



Council of the
European Union

Brussels, 1 October 2021
(OR. en)

12198/21

SOC 540
EMPL 392
EDUC 311
JEUN 100
GENDER 93
ANTIDISCRIM 86
SAN 562
ECOFIN 890

NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: The future of the European Semester with a strong role of the European Pillar of Social Rights
- Policy debate

Delegations will find attached the Presidency steering note on the above subject, with a view to the policy debate at the Council (EPSCO) on 15 October 2021.

The future of the European Semester with a strong role of the European Pillar of Social Rights

Over the last year the EU and the Member States have shown decisiveness and solidarity in fighting the COVID-19 pandemic while taking action to strengthen the green and digital transformation. We have adopted measures to save lives, limit the economic and social impact of the crisis, preserve favourable financing conditions and safeguard the integrity of the single market. The fight against the common threat posed by COVID to our health, economies, societies and ways of living has shown our strength in reacting to an emergency together. Now is the moment to make collectively sure that Europe grows stronger out of this crisis, with social, green and digital objectives placed at the heart of a new European social model.

The future of the European Semester

The **European Semester** provides the integrated economic and employment policy framework for coordinating and monitoring the Union's and the Member States' actions. The **Employment Guidelines** are an important basis driving the European Semester process and reforms and investments implemented by the Member States in the employment, skills and social domains, including under their recovery and resilience plans.

Against the background of the COVID crisis and recovery, our policy action should in particular focus on quality job creation, fair working conditions, strengthened active labour market policies, support for job-to-job transitions, and the upskilling and reskilling of the workforce to make everyone fit for the labour markets of the new decade and to address increasing labour and skills shortages. We have to ensure access to quality and affordable social services and social protection systems for all, strengthen the fight against inequalities and social exclusion and provide support to our youth and children.

To this end, the fairness dimension should be well integrated and mainstreamed across policy areas in the context of the Semester. This is the key to ensuring that Europe addresses the transformations ahead – digitalisation, the greening of our economies and societies, population ageing – thereby turning challenges into opportunities for all, in line with the principles of the European Pillar of Social Rights.

The 2021 European Semester was temporarily adapted following the swift adoption of the Regulation establishing the Recovery and Resilience Facility.¹

In its Conclusions, the Council (EPSCO) called on the European Commission to propose appropriate arrangements for the return to a fully-fledged European Semester process as soon as possible, including as regards its governance.² Taking account of lessons learnt in this exceptional year, EPSCO should contribute to this discussion by outlining the key elements of a strong social dimension and governance in the Semester and should further contribute throughout the entire Semester cycle.

In relation to the Semester, Titles IX and X of the TFEU set out a number of provisions in the social and employment policy areas. In particular, the Council preparatory bodies, the Employment Committee (EMCO) and the Social Protection Committee (SPC) play a central role in supporting the multilateral dimension of the Semester process.

¹ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17–75)

² Doc. 12813/20 + COR 1

Strong role of the European Pillar of Social Rights

As established by the EU Strategic Agenda 2019-2024, the **European Pillar of Social Rights** should be implemented at Union and Member State level, with due regard for respective competences. In the Porto declaration, EU Leaders recognised that the Pillar is a fundamental element of the recovery³ and they confirmed their determination to continue deepening its implementation at Union and national level, with due regard to the principles of subsidiarity and proportionality. The Pillar should continue to guide employment and social policies towards upward social and economic convergence: its implementation is essential to ensuring an inclusive recovery and the creation of more and quality jobs for all.

In its Communication on the **European Pillar of Social Rights Action Plan**,⁴ the European Commission put forward the three **new 2030 EU headline targets** on employment, skills and poverty reduction.⁵ The **European Council** welcomed these headline targets in line with the Porto Declaration.⁶ The Porto declaration stressed the importance of closely following, including at the highest level, the progress towards the implementation of the Pillar and the 2030 EU headline targets. In the meantime, Member States have already submitted or are in the process of preparing their draft **national target proposals** that will outline their plans on how to contribute to the EU headline targets. The **revised Social Scoreboard proposed in the Pillar Action Plan** should help to monitor progress towards the implementation of the Pillar principles in the context of the Semester.

³ Informal European Council, Porto declaration, 8 May 2021.

⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions The European Pillar of Social Rights Action plan (COM/2021/102 final)

⁵ The EU headline targets are: 78% of the 20-64 population should be in employment by 2030; 60% of people aged 25-64 should participate in learning activities each year; and the number of people at risk of poverty or social exclusion should decrease by at least 15 million.

⁶ Doc. 7 2021, **European Council** Conclusions.

The key elements of the European Semester for a stronger social Europe

A **timely launch of a streamlined Semester process**, with the core Semester elements to be taken up in the 2022 cycle, would guarantee a stronger social Europe. In particular, a timely and adequate monitoring of employment, social, skills, health and gender equality developments and policy responses, including as regards the green and digital transitions, should be ensured throughout the Semester cycle. Country Reports are a key element in this respect: a continued analysis of employment, skills and social challenges in the Country Reports should underpin country-specific recommendations (CSRs) in these domains. As indicated in the joint EMCO-SPC Opinion on the implementation of the 2020 and 2019 CSRs,⁷ CSRs with a multi-annual dimension in certain policy areas, accompanied by annual Country Reports and multilateral surveillance, could be envisaged.

Social dialogue and the active involvement of social partners is at the core of a highly competitive social market economy. The continued involvement of social partners and **civil society organisations** in the design, implementation and monitoring of policies should be ensured.

Finally, the future European Semester should continue to rely on **strong dialogue with the Member States**, and continuous **discussions in all the relevant Council formations**, as well as between their preparatory bodies.

⁷ Doc. 9147/21 Assessment of the implementation of the 2020 and relevant 2019 Country-specific Recommendations (CSRs) – Opinion of the Employment Committee (EMCO) and the Social Protection Committee (SPC)

Against this background, Ministers are invited to present their views on the following questions:

1. *How can the European Pillar of Social Rights Action Plan, and in particular the three EU headline targets, best be reflected in the future European Semester?*
2. *Which elements and features can be deemed 'essential' for the future European Semester process, in order to ensure a strong social dimension? Are there any elements that should be taken up already in the upcoming 2022 Semester cycle?*
3. *How do you see the role of the Council (EPSCO) and its preparatory bodies EMCO and SPC in the future Semester process?*
