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Employment, Social Policy, Health and Consumer Affairs

Employment and social policy

Brussels, 17 February 2012

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Main results of the Council

*The Council held a policy debate on the question of **women on company boards**.*

*Preparing its **contribution to the Spring European Council of 1-2 March**, the Council also held a policy debate on the priorities for action in employment and social matters, adopting conclusions and the joint employment report.*

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PARTICIPANTS

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Minister for social protection

Minister of State with responsibility for disability, equality and mental health (Departments of health and justice and equality)

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State Secretary, Ministry of the national economy

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State Secretary, Ministry of labour, family and social affairs

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Finland:

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Ms Hillevi ENGSTRÖM
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Minister for employment
Minister for equal opportunities

United Kingdom:

Mr Norman LAMB

Minister for employment relations, consumer and postal affairs

.....

Commission:

Ms Viviane REDING
Mr László ANDOR

Vice-President
Member

.....

The Government of the Acceding State was represented as follows:

Croatia:

Mr Mirando MRSIĆ

Minister for labour and pension system

ITEMS DEBATED

Women on company boards

The Council held a policy debate on the question of gender balance on company boards. The aim was to explore the different ways of approaching this challenging and politically sensitive issue.

Women account for around 60 % of new university graduates in the EU, yet they are heavily under-represented in economic decision-making positions, especially at the top. In 2010, only 12% of members and a mere 3% of chairs of the boards of the largest companies listed on the stock exchanges of the EU member states were women.

Ministers had the opportunity to share their experiences and to discuss what can be done at Union and member state levels to combat the problem of women's under-representation in company boardrooms.

Responding to the Presidency's set of questions, delegations pointed out that the "glass ceiling" continues to impede women's access to company boardrooms.

Even if no legal or formal barriers exist, cultural factors, including the persistence of traditional gender roles and stereotypes, continue to hamper women's careers.

In order to overcome these and other barriers, many countries have called on state-owned companies, the business sector and the social partners to take steps to increase the number of women in company boardrooms.

Apart from a mentality shift, specific measures are needed in order to increase the number of women on company boards. Key actions include setting up appropriate maternity, paternity and parental leave systems, making easier to balance work and family life and offering quality care services for children and other dependants. Measures such as awareness-raising, training and education, and the provision of mentoring are also important.

Certain ministers advocated the use of binding quotas, while many others were in favour of a voluntary approach, at least at this stage.

The Commission stressed that low representation of women on company boards was synonymous with a waste of talents, especially in the context of the current economic crisis and mounting skills shortages in Europe.

Closing the debate, the Presidency emphasised that the current crisis should not distract the member states from promoting equal opportunities. The Presidency recalled that equal opportunities created added value and brought benefits to the whole of society.

The Council has long supported increasing women's participation in economic decision-making. It has adopted a set of indicators that are used to monitor and measure developments. The data clearly show that progress is very slow.

In addition, in the European Pact for gender equality (2011-2020), the Council urges action at member state and EU levels to adopt measures to close gender gaps and combat gender segregation on the labour market.

The Commission stated in its strategy for equality between women and men (2010-15) that it would address the gender imbalance in business decision-making through targeted initiatives. It has also called on publicly-listed companies to sign a "women on the board" pledge by March 2012, making a voluntary commitment to increase women's presence on their boards to 30% by 2015 and to 40%, by 2020 by actively recruiting qualified women to replace outgoing male board members. However, so far, very few companies have signed up.

In March 2012, the Commission will assess the situation. If no sufficient progress is achieved through self-regulation, it will explore different policy options for targeted measures for increasing the number of women on company boards.

Contribution to the Spring European Council of 1-2 March

In line with the requirements of the European Semester, the Council discussed contributions to the Spring European Council of 1-2 March, on the basis of the Annual Growth Survey (AGS) and other elements related to employment and social policies. The debate will feed into the Presidency's synthesis report which is also to be submitted to the European Council.

In particular, ministers pointed out that fiscal consolidation efforts should be accompanied by enhanced employment and social policies. Fiscal consolidation should not increase poverty or hamper efforts to tackle unemployment, and in particular youth unemployment.

The great majority of ministers expressed concerns about the sharp rise in youth unemployment; youth employment must therefore be a top priority. Measures such as apprenticeships and vocational training are necessary in order to improve young people's skills and their work experience. Employers should be given incentives to recruit more young people through tax reliefs.

In that context, ministers referred to the "youth guarantee scheme" to secure the right of every young person to be offered a job, an apprenticeship or training after a certain period of unemployment.

The Commission stressed the importance of the youth opportunities initiative launched last December, one of the objectives of which is to help member states use the European Social Fund more efficiently. The Commission also stressed that fiscal consolidation should not undermine social policies and social cohesion. Member states should step up efforts to increase the capacity of sectors with a large potential for growth, and hence for job creation. Apart from struggling with the impact of the economic crisis, inclusive and job-rich growth is needed.

The Presidency summarised the debate stating that the reforms needed in the different member states should be socially balanced, that tackling youth unemployment is a top priority, that social partners have to be involved in all efforts and that exclusion, marginalisation and poverty will be underlined in the synthesis report.

Regarding **employment**, the Council adopted the joint employment report (JER) ([6252/12](#)) which will be forwarded to the European Council.

The JER analysis suggests that, while the 2011 priorities and measures remain broadly valid and further implementation of reform is essential, further efforts are required, in conjunction with national social partners, in certain priority areas. According to the report:

- Job creation capacity has to be stepped up to ensure a job-intense recovery that underpins economic growth and the reduction of unemployment;
- The difficult situation for young people risks creating irreversible damage to the labour market in most member states;
- High unemployment rates and poor employment prospects call for effective active labour market policies supported by adequate benefit systems to maintain employability and help get people back to work;
- The social situation has deteriorated throughout recent months, calling for additional measures;
- Slowing growth hampers the already weak employment recovery and prevents an improvement of the employment rate.

Moreover, the Council adopted conclusions ([6601/12](#)) setting out the main messages from the EPSCO Council to the European Council on 1-2 March. It reached a general approach on a decision on the employment guidelines ([6068/1/12 REV 1](#)).

On **social matters**, the Council endorsed the opinion of the Social Protection Committee (SPC) on the Annual Growth Survey ([5851/12](#)). The opinion draws the Council's attention to the long-term consequences of current fiscal consolidation measures for the social situation in the EU, and to what needs to be done to meet the European Council target on reducing poverty and social exclusion.

It also endorsed the main messages of the 2011 SPC report on the social impact of the economic crisis and ongoing fiscal consolidation ([5858/12](#)). This SPC report is the third update of the analysis of the social impact of the crisis, as part of its Treaty mandate to monitor closely the social situation in the member states.

It looks at the major trends in the social situation in the Union and the specific policy measures put in place by member states in the past year to tackle the difficult economic situation and its social implications.

On the basis of this report, the SPC has drafted five key policy messages for endorsement by the Council, stressing that fiscal consolidation measures must be responsive to the social needs of all generations and must preserve the capacity of social protection to cushion any unequal impact of the crisis and to withstand economic shocks.

The Council took note of Commission's presentation of the **alert mechanism report** ([6360/12](#)). The economic governance package, known as the "six-pack", entered into force on 13 December 2011. It includes regulation 1176 / 2011 on the prevention and correction of macroeconomic imbalances. The detection of possible imbalances is carried out under the alert mechanism, whereby the Commission is to produce an annual report containing an economic and financial assessment based on a scoreboard of indicators.

The scoreboard of indicators and their thresholds provide information on the possible existence or development of excessive imbalances. Individual indicators cannot be viewed in isolation, but must be analysed as part of a whole set of indicators to verify the existence of a possible macro-economic trend that could lead to excessive imbalances. The scoreboard includes indicators that are relevant to the work of the EPSCO Council, in particular regarding employment and unemployment trends.

Any other business

a) Preparation of the Tripartite Social summit

The Presidency informed the Council about the preparatory work regarding the Social summit which will take place on the morning of 1 March, just before the European Council. The Social summit will provide an important opportunity for a debate with the social partners on "Social dialogue as a key instrument/tool for restoring growth and jobs". Specific attention should be paid to the need for a comprehensive approach to structural reforms, with a strong emphasis on combating youth unemployment.

b) Transitional arrangements on the free movement of workers from Bulgaria and Romania

The Commission informed the Council about the above subject ([6263/12](#)).

c) International meetings

The Presidency and the Commission informed the Council about:

(i) the Euro-Mediterranean employment and labour high level working group (14 February)

The last ministerial conference of EuroMed employment and labour ministers took place in Brussels on 21-22 November 2010. Due to the political upheaval and tensions in the region, no meetings took place in 2011.

This high level group is convened to prepare the ground for the next ministerial meeting, which is due to take place in the last quarter of 2012 under the Cypriot presidency ([6233/12](#)).

(ii) the preparation of the G 20 - meeting of labour and employment ministers (Mexico, May 2012)

Under the Mexican G20 presidency, in line with the mandate provided by the G20 labour and employment ministers last year (26-27 September 2011), the G20 Task Force on employment was set up. Its first meeting was held on 15 December 2011, while a second is planned for March. The first topic to be addressed will be youth employment.

In parallel, three preparatory meetings on employment are due to take place (in February, March and May). The Task Force and the preparatory meetings are to prepare the discussions at the ministerial meeting, which is expected to be held in May ([6232/12](#)).

d) Work programmes of the Employment and the Social Protection Committees for 2012

The Council took note of the information provided by the chairs of both committees ([5686/12](#), [5954/12](#)).

OTHER ITEMS APPROVED

ENVIRONMENT

Scrutiny of Commission legislative acts related to environment

The Council decided not to oppose the adoption of the following Commission's legislative acts amending directive 98/8/EC¹ concerning the placing of biocidal products on the market:

- directive to include methyl nonyl ketone as an active substance in Annex I ([5397/12](#));
- decision concerning the non-inclusion of naled for product type 18 in Annex I, IA or IB ([5401/12](#));
- directive to include hydrochloric acid as an active substance in Annex I ([5403/12](#));
- decision concerning the non-inclusion of dichlorvos for product type 18 in Annex I, IA or IB ([5405/12](#));
- directive to include margosa extract as an active substance in Annex I ([5408/12](#)).

Commission acts are subject to what is known as the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt them, unless the European Parliament objects.

CUSTOMS UNION

Accession of Croatia and Turkey to two conventions

The Council adopted the EU position concerning a decision of the EU/European Free Trade Association (EFTA) joint committee to invite Croatia and Turkey to accede to the convention on a common transit procedure and to the convention on the simplification of formalities in trade of goods.

¹ OJ L 123, 24.4.1998,

FOREIGN AFFAIRS

Restrictive measures - Burma

Given the remarkable programme of political reform undertaken by Burma/Myanmar, the Council amended EU restrictive measures against Burma. It suspended admission restrictions concerning 87 persons, including members of the former state peace and development council, the government, deputy ministers and their family members. For more information, see press release [6374/12](#).

Relations with the Palestinian Authority

The Council approved the EU position in the joint committee on the implementation of article 66 of the Euro-Mediterranean interim association agreement on trade and cooperation between the European Community and the Palestine Liberation Organisation for the benefit of the Palestinian Authority of the West Bank and the Gaza strip. The number of subcommittees assisting the joint committee in the implementation of the interim association agreement and of the European neighbourhood policy action plan is to be increased from four to six. This is intended to enable a more constructive discussion since more time will be allocated to each subject matter.

Restrictive measures - Zimbabwe

The Council eased EU restrictive measures on Zimbabwe, in recognition of progress made and to encourage further reforms. It paid tribute to the efforts of the Southern African Development Community and the South African facilitator in accompanying the Zimbabwean government along that road.

The Council lifted visa bans and asset freezes on one third of the individuals (51) and two thirds of the entities (20) previously listed, representing the most significant amendment to EU measures on Zimbabwe since they were introduced in 2002. It also suspended the visa bans on two members of Zimbabwe's re-engagement team with the EU, Foreign Minister Simbarashe Mumbengegwi and Justice Minister Patrick Chinamasa.

At the same time, the Council also decided to extend its restrictions on development assistance for only six months with a view to begin preparing for enhanced cooperation as and when these measures can be lifted ([6146/12](#)).

Despite these restrictions, since the establishment of the Unity Government, the EU has provided close to USD 1 billion in development assistance to address the needs of the Zimbabwean people, primarily in the provision of health care and education services.

Whilst the Council noted that the overall situation in Zimbabwe has improved, further political reforms in accordance with the commitments in the GPA are necessary for a democratic and peaceful Zimbabwe. The Council remains ready to reconsider the measures at any time in response to concrete progress in the implementation of the GPA and the preparation of credible and peaceful elections.

In parallel, Zimbabwe remains subject to an arms embargo.

For more information see press release [6458/1/12 REV 1](#).

TRANSPARENCY

Public access to documents

The Council approved the additional reply to confirmatory application No 25/c/01/11 ([18214/11 ADD 1](#)).
