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To: Delegations

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Subject: Social governance for an inclusive Europe
- Council conclusions (7 December 2015)

Delegations will find in the annex the Council conclusions on Social governance for an inclusive Europe, adopted by the Council (EPSCO) at its 3434th meeting held on 7 December 2015.

SOCIAL GOVERNANCE FOR AN INCLUSIVE EUROPE

Council Conclusions

UNDERLINING THAT

1. The European Semester has significantly strengthened economic policy coordination and has proven to be a valuable instrument for engaging Member States in the coordination of key structural reforms in view of achieving commonly agreed objectives.
2. The European Semester needs to work in a balanced way in order to steer and achieve progress towards sustainable and inclusive growth, taking due account of the shared social and employment objectives in accordance with Article 3(3) of the Treaty on European Union (TEU).
3. The employment and social impact of key structural reforms needs to be assessed across all relevant policy domains to actively contribute to the successful implementation of the Europe 2020 Strategy within the European Semester.

WELCOMING THAT

4. The ongoing work of the **Employment Committee (EMCO)** and the **Social Protection Committee (SPC)** on monitoring employment and social developments, and their contribution to the coordination of employment and social policies in the context of the European Employment Strategy (EES) and the social Open Method of Coordination (OMC) are an integral part of the European Semester.
5. The reports prepared for the relevant Council meetings allow for regular and structured information and monitoring of the progress in social and employment outcomes and the follow-up of social protection and employment reforms.

TAKING INTO ACCOUNT THAT

6. The governance of social and employment policies has been continuously enhanced through a common understanding reached on shared challenges, rigorous monitoring of progress in the implementation of Country-Specific Recommendations (CSRs) and multilateral analysis of thematic priorities.
7. An improved social governance and better coordination of economic, fiscal, employment and social policies would represent an important contribution towards achieving the objectives of promoting a high level of employment, fighting social exclusion and guaranteeing adequate social protection, as laid down in Article 9 of the Treaty on the Functioning of the European Union (TFEU).
8. The Five Presidents' Report published in June 2015 refers to the need for a stronger focus on employment and social performance, including through a Joint Employment and Social Report, which would feed into the definition of the Annual Growth Survey (AGS) priorities.

STRESSING THAT

9. A revamped European Semester should continue to ensure that necessary structural reforms are implemented to address social and employment challenges and continually improve social and employment outcomes, taking into account the targets set in the Europe 2020 Strategy with regard to increasing employment and fighting poverty and social exclusion.
10. An effective dialogue should be established between the Commission and the Council in the preparatory stage of the AGS, based on the existing analytical instruments (the scoreboard of key employment and social indicators, the Social Protection Performance Monitor (SPPM), the Employment Performance Monitor (EPM) and the Joint Assessment Framework (JAF)), in order to facilitate the joint identification of priorities for policy action in the employment and social areas.

11. The social dimension of the European Semester should be further enhanced under the lead of the EPSCO Council through a more structured use of the already existing common instruments for monitoring social and employment developments, regular discussions of social and employment trends and exchanges on progress towards the common social and employment objectives of the Union.
12. Social governance aiming at a continuous improvement of social and employment outcomes is necessary for the sustainability and legitimacy of the Union, including a well-functioning Economic and Monetary Union (EMU), and must be given appropriate weight within the overall governance framework. Social governance should be used to its full potential to identify and address key common social and employment challenges and trends to watch with a view to the achievement of the common employment and social objectives, including the Europe 2020 targets.

THE COUNCIL OF THE EUROPEAN UNION

ENCOURAGES MEMBER STATES TO

13. Continue monitoring social and employment developments based on the existing commonly agreed instruments in the context of the social OMC and the EES.
14. Implement the Integrated Guidelines, in particular their employment and social aspects.
15. Adequately respond to CSRs, including in the area of employment and social policies.
16. Continue and, where appropriate, strengthen the involvement of social partners and civil society at national level on key stages of the European Semester process.

INVITES THE COMMISSION TO

17. Ensure, in collaboration with the Member States, the timely availability of valid indicators to monitor social and employment developments.
18. Implement a gender-mainstreamed approach throughout the European Semester and all its instruments and procedures.
19. Explore adequate ways for social and employment outcomes to be taken into account in all relevant aspects of the European Semester in light of Article 9 TFEU, particularly in the context of the Europe 2020 Strategy, the Integrated Guidelines, the social OMC and the EES.
20. Actively support the work of the EMCO and the SPC in their respective areas of competence, especially with regard to all aspects of the European Semester which fall within their remit.
21. Regularly identify jointly with Member States, on the basis of the SPPM, the EPM and the scoreboard of key employment and social indicators, key common social and employment challenges and trends to watch, which feed into the definition of the AGS priorities and lead to priority policy actions to fulfil the common social and employment objectives of the Union.
22. Analyse the Alert Mechanism Scoreboard under the Macroeconomic Imbalances Procedure (MIP) together with the scoreboard of key employment and social indicators and make sure this latter scoreboard is used throughout the European Semester procedures to monitor developments in labour market and social policy.
23. Facilitate that, in the context of improving economic governance, and while seeking to enhance ownership of policies and reforms by national authorities and stakeholders, the role of social partners is fully respected and civil society is consulted in line with national practices. In this context, competitiveness should be considered in all its aspects and not limited to wages alone.

24. Cooperate with the EMCO and the SPC on the elaboration of a Commission proposal to develop a European pillar of social rights in the context of the EES and the social OMC.

CALLS ON THE EMPLOYMENT AND SOCIAL PROTECTION COMMITTEES TO

25. Ensure the monitoring of employment and social developments, in particular the progress towards the Europe 2020 targets on promoting employment and reducing poverty and social exclusion.
26. Contribute to the implementation of the Integrated Guidelines, including through the assessment of the social and employment impact of structural reforms.
27. Annually provide the Council with an analysis of social and employment developments in Member States and in the Union, and with proposals on the priorities for the AGS including key common challenges and trends to watch.
28. Continue to provide adequate analysis for regular Council discussion on the key common challenges and trends to watch in the EU, based on the EPM, the SPPM and the scoreboard of key employment and social indicators.
29. Streamline the thematic work on monitoring common social and employment developments on the basis of sharing best practices and using existing instruments.
30. Continue, and where appropriate, strengthen the involvement of social partners and civil society at Union level on key stages of the European Semester process.

References

1. EU Legislation

Regulation (EC) No 1466/97 (in particular the provision that the EMCO and the SPC are to be consulted within the framework of the European Semester, where appropriate).

Regulation (EU) No 1176/2011 (in particular the provision that within the MIP, the corrective action plan shall take into account the economic and social impact of policy actions and shall be consistent with the broad economic policy guidelines and the employment guidelines).

2. European Council and Council

Council Decisions (EU) 2015/772 and (EU) 2015/773 of 11 May 2015 establishing the EMCO and the SPC (in particular the task conferred on both Council preparatory bodies to contribute to all aspects of the European Semester within their fields of competence and report on them to the Council).

Conclusions of the European Council of 24 and 25 October 2013 and 19 and 20 December 2013 on the social dimension of the Economic and Monetary Union (EMU).

Revised Europe 2020 Integrated Guidelines, including the Broad Guidelines for Economic Policies adopted by the Council on 8 July 2015 (Council Recommendation (EU) 2015/1184) and the Guidelines for Employment Policies adopted by the Council on 5 October 2015 (Council Decision (EU) 2015/1848; in particular recital 11 stating that the EMCO and the SPC should monitor how the relevant policies are implemented in the light of the employment guidelines, in line with their respective Treaty-based mandates).

Joint opinion of the EMCO and the SPC on the mid-term review of the Europe 2020 Strategy, including the evaluation of the European Semester (endorsed by the EPSCO Council on 16 October 2014).