

The European Semester in 2012

On 10 July 2012, the Economic and Financial Affairs Council (ECOFIN) issued, under this year's European Semester,

- recommendations to each member state on the economic policies set out in their national reform programmes;
- opinions on the fiscal policies set out in the member states' stability and convergence programmes; and
- a specific recommendation on the economic policies of the member states of the eurozone.

On 29 June 2012, the European Council generally endorsed the country-specific recommendations which Member States will translate into their forthcoming national decisions on budgets, structural reforms and employment policies.

On 22 June 2012, the Council approved draft recommendations made to all 27 Member States on the economic policies set out in their national reform programmes. It also approved draft opinions on the Member State's fiscal policies, as presented in their stability and convergence programmes.

The European Semester started with the publication of the European Commission Annual Growth Survey (AGS) for 2012. In the survey, the European Commission suggests five priorities for the EU:

- pursue differentiated growth-friendly fiscal consolidation
- restore normal lending to the economy
- promote growth and competitiveness
- tackle unemployment and
- modernise public administration

In the **first phase of the semester cycle**, various Council formations have analysed and discussed the Annual Growth Survey. A synthesis of these discussions are presented by the Presidency in the The Synthesis Report on the implementation of European Semester. The key points are included in the table below.

In March 2012, the European Council closed the first phase of the semester cycle and opened the **second phase**.

1st phase: preparation of the European Council 1-2 March

21 February, 2012

Economic and Financial Affairs Council (ECOFIN)

Conclusions of the Economic and Financial Affairs Council of 21 February 2012

Agenda

Identified important measures to be undertaken at the Member State and the EU level respectively.

Main points

The following measures are important at the level of Member States:

- make fiscal consolidation as well as reforms and initiatives as growth-friendly as possible
- undertake structural reforms
- modernise pension schemes to ensure financial sustainability
- reform labour markets
- reform labour-market related social security system so that unemployment benefits support the job-seeking process.

The following measures are important at the EU level:

- strengthen the Single Market and ensure its efficiency
- make progress on the creation of the Digital Single Market
- reduce the regulatory burden, especially for small and medium-sized enterprises
- shift taxation away from labour towards other, less distortive areas of taxation
- make tax systems more effective and efficient (e.g. by removing unjustified exemptions and subsidies, broadening the tax base and improving the efficiency of tax collection)
- restore investor confidence in the banking sector and ensure the flow of credit to the real economy.

20-21 February, 2012

Competitiveness Council

Competitiveness Council and the Annual Growth Survey 2012

Agenda

Highlighted crucial issues at Member State and EU level to improve growth and job creation, and the key tasks to achieve them.

Main points

Three main goals:

- promote competitiveness and sustainable growth
- facilitate access to finance, especially for small and medium-sized European enterprises
- modernise the public administration by simplifying the business regulatory environment and by facilitating e-Government initiatives

Key tasks to achieve these goals:

- swift adoption of the concrete legislative proposals in the [Single Market Act](#)
- completing [Digital Single Market](#) by 2015
- implementing the Commission's action plan for e-commerce rapidly
- improving competition in specific sectors, e.g. the services sector
- improving access to finance, especially for small and medium-sized enterprises (SMEs)
- modernising public administration and removing unnecessary administrative burden; especially for SMEs
- enhancing the use of digital solutions in the public administration
- increasing investment in research and innovation.

17 February, 2012

Employment, social policy, health and consumer affairs (EPSCO)

[Joint Employment report adopted by the EPSCO Council on 20 February 2012](#)

Main points

Key tasks highlighted:

- strike a balance between fiscal consolidation measures and the need to maintain social cohesion
- reform the labour markets and make them more flexible
- adapt education and training systems to the needs of the labour market
- facilitate school-to-work transitions
- eliminate undeclared employment and encourage the move to the formal labour market
- promote life-long learning and longer working lives to meet demographic challenges
- remove barriers and creating conditions for entrepreneurs to create new jobs, especially in sectors with growth potential (e.g. "green" jobs and those in the digital economy)
- reform excessively rigid employment legislation to ease access for those left outside the labour market
- revise wage-setting mechanisms to better reflect productivity developments
- shift taxation away from labour to make hiring easier and more attractive for employers and job-seekers alike
- address the segmentation of labour markets (especially when it comes to disadvantaged groups)

14 February, 2012

Transport, Telecommunications and Energy Council (Energy issues)

Agenda

Discussed energy efficiency and use of renewable energy as part of headline targets of the "Europe 2020" strategy and their growth and job-creation potential.

Main points

- the need to adopt early the energy efficiency directive
- improving energy efficiency in key sectors such as construction, transport, products and services, etc.
- fully implementing the existing legislation on renewable energy
- reducing administrative procedures and barriers that hinder the development of renewable energy installations
- building new energy infrastructure and investing in smart grids and intelligent networks
- biomass and its regulatory framework in a global context
- the training of employees in the renewable energy sector
- research and innovation to reduce the cost of renewable energy.

10 February, 2012

Education, Youth, Culture and Sport Council

[Council conclusions on the role of education and training in the implementation of the Europe 2020 strategy](#)

Agenda

Focused on how education and training policies can have a positive impact on youth employment.

Main points

- further adapting education and training systems to reflect labour market conditions and skills demands, while reinforcing their efficiency and quality
- stronger cooperation between education and training providers, social partners and other relevant stakeholders should be promoted in order to support a smoother transition from education to work.
- Better recognition of skills and competences acquired through formal, non-formal and informal education and learning could also be promoted.
- Progress towards the Europe 2020 target on school drop-out rates is, from a youth unemployment perspective, a preventive measure, and should thus be made in all Member States.

19 December, 2011

Environment Council (ENV)

"Roadmap to a resource-efficient Europe"**Agenda**

Acknowledged that policies on resource efficiency, natural resources, energy and climate change are the foundation for the transition to a low-carbon economy and are key to improving EU's competitiveness in future.

Main points

- promotion of water efficiency, to reduce cost for consumers, industry and agriculture
- enhancement of the resource efficiency of products,
- incentives to purchase resource- and energy-efficient products
- incentives for eco-innovation
- making environmental taxation and the removal of environmentally harmful subsidies an integral part of the European Semester

13 December, 2011

Transport, Telecommunications and Energy Council (TTE)

Discussed the implementation of the "Digital Agenda", a "Europe 2020" flagship initiative, and underlined the necessity to complete the Digital Single Market by 2015, which is also emphasised in the Annual Growth Survey.

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Main points

- establish world-class broadband infrastructures and increase broadband penetration in Europe.
- create a truly competitive market for mobile roaming
- adopt legal acts regulating the mutual recognition of electronic signatures
- adopt a copyright regime that meets the challenges of the digital era
- promote a cloud-friendly Europe and e-commerce
- enable the creation of more start-ups in the area of information and communication technologies
 - stimulate the public sector information market
- complete the Digital Single Market by 2015