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## **WORKING DOCUMENT**

on the Commission Reflection Paper “Social Dimension of Europe”

Committee on Constitutional Affairs

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## **A. Overview of Parliament’s proposals in relation to the Commission White Paper on the future of Europe and the reflection paper “Reflection paper on the social dimension of Europe”**

Besides the White Paper and the Reflection Paper on the Social Dimension, the Commission undertook to connect the discussion on social aspects with the objectives of the EU2020 strategy and a European Pillar of Social rights and some related initiatives published on the same day as the Reflection paper<sup>1</sup>. They can be considered as set of tools aimed at discussing the strengthening of social policies across the EU. Since the entry into force of the Lisbon Treaty a number of social and labour rights became legally binding through the Charter of Fundamental Rights, which has the same binding value as the Treaties, but within the scope of application of its Article 51 CFR. Article 3(3) TEU emphasises social objectives for the establishment of the internal market (i.e., for instance, full employment and social progress, combating social exclusion and discrimination, promoting social justice and protection). Finally, the horizontal social clause contained in Article 9 TFEU, stipulates that: “In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health.”

The Commission’s Reflection Paper acknowledges the limited legislative venues in the field of social policy and highlights that the toolbox of EU social governance encompasses besides (1) legislative action also three other pillars composed of (2) guidance, provided in the European semester, the global EU2020 strategy and specific strategy orientations, (3) funding programmes (funds and initiatives) and finally (4) cooperation at the level of EU institutions, social partners and EU networks. It projects the capacities of this governance toolbox against the logic of three scenarios leading to option (a) limiting social dimension while focusing on free movement, option (b) which aims at enhancing the social dimension between those who want to do more and option (c) to deepen social dimension together. Considering the horizontal and flanking nature of social policies and its governance mechanisms, other parts of social policy aspects are to be found also in other Reflection Papers, in particular on the deepening of Economic and Monetary Union.

The main constitutional/ institutional aspects contained in the reports on “Improving the functioning of the European Union building on the potential of the Lisbon Treaty” (Bresso/ Brok report)<sup>2</sup> and the report on the “Possible evolutions of and adjustments to the current institutional set-up of the European Union” (Verhofstadt report)<sup>3</sup> in relation to the Commission reflection paper “Reflection paper on the Social Dimension of Europe” and White Paper on the Future of Europe can be summarised as follows:

### *Full use of venues in the EU law to adopt measures in the field of social policy*

The social policy area mirrors the complexity of the constitutional set up of the EU. Whereas the competence for employment policy remains with the Member States, which rules out harmonization measures, the social policy field allows for some harmonisation as the Article 4

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<sup>1</sup> The Commission also presented a number of further concrete legislative and non-legislative initiatives such as on the work-life balance of parents and carers, on the information of workers, on access to social protection and on working time;

<sup>2</sup> P8\_TA-PROV(2017)0049

<sup>3</sup> P8\_TA-PROV(2017)0048

TFEU sets social policy as a competence shared between the EU and its Member States. The Bresso/Brok report recalls in this context that the Article 153(1)(a)-(i) allows for minimum harmonisation measures in the field of social policy. Although those are subject to limitations and should not affect rights of Member States to define fundamental principles of their social security systems neither significantly affect “the financial equilibrium of social security systems”, the report states that “these limits for social policy harmonisation still give some unused leeway to the Union legislator to adopt measures in the area of social policy”<sup>4</sup>. According to the report there is also still some unfulfilled potential of certain treaty provisions such as the principle of equal pay as laid down in Article 157 TFEU.<sup>5</sup>

In the Commission’s reflection paper the choices for legislative action are rather concise and determined by the policy choices described in the relevant scenarios. It offers therefore three options for future, “Limiting the social dimension to free movement” as expressed by the scenario “Nothing but the single market”, which implies a focus on basic cross-border mobility aspects of social policy such as social security rights of mobile citizens, rules on posting workers, cross-border healthcare and recognition of diplomas. The second option is closest to the scenario “Those who want more do more”, which opens further venues for legislation on social rights, which would be subject to the use of enhanced cooperation with common standards focused on labour markets and competitiveness, centred around the Euro area. Finally the option to deepen social dimension, follows the logic of the last scenario. The scenario “deepening”, could lead to full harmonisation of selected areas of citizens’ rights and opens the way for more legislative action in that respect.

#### *Interconnection between mobility rights, social rights and citizenship*

In terms of free movement policy, the EU legal framework currently allows for both binding and non-binding recommendations as well as hard law in terms of directives and regulations. The Bresso/Brok report recalls in this respect that the free movement of workers in particular “constitutes a driving force of the single market”. In a specific section devoted to the “social dimension” the report then stresses the interconnection between the mobility rights and their social rights, the exercise of which needs to be guaranteed “making full use of the relevant legal instruments provided for in Titles IV, IX and X of Part Three of the TFEU and according to the EU Charter of Fundamental Rights”, in particular the Citizenship directive 2004/38/EC and Regulation (EU) No 492/2011 on freedom of workers within the Union.<sup>6</sup>

In its Reflection Paper the Commission recognizes that EU legislation is fundamentally focused on mobility rights and the importance of other aspects of legislative effort giving it a full effect via flanking social rights, which depends on the political direction EU chooses. The Commission’s recommendation concerning the Pillar of Social Rights recalls the development of a solid social acquis extending from freedom of movement to living and working conditions, equality, health and safety, social protection, education and training.<sup>7</sup> Nevertheless, considering that the focus of both the Reflection paper and recommendation are focused on horizontal, in particular guidance aspects and common minimum social standards, attention to EU citizenship, where most specific rights related to mobility, is subdued.

#### *Social rights in the EMU*

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<sup>4</sup> See Recital AK of Bresso Brok report

<sup>5</sup> See Recital AL of Bresso Brok report

<sup>6</sup> See Recital AK of Bresso Brok report

<sup>7</sup> See Recital 6 and 8 of the Commission Recommendation on the European Pillar of Social Rights, C(2017) 2600

Since the late 1990s Member States have been using soft guidance via the open method of coordination for in the field of social policies that are part of guidance given provided in the process of the European Semester. The Bresso/Brok report insists on the inclusion of employment criteria in the evaluation of “Member State’s macro-economic performance and for recommending and supporting structural reforms also with a view to ensure better use of regional and social funds”

Both the Bresso/Brok report and the Verhofstadt report appeal for the creation of a convergence code that would uphold such vision of shared convergence, which would be a condition for Member States to access EU funds and other instruments.

In its 2012 resolution “Towards a genuine Economic and Monetary Union, Parliament called for a social pact, pointing out that “binding supervision of the budgetary discipline in the euro area can and should complement fiscal and macroeconomic benchmarks with employment and social benchmarks”<sup>8</sup>.

The Bresso/Brok report calls in the line of the previous resolution for the establishment of a new social pact, which could take a form of a social protocol “aimed at fostering Europe’s social market economy and reducing inequalities, ensuring that all citizens’ fundamental rights are respected, including inter alia the right to collective bargaining and freedom of movement; pointing out that such a pact could enhance the coordination of the social policies of the Member States;”<sup>9</sup>

The European Pillar of Social Rights (EPSR), based on titles IX and X TFEU, has a specific relevance for EMU as it centers two main actions - modernizing the existing legislation and developing employment and social benchmarks to foster upward convergence in the euro area. Therefore the Reflection Paper on the Deepening of the Economic and Monetary Union, against the backdrop of the importance that the Five Presidents Report pays to social dimension, sets the EPSR, as a guidance tool providing for “key principles and rights to support fair and well-functioning labour markets and welfare systems”. In the framework of the European Semester it is to be seen also as a minimum set of social standards to “achieve more formalized and binding convergence (...)”. It suggests that such convergence can be achieved by linking the reforms to access to EU funds and macroeconomic stabilisation function and further embedded “in the surveillance system of the European Semester, building on existing scoreboards and benchmarks”.<sup>10</sup> In its SOTEU 2017 Speech, President Juncker called for the adoption of the European Pillar of Social Rights as soon as possible, and at the latest at the Gothenburg summit in November 2017.

### *Evaluation of social impacts in the framework of Better Law-making*

The Social dimension should also be taken properly into account in the design of the legislative proposals, in particular at the stage when impact assessments are carried out. In that sense, the Bresso/Brok report in that respect call on the European Commission to properly assess the need for EU action and the “potential economic, social and environmental impacts” before it

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<sup>8</sup> European Parliament resolution of 20 November 2012 with recommendations to the Commission on the report of the Presidents of the European Council, the European Commission, the European Central Bank and the Eurogroup ‘Towards a genuine Economic and Monetary Union’ (2012/2151(INI))

<sup>9</sup> See Paragraph 96 of Bresso Brok report

<sup>10</sup> Reflection Paper on the “Deepening of the EMU”, Page 24-25

proposes any new initiative, “legislative, non-legislative, implementing and delegated act” in line with the IIA on Better Law Making of 2016.

Although in the Reflection Paper on the Social Dimension the Commission does not refer to impact assessments, in its reflection paper on Deepening of EMU the Commission suggests that in its current actions “social considerations were put on a par with economic ones, with specific recommendations and new social indicators as part of the European Semester”, while singling out a dedicated social impact assessment of Stability Support Program for Greece.<sup>11</sup>

#### *Decision-making: shifting voting rights in the Council to qualified majority*

With regard to decision-making, the Verhofstadt report calls for further reduction of the voting procedures in the Council from unanimity to qualified majority voting, including on social policy and for the “existing legislative procedures to be converted into ordinary legislative procedures and for the full replacement of the consultation procedure by co-decision between Parliament and the Council.”<sup>12</sup>

While the Reflection paper makes no mention of such streamlining of EU decision-making, in his SOTEU 2017 Speech, President Juncker called for the activation of “passerelle clauses”, in particular with regard to the issues pertaining to single market, without however singling out social policy: “I want decisions in the Council to be taken more often and more easily by qualified majority – with the equal involvement of the European Parliament”.

#### *Enhancement of EU social dialogue*

Social dialogue at the EU level has a specific role in the EU policy cycle, therefore the Bresso/Brok report calls on the Commission to revitalize EU social dialogue through binding agreements among social partners in accordance with Articles 151 to 161 TFEU.<sup>13</sup>

The Commission’s reflection paper acknowledges the importance of the social dialogue in the EU governance and refers to the “New Start for Social Dialogue”<sup>14</sup> initiative of President Juncker, marked on 27th June 2016 by joint statement co-signed by Commission and the Council. It aims inter-alia at a more substantial involvement of the social partners in the European Semester, as well as in EU policy and law-making in general and clearer relation between social partners’ agreements and the better regulation agenda.<sup>15</sup>

### **B. Observations and avenues to be further exploited**

The European Parliament (EP) has a fundamental responsibility and a role to play in setting high social standards and giving a concrete and binding definition to the social dimension of Europe, which should become the first priority of its overall economic policies. The EP has recently highlighted its stance with its Resolution on a European Pillar for Social Rights

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<sup>11</sup> Reflection Paper on Deepening of the EMU, p.33

<sup>12</sup> Paragraph 58 of the Verhofstadt report

<sup>13</sup> Paragraph 97 of the Bresso/Brok report

<sup>14</sup> Reflection Paper on Social Dimension, p. 35 (Annex)

<sup>15</sup> A New Start for Social Dialogue, Statement of the Presidency of the Council of the European Union, the European Commission and the European Social Partners, 27th June 2016

(EPSR) (adopted on 19 January 2017)<sup>16</sup>. The EP has been clear regarding “Social Europe”, most notably in pursuing the EU’s own accession to the Council of Europe’s (CoE) Social Charter and in its call for a social protocol to be introduced in the treaties<sup>17</sup>. In this framework, attention should be brought upon the lack of coherence between the Commission’s present discourse and the dire effects the Memoranda of Understanding have had in some member states to the detriment of fundamental social rights and standards (collective bargaining, minimum wage, access to healthcare, pension levels, etc.), as also recognised by the European Committee on Social Rights in its decision of 23 March 2017 on the complaint n. 111/2014 “*Greek General Confederation of Labour (GSEE) v. Greece*”<sup>18</sup>.

It is important to stress that the 2020 strategy has failed in social terms (e.g. poverty has risen instead of falling by 20 million) despite its rather modest targets. It is equally important to stress the importance of European social policies as a minimal answer to the deep-rooted anxieties causing the continent-wide mistrust in EU policies that we witness today. The whole EU macro-economic course has to change in order to stop the rise of inequalities and social injustice, social dumping, unemployment (especially among the young generation) and poverty, and to get back on the track of an inclusive and environmentally oriented growth.

In the medium-long run, EMU is not sustainable without basic consensus and minimum standard on social issues: *excessive social imbalances* are much more dangerous than excessive budgetary imbalances.

#### *Accession to the Council of Europe’s Social Charter*

Following the “Social Summit for Fair Jobs and Growth” the 17th November 2017, all Member States should sign and ratify the revised European Social Charter and the Commission should start examining the steps required for accession of the European Union to the revised Charter and propose a time-line for this objective.

The accession of the EU to the Social Charter is an absolute necessity and the Parliament has called for it in its report on the EPSR (para. 32)<sup>19</sup>. In the meantime, the Commission should use the Charter as guiding standard for the impact assessments carried out on the basis of article 12 of the IIA on Better Law Making (BLM) and for drafting the explanatory memoranda foreseen in article 25 of the same, having regard to the fifth recital of the Preamble to the Treaties.

The European Parliament has called for a social protocol to the treaties in his report on the EPSR (para. 31)<sup>20</sup>, in order to prioritise fundamental social rights in relation to economic freedoms.

The CoE’s European Code of Social Security and the Protocol thereto, and the revised Code

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<sup>16</sup> European Parliament resolution of 19 January 2017 on a European Pillar of Social Rights, P8\_TA-PROV (2017) 0010

<sup>17</sup> see § 31,32 of the abovementioned resolution

<sup>18</sup> European Committee of Social Rights, Decision on the merits of 23 March 2017, available here: [http://hudoc.esc.coe.int/eng#{\"ESCDCIdentifier\":\[\"cc-111-2014-dmerits-en\"\]}](http://hudoc.esc.coe.int/eng#{\)

<sup>19</sup> See also: European Parliament resolution of 27 February 2014 on the situation of fundamental rights in the European Union (2012), P7\_TA(2014)0173, §8(a)

<sup>20</sup> The original ETUC proposal: <https://www.etuc.org/proposal-social-progress-protocol>

of 1990 could serve as a model on how to establish minimum social security standards for the EU that are not linked to any macro-economic and/or fiscal conditionality.

### *Going towards an European Social Union*

The ongoing discussion about a Social Europe cannot revolve around the adoption of a Social Pillar that is still a non-binding empty shell in its current form. It encompasses principles – not rights –, contains controversial elements (“necessary flexibility for employers”, “encouragement to self-employment and entrepreneurship”, etc.). More importantly, it does not re-balance the EU competences in social policy vis-à-vis macro-economic policies, internal market and fiscal policy. To the very least, the 20 principles of the EPSR should be considered as indispensable benchmarks when assessing the “performance” of the MS.

Fundamental social rights and standards should be strengthened in their own right and the EP should be fully involved in this process as co-legislator. Instruments for social protection/social investment on EU level should not depend on variables of other policy measures.

Art. 153 (1) TFEU should be the basis for other directives aiming at minimum social standard harmonisation in the EU, e.g. for minimum standards for unemployment benefit systems (as proposed by the ILO<sup>21</sup>). Further social policy fields in which EU standards could contribute to social upward convergence are long-term care, the strengthening of first pillar pension systems, or family benefits. The work-life balance directive can be seen as a first step in the direction and, in particular, after its adoption, a road map of legislative acts of social policy should be drawn up as a basis for concrete actions in the framework of a new social action programme. A directive on access to social protection and a framework directive on decent working conditions (para. 4 and 5 EPSR report) could represent integral elements of that roadmap.

The European semester, as such, should be abandoned or at least radically re-thought: the largest part of the Semester recommendations have been aiming at a down-sizing of social rights and standards (later retirement, limiting access to early retirement, rationalising health care spending, limiting duration and level of unemployment benefits, limiting access to invalidity benefits, etc.). A revised monitoring system, rebalancing macroeconomic and social aspects, should be established, focused on social targets and objectives and decoupling social rights from economic and fiscal conditionality.

Particular attention should be given to the consistency of the EU’s social policy with the provisions of Title IV of the Charter of Fundamental Rights.

The Parliament has to use the article 161 of the TFEU, inviting the Commission to “draw up reports on any particular problems concerning social conditions”.

At the same time, adoption of concrete EU measures intended to avoid a race to the bottom in social services standards ought to be considered. Relieving Member States from legal uncertainties experienced by public authorities by better defining and recognising the specific character of social services of general interest (based inter alia, on court judgements as in the case C- 113/3 of 11 Dec 2014), would be an important step in doing so.

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<sup>21</sup> [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_490959.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_490959.pdf)

Provisions favouring the establishment of minimum income schemes aimed at combating poverty and fostering the integration of persons excluded from the labour market in keeping with and making full use of article 153(1)(h) TFEU should become a crucial objective in the perspective of “the social dimension of Europe”.

EU has to make sure that Member States fully comply with the European rules on freedom of movement, while fostering their administrative cooperation, in order to avoid abuses of free movement, hence social dumping.

It could be done also through the foundation of an independent European Labour Authority, as proposed also by President Juncker during the SOTU (13/09/2017), to assure, on a non-arbitrary basis, the enforcement of EU rules on labour mobility in a fair, simple and uniform way.

A large EU definition of worker should be legally identified so as to protect atypical workers as well.

Regarding social security coordination, Regulation 883/2004 lacks provisions on access to social assistance. It should be envisaged to either include a chapter on social assistance coordination in the regulation, or to set up a new measure based on Art. 21(3) – allowing for social measures concerning EU citizens exercising their right to free movement – which could help fill this gap. Proposals to set up a European Minimum Income scheme for Mobile Citizens must be further explored<sup>22</sup>. Furthermore, in its EPSR report the Parliament has called on the Member States to ratify the European Convention on Social Security (ETS No 78).

A review of the European Social Fund (articles 162-164 TFEU) should be put underway, investigating ways to shift the purpose of the ESF from the financing of short-term projects to the long-term building up of social protection measures, and encouraging investments in education, life-long learning, active employment policies, while promoting the exchange of best practices between the MS.

Social investments have also to be taken into consideration in the allocation of EU funds in the framework of the multiannual Strategies of the EU.

Finally, the possibility of a “golden rule” for public investment should be explored<sup>23</sup>. As a general rule, social investments should be taken out of the calculation of public deficits.

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<sup>22</sup> [https://eminnetwork.files.wordpress.com/2017/03/msk\\_emis\\_brussels\\_2017.pdf](https://eminnetwork.files.wordpress.com/2017/03/msk_emis_brussels_2017.pdf)

<sup>23</sup> <http://www.eesc.europa.eu/sites/default/files/resources/docs/achim-truger--implementing-the-golden-rule-for-public-investment-in-europe--2.pdf>



**C. Summary of discussions in AFCO**

## Annex I. EU Sources of law in the field of Social and Employment Policies

<u>Principles</u>	<u>Legal basis</u>
<p><b>Principles and general objectives</b></p> <p><b>Article 3 TEU</b> (objectives/common provisions) : includes “full employment, social progress, the fight against social exclusion and social protection among the Union’s objectives”</p> <p><b>Article 8 TFEU</b> (objectives/general application): elimination of inequalities and promote equality between men and women</p> <p><b>Article 9 TFEU</b> (objectives/general application): “high level of employment, adequate social protection and the fight against social exclusion should be taken into account in the development and implementation of Union policies”</p> <p><b>Article 10 TFEU</b> (objectives/general application): “to combat discrimination”</p> <p><b>Article 147 TFEU</b> : horizontal objective of high-level employment</p> <p><b>Article 151 TFEU</b> : general objectives and principles of social policy</p> <p><b>EU Charter of fundamental rights</b></p> <p>Article 12 CFR - freedom of <b>assembly and association</b></p> <p>Article 15 CFR - freedom to <b>choose an occupation and right to engage in work</b></p> <p>Article 23 CFR - <b>equality between women and men</b></p> <p>Article 27 CFR - the workers' right to <b>information and consultation</b> within the undertaking</p> <p>Article 28 CFR - the right of <b>bargaining and the right to strike</b></p> <p>Article 29 CFR - the right of <b>access to placement services</b></p> <p>Article 30 CFR - the right of <b>protection</b> in the event of <b>unjustified</b></p>	<p><b>Article 18 TFEU</b> (non-discrimination/citizenship) : <b>Prohibition of discrimination on grounds of nationality</b> (OLP)</p> <p><b>Article 19 TFEU (non-discrimination/citizenship): Combating discrimination</b> (SLP, OLP - incentive measures)</p> <p><b>Article 46 TFEU: Free movement of workers (objective 45 TFEU) :</b> cooperation of national employment services, abolishment of procedures &amp; qualifications contrary to FMW, employment offers (OLP)</p> <p><b>Article 48 TFEU: Social security for migrant workers:</b> aggregation of benefits, payment (OLP with emergency brake)</p> <p><b>Article 149 TFEU: incentive measures for employment, excluding harmonisation</b> (OLP)</p> <p><b>Article 153 TFEU: Measures to support social policies of Member States*:</b> (a) health and safety (OLP), (b) working conditions (OLP), (c) social security &amp; protection (SLP), (d) dismissed workers (SLP &gt; OLP), (e) consultation of workers (OLP), (f) representation and collective defence (SLP&gt;OLP), (g) Third Country Nationals (SLP&gt;OLP), (h) social exclusion (OLP), (i) equal opportunities (OLP)</p> <p><b>Article 157 TFEU: Application of the principle of equal opportunities</b> (OLP)</p>

<p><b>dismissal</b></p> <p>Article 31 CFR - the right to <b>fair and just working conditions</b></p> <p>Article 32 CFR - the <b>prohibition of child labour</b> and the protection of young people at work</p> <p>Article 33 CFR - <b>reconciling family and professional life</b></p> <p>Article 34 CFR - <b>social security</b></p> <p>Article 35 CFR - <b>health care</b></p>	<p><b>Article 165 TFEU: Incentive measures for the development of education and sport (OLP)</b></p> <p><b>Article 166 TFEU: Measures to support vocational training (OLP)</b></p> <p><b>Article 168: Health policy</b>, (4) (a) safety of organs, (b) veterinary and phytosanitary measures, (c) medicinal products and medical devices, (5) combatting cross-border threats</p>
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<b><u>Coordination / Consultation/ Funding</u></b>	<b><u>Other sources</u></b>
<p><b>Coordination and reporting</b>  <b>Article 145 (objective) and 146 TFEU : coordination of employment policies (1) broad guidelines of economic policies consistent with broad guidelines (Art 121(2) TFEU), (2)</b>            Coordination within Council according to <b>148 TFEU: Joint Annual Report on Employment</b></p> <p><b>Article 159 TFEU: report on the implementation of social policy</b>            + <b>Article 161 TFEU</b> separate <b>chapter on social developments</b> in the EU</p> <p><b>Article 158 TFEU</b> : equivalence between paid holiday schemes</p> <p><b>Article 156 TFEU</b> : Encourage cooperation for coordination via studies, opinions, consultations, guidelines, indicators, best practice</p> <p><b>Consultation</b></p>	<p><b>European Social Charter (1961)</b></p> <p><b>Community Charter of the Fundamental Rights of Workers (1989)</b></p>

<p><b>Article 150 TFEU</b> Employment Committee</p> <p><b>Article 151 TFEU</b> : role of the social partners at EU level and Tripartite Social Summit for Growth and Employment</p> <p><b>Article 154-155 TFEU</b>: Social dialogue</p> <p><b>Article 160 TFEU</b>: Social Protection Committee</p> <p><b>Funding and programs</b></p> <p><b>Article 47 TFEU</b>: encouragement of exchange of young workers via a joint programme</p> <p><b>Article 162-164 TFEU</b>: European Social Fund</p>	<p><b>Notes</b></p> <p>CFR: Charter of Fundamental Rights  OLP: Ordinary legislative procedure  SLP: Special legislative procedure  * <b>SLP&gt;OLP possibility to use a passerelle clause</b></p>
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**Annex II: Parliament's proposals compared to the suggestions in Commission's Reflection Papers**

EP Resolutions	Commission's Reflection Paper on the Social Dimension/ SOTEU 2017
<i>Full use of venues in the EU law to adopt measures in the field of social policy</i>	
<p>AI. whereas the right of free movement and the rights of workers should be guaranteed and sustained by fully exploiting the potential of the Lisbon Treaty; (Bresso/Brok)</p> <p>AJ. whereas the Union legislator may adopt measures in the field of social security that are necessary for workers who exercise their free movement rights under Article 48 TFEU; whereas it may adopt measures for the protection of social rights of workers independently of the use of free movement rights under Article 153 TFEU; (Bresso/Brok)</p> <p>AK. whereas on the basis of Article 153(1)(a) to (i) TFEU the Union legislator may adopt minimum harmonisation measures in the area of social policy; whereas such legislation may not affect the right of Member States to define the fundamental principles of their social security systems; whereas such legislation may not significantly affect the financial equilibrium of national social security systems; whereas these limits for social policy harmonisation still give some unused leeway to the Union legislator to adopt measures in the area of social policy; (Bresso/Brok)</p> <p>AN. whereas freedom of movement, in particular that of workers, is a right that is enshrined in the Treaties (Article 45 TFEU) and</p>	<p>Together with the development of the single market, the EU has developed a set of secondary legislation on safety and health of workers, on equality rights and on atypical forms of work such as part-time work or temporary agency work. This is because we recognised that a common market also requires common rules in a number of areas, setting minimum standards across the board. The current Commission has stepped up action on all fronts. It has introduced new legislation to protect workers against exposure to cancer-causing substances — saving 100 000 lives over time, and it has taken initiatives to improve accessibility of goods and services for the disabled. It has proposed an ambitious agenda to ensure that people can develop the right skills and engage in lifelong learning.</p> <p>(Commission's Reflection paper on the Social Dimension, p. 24)</p> <p>Focussing on the single market would only mean keeping rules to promote cross-border movements of people in place, such as rules on social security rights of mobile citizens, on posting of workers, on cross-border health care and on the recognition of diplomas. However, European legislation on the protection of workers and their health, safety and working and rest time would be scrapped.</p> <p>(Commission's Reflection paper on the Social Dimension, p. 26 )</p>

<p>constitutes a fundamental driving force for the completion of the single market;(Bresso/Brok)</p>	
<p><i>Interconnection between mobility rights, social rights and citizenship</i></p>	
<p>90. Stresses that the workers' rights, particularly when they exercise their right of mobility, should be guaranteed along with their social rights, making full use of the relevant legal instruments provided for in Titles IV, IX and X of Part Three of the TFEU and according to the EU Charter of Fundamental Rights, in order to ensure a stable social basis for the Union; points in this context in particular to the rights derived from Directive 2004/38/EC on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States and Regulation (EU) No 492/2011 on freedom of movement for workers within the Union; (Bresso/Brok)</p> <p>91. Stresses the importance of establishing a social Europe, so that the European integration project continues to have the support of workers; (Bresso/Brok)</p> <p>92. Points out the importance of promoting the idea of a minimum wage determined by each Member State, observes that exploring options for a minimum unemployment benefit scheme would necessitate the existence of common rules and conditions for an EU labour market, and suggests that, under current Treaty provisions, a legislative proposal could be adopted to reduce still-existing barriers for employees;</p>	<p>The current balance of competences between the Union and Member States might have to be reevaluated, touching on all four instruments: legislation, cooperation, guidance and funding.</p> <p>(Commission's Reflection paper on the Social Dimension, p. 30)</p> <p>Legislation would not only set minimum standards but, in selected areas, could fully harmonise citizens' rights across the EU. With the aim of focusing on convergence in social outcomes, binding benchmarks could be developed for important parameters contributing to effective employment policies, education and health and welfare systems. Building on the example of the Youth Guarantee, a Child Guarantee supported by EU funds could be developed.</p> <p>(Commission's Reflection paper on the Social Dimension, p. 30)</p>

(Bresso/Brok)	
<i>Social rights in the EMU</i>	
21. Considers a strong social dimension indispensable for a comprehensive EMU and that Article 9 of the TFEU in its current form is not sufficient to guarantee a proper equilibrium	The Commission is presenting a European Pillar of Social Rights. The pillar establishes a series of principles and rights, which are to serve as a reference framework for employment and social policy at



<p>between social rights and economic freedoms; calls therefore for these rights to be equally ranked and for dialogue between social partners to be safeguarded; (Verhofstadt)</p> <p>53. Recalls its resolution of 12 December 2013 on constitutional problems of a multitier governance in the European Union<sup>(11)</sup>, which vented the idea of a Convergence Code adopted under the ordinary legislative procedure with a view to creating a more effective framework for economic policy coordination (with a number of convergence criteria, which are to be determined), open to all Member States and supported by an incentive-based mechanism; (Bresso/Brok)</p> <p>20. Proposes therefore, in addition to the Stability and Growth Pact, the adoption of a ‘convergence code’ as a legal act under the ordinary legislative procedure, setting converging targets (taxation, the labour market, investment, productivity, social cohesion, public administrative and good governance capacities); insists that, within the economic governance framework, compliance with the convergence code should be the condition for full participation in the fiscal capacity of the euro area and requires each Member State to come forward with proposals on how to meet the criteria of the convergence code; stresses that the standards and the fiscal incentives are determined in its resolution on budgetary capacity for the Eurozone; (Verhofstadt)</p> <p>54. Believes that a limited number of crucial areas for structural reforms that increase competitiveness, growth potential, real economic convergence and social cohesion over a five-year</p>	<p>national and European level. (Commission’s Reflection paper on the Social Dimension, p. 25)</p> <p>Currently, apart from the coordination and surveillance of fiscal policy, there is no legal framework to develop legislation for the euro area only, but the instrument of ‘enhanced cooperation’ foreseen in the treaty could be used. It implies that a group of at least nine countries, as a last resort and only if the EU-27 Member States agree to it, could adopt legal acts that bind only the countries that take part. Common standards could focus primarily on labour markets, competitiveness, the business environment and public administration, as well as certain aspects of tax policy (such as the corporate tax base).</p> <p>(Commission’s Reflection paper on the Social Dimension, p. 28)</p> <p>Several other key initiatives were taken. The single market is being deepened in the fields of capital markets, energy and digital. This is a source of jobs, growth and innovation and helps to make the single currency more robust in the face of a constantly changing global economic environment. From youth employment to the fight against tax evasion, and recently again with the establishment of a European Pillar of Social Rights, new initiatives were also taken to ensure greater social fairness and make sure economic and social priorities are sustainable and work hand-in-hand.</p> <p>(Commission’s Reflection Paper on Deepening EMU, p. 10)</p> <p>The lack of strong economic and social re-convergence calls for swift and effective action. Progress on economic convergence is of</p>
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<p>period to strengthen the European social market economy, as outlined in Article 3(3) TEU, should be laid down; (Bresso/Brok)</p> <p>57. Points out the need for fewer and more targeted Country Specific Recommendations (CSR), based on the policy framework set out in the Convergence Code and the Annual Growth Survey (AGS), and on the concrete proposals presented by each Member State, in line with their respective key reform objectives, from a broad range of structural reforms, fostering competitiveness, real economic convergence and social cohesion; (Bresso/Brok)</p> <p>59. Recalls that economic dialogue mechanisms already exist, notably through the creation of the ‘economic dialogue’ within the framework of the ‘6-pack’ and ‘2-pack’ legislation; considers that this is an effective tool to enable Parliament to be vested with a more substantial role within the framework of the European Semester in order to enhance dialogue between Parliament, the Council, the Commission and the Eurogroup, and proposes formalising Parliament’s scrutiny role in the European Semester through an interinstitutional agreement (IIA), as Parliament has called for on several occasions; furthermore welcomes and encourages involvement of national parliaments at the national level and cooperation between national parliaments and the European Parliament in the framework of the European semester and economic governance more in general, e.g. through the ‘European Parliamentary Week’ and the ‘Article 13 Conference’; considers moreover that the involvement of social partners in the European Semester</p>	<p>particular relevance for the functioning of the euro area but is equally important for the EU as a whole. (Commission’s Reflection Paper on Deepening EMU, p. 23)</p> <p>The European Semester can and should remain the core vehicle for further steps towards stronger convergence and more effective coordination of such policies, both for the euro area countries and the other EU Member States. The European Pillar of Social Rights will also provide a renewed compass for many such policies towards better working and living conditions. It sets out a number of key principles and rights to support fair and well-functioning labour markets and welfare systems. These could be combined with minimum social standards, as envisaged in the European Pillar of Social Rights. The binding nature of such standards could only be acceptable if compliance could be strengthened by a strong link between related reforms, the use of EU funds and access to a potential macroeconomic stabilisation function. The monitoring of progress towards convergence could be embedded in the surveillance system of the European Semester, building on existing scoreboards and benchmarks.  (Commission’s Reflection Paper on Deepening EMU, p. 24)</p> <p>A number of new instruments, such as better economic and social convergence standards, could also be tested. The democratic accountability and effectiveness of the EMU architecture would be gradually improved.  (Commission’s Reflection Paper on Deepening EMU, p. 29)</p>
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<p>could be improved; (Bresso/Brok)</p> <p>94. Calls on the Commission to include employment criteria in the evaluation of Member States' macro-economic performance, and for recommending and supporting structural reforms also with a view to ensure better use of regional and social funds; (Bresso/Brok)</p> <p>96. Calls for the establishment of a new social pact (which could take the form of a social protocol) aimed at fostering Europe's social market economy and reducing inequalities, ensuring that all citizens' fundamental rights are respected, including inter alia the right to collective bargaining and freedom of movement; points out that such a pact could enhance the coordination of the social policies of the Member States; (Bresso/Brok)</p>	<p>(...) if we want to avoid social fragmentation and social dumping in Europe, then Member States should agree on the European Pillar of Social Rights as soon as possible and at the latest at the Gothenburg summit in November. National social systems will still remain diverse and separate for a long time. But at the very least, we should agree on a European Social Standards Union in which we have a common understanding of what is socially fair in our single market.</p> <p>(SOTEU 2017)</p>
<p><i>Evaluation of social impacts in the framework of Better Law-making</i></p>	
<p>95. Calls on the Commission to properly assess the need for EU action and the potential economic, social and environmental impacts of alternative policy options before it proposes a new initiative (e.g. legislative proposals, non-legislative initiatives, implementing and delegated acts), in keeping with the Interinstitutional Agreement of 13 April 2016 on Better Law-Making; (Bresso/Brok)</p>	<p>Finally, the Commission has taken social considerations into account in all policies, including its foreign trade policy — the Comprehensive Economic and Trade Agreement with Canada is an example thereof, its economic policy focussed on investment and job creation and on its agricultural, environmental, energy and transport policies.</p> <p>(Commission's Reflection paper on the Social Dimension p. 25)</p> <p>Social considerations were put on a par with economic ones, with specific recommendations and new social indicators as part of the European Semester. The Commission also made concrete proposals to</p>

	<p>create a European Pillar of Social Rights to serve as a compass for a renewed convergence process. Before concluding the new Stability Support Programme for Greece, a dedicated social impact assessment was carried out.</p> <p>(Commission’s Reflection Paper on Deepening EMU, p. 33)</p>
<i>Decision-making: shifting voting rights in the Council to qualified majority</i>	
<p>58. Calls for a further reduction of the voting procedures in the Council from unanimity, wherever it is still applied, for example in foreign and defence matters, fiscal affairs and social policy, to qualified majority, for the existing special legislative procedures to be converted into ordinary legislative procedures, and for the full replacement of the consultation procedure by codecision between Parliament and Council; (Verhofstadt)</p>	<p>When it comes to important single market questions, I want decisions in the Council to be taken more often and more easily by qualified majority – with the equal involvement of the European Parliament. We do not need to change the Treaties for this. There are so-called “passerelle clauses” in the current Treaties which allow us to move from unanimity to qualified majority voting in certain cases – provided the European Council decides unanimously to do so.</p> <p style="text-align: right;">(SOTEU 2017)</p>
<i>Enhancing of EU social dialogue</i>	
<p>97. Calls on the Commission to revitalise the EU social dialogue through binding agreements among the social partners in accordance with Articles 151 to 161 TFEU; (Bresso/Brok)</p>	<p>It has also re-launched the dialogue with social partners at European level and welcomes their commitment, expressed in Rome on the occasion of the EU’s 60th birthday, to continue contributing to a Europe that delivers for its workers and enterprises.</p> <p>(Commission’s Reflection paper on the Social Dimension p. 25)  Joint statement of the Council, the Commission and the social partners on a ‘new start for social dialogue’  (Commission’s Reflection paper on the Social Dimension p. 35)</p>

