

Procedure file

Basic information	
RSP - Resolutions on topical subjects	2013/2841(RSP)
Resolution on the Commission communication entitled 'Strengthening the social dimension of the Economic and Monetary Union (EMU)'	
Subject 4.10.05 Social inclusion, poverty, minimum income 4.10.10 Social protection, social security 4.15 Employment policy, action to combat unemployment 4.40.10 Youth 5.20.01 Coordination of monetary policies, European Monetary Institute (EMI), Economic and Monetary Union (EMU)	
Procedure completed	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	EMPL Employment and Social Affairs		
European Commission	Commission DG	Commissioner	
	Employment, Social Affairs and Inclusion	ANDOR László	

Key events			
20/11/2013	Debate in Parliament		
21/11/2013	Results of vote in Parliament		
21/11/2013	Decision by Parliament	T7-0515/2013	Summary
21/11/2013	End of procedure in Parliament		

Technical information	
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Committee dossier	EMPL/7/13810

Documentation gateway					
For information		COM(2013)0690	02/10/2013	EC	Summary

Amendments tabled in committee	PE522.777	06/11/2013	EP	
Amendments tabled in committee	PE522.933	06/11/2013	EP	
Oral question/interpellation by Parliament	B7-0524/2013	14/11/2013	EP	
Motion for a resolution	B7-0496/2013	18/11/2013	EP	
Text adopted by Parliament, single reading	T7-0515/2013	21/11/2013	EP	Summary
Commission response to text adopted in plenary	SP(2014)88	10/03/2014	EC	

Resolution on the Commission communication entitled 'Strengthening the social dimension of the Economic and Monetary Union (EMU)'

This Commission communication on strengthening the social dimension of the Economic and Monetary Union (EMU) is a further contribution from the Commission to the debate on deepening EMU.

The crisis revealed gaps in the functioning of the monetary union, although major steps have been taken to reinforce the EU's economic governance.

The December 2012 European Council supported the development of the social dimension of the EMU, including social dialogue. To this end, the June 2013 European Council recalled that the social dimension should be strengthened and emphasised the importance of better monitoring and of taking account of the social and labour market situation in the EMU and it also pointed to the need to improve coordination of employment and social policies.

The European Parliament also expressed its views, in its [resolution of 20 November 2012](#), on priorities for achieving a genuine EMU, in particular recommending a social pact for Europe.

This Communication on strengthening the social dimension is a further contribution from the Commission to the debate on deepening EMU. It should also be noted that employment and social policies fall very largely under the national competence of the Member States. What the Commission proposes is a number of initiatives to strengthen the social dimension of EMU with a particular focus on the following issues:

1. Enhancing capacity to monitor employment and social developments in EMU to better coordinate a timely and adequate policy response:

- The Commission proposes to create a scoreboard of key indicators to be used in its draft Joint Employment Report to follow employment and social developments.
- The following headline indicators could help detect negative trends at a reasonably early stage and help anticipate further deterioration: i. unemployment level and changes; ii. NEET rate (young people not in education, employment or training) and youth unemployment rate; iii. real gross disposable income of households; iv. at-risk-of-poverty rate of working age population; v. inequalities.
- The Commission also suggests strengthening the social dimension of EMU by improving the coordination and monitoring of policies and developments in the social and employment concerns in the context of the European Semester process. The social dimension should be integrated in the surveillance of macroeconomic imbalances.

2. Mobilising EU action and funding to tackle unemployment (including youth unemployment) and social distress in an effective and sustainable way:

- The Commission considers that the scope of the EU budget must be fully exploited to develop the social dimension of EMU. For the period 2014-20, resources and programmes have been boosted. The European Structural and Investment Funds will continue to drive Member States implementation of necessary reforms and modernisation of social policies.
- The new Programme for Employment and Social Innovation can help spread innovative and cost-efficient employment and social policy measures across Member States, and the Fund for European Aid to the Most Deprived will provide material assistance to people in greatest need.
- The June European Council decided that the EUR 3 billion budget line dedicated to the Youth Employment Initiative (YEI) should be frontloaded in 2014-15, supported by matching contributions from ESF programmes of at least EUR 3 billion.

3. Combining the steps taken on responsibility and economic discipline with more solidarity and financial support:

- In the short term, the Commission has proposed creating an instrument within the EU economic governance framework and the EU budget, separate from the Multiannual Financial Framework, to support rebalancing, adjustment and thereby growth. It also proposed that the existing framework should be strengthened by improving ex ante coordination of major reform projects and by creating a Convergence and Competitiveness Instrument (CCI) to provide a framework for commitments to and support for the timely implementation of structural reforms.
- In the long term, based on progressive pooling of sovereignty and thus responsibility and solidarity competencies at European level, it should become possible to establish an autonomous euro area budget providing the euro area with a fiscal capacity to support Member States absorb shocks. A common instrument for macroeconomic stabilisation could provide an insurance system to pool the risks of economic shocks across Member States, thereby reducing the fluctuations in national incomes.

4. Reducing existing barriers to cross-border labour mobility in the EU: cross-border mobility within the European Union is still low. Only 2.6 % of the EU population has moved to live in a different Member State. In the euro area, less than 4 % of the working age population are nationals of a different Member State. The EU has already addressed some of these persistent barriers. However, looking for a job in another EU Member State is still complicated and administratively burdensome.

The Commission and the Member States need to do more to ensure transnational matching between labour supply and demand, in particular

by upgrading the EURES network into a pan-European recruitment, matching and placement service.

Moreover, it is crucial to tackle skills mismatches to better anticipate the skills needed in the labour market. This is the purpose of the recently launched EU Skills Panorama.

5. Strengthening the role of social dialogue in developing euro-area-wide and national strategies, through appropriate involvement of the social partners: the Commission considers that there is scope for improving the mechanisms to involve the social partners in the coordination of economic and employment policies at EU level by making the best use of existing fora, such as:

- the macroeconomic dialogue is a high level forum for exchanging views between the Council, the Commission, the European Central Bank and the social partner representations at EU level;
- the tripartite social summit for Growth and Employment is enshrined in Article 152 TFEU as an integral component of social dialogue at EU level.

There is a broad consensus among the EU institutions on the need to better involve the social partners in European governance, in particular in the European Semester process.

Resolution on the Commission communication entitled 'Strengthening the social dimension of the Economic and Monetary Union (EMU)'

The European Parliament adopted by 387 votes to 64 with 58 abstentions a resolution tabled by the Committee on Employment, welcoming [the Commission communication entitled Strengthening the social dimension of the Economic and Monetary Union \(EMU\)](#), and considered it to be a first step towards building a social dimension of the EMU. It recognised explicitly that the implementation of the social dimension of the EMU is subject to the subsidiarity principle and could be best achieved through the best practice method and the peer review method at European level. Noting that unemployment in the EU has reached the alarming level of 26.6 million people, and 24.2 % of the EU population is currently at risk of poverty or social exclusion, Members urged that social considerations be placed at the core of European integration and mainstreamed into all EU policies and initiatives. They invited the December 2013 European Council to define the steps forward in terms of strengthening the social aspect of the EMU. They rejected any harmonisation or alignment which results in the minimisation of social standards in Member States.

Parliament supported the proposed establishment of a scoreboard of key employment and social indicators complementary to the Macroeconomic Imbalance Procedure (MIP) with a view to making the social consequences of economic and other policies more transparent through ex ante and ex post impact assessments or monitoring, and which could be used in the drafting of the Commissions Joint Employment Report (JER).

It made the following comments on the indicators;

- all relevant indicators should be gender-sensitive;
- the proposed indicator on youth unemployment levels should include young people up to the age of 30 on a voluntary basis, as provided for by the Youth Guarantee;
- the scoreboard should include indicators relating to child poverty levels, access to healthcare, homelessness, and a decent work index in order to allow proper assessment of the social situation in the EU;
- Parliament and the social partners ought to be involved in defining the employment and social indicators;
- there must be concrete benchmarks for the employment and social indicators in the form of an EU social protection floor, with a view to promoting upward social convergence and social progress;
- the proposed indicators were a possible way of ensuring comprehensive coverage of the Member States employment and social situations.

The Commission and Commission are asked to:

- take concrete action to make the social impact of policies and reforms more transparent, through the ex ante and ex post impact assessment and monitoring of policy reforms;
- monitor the compliance of all Member State reports with Europe 2020 targets, notably with regard to poverty reduction and employment, and to look carefully at the interconnections and interdependence between policies.

Members welcomed the call for optimum use of the EU budget with a view to developing the social dimension of the EMU and further supporting voluntary worker mobility in order to derive maximum benefit from the EUs employment potential.

Parliament also welcomed the proposed involvement of the social partners in the European Semester process, inter alia in the framework of the Social Dialogue Committee prior to the adoption of the Annual Growth Survey (AGS) each year, although it called for even greater involvement of the social partners in economic governance. It considered that good governance of the EMU and its impact can be effective only if all stakeholders, were involved.

Lastly, Parliament called on the Commission better to integrate [Parliaments resolution](#) of 23 October 2013 European Semester for economic policy coordination, the [Commission communication](#) of 2 October 2013 and this resolution in the drafting of the 2014 AGS.