



Council of the
European Union

Brussels, 16 June 2017
(OR. en)

10223/17

ECOFIN 529
UEM 199
SOC 479
EMPL 368
COMPET 496
ENV 605
EDUC 294
RECH 232
ENER 285
JAI 597

REPORT

From: General Secretariat of the Council
To: General Affairs Council

Subject: European Semester 2017: Council Recommendations on the National Reform Programmes (2017) to each Member State, including Macro-economic Imbalance Procedure (MIP)

I. INTRODUCTION

On 22 May, the Commission submitted to the Council the proposals for Country-Specific Recommendations (listed in doc. 9261/17) in the context of the 2017 European Semester. These recommendations were examined by the relevant committees (EMCO, SPC, EPC, EFC/EFCA), which also considered certain issues in a horizontal manner with the aim of ensuring the consistency of the Recommendations across the Member States.

On 14 June, Coreper (Part I) discussed the employment and social policy-related aspects of the Recommendations. At its session on 15 June, the Council (EPSCO) held a policy debate on the 2017 European Semester, with particular focus on the country-specific recommendations (CSRs) and other items related to the subject.

II. DISCUSSION OF MINISTERS

As regards the substance of the CSRs, special emphasis was put on the following aspects:

- The EU is now on a steady path of economic recovery. Employment levels are at their highest level recorded and the share of population at risk of poverty and social exclusion is the lowest over the past five years. However, efforts need to be maintained to keep up economic growth, and especially to ensure that the benefits thereof reach all citizens.
- The increased focus on employment and social issues in the CSRs was welcome, stressing that economic reforms must go hand in hand with social justice in order to achieve truly inclusive growth. It was noted that the design of reforms must be directed towards long-term goals rather than maximising benefits in the short run. In this vein, the multi-annual approach of the Commission was welcome, as the effects of reforms and the sustainability can only be apparent after a longer period of implementation.
- There are still grave concerns on the issue of long-term unemployment, which should be tackled on multiple fronts, including through finding a balance between adequate social assistance and effective activation measures, as well as through providing opportunities for people to enhance their skills.

No modifications were introduced on specific CSRs by the EPSCO Council. Nevertheless,

- HU considered that the Commission did not sufficiently take into account the progress made, despite the fact that the figures indicate that significant progress has been achieved over the past years, specifically in addressing poverty, segregation in education and public procurement;

- PL expressed reservations on the Commission's assessment of the special social security system for farmers, KRUS. Regarding this sector, the Commission did not take into account all the relevant information, such as the large number of people supported by this fund. It considered that the Commission should be more flexible and consider local circumstances when making recommendations which should focus on targets in the framework of Europe 2020.

As regards the process:

- Ministers acknowledged that the prepararion and organisation of the European Semester process has further been improved. The smooth and consensual work at committee level was welcome, alongside the increased flexibility of the Commission to reach compromises.
- The Commission's consultation of Member States on the Country Reports before their publication was cited as a welcome contribution to the better running of the process. At the same time, Ministers called for an even closer consultation of Member States, as increased ownership leads to better implementation.
- Some Ministers welcomed the reduced number of CSRs, since it allows for greater focus on the most pertinent challenges and priorities. Others remarked that the limited number should not lead to putting diverse issues together in one CSR, as it impedes implementation and monitoring. Furthermore, some Ministers reiterated that additional time for the scrutiny of recommendations would be welcome.
- It was emphasised that better communication on the Semester is warranted to make the whole reform process more inclusive and understandable to EU citizens, which could contribute to a broader public support of the reforms. To this end, the role of social partners and civil society organisations was highlighted by several Ministers.