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NOTE

From:	Presidency
То:	Permanent Representatives Committee/Council
Subject:	The future of social Europe post 2020
	Policy debate

Delegations will find attached a discussion paper prepared by the Presidency, in preparation for the policy debate at the EPSCO Council on 15 March.

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The future of social Europe post 2020

Policy debate

EPSCO Council on 15 March 2018

The Union is preparing itself for a new political, financial and programming cycle. There are many issues which are interlinked. They range from the strategic objectives the EU will set for itself after the expiration of the current Europe 2020 strategy to how it will fund these objectives. This note proposes to focus the debate on two issues.

1. Social Europe post 2020

The EPSCO Council monitors progress towards the Europe 2020 employment and social targets through a set of instruments developed by the European Commission and the EPSCO advisory bodies. While the Europe 2020 targets have attracted as much criticism as appreciation, they express a unique political commitment by all Member States to pursue quantified goals agreed by the European Council. In a sense, Europe 2020 played a pioneering role, including at global level, ahead of the sustainable development goals.

Last November, the European Pillar of Social Rights was proclaimed as the EU compass for employment and social convergence. The implementation of the Pillar is a shared commitment at national and EU level, with due regard to respective competences. Through the Joint Employment Report with its social scoreboard, and with the Employment Committee's (EMCO) and Social Protection Committee's (SPC) monitoring tools, the EPSCO Council will measure progress towards the Pillar principles. Continuing to update and complement EU legislation can also help achieve convergence across the EU, when combined with adequate resources to create more jobs, enhance social cohesion, and spur mobility, education and training for all.

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2. Social dimension of the next multiannual financial framework (MFF)

In the present MFF (2014-2020), the EU is investing around EUR 100 bn in the employment and social areas. This is done through a set of programmes which belong to different MFF headings and with different management modes. The European Social Fund (ESF), the Youth Employment Initiative and the Fund for European Aid to the most Deprived are implemented through shared management as they are part of the cohesion heading of the MFF and are pre-allocated in national programmes.

The Employment and Social Innovation Programme and the prerogative budget lines (which support the social dialogue at EU level) are part of the budget heading meant to improve the functioning of the internal market and are implemented through direct management. Their allocation is per project and is decided by the European Commission. In addition, Erasmus+, with a budget of EUR 14.7 bn, which belongs to the heading for competitiveness for growth and jobs, makes significant investments in the mobility of learners, teachers and apprentices as well as in educational and training reforms. Finally, the European Globalisation Adjustment Fund is outside the budget framework and has no pre-determined national allocations.

Over the years, these instruments have grown in importance, expanded their scope to meet new challenges for adapting human capital to the needs of the labour market and to new forms of work, increased their links with the European Semester and prioritised results over processes. However, their different allocation mechanisms, places in the EU budget and applicable rules, as well as their overlapping scopes and administrative management burden, diminish their overall political visibility and capacity to achieve convergence.

The Presidency, with the support of the Commission, organised a wide public consultation on the future of EU investments in people (Sofia, 15-16 February 2018). The ESF and the other EU social programmes are highly valued by citizens from all generations. While these programmes need to continue their support for the mobility of young people, EU investments should also reach out to those areas and citizens facing poor economic opportunities and slow upward social mobility.

Furthermore, experience from the current programming period shows the need for radical simplification, more flexibility to adapt programmes to changing circumstances, greater focus on areas where EU added value is the biggest and a strong link with the European Semester. Additional synergies should be established between all programmes investing in people.

During the next MFF, the EU needs to deepen its social dimension and cohesion, including through the full implementation of the European Pillar of Social Rights. Adequate resources will be required to improve employment opportunities and the skills of our human capital, including those linked to digitalisation. However, the EU budget is under constraints because of new equally important priorities in other policy areas and the withdrawal of the United Kingdom from the EU.

In these circumstances, the EPSCO Council needs to provide political guidance regarding the future design and objectives of EU post-2020 employment and social programmes.

The suggested questions for discussion are:

- 1. What are the policy priorities for upward employment and social convergence for the EU post 2020?
- 2. How can we enhance the visibility of EU social investments? Is the current set of instruments investing in people fit for new needs and for new forms of work and protection?
- 3. What should be the future investment priorities of the ESF in order to deliver more social and employment convergence?

Annexes:

- a) Opinion of the European Social Fund Committee on the future of the ESF.
- b) Contribution from the Employment and Social Protection Committees on the social dimension of the multiannual financial framework post 2020.

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