their expectations of the entry into force of the amended regulation of the European Social Fund. This regulation increases the initial pre-financing under the YEI to about EUR 1 billion.

Women on company boards

The Council will take stock of a progress report on a directive improving the [gender balance in boardrooms](#).

Aiming to address the serious problem of women's under-representation in economic decision-making at the highest level, the proposed directive would set a quantitative objective for the proportion of the under-represented sex on the boards of listed companies of 40 % by 2020 (by 2018 in the case of public undertakings). The companies would be obliged to work towards that objective, inter alia, by introducing procedural rules on the selection and appointment of non-executive board members.

Companies which have not reached the 40 % target would be required to continue to apply the procedural rules, as well as to explain what measures they had taken and intended to take in order to reach it. For member states that choose to apply the objective to both executive and non-executive directors, a lower target (33 %) would apply.

- **Discussions under the Latvian presidency**

Discussions in the relevant working party of the Council have confirmed member states' broad consensus for measures improving the gender balance on company boards. Many member states support EU-wide legislation, others continue to prefer national measures (or non-binding measures at EU level). Thus, further work and political reflection will be required before a compromise can be reached.

In particular, the target date has been revised so that member states have an additional twelve months to reach the quantitative objectives, i.e. until the end of 2020. The flexibility clause has been fine-tuned to allow member states to choose their gender balance methods.

- **The position of the European Parliament**

The European Parliament has strongly supported legislative action in this area, advocating binding quotas to improve the gender balance in boardrooms. It adopted its position at first reading on 20 November 2013, broadly endorsing the Commission's proposal.

Equal treatment directive

The Council will be called on to take note of a progress report on a directive implementing the principle of [equal treatment](#) between persons, irrespective of religion or belief, disability, age or sexual orientation.

The proposed directive has been on the Council's agenda since 2008. Discussions in the EPSCO Council last December showed a strong political will in favour of continuing this work.

The Latvian presidency has sought to clarify the scope of the proposal as well as the division of competences between the EU and its member states.

The work mainly focused on the issues of social protection and education, with the presidency endeavouring to define the scope in such a way as to spell out, as clearly as possible, the member states' competence for the organisation and funding of their social protection systems and educational systems.

Since the adoption of the directive requires Council unanimity, work will continue.

Gender gap in pensions

The Council will adopt conclusions on equal income opportunities for women and men: Closing the gender gap in pensions ([9302/15](#)).

The draft conclusions call on the member states and the Commission to:

- promote research into the causes and effects of the gender gap in pensions;
- develop an indicator within the framework of the SPC; and to
- pursue measures to tackle the causes of the gender gap in pensions.

Since pension issues are for the most part a matter of national competence, the member states are separately called upon to address the problem in a number of different ways.

These conclusions will enable the member states to make progress towards de facto equality between women and men in terms of economic independence.

According to the latest figures published by the Commission, the average gender gap in pensions in the EU is 38.5 %, substantially higher than the gender pay gap (16.5 %). The causes of the gender gap in pensions are complex, as shown by research undertaken by different groups, including the Social Protection Committee and the European Institute for Gender Equality (EIGE).

Any other business

- Current legislative proposals

The presidency will inform ministers on the following current legislative proposals: Seafarers, undeclared work platform, EURES and maternity leave.

- National Roma integration strategies

The Council will take note of the Commission's 2015 report on the implementation of the EU framework on national Roma integration strategies.

- Transitional arrangements on free movement of workers from Croatia

The Commission will inform the Council about the [report](#) on the functioning of the transitional arrangements regarding Croatia.

- Conferences organised by the Latvian Presidency

The presidency will inform the Council about the outcome of different conferences.

- Programme of the incoming Presidency

The Luxembourg delegation will inform the Council about its work programme.

Health and Consumer Affairs

Medical devices

The Council will try to agree the substance of its negotiating stance on two draft regulations on medical devices and on in vitro diagnostic medical devices ([9773/15](#) + [9769/15](#) + ADD 1 + [9770/15](#) + ADD 1).

The revision of the EU laws on medical devices is aimed at ensuring the highest level of protection for European patients, consumers and healthcare professionals, and to ensure that safe, effective and innovative medical devices can be placed on the market and made available to users in a timely manner. The new regulations should thus benefit both patients and European competitiveness.

Medical devices cover a huge spectrum of products, ranging from sticking plasters, corrective glasses and dental filling material, to bone screws, heart valves and breast implants, and also including all X-ray or scanner machines. Likewise, there is a wide range of in vitro diagnostic medical devices which include, for instance, blood tests and other products which provide information on physiological or pathological states.

Unlike medicinal products, medical devices and in vitro diagnostic medical devices are not subject to any pre-market authorisation, but to a conformity assessment which, depending on the risk potential of the product, involves an independent third party, the notified body. Notified bodies are designated and monitored by the member states and act under the control of the national authorities.

The Commission proposals ([14493/12](#) + [14499/12](#)) contain the following key elements:

- The **scope** of the current EU rules on medical devices is **extended**, for instance to implants for aesthetic purposes, and, as far as **in vitro diagnostic medical devices** are concerned, for example to tests providing information about the predisposition to a disease (e.g. **genetic tests**).
- Economic operators must be able to identify who supplied them and to whom they have supplied medical devices; manufacturers must fit their products with a unique device identification to **facilitate traceability**.
- Manufacturers and importers of both categories of products must register themselves and the devices they place on the EU market in a **central European database**.
- **Patients** who are implanted with a device must be **given essential information** on the implanted product, including any necessary warnings or precautions to be taken, for example on whether or not it is compatible with certain diagnostic devices or with scanners.
- An EU portal is created where **manufacturers must report serious incidents** and the corrective actions they have taken to reduce the risk of recurrence.
- Notified bodies have the right and duty to carry out **unannounced factory inspections** and to conduct physical or laboratory tests on medical devices and in vitro devices.

Any other business

- ***Health dimension in the European agenda on migration***
The Cyprus, Greek, Italian and Maltese delegations will draw ministers' attention to the health dimension of migration ([9479/15](#)).
- ***EU alcohol policy***
The Slovenian delegation will invite the Commission to inform the Council on its plans following the call from a majority of member states for a new comprehensive strategy to tackle harmful use of alcohol at the informal health minister meeting in Riga on 20-21 April 2015 ([9286/15](#)).
- ***Work programme of the incoming presidency***
The Luxembourg delegation will inform ministers on its work programme in the field of health and consumer affairs as the incoming Presidency of the Council of the EU.

Signing ceremony of the joint procurement agreement

In the margins of the Council, the Irish delegation will sign the joint procurement agreement for pandemic vaccines and other medical countermeasures, thereby bringing the number of signatories to 21.

The aim of the agreement is to help member states to ensure that pandemic vaccines and medicines are available in sufficient quantities and at an advantageous price in the event of the emergence of a cross-border health threat.

Until now the joint procurement agreement has been signed by Denmark, Lithuania, Hungary, Italy, Romania, Luxembourg, Belgium, Croatia, the Czech Republic, Cyprus, Estonia, Greece, Latvia, Malta, the Netherlands, Portugal, Slovakia, Slovenia, Spain and the United Kingdom.

Following the pandemic vaccines shortage in 2009 in the wake of the H1N1 swine flu, the Council and the European Parliament agreed on a legal basis for a joint procurement procedure for medical countermeasures, provided for by decision 1082/2013 on serious cross-border threats to health. The joint procurement agreement entered into force on 5 July 2014.