



Finland's EU Presidency

Helsinki 26 June 2006

Dear Colleagues,

On the eve of the Finnish Presidency of the European Union, we would like to inform you about the key issues in the field of social policy and employment within the Employment, Social Affairs, Health and Consumer Affairs Council. The Council will meet on these files on the 1st of December.

We have already sent you the invitations and background documents for our informal meeting in July in Helsinki. In the Council we will continue our discussions on the **challenges brought about by globalisation and the demographic changes**. These changes emphasize the importance of labour productivity as a factor enabling economic growth and the wellbeing of European citizens. Productivity can be increased by developing the quality of working life: improving management and work organization, developing employees' skills and competences and their involvement. Although the ageing of the population is putting pressure on the social systems of the Member States, it should at the same time be seen as an achievement and a possibility. Cross-sectoral co-operation is a key in responding to these challenges. The promotion of gender equality is crucial in securing the competitiveness of Europe. Our aim is to provide an opportunity to contribute to the guidelines on flexicurity, currently under preparation in the Commission, and to give the Council's input to the Commission Communication on demography that we are expecting after the summer break.

There is a pressing need to find a compromise on the revision of the **Working Time Directive**. In view of the decisions of the European Court of Justice on doctors' working hours the revised directive is important for ensuring the availability of doctors in the member states. Finland aims at an overall solution on the directive. This will require flexibility from all of us.

During the Finnish Presidency, the Commission is likely to issue a **Green Paper on the Future of labour law**. The paper will deal with new working methods and flexicurity in the labour market. It is our objective to provide the member states and the European social partners with an opportunity to exchange views on this theme.

Concerning the **Temporary agency work directive** we are waiting for the Commission to react to the recent developments of the services directive.

As to the **Globalisation Adjustment Fund** our target is that the Fund should be functional already towards the beginning of 2007. We are ready to work hard on this file.

Year 2006 is the **European Year on the Mobility of Workers**. Many obstacles still remain for the free movement of persons. The Presidency will continue the legislative work on the removal of these obstacles.

The issue of the **portability of supplementary pensions** is a very complex one. The Austrian Presidency succeeded in identifying the major outstanding issues of the proposed directive, namely the scope of the directive and the need of transitional periods, the level of harmonisation needed, transferability of funds and the role of the social partners. We should aim at a political agreement on this file as soon as possible. The challenge is to combine the promotion of mobility with the sustainability and stability of the pension schemes and the diversity of the situation in the Member States. In the Council's December meeting we will aim at finding this solution.

Also, the legal framework for the **coordination of the social security schemes** is a priority for us. Like Austria, Finland will aim at partial general approach on the chapter on pensions of the proposed regulation. At the same time we work at the practical level for the modernisation of the exchange of information between the member states on social security.

Decent working conditions offer the framework for increasing labour productivity and for innovations, also in the developing countries. Work carried out by the EU, the International Labour Organisation (ILO) and other international organisations offer the EU member states and the social partners a channel for promoting decent working conditions, labour productivity, and innovations in low productivity countries. On the basis of the Commission Communication on decent work, Finland aims to start a discussion regarding the ways in which the EU can promote decent work globally.

The first meeting of ASEM labour ministers in Potsdam (3-5 September), organised by Germany, gives the ASEM labour ministers the opportunity of providing impulses for **the 6th ASEM Summit** to be organised in Helsinki on 10-12 September 2006.

It is clear that in depth discussions are needed in order to clarify the definitions linked to **social services of general interest**, as stated in the Commission Communication of last spring. The balance between subsidiarity and competition rules is very delicate and requires further exploration. The Council will receive a progress report of the Social Protection Committee on this matter in its December meeting.

In the field of **health and safety at work** we are expecting a Commission proposal on the simplification of the reporting procedures. A quick handling of this matter is foreseen. The Commission is also due to give out its new strategy on health and safety for 2007-2012.

Gender equality plays a key role in the promotion of European competitiveness. Setting a **European Gender Equality Institute** will contribute to our common scientific basis on gender equality. Adopting the proposed regulation by the end of this year will enable the institute to begin its work early 2007 as planned.

The role of women in the society has seen major advances, especially in relation to political power in many countries. Women have also entered the labour market in great numbers, but a pay gap still persists and the number of women in leading economic positions remains alarmingly low. These issues will be discussed at the **Informal Meeting the Ministers for Gender Equality (6-7 October)**.

At the December Council we will discuss the relationship between **men and gender equality**, which is a relatively new theme in gender equality policy. Paying more attention to the

relationship between men and gender equality will increase men's contribution to the promotion of gender equality and will have a positive impact on the position of both sexes. Increased awareness of gender aspects will also facilitate avoiding stereotypical handling of men and women. The theme will be highlighted in an expert conference in October.

The role of social partners both at the national level and at the EU level is of vital importance for managing change, including flexicurity, as Europe faces the dual challenge of globalisation and ageing. **An extraordinary Social Summit** of the EU Presidency Troika and the European social partners will be held on 20 October 2006 in Lahti before the informal meeting of the heads of state and government.

Finally, we want to draw your attention to some events to be organised in Finland at the expert level but that are of importance for our deliberations in the Council:

- The interdependence of good quality working life and high productivity will be further discussed by the Employment Committee and at the conference "Towards higher productivity and better employment" in Espoo on 16-17 October.
- Community action on social inclusion will need to be evaluated as the Social Exclusion Programme will be replaced by the Progress Programme. This theme will be discussed in the 5th European Round Table on Poverty and Social Exclusion in Tampere on 16-17 October.
- The need to reform European Social policies in the globalized world and to understand more broadly what this means for the different Member States' social policy models will be debated at the conference "EU's Evolving Social Policy and National Models – Seeking a new Balance" in Helsinki on 9–10 November.

We will pursue the objectives laid down in this letter with particular emphasis on openness and transparency, effective decision-making and good quality legislation.

We look forward to working with you

Yours sincerely,



Tarja Filatov
Minister of Labour



Tuula Haatainen
Minister of Social Affairs
and Health