

3. Reinforcing the social dimension of European Economic and Monetary Union.

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Justification

- 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.
- 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.
- 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.

Recommendations

The need to strengthen the social dimension of the EMU (European Monetary Union) should include the following:

On reinforced surveillance of employment and societal challenges and policy coordination

- EU fiscal consolidation and economic governance should be sustained with equivalent forms of social consolidation and social governance.
- 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.
- 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.
- However, 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

- 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.
- 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.
- Social investment (social economy) 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.

On strengthened social dialogue

- Proposals to improve the involvement the social partners in the coordination of economic and employment policies at European level is crucial.
- 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.
- The future of social dialogue, including the issue of the tripartite dialogue, is already being discussed by the European social partners.