



CONVENTION WORKING GROUP " SOCIAL EUROPE "

POINTS 4-7

OPEN METHOD OF COORDINATION, COORDINATION BETWEEN ECONOMIC AND SOCIAL POLICIES, CO-DECISION AND QMV, ROLE OF SOCIAL PARTNERS

CONTRIBUTION FROM MR G. JACOBS

Question 4: what role could be given to the open method of coordination and what would be its place in the Constitutional Treaty ?

Coordination of national policies has started in the economic area as part of the preparation for the Euro (Maastricht Treaty provisions) and has then been applied "mutandis mutandis" to employment (employment title of Amsterdam Treaty).

The European Council decided to put policy coordination at the heart of the strategy for growth and employment decided in Lisbon (open method of coordination). As a result the method is now applied, in different ways, in the social protection area (processes on social inclusion and on pensions). Work is progressing to put in place some policy coordination in the field of education and training policies.

According to UNICE, the open method of coordination has a double advantage. It is particularly well adapted to

- bring about both social and economic progress, and
- ensure that EU action is in line with the principle of subsidiarity in areas characterised by strong national specificities.

Thought should be given to how best to enshrine this double advantage of the "open method of coordination" in the constitutional Treaty.

However, when doing so, it is important to make a distinction between different parts of the Treaty (general constitutional part, sections on specific policies, additional acts) and what should rather be left to implementing acts outside the Treaty.

At this stage, UNICE would like to flag out two key points:

- EU mechanisms to coordinate national policies must be adapted to the policy area concerned in order to preserve the flexibility of the Lisbon strategy.
- Since the method is designed to be applied in areas where the primary responsibility remains national, treaty provisions must be drafted in a way which clearly reflects this.

Question 5: what relationship can be established between coordination of economic and social policies ?

Economic and social progress can only go hand in hand. To achieve this, it is important to ensure synergies between the processes for coordinating economic policies on the one hand and employment policies on the other hand.

UNICE therefore welcomes the synchronisation and streamlining of these processes. This does not mean that processes should be merged but rather than they should be made coherent and interdependent. With regard to existing treaty provision on employment, UNICE supports the intention to streamline and simplify the procedure.

UNICE would also like to recall that in their joint contribution to the Laeken European Council, the European social partners proposed that "the Standing Committee for Employment be replaced by a tripartite concertation committee for growth and employment which would be the forum for concertation between the social partners and public authorities on the overall strategy defined in Lisbon." In response to this, the Laeken European Council agreed that "a social summit of this kind would in future be held before each Spring European Council" and the Commission recently made a proposal for a decision on a Tripartite Social Summit.

Question 6: to what extent should co-decision and QMV be extended to matters for which unanimity is currently covered ?

As recalled on 11 December 2002, all EU competences in the social field were either shared or supplementary. The dividing line was usually the following:

- shared competences for legislative competences (article 137 of the Treaty),
- complementary competences for employment (article 128) or education and training (articles 139 and 140).

The EU can act through various channels (legislation, support for or coordination of Member States' policies, financial support through the European Social Fund or other structural funds, etc.). Today's social Europe encompasses 230 legally binding texts at EU level and highly developed national systems for social protection, labour law, industrial relations, etc.

UNICE agrees that in an enlarged Europe, QMV should be the rule for issues relating free movement of people (i.e. article 42 of the Treaty).

However, the reasons why unanimity is required in the Council for some areas such as social security continue to be valid after enlargement. These areas are characterised by important national specificities. UNICE does not believe that the double objectives of promoting a high level of employment and a high level of social protection can be met by allowing the EU to intervene in the definition of national social security systems. The very delicate nature of these issues, notably in terms of financial equilibrium, requires particular caution when they are addressed at EU level. Unanimity ensures that this caution is exercised.

Similarly, the reasons why it is provided that the EU may not legislate on remuneration, strikes and lockouts remain valid after enlargement. UNICE is therefore strongly opposed to the suggestion to delete article 137 paragraph 6 of the Treaty.

Question 7: should the role of social partners appear in title VI (democratic life of the Union) and if so, what should be its role ?

The draft constitutional treaty prepared by the Praesidium contains an article 34 which sets out a general principle of participatory democracy. Given the specific role that social partners play in economic and social governance in all European countries, a specific reference to the role of social partners should be added in title VI (part one of the Treaty).

This would not substitute appropriate provisions on consultation of social partners in relevant policy areas in part 2 of the Treaty, as is the case, for example, on employment with article 130 of the employment title.

Concerning social policy issues, the role of social partners is not limited to consultations. Articles 138 and 139 of the Treaty set the rules for consultation of the social partners, for negotiations between them at EU level and for implementation of their agreements. They were designed to

- protect the autonomy of the social dialogue,
- allow the development of a contractual area at the EU level while respecting diversity in national industrial relations systems and in the division of tasks between the social partners and the legislator in Member States.

Articles 138 and 139 should be maintained without any changes in the next Treaty.

The European social partners intend to present a joint contribution on this point in the near future.
