

MINUTES OF THE MEETING OF THE CHAIRPERSONS OF COSAC
Bratislava, Slovakia, 11 July 2016

AGENDA:

- 1. Opening of the meeting**
 - Welcome address by Mr Béla BUGÁR, Deputy-Speaker of the Slovak *Národná rada*
 - Introductory remarks by Mr Ľuboš BLAHA, Chair of the European Affairs Committee of the Slovak *Národná rada*
- 2. Adoption of the agenda of the meeting of the Chairpersons of COSAC**
- 3. Procedural issues and miscellaneous matters**
 - Briefing on the results of the Presidential Troika of COSAC
 - Draft agenda of the LVI COSAC
 - Outline of the 26th Bi-annual Report of COSAC
 - Letters received by the Presidency
- 4. Priorities of the Slovak EU Council Presidency**

Keynote speaker: Mr Miroslav LAJČÁK, Minister of Foreign and European Affairs of the Slovak Republic

Remarks on the outcome of the UK referendum:

Sir William CASH, Chair of the European Scrutiny Committee of the UK *House of Commons*

Lord Timothy BOSWELL, Chair of the EU Select Committee of the UK *House of Lords*
- 5. Social Dimension of the EU & Cohesion Policy - Triple A on social issues**

Keynote speakers: Mr Mars DI BARTOLOMEO, President of the Luxembourg *Chambre des Députés*, Grand Duchy of Luxembourg, Ms Marianne THYSSEN, European Commissioner for Employment, Social Affairs, Skills and Labour Mobility, and Mr Jan KELLER, Professor in Sociology and Member of the Committee on Employment and Social Affairs of the European Parliament

PROCEEDINGS

IN THE CHAIR: Mr Ľuboš BLAHA, Chair of the European Affairs Committee of the Slovak *Národná rada*

1. Opening of the meeting

- Welcome address by Mr Béla BUGÁR, Deputy Speaker of the Slovak *Národná rada*
- Introductory remarks by Mr Ľuboš BLAHA, Chair of the European Affairs Committee of the Slovak *Národná rada*

Mr Béla BUGÁR, Deputy Speaker of the Slovak *Národná rada*, began his welcome address by acknowledging that during the coming months, despite the many historical challenges faced by the Union, Slovakia would act responsibly and as an honest broker. It would focus on day to day challenges and would bring new energy to Europe. Mr BUGÁR remarked that the Union was at a crossroads, but that there was opportunity for serious discussions, despite the deepening distaste for politics and increasing populism.

Mr BUGÁR pointed out that the EU needed an open discussion among its leaders, as well as self-reflection, in order to have an EU that was better and more comprehensible for its citizens. The

outcome should reflect the discussion in all of the Member States and citizens should feel that they were heard.

He underlined that it was necessary to show the uniqueness of the EU project, with many areas where there was a need to move forward. He felt that the Presidency programme, with its four priority areas, showed the ambition to increase the Union's resilience in the face of external and internal challenges, and to restore citizens' confidence in the European project.

Mr BUGÁR stressed the importance of avoiding a dichotomy of new and old countries, east and west.

To conclude, Mr BUGÁR referred to the invitation of Mr Andrej DANKO, Speaker of the National Council of the Slovak Republic, addressed to all Speakers of EU Parliaments to an informal meeting under the initiative "Let's get to know each other better" in Bratislava on 7 October 2016.

Mr Ľuboš BLAHA, Chair of the European Affairs Committee of the Slovak *Národná rada*, welcomed all participants and explained some technical and procedural matters.

2. Adoption of the agenda of the meeting of the Chairpersons of COSAC

Mr BLAHA briefly presented the draft agenda of the meeting. The agenda of the COSAC Chairpersons' meeting was approved without amendment.

3. Procedural issues and miscellaneous matters

- Briefing on the results of the Presidential Troika of COSAC
- Draft agenda of the LVI COSAC
- Outline of the 26th Bi-annual Report of COSAC
- Letters received by the Presidency

Mr BLAHA briefed the participants on the results of the Presidential Troika meeting organised the previous day and presented the draft programme of the LVI COSAC meeting in November. He explained the first part of the plenary programme would focus on the state of play of the Slovak Presidency of the Council of the European Union. The second session would focus on the strengthening of the role of national Parliaments in the EU in the context of the referendum on UK membership of the EU. Mr BLAHA mentioned that the challenges, opportunities and risks of the Transatlantic Trade and Investment Partnership (TTIP) would be discussed during the third session. The final two sessions would address the Energy Union and securing the external borders of the EU in the context of irregular migration, respectively.

Then, Mr BLAHA explained the three chapters of the outline for the 26th Bi-annual Report of COSAC: 1) The Transatlantic Trade and Investment Partnership (TTIP) between the European Union and the United States: Parliamentary scrutiny of the negotiation process; 2) 2016: Energy Union's "year of delivery"; and 3) Improving the role of national Parliaments in the EU and communicating the EU affairs at national level. The questionnaire would be distributed at the end of July, while replies were expected by 9 of September 2016 at the latest.

To conclude, the Chair reported on the Troika's decisions as regards the letters received by the Presidency.

4. Priorities of the Slovak EU Council Presidency

Keynote speaker: Mr Miroslav LAJČÁK, Minister of Foreign and European Affairs of the Slovak Republic

In his introduction, Mr Miroslav LAJÁK, Minister of Foreign and European Affairs of the Slovak Republic, mentioned the increased role of the national Parliaments and the European Parliament since the Lisbon Treaty, adding that interparliamentary cooperation was a key ingredient for an accountable EU. He stressed that it was an honour for Slovakia to lead the EU, as this was their home, the euro their currency and Schengen their area. Recalling the optimism he had witnessed when Slovakia had joined the EU, Mr LAJÁK admitted that now there was a different EU facing many challenges, but stressed the need to keep calm and act in unity when dealing with the current issues, which, he added, showed that the EU and its benefits could not be taken for granted.

Mr LAJÁK continued on the consequences of the UK referendum, which would be on the agenda for the coming months. The EU needed to act and indulge in self-reflection, which was why the Presidency was organising an informal summit on 16 September 2016 in Bratislava on the future direction of the Union. An important element for the discussion was to think about EU citizens and how to better explain the EU. The intention of the Slovak Presidency was to be pragmatic and uniting, and serve as the people's voice.

The four ambitions in the Presidency programme were all highlighted by Mr LAJÁK. The first ambition was to make a stronger European economy with a focus on investment, further economic growth and job creation through, *inter alia*, the deepening of the Monetary and Banking Union and the building of the Capital Markets Union. Another topic was the mid-term review of the Multiannual Financial Framework and the budget for 2017.

The second ambition was to modernise and broaden the Single Market in areas such as energy and the digital economy.

A third ambition, Mr LAJÁK continued, was to work towards sustainable migration and asylum policy. To solve current problems EU wide efforts were needed, and in his opinion, the proper functioning of Schengen was also needed, while keeping in mind that matters of asylum were not only about relocation. The European Commission would soon be putting more proposals on the table, and these would all need to be worked upon.

The final ambition highlighted was the attention to the external environment, namely trade deals and enlargement policy. On the trade deals, Mr LAJÁK expressed the view that the EU needed to be a strong global player and he explained his support for agreements as CETA and TTIP. He added that the European Neighbourhood Policy was an important element in order to achieve transformation in the neighbouring countries. Mr LAJÁK stressed that the path to EU membership was through deep and comprehensive reforms.

Remarks on the outcome of the UK referendum:

Sir William CASH, Chair of the European Scrutiny Committee of the UK *House of Commons*

Lord Timothy BOSWELL, Chair of the EU Select Committee of the UK *House of Lords*

The Presidency invited Sir William CASH, Chair of the European Scrutiny Committee, UK *House of Commons*, to introduce the debate ensuing the Minister's speech and Lord Timothy BOSWELL, Chair of the EU Select Committee, UK *House of Lords*, to close the debate, giving their remarks on the outcome of the UK referendum. Sir William CASH underlined how the decision had been building for a long time and stressed that, in his opinion, similar tendencies were spreading among at least the population of many countries. He ruled out any possibility for a second referendum and stated that there were many trade deals in the making between the UK and third countries. He called for opening informal negotiations with the EU before the official triggering of the Article 50 TEU, highlighting that the Article in question was part of the Lisbon Treaty rejected in the referendum and emphasising the mutual interest in good bilateral relations.

The nineteen speakers who took the floor in the debate all emphasised the ambitious set of priorities presented by the Slovak Presidency, appreciating namely the focus on the Energy Union and on the Digital Single Market, while recognising the unprecedented situation in which the EU found itself following the result of the UK referendum. In this respect, all speakers expressed the need to respect the decision of the citizens of the UK despite the regret expressed by many speakers over that decision. The majority, among them Mr Linas BALSYS, Lithuanian *Seimas*, Ms Regina BASTOS, Portuguese *Assembleia da República*, Mr Konrad GŁ BOCKI, Polish *Sejm*, Mr Kalle PALLING, Estonian *Riigikogu*, Mr Luciano BUSUTTIL, Maltese *Kamra tad-Deputati*, and Mr Kamal Izidor SHAKER, Slovenian *Državni zbor*, highlighted the need to secure friendly and constructive ties between the EU and the UK after its exit. As far as the question of exit negotiations was concerned, a number of interventions (e.g. Mr Vannino CHITI, Italian *Senato della Repubblica*, and Mr Jean BIZET, French *Sénat*) called for reducing uncertainty on both sides; therefore, the responsibility of triggering the mechanisms foreseen by the Article 50 TEU should be taken without unnecessary delay. Some of the speakers saw the result of the UK referendum as a sign of growing distance between the citizens and the EU, which had not delivered on their needs and concerns; therefore, a realistic, concrete approach would be the best answer to such worries. These views were supported by Mr Malik AZMANI, Dutch *Tweede Kamer*, who also highlighted the need for ensuring a better future for the EU enterprises and the need for strengthening the EU's economy. Mr BUSUTTIL commented that the result of the referendum had come to the Parliament of Malta as an unexpected shock and that it was the reaction of the UK citizens who did not feel they were a priority for the EU. He added that Europe must be flexible enough to accommodate the individual realities faced by Member States. Mr Richárd HÖRCSIK, Hungarian *Országgyűlés*, welcomed the fact that in the complicated framework where the EU found itself and the enormous challenge of the outcome of the referendum in the UK, the Presidency decided to propose a positive agenda offering proposals for sustainable solutions. He particularly welcomed the Presidency's support for credible enlargement policy, as a major force of transformation and stabilisation. Mr Konrad GŁ BOCKI, Polish *Sejm*, expressed the opinion that the outcome of the referendum was the consequence of a serious crisis of the EU. According to him, a deep analysis of the EU with the prospect of changing treaties where the role of national Parliaments should be reinforced was required rather than focusing on closer integration.

Mr BALSYS stressed the need to come out of such a critical situation as a stronger EU. Ms Anna BIRCHALL, Romanian *Camera Deputaţilor*, welcomed the set of priorities of the Presidency and pledged for support to cohesion and agriculture policies, and full respect of the four freedoms of movement. According to her, it was time for reinforcing solidarity among the Member States and she asked the Presidency to redefine the future of the EU project. Mr Stéphane CRUSNIÈRE, Belgian *Chambre des Représentants*, said that massive public investments should be excluded from the state deficit figures and that the digital market, social EU and the anti-dumping, energy and environment and fiscal equity were the five utmost priorities requiring the EU action after the UK referendum. Mr CHITI appreciated the commitment and passion expressed by the Slovak Presidency in its priorities, and called for a re-launch of the EU focusing on uniting its people around the funding principles of the European project. Mr Karlheinz KOPF, Austrian *Nationalrat*, insisted on the responsibility of politicians to engage with and inform the citizens on the topics that may worry them and on the importance of the EU and its benefits as the best way to defeat the increasing populism of which the UK referendum was one example. Mr BIZET stressed the urgency to give a new impulse to reforms in order to galvanise the EU project. According to him, a reflexion group where Parliaments would be invited to share opinions on the future of the EU could be launched. For Ms BASTOS the respect was necessary both for the decision of the British citizens and for the citizens of the EU; the completion of the Banking Union was as a first step in strengthening the EU. Ms Marija Maja ATOVI, Montenegro *Skupština*, and Ms Marinika TEPI, Serbian *Narodna Skupština*, called for the continuous support to the enlargement, especially helping candidate countries with

their efforts to reform. Mr SHAKER stressed the urgent need for a stronger and better EU with simple and clear messages to its citizens. For him, all the most urgent challenges were defined in the Presidency priorities. Mr Christian TYBRING-GJEDDE, Norwegian *Stortinget*, wished that the results of the UK referendum did not mean that the EU would stop its efforts to boost economic growth, to address the EU citizens' concerns about sovereignty, to confront an ever more assertive Russia, to defend EU external borders and strengthen Schengen. He stressed that the UK exit from the EU meant that there should be new negotiations also between the UK and the European Economic Area. Mr Anastasios KOURAKIS, Hellenic *Vouli ton Ellinon*, stressed the EU's incapacity to keep pace with the increasing social disparity and the growing poverty due to the prevailing liberal economic model and asked for adequate support mechanisms for those in urgent need. According to Ms Danielle AUROI, French *Assemblée Nationale*, working on consolidation of the trust between the citizens and the EU based on its core values of democracy and social solidarity was required with focus on priorities in relation to the social dimension.

A topic that was recurrently addressed in the debate by many speakers was migration, indicated as the most acute crisis facing the EU. Among others, Ms BIRCHALL invited the EU to address the root causes of the crisis in a way that could preserve the Schengen *acquis* and the four freedoms of movement. Mr CHITI stressed the need to reinforce the EU support to development policies and the need for genuine solidarity among Member States. Mr AZMANI encouraged the Presidency to pursue the proposals that enjoyed broad support, as well as to move forward on all the challenges that the EU faced. Mr TYBRING-GJEDDE invoked more solidarity in sharing the burden of migration, but invited also the EU to aim at a more global solution where Europe would work for the solutions of the root causes of migration, lack of freedom, wars, and fundamentalism. Similarly, Mr BUSUTTIL reflected on the lack of solidarity with countries facing the migratory pressure alone. He called for a security-focused approach regarding the situation of migrants coming from Libya and demanded an effective solidarity EU system. Mr José Ignacio SÁNCHEZ AMOR underlined how the issue of the refugees and migrants would better be seen as related to the social dimension rather than solely as a security issue and urged the EU to act speedily. He also invited the EU to renegotiate the Dublin Regulation. Mr HÖRCSIK highlighted that it was urgent to bring Schengen to its full normal functioning and to achieve a fully working system of defence of the EU external borders and coasts. For Mr Edgar MAYER, Austrian *Bundesrat*, the priorities laid in sustainable migration and asylum policy preserving the Schengen area and establishing an effective external border control. He insisted on the need for an EU asylum policy based on solidarity where all EU members played their part. Ms AUROI referred to climate change among the causes of the refugees' crisis. The participation of Serbia as a non-EU member in finding the solutions for the migration crises was highlighted by Ms TEPI .

At the end of the debate, Lord Timothy BOSWELL, Chair of the EU Select Committee of the UK *House of Lords*, thanked the Presidency and welcomed all the constructive comments that had been expressed. Explaining that he would be expressing his personal views since his Committee had decided not to take sides on the referendum, he said he had supported the UK's membership of the EU and shared his disappointment about the result of the referendum, expressing the view that his country was paying the price for a long term failure of leadership across the entire political spectrum. He offered his personal apologies for the damages that such a failure provoked to the EU. According to him, there was no prospect in speculations about reversing the decision, though the shock and grief of those who voted to remain in the EU were present, he added. He finally asked all colleagues to show patience and hoped for a genuine interest in building a better EU.

Minister LAJ ÁK expressed his positive surprise for the great level of unity in identifying the challenges ahead regarding what needed to be done and for the overall positive assessment of the priorities of the Presidency. Facing very difficult times, the Presidency chose to focus on a positive agenda and on practical issues that brought the EU together. The Minister acknowledged that the EU

had two utmost priorities: to negotiate a new relationship with the UK, and to create a new, better, more attractive EU of 27. The Minister understood that it was necessary to grant time to the UK, but at the same time he was certain that the UK understood that the period of uncertainty must not be too long. He reminded that there had been a unanimous position of the EU leaders that there would not be any negotiations before the notification on the Article 50 was submitted. Additionally, he called for a constructive approach and an atmosphere of responsibility from both sides to face such complex negotiations, highlighting the need to ensure an atmosphere of responsibility during the negotiations. The duty to offer a more attractive model of the EU for the citizens was equally challenging, Mr LAJ ĀK added. In this context, he said, the outcome of the informal summit organised in September in Bratislava was expected to tackle these challenges. Referring to the issue of migration, he stressed that this was not a seasonal issue and would require a strategic approach. The Minister expressed his hope for the EU to be able to present a roadmap and plan for handling the crisis at the upcoming UN summit on 19 September 2016. Responding to questions, he expressed the belief that, given the complexity of the situation, a concept of creative solidarity where each country would contribute doing its best to the global solution of the problem was the answer rather than a look at one single aspect like the redistribution of refugees. According to him, administrative solutions would not solve the problem and the question of sustainability was equally important when considering the solutions. In response to the questions about the EU enlargement, Minister LAJ ĀK stated that the credibility of the process and the motivation of countries were very important factors. Finally, he closed his intervention wishing that the Presidency would act as an honest broker in the areas of the Energy Union, the social agenda and the Digital Single Market as well.

5. Social Dimension of the EU & Cohesion Policy - Triple A on social issues

Keynote speakers: Mr Mars DI BARTOLOMEO, President of the Luxembourg *Chambre des D put s*, Grand Duchy of Luxembourg, Ms Marianne THYSEN, European Commissioner for Employment, Social Affairs, Skills and Labour Mobility, and Mr Jan KELLER, Professor in Sociology and Member of the Committee on Employment and Social Affairs of the European Parliament

Mr Mars DI BARTOLOMEO, President of the Luxembourg *Chambre des D put s*, stressed that Social Dimension was a topic that deserved place in all sectoral policies, and recalled how one of the priorities of the Luxembourg Presidency during the second half of 2015 had included this topic.

Referring to the recent Brexit vote, Mr DI BARTOLOMEO emphasised the importance of putting the social dimension back in the centre of the European project. He lamented the side-lining of the social dimension because of the perceived negative impact on economic affairs, calling this view incorrect as there was plenty of added value to be gained through the creation of the welfare state and social nets. The effects on the social dimension may not always be expressed in figures and euros, he added.

He acknowledged that Europe faced tremendous social problems, including higher unemployment rates within Member States; child poverty; and youth unemployment, stating this as a reason why a financial balance between economic and social dimensions must be established in order to secure the social cohesion of the EU.

Mr DI BARTOLOMEO warned against the harmful effects of the deconstruction of the welfare state. He added that social dimension was achievable through various measures and policies, but stressed the importance of evaluating every measure and tool through its social impact and respect the subsidiarity principle.

Citing Greece as an example, Mr DI BARTOLOMEO stressed that economic programmes should have been linked to social concerns to avoid social inequality.

Specifically, he opined that Europe should set ambitious social targets, especially with regard to youth unemployment and senior citizens facing unfavourable living conditions, and reducing illiteracy, adding that social development aid should be reinforced through an allocation of means to the less advantaged. He suggested that the Union, currently wearing the face of austerity measures, should be given a more sympathetic face in order to renew the trust of its citizens in the European project.

Mr BARTOLOMEO advocated a bifocal view of social dimension and economic dimension, and recommended to avoid simple populist answers. He stressed that Member States should strive for “Triple A Social Rating” adding that the European Commission had already done important work, in the form of guarantees of the youth, assessments of individual countries, and a European investment plan.

Mr BARTOLOMEO proposed a sectorial group on social cohesion to reinforce social dialogue and offer advisory dialogue with social partners.

Concluding, Mr BARTOLOMEO said that Europe had to be a fort of fundamental values of human dignity: Europe had to be social or it would not exist at all.

Ms Marianne THYSSEN, European Commissioner for Employment, Social Affairs, Skills and Labour Mobility, expressed the Commission’s commitment to deepen the social dimension of the Union. She acknowledged that more social Europe was needed and said the Commission was fully committed to achieve this. Nevertheless, she also recalled how this was primarily a competence of national authorities where the EU added value in supporting and coordinating national policies.

In this regard, Ms THYSSEN said the Union would support Member States’ action to fight social exclusion and poverty; would strive to make European semester more social; would ensure better protection of workers; as well as ensure better accessibility of products and services to people with disabilities.

She called for the full use of the European Social Fund, which should be focussed on achieving results for the people.

Ms THYSSEN said the Commission was building a longer-term agenda in the form of a social pillar for human rights and, through a new skills agenda for Europe, would be supporting investment in human capital through European fund for strategic investments.

Recalling the European social market economy model, Ms THYSSEN said the objective was to achieve both social development and economic growth. She added that the internal single market was the biggest achievement of this model and that this must be deepened while kept fair through rules that ensured a level playing field for all and that protect consumers, the environment and workers.

Ms THYSSEN called the posting of workers directive, whose main objectives were to ensure fair remuneration and conditions for workers, a balanced proposal resulting from analysis and consultations with Member States and stakeholders. She said the essence of the proposal was that the same rules for remuneration should apply for the same work in different locations, and stressed that posted workers were not second-class workers. A number of reasoned opinions were issued expressing concerns about this proposal and Ms THYSSEN welcomed the fact that national Parliaments were using their voice in decision making, and made it a point to state that the Commission had analysed these contributions in detail.

She pointed out three common objections found in the reasoned opinions. The first objection was that no European action was actually required and that problems would best be solved at national level, to which Ms THYSSEN replied that the posting of workers directive was, by definition, of a cross-border nature as rules on posting creates rights and obligations on both sides of the border. This, according to Ms THYSSEN, required action at Union level, allowing a level playing field that could not otherwise be achieved through unilateral action, which would lead to fragmentation.

The second objection expressed national Parliaments' concerns of interference with national competence on remuneration and arranging industrial relations. Ms THYSSEN said this was not the case, acknowledging that these were indeed competences of Member States and the Commission proposal would respect this.

The final objection related to perceived restrictions of freedom to provide services and the removal of competitive advantages enjoyed by lower wage countries and their businesses. Ms THYSSEN said these concerns were not related to subsidiarity as they related to the impact of the proposed action. She also could not see how the proposal would affect the provision of services: rules were needed to provide services in a way that was fair for everybody.

Ms THYSSEN also stressed that the proposal added no administrative requirement. She said the College would discuss reasoned opinions the following week and assured everyone that the Commission was committed to pursue dialogue with national Parliaments and would continue to engage with them in order to ensure that national Parliaments have a role to play along with the Union institutions in European decision making.

Mr Jan KELLER, Professor in Sociology and Member of the Committee on Employment and Social Affairs of the European Parliament, described the three pillars of social security: the coherent family accentuated by conservatives; the labour market accentuated by liberals; and the welfare state accentuated by socialists.

Mr KELLER said that all pillars are going through a crisis caused, in part, by the fact that the social dimension was being subjected to the economic interest of major players, as exemplified by the current trend of speaking about "Triple A Social Rating" and the transfer to the social area of terms coined by financial markets.

He identified two models for ensuring welfare: the Scandinavian model where social security was financed by taxes, and the continental model, like the one found in Germany and France, where it was funded by social insurance. He acknowledged that, at the European level, the funding of the social area should be done by individual Member States, with the social cohesion fund being only additive.

Turning his attention to how the welfare state could be funded on an individual Member State level, Mr KELLER said that the lower taxes pushed by investors and companies created a problem for governments, who then reacted by decreasing taxes and increasing social insurance, while some countries were also forced to reduce the cost of labour. This became permissible as the middle class was not rich enough to access tax haven or threaten to leave country.

Therefore, a strong social model funded on a European level was, according to Mr KELLER, hard to achieve given the pressures faced by Member States. A possible solution proposed by him was to transfer the social market economy model, which was working for 20 years post war, to all the EU.

Mr KELLER identified another question faced by the Union, namely how to force the big multinational corporations in behaving responsibly. He acknowledged that the EU could not influence

where corporations were based and sold and purchased their goods and services, but pointed out that this leads to situations where countries that serve the purpose of assembly halls have average wage at times lower than the countries that serve the purpose of research and innovation.

Mr KELLER warned that a higher degree of integration might not contribute to social protection, and said “more Europe” did not necessarily mean more interference with the competence of the Member State or more interference with the policies of international corporations, which are the culprits behind the current situation.

Mr KELLER recognised that, if the EU chose to integrate more, then it would likely take over competences from the Member States; he also asked whether this would provide any guarantee that the new competences would be used to counter the effects of the corporations.

In the following debate 18 speakers took the floor.

The participants stressed the importance of focusing on and promoting the social dimension of the EU, acknowledging at the same time that it was a matter falling into the realm of national competence.

Ms BIRCHALL said that cohesion policy was an example of the solidarity principle and an important tool for investment. Among others, she mentioned the European Pillar of Social Rights to which Romania was paying special attention. Mr Konstantinos EFSTATHIOU, Cyprus *Vouli ton Antiprosopon*, spoke, among others, about the need to reshape social policy and to provide a response to the fragile economic recovery and austerity measures applying neoliberal fiscal consolidation. He supported the creation of more jobs especially for the youth, underlining the need for equality in every aspect of life. Mr Tuur ELZINGA, Dutch *Eerste Kamer*, stressed the need for developing an inclusive growth and securing decent work. Mr BIZET stressed, among others, the importance of cohesion policy in helping the regions and the need for more economic convergence. He and Ms Regina BASTOS, Portuguese *Assembleia da República*, stressed that it was necessary to support the principle that same work deserved same pay. The latter also urged for implementing the social dimension in the European Semester. Mr KOURAKIS mentioned the structural challenges which touched on EU existence, including Brexit, the rise of Euroscepticism, the management of the refugees and migrants’ flows and the humanitarian challenges that these entailed. He supported that Euroscepticism was not the solution; an active role by the European Affairs Committees was needed to link EU policies to the citizens. National division could only be avoided through unity and solidarity, he argued. Ms AUROI supported the need to combat unemployment, to protect temporary workers and to stabilise the economic union. She invited national Parliaments to participate in the proposed “green card” on corporations’ social responsibility. Mr Marc ANGEL, Luxembourg *Chambre des Deputes*, asked whether the European Commission had sufficiently linked the European Semester with Europe 2020. Mr Rubén MORENO PALANQUES, Spanish *Cortes Generales*, observed that there had been no progress in social integration and that it was necessary for economic and social criteria to be part of the same equation.

Mr Jarosław OBREMSKI, Polish *Senat*, said that the answer to Brexit, from his point of view, was not centralisation, but going back to the core. He argued that fighting social dumping meant a bigger gap and bigger division. Artificial unification and lack of democracy was the main problem of Europe. He argued that cooperation should be pursued only in relation to the exchange of best practices, but not in relation to the social dimension.

Mr PALLING supported looking behind austerity measures and focusing on the reasons for those; the implementation of structural reforms was key, he argued.

A number of Parliamentarians who took the floor referred specifically to the proposal to amend the Posting of Workers Directive. Among those, Ms Christine DEFRAIGNE, Belgian *Senat*, referred to the jobs created in different domains including transport and expressed her concern about social dumping. She said that the EU's credibility was at stake and that the amendment of the Directive was not about eliminating competitiveness, but about reviewing it to bring it under the standard regulatory procedure. Mr ELZINGA stressed that the proposal was meant to stop the negative spiral caused by social dumping, mentioning however that it was not the only instrument to address the problem. He asked how the European Commission would take the concerns of national Parliaments expressed through issuing of a "yellow card" seriously. Ms BASTOS said that citizens demanded a social reply from Europe and invited the European Commission to listen to the concerns expressed on the Commission's proposal, but maintain it. Mr Ramón Luis VALCÁRCEL SISO, European Parliament, said that the proposed revision was in the pipeline and that the European Parliament would not be taking a decision until the European Commission had decided how to proceed after the "yellow card". He informed the participants that the European Parliament had debated the matter in plenary and that many political groups had welcomed the proposal. He underlined that a revision to update the Directive was necessary; it had been drafted in 1996 and it needed to reflect the expectations of Europe's people. Both Mr Antonín MAŠTAL , Czech *Senát*, and Mr Richard HÖRCSIK, Hungarian *Országgyűlés*, referred to the reasoned opinion issued by their respective Chambers. The former reiterated the arguments expressed in the reasoned opinion issued by his Chamber as to why the proposal was violating the principle of subsidiarity observing a big difference between the East and the West, and further mentioned the need to protect the European steel industry. The latter reiterated that the proposal would limit the freedom to provide services and would significantly distort competition. Mr Konrad GŁ BOCKI, Polish *Sejm*, also referred to the reasoned opinions issued by 11 Parliaments/Chambers, expressing his dissatisfaction as to the fact that the Commission had not provided sufficient reasoning as to the proposal's compliance with the principle of subsidiarity. Mr Heinz-Joachim BARCHMANN, German *Bundestag*, underlined that it was necessary to come to a good result regarding the Directive, but that it was also important to discuss corporate social responsibility. He added that there was a need to improve the training of workers. Mr KOPF said that the Directive was a protectionist measure creating problems to the weaker ones.

In his reply, President DI BARTOLOMEO, supported the "Triple A Social Rating" and disagreed with cooperation only in terms of exchange of best practices, underlining the need to have a social pact and a proper method of rating rather than a 'one-size-fits-all' approach. He insisted on the principle of solidarity in reinforcing the social dimension. In relation to the implementation of structural reforms, he said that this was very important, but that he wanted those measures to be complemented by social measures to limit the collateral damage.

Responding to the interventions, Commissioner THYSSEN invited national Parliaments to participate in the consultation process on the European Pillar of Social Rights. Regarding linking the European Semester with Europe 2020, she said that the social dimension was already evident in the country-specific recommendations. On the Commission Work Programme, she said that it was still under preparation but that the social dimension would be part of it. On youth unemployment, she mentioned the youth guarantee scheme, as well as the youth employment initiative funding. The Commission was collecting data from the Member States and would publish its report in autumn, she added. Regarding the settlement with the UK, the agreement with Mr Cameron would take effect only if the referendum had resulted in the UK remaining in the EU; the referendum resulting in the UK leaving the EU meant that the agreement was not valid. Regarding the proposal for amending the Posting of Workers Directive, she informed the participants that she would report to the College of Commissioners the following week which would decide whether to maintain, review or withdraw the proposal. She clarified that this was not a Directive about enforcement, but about reviewing basic rules. The objectives set could not be met and a review was necessary to improve social protection. She assured the participants that subsidiarity was at the heart of the Commission's policies. The

Commission was not harmonising wages, but was ensuring that what applied for local workers applied also for posted workers. She said that the European Commission would be addressing a letter to each national Parliament which issued a reasoned opinion and would be responding on all arguments not only on those relating to subsidiarity.

In his reply, Professor KELLER, said that adopting the term “Triple A Social Rating” gave the false illusion that some economists were more creative than sociologists, which was unacceptable. He referred to data showing the ratio of corporations paying taxes going down and the ratio of employees paying taxes going up in Germany. Regarding the evaluation so far of the Europe 2020 strategy, the strategy and cohesion policy were meant to eliminate disparities; however, the disparities between 2010 and 2015 had increased. He argued that the EU was moving away from the targets it had set for itself.

In his concluding remarks, Mr BLAHA agreed that either there would be a reinforcement of the social dimension of the EU or there would be no Union at all. He expressed support to Commissioner THYSEN's work, especially on the protection of the EU's social model. He concluded that a Europe with a more human face was needed.