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President **Uldis Augulis**
Minister for Welfare of Latvia

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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.

ITEMS DEBATED

Employment and Social Policy

European Semester 2015

The Council held a [policy debate](#) on the 2015 European Semester, as part of EPSCO's contribution to the European Council on the employment/social policy aspects of the country-specific recommendations (CSRs).

Ministers acknowledged that, despite an improving economic situation, serious challenges remain, in particular in the areas of employment and social policy. Risks and challenges are particularly acute regarding poverty, inequality, social cohesion and social inclusion. A strengthening of the social dimension of EMU is required; employment and social considerations must be treated as a priority in order to guarantee the stability of the Eurozone. Implementation of CSRs is key. CSRs concerning employment and social issues must be maintained within the EPSCO remit and should not systematically become a part of the MIP process.

In terms of process, Ministers gave a positive evaluation of the streamlining of the Semester, in particular the extended timelines which allowed for a broader analysis and more extensive consultations with all stakeholders, as well as the increased relevance and focus of the CSRs.

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.

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 endorsed [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 also endorsed the [employment performance monitor](#) of the EMCO.

Employment policies of the member states

The Council agreed 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 adopted 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.

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 took note of a Commission presentation on the state of play in the implementation of **measures to fight youth unemployment** ([9301/15](#)). In particular, the pre-financing regulation was published on 21 May in the OJ. This regulation increases the initial pre-financing under the youth employment initiative to about EUR 1 billion.

Women on company boards

The Council took note 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 on the need to improve the gender balance on company boards. However, while 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.

During the discussions under the Latvian Presidency, 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. In addition, 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 took 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 adopted conclusions on equal income opportunities for women and men: Closing the gender gap in pensions ([9302/15](#)).

The 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 the Social Protection Committee and the European Institute for Gender Equality (EIGE).

Any other business

– ***- Current legislative proposals***

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

– ***- National Roma integration strategies***

The Commission informed the Council about its forthcoming 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 informed the Council about the [report](#) on the functioning of the transitional arrangements regarding Croatia.

– ***- Conferences organised by the Latvian Presidency***

The presidency informed the Council about the outcome of different conferences.

– ***- Programme of the incoming Presidency***

The Luxembourg delegation informed the Council about its work programme.

OTHER ITEMS APPROVED
