



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: **Employment Committee**
to: **Delegations**
Subject: **Work programme of the Employment Committee for 2014**

Delegations will find attached the 2014 Work Programme of the Employment Committee and its subgroups, as adopted in accordance with the Committee's rules of procedure, with a view to the meeting of the EPSCO Council on 10 March 2014 (Any Other Business item).

INTRODUCTION

The main elements of the Committee's work relate to the preparation of the EPSCO Council proceedings with regard to the European Semester and the implementation of the Europe 2020 strategy, including the European Employment Strategy (EES) and its instruments.

The **Employment Committee** has a well-established cycle of multilateral surveillance on the implementation of reforms to address the Council agreed Country-specific recommendations. In cooperation with both its' Adhoc and Indicator sub-groups, and for issues of common concern alongside other council committees, EMCO reviews the implementation of all CSRs related to its areas of competence. This work has established an effective governance method which supports EU and national policy-making under the European Semester, and serves the EPSCO Council by generating a multilateral position on the implementation of reforms in response to the CSRs.

PRIORITIES FOR 2014:

Recognising the value this enhanced surveillance has delivered to the EPSCO Council, EMCO will further improve and streamline its work during 2014. In particular, in order to fully embrace its responsibilities conferred by Article 148 TFEU, EMCO will:

- 1) Strengthen multilateral surveillance working methods through thematic and country reviews through a more effective incorporation of the work of the Mutual Learning Programme and the European Employment Policy Observatory; by inviting input from relevant external expertise; through the use of the new Scoreboard of Employment and Social indicators and the Employment Performance Monitor; and carrying out thematic reviews in cooperation with other relevant committees and networks, notably the SPC, EPC and the **Education Committee**.
- 2) Monitor the implementation of the Youth Guarantee.

- 3) Based on the requirement for the Committee to consult both management and labour, revise its ways of working with the Social Partners. Having met European social partner secretariats to explore practical ways to improve working relations, EMCO recognises the importance of a stronger social partner engagement at both national and European level. The Committee will propose ways of streamlining different processes and revise the role EMCO plays within them in order to serve policy makers in the different Council formations. EMCO reaffirms a commitment to the Macro-economic dialogue and will continue to pursue prospects of active participation in the political level meeting of this forum.
- 4) Continue monitoring the employment and social situation of Member States currently operating with a Memorandum of Understanding and ensure that these Member States are fully involved in the monitoring of the Employment Guidelines and the relevant multilateral surveillance procedures laid down in Article 148 TFEU;
- 5) In light of the European Council's work to strengthen economic policy coordination, and the decisions taken in December 2013, EMCO will work, as required on the potential and technical options for such mechanisms;
- 6) Work on the development and implementation of the scoreboard of key employment and social indicators.
- 7) Inform the Council of its views on the labour market aspects of the in-depth reviews prepared by the European Commission as provided for under Article 5 of the Regulation on the prevention and correction of Macroeconomic Imbalances.
- 8) Fulfilling its Treaty obligations the Committee will provide an opinion to the EPSCO Council on the future Employment Guidelines once proposed by the Commission.

A CALENDER OF ACTIVITIES for 2014

Notwithstanding other activities EMCO may need to carry out at the request of the Council, EMCO work will be based on **four clear milestones**:

- March EPSCO: preparing for the Spring European Council, particularly through the Joint Employment Report and the Scoreboard contained within it;
- June EPSCO, with the Committee's multilateral opinion on the 2014 Country-specific Recommendations and the Employment Performance Monitor;
- October EPSCO, with a review of progress based on the 2014 European Semester;
- December EPSCO, with a longer-term forward look at strategic objectives and the Committee's contribution to the mid-term review of the Europe 2020 Strategy.

1. (Jan-Feb) Preparing EPSCO's input to the Spring European Council

EMCO is mandated to undertake the preparatory work in view of the Council's assessment of the Annual Growth Survey and the adoption of the Joint Employment Report and the Employment Guidelines. The Committee will also aim to establish a new code of conduct and revised working arrangements with the secretariats of the European Social Partners.

2. (January-June) Multilateral surveillance on the implementation of employment policies at national level and preparing the Council's country specific recommendations under Art.148

EMCO is committed to ensuring strong multilateral surveillance and peer review on the implementation of the CSRs and in-depth reviews triggered by the identification of possible macro-economic imbalances. This work will also aim to generate good practice, and closely involve all Member States operating under a Memorandum of Understanding. Alongside its Adhoc Policy Group, EMCO will therefore carry out a series of thematic and country-specific peer reviews to inform discussions on the Commission's proposal for Council Recommendations in June (a detailed explanation of these reviews is found in annex 1 alongside the main agenda items for the 2014 meetings).

The Country specific reviews in May will examine the responses set out in National Reform Programmes, and subsequently the Committee will advise the Council on the implementation of employment policies of the Member States in the light of the guidelines, as required by the Treaty. The conclusions from the totality of these reviews will be discussed and agreed within the committee and used as the multilateral position of EMCO during discussions on the Commission proposals for Council Recommendations.

Following the multilateral surveillance, EMCO will, in line with treaty commitments on a Council examination of Member State employment policies, prepare a report to be transmitted to the June EPSCO Council. This report will reflect the multilateral views of the committee as a result of the thematic and country reviews and the examination of the NRPS. The main messages from this report would be intended to steer a political debate at EPSCO.

EMCO will prepare the Council's adoption of country specific recommendations covering employment and social affairs under all relevant legal bases and in particular under article 148. This will also include an opinion on any recommendations addressed to the Euro area as a whole. This work will be conducted in cooperation with the other relevant committees in order to ensure consistency across the full package of integrated recommendations. EMCO will also agree and then transmit to the Council the Employment Performance Monitor.

3. (July-Oct) Preparing the October EPSCO debate on the European Semester

EMCO will prepare the EPSCO Council for its debates on the policy and procedural aspects of the 2014 European Semester and suggestions for forth-coming European Semesters.

4. (Oct-Dec) Preparing a December EPSCO policy debate on the employment situation in Europe and the mid-term review of Europe 2020.

Informed by the **EMCO 2014** report on labour market reforms, and any relevant Commission input, EMCO will report to the December EPSCO Council providing an opinion on the mid-term review of the Europe 2020 Strategy. This would address future prospects for the Europe 2020 objectives and targets and employment policy reform priorities with a view to reviewing the Employment Guidelines. This contribution shall take into account the results of the Mutual Learning Programme and exchanges with a wide range of relevant stakeholders (including other policy committees and social partners). EMCO will continue its multilateral surveillance work and will agree and then transmit to the Council the December version of the Employment Performance Monitor.

The Committee would also produce a report focused on the inter-linkages between employment policies and those of wider policies to support aggregate demand and other areas such as the employment aspects of policies related to poverty and social inclusion, education, health-care, and industrial policy.

Other policy priorities

At request of the Council, EMCO may also prepare other policy opinions or reports in line with the Presidency policy priorities and as response to the Commission work programme. These give EMCO an opportunity to highlight particular priorities within the current challenges. At this preliminary stage, the following work can be envisaged:

- Continue discussions with European Social Partners on wage related issues to deepen the understanding of the committee on such issues.
- Monitoring the link between Structural Fund programmes and the CSRs addressed to Member States.

WORKING METHODS

To provide effective advice to the EPSCO Council on all relevant aspects of the European Semester, EMCO working methods will require adaptation in 2014. In particular, EMCO will:

- include strong forward looking key policy messages into the Joint Employment Report;
- enhance the robustness of analysis through a more active use of the Employment Performance Monitor with its benchmarking tool, and the Scoreboard of Employment and Social indicators;

In order to carry its tasks, EMCO will be supported by its sub-groups:

- The **Ad-Hoc Group** will provide policy based advice to underpin EMCO work and debate. To this end, the Ad Hoc group will play a prominent role in the thematic reviews of the Country-specific Recommendations so that the Committee builds in-depth knowledge on each country. The Mutual Learning Programme and European Employment Observatory activities will be coordinated to ensure that the results of the MLP/EEO contribute systematically to the Ad Hoc Group work.
- The **Indicators Group** will continue to support EMCO in the quantitative description and analysis of policy issues. The continued work of the group on the Joint Assessment Framework (JAF) and in developing the twice-annual Employment Performance Monitor will provide the quantitative background for EMCO's work. This group will also provide advice to EMCO on the technical aspects of the development and refinement of the Scoreboard.

COOPERATION WITH OTHER COMMITTEES:

EMCO will continue to promote a close working relationship with all relevant committees working under the European Semester. In order to ensure a coordinated input to EPSCO, EMCO will regularly cooperate with the Social Protection Committee and the Education Committee to account for their views on social policy (related to Employment Guideline 10) and education policies (related to Employment Guidelines 8 and 9) respectively. This cooperation will extend to work related to the Joint Employment Report more generally, thematic reviews of Country-specific Recommendations, the assessment of the National Reform Programmes, and the preparation of the Joint Assessment Framework.

A close cooperation with Social Protection Committee is envisaged in the following areas:

- Assessment of the implementation of reforms taken by Member States to address Country Specific Recommendations through theme-based peer review, further joint work in developing and refining the scoreboard, and inputting into debates on reinforcing the social dimension of EMU;
- Preparation of joint draft EPSCO Council conclusions on the AGS.
- Preparation of Council country specific recommendations.

A close cooperation with Education Committee is envisaged in the following areas:

- The assessment of the implementation of reforms taken by Member States to address Country Specific Recommendations and National Reform Programme commitments, through joint theme-based peer review;
- Preparation work feeding into EMCO opinions on Council country specific recommendations.

A close cooperation with Economic Policy Committee is also envisaged in the following areas:

- Assessment of the implementation of reforms taken by Member States to address Country Specific Recommendations and in the context of enhanced economic governance, through joint thematic examinations;
- Joint voluntary ex-ante pilot examination of major reforms addressing labour market challenges;
- Preparation of Council country specific recommendations;
- Exchange of views on employment areas with direct impact on macroeconomic situation and vice-versa.

EMCO will further its cooperation with the Network of Heads of Public Employment Services through advice on the implementation of reforms under CSRS related to their areas of competence, and ensuring the visibility of the networks analysis at the EPSCO council.

COOPERATION WITH SOCIAL PARTNERS:

Stronger social partner involvement in the European Semester has been acknowledged as an essential element of improved working methods. Building on existing arrangements, on the basis of recent discussions with the European Secretariats, the proposals set out in the Commission Communication on the Social Dimension of EMU, and on the declaration by the European Social Partners on Economic Governance, EMCO will come forward with specific proposals to improve cooperation and streamline processes.

EMCO calendar meetings:

1. Provisional timetable for the EMCO and sub-group meetings for the 2014 European Semester (dates remain provisional)

| Month/year | Meeting | <u>Date</u> <u>2013</u> | Main topics |
|-------------|--------------------|----------------------------|--|
| December | EMCO | <u>2-3/12/13</u> | <ul style="list-style-type: none"> • EMCO Review on youth unemployment and the Youth Guarantee • JER and JER Key messages |
| 2014 | | | |
| January | <i>EMCO Ad Hoc</i> | <u>16/1/2014</u> | <ul style="list-style-type: none"> • Review on ALMPs and PES |
| | <i>EMCO</i> | <u>20/1/2014</u> | <ul style="list-style-type: none"> • Finalisation of the JER and scoreboard • Council conclusions on the AGS • Decision on the Employment Guidelines |
| | <i>EMCO IG</i> | <u>28/1/2014</u> | <ul style="list-style-type: none"> • Work on the operational aspects of the scoreboard of key employment and social indicators |
| February | <i>EMCO Adhoc</i> | <u>13/2/2014</u> | <ul style="list-style-type: none"> • Review on Vocational Education and training, lifelong learning and the employability of older workers |
| | <i>EMCO</i> | <u>17/2/2014</u> | <ul style="list-style-type: none"> • Council conclusions on the AGS • Review on Labour costs – taxes on labour and wage setting • Work methods with the social partners • Adoption of Work Programme |
| | | <u>19/2/2014</u> | <ul style="list-style-type: none"> • Review on Labour costs – taxes on labour and wage setting (jointly with the EPC) |
| March | <i>EMCO Adhoc</i> | <u>7/3/2014</u> | <ul style="list-style-type: none"> • Review on Vocational Education and training, lifelong learning and the employability of older workers |

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|------------------|-----------------------|---------------------|---|
| | <i>EPSCO</i> | <u>10/3/2014</u> | <ul style="list-style-type: none"> • Adoption of JER and AGS conclusions |
| | <i>EMCO IG</i> | <u>18/3/2014</u> | <ul style="list-style-type: none"> • Work on the Joint Assessment Framework |
| | <i>EMCO Ad Hoc</i> | <u>25/3/2014</u> | <ul style="list-style-type: none"> • Review on segmentation issues including EPL and undeclared work |
| April | <i>EMCO</i> | <u>27/3/2014</u> | <ul style="list-style-type: none"> • Review on Higher Education and education reform held jointly with the education committee |
| | <i>EMCO IG</i> | <u>3/4/2014</u> | <ul style="list-style-type: none"> • Employment Performance Monitor |
| | <i>EMCO Informal</i> | <u>14-15/4/2014</u> | <ul style="list-style-type: none"> • Athens |
| | <i>EPSCO Informal</i> | <u>29-30/4/2014</u> | |
| May | <i>EMCO IG</i> | <u>6/5/14</u> | <ul style="list-style-type: none"> • Employment Performance Monitor finalisation of update. |
| | <i>EMCO Adhoc</i> | <u>7/5/14</u> | <ul style="list-style-type: none"> • Review on female participation |
| | <i>EMCO</i> | <u>14-15/4/14</u> | <ul style="list-style-type: none"> • Country examination of the National Reform Programmes |
| June | <i>EMCO</i> | <u>10-13/6/14</u> | <ul style="list-style-type: none"> • Opinions on the 2014 Country-Specific Recommendations |
| | <i>EPSCO</i> | <u>19/6/14</u> | |
| July | <i>EPSCO informal</i> | <u>17-18/7/14</u> | |
| September | <i>EMCO Adhoc</i> | <u>10/9/14</u> | |
| | <i>EMCO</i> | <u>11/9/14</u> | |
| | <i>EMCO IG</i> | <u>16/9/14</u> | |
| | <i>EMCO Informal</i> | <u>24-25/9/14</u> | |
| October | <i>EMCO IG</i> | <u>14/10/14</u> | |
| | <i>EPSCO</i> | <u>16/10/14</u> | |
| November | <i>EMCO IG</i> | <u>18/11/14</u> | |
| | <i>EMCO Adhoc</i> | <u>24/11/14</u> | |
| | <i>EMCO</i> | <u>25/11/14</u> | |
| December | <i>EPSCO</i> | <u>11/12/14</u> | |

EMCO Ad-hoc Group Work Programme 2014

The EMCO Ad-hoc Group will in 2014 continue to deliver policy-based analysis to support the EMCO and steer its debates. In this regard, it will contribute to EMCO's preparatory work for the EPSCO. One of the key elements in underpinning EMCO's work is conducting thematic peer reviews and thus providing multilateral surveillance analysis in the framework of the European Semester examination on implementation of the country-specific recommendations (CSRs).

In 2014, the Ad-hoc Group will conduct 5 out of 9 envisaged meetings dedicated to thematic peer reviews. Moreover, the Ad-hoc Group will continue to be a key interlocutor for EMCO's relationship with other committees (e.g. Education Committee) and networks. These tasks will require a close coordination between the sub-group and the committee. Therefore, this work programme necessarily is reflecting the priorities of EMCO in the coming months.

Work Priorities:

In 2014, the Ad-hoc Group will continue to play a prominent role in the reinforcement of the multilateral surveillance so that the Committee builds in-depth and fact-based knowledge on the employment policies and the European labour markets situation.

In particular, the Ad-hoc Group will:

- Conduct thematic peer reviews on the policy measures and reforms implemented by the Member States to respond to the country-specific recommendations issued by the Council;
- Develop argumentation and provide the qualitative analytical background for further policy debates, e.g. on topics such as mobility;
- Ensure that the Mutual Learning Programme and the European Employment Observatory provide regular input into EMCO work under Europe 2020;
- Broaden evidence by exchange of views with e.g. Eurofound and other organizations;

- Prepare the input for the EMCO contribution to mid-term strategy of 2020 and employment guidelines.

Timetable for the EMCO Ad-hoc group meetings 2014¹

| Date | Review / agenda topics (tbc) | Countries proposed for thematic peer review |
|-------------------|--|--|
| 16 January 2014 | EMCO review on ALMP and PES | BE, BG, CZ, DE, EE, ES, FI, FR, IT, LV, LT, HU, RO, SI, SE, SK |
| 13 February 2014 | PART I of the review on the employability of older workers, lifelong learning and VET | AT, BE, DK, FR, LU, MT |
| 7 March 2014 | PART II of the review on the employability of older workers, lifelong learning and VET | BG, CZ, FI, LT, NL, PL, RO |
| 25 March 2014 | PART I Review on segmentation issues including EPL and undeclared work | DK, DE, FR, LT, PL, SI |
| 7 May 2014 | Review on female labour market participation | AT, CZ, DE, IT, HU, MT, NL, PL, SK, UK |
| 10 September 2014 | Post-mortem discussion of European Semester | |
| 2 October 2014 | tbc | |
| 24 November 2014 | tbc | |

¹ For upcoming meetings planning is provisional

EMCO Indicators Group Work Programme 2014

Main areas of work

The broad EMCO priorities imply that the Indicators Group will have to support the surveillance and monitoring capacities of EMCO in various ways:

- It will prepare an update of the Employment Performance Monitor, as the key tool to identify key labour market challenges of the Member States and the EU as a whole and to monitor progress towards Europe 2020 employment targets.
- It will contribute to further refine the indicators and methodology used under the Joint Assessment Framework. This will include additional work to explore in more depth the monitoring of specific policy areas.
- As a priority, it will develop monitoring of the Youth Guarantee and refine in its area the employment and social scoreboard within the social dimension of the EMU.
- It will also continue its work on the monitoring and integration into the JAF of multidimensional policy concepts (e.g. Flexicurity) and of aspects of the Employment Package.

Possible specific methodological issues

In order to enhance surveillance and monitoring capacities and facilitating the link with the qualitative² aspects of the monitoring, a number of additional specific methodological issues would merit further attention:

² The qualitative assessment of the development at the labour market is part of the whole picture when analysing the key employment challenges but is not part of EMCO Indicators' Group's mandate.

- Develop the monitoring of the Youth Guarantee in the JAF to be able to support the multilateral surveillance carried out in the European Semester.
- The issue of labour mobility has been more and more discussed in recent years as a tool for matching the supply and demand at the labour market. The Indicators Group should undertake work in exploring and developing indicators in this area. The group should thus consider how to measure labour market mobility in general and in particular in relation to the Youth Guarantee.
- The group discussed in autumn 2013 how the skills mismatch could be included in the JAF to facilitate the monitoring and feed better into the multilateral surveillance carried out for the European Semester. The IG should explore further how this could be included in the JAF taking the CEDEFOP indicators as a starting point for identifying skills needs and mismatches for monitoring purposes. This could feed into future thematic reviews on education and training.
- Quality of the data used in the JAF and EPM and its implications could be analysed. This could include analysis of the impact of the census that will be published in 2014.
- Explore the use of the JAF modules.
- Further analysis could be provided on undeclared work. This could feed into the thematic review on labour market segmentation and participation.
- Further development of the policy area for wage especially with the aim to analyse wage adequacy.
- The group should investigate further whether and how to include the green jobs. In this relation the work carried out by the ILO should be explored.
- The economic crisis has caused a high increase in unemployment. In this respect it is important to understand how big a share is structural and the group could analyse this area for input to the multilateral surveillance procedure.

- The group could investigate the possibility to analyse the ESF use and the impact of ESF financed measures in the context of employment policies

Working methods

The tasks of the Indicators Group, as defined by the Terms of Reference, are:

- developing, revising, and improving the set of common indicators (performance, policy and structural performance indicators) used to assess overall employment performance and results in light of statistical developments and of new policy priorities defined by the Council.
- Providing technical advice/support for the definition of benchmarks and/or quantitative targets in view of preparing the annual Employment Guidelines.

Aspects of work organisation

The main discussions of the IG take place during its scheduled meetings. In order to facilitate the discussion and to allow Members to prepare adequately for the meeting, documents should be sent in due time. The debate can be further helped by posing in advance specific questions for discussion of individual agenda items.

Written procedures can be helpful in the follow-up to meetings and/or when agreements have to be reached before the next scheduled meeting.

On some occasions, thematic working groups and seminars can be organised in order to have more detailed discussions on certain topics that require deeper focus and discussion.

The group will in areas where it will be more efficient to develop a policy area or indicators for monitoring a specific subject organise ad hoc working groups consisting of a few Member States who will develop a proposal to be discussed in the EMCO Indicators' Group. The first group will focus on developing a proposal for the monitoring of implementation of the Youth Guarantee. The product would be the inclusion of the monitoring of the Youth Guarantee in the JAF. Similar groups could be established on other topics that require longer time for discussion and innovative solutions, e.g. skill mismatches or the use of the JAF modules.

On certain statistical issues it can also be useful to have Members report to the Group about statistical practices and interesting sources/indicators from their countries.

Co-operation in the development of other relevant indicators in other processes

In the context of the implementation of the Europe 2020 strategy and the JAF, enhanced coordination is required between actors in different policy areas. In terms of the Employment

Strategy, this is particularly relevant for co-operation and exchanges of information between the EMCO Indicators Group and the various technical Groups with similar tasks in other, related areas. In particular, these include the EPC Group which deals with the Europe 2020 monitoring (LIME) to enhance consistency between our work and macro-economic monitoring, the Social Protection Committee sub-group on indicators (ISG) in the context of the Joint Assessment Framework, DG EAC's Standing Group on indicators and benchmarks (SGIB) especially with respect to measuring of the education headline targets and its impact on and by the labour market, as well as the Eurostat Working Group on labour market statistics and labour market policy and the HoPES network with particular focus on their PES benchmark.

The multiplicity of parallel indicators work underlines the need for the Indicators Group to ensure that, as far as possible at the technical level, consistency and coherence are strengthened through co-operation with the other relevant groups. It also reinforces the need for members of the group to strengthen consultation and co-operation with EMCO delegates, as well as with their counterparts at national level. The Indicators Group will build on and seek to strengthen its established links with the relevant groups during 2014, and will also improve the cooperation with other bodies, including CEDEFOP, Dublin Foundation, and international organisations such as ILO and OECD.

Calendar

The proposed meeting calendar for EMCO Indicators' Group

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|-------------------|
| 6 February 2014 |
| 18 March 2014 |
| 2 April 2014 |
| 13 May 2014 |
| 16 September 2014 |
| 14 October 2014 |
| 18 November 2014 |
