



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 8 October 2010

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NOTE

from: Working Party on Social Questions
to: Permanent Representatives Committee (Part I) / Council (EPSCO)
Subject: Governance of the European Employment Strategy within the context of Europe
2020 and the European semester
- Draft Council Conclusions

Delegations will find attached a set of draft Council Conclusions agreed by the Employment Committee at its meeting on 5-6 October 2010 and unanimously endorsed by the Working Party on Social Questions at its meeting on 8 October 2010¹.

As the Presidency emphasised at the meeting of the Working Party, the draft Conclusions aim to adapt the governance of the European Employment Strategy, as provided by the Treaty, to the new European semester and to make it more efficient, as requested by Ministers of Employment at their informal meeting on 8 July 2010. The draft Conclusions spell out, in particular, how the EPSCO Council will prepare its input to the European Council.

The Committee is invited to forward the draft Conclusions to the EPSCO Council for adoption.

¹ Minor editorial changes were made to the text following the Working Party meeting.

Draft

**Council conclusions on the Governance of the European Employment Strategy
in the context of Europe 2020 and the European Semester**

The Council of the European Union:

UNDERLINING its full readiness to put the Council's expertise on employment and labour market policies at the service of the European Council and to actively contribute to the successful implementation of the Europe 2020 Strategy for jobs and growth and the European Semester, including its key feature of enhanced economic governance;

UNDERLINING that employment and labour market policies are an essential part of the reforms to be carried out under both the macro-economic surveillance strand and the monitoring of growth enhancing reforms strand (thematic coordination) of the Europe 2020 Strategy for jobs and growth;

RECALLING that Title IX of the Treaty on the Functioning of the European Union, and in particular the Employment Guidelines provided there under, is the relevant policy framework for employment and labour market reforms at European and national levels;

RECOGNISING the need to align the implementation of those provisions, in particular Article 148 TFEU, with the governance of the European Semester in order to ensure a strengthened integration between employment and economic policies;

WELCOMING the Commission's plans to propose a coherent package of country-specific recommendations based on the Integrated Guidelines, covering both strands of the Strategy and identifying the policy areas where efforts need to be concentrated;

RECALLING that the identification of bottlenecks to growth at national level, including those related to employment policies, is a prerogative of each Member State;

RECALLING that the European Council emphasises the competence of Member States to define and implement quantitative targets in field of education;

UNDERLINING the importance of involving social partners in the implementation of the European Employment Strategy;

1. UNDERLINES the importance of:

- a) ahead of each European Semester, taking stock of progress made to reach the Europe 2020 headline and national targets related to employment, identify possible policy themes common to a number of Member States which deserve closer thematic surveillance, and analysing the impact of employment on the macro economic situation, i.e. on potential macroeconomic imbalances and vice-versa;
- b) with a view to contributing to the Spring European Council, identify in the Joint Employment Report the main orientations in the field of employment which require strategic guidance by the European Council;
- c) at the end of the European Semester, examining and adopting country specific recommendations to Member States in the field of employment;

2. WELCOMES the initial joint report from the Employment Committee (hereafter EMCO), the Social Protection Committee (hereafter SPC) and the Commission establishing the foundations and structure of the Joint Assessment Framework² (hereafter JAF) and ENCOURAGES them to present by December 2010 a detailed joint report including a clear and concise employment performance monitor which can be used to identify at a glance the main employment challenges for the European Union and for each Member State;
3. WELCOMES the EMCO's work on the indicative list of potential labour market bottlenecks³, INVITES Member States to consider, where appropriate, this list when drawing up their draft National Reform Programmes and CALLS UPON EMCO to inform the Council by December 2010 on the policy areas (themes) affecting the majority of Member States.
4. CALLS UPON EMCO to advise the Council on the activities underlined in point 1 by:
 - a) informing, once a year, of progress made towards the Europe 2020 headline and national employment targets;
 - b) proposing yearly, on the basis of the JAF and the employment performance monitor, the policy themes relevant for the thematic surveillance by the Council in the field of employment;
 - c) informing, on an annual basis, on how employment measures potentially impact on the macroeconomic situation and generate macroeconomic imbalances and vice-versa;

² Doc. 14567/10 ADD 1.

³ Doc. 14567/10 ADD 2.

- d) with a view to preparing the Joint Employment Report, provided by Article 148(5) TFEU, examining the implementation of the Employment Guidelines, taking into account the views of the Social Protection Committee on the implementation of Integrated Guideline 10 in relation to the Europe 2020 social inclusion/poverty headline target in line with its Treaty-based mandate and consulting, where appropriate, the Education and European Social Fund Committees;
- e) reinforcing the cooperation with the Economic Policy Committee to contribute to the consistency of the package of country specific recommendations to be adopted in parallel by the Council under Article 121 TFEU and Article 148 TFEU. While respecting their different expertise, both committees should also seek synergies in their analysis of employment- and labour market-related framework conditions that impact upon macro economic imbalances;
- f) during the country examination referred to in Article 148 (4) TFEU, taking a position and deciding on a multilateral basis on the concrete progress which each Member States makes each year, after having been informed of the views of the other committees mentioned above.

5. INVITES the Commission to:

- submit to the Council on the basis of Article 148 (4) TFEU clear, specific and well-founded country specific recommendations each year in view of adopting Council recommendations to Member States, in parallel with the country specific recommendations proposed under Article 121(4) TFEU. To this end, the list of labour market bottlenecks and the results of the JAF could be instrumental to raise transparency of the assessment carried out;

- nourish EMCO's work with in-depth analysis on the structural reforms in the field of employment and labour market in the EU as a whole and in Member States;
 - concentrate the annual activities of the Mutual Learning Programme on the areas and themes highlighted by the strategic guidance provided by the Council and the European Council and inform the Council and the Member States of the results of the activities on a yearly basis.
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