



Thursday, 04 October 2012

Towards a Social Union

Declaration of the PES Ministers for Social Affairs and Employment

Europe is threatened by a growing social divide. Poverty, social exclusion, unemployment – especially amongst young people – and the challenge of financing our social security systems must be urgently addressed. While the current proposals for a “genuine Economic and Monetary Union” are of high political importance and welcomed, we as social democratic and socialist Ministers for Employment and Social Affairs believe that the Economic Union, the Monetary Union and the Banking Union must be complemented by a strong Social Union. The objectives of the Social Union are the reduction of unemployment, poverty and social exclusion, overcoming social dumping and preventing a competition in the EU for the lowest social standards. Introducing a Social Union is not only a precondition for relaunching sustainable growth, social cohesion and improving the life of our citizens, it is also an important tool to strengthen the support for the European integration project amongst workers and those citizens which have been hit hard by the crisis. Building a Social Union is also a vital condition to ensure the long-term sustainability of the Economic and Monetary Union.

The Economic Union, the Monetary Union, the Banking Union and the Political Union must be complemented by a Social Union, build on five separate, but reciprocal pillars:

- 1) A Social Progress Pact
- 2) A Social Protocol
- 3) An Employment and Social Investment Programme
- 4) Common social standards
- 5) A strengthened European social dialogue

1. A Social Progress Pact

A Social Progress Pact must be introduced, as a counterweight to the Stability and Growth Pact, which has proved inappropriate to create new, decent jobs and to increase social coherence. In order to ensure upwards convergence of social standards in the European Union, the Social Progress Pact will introduce, common social investment targets for every Member State, which have to be equally respected and which will be equally sanctioned than those of the Stability and Growth Pact. Such targets could be defined on national expenditure on:

- education, training and life-long learning,
- on active labour market policies and
- on reducing social exclusion and poverty.

Taking the economic capacity of Member States into account, targets for Member States must differ, but the ambition level should be increased over the years. In addition, the social and employment targets of the Europe 2020 Strategy should become integral elements of the Social Progress Pact. Those targets should be broken down to differentiated, ambitious but achievable targets for each Member State, which must be made binding. The implementation of the Social Progress Pact in each Member State must be monitored on the European level and non-compliance sanctioned, according to the rules applying to the European Semester. Achieving those targets must be supported by strengthening the Europe 2020 Strategy and by enacting common European policies to support the social cohesion in the European Union.



2. A Social Protocol

Social rights should no longer be subordinated to economic freedoms. In due time, this principle should be enshrined in the EU treaties. Until the respective treaty change is feasible, the equal prominence of social rights and economic freedoms must be laid down in secondary legislation. The implementation of the already existing social clause in the EU treaties must be improved. In addition, the respect of the Charter of Fundamental Rights, especially the social rights, must be guaranteed by the European Court of Justice and the other EU institutions.

3. An Employment and Social Investment Programme

To promote the well-being of its citizens as well as economic and social progress in Europe, the European and national budgets need to be adapted. It must be ensured that sufficient funds are available to create new jobs and to overcome social exclusion. To this end, in the new Multiannual Financial Framework, at least 25% of the EU Cohesion Policy Funds must be allocated to the European Social Fund. In order to support the introduction of youth guarantees throughout Europe, at least 10 billion € of the European budget must be allocated to specific measures for the creation of new decent jobs for young people. The European Globalisation Fund is an important instrument to reduce a further increase of unemployment. It should therefore be retained and strengthened. In addition, project bonds specifically designed for social investments must be introduced. Furthermore, existing EU rules must be revised to ensure that the implementation of the European deficit rules must not result in disproportional cuts of social and employment policies and programmes.

4. Common social standards

To overcome inequalities between European citizens and allow Member States to catch up with the best social performers in the EU, common social standards must be agreed on a high level:

- on youth guarantees, ensuring that every young person receives a new job, training or further education at the latest four months after leaving the education system or becoming unemployed;
- on improving working conditions, including fair working times and high safety and health standards;
- on introducing minimum wages which allow every employee and worker a living wage, either by law or by ensuring employees are covered by collective agreements;
- on guaranteeing the same wage for the same work at the same place;
- on swiftly reducing the gender pay gap;
- on providing every citizen with good quality education, training and life-long learning;
- on strong active labour market policies and the necessary protection to support citizens in periods of transition and encourage professional mobility;
- on reducing the number of people suffering from social deprivation;
- on ensuring every European citizen access to high-quality and affordable services of general interests, especially social services;
- on the adequacy of pensions;
- on care systems which support people in need and their relatives.

5. A strengthened European Social Dialogue

A Social Union will not be possible without a better inclusion of social partners and civil society. Especially with regards to a more effective employment and social policy, the role of the European Social Partners in shaping European policies must be strengthened. In the framework of the European Semester, they should be consulted on drawing up the Annual Growth Survey and play a stronger role in monitoring progress achieved by Member States.

Strengthening the social dimension of the Economic, Monetary, Banking and Political Union

The social dimension of the Economic Union, the Monetary Union, the Banking Union and the Political Union must be strengthened, amongst others by:

- Incorporating a stronger social dimension in macroeconomic surveillance and coordination;
- Making it obligatory to develop ambitious national job plans and monitoring their implementation;



- Ensuring that country specific recommendations are more tailor-made for each Member States and that they focus more on the creation of decent jobs and overcoming social exclusion;
- Upgrading the role of the EPSCO and improving the Cooperation with the ECOFIN;
- Complementing the meeting of the economic and finance ministers of the Eurogroup by regular meetings of the social affairs and employment ministers of the Eurogroup;
- Giving the European Parliament a strong role in scrutinizing the implementation of the Social Union;
- Ensuring more balanced recommendations of the European Commission representatives in the Troikas for countries under consolidation programmes, including specific recommendations to improve innovation, education and training, to create new jobs and to overcome inequalities.
- Implementing more effective restructuring policies, developing a real European industrial policy and providing access to affordable and decent public services to everyone.
- Strengthening the social and labour market dimension of external policies, amongst others by respecting social rights in trade negotiations, upgrading the ILO and the G20 Labour Ministers Council and by supporting partner countries in building strong welfare states.

