



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 11 July 2013**

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from: General Secretariat  
to: Delegations

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Subject: Social Dimension of the EMU  
- Letter by the Irish Presidency to the President of the European Council

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Delegations will find attached the letter sent by the Irish Presidency to the President of the European Council, on 15 May 2013, on the social dimension of the European Economic and the Monetary Union.

The Memorandum to which this letter refers can be found in doc. 12115/13 ADD 1.



## SOCIAL DIMENSION OF THE EMU

**Dublin  
IRELAND**

**15 May 2013**

Dear President,

We would like to thank you for your participation at the EPSCO Council's informal breakfast meeting on 28 February. The meeting provided a unique and historic opportunity for EPSCO Ministers to meet with you, as President of the European Council, for what proved to be, from the Presidency's point of view, a productive exchange of views on the issue of the social dimension of the European Economic and Monetary Union. This exchange of views was informed by your letter to the Irish Presidency of 1st February 2013 and by the steering note prepared by the Presidency to help frame the discussion among Ministers.

The EMU is going through a severe financial and economic crisis. This has serious consequences for employment and social outcomes. Levels of unemployment represent an economic, social and political crisis. This crisis is particularly severe, among young people. Across Europe right now 5.5 million young people – one in five of those aged between 15 and 24 who are in the labour market – are without a job. There are increasing levels of poverty and social exclusion within societies. Our discussions demonstrated a strong consensus in favour of a reinforced social dimension of the EMU that can achieve the right balance between economic measures and social objectives in order to ensure that citizens are protected from the worst effects of the crisis and can look to the future with hope. The Member States of the Union and the EU institutions need to work closely together in order to help citizens and businesses alike, by addressing imbalances, boosting investment, generating growth and jobs and reducing poverty and social exclusion.

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The Presidency submits the attached Memorandum on the basis of our discussions on the 28 February, 2013, the joint Franco-German *non paper* on social Europe presented at the breakfast meeting, the subsequent written contributions by ten of the participating Ministers, as well as the contributions by the Employment and Social Protection Committees. As the European Council conclusions of December 2012 refer also to the importance of the social dialogue, Ministers were also invited to consider forms of engagement with the Social Partners. The memorandum does not address specific proposals or incorporate detailed submissions but rather seeks to capture the common themes of the submissions.

A currency union needs mechanisms to speed-up convergence and in the European Union the mechanisms for the coordination and monitoring of national employment and social policies are one means of enabling all the participants to preserve their growth potential, or regain it when necessary after a crisis. To this end, Ministers expressed a willingness to further develop EPSCO's current monitoring tools (i.e. the Employment Performance Monitor and the Social Protection Performance Monitor). Multilateral surveillance and the Treaty based coordination of policies might be reinforced by developing a scoreboard of employment and social indicators. This type of instrument, along with in-depth reviews on the part of EPSCO's preparatory bodies, could play a role equivalent to the Macroeconomic Imbalance Scoreboard, alerting EPSCO Ministers to the danger of serious employment and social imbalances arising that could threaten the stability of the EMU, and highlighting potential conflicts between economic and social policy.

An Economic and Monetary Union with a strong social dimension is important in the short term to meet people's immediate income support needs and to find common solutions to the worsening employment situation and its grave effects on the social conditions in several EU Member States. In addition, social policy measures are necessary in the short term and in the long term, in order to achieve the EU 2020 targets for sustainable growth, employment and social cohesion. In this respect, Ministers emphasised the importance of strongly reinforcing the contribution of EPSCO and its preparatory committees to the European Semester process and to completing the EMU by strengthening policy coherence within the EU's economic policy governance and improving cooperation with ECOFIN and its preparatory bodies.

There was considerable common ground among EPSCO Ministers that a balanced vision of social progress and social cohesion is crucial to restoring the confidence of citizens, notwithstanding the need to operate within macroeconomic constraints and to maintain essential reforms, and acknowledging some divergence in views about the level of integration to be achieved. This should emphasise fairness and equity in burden sharing and be reflected in policies that ensure:


- the fight against unacceptable levels of unemployment – in particular affecting youth and those trapped in long term unemployment;
- the need to work towards full employment as an essential goal of the Union;
- determined action to reduce poverty and social exclusion;
- reinforcing social dialogue as a preferred channel to design and implement reforms, both at European and national level, and recognising the crucial role of the social partners as participants in this process;
- stimulating growth with creating jobs, including training and apprenticeship places.

We hope that the attached Memorandum summarising the views of EPSCO Ministers on the social dimension of the EMU, including social dialogue, will be useful in the preparation of your report to the forthcoming European Council on the long-term architecture required to support EMU.

Yours sincerely



*Richard Bruton,  
Minister for Jobs, Enterprise and Innovation*



*Joan Burton,  
Minister for Social Protection*