



**COUNCIL OF
THE EUROPEAN UNION**



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3039th Council meeting

Employment, Social Policy, Health and Consumer Affairs

Luxembourg, 21 October 2010

President

Ms Joëlle MILQUET

Deputy Prime Minister and Minister for Employment and
Equal Opportunities

Ms Laurette ONKELINX

Deputy Prime Minister and Minister for Social Affairs and
Public Health, with responsibility for Social Integration

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State Secretary for Social Integration and Poverty Prevention
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Main results of the Council

The Council adopted the new **guidelines for the employment policies** of the member states for implementing the Europe 2020 strategy. It held a policy debate and adopted conclusions on the **governance of the European Employment Strategy** in the context of Europe 2020 and the European semester. This debate also served as the Council's **preparation for the Tripartite Social Summit** which will take place on the eve of the European Council on 28 October and which will address the role of economic governance for growth and jobs.

Ministers were briefed by the Commission on its communication concerning the **flagship initiative Youth on the Move** and held an exchange of views. They approved the opinion of the Employment Committee entitled "**Making transitions pay**".

Furthermore, ministers approved the opinion of the Social Protection Committee on the **social dimension in the Europe 2020 strategy**, on which they held a policy debate.

Over lunch, the Council held a discussion on a joint paper of the Commission and the Employment Committee on the choice of **effective employment measures to mitigate jobless recovery in times of fiscal austerity**.

As an other business item, the Commission presented its **green paper on pensions** and the presidency informed the Council on the state of play on **Roma inclusion**.

As an "A" item, ministers adopted without discussion the EU position to be taken in the respective (Stabilisation and) Association Councils with six third countries (Tunisia, Morocco, Algeria, Israel, Croatia and the Former Yugoslav Republic of Macedonia) concerning the adoption of **provisions on the co-ordination of social security systems**.

Again as an "A" item, ministers approved a statement expressing their concerns at the impact the **framework agreement on relations between the European Parliament and the Commission** could have on the institutional balance set out by the Treaties.

With the exception of the lunch-time discussion and the any other business items the whole meeting was public and may be followed by video streaming at <http://www.consilium.europa.eu/videostreaming>

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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.

DECISIONS TAKEN BY THE REPRESENTATIVES OF THE MEMBER STATES

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PARTICIPANTS

The governments of the member states and the European Commission were represented as follows:

Belgium:

Ms Joëlle MILQUET

Deputy Prime Minister and Minister for Employment and Equal Opportunities, responsible for Policy on Migration and Asylum

Ms Laurette ONKELINX

Deputy Prime Minister and Minister for Social Affairs and Public Health, with responsibility for Social Integration

Mr Philippe COURARD

State Secretary for Social Integration and Poverty Prevention

Bulgaria:

Mr Totyu MLADENOV

Minister for Labour and Social Policy

Czech Republic:

Mr Jaromir DRÁBEK

Minister for Labour and Social Affairs

Denmark:

Ms Inger STØJBERG

Minister for Employment

Germany:

Mr Andreas STORM

State Secretary, Federal Ministry of Labour and Social Affairs

Estonia:

Mr Hanno PEVKUR

Minister for Social Affairs

Ireland:

Ms Geraldine BYRNE NASON

Deputy Permanent Representative

Greece:

Ms Louka KATSELI

Minister for Labour and Social Security

Spain:

Mr José Pascual MARCO MARTINEZ

Deputy Permanent Representative

Mr. D. Javier ERRO URRUTIA

Minister for Industry, Innovation and Employment of the Autonomous Community of La Rioja

France:

Ms Nora BERRA

Minister of State with responsibility for Senior Citizens, attached to the Minister for Labour Relations, the Family, Solidarity and Urban Affairs

Italy:

Mr Vincenzo GRASSI

Deputy Permanent Representative

Cyprus:

Ms Sotiroula CHARALAMBOUS

Minister for Labour and Social Insurance

Latvia:

Mr Andrejs STAKIS

Parliamentary Secretary

Lithuania:

Mr Donatas JANKAUSKAS

Minister for Social Security and Labour

Luxembourg:

Ms Marie-Josée JACOBS
Mr Nicolas SCHMIT

Minister for Family and Integration
Minister with responsibility for Foreign Affairs and
Immigration

Hungary:

Mr Sándor CZOMBA

State Secretary, Ministry of National Development and
Economic Affairs
Minister for Natural Resources

Mr Miklós RÉTHELYI

Malta:

Ms Dolores CRISTINA

Minister for Education, Employment and the Family

Netherlands:

Mr. Derk OLDEBURG

Deputy Permanent Representative

Austria:

Mr Harald GÜNTHER

Deputy Permanent Representative

Poland:

Ms Jolanta FEDAK

Minister for Labour and Social Affairs

Portugal:

Ms Helena ANDRÉ

Minister for Labour and Social Affairs

Romania:

Mr Valentin MOCANU

State Secretary

Slovenia:

Ms Anja KOPAČ MRAK

State Secretary, Ministry of Labour, Family and Social
Affairs

Slovakia:

Mr Jozef MIHAL

Mr Peter JAVORČÍK

Minister for Labour, Social Affairs and the Family
Deputy Permanent Representative

Finland:

Ms Anni SINNEMÄKI

Mr Juha REHULA

Minister for Labour
Minister for Social Affairs and Health

Sweden:

Ms Hillevi ENGSTRÖM

Mr Ulf KRISTERSSON

Mr Jan Roland OLSSON

Minister for Employment
Minister for Social Security
Deputy Permanent Representative

United Kingdom:

Mr Andy LEBRECHT

Deputy Permanent Representative

Commission:

Ms Viviane REDING

Mr László ANDOR

Vice President
Member

ITEMS DEBATED

Guidelines for the employment policies of the member states

The Council adopted a decision establishing new guidelines for the employment policies of the member states ([14338/10](#) + [14338/10 COR 1](#) + [14917/10 ADD 1](#)). The United Kingdom delegation abstained.

The employment policy guidelines form one part of the integrated guidelines, the other part being the broad guidelines for the economic policies of the member states, which the Council already adopted in July 2010 ([11646/10](#)). The integrated guidelines represent the main tool of the Europe 2020 Strategy, the new ten-year strategy for jobs and smart, sustainable and inclusive growth. They lay the foundations for structural reforms which the member states will have to carry out.

The integrated guidelines contain five EU headline targets, of which three belong to the guidelines for the employment policies of the member states and concern labour market participation, the fight against social exclusion and poverty, and the quality and performance of education and training systems.

The headline target for the labour market seeks to increase to 75%, by 2020, the **labour market participation** of women and men aged 20-64 through, inter alia, greater participation by young people, older workers and low-skilled workers and better integration of legal migrants. The headline target for **social inclusion and combating poverty** aims to lift at least 20 million people out of the risk of poverty and exclusion. The target population is defined as the number of persons who are at risk of poverty and exclusion according to three indicators (at risk of poverty; material deprivation; jobless household), leaving member states free to set their national targets on the basis of the most appropriate indicators, taking into account their national circumstances and priorities. On the basis of this definition, 120 million Europeans currently face the risk of poverty and exclusion. The headline target for **improving the quality and performance of education and training systems** is to reduce drop-out rates to less than 10%, and increase the share of 30 to 34-year-olds having completed tertiary or equivalent education to at least 40%.

The two remaining headline targets of the integrated guidelines belong to the broad guidelines for the economic policies of the member states; they aim to increase the combined public and private investment levels for research and development to 3% of Gross Domestic Product (GDP) by 2020 and to reduce by 2020 greenhouse gas emissions by 20% compared to 1990 levels, to increase the share of renewable energy sources in final energy consumption to 20 % and to move towards a 20 % increase in energy efficiency.

All five headline targets must be translated by member states into national targets, taking into account their relative starting positions and national circumstances. Member states must submit their draft national reform programmes including their national targets by 12 November. By mid-April 2011, the national reform programmes should be finalised. The European Council will assess annually the progress made at both EU and member state level under the 2020 Strategy.

The integrated guidelines are as follows (guidelines 1 to 6 form the broad guidelines for the economic policies of the member states and of the Union, guidelines 7 to 10 constitute the guidelines for the employment policies of the member states):

1. ensuring the quality and the sustainability of public finances;
2. addressing macroeconomic imbalances;
3. reducing imbalances in the euro area;
4. optimising support for research, development and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy;
5. improving resource efficiency and reducing greenhouse gases;
6. improving the business and consumer environment and modernising the industrial base in order to ensure the full functioning of the internal market;
7. increasing labour market participation and reducing structural unemployment;
8. developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning;
9. improving the performance of education and training systems at all levels and increasing participation in tertiary education;
10. promoting social inclusion and combating poverty.

Governance of the European Employment Strategy within Europe 2020

The Council held a policy debate on the governance of the European Employment Strategy (EES)¹ in the context of Europe 2020 and the European semester, i.e. the new EU provisions on the coordination of the member states' economic policies, before adopting conclusions on how the EES should be adapted to the new European semester and in particular its new mechanisms of macroeconomic and thematic surveillance ([14478/10](#)).

Ministers recalled the important role of employment policies in the macro-economic development of the EU, and that the EPSCO Council should play its full role within the framework of the EU 2020 and the European Semester in order to reach the objectives included in the Employment Guidelines. In this context, ministers underlined the complementarity between the different Council configurations.

Ministers also recognised the need for clear monitoring in order to assess progress on reaching the objectives of the Employment Guidelines and asked for both quantitative and qualitative aspects to be taken into account. In this context, ministers welcomed the initial work of the Employment Committee on a Joint Assessment Framework (JAF), a tool to monitor the implementation of the Employment Guidelines by the member states and their progress towards their employment headline targets. They mandated EMCO to finalise its work for the December EPSCO Council and ensure that the JAF was efficient, simple, comprehensive and flexible.

¹ The main elements of the European Employment Strategy are the Joint Employment Report, the recommendations to the member states and the employment guidelines. The annual EES procedure is defined in Article 148 of the Treaty on the Functioning of the EU: on the basis of a joint annual report by the Council and the Commission, the European Council is to consider each year the employment situation in the EU and adopt conclusions thereon. On the basis of those conclusions, the Council is to draw up each year guidelines which the member states are to take into account in their employment policies. The member states are to provide the Council and the Commission with annual reports on the principal measures taken in the light of those guidelines. On the basis of those reports, the Council is to carry out each year an examination of the implementation of the employment policies of the member states, and may make recommendations to member states. In addition, on the basis of the results of that examination, the Council and the Commission are to make a joint annual report to the European Council on the employment situation in the EU.

Then delegations described the major bottlenecks holding back growth and employment in their national labour markets, that required reform: qualifications; transitions; mismatch between supply and demand; participation in the labour market; situation of target groups such as young/old people, women, less qualified people and migrants; and making work attractive. The Belgian Presidency concluded that the member states faced similar challenges, which highlighted the need for a common strategy.

By adopting the conclusions ministers underlined 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.

According to the conclusions, the EPSCO Council will contribute to the work of the European Council in three main ways:

- ahead of each European Semester, it will take stock of progress made towards the Europe 2020 headline and national targets for employment, identify possible policy themes common to a number of member states which deserve closer surveillance, and analyse the impact of employment on the macro-economic situation;
- with a view to contributing to the Spring European Council, it will identify in the Joint Employment Report the main employment trends which require strategic guidance by the European Council;
- at the end of the European Semester, it will examine and adopt country-specific recommendations to member states in the field of employment under Article 148(4) of the Treaty on the Functioning of the EU, in parallel with the country-specific recommendations addressed to the member states under Article 121(4) of that Treaty, in order to form a coherent package of recommendations.

The conclusions, which will form the EPSCO Council contribution to the work of the European Council, will be forwarded to the European Council with a view to a final decision on governance of the European semester.

Preparation of the Tripartite Social Summit

Ministers were briefed by the presidency on the preparation of the tripartite social summit to be held in Brussels on 28 October, prior to the European Council.

As the October European Council will focus on economic governance following the final report of the task force chaired by President Herman Van Rompuy, the participants had the opportunity to discuss how economic governance can best be designed to ensure that the EU fosters jobs and growth in the EU. They also reflected on how best to combine a crisis exit strategy aimed at limiting public debt with a strategy allowing investment in skills, technology and infrastructures.

The task of the tripartite social summit for growth and employment is to ensure that there is a continuous social dialogue between the Council, the Commission and the social partners at the highest level.

The tripartite social summit brings together the troika of heads of state and government of the current rotating presidency and the following two (i.e. this time Belgium, Hungary and Poland), accompanied by the respective Employment ministers, the President of the European Commission and the Employment Commissioner, the President of the European Council and the presidents/general secretaries of the principal European employers' and trade union organisations.

Flagship Initiative Youth on the Move

Ministers heard a presentation on the flagship initiative Youth on the Move by the Commission and had a brief exchange of views on this topic ([13726/10](#)). Youth on the Move is intended to respond to the challenges young people face and to help them succeed in the knowledge economy. It is a framework agenda announcing key new actions, reinforcing existing activities and ensuring the implementation of others at EU and national level. It will harness the financial support of the relevant EU programmes on education, youth and learning mobility, as well as the structural funds. Youth on the Move focuses on four main lines of action: education and lifelong learning; raising the quality and the attractiveness of European higher education; mobility; improving the employment situation of young people.

Making transitions pay

Ministers approved an opinion of the Employment Committee entitled "Making transitions pay" ([14479/10](#)). In its opinion, EMCO stresses the importance of providing people with the necessary security to accept and cope better with the need to be mobile, and of reaching the EU's headline employment target. It argues in favour of a life cycle approach to positive transitions, aiming at sustainable moves over a lifetime, rather than fitting a particular job at a given moment in time. It also outlines the conditions for making transitions pay, such as labour market transparency and accessibility of information, the provision of training opportunities for all, flexible organisation of work and adequate social rights.

The subject of labour market transitions between different jobs, occupations, sectors and employment statuses is one of the priorities of the Belgian Presidency, which organised a conference on this topic in Ghent on 4 and 5 October 2010.

Social protection and social inclusion in the Europe 2020 strategy

The Council also approved an opinion of the Social Protection Committee on social protection and social inclusion in the Europe 2020 Strategy and its governance ([14254/10 REV 1](#)).

Ministers supported the opinion of the SPC. Challenges encountered by member states in setting their national targets on social exclusion and poverty reduction include, inter alia, the current budgetary constraints, the availability of statistics, the difficulty of quantifying targets for specific policy measures and the need to conduct analysis to identify groups which are at risk of poverty as well as new forms of poverty. Several ministers emphasised that fiscal consolidation should not stand in the way of social policy, which should be better targeted at those most in need. The national reform programmes should include a section on social protection and poverty reduction.

Ministers considered that back-up for the process of fixing national targets at European level could bring added value. They mentioned in this context the development of an efficient monitoring mechanism, strengthening cooperation between member states and the Commission, using the open method of coordination, and the exchange of experience and good practices at EU level.

Ministers welcomed the SPC opinion and suggested extending the committee's agenda by items such as active ageing, intergenerational solidarity, child poverty, and the elderly. Several ministers put the emphasis on the need to simplify SPC reports. They mandated the SPC to continue its work on this basis.

The SPC opinion highlights the key role that the EPSCO Council plays in the social dimension of Europe 2020 and its governance and gives an overview of its contribution to the EPSCO Council on Europe 2020. This includes, inter alia, monitoring progress towards the EU social inclusion and poverty reduction target, monitoring implementation of the social aspects of the integrated guidelines, using the open method of coordination (OMC) to monitor the social situation and the development of social protection policies, and providing a contribution to foster positive interaction between the OMC activities and the future flagship initiative. The SPC will forward to the EPSCO Council preparing the Spring Council an annual report on the social situation and the development of social policies, including an assessment of the social dimension of Europe 2020.

Effective employment measures to mitigate jobless recovery

Over lunch, ministers discussed reforms of employment measures which had proved effective in their national experience. They concluded that fiscal consolidation should not lead to the sacrifice of measures which could provide a high return in the future, which would on balance be detrimental in the medium and long term. In particular, fiscal consolidation should not mean sacrificing investment in human capital, education and training. Other efficient employment measures mentioned were: support for youth employment, for instance through traineeships, support for transition and mobility, measures to ensure adequate matching between labour demand and supply, short-time working arrangements and the efficiency of public employment services.

Any other business

Green Paper "Towards adequate, sustainable and safe European pension systems"

Ministers heard a brief presentation of the Green Paper entitled "Towards adequate, sustainable and safe European pension systems" ([12102/10](#)) by the Commissioner in charge of Employment, Social Affairs and Inclusion, László Andor.

Advancing Roma inclusion

The Belgian Presidency informed ministers on the efforts made by the Council and other actors to advance the social and economic inclusion of Roma ([14663/10](#)). The Commission's Vice-President in charge of Justice, Fundamental Rights and Citizenship, Viviane Reding, announced that the Commission would submit an EU Framework for National Roma Integration Strategies in April 2011. She also expressed her intention to table a proposal for more efficient use of EU funds for Roma inclusion on the basis of member states' answers to a Commission questionnaire.

Round Table on poverty and social exclusion

The Belgian Presidency briefed ministers on the Round Table against Poverty and Social Exclusion, which debated the implementation and monitoring of the active inclusion recommendation ([14582/10](#)).

Child poverty

The Belgian Presidency briefed the Council on the Child Poverty Conference held in Marche-en-Famenne on 2 and 3 September 2010 ([14587/10](#)). During this conference, the trio presidencies (Spain, Belgium and Hungary) signed a declaration calling for specific measures in order to reduce the number of children and young people in Europe who are at risk of poverty. According to this declaration there are currently at least 20 million children and young people in Europe who are at risk of poverty, with a risk that the problem may deepen further through the transmission of poverty to the next generation of children. In this declaration, the trio presidency calls upon member states and the European Council inter alia to set clear, quantified sub-targets for the reduction of child poverty and to include the fight against child poverty as a key priority in the EU 2020 Platform against Poverty and Social Exclusion.

Presidency conferences

Belgium briefed ministers on the conferences held during its presidency ([14255/10](#)).

OTHER ITEMS APPROVED

SOCIAL POLICY

Coordination of social security systems with six third countries

The Council adopted a decision establishing the EU position to be taken in the respective (Stabilisation and) Association Councils between the European Union and six third countries (Algeria, Croatia, the Former Yugoslav Republic of Macedonia, Israel, Morocco and Tunisia), ([11217/10](#) + [11213/10](#) + [11211/10](#) + [11214/10](#) + [11215/10](#) + [11216/10](#)). The Czech and Maltese delegations abstained on the decision concerning Israel, Croatia and the Former Yugoslav Republic of Macedonia.

The Euro-Mediterranean Agreements between the EU on the one hand and Algeria, Israel, Morocco and Tunisia on the other and the Stabilisation and Association Agreements between the EU and Croatia and the Former Yugoslav Republic of Macedonia contain provisions for limited coordination between the social security systems of member states and the six third countries. In order for these provisions to take effect, a decision of the Association Councils and the Stabilisation and Association Councils established with the different countries is required.

Council regulation 859/2003 extends the provisions of regulation 1408/71 (on the application of social security schemes to employed persons and their families moving within the Community) and its implementing regulation 574/72 to nationals of third countries who are not already covered by those provisions solely on the grounds of their nationality. This regulation already covers the principle of aggregation of insurance periods acquired by third country workers in the various member states regarding entitlement to certain benefits, as set out in the agreements.

By adopting its position, the EU seeks to agree with the six partner countries on implementing provisions which are not already covered by regulation 859/2003. This concerns, in particular, the export of certain benefits to one of the six partner countries as well as the granting of equal treatment to third country workers legally employed in the EU and to their family members. Moreover, the EU position seeks to ensure that the provisions on the export of benefits and the granting of equal treatment also apply, by way of reciprocity, to EU workers legally employed in one of the six partner countries and to their family members.

EU statistics on income and living conditions

The Council decided not to oppose the adoption of a Commission regulation concerning EU statistics on income and living conditions ([13088/10](#)). The Commission regulation seeks to implement regulation 1177/2003, which establishes a common framework for the systematic production of European statistics on income and living conditions.

The Commission regulation is subject to the so called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the regulation, unless the European Parliament objects.

GENERAL AFFAIRS

Relations between the European Parliament and the Commission - *Council statement*

The Council has taken note of the Framework Agreement on relations between the European Parliament and the Commission signed by the two Institutions on 20 October 2010.

The Council, which was not party to the negotiation of the framework agreement, points out that compliance with the founding Treaties of the Union, in the terms in which they have been ratified by the Member States, is the fundamental principle governing the existence and the functioning of the Union. The Treaties define exhaustively the respective powers conferred on the Institutions (Article 13(2) TEU). Those powers may not be modified or supplemented by the Institutions themselves either unilaterally or by agreement between them.

The Council notes that several provisions of the Framework Agreement have the effect of modifying the institutional balance set out in the Treaties in force, according the European Parliament prerogatives that are not provided for in the Treaties and limiting the autonomy of the Commission and its President. The Council is particularly concerned by the provisions on international agreements, infringement proceedings against Member States and transmission of classified information to the European Parliament.

The Framework Agreement cannot be applied to the Council. The Council will submit to the Court of Justice any act or action of the European Parliament or of the Commission performed in application of the provisions of the Framework Agreement that would have an effect contrary to the interests of the Council and the prerogatives conferred upon it by the Treaties.

For further information see [15018/10](#).

AGRICULTURE

Health claims on foods - food additives

The Council decided not to oppose adoption of the following three Commission acts:

- a regulation refusing to authorise certain health claims made on foods and referring to the reduction of disease risk and to children's development and health ([12963/10](#));
- a regulation refusing to authorise a health claim made on foods, other than those referring to the reduction of disease risk and children's development and health ([12962/10](#));
- a directive amending the Annexes to directive 95/2 on food additives other than colours and sweeteners ([12854/10](#)).

The Commission legislation is subject to the "regulatory procedure with scrutiny". This means that now that the Council has given its consent, the Commission may adopt the acts, unless the European Parliament objects.

DECISIONS TAKEN BY THE REPRESENTATIVES OF THE MEMBER STATES

Appointment of a judge to the General Court of the European Union

The representatives of the governments of the member states appointed Mr Dimitrios GRATSIAS as the Greek member of the General Court of the European Union (the former Court of First Instance) for a term of office from 25 October 2010 to 31 August 2016.

This follows two decisions of the representatives of the governments of the member states taken on 23 June and 8 July 2010 to reappoint twelve members of the General Court of the European Union for a period of six years ([12077/10](#)).

The General Court is made up of at least one judge from each member state. They are appointed for a term of office of six years, which is renewable. They appoint their president, for a period of three years, from amongst themselves.