



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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- English language version of the French text which is authentic -

Brussels, 14 October 2015

TEXTE EN

MINUTES

of the 2141st meeting of the Commission

held in Strasbourg

(Winston Churchill)

on Tuesday 6 October 2015

(afternoon)

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Single sitting: Tuesday 6 October 2015 (afternoon)

The sitting opened at 13.16 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Ms GEORGIEVA	Vice-President	
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	Points 9 and 10
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	
Mr OETTINGER	Member	
Mr HAHN	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr ANDRIUKAITIS	Member	
Ms THYSSEN	Member	
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Ms BULC	Member	
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms VESTAGER	Member	
Mr MOEDAS	Member	

Absent:

Ms MOGHERINI	High Representative / Vice-President
Ms MALMSTRÖM	Member
Mr VELLA	Member
Mr AVRAMOPOULOS	Member
Mr MOSCOVICI	Member
Lord HILL	Member
Ms CREȚU	Member

(6 October 2015)

*- English language version of the French text which is authentic -*The following sat in to represent absent Members of the Commission:

Ms PANZETTI	A member of Ms MOGHERINI's staff
Mr CEBALLOS BARÓN	Deputy Chef de cabinet to Ms MALMSTRÖM
Mr NEALE	A member of Mr VELLA's staff
Ms ASTERIADI	Deputy Chef de cabinet to Mr AVRAMOPOULOS
Mr DELL	A member of Mr MOSCOVICI's staff
Mr KUCK	A member of Lord Hill's staff
Mr DZIECIOŁOWSKI	A member of Ms CREȚU's staff

The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PESONEN	Director-General, DG Communication	
Ms BERTAUD	Commission Spokesperson's Service	
Ms METTLER	Head of the European Political Strategy Centre	
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Ms DEJMEK-HACK	Adviser in the PRESIDENT's Office	
Mr SMULDERS	Chef de cabinet to Mr TIMMERMANS	Items 1 to 8 (in part)
Mr SZAPIRO	A member of Mr ŠEFČOVIČ's staff	Items 1 to 8
Mr SUARDI	Deputy Chef de cabinet to Mr DOMBROVSKIS	Items 8 (in part) to 10
Ms MADSEN	A member of Mr KATAINEN's staff	Points 9 and 10
Mr HERMANS	Chef de cabinet to Ms THYSSEN	Points 9 and 10
Mr HUSAK	Chef de cabinet to Ms BIENKOWSKA	
Ms NIKOLAY	Chef de cabinet to Ms JOUROVÁ	Items 1 to 8 (in part)

Secretary: Mr ITALIANER, Secretary-General, assisted by Mr AYET PUIGARNAU,
Director in the Secretariat-General.

1. AGENDAS

(OJ(2015) 2141/FINAL; SEC(2015) 386/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2015) 2141)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 5 October.

3. MINUTES OF 2140TH MEETING OF THE COMMISSION (30 SEPTEMBER)
(PV(2015) 2140)

The Commission approved the minutes of its 2140th meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2015) 77)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 2 October (RCC(2015) 77).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Council dossier

(point 3.3 of the IRG record)

- Amendment of Directive 2011/16/EU concerning the mandatory automatic exchange of information in the field of taxation (Council Directive) – FERBER report – 2015/0068 (CNS)

The Commission approved the line set out in SI(2015) 364/2.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

ii) Programming of Council business

(SI(2015) 380)

The Commission took note of the information in SI(2015) 380 on the Council meetings between 8 and 21 October.

iii) Non-legislative dossiers

(point 4.1 of the IRG record)

- International Organisation of Vine and Wine (OIV) – Draft Council conclusions concerning the particular status of the European Union.

The Commission approved the line set out in SI(2015) 373.

- EU Horn of Africa Strategic Framework – Regional Action Plan 2015-2020

The Commission took note of the information in SI(2015) 375 and /2.

- The position to be adopted, on behalf of the European Union, in the sixty-sixth session of the Executive Committee of the Programme of the

United Nations High Commissioner for Refugees (Council Decision) – 2015/0237 (NLE)

The Commission approved the line set out in SI(2015) 378.

- Fourth Railway Package (market pillar) – Amendment of Regulation (EC) 1370/2007 concerning opening the market for domestic passenger rail transport services (Regulation) – VAN DE CAMP report – 2013/0028 (COD) / Amendment of Directive 2012/34/EU of the European Parliament and the Council of 21 November 2012 establishing a single European railway area, concerning opening the market for domestic passenger rail transport services and governance of the railway infrastructure (Directive) – SASSOLI report – 2013/0029 (COD)

The Commission approved the line set out in SI(2015) 372/3.

4.3. RELATIONS WITH PARLIAMENT

iv) Non-legislative dossiers – Preparations for October I part-session (point 5.1 of the IRG record)

- Oral question O-000113/2015 – Emissions measurements in the automotive sector

The Commission took note of SP(2015) 585.

- Oral question O-000083/2015 – Implementation of Article 20(2) of the Services Directive and Article 8(3) of the Consumer Rights Directive

The Commission took note of document SP(2015) 589/3.

- Oral question O-000097/2015 – Lessons learned from the red mud disaster, five years after the accident in Hungary

The Commission took note of SP(2015) 587.

- Oral question O-000110/2015 – The renewal of the EU Action Plan on Gender Equality and Women's Empowerment in Development

The Commission took note of SP(2015) 588.

4.4. OTHER MATTERS

v) Energy Charter Treaty

(point 7.1 of the IRG record)

The Commission approved the line set out in SI(2015) 370/2.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2015) 387 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 28 September and 2 October.

5.2. EMPOWERMENT

(SEC(2015) 388 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 28 September and 2 October.

5.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2015) 389 ET SEQ)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 28 September and 2 October, as archived in Decide.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2015) 390)

The Commission took note of the sensitive written procedures for which the time limit expired between 5 and 9 October.

6. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2015) 391)

ADMINISTRATIVE MATTERS

(PERS(2015) 94)

6.1. DG RESEARCH AND INNOVATION – APPOINTMENT OF AD14/15 DIRECTOR

(PERS(2015) 29 TO /3)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director, ‘Innovation Union and European Research Area’, in DG Research and Innovation (PERS(2015) 29).

It took note of the opinions of the Consultative Committee on Appointments of 11 and 25 June (PERS(2015) 29/2 and /3).

The Commission proceeded to compare the applicants’ qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Ms GEORGIEVA, in agreement with the PRESIDENT and

after consulting Mr MOEDAS, as well as Mr ANSIP, Mr DOMBROVSKIS, Mr KATAINEN and Mr ŠEFČOVIČ it decided to appoint Mr Peter DRÖLL to the post.

This decision would take effect on 16 October 2015.

6.2. DG MIGRATION AND HOME AFFAIRS – AMENDMENT OF THE ORGANISATION CHART AND APPOINTMENT OF AN AD15 PRINCIPAL ADVISOR

On a proposal from Ms GEORGIEVA, in agreement with the PRESIDENT and after consulting Mr AVRAMOPOULOS and Mr TIMMERMANS, the Commission decided:

- to approve the creation of a temporary post of principal adviser in the Directorate-General for Migration and Home Affairs, directly attached to the Director-General; this post would be abolished upon departure of the job holder;
- to fill this post by transferring, in the interest of the service under Article 7 of the Staff Regulations, Mr Alain SCRIBAN, currently principal advisor to the Directorate General for Human Resources and Security, attached to the Structural Reform Support Service.

These decisions would take effect on a date to be fixed later.

6.3. DG HUMAN RESOURCES AND SECURITY – AMENDMENT OF THE RULES OF PROCEDURE OF THE CONSULTATIVE COMMITTEE ON APPOINTMENTS

In order to ensure the smooth running of the Consultative Committee on Appointments, the Commission, on a proposal from Ms GEORGIEVA, in agreement with the PRESIDENT, decided to add the following paragraph to

Article 8(2) of the Rules of Procedure of the Consultative Committee on Appointments:

'When convening for matters referred to in Article 1(1) in the Rules of Procedure of the Consultative Committee on Appointments relating to a function of Director-General or their equivalent, the Head of the President's Cabinet may in exceptional circumstances be replaced by the Deputy Head or the Director of Coordination and Administration of the President's Cabinet. In this case, the provision in Article 8(3) shall not be applicable.'

This decision would take effect immediately.

**7. JOINT CONSULTATION PAPER OF THE COMMISSION AND OF THE HIGH REPRESENTATIVE OF THE EUROPEAN UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY – TOWARDS A NEW PARTNERSHIP BETWEEN THE EUROPEAN UNION AND THE AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES AFTER 2020
(JOIN(2015) 33 AND /2; RCC(2015) 76)**

The Commission approved the Joint Consultation Paper set out in JOIN(2015) 33/2 for transmission to the Council and, for information, to the European Parliament, the European Economic and Social Committee, the Committee of the Regions and the national parliaments.

8. OTHER BUSINESS

8.1. OUTCOME OF THE MEETING BETWEEN THE PRESIDENT AND MR RECEP TAYYIP ERDOĞAN, PRESIDENT OF TURKEY (BRUSSELS, 5 OCTOBER)

The PRESIDENT gave an account of his meeting the previous day with the President of the Republic of Turkey, Mr Recep Tayyip Erdoğan. The meeting had mainly revolved around cooperation between the European Union and Turkey for managing the migration crisis and the influx of refugees from Syria and Iraq.

The discussion had focused on a joint draft action plan submitted by the EU to the Turkish President. The document, handed out during the meeting, provided, among other things, for European funds to be mobilised and for the EU to take in refugees arriving in Turkey. It also included setting up reception centres for asylum seekers in Turkey.

The PRESIDENT praised Turkey's substantial role and humanitarian effort in this crisis. There were currently 2.2 million Syrian and Iraqi refugees in the country and the Commission intended to lend its support. The PRESIDENT stressed that Turkey was part of the solution to the current migration crisis. He therefore invited the Members of the Commission most directly concerned to establish contacts with the Turkish authorities in order to help reach an agreement on this sensitive and complex issue.

In its proposal of 9 September the Commission had recommended a series of measures to implement the European Migration Agenda as soon as possible. At the upcoming European Council meeting on 15 and 16 October, the Commission would now be presenting a review of the emergency measures already taken, the measures yet to be taken, including at the level of the

Member States, and the arrangements put in place to improve cooperation with third countries in this area.

Mr HAHN noted that the Commission had already launched technical negotiations in Ankara on the action plan on migration. He agreed that relations with the Turkish authorities should be intensified in the run-up to the meeting of the European Council. Nonetheless, he also observed that the current climate was particularly sensitive since Turkey was in the midst of an election campaign on the one hand, and the Commission was preparing to present – at a time to be chosen by the PRESIDENT – the reports on progress achieved by candidate countries or potential candidate countries, on the other.

Mr HAHN noted that the conditions for the financial support to Turkey and the other third countries particularly affected by the influx of refugees, proposed by the EU in its draft action plan, were still being discussed with the Turkish Government. Once these had been approved, the Commission would be ready to implement them immediately.

The PRESIDENT stressed the need to reach an agreement on the action plan with Turkey as soon as possible, particularly since Member States keen to stem the influx of refugees into the EU were pushing in that direction. He called upon the Members of the Commission to contribute actively to the efforts to be made over the coming days in order to obtain a political solution before the European Council meeting.

Mr STYLIANIDES added that, from a humanitarian point of view, the priorities for alleviating the crisis facing Turkey were to emphasise the needs of refugees in terms of education and of local staff in terms of training, and to rely on the on-the-ground experience of international organisations and United Nations agencies present in the country to ensure coordination of the aid.

Ms GEORGIEVA, for her part, noted the financial support the Commission had proposed to set aside from the EU budget to contribute to managing the refugee crisis, including in Turkey, Lebanon and Jordan. She fully supported the idea of investing in education, particularly in order to give new hope to the young generation of refugees. She sincerely hoped that Member States would also participate in the financial effort and contribute to the assistance to the third countries which were the first to have to take in the refugees.

The PRESIDENT concluded the discussion by stating that he was willing, on this last issue, to explore different avenues to make this hope a reality, and by calling upon the Members of the Commission concerned to collect figures to underpin these possible new initiatives.

The Commission took note of this information.

8.2. JUDGMENT OF THE COURT OF THE EUROPEAN UNION OF 6 OCTOBER 2015 ON COMMISSION DECISION 2000/520/EC ON THE LEVEL OF PROTECTION ENSURED BY THE UNITED STATES OF THE TRANSFER OF PERSONAL DATA UNDER THE SAFE HARBOUR SCHEME (CASE C-362/14 – SCHREMS)

Mr TIMMERMANS referred to the judgment delivered that day by the Court of Justice of the European Union which invalidated a Commission decision adopted in 2000 on the notion of ‘Safe Harbour’ (Commission Decision of 26 July 2000 pursuant to Directive 95/46/EC of the European Parliament and of the Council on the adequacy of the protection provided by the safe harbour privacy principles and related frequently asked questions issued by the US Department of Commerce).

He noted that, in this decision, adopted by virtue of the Directive on the protection of individuals with regard to the processing of personal data and on the free movement of such data (Directive 95/46/EC), the Commission

concluded that the United States provided an adequate level of protection of personal data transferred from the EU under the Safe Harbour scheme.

He briefly reiterated the facts that gave rise to the judgment: an Austrian citizen, Mr Maximilian Schrems, a Facebook user since 2008, had lodged a complaint with the competent Irish data protection authority since the data he submitted to Facebook was transferred from Facebook's Irish subsidiary to servers located in the United States for processing. The complainant considered that in view of the revelations made by Mr Edward Snowden in 2013 on the activities carried out by American intelligence services (in particular the National Security Agency – NSA), United States law and practices did not provide sufficient protection against surveillance by the public authorities of the data transferred to that country.

Without going into the details of the case or the judgment, he noted that, according to the Court, the Commission was required to establish that, by reason of its domestic law or the international commitments it had entered into, the United States effectively ensured a level of protection of fundamental rights that was essentially equivalent to that guaranteed within the European Union by virtue of the Data Protection Directive, read in the light of the Charter of Fundamental Rights. However, the Court found that the American safe harbour regime allowed the US public authorities, for reasons of national security, public interest, or US law enforcement, to infringe people's fundamental freedoms, without according them the benefits of effective legal protection and recourse against such infringements.

He completed this brief presentation by stressing that, according to the Court, there was no provision in the Commission decision to prevent the national authorities from taking steps in accordance with the European Charter of Fundamental Rights and Directive 95/46/EC to monitor transfers of personal data to third countries that had been the subject of a Commission decision.

Mr TIMMERMANS then turned to the political interpretation of the judgment issued by the EU Court of Justice that day. He saw it as an important step in upholding the fundamental European right to the protection of personal data and the need to create a framework of robust safeguards surrounding the transfer of the personal data of European Union citizens.

He also saw the judgment as confirming the approach adopted by the Commission for renegotiating the safe harbour regime with the American authorities in order to safeguard these data transfers. This judgment would encourage the Commission to push ahead with the current work on redefining a secure framework for the transfer of personal data across the Atlantic.

In the meantime, data flows between companies could continue via other international transfer mechanisms which already existed under European data protection law.

The Commission's priorities at this stage were to ensure the protection of personal data transferred to the United States, to enable these transfers to continue, with appropriate safeguards, given their importance to the European Union's economy, and to ensure the consistent application of EU law throughout the internal market.

Finally, the Commission would issue clear recommendations to the national data protection authorities on how to deal with requests for data transfers to the United States in the light of the Court judgment. Given that the public needed robust safeguards and firms needed legal certainty, these recommendations should prevent the national supervisory authorities from adopting inconsistent decisions when enforcing European data protection legislation in the Member States.

Ms JOUROVÁ for her part stated that the Commission would continue its talks with the American authorities and pointed out that, in the wake of the

revelations connected with the Snowden affair in 2013, she had already issued specific recommendations on ways of making the safe harbour regime more secure.

Important progress had been made in revising this regime since 2013, and she welcomed the fact that the Court of Justice judgment would make it possible to consolidate these measures and speed up the discussions on tightening up the security of transatlantic data transfers.

For the time being, European data protection rules offered other mechanisms, such as standard clauses in contracts between companies and binding rules on data transfer within corporate groups, which would allow secure international data transfers to continue.

She confirmed that the Commission intended to work closely with the national data protection authorities in the Member States in order to avoid any fragmentation of the internal market. She was also willing to provide information to businesses on ways of facilitating personal data transfers in the wake of the Court of Justice judgment.

In conclusion, Ms JOUROVÁ referred to the progress being made on the one hand in reforming personal data protection in the Union and, on the other, towards the framework agreement on data protection between the European Union and the United States in the law enforcement sector, which would be completed in 2015 and which specifically sought to strengthen the safeguards that applied.

At the PRESIDENT's invitation, the Director-General of the Legal Service addressed the meeting, reminding Members that under the Treaty of Lisbon and the European Charter of Fundamental Rights, the Court of Justice was the guarantor of fundamental rights in the European Union. In the judgment issued that day, the Court held that a fundamental right – the right to the

protection of personal data – had been restricted in the safe harbour regime and the restriction in question had been disproportionate.

In addition to the aspects already mentioned, he spoke of the difficulty in the negotiations with the US authorities on the safe harbour regime of establishing recourse mechanisms.

Finally, he singled out an important point of the judgment relating to the duty to ensure a level of protection of personal data that was not merely adequate but was equivalent to that guaranteed within the European Union.

A brief discussion followed in the course of which the following main points were raised: (i) the need to continue the reform of European data protection law, (ii) the case for working with the US authorities to find ways of remedying the shortcomings identified by the Court of Justice judgment, (iii) the importance of making it clear that data protection in the United States was governed by state law, not federal legislation, (iv) similarly, the fact that the United States and Europe had different ideas about what could be done with personal data, and finally (v) an insistence on the fact that data transfers would continue, but also the need to explain to European businesses, and SMEs in particular, how to comply with the judgment in their data transfers to the United States.

The PRESIDENT concluded the discussion by thanking Mr TIMMERMANS and Ms JOUROVÁ for their analysis.

The Commission took note of this information.

8.3. COMMISSION OPINION ON THE DRAFT BUDGETARY PLAN OF SPAIN FOR 2016 IN ACCORDANCE WITH ARTICLE 7 OF REGULATION (EU) 473/2013 ON COMMON PROVISIONS FOR MONITORING AND ASSESSING DRAFT BUDGETARY PLANS AND ENSURING THE CORRECTION OF EXCESSIVE DEFICIT OF THE MEMBER STATES IN THE EURO AREA

At the PRESIDENT's request, Mr DOMBROVSKIS presented the draft Commission opinion on the Budgetary Plan of Spain for 2016, drawn up in accordance with Article 7 of Regulation (EU) 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area.

This draft opinion was the subject of a written procedure (PE/2015/6958) for which the time limit expired on 6 October at 15.00.

Because of the general elections planned for 20 December, the Spanish government had requested the Commission's opinion on its budgetary plan for 2016 before the deadline set for all the euro-area Member States, since it wished the Spanish parliament to adopt the 2016 budget before the end of the current parliamentary term and the suspension of its activities.

With regard to the content of the draft opinion submitted to the College, according to the Commission's analysis the figures put forward by the Spanish government risked not allowing Spain to meet the criteria of the Stability and Growth Pact at the end of 2016. He added that owing to time constraints the data supporting these figures were not complete, meaning that the government resulting from the general election would have to submit an updated budgetary plan. Mr DOMBROVSKIS also noted in conclusion that even before its formal adoption by the Commission, the draft opinion had been commented on at the end of the Eurogroup meeting on the previous day, and

meanwhile significant additional information had been notified by the Spanish authorities.

In the light of the above, the PRESIDENT stated that in agreement with the Members of the Commission responsible, it was decided that the written procedure under way (PE/2015/6958) would be suspended; the Commission would return to it later.

The Commission took note of this information.

9. POLICY DEBATES ON LABOUR MOBILITY AND A EUROPEAN PILLAR OF SOCIAL RIGHTS

(SEC(2015) 398; SEC(2015) 399; RCC(2015) 78)

10. POLICY DEBATE ON A DEEPER AND FAIRER INTERNAL MARKET FOR THE 21ST CENTURY

(SEC(2015) 397; RCC(2015) 78)

The PRESIDENT opened the policy debate with a suggestion that the three topics – labour mobility, a European pillar of social rights, and the strategy to be followed to deepen the internal market and make it fairer – should be examined together, in so far as they complemented one another and formed a whole based on the same rationale. He therefore invited Mr DOMBROVSKIS and Ms THYSEN to present the first two topics, and Mr KATAINEN and Ms BIENKOWSKA to present the third, before starting the discussion.

Mr DOMBROVSKIS pointed out that this policy debate raised issues at the heart of the European project since, thanks to the internal market, the citizens of the Union had in the past few decades benefited from increasing income, better living

conditions and higher levels of social protection. He also observed that freedom of movement was an integral part, as well as a symbol, of European integration.

However, these achievements were now being challenged by a crisis which had caused unemployment to shoot up and had aggravated inequalities, to the point where there was resistance to freedom of movement for workers in spite of the advantages this brought.

He therefore considered it necessary to re-launch a process of upward convergence by encouraging the best practices for stimulating employment and growth. In his view a global approach should be used, consisting of promoting flexibility and effective but sustainable social protection whilst raising the level of education and resolving the current problems of inadequate skills with regard to the needs of the market. He also stressed that social justice should be a cross-cutting priority for the Commission in implementing its agenda.

There were two important matters to be dealt with that day as part of the policy debate: the first was addressing the challenge of freedom of movement and the posting of workers by applying the principle of 'the same pay for the same job in the same place', as set out by the PRESIDENT in his speech on the state of the Union; and the second was the need to avoid a 'brain drain', for example by encouraging skilled migrants to return to their countries.

With regard to the European pillar of social rights, Mr DOMBROVSKIS considered that there should be a decision as to which fields should be focused on and what means used to promote these social rights.

The Five Presidents' Report – by the European Commission, the Euro Summit, the Eurogroup, the European Central Bank (ECB) and the European Parliament – on the means for completing the European economic and monetary union (EMU) recommended developing social rights in areas relating to balancing flexibility and security in employment contracts, to personalised assistance for the unemployed and

to improving qualifications in line with market needs. With regard to implementation, the same report recommended modernising the existing *acquis* without adding new regulatory constraints, and implementing a process of convergence in the field of employment and social policy performance based on the current best practices, drawing for this purpose on existing political instruments, in particular the European Semester. He considered that in this context, the European Semester was the right governance instrument. Finally, he suggested examining the best ways to cooperate with social partners.

Mr DOMBROVSKIS concluded his presentation by highlighting the importance of moving forward simultaneously on the two fronts of economic growth and social progress, which he considered to be inextricably linked, to regain the trust of citizens in Europe.

Ms THYSSEN welcomed the 'integrated' approach chosen for this policy debate, emphasising that the issue of labour mobility and the goal of a European pillar of social rights were central pillars in deepening the internal market. She stressed the need to involve European citizens so that this political project would be perceived as a source of opportunities, whether for entrepreneurs, consumers or workers, by guaranteeing conditions for fair competition and the protection required.

With regard to the first pillar, she explained the package of measures on mobility she would be tabling by the end of the year. Firstly, there would be a general communication evaluating the *de facto* situation as regards labour mobility in the Union and highlighting the benefits of mobility. Although situations varied from one Member State to another, she was convinced that it was best for all of them to address this issue as part of a common approach.

Secondly, she hoped to be able to submit a legislative proposal amending the EU rules on coordination of social security. This amendment would have four main aims: (i) to modernise the existing framework to take better account of recent

significant changes in the Member States' social security systems, (ii) to introduce an explicit distinction between workers, job seekers and the economically inactive, based on recent Court of Justice case law, which upheld the fundamental principle that the right to freedom of movement does not give automatic entitlement to social benefits, (iii) to ensure that the current rules on unemployment benefit and family allowances were fair to all the stakeholders and propose changes if necessary, and (iv) to help cut red tape and promote more effective coordination between the national authorities concerned.

Thirdly, she referred to the targeted review of the Posting of Workers Directive, as announced by the PRESIDENT in his policy guidelines. Following the wide-ranging consultation she had carried out on this sensitive issue, her main aim was to ensure that the existing rules were clear, fair and applied on the ground, thereby applying the principle of 'the same pay for the same job in the same place'. She spoke of the discussion under way on possible ways of improving the working conditions of posted workers.

Turning to the second pillar, she then explained the work aimed at establishing a European pillar of social rights to guarantee adequate protection for workers and encourage upward convergence of the Union's social policy, which she felt was essential in order to win back people's trust. Specifically, she proposed using all the instruments that the Commission had at its disposal: coordination of economic policies, legislation and smart deployment of structural funds and European investment funds. The work in this area was exploring two ways forward: developing a set of benchmarks, and updating the existing legislation on social and employment issues.

Mr KATAINEN confirmed that labour mobility and the coordination of social policies had a central role in the broader context of the Commission's overall strategy for achieving the objective of a deeper and fairer internal market. He reported on the progress made in drawing up the strategy, aimed above all at better

equipping the Union to enable it to address the challenges facing EU industries, companies and also consumers in the 21st century and to take maximum advantage of the internal market.

He emphasised in particular the horizontal nature of this future strategy, which would bring together the measures implemented under the different sectoral policies with a view to deepening the internal market. He cited as an example the measures taken in the context of the current Commission's main political priorities, such as the Investment Plan for Europe, the digital single market, energy unions and capital markets, and the circular economy. He also put into perspective the measures aimed at making the internal market fairer, such as the Commission's action plan on corporate taxation and actions relating to labour mobility.

With regard to the priority measures proposed, he observed that they were designed to promote growth and development for small and medium-sized enterprises (SMEs) and start-ups, encourage innovation, free up investment and strengthen the position of consumers. Implementing these measures could enable a qualitative leap that could overcome a number of structural barriers preventing the completion of the internal market.

In conclusion, he said that he looked forward to hearing the thoughts of the Commission Members, in particular concerning how ambitious the measures should be and what other measures they considered should be included in the priority actions.

Ms BIENKOWSKA stressed the highly specific nature of the strategy outlined, detailing the three main strategic points on which the proposed priority actions were based: industrial modernisation, innovation, and monitoring the application of EU legislation.

On the last point, she called for a more strategic approach in order to encourage more systematic conformity with legislation. In a rule-governed framework such as the EU, stronger monitoring of the application of legislation was essential.

She dwelt in particular on the problem of the circumvention of internal market rules by certain companies operating in the Union, pointing out that the Commission should have investigative powers to obtain information on the general functioning of the markets. This was borne out by the recent case concerning vehicle pollutant emissions.

With regard to industrial modernisation, it was necessary, with reference to cross-border sales, to put an end to all forms of unjustified discrimination on the basis of the consumer's nationality or place of residence. She stressed that, with a view to a fairer internal market, European consumers should, in most cases, be offered the same conditions of access and the same prices throughout the EU. This principle applied to both online and offline sales. With regard to services, she emphasised the considerable potential of the passport for firms, which would greatly facilitate the cross-border provision of services.

As regards promoting innovation, there was an urgent need to create a framework more favourable to the growth and development of SMEs and start-ups. In addition to the measures set out in the background note, she proposed a highly ambitious approach in order to create a true 'start-up culture' in Europe, which she regarded as essential for boosting the European economy.

In the course of the discussion that followed, the Commission raised the following main points:

- the need for this policy debate to address the subjects of all three background notes, which were closely linked: labour mobility, a European pillar of social rights and the best strategy for achieving a deeper and fairer internal market;

- support for the idea of encouraging labour mobility in the internal market while basing this policy on equity;
- a call to make a clear case based on objective data to challenge stereotypes and misconceptions surrounding labour mobility and to include a strong argument to this effect in the forthcoming main communication; a mention of political divisions on this issue among the Member States; against this background, a call to reflect on the presentation of the upcoming ‘labour mobility package’ coinciding with the migrant crisis;
- a reminder of the proven benefits of labour mobility on productivity;
- approval of the suggestion to include a targeted revision of the Posting of Workers Directive in the ‘labour mobility package’, addressing the issue of social dumping; the importance of a common basis for interpretation of these rules; however, in order to rally support, a call to leave the Member States room for manoeuvre to allow them to take into account their own national traditions in the field of social security;
- the need to promote the application of the principle ‘the same pay for the same job in the same place’ for posted workers, but also to bring the terms of temporary work contracts into line with those of permanent contracts;
- support for a proposal on the coordination of social security systems, while taking into account the recent case-law of the Court of Justice of the European Union;
- with regard to the idea of a basic European set of social rights, support for highlighting the place that must be given to education and qualifications, which were also factors for equity;
- support for the idea of an ambitious strategy to deepen the internal market; the

contribution that could be made by EU sectoral policies;

- support for the search for means to enhance the measures that contributed towards the complete and correct implementation of the internal market rules; how this could restore consumer confidence; the substantial progress made by monitoring the implementation of EU product legislation;
- the firm line that the Commission must take, in particular with regard to infringement proceedings; the consideration it should give in the medium term to increasing the means at its disposal for enforcing the implementation of the internal market rules;
- a discussion on the reasons that had led to an incorrect application of the Services Directive;
- the importance of stressing the provisions specific to start-ups in terms of access to markets, investors and venture capital; support for the promotion of a second chance programme for start-ups on a European level; a mention of the Commission initiatives concerning start-ups, starting with the Investment Plan for Europe;
- the case for using the instruments of the REFIT programme for regulatory fitness and performance to identify the obstacles that SMEs in particular encountered in the internal market;
- the value of taking into account the emergence of new economic models and the suggestion, in particular, of a more ambitious approach to the sharing economy; likewise, approval for the idea of using new information tools in the markets;
- the possibility of including a priority measure for non-agricultural geographical indications.

Mr KATAINEN thanked the Members of the Commission for their comments. He referred in particular to the value of emphasising skills and developing a ‘Skills Agenda’ in order to do this. He agreed that it was important to support start-ups, which was why the strategy for a deeper and fairer internal market was expected to include initiatives on venture capital, geo-blocking and copyright. He also stressed the need to give entrepreneurs and start-ups a ‘second chance’, as well as the opportunities for financing created by the European Fund for Strategic Investments (EFSI). He believed that this level of support for start-ups and SMEs was unprecedented.

Ms THYSEN also thanked the Members of the Commission for their contributions, which she would draw on in her future proposals, emphasising that these sensitive issues called for balanced and targeted responses.

In particular, she took away from the day’s discussion the College’s support for the idea of launching a revision of the Posting of Workers Directive, while noting that the Member States, which were responsible for policy and social security in particular, should be left room for manoeuvre in order to promote labour mobility. More generally, she stressed that providing the right degree of protection would make it possible to regain the trust of everyone concerned, especially in the context of the current migrant crisis, which was intensifying citizens’ anxiety.

In the context of the debate on the internal market in the 21st century, Ms BIENKOWSKA reiterated the need, in her view, to offer European start-ups conditions that would allow them to catch up with their American counterparts in particular and to develop on a European-wide scale.

The PRESIDENT concluded by warmly thanking Mr DOMBROVSKIS, Ms THYSEN, Mr KATAINEN and Ms BIENKOWSKA for their presentations on these subjects, which in his view deserve the utmost attention, as he indicated in his State of the Union address before the European Parliament on 9 September.

He expressed his support for all the policy guidance that had emerged from the day's discussion. Without hiding the fact that it would be difficult, he particularly supported the idea of opening a discussion with the Member States on effective ways to combat social dumping, which was an issue that undermined citizens' support for the European project. In terms of deepening the internal market, he reminded the meeting of the difficult policy debate that had taken place at the time of adoption of the 'Bolkestein' Services Directive, and stressed that the guiding principle must be that of equity, as he considered that the current Commission would be judged on its social record. He hoped therefore to be very closely involved in all the proposals that would soon be drafted.

Ms GEORGIEVA took the opportunity to announce the creation of a 'social service day' in which Commission officials would be able to participate. She also thanked the officials for their contribution to the fundraising for refugees organised within the institution.

The PRESIDENT wound up the policy debate and invited the College to meet in a few weeks' time to examine the first proposals resulting from the discussion.

The Commission took note of the results and conclusions of the policy debate, as well as background notes SEC(2015) 398 and SEC(2015) 399, distributed under the authority of Mr DOMBROVSKIS and Ms THYSEN, and SEC(2015) 397, distributed under the authority of Mr KATAINEN and Ms BIENKOWSKA.

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The meeting closed at 15.00.