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Delegations will find attached a joint opinion by the Social Protection Committee and the Employment Committee on the Renewed Social Agenda, as adopted by the two committees on 14 and 27 November, respectively.



# The Social Protection Committee The Employment Committee

## Joint SPC-EMCO opinion on the Renewed Social Agenda

### A reinvigorated social dimension

The social dimension, enshrined in the Renewed Social Agenda, remains a fundamental pillar of the European model. Along with the effective implementation of policies carried through the Lisbon Strategy, it helps cushioning the impact of the current down-turn and simultaneously paves the way for addressing the challenges of 21<sup>st</sup> century.

A timely adoption of ground-breaking measures to preserve high levels of employment and social cohesion, based on effective monitoring of the impact of the economic crisis, is crucial in the face of adverse effects of the present financial turmoil on the real economy such as the forecasted rising unemployment. But innovative policy responses are also required to face the medium- and long-term challenges of technological progress, globalisation, migration, ageing population and climate change, which impact upon the European economy, society and environment.

Building on the European shared social values the EU has a lot to offer to its citizens. The Committees welcome the holistic approach embraced by the Renewed Social Agenda as it contributes to open ways to mainstream employment and social goals in all EU policies, and sets instruments to act in synergy with the Lisbon Strategy. "Opportunities, access and solidarity", driving goals for actions at EU level, are the thrust of the Agenda and support the development of social policies that should be sufficiently flexible to adapt quickly and easily to the changing world.

Solidarity among people and across generations and regions is essential to ensure that access to employment, education, social protection, health care and services is provided to all so that everybody effectively can profit from increased opportunities and that all citizens are able to develop their own potential. In the present context of economic downturn, solidarity is key to restore citizens' confidence and facilitate economic recovery.

The visibility of the Agenda is a priority. In order to ensure that instruments are coherent and complementary, further efforts are necessary to support the articulation, the development and implementation of policies at all levels, in accordance with national situations. The involvement of all relevant actors, and in particular of social partners, is also to be reinforced with a view to closing the gap perceived between Europe and its citizens.

## **Priority actions**

Focus should be maintained on the fundamental common employment and social objectives aimed at promoting more and better jobs, investing in people, fighting against poverty, reducing inequalities and more economic and social cohesion by tackling old and new social challenges:

- Transitions, particularly acute in times of economic slowdown, are a growing challenge of labour markets which requires responses through the European Employment Strategy, especially through flexicurity policies. It is also important to promote quality employment; improvement in the functioning of the labour market; and make transitions pay in order to foster willingness to change. Active inclusion strategies, anchored in the social OMC, have a crucial role to play for the people who are furthest from the labour markets and to fight poverty and social exclusion. The Committees underline the importance of initiatives that develop the adaptability of people including the support of vulnerable groups to face change.

- The European Commission is encouraged to reinforce the anticipation and management of current and future skills shortages. A key example of where skills need to be anticipated concerns the impact of climate change in employment and ways to promote "green jobs" and prepare workers for an adaptation to a low-carbon economy.

Management of economic migration can play an important role in future skills management. A comprehensive policy approach is needed to address labour market integration as well as all aspects of social integration of migrants and ethnic minorities, including in education, and to combat discrimination.

- Being a potential source of skills and knowledge spill-overs promoting the mobility of workers and students adds value at the European level and creates opportunities for all citizens. The portability of social rights can, in this context, contribute to labour mobility and should also be considered in the future.

EU labour law and its correct implementation should ensure the free movement of services and workers and at the same time provide adequate working conditions, taking into account the basic freedoms and the protection of social rights as set out in the Treaty and in the Charter of Fundamental Rights.

- In a globalised world, interconnections between economies and markets make crucial the common understanding of future challenges and universal values as well as the sharing of good practices. On the basis of the European social model, the scope for EU international cooperation with external partners should be further enhanced to promote the decent work agenda, core labour standards, a global social framework and employment policies linked to climate change and energy issues.

- The European Year 2010 for combating poverty and social exclusion marks a renewed political commitment at the EU level. A comprehensive policy approach should adequately address old and new forms of poverty, including child poverty and extreme poverty. Specific attention should be paid in the future to housing deprivation, financial exclusion and over indebtedness, in-work poverty, social inclusion of migrants, specific disadvantages of ethnic minorities, including Roma Communities, as well as to the impact of changes in the price structure, including food and energy prices, on low-income households.
- The modernisation and effective development of social services of general interest is key to achieve the goals of opportunities, access and solidarity embraced by the renewed social agenda. The promotion of quality SSGI will contribute to social and territorial cohesion, a high level of employment, active inclusion and economic growth. Similarly, improved legal certainty in this field will be of crucial importance.
- A process of reform and modernisation of social protection systems is increasingly required to live up to the new challenges, notably the demographic ageing of Europe. A specific attention should be paid to the impact of the current financial crisis on public and private pension systems. This process should equally reconcile financial and social sustainability as well as ensure adequate pensions. Pension outcomes for people in precarious jobs or with broken careers and gender issues remain important.
- It is important to address all dimensions of how quality, accessibility and sustainability of healthcare and long term care may be secured in the face of ageing population. The development of the EU health strategy plays an important role in this context, particularly with respect to the areas of health inequalities and health workforce.

- The Open Method of Coordination on Social Protection and Social Inclusion has a vital role to play in this context. Greater visibility and political commitment at EU level, combined with stronger analytical capacity and evidence-based setting of policy priorities as well as improved ownership, participation and implementation at national level will help improving delivery of the common social objectives.
- A more comprehensive assessment of social well-being should be developed, where emphasis is not put exclusively on GDP and income developments.

## **Concluding remarks – further steps**

The Committees will continue to follow closely all relevant areas of the Renewed Social Agenda which are directed to address long-term challenges.

With a view to assuring the prospective debate about the Lisbon post-2010 agenda, EMCO will take on board the questions of flexicurity, anticipation and matching of skills and labour market needs and climate change implications on employment. The SPC will consider closely the mutual interaction between economic growth, employment and social protection and social inclusion policies with a view to ensure its contribution to the debate on and the shape of the Lisbon post-2010 agenda. It intends also to contribute to the development of the EU health strategy, in particular in the areas of health inequalities and health workforce, in view of the Commission's initiatives.

The Committees draw the attention for the need to effectively implement flexicurity and active inclusion policies to address the difficult economic context. Flexicurity, while easing transitions, provides an adequate policy framework to tackle the short-term challenges brought about by the financial crisis while pursuing structural reforms. Active inclusion strategies are indispensable to ensure that the most vulnerable groups, those most hit by the economic downturn, are adequately supported. Modern and effective social protection remains essential to cushion the social impact of the economic downturns.

At the same time the European Commission is encouraged to deliver on the Renewed Social Agenda package so to respond to the recent concerns and challenges identified. EU funding should be used for the efficient implementation of the Social Agenda.

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