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Employment, Social Policy, Health and Consumer Affairs

Brussels, 11 December 2014

President **Giuliano POLETTI**
Minister for Employment and Social Policy of Italy

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Main results of the Council

Youth employment

The Council, together with the ministers for education of Italy, Latvia and Luxembourg (trio of presidencies), had an exchange of views on how to **invest in youth**, discussing matters including the youth guarantee, education and skills.

The President of the Council, Giuliano Poletti, said: "Improving synergies between education and employment policies is crucial to tackle youth unemployment. To facilitate this integrated approach, the Italian Presidency has organised, for the first time, a back-to-back meeting of the EPSCO and the Education Council. I am glad that Commissioner Navracsics and the trio ministers of education joined us today to discuss the best ways to help our young generations and invest in their education and skills."

EURES

The Council reached a general approach on the **EURES** (European employment services) **network** regulation, on which minister Poletti stated: "Today we complied with the call by the European Council for turning the EURES Portal into a true European placement and recruitment tool and I am glad that such an ambitious step was taken under the Italian Presidency. Labour mobility within the EU is an important factor to tackle unemployment, especially youth unemployment."

Women on company boards

The Council discussed the women on company boards directive. It was not able to reach a general approach. Minister Poletti said: "Enhancing women's participation in economic decision-making is essential to promote equality between women and men in our societies and would be beneficial to our economies. We have been working hard during these six months to unlock negotiations on the proposed directive for improving the gender balance on company boards and we are now closer to an agreement. Building on our progress I am confident that the Council will be able to move forward with this important dossier."

[1]
- 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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Mr Tibor NAVRACSICS	Member

ITEMS DEBATED

EMPLOYMENT AND SOCIAL POLICY

Youth employment

The Council held an exchange of views on youth employment together with the ministers for education of the trio (IT-LV-LU); it called upon member states to step up their ongoing efforts to tackle the problem of youth unemployment and to continue to follow up this matter as a matter of urgency *(15949/14)*.

Ministers expressed their satisfaction at having a dialogue with their education colleagues, since youth employment is a cross-cutting issue linked to education, skills, training and competences.

They pointed out that investing in employability is vital; overcoming high levels of unemployment is a major challenge for the EU's credibility in the years ahead.

The EU needs an ambitious new approach to respond to global challenges by better matching competences and skills with the demands and needs of the labour market.

The member states should ensure an effective transition from education to work; young people have to be informed about the requirements of the labour market. Young people need to be offered apprenticeships, paid traineeships and opportunities to acquire language skills since they come from a different background.

The economic development of the EU depends, among other things, on youth training and skills. The EU should encourage entrepreneurial spirit among young people, pushing them to take more risks.

Youth employment remains high on the political agenda. Investment needs to be boosted, both nationally and at EU level, to support the economic and employment recovery, facilitating the integration of unemployed young people into the labour market.

Investing in education and skills for employment is key in order for the EU to increase its global competitiveness, while safeguarding its model of economic development and social cohesion. It is also crucial to build a stronger relationship between the institutions in charge of education and training (in particular schools and universities) and companies. This will not only improve training for young people and facilitate their transition from school to work, but will also ensure they have the right skills, increasing their employability, mobility and flexibility. Social partners have a special responsibility in this context.

A number of initiatives in this field have already been taken and are ongoing both at national and EU level, such as the recommendation on establishing a youth guarantee, the European alliance for apprenticeships and the quality framework for traineeships.

EURES (European employment services) network

The Council reached a general approach on a regulation which establishes new rules to improve the efficiency of EURES as well as the cooperation among member states *(16333/14 + 16333/14 COR1)*.

The improved EURES network offers workers enhanced assistance to overcome barriers to mobility, increases access to employment opportunities throughout the EU and facilitates job creation by helping to better match supply and demand in the labour market.

The aim is to strengthen the capacity of the existing EURES network so that it becomes more accessible and user friendly for EU citizens.

The final Council text followed the Commission proposal in opening up the network to private partners, but it obliges profit-making employment agencies to provide all the core services included in the regulation. This substantially increases the pool of vacancies.

Member states have to set up an admission procedure, while maintaining a certain degree of flexibility to adapt it to their national systems; public employment services are given privileged status in line with their special role and national obligations.

Workers and employers with good prospects of finding a job or filling a post receive tailor-made assistance in addition to general information.

An automated system to match vacancies with job applications, based on the interoperability of national classifications with the European classification of skills/competences, qualifications and occupations (ESCO), improves the chances of both workers and employers having their expectations met. The final compromise includes a new implementing act on the adoption and updating of a selective list of skills/competences and occupations for the use of the EURES network, giving the member states a formal say in the adoption of the list.

Apprenticeships and traineeships are included in the scope of the regulation, but limited to those outside educational or vocational curricula and training or those which are not funded publicly, as part of the member state's active labour market policies.

The final text also provides for a one-year derogation from the admission procedure for the existing EURES partners to ensure a smooth transition from the old to the new legislative framework.

The European Parliament has not yet delivered its position at first reading.

Seafarers

The Council reached a general approach on an amending directive on seafarers *(16148/1/14 REV1)*.

The directive provides for more uniform protection of seafarers' labour rights, including the right to information and consultation, and gives seafarers the same rights as those enjoyed by workers on shore. It also takes into account the particular nature of the shipping sector.

The proposal aims to remedy the current legal situation, which gives rise to unequal treatment of the same category of workers by different member states, depending on whether or not they apply the exemptions and derogations allowed by the current legislation.

In addition to ensuring a level playing field in the maritime sector, it also aims to increase the quality of maritime jobs in order to reverse the current decline in the numbers of young Europeans entering certain maritime professions and retain skilled workers in those professions.

The directive introduces more flexibility in the way five labour law directives are applied to seafarers, namely the directives on insolvency, European works councils, information and consultation, collective redundancies and transfer of undertakings. These directives are aimed at land-based workers and currently either exempt seagoing workers and/or fishermen or allow member states to exclude them from the scope of the legislation without express justification.

Maritime transport is an essential component of the European economy. A quarter of the world fleet flies a European flag and two million Europeans work in maritime industries.

Today more than ever, Europe's maritime economy needs a sufficient degree of regulatory flexibility to operate in a highly competitive global environment. This is also a sector where social dialogue plays a particular role in view of the prevailing diversified contractual relationships.

The European Parliament has not yet issued its opinion at first reading.

Women on company boards

The Council was not able to reach a general approach on a directive improving the gender balance on company boards *(16300/14)*.

Aiming to address the serious problem of women's under-representation in economic decision-making at the highest level, the proposed directive would set a quantitative objective for the proportion of the under-represented sex on the boards of listed companies of 40 % by 2020 (by 2018 in the case of public undertakings). Companies would be obliged to work towards that objective by, *inter alia*, introducing procedural rules on the selection and appointment of non-executive board members.

Companies which failed to reach the 40 % target would be required to continue to apply the procedural rules, as well as to explain what measures they had taken and intended to take in order to reach it. In member states that choose to apply the objective to both executive and non-executive directors, a lower target (33 %) would apply.

Seeking a compromise on this proposal, the presidency has tabled a revised flexibility clause (article 4b) and extended the deadlines for implementation and reporting (articles 5, 8 and 9).

Flexibility clause (article 4b)

Conceived in line with the principle of subsidiarity, the flexibility clause set out in article 4b would allow member states to pursue the aims of the directive by means of their own choosing and to suspend the procedural requirements, provided that they have already taken equally effective measures or attained progress coming close to the objectives set in the directive.

To combine flexibility with maximum legal certainty, article 4b defines the scenarios which would be deemed by law to guarantee "equal effectiveness". It also leaves open the possibility that member states might be entitled to use the flexibility clause in other legitimate cases where equal effectiveness or sufficient progress had been demonstrated.

Revised implementation and reporting calendar (articles 5, 8 and 9)

The revised implementation calendar would require the member states to transpose the directive no later than three years after its adoption (article 8). In the current text, the reporting deadlines have also been extended in line with this new implementation date (articles 5 and 9). The revised calendar would give member states and companies more time to prepare their own measures and to make progress, including any preparations for applying the flexibility clause.

The European Parliament has already adopted its position at first reading.

Equal treatment

Ministers had an orientation debate on the equal treatment directive. Summarising the discussions, the presidency noted that there was considerable support for continuing the work on this dossier in order to reach a unanimous agreement. The directive is designed to extend protection against discrimination on the grounds of religion or belief, disability, age or sexual orientation to areas outside employment *(15705/14 ADD 1 REV 2*).

Complementing existing EC legislation[1] in this area, the proposed directive would prohibit discrimination on the above-mentioned grounds in the following areas: social protection, including social security and healthcare; education; and access to goods and services, including housing.

The directive has been on the Council's agenda since 2008. Extensive discussions and redrafting exercises in the Council working party have not led to the desired breakthrough. The directive is seen as a priority by the new Commission.

[1] In particular, Council directives 2000/43/EC, 2000/78/EC and 2004/113/EC.

Maternity leave

The presidency informed the Council on the latest developments concerning the maternity leave directive. This proposal has been the subject of informal contacts between the presidency and the European Parliament.

The latest Council progress report was submitted to the EPSCO Council in December 2011.

The presidency has tried to explore the possibility of reopening discussions with the newly elected Parliament. Meanwhile, the Commission is considering withdrawing this proposal.

The Commission's proposal would extend the minimum length of maternity leave from 14 weeks to 18 weeks, with a minimum allowance on a par with sick pay (as in the current directive). This would include compulsory leave of at least six weeks after childbirth (as compared with two weeks of compulsory leave before or after childbirth in the current directive).

In its opinion, the European Parliament went considerably further, calling for 20 weeks of maternity leave on full pay, including six weeks of compulsory leave after childbirth.

Discussions have shown that 20 weeks on full pay is unacceptable to the Council and an unrealistic basis for further discussion, particularly in the context of the economic crisis and the pressure to ensure fiscal consolidation.

Working time in inland waterway transport

The Council reached a political agreement on a directive which concerns certain aspects of the organisation of working time in inland waterway transport *(16031/14 + 16031/14 ADD 1 + 16031/14 ADD 2)*.

The proposed directive aims to give legal effect to the European agreement concluded by the European barge union, the European skippers organisation and the European transport workers' federation.

This EU-level agreement among the sector's social partners introduces specific minimum rules governing working time for workers on passenger or cargo transport boats on inland waterways across the EU. Working time in this area can be characterised by high levels of unplanned downtime such as waiting at locks, or loading and unloading, which may take place at night. More specifically, the agreement provides for:

– weekly working time (up to 48 hours, averaged over up to 12 months);

– night work (up to 42 hours per week);

– holidays (at least four weeks' paid annual leave);

– daily and weekly rest periods (at least 10 hours' rest every day).

The proposed directive contains a clause allowing member states to maintain more favourable provisions than those contained in the agreement.

Annual growth survey 2015, joint employment report and alert mechanism report

The Commission presented to the Council the annual growth survey for 2015, the joint employment report and the alert mechanism report *(15985/14, 15953/14, 15988/14)*.

Among other things, the presidency stated that the economic and social situation in the EU remains challenging. The restructuring of EU economies and labour markets following the crisis has come with painful changes and is having serious consequences for jobs and the social fabric of EU societies.

The expected recovery is not taking off. There have been some positive signs over the past months, but not enough to provide visible results on economic, employment and social prospects. The new annual growth survey presents a picture which is not entirely encouraging: the EU is not out of the woods yet.

On 28 November, the Commission presented its 2015 economic package, containing the annual growth survey (AGS), the draft joint employment report (JER) and the alert mechanism report (AMR).

The 2015 AGS recommends three main pillars for the EU's economic and social policy for 2015: a coordinated boost for investment, a renewed commitment to structural reforms, and pursuing fiscal responsibility. It calls for an integrated approach via simultaneous action in all three areas.

This AGS also makes certain proposals to streamline and reinforce the 2015 Semester. The Commission promises to enhance its engagement with the European Parliament and social partners before the AGS is presented, and to discuss certain cross-cutting aspects with them. The new governance arrangements aim to ensure a more political and multilateral process, including continuous cross-examination of policies and performance within the Council.

The draft JER stresses that the employment and social situation is a continued cause for concern.

The AMR points out that economic growth is insufficient to lead to a marked improvement in labour and social figures; it highlights that negative employment and social developments can have a downward effect on potential GDP growth and risk compounding macroeconomic imbalances.

20-year review of the Beijing platform for action

The Council adopted conclusions on the 20-year review of the implementation by the member states and the EU institutions of the Beijing platform for action (*16304/14*).

The conclusions are based on a report prepared by the European Institute for Gender Equality (EIGE).

Much of the Council's work in the area of gender equality takes place on the basis of the Beijing platform for action, an international agenda for women's empowerment established within the UN framework during the fourth world conference on women in 1995. To monitor implementation of the Beijing platform's 12 critical areas for action, successive EU presidencies have worked together to collect and analyse data and develop indicators on specific critical areas.

Any other business

– **Outcome of the "Rome strategy" conference**

The presidency informed ministers on the "Rome strategy" as the outcome of the conference on social economy in Europe.

– **Presentation of the programme of the incoming Latvian presidency**
The incoming Latvian presidency presented its work programme to the Council.

OTHER ITEMS APPROVED

SOCIAL POLICY

Community statistics on income and living conditions

The Council decided not to oppose the adoption of Commission regulation (EU) No …/.. of XXX implementing regulation (EC) No 1177/2003 concerning Community statistics on income and living conditions (EU-SILC) as regards the 2016 list of target secondary variables on access to services *(14431/14 + 14431/14 ADD1)*.

Programme for the labour force sample survey

The Council expressed its intention not to oppose the adoption of Commission delegated regulation (EU) No …/.. of 22.10.2014 amending regulation (EU) No 318/2013 adopting the programme of ad hoc modules, covering the years 2016 to 2018, for the labour force sample survey provided for by Council regulation (EC) No 577/98 *(14729/14 + 14729/14 ADD1)*.

INTERNAL MARKET

Agricultural and forestry vehicles - Type-approval requirements

The Council decided not to oppose the entry into force of Commission regulations supplementing regulation (EU) No 167/2013 with regard to environmental and propulsion unit performance requirements *(14538/14)* and braking requirements *(14419/14)* for the approval of agricultural and forestry vehicles.

The Commission regulations are delegated acts, which may now enter into force unless the European Parliament objects.