



**COUNCIL OF
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NOTE

from: The Presidency
to: Permanent Representatives Committee (Part I) / Council (EPSCO)
Subject: Evaluation of the 2013 European Semester in employment and social policies
- *Exchange of views*

Delegations will find attached a Presidency note on the above subject with regard to the exchange of views at the EPSCO Council on 15 October 2013.

Evaluation of the 2013 European Semester

Presidency steering note

The 2013 Country-Specific Recommendations (CSRs) were adopted by the Council on 9 July. The evaluation undertaken by the Council will provide a basis for drawing lessons from the 2013 exercise with a view to improving next year's cycle. The European Semester is now established as a continuous exercise and work is already starting now with a view to next year's cycle (*i.e. the preparation of the bilateral meetings between the Commission and the Member States*).

A preliminary assessment of the process and the CSRs already took place at the June EPSCO Council. Ministers recognised that enhanced political dialogue between the Commission and Member States enriched the results of the European Semester. In addition, improved coordination between the relevant preparatory committees on cross-cutting issues made the running of the exercise smoother.

In terms of process, the main concern expressed related to the very limited time-frame, which does not allow for proper national coordination and genuinely multilateral in-depth examination. Ministers also concurred that the bundling of MIP- (*macroeconomic imbalances procedure*) and non-MIP-relevant recommendations in the same CSR added complications to the division of responsibilities and the accurate handling of discussions. A clearer identification of the relevant issues in the CSRs would help to make the process less complicated in future exercises. It is important to ensure that all issues within the competence of employment and social affairs ministers are to be decided in the EPSCO Council.

Regarding the substance of the CSRs, ministers recalled that structural reforms take time to show their effects. In order to be successful, labour-market reform must go hand in hand with other reforms and with general improvement of economic conditions. These reforms also need to safeguard other goals and take social acceptability into account. It is essential to leave scope for governments and social partners to negotiate and implement reforms with a view to reaching agreed outcomes, for instance in areas such as pensions, so as to ensure national appropriation and commitment to reform.

More generally, given the current economic context of increasing levels of poverty in various Member States, there were calls for further integration of social aspects within the Semester.

The Employment Committee (EMCO) and the Social Protection Committee (SPC) carried out their evaluation of the Semester during September. The main results of this evaluation from the committees are presented to the Council in separate documents.

Besides the issues already raised, several additional elements resulting from the analysis of the committees merit particular attention. Cooperation between the Council's preparatory bodies was better than before, but still needs further improvement. The inclusive approach and coordinating role of the Presidency needs to be maintained and strengthened. Engagement with the Commission can be made better by means of bilateral consultations more tailored to the specific situations of Member States. A better understanding of the analytical underpinning of the recommendations could be achieved by earlier publication of the Commission staff working documents that accompany the CSRs. There is still room to improve monitoring while building on existing tools. The language of the CSRs should also adequately reflect the efforts being undertaken by Member States.

Based on the exchange of views, the Presidency will provide a summary to a synthesis report (*including other Councils' contributions*) to the General Affairs Council, highlighting those aspects that need further consideration in the 2014 exercise.

Ministers are invited to address those aspects they consider to be of particular concern.

With a view to the forthcoming 2014 exercise, ministers could in particular raise specific political issues and points of substance that the Commission should address in the Annual Growth Survey.