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NOTE

From: Presidency
To: Permanent Representatives Committee/Council

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Subject: Draft Council Conclusions on the 2022 Annual Sustainable Growth Survey and Joint Employment Report

1. The Presidency has prepared the attached set of draft Council Conclusions on the 2022 Annual Sustainable Growth Survey and Joint Employment Report.
2. This draft Conclusions were presented to the informal VTC meeting of the members of the Working Party on Social Questions on 21 February 2022. At the conclusion of the informal written consultation on 23 February 2022, no delegation was opposed to Presidency's compromise text of the draft Council Conclusions.
3. The Committee is invited to forward the attached draft Conclusions to the Council (EPSCO) at its session on 14 March 2022 for adoption.

Draft Council Conclusions**on the 2022 Annual Sustainable Growth Survey and Joint Employment Report**

1. **HIGHLIGHTING** that although the socio-economic impact of the deep COVID-19 crisis was mitigated, it had a stronger impact on some groups such as young people, in particular job starters, and people already in vulnerable situations. **HIGHLIGHTING** that the economic recovery has further brought to the fore some long-standing challenges, notably in terms of labour market participation of certain groups and increasing labour shortages and skills mismatches. **ACKNOWLEDGING** that the ongoing pandemic continues to put pressure on the healthcare and long-term care systems in the Member States.
2. **ACKNOWLEDGING** the various measures implemented by the Member States and the Union, as well as the role of the social partners and civil society in mitigating the employment and social effects of the COVID-19 crisis.
3. **WELCOMING** the Union's economic response, including through temporary Support to mitigate Unemployment Risks in an Emergency (SURE) and the recovery instrument Next Generation EU, and the fact that the recovery and resilience plans adopted so far include substantial reforms and investments in the areas of employment, skills and social policies.
4. **WELCOMING** that the broader economic, employment and social policy coordination is resumed in the European Semester in 2022, while taking into account the requirements of the Recovery and Resilience Facility, notably by complementing the implementation of the national recovery and resilience plans and building on constructive dialogue between the Commission and the Member States, as well as on effective multilateral surveillance.

5. WELCOMING the Commission's intention to publish streamlined country reports and to propose country-specific recommendations in spring 2022.
6. WELCOMING that the European Semester will remain the overall EU framework for the coordination of economic, employment and social policies, continuing to help identify the relevant policy challenges, set policy priorities, provide policy guidance and ensure policy surveillance and monitoring, also in view of the structural changes related to the green and digital transitions and demographic change.
7. ACKNOWLEDGING that the four dimensions of the EU's competitive sustainability agenda (environmental sustainability, productivity, fairness and macroeconomic stability) are as relevant as ever to guide the economic recovery, and UNDERLINING that they should be truly complementary and mutually supportive, so that opportunities will accrue to all and no one is left behind.
8. UNDERLINING the crucial importance of implementing the principles of the European Pillar of Social Rights for upward economic and social convergence, with due regard for respective competences and the principles of subsidiarity and proportionality, including by achieving the 2030 EU headline targets on employment, skills and poverty reduction and making use of the revised Social Scoreboard to assess progress. WELCOMING the Commission's proposal for a Joint Employment Report 2022 and its enhanced focus on the Pillar principles, as well as the integration of the headline targets and revised headline indicators of the Social Scoreboard in the proposal as part of the European Semester, in line with the Porto declaration.

9. HIGHLIGHTING the need for well-designed and effective active labour market policies, together with adequate support by public employment services, and reinforced measures on upskilling and reskilling to ease job transitions, address increasing labour shortages, support the recovery and socially fair green and digital transitions. HIGHLIGHTING the need to improve learning outcomes and reduce inequalities in education and training, while strengthening their quality and labour market relevance, also in view of the twin transition.
10. STRESSING the importance of reducing labour market segmentation and fostering quality job creation, including through promoting the social economy, enhancing young people's labour market prospects and strengthening the labour market participation of women and other under-represented groups, including persons with disabilities. STRESSING the importance of ensuring safe working environments, adapting them to the post-pandemic requirements, and making flexible working arrangements available, while ensuring an appropriate work-life balance, including through the right to disconnect.
11. HIGHLIGHTING the key role of social protection systems in mitigating the impact of the COVID-19 crisis without significant increases in poverty risks or income inequality. UNDERLINING that poverty and social exclusion risks remain high for certain population groups, such as families with children including single parents, long-term unemployed, persons with disabilities or long-term care needs, non-EU born people and Roma, that require targeted policy interventions.
12. STRESSING the continued need to invest in adequate and sustainable social protection and social inclusion for all, supporting reforms to maintain and reinforce levels of social protection, and improving the access to adequate protection of those who are not or not sufficiently covered. UNDERLINING the need for continued reforms and investments in the healthcare and long-term care systems to improve the resilience, quality and accessibility of care.

13. HIGHLIGHTING that high-quality and effective social dialogue, as well as the involvement of civil society, is a prerequisite for the good functioning of the European social market economy, and for ensuring more sustainable and inclusive policy outcomes.

THE COUNCIL OF THE EUROPEAN UNION:

14. CALLS on Member States to reflect the priorities of the Annual Sustainable Growth Survey and the findings of the Joint Employment Report in their National Reform Programmes, and to step up their efforts to implement the principles of the European Pillar of Social Rights.
15. CALLS on the Member States to systematically involve social partners and other relevant stakeholders in a timely and meaningful manner at all stages of the European Semester cycle, as this is key for the success of the economic, employment and social policy coordination and implementation.
16. CALLS on the Commission to keep the European Semester focussed on economic, employment and social policies while ensuring consistency and avoiding overlaps with other governance frameworks.
17. ENCOURAGES the Commission to draw on the Joint Employment Report and on evidence from the revised Social Scoreboard, next to other country-specific analyses and in cooperation with Member States via dialogue and based on the Semester Multilateral Surveillance, to identify key challenges in the EU and in the Member States for consideration in country reports and country-specific recommendations.
18. ENCOURAGES the Commission to monitor the employment and social impacts of the green and digital transitions under the European Semester framework.
19. CALLS on Member States and the Commission to continue a transparent and effective process of multilateral surveillance in the EU economic policy coordination in all stages of the European Semester and in all relevant Council formations.

20. ENCOURAGES the Employment Committee and the Social Protection Committee to continue their work on multilateral surveillance of country-specific recommendations and employment and social challenges, including through thematic reviews, horizontal discussions, and mutual learning, and in cooperation, where relevant, with the Economic Policy Committee, the Education Committee and the Working Party of Public Health at Senior Level.
21. CALLS on the Employment Committee and the Social Protection Committee to continue their work on developing monitoring and benchmarking frameworks, and on further aligning existing monitoring tools.
22. CALLS on the Employment Committee Employment Committee and the Social Protection Committee to continue reflecting on the need for refining existing multilateral mechanisms to further identify and prevent social divergences in EU Member States, including by continuing their work on an opinion for the Council further examining the possibility to introduce a Social Imbalances Procedure.