



**Tithe an
Oireachtais**
Houses of the
Oireachtas

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an Aontais Eorpaigh**
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**Joint Committee on
European Union Affairs**
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Mr. José Manuel Barroso,
President,
European Commission,
Brussels.

6 December 2013

Dear President Barroso,

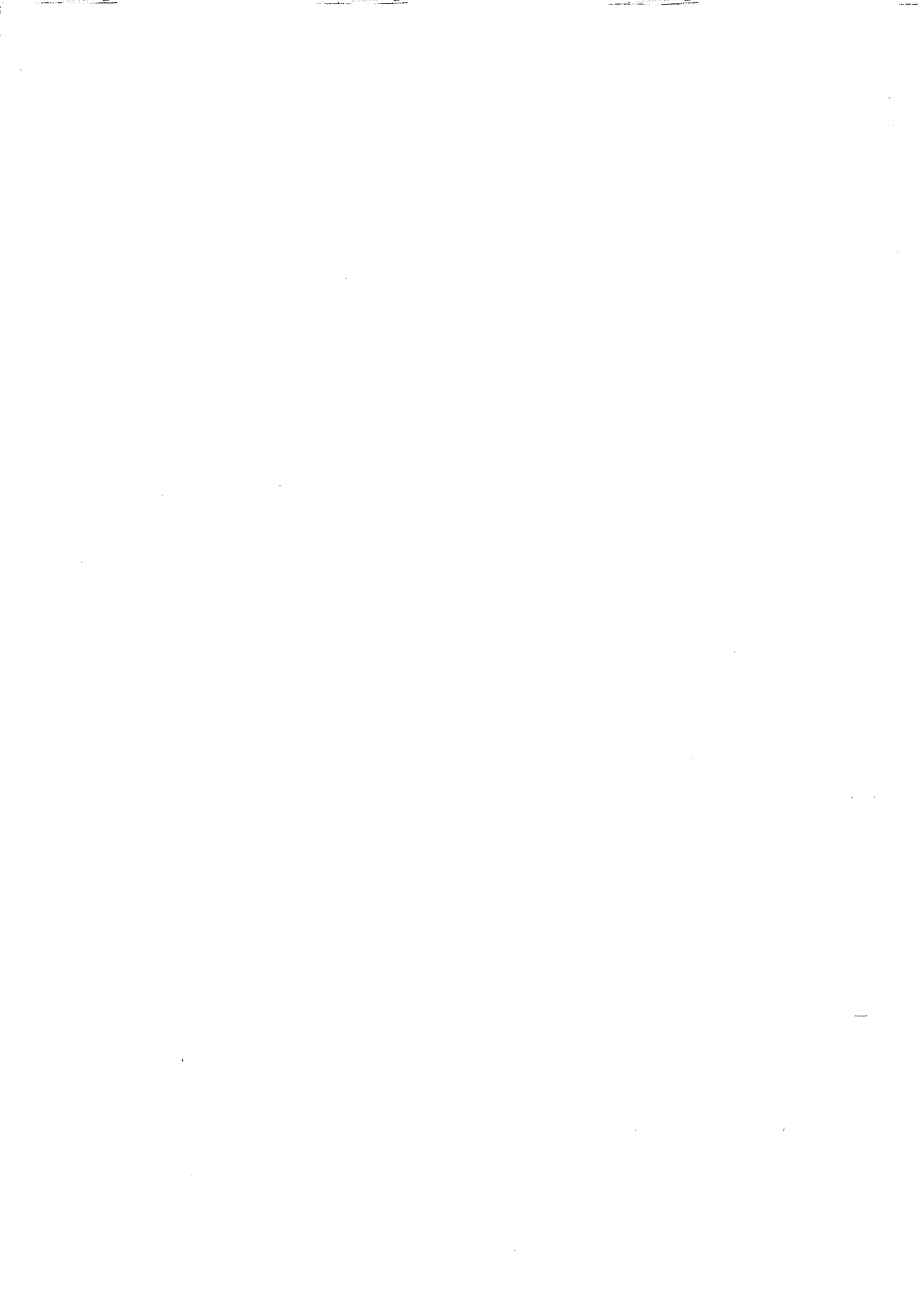
The Joint Committee on European Union Affairs of the Irish Parliament is pleased to participate in the on-going dialogue between National Parliaments and the European Commission and is grateful for the opportunity it affords to contribute to policy development in the European Union.

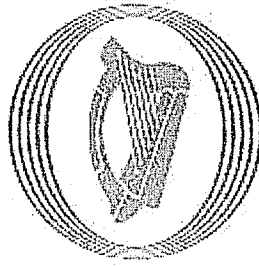
The Joint Committee recently agreed the enclosed political contribution based on its consideration of COM (2013) 690 *Communication from the Commission to the European Parliament and the Council - Strengthening the Social Dimension of the Economic and Monetary Union*.

The Joint Committee looks forward to receiving the Commission's response to its observations and recommendations and it hopes that the Committee's views can be taken into account.

Yours sincerely,

Dominic Hannigan T.D.
Chairperson





TITHE AN OIREACHTAIS

An Comhchoiste um Ghnóthaí an Aontais Eorpaigh

An Cion Polaitiúil maidir le

COM (2013) 690 Teachtaireacht ón gCoimisiún chuig Parlaimint na hEorpa agus chuig an gComhairle – An Ghné Shóisialta den Aontas Eacnamaíoch agus Airgeadaíochta a Neartú

Nollaig 2013

HOUSES OF THE OIREACHTAS

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

Political Contribution on

COM (2013) 690 Communication from the Commission to the European Parliament and the Council - Strengthening the Social Dimension of the Economic and Monetary Union

December 2013

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REPORT OF THE JOINT COMMITTEE

Introduction

1. The Joint Committee on European Union Affairs is pleased to participate in the on-going dialogue between National Parliaments and the European Commission and is grateful for the opportunity it affords to contribute to policy development in the European Union. The Joint Committee believes that the political dialogue between the Commission and the Houses of the Oireachtas is a key factor in the development of better EU policy and laws which properly reflect the concerns and needs of Irish citizens.

Background

2. The Joint Committee has noted that there is a growing debate at European level regarding the role that social indicators should play in the in Economic and Monetary Union. In this context, the Joint Committee welcomed the publication of the Commission's Communication *COM (2013) 690 - Communication from the Commission to the European Parliament and the Council - Strengthening the Social Dimension of the Economic and Monetary Union*.
3. On 20th November 2013, the Joint Committee discussed the Commission's communication with Mr. Koos Richelle, Director General of the European Commission's Directorate on Employment, Social Affairs and Inclusion. Following this meeting, the Joint Committee decided to meet with selected stakeholders to discuss their views and observations on the Commission's Communication. Meetings subsequently took place with representatives of the following Irish organisations -
 - Irish Congress of Trade Unions
 - Irish National Organisation of the Unemployed
 - Social Justice Ireland
 - Irish Business and Employers Confederation
 - European Anti Poverty Network
 - Economic and Social Research Institute
 - National Youth Council
 - National Women's Council
4. The Joint Committee wishes to thank the European Commission and the various stakeholders for their assistance in relation to the Committee's work on this significant proposal.

Decision of the Committee

5. On 3 December 2013, the Joint Committee agreed that the enclosed political contribution be forwarded to the Minister for Social Protection, Ms. Joan Burton TD, Mr. José Manuel Barroso, President of the European Commission, Mr. Martin Schulz MEP, President of the European Parliament and Mr. Herman Van Rompuy, President of the European Council.
6. The Joint Committee further agreed that, in the interests of inter-parliamentary cooperation on EU matters, to forward a copy of this report to the appropriate Committee in each EU Member State's National Parliament and to ensure that a copy is made available to Ireland's MEPs.

POLITICAL CONTRIBUTION ON COM (2013) 690

The following are the observations and recommendations of the Joint Committee, based on its consideration of COM (2013) 690 *Communication from the Commission to the European Parliament and the Council - Strengthening the Social Dimension of the Economic and Monetary Union*.

The Joint Committee considers that:

1. After an extended period focused on the development of economic governance in the euro area and the EU, a specific focus on the social aspect of the new arrangements is appropriate, and arguably, overdue.
2. Focusing on the social or societal element of EMU is a fundamental issue as economic and social progress are essentially two sides of the same coin.
3. The common arrangements that Europe has put in place should be seen as a vehicle to improve living standards and create a more inclusive society.

Reinforced surveillance of employment and social challenges and policy coordination

4. The EU's shared economic governance mechanisms must be capable of identifying, taking into account and addressing problematic developments related to employment and social policies in EMU in good time.
5. The proposal to introduce a limited number of auxiliary employment and social indicators into the Alert Mechanism Report has the potential to strengthen the preventive arm of the macroeconomic imbalances procedure and is welcome in principle.
6. The introduction of indicator threshold values should be considered and further consideration, such as the use of sanctions or supports, needs to be given to the consequences in such cases.
7. With the proposed introduction of employment and social indicators into the macroeconomic imbalances procedure, as well as the creation of a separate key employment and social indicators scoreboard, duplication must be avoided and clarity provided regarding the role of the respective tools.
8. The social indicators are essential points of reference if the Economic and Monetary Union is to proceed in a coherent and socially positive way. The indicators must carry weight and become central to the development of economic policy.
9. In terms of the scoreboard indicators, the rationale for reporting the "at-risk-of-poverty rate" for the working age population only is not clear. This indicator should be revisited to include child poverty and poverty among older age groups.

10. In relation to the "real gross disposable income of households" indicator, the use of the median value would be preferable to the mean value in order to avoid distortion of the figures by a small number of households with high gross income.
11. The scoreboard should include indicators that highlight specific challenges relating to the full participation of women and young people in employment, for example the percentage of women with children that are in employment, and the percentage of young employees with a temporary contract.

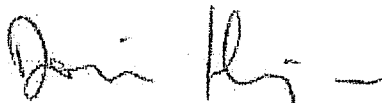
Enhanced solidarity and action on employment and labour mobility

12. The acknowledgement by the Commission that the scope of the EU budget must be fully exploited to develop the social dimension of EMU is to be welcomed.
13. Proposals to support labour mobility across the EU and effective transnational matching between labour supply and demand are an important part of the response to the unemployment crisis in Europe and need to be ambitious in scope.
14. Outline plans for ex-ante coordination of major reform projects and the creation of a 'Convergence and Competiveness Instrument' are welcome in principle, but their implications for the social dimension of EMU cannot be considered until more detailed proposals emerge.

Strengthened social dialogue

15. While the proposal to strengthen the EU social dialogue is welcome, the definition of a social partner at EU level remains too narrow, compared to that used in a number of Member States. Consideration should be given to expanding the EU social dialogue process to include other relevant pan-European civil society organisations, in addition to employers and trade unions.
16. A genuine social dialogue and focus on the social agenda at European level might help to revive the tarnished image of Europe among its citizens.

The Joint Committee looks forward to receiving the Commission's response to its observations and it hopes that the Committee's recommendations can be taken into account.



Dominic Hannigan T.D,
Chairman,
Joint Committee on European Union Affairs

APPENDICES

Appendix 1

Membership of the Joint Committee on European Union Affairs

Deputies: Dominic Hannigan TD (LAB) (Chairman)
 Eric Byrne TD (LAB)
 Seán Crowe TD (SF)
 Timmy Dooley TD (FF)
 Bernard J. Durkan TD (FG)
 John Halligan TD (IND)
 Seán Kyne TD (FG)
 Dara Murphy TD (FG) (Vice-Chairman)
 Joe O'Reilly TD (FG)

Senators: Senator Colm Burke (FG)
 Senator Terry Leyden (FF)
 Senator Aideen Hayden (LAB)
 Senator Catherine Noone (FG)
 Senator Kathryn Reilly (SF)

Appendix 2: Transcripts of Joint Committee meetings

The Joint Committee on European Union Affairs met on 4 separate occasions in public session to discuss the European Commission's communication COM (2013)690. Details of these meetings, with a link to the meeting transcripts, are set out below.

20 November 2013 European Commission

[Link to transcript](#)

21 November 2013 (i) Irish Congress of Trade Unions
(ii) Irish National Organisation of the Unemployed
(iii) Social Justice Ireland

[Link to transcript](#)

26 November 2013 (i) Irish Business and Employers Confederation
(ii) European Anti Poverty Network
(iii) Economic and Social Research Institute

[Link to transcript](#)

3 December 2013 (i) National Youth Council
(ii) National Women's Council

[Link to transcript](#)