# Report on a European Economic Recovery Plan

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The Council held a public policy debate on the present financial and economic crisis, and especially its employment implications, in order to prepare the 2009 Spring EU-Summit, on the basis of questions suggested by the Presidency.

Against the background of rapidly deteriorating perspectives on the EU labour markets, Member States agreed that timely, **temporary and targeted measures** are necessary to stimulate employment, to limit as far as possible job losses and to mitigate their social impact.

The Ministers considered that **helping people to keep their jobs**, for example by introducing short time work, and assisting the unemployed to find new ones was crucial in the current economic situation. In addition, the Ministers considered that efforts should, in particular, be targeted towards the **most vulnerable people**, such as less qualified persons and workers with a low income. They underlined the need to stick to the principles of **flexicurity**, but at the same time **warned of its abuse by weakening social rights**.

However, Member States also shared the view that the current crisis could constitute an opportunity for **better matching the offer and the demand on the labour market**. In this respect, Ministers considered it important to reinforce training measures (for example, by using the European Social Fund or when the workers are doing part time work), especially with regard to sectors with an expected potential of creating jobs as environmentally friendly technologies.

All Member States agreed that the short-term measures should be fully in line with the long-term objectives of the Lisbon strategy. Despite the need for short-term measures, the **structural reforms on the labour market should continue**. In this context, some delegations stressed the need to ensure long-term sustainability of public finances.

Furthermore, delegations shared their experiences and gave insights with regard to their own recovery measures, calling for the coordination of these measures at the EU level. They **strongly rejected any attempt of taking the crisis as an opportunity for nationalism and protectionism**.

Several delegations stressed the importance of amending rapidly the rules of the **European Social Funds** and of the European Globalisation Adjustment Fund in order to mobilise their resources faster and make full use of them.

All Member States welcomed the opportunity to further take stock of the developments in employment and social area at the Informal European Employment Summit on 7 May in Prague.

**Key messages**: the Council adopted the following key messages in the fields of employment and social policy and agreed to transmit them to the Spring European Council:

**(1) Employment and social policies in times of economic crisis**: the economic and financial crisis is hitting hard and calls for urgent, timely, temporary and targeted measures to stimulate employment, to limit as far as possible job losses and to mitigate their social impact:

- building on solidarity and allowing **social protection systems** to fully play their role as automatic stabiliser, paying particular attention to the most vulnerable and to new risks of exclusion;

- **enhanced coordination between economic, employment and social policies**, taking into account the territorial dimension: in this context, a strong EU coordinated response should mobilise all available instruments, including the Community resources, and fully integrate growth, employment, social inclusion and social protection strategies;
- direct responses to the crisis should be coherent with longer-term objectives and **sound public finances**;
- the reforms and policy mix needed to meet the long-term economic, financial, employment and social and environmental challenges of the EU should be **more coherent and mutually reinforcing**.

**(2) Preventing and tackling unemployment while keeping labour market reforms on track**: Members States are urged to give immediate priority to:

- **supporting access to employment and easing transitions** within and into the labour market in order to shorten any spell of unemployment. The common principles of flexicurity provide, in this context, useful guidance to further modernise labour markets;
- **reinforcing access to training** and active labour market measures for the unemployed, workers at risk of dismissal and other vulnerable groups in order for them to remain active, improve their employability and ensure they are ready to take-up new job opportunities brought by recovery. In this regard, **lifelong learning strategies** should promote the upgrading of skills;
- **improving anticipation and matching of skills** with labour market needs so as to facilitate transitions towards new business activities generating labour demand;
- supporting employment and job creation through measures to stabilise the economy, promote the **transition towards a low carbon economy** and strengthen investment in research and development as well as in fast-growing sectors;
- avoiding measures that induce **premature withdrawal from the labour force**, such as early retirement schemes or age barriers to training opportunities.

The Council will make every effort to limit the increase in unemployment and to avoid any rise in long-term unemployment. It invites the Employment Committee to further survey labour market trends until signs of recovery become visible.

**(3) Strengthened commitment to the social inclusion and social protection objectives**: against this background Member States would aim in particular at:

- **pursuing poverty reduction** and social cohesion, through reinforced comprehensive strategies to combat and prevent poverty and social exclusion of children, the emergence of new groups at risk of exclusion such as the young, and new risk situations, including over-indebtedness;
- sustained efforts to **tackle homelessness** as an extremely serious form of exclusion, address the multiple disadvantages facing the **Roma people** and their vulnerability to social exclusion and promote the **social inclusion of migrants**;
- addressing long term adequacy and sustainability of **pension systems** through appropriate reforms, including inter alia the achievement of the Lisbon target of 50% employment rate of older workers and the improvement of the position of low wage earners also in the economic downturn;
- improving efficiency of **healthcare systems** and reducing health inequalities through increased attention to primary care, prevention, promotion, quality and safety, better coordination and effective use of resources including e-health;
- delivering **quality of long-term care**, to ensure healthy and dignified ageing, creating a solid financing basis, improving care coordination, including coordination between health and social care services, and ensuring the availability of skilled human resources;
- supporting informal long-term carers and continuing to **promote active ageing**;
- taking actions to **support people's income**, to mitigate the direct impacts of the financial crisis on households and individuals, while investing in social and health infrastructure;
-

pursuing the **monitoring of social impacts of the economic crisis** and of policy measures taken or planned to cushion or limit these impacts;

- enhancing the essential role of the **Social Open Method of Coordination** by mainstreaming social considerations in other policy areas through the strengthening of the social dimension of impact assessments, by devoting increased attention to the quality and continuity of stakeholder involvement and by evidence-based national target-setting, while the decision on setting national quantified targets and their definition remains a core responsibility of the Member States.