



To:
President of the European Commission
José Manuel Barroso

Brussels, 26 September 2013

Concerning the social dimension of the EMU

Dear President,

In your State of the Union address, you referred to your intention of putting forward a proposal on the social dimension of the EMU. As you know, we as PES have long been advocates of the urgency of balancing the EMU with a proper social dimension¹, and I therefore welcome this development. However I am very concerned about whether the upcoming communication will represent a substantial contribution to the debate on the EMU reform or whether it will be an empty, *pro forma* exercise. In your 2012 Blueprint, you limited yourself to brief references to the importance of convergence in the employment and social fields. We hope for more substantial proposals this time.

The EU's economic governance needs to be rebalanced to take much stronger account of social developments, and Europe needs to act together to directly address the growing disparities between Member States and the deepening social emergency. This is what the social dimension should be about. If it is not, this will confirm that the European Commission is trying to hide the effects of the crisis rather than trying to solve them. Millions of people around the EU are living the effects of the on-going economic crisis, and this must be addressed in the most direct and upfront way possible.

We desperately need, as a minimum, a robust Social and Employment Scoreboard to monitor employment indicators, income developments, youth exclusion, poverty, inequalities and other relevant social indicators. A clear set of employment and social indicators will help directly take into account the problems we face and help us in developing the right policy responses. This Social and Employment Scoreboard must be truly complementary to the economic and the financial dimension. It must therefore be kept independent, both in technical terms and in terms of political supervision. It is something you should very much look at when making recommendations about fiscal and structural policies.

Ultimately, this Communication should become the starting point of a radical overhaul. Europe needs new and more ambitious policies to strengthen labour markets, workers' rights and social policies. It needs to put social considerations at the heart of the European Semester. It needs to introduce the social dimension as a central pillar in the work of the Troikas. In short, reducing unemployment, poverty and social inequalities must be put back at the centre of our approach.

After all, the lack of attention to the social impact is ultimately a cause that has perpetuated and worsened the crisis. It is time that we all work together to change this. The situation on Europe's labour market remains dire and the social divide in most Member States and gaps between them continue to increase.

¹Towards a Social Union: Declaration of PES Ministers for Social Affairs and Employment
http://www.pes.eu/sites/www.pes.org/files/declaration-social-dimension-emu-social-union-27-02-2013_en.pdf



More than 26 million people are living in unemployment, 14 million people aged under 29 are neither in employment, education or training, and 120 million people are living at risk of poverty.

Overcoming the social divide in Europe is one of the most important challenges Europe is currently facing. I hope that the Commission will use the opportunity of this Communication to actively tackle it. I strongly believe that it would be a mistake not to publish a strong Communication on the Social Dimension of the EMU.

I am looking forward to your proposals and actions in that respect.

With best regards,



Sergei Stanishev
President of the Party of European Socialists

CC: -Martin Schulz, President of the European Parliament
-Herman Van Rompuy, President of the European Council

