



**COUNCIL OF  
THE EUROPEAN UNION**

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**REPORT**

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from: Permanent Representatives Committee (Part I)  
to: Council (EPSCO)

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Subject: Recommendations for Council Recommendations on the National Reform  
Programmes 2012 to each Member State  
- *Approval (Article 148 TFEU)*

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**I. INTRODUCTION**

On 30 May 2012, the Commission presented 27 Recommendations for a Council Recommendation based on Articles 121(2) and 148(4) TFEU, as well as Article 5(2) of Regulation 1466/97 -or Article 8 (2) of that Regulation, if the Member State concerned is a Member State whose currency is not the euro. The documents combine economic and employment recommendations with the Council opinions on Stability and Convergence Programmes. The Recommendations are presented in 27 different documents, one for each Member State, plus one additional document for the Euro area.

On 30 May, the Commission also submitted an overall *Communication on Action for Stability, Growth and Jobs* outlining its approach to the country-specific recommendations as well as, under Article 136 TFEU in combination with Article 121(2) TFEU, a separate set of recommendations for the economic policies of the countries whose currency is the euro. Although the programme countries<sup>1</sup> received one CSR, they were not included in this review exercise.

New elements have been introduced this year. For the first time, the six pack of legislation on economic governance has come into force with focus on structural reforms. Also for the first time, the Commission has made reviews based on the macroeconomic imbalances procedure (MIP). They covered 12 countries: Belgium, Bulgaria, Denmark, Spain, France, Italy, Cyprus, Hungary, Slovenia, Finland, Sweden and the United Kingdom.

The legal basis requires the Council to consult the Employment Committee (EMCO) and the Economic and Financial Committee (EFC) before it decides on the country-specific recommendations. The EFC has delegated part of its work to the Economic Policy Committee (EPC). Certain parts of the recommendations fall under the competence of the Social Protection Committee (SPC), which has provided its input to EMCO and EPC/EFCA.

No consultation of the European Parliament is required, although Article 121(2) TFEU provides that the Council should inform the European Parliament of the recommendations which it has adopted.

## **II. THE PROCESS - STATE OF PLAY**

Taking into account the roles of the different Committees (EMCO, SPC, EPC, EFC/EFCA), they have shared the preparatory work in the context of multilateral surveillance in order to submit the texts of the recommendations for approval to the EPSCO Council on 21 June (related to Article 148 TFEU) and to the ECOFIN Council on 22 June 2012.

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<sup>1</sup> Greece, Ireland, Portugal and Romania.

The Recommendations have been examined jointly by the EMCO and SPC on 6 June and by EMCO and EPC on 7 June. EMCO analysed the results of the joint meetings and finalised its opinion at its meeting on 12-13 June. The parts of the Recommendations which do not deal with the employment aspects have been further examined by the EPC. The contribution of the SPC is referred to in an additional recital introduced in each document accordingly.

During these successive examinations the EMCO has concentrated on the employment elements falling under Article 148 TFEU and the EPC/EFCA essentially on the broader macro- and micro-economic elements. While the Recommendations are addressed to individual Member States, the Committees have considered certain issues in a horizontal manner, with the aim of ensuring the consistency of the Recommendations across Member States. The work of the EPC has been subject to the formal endorsement of the EFC.

On 20 June the COREPER (Part I) discussed the employment-related parts of the recommendations and agreed on some factual modifications or corrections reflected in the texts of the respective Member States' recommendations (indicated in *italics*). At this meeting, some delegations also raised a number of horizontal procedural issues: it was stressed that:

- this exercise would benefit from having more time available as well as more inter-institutional dialogue;
- it was important that the recommendations, as well as the recitals, were exact and factual, reflecting the situation in the specific Member State;
- the recommendations would need to be focused and coherent across countries on horizontal issues.

The issues remaining open were as follows:

- (1) MT reiterated its request to modify CSR 3 and replace some parts with new language [**in bold**] and delete other parts (underlined):

*"(Take steps) [**Continue to implement measures**] to reduce the high rate of early school leaving. Pursue policy efforts in the education system to match the skills required by the labour market. Enhance the provision and affordability of more childcare and out-of-school centres, with the aim of reducing the gender employment gap, (and at the same time reducing the effects of parenthood on female employment)"*

MT also requested a change in the associated recital 11 to include a mention to older women and delete "effects of parenthood" in line with the change requested in CSR 3.

- (2) UK has put a reservation on CSR 4, which refers to child-care and child poverty issues. The UK requested to replace some parts with new language [**in bold**] and delete other parts (underlined):

*"(Step up)[**Fully implement**] measures to facilitate the labour market integration of people from jobless households [**particularly through an increase in work incentives and other support services, especially for those with caring responsibilities, including lone parents, in order to prevent an increase in child poverty**]. (Ensure that planned welfare reforms do not translate into increased child poverty. Fully implement measures aiming at facilitating access to childcare services)"*

The UK also requested changes in the associated recital 11, which refers to the welfare reform, in line with the change requested in CSR 4.

- (3) PL requested to modify CSR 3 (last sentence) by deleting parts (*underlined*) and introducing new language [*in bold*]:

*"To combat labour market segmentation and (in work poverty, limit excessive use of civil law contracts and extend the probationary period to permanent contracts) [**eliminate the use of civil contracts abusing the law**]."*

PL also requested changes in recital 12 which refers to childcare.

- (4) BG reiterated its request to modify CSR 4 (last sentence) and delete some parts (*underlined*) and add new language [*in bold*]:

*"Speed up the reform of relevant legal acts on schools and higher education and of accompanying measures by focusing on modernising curricula [**and**] improving teacher training, (and ensuring access to education for disadvantaged groups.)"*

BG also requested changes in the associated recital 13 which refers to education.

The Commission maintained its reservation on the above requested amendments to its recommendations.

In addition, BE entered a reservation on CSR 2 and 4.

UK entered a parliamentary scrutiny reservation on its recommendations (doc. 11026/12).

The Chair of COREPER requested these delegations and the Commission to continue discussions with a view to solve any open issues before the Council meeting.

### III. CONCLUSION

The Council (EPSCO) is invited to examine the recommendations with a view to approve the Article 148 TFEU related parts of the draft Council Recommendations for each Member State (employment-related aspects).

On 22 June, the ECOFIN Council will consider and approve the Article 121 TFEU related parts of the recommendations on the basis of the contributions of the Economic Policy Committee and the Economic and Financial Committee.

The final documents of the country-specific Recommendations will be submitted to the European Council on 28-29 June 2012 for endorsement.

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