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NOTE

From: Presidency
To: Delegations

Subject: Social investments and reforms for resilient economies
- *Information from the Presidency*

Delegations will find attached information from the Presidency on the above subject, with a view to the meeting of the EPSCO Council on 11 March 2024 (Any Other Business item).

Social investments and reforms for resilient economies

On the 12th of March 2024, the Ministers of employment and social affairs are invited to the ECOFIN Council for a policy debate with their economy and finance counterparts on the topic of “Social investments and reforms for resilient economies”. Ministers will exchange views on how investing in people is beneficial in terms of boosting productivity and growth prospects.

Against a background of a stagnating average productivity growth in the EU and historically high labour and skills shortages, the Council in its EPSCO configuration endorsed on 28 November 2023 the Opinion¹ of the Employment Committee and the Social Protection Committee on the value added of social investment and the role of the EPSCO Council *filière* in the governance of the European Semester. Social investments are expected to produce returns in terms of economic growth through their impact on human capital and productivity, including via stronger innovative capacity and the absorption of new technologies and/or labour supply.

Sustainable and inclusive economic growth, job creation, financial stability and sound public finances are at the core of the European Semester. In that context, ensuring the good design and understanding the potential impact of social reforms and investments on economic growth, fiscal sustainability and social fairness is crucial to shape future economic, employment and social policies in an integrated way, and to make optimal use of public resources, with a view to enhancing the productive capacity of our economies.

In the policy debate on the 12th of March, Ministers will discuss how they see the positive effects of social reforms and investments on economic growth and on fiscal sustainability and how the cooperation between the ECOFIN and EPSCO *filières* can be further enhanced to better assess the impact of social investments and reforms on economic growth, fiscal sustainability and social cohesion in the European Semester context.

¹ Doc 15418/2/23