

Mr Jean-Claude Juncker President European Commission Rue de la Loi 200 1049 Brussels Belgium

20 December 2018

Dear President,

I am writing to you to express our concerns with the Commission's initiative, announced for April 2019, to make use of the passerelle clause in the area of social policy.

The areas under unanimity voting rules are core pillars of national socio-economic systems and are related to how member states define the different rights and responsibilities of citizens in their country. They are issues of primary importance in national democratic political debates and elections and they cover issues of key importance for national social partners. They are also of a key importance for national level of expenditures and the principles underlying the functioning of diverse national social protection systems.

Article 153 TFEU clearly defines the role of EU social policy in terms of supporting and complementing the activities of the Member States. Unanimity is clearly justified where it applies under this Treaty article, and those areas covered by unanimity voting rules should remain so. Therefore, the Commission should not open a discussion on the use of the passerelle clause in the social domain, as this will only lead to divisive discussions and confusion about the division between the EU's role and the role of Member States. It would also bear the risk of further undermining the public acceptance of EU institutions at a critical moment for the future of EU integration.

For key areas of national competence such as social protection, employment and vocational training, further progress will only be possible if it is based on a closer gradual social convergence and more social cohesion between EU member states, taking into consideration the current economic and labour market context of each Member State. The European Commission should therefore focus on facilitating this, for example by further encouraging necessary reforms of national social systems through the EU semester process in accordance with article 156 TFEU.

There is clear evidence that those countries that engaged in timely labour market reforms are now better off. To support progress being made across Europe, the Commission should improve its support to Member States and social partners, to help them learn from each other and progress towards better performing labour market policies and social systems.



Part of this is to ensure that labour market reforms support the digital transformation that is under way, by adapting employment protection regulations and modernising social protection systems to support employment creation and participation, achieve a better match between skills and jobs and tackle the skills shortages faced by many companies across Europe. To make progress, the role of benchmarking should be strengthened as it is an effective tool for Member States to gradually converge towards the best performing ones.

We thank you for taking our views into account and we look forward to hearing from you once the Commission will have achieved clarity on its approach and regarding the content of its initiative.

Yours sincerely,