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## **PRESS RELEASE**

3263rd Council meeting

### **Employment, Social Policy, Health and Consumer Affairs**

Luxembourg, 15 October 2013

President            **Algimanta Pabedinskienė**  
Minister for Social Security and Labour of Lithuania

# **P R E S S**

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## **Main results of the Council**

*The Council was not in a position to reach a general approach on the **'posting of workers'** directive.*

*It took stock of current initiatives to support **youth employment**.*

*The Council held a policy debate on the **social dimension of the EMU** after hearing the Commission's communication.*

*It had an exchange of views on the **evaluation of the 2013 European Semester** on employment and social policies.*

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**OTHER ITEMS APPROVED**

*none*

<sup>1</sup>

- 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.

## **PARTICIPANTS**

The governments of the member states and the European Commission were represented as follows:

### **Belgium:**

Ms Monica DE CONINCK

Minister for Employment

### **Bulgaria:**

Ms Svetlana DIANKOVA

Deputy Minister for Labour and Social Policy

### **Czech Republic:**

Mr František KONÍČEK

Minister for Labour and Social Affairs

### **Denmark:**

Ms Mette FREDERIKSEN

Minister for Employment

### **Germany:**

Ms Ursula VON DER LEYEN

Federal Minister for Labour and Social Affairs

### **Estonia:**

Mr Taavi RÕIVAS

Minister for Social Affairs

### **Ireland:**

Mr Ciarán CANNON

Minister of State with responsibility for Training and Skills (Department of Education and Skills)

### **Greece:**

Mr Ioannis VROUTSIS

Minister for Employment, Social Protection and Welfare

### **Spain:**

Ms María Fátima BÁÑEZ GARCÍA

Minister for Employment and Social Security

### **France:**

Mr Michel SAPIN

Minister for Labour, Employment, Vocational Training and Industrial Relations

### **Croatia:**

Mr Goran ŠTEFANIĆ

Deputy Permanent Representative

### **Italy:**

Mr Marco PERONACI

Deputy Permanent Representative

### **Cyprus:**

Ms Zeta EMILIANIDOU

Minister for Labour and Social Insurance

### **Latvia:**

Ms Ilze VIŅĶELE

Minister for Welfare

### **Lithuania:**

Ms Algimanta PABEDINSKIENĖ

Minister for Social Security and Labour

### **Luxembourg:**

Mr Nicolas SCHMIT

Minister for Labour, Employment and Immigration

Mr Mars DI BARTOLOMEO

Minister for Health, Minister for Social Security

### **Hungary:**

Mr Olivér VÁRHELYI

Deputy Permanent Representative

### **Malta:**

Ms Marie-Louise COLEIRO PRECA

Minister for the Family and Social Solidarity

### **Netherlands:**

Mr Lodewijk ASSCHER

Vice Prime Minister, Minister for Social affairs and Employment

**Austria:**

Mr Harald GÜNTHER

Deputy Permanent Representative

**Poland:**

Mr Radosław MLECZKO

Deputy State Secretary, Ministry of Labour and Social Policy

**Portugal:**

Mr Pedro MOTA SOARES

Minister for Solidarity, Employment and Social Security

**Romania:**

Ms Mariana CÂMPEANU

Minister for Labour, the Family and Social Protection

**Slovenia:**

Ms Dejan LEVANIČ

State Secretary, Ministry of Labour, the Family, Social Affairs and Equal Opportunities

**Slovakia:**

Mr Branislav ONDRUŠ

State Secretary at the Ministry of Labour, Social Affairs and the Family

**Finland:**

Ms Lauri IHALAINEN

Minister for Labour

**Sweden:**

Ms Elisabeth SVANTESSON

Minister for Employment

**United Kingdom:**

Ms Jo SWINSON

Minister for Employment Relations and Consumer Affairs

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**Commission:**

Mr László ANDOR

Member

.....

## **ITEMS DEBATED**

### **Posting of workers**

In spite of long and substantive discussions and of the efforts of the Lithuanian presidency to find ways of reaching an overall compromise agreement, the Council was not able to arrive at a general approach on the 'posting of workers' directive.

While several alternative proposals were tabled for discussion by delegations, no agreement could be found on the key articles of the directive (article 9 on national control measures and article 12 on subcontractors' liability), which a number of delegations considered as a package deal.

All ministers agreed on the need to reach an overall agreement as soon as possible so as to address a wide range of cases of fraud and abuses in a number of member states, and to ensure better protection of posted workers' rights as well as more transparency of national rules for service providers.

The proposed enforcement directive constitutes a response to the intense debate following CJEU's rulings in 2007-2008 on issues regarding the interrelationships between, on the one hand, the freedom to provide services and the freedom of establishment and, on the other hand, the protection of workers' rights.

It aims at improving the supervision and enforcement of the rules of the 'posting of workers' directive (96/71/EC), which regulates the employment conditions for workers temporarily posted to another member state in connection with cross-border services, and prescribes that host countries should ensure that posted workers have a minimum protection in the host country (health and safety, maximum working hours, minimum wage, etc).

Since the posted workers are not fully integrated into the industrial relations of the host member state, they are not, in practice, covered by the mechanisms of supervision and control of working conditions in that member state. Neither are they, in practice, under close scrutiny by the control mechanisms in the member state of origin. In this way, there is a risk of creating a free zone for irregular or undeclared work where neither the labour laws of the host member state nor the labour laws of the member state of origin are, in practice, enforced.

Posting is essential to enable the cross-border provision of services in sectors such as construction, agriculture and transport and also for service activities requiring a specialised, highly-skilled workforce, such as in the IT sector. It is also related to the growing role of temporary work agencies. It can play a role in filling shortfalls in labour supply or skills in certain sectors (e.g. construction or transport).

## **Youth employment**

The Council discussed youth employment and took stock of current initiatives on the basis of a presidency steering note ([13904/13](#)).

Given the severity of youth unemployment in the on-going crisis, ministers were invited to look at different instruments and their implementations. They provided an update on the measures taken so far at national level and related to activities at EU level, in particular as a follow-up to the European Council discussion in June.

Ministers stressed that youth employment continues to be a major challenge in the EU, taking into account the persisting high unemployment rates in a number of member states. While emphasising the added value of exchanging good practices, the member states further shared national approaches to tackle youth unemployment. In particular, ministers pointed out the need for:

- quality education providing for key skills which would meet the labour market needs;
- support for youth entrepreneurship ;
- preventing young people from becoming NEETs for example by means of coaching, counselling, guidance;
- apprenticeships and traineeships as an important tool to integrate young people into the labour market.

Ministers also gave information on progress in implementing the Youth Guarantee recommendation which was adopted in April this year.

Finally they welcomed the conference on youth employment held in Berlin in July, while looking forward to a follow-up conference on 12 November in Paris.

In order to support the youth guarantee schemes and to tackle the youth unemployment problem more generally, the European Council of 7-8 February 2013 agreed on the Youth employment initiative (YEI). The financial envelope of the YEI will amount to EUR 6 billion for the period 2014-2020, of which half will come from targeted investment from the ESF and the other half from a dedicated youth employment budget line.

The European Council on 27-28 June called on member states benefitting from the YEI to adopt plans for implementation of the Youth guarantee by the end of 2013, so that the funds of 6 billion EUR could be used from January 2014. It also supported frontloading the funds concerned in the years 2014 and 2015. Furthermore, the European Council also decided to use the margins left available under MFF to fund youth employment in particular.

The Council adopted a **declaration on the European alliance for apprenticeships** ([13568/13](#)). The alliance was launched in Leipzig on 2 July with a joint declaration by the European social partners, the European Commission and the presidency of the Council.

The declaration constitutes the Council's response to the launching of the alliance, recognising high-quality apprenticeships as an effective tool to improve sustainable transitions from school to work.

It aims at highlighting the importance of apprenticeships and of building a common basis and understanding among the member states.

The alliance should bring together stakeholders from national authorities, the social partners, vocational education and training researchers and practitioners, and youth representatives. It aims to pool the various streams of existing actions and promote the benefits and methods of successful apprenticeship schemes and ways to build them up.



## **The social dimension of the EMU**

The Council held a policy debate on the social dimension of the EMU after the presentation of the Commission communication ([14102/13](#)) and Employment (EMCO) and Social protection Committees' (SPC) contributions ([14101/13](#), [14097/13 COR1](#), [14100/13](#)). The presidency will forward the main elements of the debate to the European Council.

Ministers stressed in particular that:

- the social dimension of the EMU should be reinforced;
- respect for the role of social partners at national and EU level is essential. The social partners should be closer involved in the Europe 2020 strategy; in that context the role of the tripartite social summit should be strengthened;
- coherence between fiscal, economic and social policies is needed;
- it is important to monitor economic and social indicators;
- the scoreboard indicators should be further refined and analysed on the basis of current instruments;
- the scoreboard should be applicable to all member states, but without triggering automatic recommendations.

The June European Council concluded that "the social dimension of the EMU should be strengthened. As a first step, it is important to better monitor and take into account the social and labour market situation within the EMU, notably by using appropriate social and employment indicators within the European semester."

This EPSCO debate was therefore an essential contribution to the project of deepening the EMU. According to the roadmap, work on and fine-tuning of the whole project - including the social dimension - will continue in the run-up to the December European Council.

On 2 October, the Commission adopted its communication 'Strengthening the social dimension of the Economic and Monetary Union'. The communication focuses on three areas: reinforcing surveillance of employment and social challenges and strengthening policy coordination under the European Semester; enhancing solidarity and reinforcing labour mobility, and strengthening social dialogue.

The Commission proposes to create a scoreboard of indicators to follow key employment and social developments in order better to analyse and more swiftly identify major problems before they emerge. The indicators would include:

- the unemployment level and its evolution;
- the NEET and youth unemployment rates;
- the real gross disposable income of households;
- the at-risk-of-poverty rate of the working age population;
- inequalities (the S80/S20 ratio).

The communication also proposes to integrate a limited number of additional employment and social indicators into the alert mechanism report of the macroeconomic imbalances procedure.

## **Evaluation of the 2013 European Semester**

The Council discussed its evaluation of the 2013 European Semester on the basis of presidency's steering note ([13906/13](#)). The objective of the exchange of views was to draw lessons from the 2013 European Semester process with a view to further improving and streamlining the process where possible.

The discussions were based on two contributions, one from EMCO ([13907/13](#)+[CORI](#)) and the other from SPC ([13957/13](#)+[CORI](#)+[ADDI](#) + [ADDIREVI](#)). These two opinions summarise the experience of the Committees on the examination of the country-specific recommendations and their implementation. An additional contribution from the SPC on social policy reforms for growth and cohesion also outlines the expectations for next year's Semester cycle ([13958/1/13](#) [REVI](#)+[ADDI](#)).

The Council endorsed these EMCO and SPC contributions.

The evaluation of the European Semester by EPSCO is part of an overall exercise which primarily concerns EPSCO and ECOFIN.

## **European Court of auditors' report on the European globalisation adjustment fund (EGF)**

The Council adopted conclusions ([14037/13](#)) concerning the Court of auditors' special report "Has the EGF delivered EU added value in re-integrating redundant workers?". The conclusions are the usual instrument of the Council to respond to such reports.

In its report, the Court of auditors assessed whether the contribution made by the EGF to enable redundant workers to return to the labour market as soon as possible was effective. Eight cases in which the EGF was deployed were audited in four member states (two in each: Denmark, Germany, Ireland and Lithuania).

## **Any other business**

- (a) On-going legislative issues

The presidency informed the Council regarding ongoing legislative issues, which are at the stage of negotiations with the European Parliament

- (b) Preparation of the Tripartite Social Summit (24 October 2013)

The presidency briefed the Council on the preparation of the Tripartite Social Summit, to be held on 24 October 2013.

**OTHER ITEMS APPROVED**

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