Economic and employment policies: streamlining of annual coordination cycles

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PURPOSE : to streamline the annual economic and employment policy co-ordination cycles. CONTENT : to ensure more coherent and effective policy-making, the European Commission has agreed to streamline the annual economic and employment policy coordination cycles. To recall, the EU has developed a comprehensive coordination framework, comprising notably the Broad Economic Policy Guidelines (BEPGs) and the European Employment Strategy (EES) with its Employment Guidelines (EGs) and Recommendations. However, the different timing of the annual cycle of those two processes and the ad hoc addition over the years of new elements has arguably made the coordination framework complex. The Barcelona Summit delivered a request for improvements. The changes now agreed by the Commission are designed to achieve this. The Commission has outlined how the policy coordination cycle can be better streamlined. The main changes introduced by the Commission are: a better and more clearly articulated EU policy coordination cycle. The Commission will organise existing coordination processes around a few key points to make the coordination cycle more transparent and intelligible and thereby strengthen its visibility and impact. The main building blocks are: 1) the 'Implementation Package' (January) : The Commission will present the conclusions of its review of the implementation of EU policy guidance in form of an Implementation Package, together with and in support of its Spring Report to the annual Spring European Council on economic and social affairs. The 'Implementation Package', including the Broad Economic Policy Guidelines (BEPGs) Implementation Report, the draft Joint Employment Report and the implementation report on the Internal Market Strategy, will contain a detailed assessment of implementation in the various policy areas. The 'Spring Report', on the other hand, will remain the Commission's strategic input to the Spring European Council. It will continue to highlight the main issues and present the Commission's strategic policy priorities for the EU; 2) the 'Guidelines Package' (April) : following the general political orientations given by the Spring European Council, the Commission will define and present its proposals for further action in the various policy areas together in a 'Guidelines Package', composed of the BEPGs, the Employment Guidelines (EGs) and the Employment Recommendations. Subsequent to further consideration by the European Parliament and the competent Council formations, the June European Council will draw up conclusions. The relevant Council formations will adopt the BEPGs, the EGs and the Employment Recommendations. For greater effectiveness, the two main changes are: - Enhanced focus on the medium-term in framing policy orientations an increased medium-term orientation in the EU's economic and employment policy strategy will strengthen the strategic character of the BEPGs and the European Employment Strategy. This will provide for stability in the EU policy guidelines and facilitate an effective follow-up. The 'Guidelines Package' will continue to be presented on an annual basis, they will adopt a more distinct, medium-term perspective and will as a rule be fully reviewed only once every three years. In the intermediate years, changes should be limited to those warrantedby economic developments and progress made with respect to implementation. Overall, the more strategic orientation should increase the visibility, predictability and impact of EU policy guidance; - Improving policy coherence the coherence of the 'Guidelines Package' will be improved by specifying more clearly the contents to be covered by the respective instruments. While maintaining the central role of the BEPGs for economic policy coordination and the more specific role of the EGs for defining the principles and modalities of policy coordination in the employment policy area, in full consistency with the BEPGs, complementarity of the instruments will be improved and the basic policy messages strengthened. In addition, the Commission will now reflect on how to streamline other processes into this model, and in particular, the open process of coordination in the Social Protection field currently covering social inclusion and pensions.