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Employment, Social Policy, Health and Consumer Affairs

Employment and Social Policy

Brussels, 7 March 2011

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Main results of the Council

*The Council held a policy debate regarding its **contribution to the European Council of 24/25 March**, covering both **employment and social aspects**. In that context, it adopted the joint employment report along with conclusions on it and on the European platform against poverty as well.*

It was informed about the agenda of the tripartite Social Summit, which will be held on 24 March, in the morning before the European Council.

*The Council adopted a **new European Pact for gender equality** for the period **2011 - 2020** in the form of Council conclusions.*

*Ministers exchanged views on the outcome of the consultation on the Green Paper "Towards adequate sustainable and safe European **pension systems**."*

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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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ITEMS DEBATED**CONTRIBUTION TO THE SPRING MEETING OF THE EUROPEAN COUNCIL**

The Council held a policy debate on issues relevant to the annual growth survey (AGS) and to the European Semester, namely the joint employment report (JER) and guidelines for the employment policies of the member states, and on items linked to the Europe 2020 strategy, i.e. the "European platform against poverty and social exclusion" and the main messages of the report on the social dimension of the strategy. The results of this debate and the joint employment report are to be submitted to the European Council of 24/25 March as part of EPSCO's Council contribution.

The debate was based on a Presidency questionnaire ([6912/11](#)).

In particular, ministers responded that the AGS and the JER accurately identify the macro-economic perspectives and the employment situation, and constitute a good starting point for the European semester. In this respect, they stressed the interlinkages between different policy areas.

Some ministers pointed out that the social dimension of the AGS could be strengthened. They noted also that a good assessment of employment and social inclusion issues takes time.

It was also stressed by several ministers that, in setting national targets, sufficient ambition was needed in order to reach EU's long term employment and social inclusion target; however, it is also necessary to be realistic and take into account the member states' different starting positions.

Structural reforms for job creation and growth need to be speeded up, with the EPSCO Council having a role to play in that process. The EPSCO Council also has a role to play in discussing the pensions issues and the wages policy along with the ECOFIN Council, in the context of the new pact on competitiveness. In this context, budgetary consolidation and increasing competitiveness in the business sector are important.

Several ministers underlined that the challenge is to exploit the potential of the EU's labour market. The benefit systems should encourage people to work, as work is the best way out of poverty. The flexicurity approaches of different member states have to be considered in terms of social inclusion.

Ministers commented that measures have to be taken to enhance training and to give employment incentives, in particular, to the most vulnerable groups, i.e. young people, women, older people, so they can adapt their qualifications and skills to the needs of the labour market.

They welcomed the platform against poverty and pointed out that social inclusion should be coordinated between governments in order to achieve the poverty targets.

Many ministers stressed the important role of social partners in particular for wage setting and for reforming the pension schemes. In that context, several ministers considered that, although coordination at the EU level could be useful, wages and pensions policies are in the remit of member states.

The European Social Fund can play a more efficient and effective key role, especially as regards allocation of resources and support for people seeking work.

Joint Employment Report (JER) - conclusions

The Council adopted the joint employment report ([7396/11](#)) along with conclusions on it. The JER reviews the current employment situation in Europe and the implementation of the employment guidelines adopted in October 2010. This year, it is more forward-looking than in earlier years, additionally taking into account the early state of implementation of the Europe 2020 Strategy.

According to the main messages of the JER and although labour markets in the EU are stabilising, the effects of the crisis continue to be felt and unemployment remains a top concern for EU citizens. The crisis has also revealed structural problems in European labour markets that require urgent action. In line with the Europe 2020 objectives, structural reforms to stabilise the economy and re-boost economic growth are essential to create the conditions for increased employment, especially with new permanent jobs. A rapid return to growth and well-designed employment and education policies are also crucial for reducing poverty and social exclusion.

The Council conclusions contain the main messages to the European Council ([7397/11](#)). In particular, they:

- emphasise that fiscal consolidation should go hand in hand with restoring economic growth and increasing employment,
- stress that labour market reforms are on their own insufficient to generate labour demand. A more employment-friendly business environment and stronger economic growth, driven by innovative and high value-added economic activities and opportunities from greening the economy, are necessary to create more and better jobs, to enhance social cohesion and reap the full potential of the Union's human capital,
- call on member states to set ambitious targets for employment and to promote social inclusion by reducing poverty so as to achieve an employment rate of 75% and lift at least 20 million people out of the risk of poverty and exclusion by 2020.

Guidelines for the employment policies of the member states

The Council agreed on a general approach on a decision concerning the employment guidelines of the member states for 2011 ([6192/2/11](#)). Given that the employment guidelines for 2010 were only adopted in October 2010, it is proposed to maintain them unchanged for 2011.

However, the Council was unable to adopt the employment guidelines today, since it has to await the adoption by the European Council on 24 March of its conclusions on the basis of the JER, pending also the opinion of the Committee of the Regions. The European Parliament, the Employment Committee and the Economic and Social Committee have already accepted the Commission's proposal to maintain the guidelines unchanged for 2011.

European platform against poverty and social exclusion - conclusions

The Council adopted conclusions on the European platform against poverty and social exclusion ([7434/1/11](#)), establishing its position on the key elements of the Commission flagship initiative in the framework of the actions to be taken to achieve the EU target for social inclusion/poverty reduction as set by the European Council in June 2010.

The conclusions recall that certain population groups are particularly exposed to the risk of poverty, social exclusion or to the most extreme forms of poverty, stress that action against poverty and social exclusion requires a combination of all relevant efforts and instruments at EU and national levels and in that context welcome the platform's integrated approach to tackling the multiple dimensions of social exclusion.

The Council also endorsed the opinion of the Social Protection Committee (SPC) regarding the platform, following a presentation by its president ([6491/11](#)). The opinion highlights the role that the Social Protection Committee intends to play in the implementation of the actions envisaged in the framework of the platform and its contribution in different areas such as active inclusion, pensions, healthcare, social services, child poverty and the social inclusion of groups at risk.

Social dimension of the Europe 2020 strategy

The Council adopted the main messages of the report ([6624/11](#)) on the social dimension of the Europe 2020 strategy drafted by the SPC. The SPC president pointed out that the Committee finalised its first report on the monitoring of the social situation and the development of social protection policies, including an assessment of the social dimension of Europe 2020 Strategy. This report concentrates on:

- progress towards the EU headline target on social inclusion/poverty reduction, and its interaction with other targets;
- monitoring of the implementation of the social aspects of the Integrated Guidelines, focusing in particular on "Guideline 10: Promoting social inclusion and combating poverty",
- priority themes under the Social Open Method of Coordination.

Preparation of the tripartite Social Summit

The Presidency informed the Council about the agenda of the tripartite Social Summit, which will be held on 24 March, in the morning before the European Council. The tripartite Social Summit will provide a central opportunity for a debate with the social partners on growth and jobs in times of budgetary/fiscal consolidation.

Having regard to the role of the social partners in the governance of the EU 2020 Strategy, the Summit will also discuss how the priorities proposed in the annual growth survey will help to achieve the goals set by the Strategy.

The tripartite Social Summit, meeting generally twice a year, has the task of ensuring that there is continuous dialogue at the highest level between the Council, the Commission and the social partners. It brings together the Presidents of the European Council and the European Commission, the Head of Government of the incumbent Presidency (Hungary) and those of the two forthcoming presidencies (Poland and Denmark), accompanied by their Employment Ministers, and the Employment Commissioner and the Presidents/General Secretaries of the principal European employers' and trade union organisations.

POSTING OF WORKERS DIRECTIVE

The Council adopted conclusions dealing with the start of a pilot phase for an electronic exchange system facilitating administrative cooperation in the framework of the posting of workers directive ([6196/1/11](#)).

The directive on the posting of workers, adopted in 1996, creates an obligation for member states to cooperate and exchange administrative information on posted workers.

Considering this, the Council concluded that a pilot project should be launched to test the usefulness of a separate module of the electronic information exchange system with the aim of improving member states' administrative cooperation, as envisaged by the posting of workers directive. The Commission has already indicated its readiness to start this pilot project in the near future. The Council is looking forward to receiving reports of the results of this pilot project.

NEW EUROPEAN PACT FOR GENDER EQUALITY FOR THE PERIOD 2011 - 2020 - conclusions

The Council adopted a new European Pact for gender equality for the period 2011 - 2020.

The new Pact, annexed to Council conclusions ([7370/11](#)), reaffirms the EU's commitments to closing gender gaps in employment, education and social protection, promoting better work-life balance for women and men and combating all forms of violence against women.

It urges action by the member states and the Union, by taking measures to:

- eliminate gender stereotypes, ensure equal pay for equal work and promote the equal participation of women in decision-making;
- improve the supply of affordable and high-quality childcare services and promote flexible working arrangements;
- strengthen the prevention of violence against women and the protection of victims, and focus on the role of men and boys in order to eradicate violence.

It has an important economic dimension and all member states have agreed to boost employment of both women and men in the context of the Europe 2020 strategy.

The member states are therefore encouraged to promote gender equality policies, especially as regards the EU's employment guidelines. The Commission and the Council are also invited to incorporate a gender equality perspective into the EU's annual growth survey.

It also reaffirms the importance of integrating the gender perspective into all policies including external actions of the EU.

The conclusions will be published in the Official Journal.

PROGRESS ON EQUALITY BETWEEN WOMEN AND MEN IN 2010

The Council took note of the Commission's report ([6571/11](#)) and agreed to submit it to the European Council.

As requested by the European Council in Spring 2003, the Commission has submitted its annual report on equality between women and men.

The report describes recent developments in the field of gender equality in the EU and presents statistics on all areas covered, as well as recent developments in the member states.

It sets out the state of play in the five priority areas defined in the Commission's strategy for equality between women and men 2010-2015, namely:

- equal economic independence;
- equal pay for equal work and work of equal value;
- equality in decision-making;
- dignity, integrity and an end to gender-based violence; and
- gender equality outside the Union.

The report will also be the basis of the discussions at the forthcoming high level gender dialogue announced by the Commission in its new Equality Strategy, in which the Commission President Barroso, Commission Vice President Reding and representatives of the Trio Presidency, the European Parliament, Social Partners and NGOs are to take part.

PENSION SYSTEMS: REPORT ON THE CONSULTATION ON THE GREEN PAPER

The Council exchanged views on the initial conclusions of the report ([6918/11](#)). Commissioner Laszlo Andor informed the Council about the outcome of the consultation on the Green Paper and on possible directions for measures to be taken, which could be reflected in the White Paper to be presented by the end of the year.

All ministers stressed that it was important that any improvements to the existing EU pension framework should avoid taking a one-size-fits-all approach and should fully respect the subsidiarity principle in view of the variety of the national social protection systems stemming from different economic performances and demographic trends.

The modernisation of pension systems should allow a balance to be struck between the objectives of sustainability and adequacy: this implies maintaining a degree of proportionality between contributions and pension benefits.

Well coordinated policies are needed to tackle the multidimensional character of the issue which involves, for instance, aspects such as keeping older workers in employment, limiting pre-retirement schemes to workers in undertakings which are in the process of restructuring, improving the quality of employment services, further developing health and safety at the workplace and combating undeclared work.

According to ministers, the aim should be to achieve the right balance between work and retirement and facilitating a longer working life. There will be a need to ensure adequate incomes in retirement as a safety net against old-age poverty.

While a higher effective retirement age is widely recognised as necessary, it should be determined by national policies with the involvement of the social partners.

Some ministers expressed the view that the retirement age should evolve in line with life-expectancy while several others considered that pension reforms should be coupled with active labour market policies, lifelong learning opportunities, effective social security and healthcare systems and improvement of working conditions.

A number of ministers stressed the importance of EU policy coordination of pension policies by facilitation of observation, coordination and mutual learning between the member states. In particular, the social Open Method of Coordination (OMC) was seen as the right instrument to support member states' efforts to improve the adequacy of pensions.

In July 2010, the Commission launched an EU-wide debate on how to ensure adequate, sustainable and safe pensions and how the EU can best support member states policies. Almost 1700 responses have been received, from a wide range of institutions and stakeholders.

The Green Paper reviewed the EU pension framework in an integrated manner, covering topics such as longer working lives, the internal market for pensions, mobility of pensions across the EU, gaps in EU regulation, the future solvency regime for pension funds, the risk of employer insolvency, informed decision-making and governance at EU level.

OTHER ITEMS APPROVED**ECONOMIC AND FINANCIAL AFFAIRS****Greece - Excessive deficit procedure**

The Council adopted a decision ([6754/11](#)) amending decision 2010/320/EU addressed to Greece with a view to reinforcing and deepening fiscal surveillance and giving notice to Greece to take measures for the deficit reduction judged necessary to remedy the situation of excessive deficit.

The amendment takes into account lower-than-predicted GDP growth rates for 2011 and 2012 and updated GDP deflators for the years 2010 to 2014, but leaves unchanged the deadline for the correction of the excessive deficit.

JUSTICE AND HOME AFFAIRS**Accession of Liechtenstein to the EU/Switzerland agreement on the Schengen acquis**

The Council adopted a decision ([6077/10](#) + [COR 1](#)) on the conclusion, on behalf of the European Union, of the Protocol between the European Union, the European Community, the Swiss Confederation and the Principality of Liechtenstein on the accession of Liechtenstein to the Agreement between the European Union, the European Community and the Swiss Confederation on Switzerland's association with the implementation, application and development of the Schengen acquis.

Accession of Liechtenstein to the EU/Switzerland agreement on asylum

The Council adopted a decision on the conclusion of a protocol between the European Union, the Swiss Confederation and the Principality of Liechtenstein on the accession of Liechtenstein to the Agreement between the European Union and the Swiss Confederation concerning the criteria and mechanisms for establishing the State responsible for examining a request for asylum lodged in a member state or in Switzerland ([6242/10](#)).

FOREIGN AFFAIRS**Financial mechanisms and protocols on fisheries - EU, Iceland, Liechtenstein and Norway**

The Council adopted a decision ([9902/10](#)) on the conclusion of:

- an agreement between the EU, Iceland, Liechtenstein and Norway on a financial mechanism of the European Economic Area (EEA) for 2009-2014;
- an agreement between the EU and Norway on a Norwegian financial mechanism 2009-2014;
- an additional protocol to the agreement between the EU and Iceland concerning special provisions applicable to imports into the EU of certain fish and fisheries products 2009-2014, and
- an additional protocol to the agreement between the EU and Norway concerning special provisions applicable to imports into the European Union of certain fish and fisheries products 2009-2014.

The conclusion of these agreements and protocols is considered an important development of the EEA.

The two agreements replace the existing financial mechanisms by new mechanisms, which relate to different periods, different amounts of funds, and different implementing provisions. The additional protocols renew and extend the concessions relating to certain fish and fisheries products.

Renewal of measures in support of the International Criminal Tribunal for the former Yugoslavia (ICTY)

Council Decision renewing for a further year measures in support of the effective implementation of the mandate of the International Criminal Tribunal for the former Yugoslavia (ICTY).

The Council adopted a decision renewing for a further year measures first introduced in 2004 in support of the effective implementation of the mandate of the International Criminal Tribunal for the former Yugoslavia (ICTY). These measures expire on 16 March 2011 and will be extended until 16 March 2012.

TRANSPORT

Cooperation agreement with the US on civil aviation safety

The Council authorised the conclusion of an agreement between the EU and the US on cooperation in the regulation of civil aviation safety ([6821/11](#) + [8312/09](#)), signed in June 2008.

The purpose of the agreement is to enable the reciprocal acceptance of findings of compliance and approvals, promote a high degree of safety in air transport and ensure regulatory cooperation and harmonisation between the United States and the EU as regards airworthiness approvals and monitoring of civil aeronautical products, environmental testing and approvals of such products, and approvals and monitoring of maintenance facilities.

Certification of entities in charge of rail freight wagon maintenance

The Council decided not to oppose the adoption by the Commission of a regulation on a system of certification of entities in charge of maintenance for freight wagons to be used on the railway network within the Union ([5781/11](#)).

The draft regulation defines in particular the requirements any entity in charge of freight wagon maintenance must meet so as to ensure that the wagons are in a safe state of running, the criteria for accreditation of certification bodies and the format of the certificate granted to the entity and valid throughout the Union.

The draft regulation is subject to the regulatory procedure with scrutiny; now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

Interoperability of the European rail system - rolling stock

The Council decided not to oppose the adoption by the Commission of a decision on the technical specification for interoperability relating to the rolling stock sub-system of the trans-European conventional rail system ([5145/11](#) + [ADD 1](#)). The rolling stock concerned comprises locomotives, passenger carriages and certain types of mobile railway construction and maintenance equipment.

The draft decision is subject to the regulatory procedure with scrutiny; now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

TRADE POLICY

Trade in bananas - conclusion of agreements and new banana tariffs

The Council adopted a decision ([7782/10](#)) on the conclusion of the two following agreements on trade in bananas:

- a Geneva agreement between the EU and Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela;
- an agreement between the EU and the United States.

The European Parliament gave its consent to the conclusion of these agreements on 3 February 2011.

The Geneva agreement provides for tariff cuts on EU banana imports and allows the formal settlement of the pending disputes with the Latin American banana suppliers with most favoured nation status. It also ensures that the EU final market access commitments for bananas in the next WTO multilateral market access negotiations for agricultural products do not exceed those provided for in the agreements concerning the tariff treatment of bananas. Moreover, in light of the new banana tariffs to be applied under this agreement, the Council adopted at first reading a regulation repealing the current regulation on the tariff rate for bananas. This proposal was previously adopted by the European Parliament on 3 February 2011 ([7/11](#)).

The agreement between the EU and the United States provides for the settlement of their banana dispute.

Convention relating to international exhibitions

The Council adopted a decision authorising member states to accede to the Convention relating to international exhibitions (Paris Convention) ([8100/10](#)), for the parts falling under EU competence.

The Paris Convention requires countries organising international exhibitions to allow for temporary admission of objects by the participants. This falls within the Union's exclusive competence as regards the common commercial policy and is regulated by the Community Customs Code.

The Paris Convention's function is to regulate the frequency, quality and procedures of international exhibitions falling within its remit. The European Union itself cannot accede to the Paris Convention, as only sovereign states can be parties thereto.