



*European Economic and Social Committee*

**SOC/494**  
**Strengthening the social  
dimension of the Economic  
and Monetary Union**

Brussels, 17 October 2013

**OPINION**

of the

European Economic and Social Committee

on the

**Communication from the Commission to the European Parliament and the Council –  
Strengthening the social dimension of the Economic and Monetary Union**

COM(2013) 690 final

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Rapporteur-General: **Georgios Dassis**

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On 4 October 2013 the Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

*Communication from the Commission to the European Parliament and the Council –  
Strengthening the social dimension of the Economic and Monetary Union*  
COM(2013) 690 final.

On 17 September 2013 the Committee Bureau instructed the Section for Employment, Social Affairs and Citizenship to prepare the Committee's work on the subject.

Given the urgent nature of the work, the European Economic and Social Committee appointed Mr Georgios Dassis as rapporteur-general at its 493rd plenary session, held on 16 and 17 October 2013 (meeting of 17 October), and adopted the following opinion by 157 votes to 3 with 19 abstentions.

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## 1. **General comments**

- 1.1 The unprecedented economic and financial crisis, which has hit Member States of the Eurozone particularly hard, has also exposed structural weaknesses in Europe in general. It has shown a clear link between high unemployment rates, pressure on national budgets, social decline and social unrest. While accepting that national budgets have to be in balance, reductions have had negative effects on education, active labour market policies and social welfare. Increased unemployment and poverty are having a negative impact on the skills and employability of the workforce. It also affects companies' ability to grow and create jobs, which in turn is undermining recovery.
- 1.2 The Union is witnessing the proof in some of the most hard-hit countries that the economic and social crisis also has become a political crisis, where extremist and undemocratic political movements are on the rise. The need to counterbalance this trend is a matter of utmost urgency, through concrete actions at European, national and local level.
- 1.3 The internal market should be an economic and a social project. It has contributed to building employment and prosperity in all EU Member States. Completing the internal market and enhancing efficiency and social cohesion against the background of the Europe 2020 strategy is essential to enable Europe to exit from the crisis more rapidly.
- 1.4 It is against this background that the Committee has examined with considerable interest the Commission Communication as a first contribution to the upcoming European Council

discussions and decisions on reinforcing the social dimension of European Economic and Monetary Union.

- 1.5 It calls on the Commission to update and reinforce its policy in the light of these discussions, in order to make further progress, notably on the pro-active use of employment and social inclusion indicators.
- 1.6 The Committee has consistently supported measures to enhance social investment, a greater targeting of European funds to sound employment and social policies, a dedicated youth employment initiative and youth guarantee scheme, and better cross-border mobility. It therefore welcomes the increased attention brought to these policy areas. It also welcomes the foreseen strengthened social dialogue as part of the European Semester process.
- 1.7 The Committee shares the Commission view that a reinforcement of the social dimension would help Member States realise their potential in terms of employment growth, improving social cohesion and in preventing greater disparities. It particularly supports the idea to step up closer surveillance of employment and social imbalances within the EMU through a systematic monitoring of rates of unemployment, of young people not in employment or training or education, of household income, poverty and inequality.
- 1.8 The proposed *scoreboard* of employment and social imbalances based on key indicators and thresholds should therefore pro-actively detect asymmetric developments and spillover into overall economic performance. This monitoring system should trigger where required a timely and effective adjustment mechanism and policy response, as is the case for similar economic and financial imbalances. The Committee consequently shares the European Council view of 27-8 June 2013 that the envisaged framework of social and employment indicators is a "first step" towards a more comprehensive social dimension of the EMU<sup>1</sup>.
- 1.9 The Committee has played its consultative role in the build-up to the upcoming European Council discussions through its opinion of 22 May 2013<sup>2</sup> and reiterates its call for a further strengthening of the social dimension of the EMU.

## 2. **Specific comments**

- 2.1 In its communication, the European Commission proposes a number of initiatives to strengthen the social dimension of the EMU with a particular focus on three points:
- Reinforced surveillance of employment and social challenges and policy coordination
  - Enhanced solidarity and action on employment and labour mobility
  - Strengthened social dialogue.

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<sup>1</sup> European Council Conclusions – 27/28 June 2013, EUCO 104/13, point 14 (c).

<sup>2</sup> [OJ C 271, 19.9.2013, p. 1-7.](#)

- 2.2 The Committee agrees with the need to strengthen the social dimension of the EMU and would like to highlight the following:

**On reinforced surveillance of employment and societal challenges and policy coordination**

- 2.3 EU fiscal consolidation and economic governance cannot be sustained without equivalent forms of social consolidation and social governance. Current "spreads" in European social divergences undermine recovery, growth and cohesion. The EESC argues that the European semester must include employment and social inclusion benchmarks within the same surveillance framework as that governing economic coordination and structural reforms. Quantifiable employment and social targets must match debt and deficit targets, with similar adjustment and solidarity mechanisms to redress social imbalances and promote social investment.
- 2.4 The EESC recognises that economic renewal and social investment by the EU and Member States requires more than formal governance structures and statutory mechanisms. This is why organised civil society and individual European citizens have a stake and a role to play in their own right. Participatory ownership of the European project is paramount.
- 2.5 However, the Committee also underlines that sustainable social improvements require that structural problems in Member States are tackled at source. Global competitiveness, economic growth and a strong social dimension are key elements to get Europe out of the crisis. The recently proposed social policy indicators must be used to strengthen the short term and long term reforms.

**On enhanced solidarity and action on employment and labour mobility**

- 2.6 As the Commission argues in its Communication, cross-border labour mobility is an important element in preserving employment and competitiveness and to creating new jobs to replace those lost due to economic restructuring.
- 2.7 In order to further reduce the existing barriers to labour mobility, additional measures should be adopted to make easily understandable information on labour and social law available to mobile workers in their respective national languages. Workers should also have a specific right to advice. The relevant advice facilities should work closely with the social partners and EURES, ensuring that mobile workers are informed about social and legal conditions in the host countries before they leave their countries of origin.
- 2.8 Social investment helps people. It strengthens their skills and capacities and helps them participate in society and the labour market, in turn leading to greater welfare, stimulating the

economy and helping the EU to emerge from the crisis stronger, more cohesive and more competitive.

- 2.9 Targeted social investment not only brings about social progress whilst increasing competitiveness. Particularly in times of unprecedented, dramatic unemployment and increasing poverty, investment in the welfare state also plays a critical role in strengthening social cohesion and integration and in tackling social exclusion and poverty. Such investment spending must guarantee efficiency.
- 2.10 The EESC clearly stresses that the social dimension of the EMU needs clear instruments, indicators and qualitative and quantitative objectives that are as effective as the economic and financial obligations of the EMU. It also advises the European Council that if there is insufficient consensus or political will for such a revitalised EU social dimension, the EESC would propose the option of enhanced cooperation within the EMU, with own financial resources, a supplementary Social Fund, a Social Progress Pact and social standards, objectives and stabilizer mechanisms matching the fiscal, budgetary and monetary stabilizer mechanisms.

#### **On strengthened social dialogue**

- 2.11 The Committee takes a positive view on the proposals from the Commission to improve the involvement the social partners in the coordination of economic and employment policies at European level. Social dialogue plays an important role at all levels. It contributes to solutions, which reflect the views of both employers and workers and also builds understanding and trust essential to reform European labour markets and reinforcing the social fabric.
- 2.12 The Committee also takes note that the future of social dialogue, including the issue of the tripartite dialogue, is already being discussed by the European social partners.

Brussels, 17 October 2013.

The President  
of the Economic and Social Committee

Henri Malosse

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