

COUNCIL OF THE EUROPEAN UNION



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PRESS RELEASE

3226th Council meeting

Employment, Social Policy, Health and Consumer Affairs

Brussels, 28 February 2013

President Ms Joan Burton

Minister for Social Protection of Ireland

Mr Richard Bruton

Minister for Jobs, Enterprise and Innovation of Ireland

PRESS

Main results of the Council

The Council reached political agreement on a recommendation addressed to the member states on establishing "youth guarantee" schemes that aim to ensure that all young people under the age of 25 who lose their job or do not find work after leaving education quickly receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship. They should receive such an offer within four months of becoming unemployed or leaving formal education. The "youth guarantee" is intended to provide for a smooth transition between school and work, support labour market integration and make sure that no young person is left out. This measure is a key part of the response to the worsening youth employment situation across Europe.

The Council also held a debate on the employment and social policy aspects of the 2013 **European Semester** exercise, with a view to contributing to the broader discussions that the European Council will have at its meeting on 14 and 15 March. In the framework of this debate, the EPSCO Council:

- adopted **conclusions** providing political guidance for employment and social policies on the basis of the **Annual Growth Survey** for 2013 and the **Joint Employment Report**;
- adopted the Joint Employment Report;
- agreed that the guidelines for the employment policies of the member states, adopted in 2010, will be maintained for 2013;
- endorsed key messages on the social situation and 'trends to watch' in the Union, drafted by the EU's Social Protection Committee.

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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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The Government of the Acceding State was represented as follows:

Croatia:

Mr Mirando MRSIĆ Minister for Labour and the Pension System

ITEMS DEBATED

"YOUTH GUARANTEE": HELPING YOUNG PEOPLE TO ENTER THE LABOUR MARKET

The Council reached political agreement on a recommendation (6944/13) addressed to the member states on establishing "youth guarantee" schemes that aim to ensure that all young people under the age of 25 who lose their job or do not find work after leaving education quickly receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship. They should receive such an offer within four months of becoming unemployed or leaving formal education.

At the Council meeting, ministers underlined the high political importance of the recommendation, given the urgent need to tackle youth unemployment. They urged that efforts should now be focused on implementing the schemes, including sharing best practices. Some delegations, however, while generally supporting the recommendation, considered the time-frame for offering a job or training to be too short, and would have preferred a somewhat longer time-frame which, they felt, would make it possible for the different situations in the member states and the needs of the young to be better taken into account.

The recommendation agreed on is not a legally binding act but nevertheless reflects a strong political commitment. The text is expected to be formally adopted in the spring, after final checks by the Council's legal-/linguistic experts have been carried out.

The "youth guarantee" is intended to provide for a smooth transition between school and work, support labour market integration and make sure that no young person is left out. This measure comes in response to the worsening youth employment situation across Europe, with an increasing number of young people who are not in employment, education or training. The investment required for such guarantee schemes should be set against the high social and economic costs which widespread youth unemployment would entail in the longer term.

The recommendation sets out guidelines for the implementation of youth guarantee schemes, focusing on a number of key strands of action, in particular:

- partnerships between public and private employment services, employers, social partners and youth representatives;
- outreach strategies towards young people, especially the most vulnerable ones;

- support for the integration of young people into the labour market by enhancing skills, encouraging employers to offer young people jobs and promoting labour mobility;
- assessment and continuous improvement of the schemes;
- use of the available EU funds to support the establishment of the schemes.

Member states are called upon to implement the schemes as soon as possible, preferably as from 2014. In member states with the most severe budgetary difficulties and higher rates of youth unemployment, however, a gradual implementation could be considered.

The financial resources available under existing EU funds, such as the European Social Fund and other cohesion policy funding instruments, will be reinforced by a new youth employment initiative decided by the European Council at its meeting on 7-8 February (see European Council conclusions, *EUCO 37/13*, p. 23). This new initiative will make EUR 6 billion available for the period 2014-2020 with the aim of helping regions with youth unemployment rates above 25 % to implement measures that favour youth employment, such as the youth guarantee; half of that amount will come from the European Social Fund and the other half from a dedicated youth employment budget line.

As well as providing funding from the Union budget, the EU will also support the schemes through the exchange of best practices, monitoring of the measures put in place by member states and contributions to awareness-raising activities.

The recommendation on establishing a "youth guarantee" is part of the "youth employment package" presented by the Commission last December. Apart from the recommendation (Commission proposal: <u>17585/12</u>), the package consists of an overall communication entitled "Moving Youth into Employment"; a review of the Youth Opportunities Initiative one year on; and three targeted Commission initiatives. These include a Commission communication launching a second stage consultation of European social partners on a quality framework for traineeships; the future set-up of a European alliance for apprenticeships; and the launch in the first half of 2013 of a consultation with stakeholders on developing a EURES (European employment services) programme for jobs for young people.

2013 EUROPEAN SEMESTER - POLITICAL GUIDANCE FOR EMPLOYMENT AND SOCIAL POLICIES

The Council held a debate on the employment and social policy aspects of the 2013 **European Semester** exercise, the annual monitoring of economic policies and structural reforms. The results of the debate and the decisions taken in this framework will form part of the employment and social policy ministers' messages to the European Council for its meeting on 14 and 15 March, where the EU heads of state or government are due to agree on guidance to member states for their economic policies.

The ministers generally underscored the valuable role that the European Semester process plays thanks to the exchange of experiences and best practices and the peer pressure it involves; it is seen as an exercise that helps to identify issues that need to be tackled and promote the necessary reforms to ensure sustainable and efficient social protection systems. The ministers also provided information about the social policy measures and reforms that had been carried out or were under way in their countries, focusing in particular on labour market reforms, pension reforms and support for greater participation of women in the labour market, notably by helping to reconcile work and private life.

In the framework of this debate, the Council adopted **conclusions** (6936/13) providing political guidance for employment and social policies on the basis of the **Annual Growth Survey for 2013** (16669/12) and the **Joint Employment Report**, which had both been presented by the Commission to the EPSCO Council at its meeting last December. However, Malta and Hungary raised concerns about the procedure applied for adopting the Council conclusions on the European Semester, since, in their view, the discussions at preparatory level did not allow for sufficient in-depth political scrutiny by the member states.

The conclusions call on member states to ensure that the priorities set out in the Annual Growth Survey and the Joint Employment Report are reflected in their national reform programmes. Among these priorities, tackling long-term and youth unemployment and combating poverty and social exclusion are core issues. There is a need for fiscal consolidation measures that at the same time contribute to growth and jobs, and measures should also be taken to restore normal lending to the economy and to adapt the labour market so as to favour job creation, productivity and increased participation of women. Moreover, the resilience and efficiency of social protection systems need to be improved, and it is important to build sustainable systems for adequate pensions and health and long-term care. The role of the dialogue with the social partners is also underscored.

The **Joint Employment Report** (6799/13) was also adopted by the Council, so that it can be submitted to the European Council.

In addition, ministers agreed on a general approach confirming that the **guidelines for the employment policies** of the member states, adopted in 2010, will remain unchanged for 2013 (6509/13). This is in line with the 2010 decision, which stipulated that the guidelines should remain stable until 2014 to ensure a focus on implementation. The 2013 decision on the guidelines will be formally adopted once the March European Council has adopted its conclusions on employment.

The priority areas identified in the guidelines are the following (for more details see Official Journal L 308, 24.11.2010, pp. 46-51):

- increasing labour market participation of women and men, reducing structural unemployment and promoting job quality;
- developing a skilled workforce responding to labour market needs and promoting lifelong learning;
- improving the quality and performance of education and training systems and increasing participation in tertiary or equivalent education;
- promoting social inclusion and combating poverty.

The Council also endorsed conclusions on the **social situation and 'trends to watch'** in the Union, drafted by the EU's Social Protection Committee (<u>6138/13</u>). Noting that the social situation in the EU is worsening, the Committee singles out four social trends in the EU to watch with particular attention, namely the increases in: poverty and social exclusion for the overall population; the number of poor children; the working poor; and the poverty risk for people living in quasi-jobless households. As regards the measures to address this situation, the Committee's conclusions essentially confirm the main messages of the Council conclusions on the Annual Growth Survey and Joint Employment Report. A detailed description of the Committee's findings can be found in its report on the social situation the EU in 2012 and the way forward (<u>6138/13 ADD 1</u>).

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SOCIAL INVESTMENT PACKAGE

The Council heard a presentation by the Commission of its "social investment package", which was published on 20 February. The Council will deal with this package in more detail at a later stage.

The package is aimed at modernising welfare systems and making social investment a priority. It proposes a framework for policy reforms intended to enhance social protection and to foster participation in society and the labour market.

The Commission sees a need for action in the following areas in particular:

- Social policies should be simplified and better targeted in order to achieve sustainable and adequate social protection.
- Moreover, it is important to invest in people's skills and capabilities to help them cope with social and economic challenges; this applies particularly to fields such as childcare, education and training, job-search assistance and health care.
- It should also be ensured that people receive support at critical moments throughout their lives.

In addition, the package offers guidance on how best to use EU financial resources, in particular from the European Social Fund, to boost social investment.

As well as a communication setting out the policy framework and concrete actions to be taken (6380/13), the package also includes a recommendation on fighting child poverty (6671/13) and a number of analytical documents. It complements recent Commission initiatives such as the White Paper on pensions, the employment package and the youth employment package, published in February, April and December 2012 respectively.

For more information, see also the Commission's press release on this subject: http://europa.eu/rapid/press-release_IP-13-125_en.htm

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TRIPARTITE SOCIAL SUMMIT

The presidency briefed ministers about the preparations for the traditional Tripartite Social Summit between the social partners and the EU institutions which will take place on 14 March, just before the start of the European Council meeting.

The exchange of views at the forthcoming Social Summit will focus on how to address the challenges of recovery and renewal of the EU's social dimension. It will also provide an opportunity for a debate with the social partners on the aspects outlined in the roadmap for the completion of the Economic and Monetary Union. In addition, particular attention will be given to the issue of youth unemployment.

The Social Summit brings together the troika of heads of state or government (the current and the two forthcoming presidencies: this time Ireland, Lithuania and Greece), accompanied by the respective employment ministers, the presidents of the European Council and the European Commission, the EU commissioner for employment and the presidents or general secretaries of the principal European employers' and trade union organisations. Employers will be represented by BusinessEurope and trade unions by the European Trade Union Confederation (ETUC).

The task of the Tripartite Social Summit is to ensure that there is a continuous social dialogue between the Council, the Commission and the social partners at the highest level.

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OTHER BUSINESS

Meeting between the Employment Committee and social partner organisations on wage developments

The chair of the Employment Committee briefed the Council on a meeting that the committee had held with representatives of national and European social partner organisations to discuss wage developments across the EU (6546/13). Beyond the aim of reaching a better mutual understanding of the issue, the meeting was an experiment to test potential ways of ensuring closer involvement of the social partners in the governance of the Europe 2020 strategy. The discussions were structured around three themes: the role wages play in relation to productivity; the link between wages and employment levels; and the impact of wages on the level of inequality.

Work programmes of the Employment Committee and the Social Protection Committee

The Council heard a presentation of the work programmes of the Employment Committee (6129/1/13) and the Social Protection Committee (6109/13).

Transitional arrangements regarding free movement of workers from Bulgaria and Romania

The Commission informed the Council of the state of play regarding the transitional arrangements for the free movement of workers from Bulgaria and Romania following the accession of these two countries to the EU (6651/13). Under these arrangements, which will end on 31 December 2013, eight member states currently continue to restrict labour market access for both Bulgarian and Romanian workers, and another member state does so for Romanian workers only.

Social partners' negotiations on a review of the working time directive

The Commission briefed the Council on the outcome of the negotiations between the social partners on a review of the 2003 working time directive, aimed at adapting the EU working time rules to the changes in the world of work. There is an obligation for the Commission to consult the social partners before proposing EU social policy legislation. The social partners, however, did not reach an agreement on this issue. The Commission is now considering possible ways forward.

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State of play of legislative proposals

The presidency updated ministers on the state of play of several legislative proposals. Negotiations are under way with the European Parliament on the draft directive on the protection of workers from electromagnetic fields and the programme for social change and innovation. The proposals on the fund for European aid to the most deprived, the European Globalisation Fund and the enforcement of the posting of workers directive are still being discussed within the Council's preparatory bodies.

Just before the Council meeting, ministers met the President of the European Council for a breakfast in order to discuss the social dimension of the European Monetary Union.

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OTHER ITEMS APPROVED

SOCIAL POLICY

EU labour force survey

The Council decided not to oppose the adoption by the Commission of the programme of ad-hoc modules for the labour force sample survey for the years 2016 to 2018 (18005/12). The ad-hoc modules specified in the programme concern the following topics: young people on the labour market; self-employment; and reconciliation between work and family life.

The draft Commission regulation setting out this programme 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.

FOREIGN AFFAIRS

Syria - restrictive measures

The Council extended the EU sanctions against Syria for a further three months. At the same time, it amended the arms embargo so as to allow for the provision of non-lethal equipment and technical assistance for the protection of civilians. For more details, see press release 6872/13.

TRADE POLICY

EU-Thailand - Free trade agreement

The Council adopted a decision authorising the Commission to start negotiations with Thailand on a free trade agreement.

In doing so, it confirmed that the Commission should continue to promote the launch of negotiations with other countries of the Association of Southeast Asian Nations (ASEAN).

In 2007, the Council agreed to launch negotiations on a region-to-region free trade agreement with the ASEAN countries, but these were put on hold in 2009. In December 2009, the Council decided to pursue free trade negotiations with individual ASEAN countries in a bilateral format, whilst preserving the strategic objective of a region-to-region free trade agreement.

ENVIRONMENT

CITES Convention - 16th meeting of the Conference of the Parties

The Council adopted a decision establishing the European Union's position with regard to certain proposals submitted to the 16th meeting of the Conference of the Parties (COP 16) to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The meeting will take place in Bangkok, Thailand, on 3-14 March 2013.

For more information see http://www.cites.org/.

FISHERIES

Partnership agreement between the EU and Seychelles - Negotiations on renewal of the protocol

The Council adopted a decision authorising the Commission to open negotiations on behalf of the EU for a new protocol to the fisheries partnership agreement (FPA) with the Republic of the Seychelles.

The EU and Seychelles concluded a protocol to the FPA which was initialled by the two parties on 3 June 2010 and has been in effect since 18 January 2011. The protocol, which grants fishing opportunities for EU vessels and fixes the financial counterpart, will expire on 17 January 2014.

The new protocol to be negotiated should be in line with the 19 March 2012 Council conclusions on a Commission communication of 14 July 2011 on the external dimension of the common fisheries policy.

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