



**EUROPEAN COUNCIL
THE PRESIDENT**



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**Remarks by the President of the European Council
Herman Van Rompuy
following the Tripartite Social Summit**

Today's Tripartite Social Summit took place in a different context from that of our last meeting in October. Today we met in a context of relative stability on the one hand and of social distress on the other hand.

Despite the signs that the worst of the financial crisis is now behind us, despite these modest green shoots, there is still a long way to go to restore our growth prospects, to revive our economies, to heal our banking systems, to create more jobs and to improve welfare across our union. We need to remember that the economy reacts with a time-lag: once stability is back, it takes time before this is translated into more confidence, more investment and growth and jobs. And as growth returns, it takes time before the positive impact on employment starts kicking in.

We have as a Union our strategy, a strategy running on four legs - and to move forward we have to keep all four in action!

First, we have to restore and keep financial stability in the euro area. This is a major precondition to regain the confidence of consumers and companies. Without it, it would be difficult to generate demand and growth, and jobs. After all, lack of confidence is one of the causes of economic stagnation of our economies. It is not all related to the so-called "austerity".

Second leg, we have to restore sound and sustainable public finances, via continued differentiated fiscal consolidation and focused on structural efforts.

P R E S S

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The third leg of our strategy addresses the emergency situation we currently face and its root causes. It consists of specific policies to fight unemployment and to tackle social divergences, because fiscal consolidation does not prevent us from launching such much-needed policies.

Fourthly, we should continue our policies to strengthen our potential through more competitiveness, in order to achieve long-term growth. This includes a wide range of policies, concrete measures for instance to deepen the single market. I have put on the agenda of the next European Councils a series of thematic discussions such as energy, innovation, digital agenda and industrial competitiveness.

These four legs are mutually re-enforcing, and constitute, taken together, a strong strategy for our European Union.

I wanted to set out this broader picture, before now going a bit deeper into one of its aspects, one that is the focus of today's meeting, the social dimension of the EMU. The European social model remains an important asset and a global competitive advantage. To secure this social model, actions are needed in the short term and medium term.

In the short term, we cannot turn a blind eye to the social emergency in some of our countries. Several instruments are being developed for this, such as the Youth Guarantee Initiative. In February, as a part of the overall agreement on the Multi-annual Financial Framework, the European Council decided upon a 6 billion Euro Youth Employment Initiative. This is an important decision, taken in the midst of an exercise of budget cuts. Another set of measures in the making is the European Commission's recent communication on a Social Investment Package. It is focused on human capital and lifelong learning.

For the medium term, we need to find mechanisms to help reduce social divergences in our Union. The EU 2020 Strategy remains our core strategy. Its indicators for poverty, employment rate and early school leavers remain very important. But perhaps we could go further, in the euro zone, with the development of indicators that would help us to take better into account the social dimension of economic choices and reforms.

To this end I will continue my intensive consultations on the social dimension. I have discussed this with the Economic and Social Committee. I have discussed this in an informal session with the ministers for social affairs and employment. And today's meeting with the social partners, who know by first-hand experience the concerns of our workers and businesses, proved to be another very useful meeting.