



November 2013  
AK Position Paper

Strengthening the social dimension of the  
economic and monetary union  
Communication from the Commission of  
2.10.2013

## About us

**The Federal Chamber of Labour is by law representing the interests of about 3.2 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is a part of the Austrian social partnership.**

**The AK EUROPA office in Brussels was established in 1991 to bring forward the interests of all its members directly vis-à-vis the European Institutions.**

### **Organisation and Tasks of the Austrian Federal Chamber of Labour**

The Austrian Federal Chamber of Labour is the umbrella organisation of the nine regional Chambers of Labour in Austria, which have together the statutory mandate to represent the interests of their members.

The Chambers of Labour provide their members a broad range of services, including for instance advice on matters of labour law, consumer rights, social insurance and educational matters.

Rudi Kaske  
President

More than three quarters of the 2 million member-consultations carried out each year concern labour-, social insurance- and insolvency law. Furthermore the Austrian Federal Chamber of Labour makes use of its vested right to state its opinion in the legislation process of the European Union and in Austria in order to shape the interests of the employees and consumers towards the legislator.

All Austrian employees are subject to compulsory membership. The member fee is determined by law and is amounting to 0.5% of the members' gross wages or salaries (up to the social security payroll tax cap maximum). 560.000 - amongst others unemployed, persons on maternity (paternity) leave, community and military service - of the 3.2 million members are exempt from subscription payment, but are entitled to all services provided by the Austrian Federal Chambers of Labour.

Werner Muhm  
Director

## Executive Summary

On the occasion of the communication from the Commission – hereinafter referred to as the communication – and in light of the forthcoming debate on the consolidation of the EMU, the Austrian Federal Chamber of Labour (AK) wishes to once again express a view on the strengthening of the social dimension in the economic and monetary union (EMU).

Firstly, we would like to note that very high expectations have been placed on this initiative from the perspective of employees, given that as a result of the mistaken austerity policy there are extremely tense social situations in many EU Member States. The communication ultimately addresses a call from Heads of State and Government at their meeting in December 2012 for possible measures to strengthen the social dimension of the EMU, including social dialogue. This request was once again confirmed in June 2013 by Heads of State and Government.

In the following, we firstly wish to recall the dramatic social situation in Member States as presented by the Commission on the same day (Point 1). This must be sufficient grounds for a committed approach with regard to the social dimension of the EMU. Nevertheless, the basic focus of the EU economic policies are still lacking a macroeconomic basic concept that adequately integrates the social dimension, as AK points out in several general remarks on the communication (Point 2). Against this back-

ground, we wish to address a range of missing elements in the context of a social dimension (Point 3) and also comment in detail on the measures presented in the communication (Point 4).

In the current communication there is repeated reference to the “necessary structural reforms”, which recently, however, have been understood to primarily involve the dismantling of the European welfare state, we would particularly like to take this opportunity to reiterate our unequivocal **rejection of the planned competitiveness package**.

# The AK position in detail

## 1. Social and employment situation in the European Union

On the same day as the present communication, the Commission presented the current "EU Employment and Social Situation Quarterly Review" (Social and employment situation). This report makes it especially clear how urgent it is, at a European level, to have a coordinated European strategy which takes account of the enormous social upheaval:

- **Youth unemployment** is at its highest ever (23% in the EU, 63% in Greece);
- **Long-term unemployment** has risen in most Member States, in the EU as a whole it is at an all time high;
- The net decrease in jobs goes hand in hand with increasingly **insecure jobs and involuntary part-time employment**;
- **Poverty** in the EU has increased since the outbreak of the crisis in 2007, household incomes are declining, 24% of the EU population is affected by poverty or exclusion, especially children.

The analysis in the quarterly report draws attention to **divergences and imbalances in the eurozone**, which according to the Commission undermine the Economic and Monetary Union as a whole:

- **Unemployment in the south and periphery of the eurozone in 2012 averaged 17.3%, in the north and in the centre it was 7.1%;**

- **Rate of young people who are not in education, employment or training (NEETS) is 22.4 % in the south, compared with 11.4 % in the north;**
- **Poverty has increased in 2/3 of the countries.**

The results of the quarterly report of the European Commission should indeed strengthen those forces within the European Commission which originally wanted to bring about a real strengthening of the social dimension in the Economic and Monetary Union's newly constructed architecture.

Unfortunately, this is not what has happened.

## 2. General findings: Disconcerting disregard for the social dimension

The AK considers the "social dimension" of the EMU as a key criterion of economic, social and societal policy and would therefore like to see the title "social dimension" used to cover more than social policy. In this sense, the design of social and employment policy is fundamentally a matter for the Member States (as is also pointed out in the communication), but the **scope of the individual states is increasingly clearly predetermined by fiscal and economic policy conditions**. For example, tight budgets due to negative tax competition (for example in the area of corporate tax), privatisations or rigid rules regarding public deficit and debt ratios have a significant impact on the socio-political scope of individual states.

Conversely, dramatic savings in the social sector lead to a dampening of demand, which in turn reduces production and once again leads to unemployment. On this issue the incorrect macroeconomic understanding of the EU is very visible. It excludes the key aspect of raising **domestic demand**. As already mentioned on many occasions, we wish to once again point out here that 87% of European demand comes from the countries of the Union, with only slightly more than one-tenth coming from countries outside the EU, including the United States and the so called BRICS States (see detailed analysis of Feigl/Zuckerstätter, Wettbewerbs(des) orientierung [Competition (dis)orientation], AK Vienna, material on the economy and society No. 117, September 2012, p. 38, Tab 6, [http://wug.akwien.at/MWUG\\_Archiv/MWUG\\_0117.pdf](http://wug.akwien.at/MWUG_Archiv/MWUG_0117.pdf)). Given the purchasing power of half a billion people living in the EU, it is disconcerting that the European policy almost exclusively focuses on global competitiveness.

Under this expanded field of vision the macroeconomic importance of functioning welfare states for **strengthening domestic demand** becomes all the more evident.

It is crucial therefore to **invest in the social sector**, an area to which the Commission appeared to be bringing a new perspective with this year's "social investment package" (SIP), in which it called for EU countries to urgently put more emphasis on social investment. In this respect, the EU Commission shared the view of the AK, according to which social investment at the individual level promotes the skills and qualifications of citizens, thereby enabling more people to actively participate in the economy and society, which overall leads to increasing wealth in a society. In addition,

the European Commission hoped that with the social investment package, the EU would "emerge from the crisis stronger, more cohesive and more competitive." (See IP/13/125, László Andor, Commissioner for Employment, Social Affairs and Social Inclusion at the presentation of the SIP on 02.20.2013).

Also striking (and definitely to be seen as something positive) was the start of a move away from short-sighted perspectives and alleged constraints (e.g. budget restrictions), which have always prevented active investment strategies - a move which has been called for by the AK for many years. Because exactly the opposite is happening: **inaction** in key areas (such as training, reconciliation of work and family life, prevention in the broader sense, preservation of health, professional and medical rehabilitation, funding opportunities, poverty reduction, etc.) is causing significantly **higher long-term costs!** This very important insight is found in several passages of the social investment package. In the present communication on strengthening the social dimension it is, however, not substantially taken into account.

In this respect, the AK is also calling for a far more inclusive perspective, which ensures the social dimension is taken into account to a considerably greater extent **in all policy areas**. The consequences of social and economic measures of any kind (for example, in the context of financial market regulation), on the situation of workers, the elderly, youth, women, people who are in need of help, etc., should generally be given far greater weight so that the social dimension of the EMU can actually be strengthened. Particularly evident is the interaction in the area of **tax policy**, in which the **distribution policy dimension** directly finds its expression.

Finally, we should like to point out that, with regard to **distribution**, several dimensions need to be considered. Thus, the communication rightly refers to the huge disparities between the Member States. Furthermore, the social disparity regarding the distribution of income and wealth is enormous, and this is the case within all the Member States, as well as in the eurozone as a whole. It emerged from recent studies conducted by European national banks that the households which are among the richest 10% in the eurozone own approximately 50% of net private assets, while the other half is shared by the "remaining" 90%. The AK therefore considers strengthening the social dimension of the EMU as key to the creation of **more equitable distribution** in its Member States. Unilateral reduction policies at the expense of people with low and middle-income or assets, however, makes the gap increasingly large.

A further deterioration of the social situation in parts of the eurozone would cause a social and political destabilisation of the eurozone that would be just as disastrous in its consequences as the economic disintegration. In view of this, the lack of response from the Commission demonstrates the **alienation** of the current European policy with respect to the citizens of Europe.

In light of the current starting position in the EU, where not least the achievements of the European Union have been put at risk, the AK is in favour of **a new growth and distribution model** in Europe.

Another aspect is striking. In contrast to the extremely imaginative austerity requirements of economic governance, which have, at best, come about in the

grey area of the law, many progressive ideas for the better integration of Europe fail under the **pretext of insufficient protection under primary law**. Why, for example, would it not be possible for a cyclical stabilisation mechanism, which has regrettably been referred to by the Commission as "Eurozone unemployment insurance", to be just as well established by way of an international agreement? And how is it possible that, precisely for the "competition pacts" forced by Germany, contracts can be based on Article 136 TFEU - a provision that is at best suited to intensified information and coordination requirements (see instead of many Oberndorfer, Pact(s) for competitiveness as the next stage in the de-democratisation of economic policy? infobrief eu & international, 2013, No. 1, p. 23 et seq. <http://bit.ly/paktefuerwettbewerbbsfaehigkeit>)?

### 3. Missing elements in the communication

The little resourcefulness in the present communication seems strange, when you consider the negotiated projects that have also been supported in principle for a long time by the AK:

#### 3.1. Institutional embeddedness of the Social Investment Package (SIP)

Given the current social imbalances in Europe, the broad insight ought to have prevailed that the welfare state - in the context of the above-mentioned merits of established welfare state models - should, more than ever, play an indispensable role in overcoming the existing challenges (globalisation, trend towards a diverging development of the poor and the rich, lack of education, high unemployment figures, expansion



of precarious forms of employment, inadequate reconciliation of professional and family life, demographic change, gender inequality, individualisation of lifestyles, etc).

The legally “non-binding” recommendation for stronger prioritisation of social investment in the SIP is still in conflict with legally supported and significantly more binding regulations in other areas: such as the fundamental fixation on unilateral consolidation and austerity policy (see “Fiscal Pact”, Six-pack, inadequate harmonisation of corporate taxation, etc.) or the continuous efforts to further dismantle existing labour law and social standards (keyword regulatory fitness) as a supposedly appropriate response to the current challenges in the wake of the financial and economic crisis.

It is clear that the successful and sustainable implementation and execution of a broad “social investment package” requires credible **macroeconomic, legal and institutional embedding**. Only if sufficient budgetary leeway to deviate from the prevailing austerity measures is given - which, for logical reasons, must be accompanied by the inclusion of **distribution policy** issues - is there any chance of realising the concepts presented. If, instead, the current course of action is continued, there is a serious risk that both the social investment package and the strengthening of the social dimension in the EU will remain largely meaningless.

The currently dominant contradiction between the short-sighted austerity policy and the goal of reducing social imbalances in Europe could have been resolved consensually and intelligently - unfortunately this opportunity was missed.

A credible paradigm shift by the central stakeholders in the direction of an “investment-oriented and preventive” strategy in key policy areas and activities (including educational, social, labour market and health policy, health-preserving corporate culture, etc) is only present if both the EU budget and the budgets of the Member States are provided with the necessary funds for these “social investments”.

Without such investments (including expansion of social infrastructure, maintenance of employability, education and training, target group related funding opportunities), it will not be possible, in any case, in the face of rising unemployment and weak growth expectations, to successfully exploit the currently **untapped potential** (especially young people, older people, women, migrants) or to successfully (re)integrate them into the labour market and ensure adequate social participation for the widest possible sections of society.

The alternative of not acting or of not investing would, however, be significantly more expensive in the medium and long-term, as the structural problems would remain unresolved, the EU 2020 targets would not be achieved, and unemployment would not be reduced. Ultimately, this approach would only result in the scope of the public sector budgets being even smaller in the future!

### **3.2. Strengthen the fight against social and wage dumping as a guiding principle**

Prevention as an effective means of combating social and wage dumping has always been an essential element of the generally positive approach of the European workers’ movement re-

garding integration policy. The present communication on the “social dimension” says nothing about this (or no longer does so)! The following measures are obvious in this respect. They would in some respects also favour the reduction of imbalances and support both the European social model and the understanding of fair competition.

#### **Equal pay for equal work in the same place**

**The principle of equal rights and equal pay for equal work in the same place** must be secured. In particular, effective measures against **wage and social dumping** must be implemented in the cross-border posting of workers. In view of the implementing Directive on the Posting of Workers Directive currently being negotiated, meticulous attention must be paid to ensuring that the Austrian wage and social dumping law in no way conflicts with the provisions of the act of law, but rather that it can be strengthened. At this point, let us simply mention the challenges of improving cross-border cooperation by the authorities or in the field of organised benefit fraud where cross-border operating dummy corporations are often used.

#### **Binding minimum standards and minimum wages**

Even according to its primary law orientation (Article 151 TFEU), the European Union is obliged to “improve the living and working conditions”, “so as to make possible their harmonisation while their improvement is being maintained”. These ambitious targets have been neglected in this century as a result of altered political priorities.

Minimum social standards in the form of guidelines have so far made a signi-

ficant contribution to improving living and working conditions in Europe and counteracted the distorting competition for the cheapest company sites at the expense of workers’ rights. These **minimum social standards must be developed further** and must guarantee a high level of social protection. There is a need for action particularly regarding **general protection against dismissal, transfer protection, protection of workers against unfair contractual clauses and continued payment of wages** in the event of illness, care of close relatives or other important reasons that prevent employees from working. Furthermore, **equality and anti-discrimination policies** including measures for better reconciliation of work and private life need to be re-addressed more strongly. Similarly in the area of **social rights** European minimum standards could be created, such as a minimum net rate for unemployment benefit or the security of a comprehensive healthcare provision.

Wage policy coordination is also of particular importance for the eurozone. In particular, **binding minimum wages** should be guaranteed primarily via the development of generally applicable collective agreement systems in all EU countries for all workers. Only in countries in which this option is difficult to achieve, and where the corresponding trade unions stipulate this, should minimum wages be established through legislation.

### **3.3. Cyclical stabilisation mechanism (sometimes unfortunately referred to as “Eurozone unemployment insurance”)**

The economic crisis revealed the inadequate cyclical stabilisation function of fiscal policy in the monetary union. As already explained in our statement



of 10.12.2012 on the occasion of the report "Towards a genuine economic and monetary union" by the President of the European Council, the AK is in principle in favour of the establishment of an **automatic cyclical stabilization mechanism**. As unemployment has a particularly strong fiscal impact or pushes the limits of the national automatic stabilisers, such a mechanism should in principle lead to payments to Member States **on the basis of fluctuations in the unemployment rate**.

Unfortunately, the Commission takes up this idea in its communication only marginally - in contrast to media reports - and primarily rejects it with reference to the lack of legal basis. However, on closer inspection it seems more like an **excuse** for a lack of political will on the part of the current European Commission. As has already been pointed out above (see Point 2), the establishment of such a system by treaties under international law would be quite possible.

#### 4. Comments on the specific proposals

In the following, we would also like to comment on the proposed elements for strengthening the social dimension:

##### 4.1. On stronger monitoring of the employment and socio-political challenges

###### On the importance of indicators

As part of the strengthening of economic and budgetary policies, a new method, the so-called "six-pack", was introduced to prevent macroeconomic imbalances and it entered into force on 13 December 2011. Monitoring under this procedure is part of the "European Semester", which aims to coordinate

and ultimately monitor the overall economic policies of member countries.

In order for progress to be triggered by the present communication, it is necessary for employment and social policy indicators to be given **equal** consideration alongside the already established economic indicators within the framework of the European Semester's enhanced economic policy coordination. This would mean that in the future, labour market aspects and social aspects would also have to be included in negotiations on national economic policies between Member States.

A tendency for social and employment indicators to be treated as second class indicators within the meaning of the communication must be avoided. If a Member State violates the indicators (for which there are currently no limits), this must at any rate affect any assessment of macroeconomic imbalance, in particular, and in this respect **put existing "economic" indicators into perspective** (and not lead per se to financial penalties).

###### Upgrading the importance of the EPS-CO Council and the social partners

In this context, the institutional and symbolic **gap between the financial and economic ministers** on the one hand and employment and social affairs on the other (and the corresponding policies) **must also be removed**. At the institutional level, therefore, it must be ensured that in the context of macroeconomic surveillance, namely the assessment of the warning mechanism criteria referred to in 3.1, the **EPSCO Council plays a particularly prominent role**. The idea of creating a separate formation for the eurozone (analogous to the eurogroup of the ECOFIN Council)

seems highly logical in this respect (for better involvement of social partners, see Point 4.5 below).

For it would be unacceptable if all the EPSCO Council had to revise were the scoreboard referred to in Point 3.2 of the communication, which can only be evaluated as second-class and which - notwithstanding the ambition (Point 3.3 of the communication) - would be very marginally, at most, connected to the European Semester. The Commission's proposed social and employment indicators would therefore be relatively insubstantial and inconsequential. Up to now, those who wanted to find the indicators proposed in the scoreboard, could already find them anyway in the Commission's reports and those of other institutions, without archival diligence.

Incidentally, with greater involvement of the EPSCO Council and also of the **social partners** and the European Parliament, it would be possible to address the **risk of wrong conclusions being drawn**, which is something that often happens in current EU economic policy. If, due to a detected increase in unemployment by DG ECFIN, the Commission and the ECOFIN formation in the Council suggested, for example, a reduction in wage levels or flexibility measures, this would not strengthen the social dimension but further deteriorate the situation of employees, in turn further weakening the social dimension.

The **social partners** would need to be more strongly involved in the **further development of indicators** - this statement of our opinion is also intended to make a contribution to this.

#### **On the selection of indicators**

Assuming that the above-mentioned indicators are given greater importance

in political orientation, the indicators should in any case be improved as follows:

- **employment rate, adjusted for "mini-jobs"**

Instead of meaningless labour force participation rates (Point 3.1 of the communication), the AK believes an adjusted employment rate is more productive. According to the definition used in the Labour Force Survey people are counted as being employed starting from one hour of paid work (in the reference week). With regard to actual integration into gainful employment or possible problem situations, this indicator is thus of only very limited significance (often with considerable gender and age group-specific differences).

To achieve the objective of better monitoring, in addition to the traditional "employment rate" an **"employment rate without mini-jobs"** - in other words, corrected to exclude workers with less than 12 hours of work in the reference week (also broken down by gender and age groups), should also be shown.

A recently prompted special analysis by AK of Eurostat data shows that in the EU-27 the share of jobs with less than 12 hours' work in the age group 20-64 was almost 7% of total employment for women and just 4% for men; the highest proportion of mini-jobs are held by 15 - 24 year-olds and those over 60 - with considerable differences from country to country.

- **separate designation of the group "discouraged workers"**

In the Labour Force Survey, the population is divided into 3 categories: employed, unemployed and inactive people. Within the category "inactive" there is - depending on the cause - a subdivisi-

on into several groups. Among others, there is the group of “discouraged workers”. This group is assigned to persons not in gainful employment who, for this reason, are not considered to be “unemployed”. Recognition as “unemployed” in fact implies by definition that within the last 4 weeks the person has actively been seeking work, which is not the case in this group lacking job prospects.

To achieve better monitoring of social problems, the group “discouraged workers” should be removed from the category “Inactive” and be shown separately (differentiated by gender and age group). The additional designation “discouraged workers” would, incidentally, also further illustrate Austria’s relatively good position.

- **“gross disposable real income of households” separated into income levels**

The mere designation of averages is not very meaningful and can lead to non-recognition of deterioration of the income situation of low-income households when higher incomes rise at the same time.

Therefore, the AK suggests a designation of the status and development of the “real gross disposable income of households” stratified by income categories (e.g. deciles).

#### **4.2. On mobilising EU policies and funds to effectively and sustainably combat unemployment and social problems**

The Commission refers initially to some recent initiatives, including the social investment package. As already mentioned, this would make an eminently suitable starting point for a new macroeconomic orientation (see Point 2

above and 3.1). Unfortunately it has not been used as such.

Furthermore, with regard to the measures beyond this mentioned in the context of the EU budget, the paper only describes the current situation. In the context of increased solidarity in the field of financial instruments, bringing forward the 3 or 6 billion euros for the employment initiative for young people in the regions with a youth unemployment rate above 25% is certainly a step in the right direction. We have, however, repeatedly pointed out that the funds provided are not sufficient.

In general, international literature (Eurofound 2012) is in agreement that an increase in spending on active labour market policy and budgetary stimulus measures have the effect of decreasing youth unemployment and NEET rates. But the fiscal and economic components of the EMU need to take greater account of this.

#### **4.3. On strengthened commitment to employment and mobility**

The efforts of the European Commission to ensure that its citizens can also claim their social rights (e.g. unemployment benefits) if they are in another country are welcomed.

However, using an increase in the **mobility** of workers as the main strategy to combat unemployment clearly falls short and can be seen as passing on public responsibility to the workers. It would be downright naive, given the overall alarmingly high unemployment, to attribute this situation to a kind of communication problem. It should also be noted that high unemployment is predominant in all EU Member States and thus the chances of success of mobile unemployment are extremely limited. Also for those affected, migration

is associated with high economic and social costs.

#### 4.4. On deepening the EMU: ambitious goals and careful planning

We note with great regret that, with the remarks of Point 4.3 of the communication, the social dimension has again been explicitly removed from the context of the current debate about the deepening of the eurozone.

It is also remarkable that - as already mentioned - there is no movement on the progressive issues and, at the same time, the competition pacts are to be continued ("instrument for convergence and competitiveness"). Against the background of misguided structural reforms, which are often dedicated to the dismantling of the welfare state, **we can neither advocate making them binding through the mentioned pacts, nor recommend the use of a system of financial incentives - even if it were only of a political-symbolic nature.**

It is also unfortunate that the idea of a **macroeconomic stabilisation mechanism** - contrary to media reporting, and probably also the original intention of Commissioner Andor - has not been included in the communication. The justification therefore, that there is no primary law coverage is, as has already been mentioned, dubious in many respects. Even if one follows this view, a way round this with an alternative arrangement under international law would be the method of choice. It is recognised that - as it says in the communication - any further integration "must be accompanied by commensurate political integration, ensuring democratic legitimacy and accountability" - on the other hand, one must ask why this should not

have been the case with previous interventions into national budget law or the proposed competition pacts rejected by the AK, even though they attack socially and politically sensitive issues head on, such as wage formation systems or the statutory retirement age?

However a **fiscal capacity** is designed, it is important that social partners and the European Parliament are involved early on in the development process of such joint capacity. Here the focus must also be mainly on the distribution effect and the financing should not be at the expense of people with moderate, let alone low-incomes.

#### Protocol for social progress

Although some key consolidation issues with contract-changing relevance in the context of EMU have been broached in this communication, we consider it unfortunate that important primary law changes which have long been on the agenda of workers' representatives, NGOs and other European social stakeholders have been excluded. Of particular note is the so-called "protocol for social progress", which should be anchored in primary law, whereby **fundamental social rights, including trade union rights, must once again be given precedence over economic freedoms.**

This is an essential element of the European social dimension, which has been weakened by a number of judgements by the ECJ (in particular Viking and Laval) to the extent that it seeks to restrict the scope of trade unions and social partners.

In this respect, a return of these negative rulings in the context of the following point would be indescribable.

#### 4.5. On strengthening the social dialogue

A laudable aim in any case of the Commission's communication is the greater involvement of the social partners at all important stages of the "European Semester" process. The following ideas on this are proposed in the Commission's paper:

- The EU social partners will be received prior to the adoption of the Annual Growth Survey in autumn;
- Following the adoption of the Annual Growth Survey, a debate will be held with the EU social partners and their national member organisations;
- Prior to the so-called "Tripartite social summit" ("Tripartite") in March and other high-level meetings, preparatory technical meetings will be organised;
- Member States are invited to discuss any reforms associated with country-specific recommendations with their national social partners.

In general, it may be noted here that far more important than the frequency of meetings with social partners, will be the **substance** of the talks and the **ongoing involvement** of social partners in all decision-making processes. The strengthening of the social partners must be seen as a trend reversal to recently practised weakening and even destruction of social partnership system constants in the context of austerity policy (see the financial crisis and its impact on welfare states and labour relations - a European panorama, FORBA 2012 <http://wien.arbeiterkammer.at/service/studien/wirtschaftundpolitik/studien/finanzkrise.html>).

The involvement of the social partners has also already been urged elsewhere in this statement: such as in the context of macro-economic monitoring, in the evaluation of indicators and the development of corrective measures, as well as the further development of the scoreboard (see Point 4.1 above).

#### 5. Conclusions

As shown, with the exception of a monitoring tool that is not binding in direction and some approaches to enhance the social partnership dialogue, there remains nothing new in comparison to that which has already been announced as a central component of the deepening of economic and monetary union. If this communication aimed to provide the primary response to the social situation of the EU, in view of the disastrous rise of social poverty and mass unemployment that is also a result of the economic conditions imposed by European policy, it merely presents an eloquent testimony to the inability of European policy to deal with the pressing issues of the day.

Should you have any further questions  
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