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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: Work Programme of the Employment Committee for 2015

Delegations will find attached the 2015 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 9 March 2015 (Any Other Business item).

EMCO Work Programme 2015

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 Europe 2020 strategy, including the European Employment Strategy (EES) and its instruments.

The **Employment Committee** now has a well-established cycle of 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 concerns, alongside other council committees, EMCO reviews the implementation of all CSRs related to areas of competence. This work has established an effective and rounded 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.

Working Priorities for 2015:

These priorities take into consideration the Commission's proposals related to a simplification of the European Semester.

Recognising the value the enhanced surveillance EMCO has delivered to the EPSCO Council the committee will further improve and streamline its work during 2015. In particular, in order to fully embrace its responsibilities conferred by Article 148 TFEU, EMCO will:

- 1) On the basis of a proposal from the Commission, provide an opinion to the Council on the revision of the Employment Guidelines and finalise the draft Joint Employment Report, including the scoreboard of key employment and social indicators.

- 2) Strengthen the multilateral surveillance working methods through thematic and, upon publication of the Commission's Country Reports, a move towards country specific reviews. This will be achieved through a more effective incorporation of the work of the Mutual Learning Programme, by inviting relevant external expertise, and by carrying out relevant reviews in cooperation with other committees and networks, notably the SPC, EPC, the Education Committee, and the European Network of PES. EMCO will also 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 relevant multilateral surveillance procedures.
- 3) Monitor the implementation of the Youth Guarantee, as required under the Council Recommendation of 22 April 2013 establishing a Youth Guarantee.
- 4) Consult Social Partners on all pertinent aspects of its work under the European Semester, and continue to implement the agreed working methods for cooperation with Social Partners. EMCO also reaffirms a strong commitment to active participation in the Macro-economic dialogue, and will continue to pursue prospects of active participation in the political level meeting of this forum.
- 5) Provide advice to the Council on the proposals by the Commission on the mid-term review of the Europe 2020 Strategy, the review of the six-pack legislation and proposals for changes to the scoreboard associated with the Alert Mechanism Report.
- 6) Continue work on the development and implementation of monitoring instruments to support the work of the committee including through improvements to the scoreboard of key employment and social indicators and the Employment Performance Monitor, and explore ways of bringing the EPM and the Social Protection Performance Monitor closer together.
- 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. Continue active participation in the Macro-economic Dialogue meetings at all levels.

- 8) A close cooperation with the Commission on behalf of the Council in support of the European Union's contribution to framing the terms of reference and work programme of the new G20 Employment Working Group and in the preparation of the EU's input to the report to be made to the Turkish Presidency of G20 in 2015 on progress in reducing youth unemployment, reducing gaps in labour force participation rates between men and women and further developing and implementing the EU Employment Plan submitted in 2014.

Thematic policy priorities

At request of the Council and in addition to the normal Semester work, EMCO may also prepare other policy opinions or reports in line with Presidency priorities and as response to the Commission work programme. At this preliminary stage, the following work is envisaged:

- Labour mobility looking specifically at the positive and negative effects on sending and receiving countries;
- Long-term unemployment and the labour market participation of excluded groups,
- Comprehensive active ageing strategies in cooperation with the SPC Working Group on Ageing.
- Job quality, income inequality and the development of the wage share;
- The labour market impact of technological change and the digital economy.

MAIN ACTIVITIES for 2015

Notwithstanding other activities on Europe 2020, and the uncertainty regarding any changes to the strategy which may have implications for EMCO, the Committee focus 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; alongside the EMCO opinion on the proposed 2015 Employment Guidelines
 - June EPSCO, with the Committee's multilateral opinion on the 2015 Country-specific Recommendations and the 2015 Employment Performance Monitor;
 - October EPSCO, with a review of progress based on the 2015 European Semester;
 - December EPSCO, with a longer-term forward look at strategic objectives and the Committee's contribution to the monitoring of the Youth Guarantee.
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 Council's adoption of the Joint Employment Report. EMCO will carry out these tasks in cooperation with the Social Protection Committee.

The Committee will also advise Council on the proposals from the Commission for the revision of the Europe 2020 strategy and on proposals to reviews the Scoreboard associated with the Alert Mechanism Report.

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

On the basis of a proposal from the Commission, and having received input from the Social Protection Committee, The Education Committee, and the Secretariats of the European Social Partners, the Committee will provide an opinion to Council on the revision of the Employment Guidelines.

Alongside its Adhoc Policy Group, EMCO will carry out thematic and country-specific peer reviews to be conducted in a timely manner to ensure the outcomes can inform discussions on the Commission's proposal for Council Recommendations in June. The Country specific reviews will examine the Commission's Country Reports and 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 these reviews will be 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 National Reform Programmes. 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 2015 European Semester and prepare suggestions for forth-coming European Semesters.

4. (Oct-Dec) Preparing the December EPSCO: Reporting on the Youth Guarantee.

The Committee will report to Council on the implementation of the Youth Guarantee in the Member States.

WORKING METHODS

In order to provide effective advice to the EPSCO Council on all relevant aspects of the European Semester, EMCO working methods will require further adaptation in 2015. In particular, EMCO will:

- enhance the robustness of analysis through a more active use of the Employment Performance Monitor with its benchmarking tool, the Scoreboard of Key Employment and Social Indicators;
- Take the opportunity of the early publication of the Commission's Staff Working Documents / In-Depth Reviews to discuss their findings in a multilateral format, and to strengthen EMCOs multilateral surveillance work;
- EMCO will work with the SPC to explore ways of bringing the SPPM and the EPM closer together, taking good practice from both.

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

- The **Ad-Hoc Group** will continue to provide evidence 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 (MLP)/European Employment Observatory (EEO) 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 the policy issues. The continued work of the group on the Joint Assessment Framework (JAF) and in developing the annual Employment Performance Monitor, including its benchmarking tool, 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 of Key Employment and Social Indicators.

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 current Employment Guideline 10) and education policies (related to current Employment Guidelines 8 and 9) respectively. The Committee will also seek the advice of the European Network of PES on relevant aspects of the CSRs.

This cooperation will also extend to work related to the Joint Employment Report more generally, revision to the Employment Guidelines themselves, 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 and further joint work in refining the scoreboard;
- Preparation of joint draft EPSCO Council conclusions on the AGS.
- Preparation of Council country specific recommendations.

A close and more structured cooperation with **Education Committee** is envisaged in the following areas:

- Structured cooperation to build a basis for evidence based debate on human capital issues.
- 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 the **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;
- 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 **European Network of Public Employment Services** through discussion of its work programme, advice on the implementation of reforms under CSRS related to their areas of competence, ensuring the visibility of the networks analysis at the EPSCO council, and active EMCO participation in the network itself.

EMCO Ad-hoc Group Work Programme 2015

In 2015 the Ad-hoc Group of the Employment Committee (EMCO) will continue to deliver policy-based analysis to support the work of 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).

While in the first half of the year the Ad-hoc Group will continue the multilateral surveillance of the implementation by the Member-States of the 2014 Council recommendations on the National Reform Programmes on selected topics - as it had already done within the framework of the European Semester in the past 4 years - the second half of 2015 will be devoted to reinforcing its thematic and country examination of employment and labour market reforms.

Thus, throughout the year, the Ad-hoc Group will conduct 4 out of the envisaged 7 meetings dedicated to thematic peer reviews. Moreover, the Ad-hoc Group will continue its cooperation with other committees (e.g. the Social Protection Committee, the Education Committee, the Economic Policy Committee and the Network of Heads of Public Employment Services). These tasks will require a close coordination between the group and EMCO. Therefore, this work programme necessarily is reflecting the priorities of EMCO in the coming months.

Work Priorities

In 2015, the Ad-hoc Group will continue to play an important 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:

- Carry out multilateral surveillance and 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;
- Provide evidence-based information on forthcoming employment and labour market policies as part of an open process of ex-ante multilateral surveillance;
- Monitor the implementation of the Youth Guarantee;
- Develop the qualitative analytical background for further policy debates on the thematic priorities of EMCO;
- Contribute to the qualitative analysis of key employment indicators that are not part of the Joint Assessment Framework, in close collaboration with the EMCO Indicators Group;
- Ensure a close cooperation with the Mutual Learning Programme and the European Employment Observatory in order to provide input to the Employment Committee's work for preparing the EPSCO Council debates and other thematic priorities of the Europe 2020 Strategy;
- Broaden evidence by exchange of views with e.g. Eurofound and other organisations and expert networks.

Activities

1. (January – April 2015) Multilateral surveillance on the implementation of employment policies at national level and preparing the Council's country-specific recommendations under Art.148

The Ad-hoc Group will continue to provide input to EMCO in the preparation of its opinion to the Council on the implementation of employment policies of the Member States, as required by the Treaty. For this purpose, the Ad-hoc group will conduct a series of multilateral reviews of the implementation of the country-specific recommendations. The conclusions of these reviews will feed into the Employment Committee's opinion on the Commission proposals for Council Recommendations.

2. (September – December 2015) Thematic peer reviews of employment and labour market policies

The Ad-hoc Group will prepare evidence-based input to the work of EMCO through a more effective cooperation the Mutual Learning Programme; by inviting external expertise where relevant; and through the use of the Scoreboard of key Employment and Social indicators along with the Employment Performance Monitor. The Ad-hoc Group may also engage in an open process of ex-ante discussion of major employment and labour market policy reforms.

Furthermore, the Ad-hoc Group will continue to provide analytical support to EMCO in the preparation of policy opinions or reports following up on the Presidency priorities and the Commission work programme. At this stage, several thematic priorities have been identified in the EMCO Work Programme for 2015:

- Labour mobility and the effects on sending and receiving countries;
- Long-term unemployment and the labour market participation of excluded groups;
- Comprehensive active ageing strategies;
- Job quality, income inequality and the development of the wage share;
- The labour market impact of technological change and the digital economy.

Timetable for the EMCO Ad-hoc group meetings 2015 (provisional)

Date	Review / agenda topics	Countries proposed for thematic peer review
27 January 2015	EMCO review on ALMP and PES	BG, DE, EE, ES, FR, FI, HR, HU, IE, IT, LV, PT, RO, SK
17 February 2014	EMCO review on labour market participation	AT, BE, CZ, DK, LT, MT, NL, PL, UK
30 March 2014	EMCO review on: <ul style="list-style-type: none"> • Adult Lifelong Learning • Employability of older workers 	BE, BG, CZ, LT, LU, NL, PL
24 April 2015	EMCO review on: <ul style="list-style-type: none"> • Wages and the tax wedge on labour Thematic discussion on Labour mobility	
29 September 2015	Post-mortem discussion of the 2015 European Semester	
19 October 2015	Mutual Learning Programme Ex-ante multilateral surveillance of forthcoming employment and labour market reforms	
26 November 2015	Mutual Learning Programme Technical Assistance in apprenticeships and traineeships within the Youth Guarantee schemes Ex-ante multilateral surveillance of forthcoming employment and labour market reforms	

Contributions of the Indicators Group

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 continue its work on the Indicator Framework on Monitoring the Youth Guarantee and
 - it will pursue further work in the area of employment for the operationalization of the scoreboard of key employment and social indicators.
- It will also continue its work on the monitoring through the JAF of multidimensional policy concepts.
- It will pursue activities for the analysis of the LSF Ad Hoc Modules leading to the presentation of the main finding.

Possible specific methodological issues

In order to enhance surveillance and monitoring capacities and facilitating the link with the qualitative¹ aspects of the monitoring, a number of additional specific methodological issues would merit further attention:

- The refinement and further development of the Joint Assessment Framework constitutes a main area of work of the IG. The following policy areas have been identified as requiring additional work with the aim of enhancing monitoring:
 - **Skills mismatches:** 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. Work in this area can take as a starting point the CEDEFOP indicators for identifying skills needs and mismatches for monitoring purposes.
 - **Skills gaps and Labour mobility:** 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 IG should undertake work in exploring and developing indicators in this area, especially in relation to the area of skills mismatches.
 - **Older workers:** The group will work on revising the JAF policy area and indicators relating to the employment of older workers (PA1c)
 - **Undeclared work:** Further discussion will be pursued on undeclared work, especially relating to the viability of developing indicators in this area.
 - **Wages:** Further development of the Policy area 10: "Wage setting mechanisms and labour cost developments", especially with the aim to analyse wage adequacy and the wage link to productivity.

¹ 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.

- **Reconciliation of work and private life:** During 2014, members of the IG discussed whether to delete the variable NEEDCARE (Need for care facilities: as a reason a person is not searching for a job or is working part-time). It was decided that the underlying issue is of high political priority, but taking into account the quality issues with this variable, there is a need for improving its quality or propose an alternative variable of better quality.
 - **Disability:** The possibility of integrating to the JAF the policy area of integration of people with disabilities into the labour market will be discussed
 - **Migrants:** Further improving the policy area on migrants will be discussed.
- Further explore the use of the JAF modules: Taking as an example the adopted module on Job quality, the IG will work further on the modules of flexicurity and green jobs.
 - The IG will explore ways of bringing the EPM and SPPM closer together, taking good practice from both monitoring instruments.
 - The IG will continue to follow up research initiatives relevant to the labour market. Topics such as "understanding the magnitude of the share of structural unemployment in total unemployment" as well as the "link of GDP growth to job creation" are considered of special interest.
 - The IG considers tackling long-term unemployment a very important issue. The Group intends to address the issue of long term unemployment in a timely and adequate way.
 - The IG will look at the results of impact assessment studies, especially as regards,
 - the impact of ESF financed measures in the context of employment policies
 - the effectiveness of labour market 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.

Building on the experience from the working group on the monitoring of implementation of the Youth Guarantee, the IG 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.

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 (LAMAS) 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 2015, 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

21-22 January 2015
16 March 2015
16 April 2015
12 May 2015 (date tbc)
23 September 2015 (tbc)
15 October 2015
19 November 2015