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Committee on Employment and Social Affairs

2012/2151(INI)

12.10.2012

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Economic and Monetary Affairs

on towards a genuine Economic and Monetary Union
(2012/2151(INI))

Rapporteur: Pervenche Berès

(Initiative - Rule 42 of the rules of Procedure)

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SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible

- to incorporate the following suggestions in its motion for a resolution:

- A. whereas between 2008 and mid-2012, the EU27 unemployment rate has climbed from around 7% to 10.4%, or 25 million unemployed and more than one out of five young people is unemployed (22%), with youth unemployment exceeding 50% in some Member States;
- B. whereas job creation, quality employment and decent work are crucial in overcoming the current crisis;
- C. whereas the roadmap «For a stable and prosperous EU» presented to the June 2012 European Council by President Van Rompuy does not adequately address employment and social policies, though they are a fundamental element as the Union and especially the Euro zone countries move towards a true monetary and economic union; whereas by not addressing these aspects there is a risk of following economic policies which ignore the consideration of other indicators, and which would therefore not deliver in terms of work and social inclusion;
- D. whereas Member States need to adopt economic policies aimed at maintaining and creating jobs in an ever more competitive environment while supporting the transition towards a more sustainable economy; whereas, the constraint of policy making on economic and monetary matters and the lack of a balanced and holistic approach increases the risk of pro-cyclical impacts of initiatives originally designed to stabilise financial markets;
- E. whereas restructuring and relocation processes on a large scale have resulted in the loss of almost 2 million jobs during the last 3 years in the EU, and whereas there has not been a European answer to facilitate the management of restructuring in a more social and economic responsible way;
- F. whereas the EU needs to embark in some Member States outside of the vicious circle of austerity measures/recession and to make full use of the EU added value which is not only about rules but also about common policies;
- G. whereas a European Economic and Monetary Union should first and foremost serve the people and the real economy as a basis for increasing the living standards of all;
- H. whereas the full potential of the Lisbon Treaty regarding employment and social policies has up to now been untapped, first and foremost regarding:
 - Article 9 TFEU following which the promotion of high employment and the guarantee of adequate social protection have to be taken into account in defining and implementing the policies and activities of the EU,
 - Article 151 TFEU which states that 'The Union and the Member States, (...), shall

have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonization while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion',

- Article 153(1) TFEU in general and in particular 153(1)(h) 'the integration of persons excluded from the labour market';

I. whereas the Euro is the currency of the Union and its management foreseen by the Treaty first and foremost in the framework of economic and social policies design by articles 121 and 148 that apply to all Member States;

Towards an integrated employment and social policy framework

J. whereas the four building blocks outlined in the EMU roadmap, should be complemented by a fifth one, «Towards an integrated employment and social policy framework», in order to promote:

- respect of the autonomy of social partners as recognized by article 152 of the Treaty, and setting up, an EU tripartite format for monitoring and exchange views on wage developments in relation to productivity, inflation and internal demand, unemployment and income inequalities,

- the introduction of a European Youth Guarantee,

- an European quality framework for internships and apprenticeships,

- the implementation of a social protocol to protect fundamental social and labour rights,

- a social investment pact, including the allocation of 25% of cohesion funding for the European Social Fund,

- a re-newed health and safety strategy;

and in complementarily to actions undertaken by Member states,

- decent and accessible public services,

- decent living wages with minimum incomes preventing in-work poverty,

- equal pay and equal rights for work of equal value for all,

- access to affordable and adequate social housing,

- an integrated active employment policy,

- the creation of a social protection floor which would provide for universal access to essential health services and subsistence security,

- K. whereas regarding global imbalance in the Euro zone and the current situation of unemployment, the Commission should elaborate on the feasibility and the added value of introducing a minimum unemployment allowance;
- L. whereas the Commission must strengthen and promote mobility, which may contribute to reducing the unemployment, on a fair basis to avoid brain drain and social inequality by granting access to social protection and portability of pension rights; whereas it should be recalled that posted workers should be properly paid and not employed as a form of unfair competition;
- M. whereas there is a need for enhanced surveillance of the effects of economic and monetary policies on the social situation and the labour markets and measures to eliminate the negative social consequences of these policies; whereas social policies linked with job creation have therefore to be added to the provisions on the surveillance of national economic policies in the framework of the European Semester;
- N. whereas an enhanced surveillance of different macroeconomic dimensions, such as investment and consumption, inequalities in income distribution, unemployment, poverty and regional inequalities, is essential as the current crisis has aggravated macro-economic imbalances thereby reducing real convergence within the Euro zone;
- O. whereas the Commission should include, in its assessment of Member States national budgetary plans, the promotion of the EU2020' growth, employment and social targets and should develop a systematic approach to recommendations, addressing all cases where Member States are not on track to achieve the different targets;
- P. whereas the Council's commitment to eliminate further existing barriers to labour mobility is welcome and Member States should urgently remove all restrictions on free labour access to workers from Romania and Bulgaria;
- Q. whereas the Council and Commission underlined their commitment to tackle youth unemployment as an EU top policy priority; whereas the Member States with the highest rate of youth unemployment have not submitted National Youth Job Plans how to prevent youth unemployment from becoming structural unemployment;
- R. whereas a common European Youth Strategy is essential to fight youth unemployment and the danger of losing a whole generation in Europe;

Towards a banking Union

- S. whereas the Euro is a corollary to the internal market meaning that all parties concerned by the latter must be fully engaged in restoring a well functioning Euro zone;
- T. whereas a banking Union should be accompanied by stronger regulation and supervision; whereas the role of the financial system is also to support growth, job creation and the sustainability of social protection;
- U. whereas the establishment of a banking union will have an impact on jobs in the banking sector in Member States;

Towards an integrated fiscal framework

- V. whereas fiscal consolidation and economic recovery require a stable level of internal consumption and adequate contribution to the welfare state and social security systems, which can only be achieved with high levels of quality employment in a competitive economy, decent living wages and a fair burden sharing;
- W. whereas Commission and Council should ensure that policy guidance for fiscal consolidation is fully coherent with the Union's objectives of social and sustainable development, based on Article 9 TFEU and that it is complementary with the objectives of the growth and employment package, -in a way that allows to reduce public debt-, particular those dedicated to sustainable development and quality jobs; whereas it should be kept in mind that wages and pensions are not merely an economic variable but, above all, the income that people need to live on;
- X. whereas social governance at the European level should be improved and better coordinated in parallel with European economic governance in order to ensure strong surveillance and monitoring of the employment and social targets of the Europe 2020 strategy as well as synergy effects and coherent policy making;
- Y. whereas a "Genuine Economic and Monetary Union" must be supported and accepted by the EU citizens and therefore underlines the necessity to incorporate policy makers, social partners and civil society organisations at all political levels;
- Z. whereas any upgrade of the role of the Commissioner for economic and monetary affairs will need to be echoed by an upgrade of the role of the Commissioner for employment and social affairs so as to ensure a balanced approach of the social market economy, in the same spirit the EPSCO Council should be upgraded and organized in a euro zone formation;
- AA. whereas the current crisis has demonstrated the existence and aggravation of internal imbalances that call for the settlement of automatic stabilisers at the EU or the Euro area level;

Towards an integrated economic policy framework

- AB. whereas a balanced interaction between economic and monetary policies on the one hand and employment and social policies on the other hand is essential since the European social model is an important factor in ensuring the equitable distribution of income without a breakdown in social cohesion, which could compromise economic recovery; whereas minimum social benchmarks should be established in order to stop aggravating social inequalities and to ensure adequate social protection;
- AC. whereas most Member States have not submitted a National Job Plan as part of their National Reform Programme 2012 and the Commission has not insisted on Member States to submit them; whereas an integrated and strengthened economic policy framework must include the principles of sustainable development, employment as well as social welfare and social cohesion;

AD. whereas the adoption of the Growth pact is a step in the right direction that should be adequately implemented; whereas comparable policy initiatives in the social sector should follow;

AE. whereas the monitoring of access to capital market should depend on the employment content of investments; whereas the instrument of enhanced cooperation could also be used with the aim to alleviate taxation on labour, shifting the burden notably to environmentally harmful activities;

AF. whereas the democratic dimension of the European Semester needs to be reinforced, including by strengthening the European Parliament's role through a co-decision procedure and by allowing it to define its calendar, content and methodology in close cooperation with National parliaments and in interaction with social partners and civil society;

AG. whereas the Commission must ensure a greater comparability of the National Reform Programmes and establish common benchmarks for their assessment;

– to incorporate the following recommendations in the annex to its motion for a resolution:

Recommendation 1

Towards an integrated employment and social policy framework as a Social Pact for Europe

The European Parliament considers that the legislative act to be adopted should aim to regulate as follows:

The specific rules for a binding supervision of the budgetary discipline in the euro area can and should complement fiscal and macroeconomic benchmarks with explicit reference to employment and social benchmarks to ensure the appropriate implementation of the abovementioned provision and to ensure the sustainability of the social model as a tool of the EU competitiveness;

It should be built on four blocks:

1) regarding policies:

According to the Treaties the promotion of high employment and the guarantee of adequate social protection has to be taken into account in defining and implementing the policies and activities of the EU. Hence social governance, with an integrated active employment policy as one of the corner stones, must be improved in parallel with the establishment of European economic governance. This needs to respect the autonomy of the social partners and of the social dialogue.

2) definition of instruments for:

- the introduction of a European Youth Guarantee,
- a quality framework for internships and apprenticeships,

- decent and accessible public services,
 - decent living wages with minimum incomes preventing in-work poverty,
 - social protection and portability of pension rights,
 - access to affordable and adequate social housing;
 - a social protection floor to guarantee equal access to essential health services and subsistence security,
 - the implementation of a social protocol to protect fundamental social and labour rights,
 - equal pay and equal rights for work of equal value for all
 - a re-newed health and safety strategy
- 3) new legislative initiative regarding:
- allowing National Parliaments to require a legislative initiative from the Commission as a 'green card' based on article 352 of the Treaty;
- 4) proper financial means for social investment to be laid down in a social investment pact:
- 25% of cohesion funding for the ESF,
 - project bonds for social investment
 - common targets for investment in education.

Recommendation 2

The European supervisor should have the competence and responsibility to:

- include supervision based on corporate social responsibility and the role of the financial system to support growth, job creation and the sustainability of social protection;

Recommendation 3

Each mission of the Troika in a Member State must be enlarged to include a member of the ILO.

Recommendation 4

Enhanced cooperation should be used more frequently when an EU approach has proved to be impossible in the field of taxation (such as for establishment of a CCCTB or a financial transaction tax, shift of burden between labour and capital or environmental friendly taxation) since harmonised frameworks for taxation will enhance budgetary policy integration, favour public service financing, job creation and energy transition.

Recommendation 5

The free movement of capital cannot be used as a way to avoid tax, in particular for Member States whose currency is the euro and that are experiencing or threatened with serious difficulties with respect to their financial stability in the euro area and therefore the financing of their public services. Therefore the Commission should finalise international agreement rounds and table proposals to improve cooperation and coordination between tax authorities.

Recommendation 6

The various steps of the European Semester should be enshrined in legislation, as follows:

- The development and strengthening of the internal market, of the social model and fostering international trade links are central to stimulating economic growth, increasing competitiveness and addressing macroeconomic imbalances; therefore, the Commission should be required to take into account in its Annual Growth Survey what steps Member States have taken to complete the internal market and to favour the sustainability of the social model;
- A tripartite bi-annual conference, including all Members of the Council, needs to be established to discuss national social matters that have a EU spill-over effect, the youth guarantee and the EU minimum unemployment allowance;
- The Commission should clearly assess, in the Annual Growth Survey, the main economic and fiscal problems of the Union and individual Member States, propose priority measures to overcome those problems, and identify the initiatives taken by the Union and the Member States to support enhanced competitiveness, energy transition, job creation and long-term investment, to remove obstacles to sustainable growth, to achieve the targets laid down in the Treaties and the current "Europe 2020" strategy, to implement the seven flagship initiatives and to reduce macroeconomic imbalances;
- The Member States and their regions should involve national and regional parliaments, social partners, public authorities and civil society more closely in the formulation of national reform, development and cohesion programmes, and consult them regularly;
- The Member States should provide information which is as detailed as possible on the measures and instruments provided for in the national reform programmes to attain the national objectives set, including in the National job plan and the deadline for implementation, the expected effects, the potential spill-over effects, the risks of unsuccessful implementation, the costs and, if applicable, the use of EU Structural Funds.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	9.10.2012
Result of final vote	+ : 27 - : 16 0 : 1
Members present for the final vote	Regina Bastos, Edit Bauer, Heinz K. Becker, Jean-Luc Benaïm, Phil Bennion, Pervenche Berès, Vilija Blinkevičiūtė, Philippe Boulland, Milan Cabrnich, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Minodora Cliveti, Emer Costello, Karima Delli, Richard Falbr, Thomas Händel, Marian Harkin, Nadja Hirsch, Stephen Hughes, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Patrick Le Hyaric, Veronica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Siiri Oviir, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu, Andrea Zannoni
Substitute(s) present for the final vote	Malika Benarab-Attou, Edite Estrela, Ria Oomen-Ruijten, Antigoni Papadopoulou, Csaba Sógor, Gabriele Zimmer