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NOTE

from: Presidency
to : Delegations

Subject: Visions for a social Europe
(Lunch debate at the EPSCO Council - 21 June 2012)

Delegations will find attached a note prepared by the Presidency in view of the discussion during lunch at the EPSCO Council on 21 June 2012.

Visions for a Social Europe

The current economic crisis and the demographic challenges that Europe is facing have been key topics of discussion throughout the Danish EU Presidency.

The crisis causes both high levels of unemployment and increases the pressure on our social protection systems. At the same time, Europe must also prepare for labour shortages caused by an aging population and demographic migration of young people, especially from the countries hardest hit by the crisis.

These are warning signs we cannot ignore. The consequences of the crisis have affected so many of our citizens – which highlights the vital role of employment and social policies alongside fiscal consolidation. Thus, a two-pronged approach is essential for job creation and for the preservation of the European social model - and is at the heart of the Europe 2020 Strategy.

Public confidence in the EU tends to be decreasing, which signals the need for Europe to modernise its economy, raise productivity and strengthen its competitiveness, so as to ensure sustainable, job-rich and inclusive economic growth in order to foster social cohesion and overcome rising inequalities.

The question is therefore if a stronger social message for Europe could be the key to foster social cohesion and increase public confidence in the EU? And what should this look like? What social investments can we make at the EU level that would stimulate growth with a view to responding to people's expectations for balance between economic and social priorities? Can existing EU policy tools and processes be put to a better – and also more visible – use?

The Europe 2020 Strategy is an agenda for smart, sustainable and inclusive growth. The preparation of National Job Plans, as called for by the spring European Council in March, has underlined the importance of complementing reinforced economic coordination with an enhanced commitment to and monitoring of employment and social policies. The recent Employment Package also underlined the need for a stronger employment and social dimension in EU governance. Are the current arrangements fit to deliver on the EU goals of job-intensive growth and a high level of social protection, and to prepare our social models for future challenges?

Various ideas on how best to strike a balance between economic and social Europe have emerged from many sides. Some of these ideas, which have potential advantages and disadvantages, are listed below in order to serve as a basis for discussion:

- *Governance:*

Should the Open Method of Coordination be further strengthened? This could entail increased coordination and more systematic sharing of knowledge and best practice between Member States.

Are the current arrangements fit to deliver on the EU goal of high levels of social protection and to prepare our social models for future challenges?

Would there be an added value in considering voluntary guidelines on social policy in the annual monitoring of Member States' performance, thereby providing a basis for closer monitoring and compliance?

- *Job creation and mobility:*

Can we strengthen our efforts towards job creation and ensure better transitions for young people into the labour market? This could include strengthening the EURES network as an instrument for demand-driven European placement and recruitment of (young) workers.

- Can we increase dynamism in the European labour markets by removing obstacles to free movement of labour in order to overcome labour market constraints and in order to respond to the diverse labour demand across Europe?
- Is there a need for new minimum standards and/or reform of existing minimum standards in the areas of labour law and occupational health and safety - and a case for linking a new EU Strategy for Health and Safety at Work closer to the Europe 2020 Strategy as a means to increase future labour supply?

- *Social inclusion:*

Can we find better ways to combat the intergenerational transmission of poverty and social exclusion and to implement non-discrimination policies, including measures to eliminate stereotypes and to integrate persons in vulnerable situations into society and the labour market?

- *Increased coordination and supporting EU funding:*

Is more attention needed with regard to coordinating employment and social policy? How should we consider the consequences of the interaction between various policy fields such as free movement, the regulation of social rights, fair competition and a level playing field?

Can we mobilise EU funds and ensure a more targeted use of the Structural Funds in order to boost job creation? Should increased use of EU-level action (such as the Commission Taskforce to combat youth unemployment) also be considered?

- *Stakeholder involvement and social dialogue:*

Should we mobilise more stakeholders, strengthen and make social dialogue more efficient and ensure a more visible involvement of the social partners and civil society, *inter alia* through a more systematic use of the Social Troika?

Against this backdrop Ministers are invited to discuss their Visions for a Social Europe in the years to come based on the following questions:

- How do we ensure the right balance between economic and social priorities in Europe?
- How can we as Ministers contribute to helping the EU meet the present social challenges?

Practical information

Please note that the format for the informal lunch is Ministers/State Secretaries for Employment and Social Affairs only. If a Member State is represented by more than one Minister/State Secretary, *both* are invited to participate.

The lunch will be chaired jointly by Ms. Mette Frederiksen, Minister for Employment, and Ms. Karen Hækkerup, Minister for Social Affairs and Integration.
