



**European Committee
of the Regions**

SEDEC-VII/019

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OPINION

The implementation of the European Pillar of Social Rights from a local and regional perspective

THE EUROPEAN COMMITTEE OF THE REGIONS

- supports the three headline targets for employment, skills and social protection presented in the Action Plan to be achieved by the end of the decade in line with the UN Sustainable Development Goals. Local and regional authorities will play a key role in strengthening the vitality of the regions and achieving the quantitative headline targets for 2030, on condition that sufficient funding is made available for implementing the Action Plan;
- regrets that the Action Plan does not consider a debate on a permanent European unemployment insurance scheme;
- calls for measures to be taken to ensure that schemes promoting youth employment do not favour precarious forms of employment;
- stresses the importance of ensuring effective implementation of the EU's Gender Equality Strategy, with particular focus on the inclusion of vulnerable women. Gender equality, as well as the recognition of gender diversity, must be mainstreamed across the Pillar's implementation;
- stresses the importance of effective implementation of the European Child Guarantee;
- stresses the need to address the needs of a growing ageing population by safeguarding their right to quality social care, day care and long-term care;
- notes that municipalities and cities play an important role in urban planning and providing public-cooperative, sustainable and affordable housing. There must be greater provision of decent housing for all citizens. The Committee regrets in this regard that the Action Plan sets no quantitative target for the fight against homelessness;
- calls for the establishment, within the context of sustainable finance, of a "social taxonomy" as an enabling tool to increase investments in social infrastructure.

Rapporteur-general

Anne Karjalainen (FI/PES), Member of Kerava Municipal Council

Reference document

Referral of the Portuguese Presidency

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The European Pillar of Social Rights Action Plan, COM(2021) 102 final

Opinion of the European Committee of the Regions – Implementation of the European Pillar of Social Rights from a local and regional perspective

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General comments

1. is pleased that the Portuguese presidency of the Council of the European Union has included implementation of the European Pillar of Social Rights (EPSR) as a priority objective in its programme, and at the presidency's request has drawn up an opinion on the local and regional perspective for the Porto Social Summit. It is important that there be a commitment at the highest political level to promote a strong social Europe and people's well-being during the current decade;
2. very much welcomes the European Commission's EPSR Action Plan, which presents the necessary long-term policies and concrete instruments that will be the basis for more sustainable economic and social systems for the future in all the European Union Member States;
3. is pleased that the Action Plan recognises the importance of local and regional authorities in implementing, developing and adding value to the initiatives. Local and regional authorities will play a key role in strengthening the vitality of the regions and achieving the quantitative headline targets for employment, skills and social protection for 2030, on condition that sufficient funding is made available for implementing the Action Plan;
4. points out that the implementation plan will underpin and promote the efforts of local and regional authorities to implement employment and social policies. It is important to look beyond the current crisis and undertake social investment to reinforce the social dimension, also to ensure the smooth operation of the internal market;
5. notes that clear, coordinated and ambitious implementation of the EPSR will enhance the European Union's commitment to the UN's 2030 Agenda and its 17 Sustainable Development Goals (SDGs), as well as socially fair implementation of the European Green Deal;
6. notes that the subsidiarity and proportionality principles will determine the level at which the EU and the Member States deploy the proposed policy instruments and legislative measures when it comes to implementing the EPSR;

Joining forces in Porto

7. urges the Member States, social partners and civil society organisations taking part in the Porto Social Summit to jointly commit to accelerating implementation of the EPSR in the areas falling within their remit, making people the priority. Most of the tools for implementing the principles of the Pillar are in the hands of Member States, regional and local governments, as well as the social partners and civil society. Success will depend on the commitment of different levels of

government and stakeholders and joint responsibility supported by the European institutions. Regions and municipalities are willing to play their part in building a strong and resilient social Europe which will guarantee that the green and digital transitions are fair and which will facilitate recovery from the COVID-19 crisis both economically and socially. There is clear public support for this, with nine out of ten European citizens seeing a social Europe as important;¹

8. observes that Europe is seeing the biggest health, social and economic crisis of a generation, a crisis that is putting European solidarity to the test. The impact of the COVID-19 pandemic on employment, poverty levels and people's psychological well-being will continue to be felt for a long time and will require social and health investment by all levels of government, effective policy mixes and economic resources. Investments and measures to be implemented under the Recovery and Resilience Facility must have a strong social dimension to reinforce social security systems, fund good-quality jobs, improve and secure public services, reduce poverty and promote gender equality. The focus should be on protecting above all the most vulnerable, such as people at risk of poverty and social exclusion, single-parent families and single mothers struggling to achieve a work-life balance, persons with disabilities, migrants, victims of gender-based violence etc., and on making the recovery inclusive and socially fair. The fundamental commitment to the economic freedom of public authorities to provide, commission and finance services of general economic interest is of major importance in this respect;
9. notes that the European Union is at a turning-point where new thinking is possible, and also necessary. Welfare systems need overhauling in a world shaped by global megatrends. It is more important than ever to invest in people's well-being and to consider the benefits of the economy of well-being. The CoR sees the Porto Social Summit as an important opportunity to agree on common goals where people's well-being and equality are put at the heart of policy, and social issues are made an enduring priority in the European Union;

Common objectives to be affirmed in Porto

10. supports the three headline targets for employment, skills and social protection presented in the Action Plan to be achieved by the end of the decade in line with the UN Sustainable Development Goals. The proposed new headline targets imply that by 2030 at least 78% of the EU population aged 20 to 64 should be in employment, at least 60% of all adults should participate in training every year, and the number of people at risk of poverty or social exclusion should be reduced by at least 15 million;
11. points out that to achieve the employment target will mean creating new quality jobs, improving women's employment, facilitating all young people's access to employment, with due consideration for young people belonging to disadvantaged groups, and ensuring that groups under-represented in the labour market are fully integrated into it. The COVID-19 crisis has affected the employment of women, young people, migrants and people with disabilities. Attention should be paid also to difficulties encountered by people facing discrimination in the

¹ Eurobarometer survey on social issues, 03/2021.

field of employment on other grounds such as age, ethnic and racial origin, religion or belief and sexual orientation;

12. agrees that the proposed initiatives relating to employment and comprehensive collective bargaining are important in ensuring better protection for workers. New forms of employment, labour mobility, the platform economy, flexible working time arrangements and remote working require dialogue between the social partners and close involvement in the implementation of the EPSR. Regrets by the same token that, beyond the evaluation of the experience of the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), the Action Plan does not consider a debate on a permanent European unemployment insurance scheme;
13. points out that new industrial, circular economy and SME strategies, as well as the social economy, support the creation of quality jobs and more competitiveness. These strategies should also narrow gender gaps in relation to renewable energy and green jobs;
14. draws attention to existing social responsibility criteria in public procurement and their contribution towards preventing social dumping. Therefore suggests making public contracts more strongly conditional on the application of fair wages and other conditions of employment laid down by law and/or collective agreements, including in subcontracting chains;
15. underlines the need to ensure work-life balance and better access to the labour market for women, who constitute the overwhelming majority of family carers, paying particular attention to single-parent and large families. Increasing the employment rate of women and reducing the pay gap will also improve women's pensions and reduce the risk of poverty in retirement;
16. recommends implementing the Youth Guarantee as soon as possible and paying particular attention to measures to improve the situation of young people aged 15-29 who are not in employment, education or training. Modernising apprenticeships and improving internship programmes will enhance young people's chances to find work in growth sectors, which is important when youth unemployment has risen steeply across Europe during the COVID-19 crisis. Also calls for measures to be taken to ensure that schemes promoting youth employment do not favour precarious forms of employment;
17. stresses that recovery from the COVID-19 crisis, the green and digital transitions and demographic changes will affect Europe's regions and sectors differently, requiring a reallocation of labour and substantial retraining. The CoR calls on Member States, local and regional authorities and social partners to find solutions for adult access to upskilling and reskilling, especially for older workers who are unemployed, making use of good practices and the EASE² system;

² Effective active support to employment (EASE) C(2021) 1372.

18. proposes that education and skills objectives be integrated not only into the implementation of the European Education Area, but also the European Research Area and the European Skills Agenda, leaving no one behind in the green and digital transitions;
19. points out that local and regional authorities have a key role to play in developing skills-related policies and providing training. The CoR calls for the use of apprenticeships under EASE³ and the European framework for apprenticeships⁴, so that SMEs in particular can offer apprenticeships to young people, and with a view to improving the labour market situation of under-represented groups;
20. stresses the importance of ensuring effective implementation of the European Union's Gender Equality Strategy, with particular focus on the inclusion of vulnerable women (victims of gender-based violence, single-parent families, etc.). Gender equality, as well as the recognition of gender diversity, must be mainstreamed across the Pillar's implementation;
21. points out that, despite the efforts made, poverty and social exclusion have not been eradicated in Europe and the COVID-19 pandemic is expected to worsen the situation further. While the poverty reduction target could be more ambitious, especially given the social damage caused by the pandemic, reducing poverty by at least 15 million – of which at least one third should be children – must be the top priority for the decade, requiring a focus on the root causes of poverty and on effective measures, including holistic interventions in the most disadvantaged areas to tackle it. National income support schemes and related services provide the final resource for ensuring decent living conditions;
22. points out the essential role of public social services at local and regional levels in the implementation of key social rights principles to mitigate the negative social consequences of the pandemic; as such, they are vital in making economic recovery fairer and more socially inclusive, through supporting the employment, health, and social inclusion of the most vulnerable;
23. stresses the importance of effective implementation of the European Child Guarantee and EU Strategy on the Rights of the Child through national child care plans, which promote equal opportunities for all children and break the intergenerational cycle of disadvantage by ensuring access to essential services for children at risk of poverty or social exclusion. All children must have access to quality childcare, early childhood and pre-school education, healthy nutrition, and after-school activities. Particular attention should be paid to children in vulnerable situations, such as homeless children and children without parental care, with a view to providing them with community and family-based care and ensuring that no child is left behind. Preventing and combating all forms of violence and discrimination, promoting child-friendly justice and strengthening children's participation in society are also key priorities, as clearly stated also in the new comprehensive EU Strategy on the Rights of the Child. The rights of the child must be protected in the digital world too;

³ Idem.

⁴ Council Recommendation on a European Framework for Quality and Effective Apprenticeships, 2018.

24. stresses by the same token the need to effectively address the needs of a growing ageing population and ensure them a quality of life by safeguarding their right to quality social care, day care and long-term care, sectors which have been significantly affected by the pandemic and suffer a skilled labour shortage;
25. points out that municipalities and regions have an important role to play in providing public services and that sufficient financial resources must be available for this important task. Investments in green, digital and social infrastructure will reduce regional disparities and improve access to affordable public services in rural areas, deprived urban neighbourhoods, areas affected by industrial transition, and areas with severe and permanent natural or demographic handicaps, such as the outermost regions, and more remote and isolated regions, where access to digital resources is often more limited;
26. notes that municipalities and cities play an important role in urban planning and providing public-cooperative, sustainable and affordable housing. There must be greater provision of decent housing for all citizens, suited to their specific needs, such as those of older people and people with disabilities, in order to foster independent living and prevent them from being institutionalised, as well as the needs of large and single-parent families, victims of gender-based violence and young people who have been subject to protection measures as minors. Housing solutions must be embedded in local development plans aiming at the creation of liveable neighbourhoods. Inclusive, protective and participatory approaches should be applied not only by the EU's renovation wave strategy, but also through a strong commitment of the EU and the Member States to building new homes, including for long-term housing tenancies. Enabling local and regional authorities to better combine different funding sources and to build sustainable housing is vital. Homelessness must be tackled in an integrated and holistic way by focusing on improving the health and social support networks of homeless people. An example here is the "Housing First" approach, which has been successful in reducing long-term homelessness. Local and regional authorities should therefore be part of the "European Platform on Homelessness". The Committee regrets in this regard that the Action Plan sets no quantitative target for the fight against homelessness;
27. stresses that local and regional actors have a major opportunity to influence emissions over the coming decades, through sustainable planning and investment in relation to energy production, construction and transport. Measures taken as part of Europe's building Renovation Wave can increase jobs, improve quality of life and tackle energy poverty by supporting energy efficiency investments in low-income households. To protect tenants' rights and avoid gentrification, housing cost neutrality (including inter alia rent, energy and operating costs), should be applied when public support is involved within the context of the Renovation Wave;
28. notes that the COVID-19 pandemic has further deepened the digital divide. The CoR proposes promoting "digital cohesion" as an objective of the European Union so that suitable digital infrastructure is in place to ensure that e-services and digital education are accessible to everyone. Particular attention should be paid to access to digital tools for disadvantaged and vulnerable groups;

Social Scoreboard

29. points out that national averages of social indicators do not reflect all social challenges in the European Union. This can lead to misleading results by covering up the social and regional disparities that often exist within Member States. A regional social scoreboard can help establish a strong regional monitoring policy, ensuring that the Social Pillar is implemented at all levels and that regional investments are geared towards achieving the principles of the Pillar. Regional monitoring should make use of data already collected and not impose an administrative burden on regions;
30. considers it necessary to promote a strong, effective and clear common European policy in order to ensure the proper management of migratory movements that is fully shared by Member States and regions. The Committee reiterates its firm belief that "the objectives of the Migration and Asylum Pact, in particular securing solidarity between Member States and a comprehensive approach bringing together migration, asylum, integration and border management measures, can only be achieved by the Member States if they act together under the framework of the Common European Asylum System and when interests and capabilities of all of them are better recognised in the solidarity mechanism"⁵;
31. notes the importance of adding more indicators and of using instruments promoted by the European Union itself, such as the Regional Social Progress Index, which must broadly cover all 20 principles of the Social Pillar. Presentation of figures in all indicators should be broken down by areas of interest, including gender, since gender equality is an overarching principle of the European Pillar. The CoR underlines the need to further develop the knowledge base and indicators of the country-specific recommendations so that the objectives of the Pillar can be achieved more effectively. Local and regional authorities should actively contribute to the debate on improving the Social Scoreboard;

Socio-economic governance

32. notes that the European semester and the Recovery and Resilience Facility are currently the most important legislative tools available to encourage, support and guide national governments in making the EPSR principles a reality in the European Union. The CoR calls for the EPSR to be prioritised under the European semester so that the recovery from the current crisis is truly inclusive and tackles social exclusion, poverty and inequality;
33. reiterates its call for better coordination of economic and social policies between European and national government levels under the European semester, and calls on local and regional authorities to be more closely involved in this coordination, through shared management based on the subsidiarity principle. Under this principle, strategic planning and implementation tasks must be delegated not just to the Member States but also to local and regional authorities, which are best placed to effectively respond to local needs and challenges⁶;

⁵ CoR 4843/2020.

⁶ CoR 2167/2020.

34. calls for the establishment, within the context of sustainable finance, of a "social taxonomy" as an enabling tool to increase investments in social infrastructure, such as healthcare, education, or housing. Such tool could help address challenges in the accessibility of essential services by rewarding the use of new technologies and efforts to foster a skilled workforce and tackle staff shortages, while helping social infrastructure investments to be better recognised as valuable investment assets;

Funding

35. encourages the use of the Multiannual Financial Framework and the Next Generation EU recovery tool to implement the EPSR at national level, contributing to the green and digital transitions, social fairness and resilience;
36. encourages programming authorities to flag the expenditure in structural and investment funds relating to the implementation of the EPSR;
37. calls for more resources to be allocated at local and regional level from national budgets and EU funds, in order to finance local measures, services and social investment to support the most vulnerable groups in particular, showing due regard for the principles of equal opportunities and non-discrimination;
38. stresses that, in planning the allocation of financial resources, greater use should be made of distributional impact assessments in order to better take account of the impact of reforms and social investments on different groups.

Brussels, 7 May 2021

The President
of the European Committee of the Regions

Apostolos Tzitzikostas

The Secretary-General
of the European Committee of the Regions

Petr Blížkovský

II. PROCEDURE

Title	The implementation of the European Pillar of Social Rights from a local and regional perspective
Reference document	Referral of the Portuguese Presidency Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The European Pillar of Social Rights Action Plan COM(2021) 102 final
Legal basis	Article 307 of the Treaty on the Functioning of the European Union
Procedural basis	Rule 41b(i) of the Rules of Procedure
Date of Council/EP referral/Date of Commission letter	
Date of Bureau/President's decision	
Commission responsible	Commission for Social Policy, Education, Employment, Research and Culture (SEDEC)
Rapporteur	Anne Karjalainen (FI/PES)
Analysis	
Discussed in commission	General exploratory debate 17 February 2021
Date adopted by commission	
Result of the vote in commission (majority, unanimity)	
Adopted in plenary	5, 6 and 7 May 2021
Previous Committee opinions	<ul style="list-style-type: none"> – A Strong Social Europe for Just Transitions⁷ – The European Pillar of Social Rights and Reflection Paper on the social dimension of Europe⁸ – The European Pillar of Social Rights⁹
Date of subsidiarity monitoring consultation	

⁷ CoR 2167/2020.

⁸ CoR 3141/2017.

⁹ CoR 2868/2016.