

Working Group XI

Working Document 15

Working Group XI “Social Europe”

**Subject: Comments on paragraphs 4 to 7 of the Mandate
by Mrs Piia Noora Kauppi**

Members of Working Group XI on “Social Europe” will find hereafter a paper by Mrs Piia Noora Kauppi, alternate member of the Convention.

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Question 4: Which role could be given to the open method coordination and what is its possible place in the constitutional treaty?

The European Parliament report by Alain Lamassoure about the division of competencies takes the view that social policy in general should be a matter of shared competencies between the Union and its Member States. This would mean that the Member States may exercise their own policies as long as and insofar the Union has not yet done so. I agree totally with this view.

However, there are many areas of social policy, which the Lamassoure report leaves to the category of supplementary competencies of the Union. These include for example vocational training, health protection, employment policy and also the control and supervision of national budgetary policies.

Supplementary competencies of the Union are those conferred upon the Union where the Union is limited to supplement, support or coordinate action taken by the Member States with a view to achieving one of the Union's objectives, excluding any harmonisation of the laws and regulations of the Member States.

Open coordination method is most suitable to EU actions under the supplementary competences category. The benefits of open method of coordination are flexibility and respect of the principle of subsidiarity. These benefits are best achieved, if the method stays informal and based on MS common political will. Therefore I object that the method would be constitutionalized by writing a special Treaty article to define the method. I disagree with the final document and recommendations of the WG IX on Simplification when they say that the open method of coordination should be assigned constitutional status.

However, it becomes more and more obvious that there will be an extension of open method of coordination to new fields of policy. In this context, it is of utmost importance that the method remains transparent.

Question 5: What link should be established between economic policy and social policy protection?

I agree with the conclusions of the Barcelona European Council about streamlining the different economic and social coordination processes. This means that for example diverging time frames of the processes of employment policies and BEPG's should be coordinated and made more coherent. At the same time it has to be ensured that the coordination of the time frames must not lead to the unification of the two processes; clear distinction of these processes in terms of contents has to be ensured.

It is necessary to emphasize in this respect that the economic integration and the proper functioning of the Single Market must remain the main dynamic behind the stability and prosperity of Europe. To fulfil these expectations, the European Social Model should be further developed and made more competitive compared to our main global competitors. Only this will lead to wealth creation and, therefore, to more employment opportunities.

What comes to the BEPG's in general, I agree with the recommendations of the WG Economic Governance.

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

From the 4 areas, which are currently excluded from the QMV voting, I think that there is a need to move the QMV decision making procedure only what comes to the conditions of employment for third-country nationals legally residing in Community territory.

However, the provisions of Treaty of Nice, which give the Council, acting unanimously on proposal from the Commission and after consulting the EP, the possibility to render co-decision applicable to the questions staying under unanimity, should be extended to cover also the social security and the social protection of workers. This would be a step to the right direction without abandoning the role of unanimity principle in this very important area.

The social systems of the MS are highly sensitive and divergent policy areas with long national traditions, especially affecting the budgetary provisions related to social security. The structure of the social system has a strong impact on the economy as a whole. That is why unanimity should remain *lex generalis* in the field of social policy.

Question 7: The role of social partners?

The current EU treaty provisions concerning the social dialogue result from the European social partners 1991 contribution to the Intergovernmental Conference. They are thereby a solid reflection of the working of the social dialogue on the European level.

A commanding feature of the social dialogue is its autonomous nature. Social partners can take over the role of the executive and legislative authorities and enter into agreements independently avoiding unnecessary legislation and regulation. Through social dialogue the social partners are better able than central EU regulation in finding solutions that satisfy both businesses and their employees. Social dialogue on the European level also helps to ease the tension caused by centralised decision-making on social affairs in an EU governed by so many different social systems. All in all European social dialogue has worked well resulting in a number of European wide agreements between the social partners.

Social dialogue also has an important part in implementing reforms related to the Lisbon strategy. By giving social dialogue more autonomy and strength it can be expected to do even better. What social dialogue does not need is further regulation or governmental interference. Therefore the current treaty provisions should be respected. No further treaty provisions should be added to an EU constitution regarding social dialogue.

The unique role of the social partners to negotiate European agreements independently must be respected.

A clear differentiation should be made between the rising demand for civil dialogue and social dialogue. A civil dialogue is only an information and consultation process, which should under no circumstances be allowed to hamper with the workings of social dialogue.
