

SOC/679 The European Pillar of Social Rights Action Plan

# **OPINION**

European Economic and Social Committee

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

Rapporteurs: Cristian PÎRVULESCU and Carlos Manuel TRINDADE

Referral Legal basis	European Commission, 26/03/2021 Article 304 of the Treaty on the Functioning of the European Union
Section responsible Adopted in section	Employment, Social Affairs and Citizenship 21/06/2021
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Outcome of vote	
(for/against/abstentions)	161/78/19

## 1. Conclusions and recommendations

- 1.1 The EESC welcomes the Action Plan on the European Pillar of Social Rights ("the Plan") and its implementation at EU and national level, with due regard for respective competences, and considers it very timely, especially as the COVID-19 pandemic has disrupted every aspect of human life, worsening pre-existing social issues, and put tremendous pressure on state institutions, communities, organisations and businesses alike. The EESC warns that the pandemic is not ending anytime soon; the EU and the Member States must therefore use and develop the proper infrastructure in place to meet its challenges in the framework of the Plan in the medium and long term, bearing in mind that a functioning civil and social dialogue and the active involvement of the social partners, as an important part of a competitive social market economy, play a crucial role in this regard.
- 1.2 The EESC welcomes the political consensus built around the Plan during the Social Summit in Porto with the Porto Commitment. The EESC also welcomes the Porto Declaration by the Council As stated in point 4 of the Declaration, which the EESC fully endorses: "Its implementation will strengthen the Union's drive towards a digital, green and fair transition and contribute to achieving upward social and economic convergence and addressing the demographic challenges. The social dimension, social dialogue and the active involvement of social partners have always been at the core of a highly competitive social market economy. Our commitment to unity and solidarity also means ensuring equal opportunities for all and that no one is left behind".
- 1.3 The EESC supports the vision and goals set out in the Plan and welcomes the concept underpinning the Plan that adopting relevant and consensual social targets will help focus policy efforts on reaching results and constitute an important incentive for reform and investment in the Member States. The EESC also underlines that the Action Plan should be based on concreteness and tangibility, with actions that are measurable and accompanied by monitoring frameworks jointly agreed among relevant stakeholders and encompassing the social, environmental, and economic criteria<sup>1</sup>.
- 1.4 The EESC acknowledges the diversity and the common basis of social models across the EU. They are part of our common history and constitute building blocks for shared commitment to a European social model that is an integral part of the common market and all EU policies. The countries with less robust social models should be strongly supported, through encouraging investment, learning and benchmarking. The wellbeing and fundamental rights of citizens should be built around a common and consistent social model, flexible enough to accommodate different national traditions and experiences in line with the values, principles and goals of the Treaty, the Pillar and its renewed and forward-looking consensus.
- 1.5 The EESC believes that guaranteeing minimum social standards for every person living in the EU is of the utmost importance for building a fair and inclusive society. In implementing the social pillar, a balanced mix of legislation and soft law should be sought. The legislation should be fully compliant with the Charter of Fundamental Rights as well as with the better regulation

<sup>1 &</sup>lt;u>EESC Porto Summit Declaration</u>.

principles, and be subject to thorough consultation with the social partners and civil society organisations at EU and national level.

- 1.6 As previously stated by the EESC, competitiveness and higher productivity based on skills and knowledge are a sound recipe for maintaining the well-being of European societies. We need to reinforce the strengths of our European social market economy system, while removing its weaknesses, and thus adapt it to face the challenges ahead<sup>2</sup>.
- 1.7 The EESC considers that specific objectives and targets should be set for all of the 20 principles of the Pillar. The EESC also invites the Member States to be ambitious in voluntarily setting their own targets so that all Member States together with the social partners and civil society organisations, contribute to the achievement of the European targets. The quality and results of the dialogue related to the Pillar and the Plan should be monitored, supported and communicated by the European Commission. The objectives and targets should be included in the reporting mechanism provided by the European Semester and the national reform plans.
- 1.8 The EESC proposes that in order to make the planned mid-term review more effective, intermediate objectives and targets for this Plan for 2025 may be defined by the Member States in a constructive dialogue with social partners, so that progress in the first half of its implementation can be assessed. Guidance in using the existing coordination mechanisms should be a priority for the Commission in relation to the Member States.
- 1.9 The EESC suggests that as European coordination mechanism for the application of the Plan the framework of the European semester should be used. This coordination mechanism could take the form of an EU inter-institutional forum on the social pillar, which would convene on a regular basis to assess progress and give new impetus to the Plan.
- 1.10 The EESC supports the intention to update whenever necessary the social scoreboard, seeking alignment with the UN 2030 Agenda and the Sustainable Development Goals.
- 1.11 The EESC considers that the European Semester is the appropriate framework for the monitoring of the Plan equal attention shall be placed on social and environmental objectives together with macroeconomic stability and productivity. It welcomes the assertion made in the Plan that the national recovery and resilience plans represent a unique opportunity to plan and finance investments and reforms that support a recovery that is social and focuses on jobs, while embracing the green and digital transitions and implementing the relevant country-specific recommendations under the European Semester. The Plan rightly calls on the Member States to make the best use of the European Semester and to seize the unprecedented opportunity offered by the Recovery and Resilience Facility.
- 1.12 The EESC notes that the Plan has not clearly stipulated the need to prolong the current emergency support until the economy no longer needs it, thus not sufficiently valuing the need to protect jobs and companies during the crisis. The EESC also notes that, while

<sup>2 &</sup>lt;u>EESC Resolution – EESC contribution to the Porto Social Summit, point 7.</u>

NextGenerationEU is an emergency tool based on Article 122 TFEU and will continue to be treated as a one-off measure, it is also a precedent for bold and constructive action.

- 1.13 The EESC notes that the Plan recognises that strong national and EU-level policy responses to the COVID-19 pandemic have been successful in limiting its employment and social consequences, supporting companies and workers. Equally, it notes that the pandemic has further highlighted existing inequalities (particularly regarding workers with lower educational levels, women, young people, migrants and other vulnerable groups) and that unemployment and inequalities are likely to further increase as a result, if the social progress is not coupled with sustainable economic growth. The EESC hopes that the Plan will contribute to reversing this trend and highlights the need to promote sustainable and competitive economies, based on quality jobs and equal opportunities for all.
- 1.14 The EESC believes that greater efforts can be made at EU and Member State level in the area of combating poverty, in line with the first Sustainable Development Goal under the UN 2030 Agenda. In particular, the EESC believes that the EU should set the objective of reducing the proportion of children at risk of poverty and social exclusion from 22.8% in 2019 to 10% in 2030, with similar voluntary commitments in every Member State.
- 1.15 The EESC proposes that the Plan should include measures leading to address income inequality, given the well-defined priority of social cohesion, as an essential part of the European social model.
- 1.16 The EESC considers that the Plan should promote not only the creation of new jobs a justified objective but also the quality of employment, including combating precarious work. Proper legal and administrative checks at national level should be in place to ensure that workers have safe working conditions, adequate and predictable pay and an organised voice in the workplace. The EESC is especially worried about the conditions of work for many seasonal workers, EU and non-EU citizens working in agriculture, services and construction and calls for the efficient implementation of directive 2019/1152 (EU) on transparent and predictable working conditions which aims at improving working conditions by promoting more transparent and predictable employment while ensuring labour market adaptability. The EESC considers that the in-work-at-risk-of-poverty rate should be significantly reduced. The objective of eradicating in-work poverty should be pursued through setting minimum European common standards at the EU level.
- 1.17 The EESC welcomes the intention to reduce the disparities between men and women in employment and pay in a decade and the intention to increase although this increase has not yet been quantified the provision of early childhood education and care. The EESC supports to this end the European Child Guarantee. Gender equality should be pursued in all aspects of economic and social life.
- 1.18 The EESC notes that the Plan does not include a proposal for a directive on minimum income security, which it considers necessary to combat the most serious forms of poverty.

- 1.19 The EESC endorses the Commission's encouragement to the European Parliament and the Council to conclude negotiations on the revision of the social security coordination rules in order to improve the mobility of workers and provide adequate social protection within the EU, without creating excessive burdens for employees and companies.
- 1.20 The EESC shares the view expressed by the Commission on the need to promote collective bargaining coverage and social partners' membership and organisational density. It thus proposes considering setting and monitoring relevant indicators at national and EU level, and that the objectives here should be supported by ring-fenced funds for capacity-building and joint actions for achieving the Plan objectives, while preserving the autonomy of the social partners. The EESC supports the Plan's suggestion that further EU-level agreements be negotiated to contribute to the successful transformation of Europe's labour markets, as well as its call on the Member States to encourage and create the conditions for better-functioning and more effective collective bargaining and social dialogue at all levels.
- 1.21 The EESC shares the conclusions of the consultation held in support of the Plan which emphasised the importance of better implementation, application and enforcement of existing EU labour and social law. The Commission should engage more actively with the Member States in order to facilitate the timely and quality transposition of EU legal instruments and promote compliance. The EESC expects the Commission to resort to infringement procedures if Member States do not fulfil their obligations under EU law.
- 1.22 The EESC stresses the need to align the financing of national policies with the objectives and actions of the Plan, and ensure that there is no return to the SGP rules in their original form, and that any revised version of them fully facilitates the Plan's implementation.
- 1.23 The EESC urges greater emphasis on the potential contribution of public procurement as an instrument towards the realisation of the objectives of the Plan.

# 2. General comments

# 2.1 **The design of the Plan**

- 2.1.1 Since the proclamation of the Pillar in 2017, the EESC has called for a clear roadmap for its implementation<sup>3</sup> and therefore welcomes the Plan. The Committee supports the call for all stakeholders to engage in a collective effort to implement the Pillar within their spheres of competence. The EESC points out that, in addition to the contribution of the EU institutions, the success of the Plan will be strongly determined by the commitment of the Member States and their social partners to implement all of its principles.
- 2.1.2 At the Porto Social Summit, held on 7 and 8 May, a commitment to implement the European Social Rights Pillar was made at the highest political level through the Porto Social Commitment. This Commitment welcomed the European Commission Action Plan on the

<sup>&</sup>lt;sup>3</sup> <u>OJ C 81, 2.3.2018, p. 145; OJ C 14, 15.1.2020, p. 1</u>.

European Pillar of Social Rights ("the Plan") and called on all relevant players to learn the lessons of the pandemic and join forces.

- 2.1.3 The EESC acknowledges the fact that the Plan combines legislative and non- legislative action with the setting of common objectives to be achieved by the joint action of stakeholders, especially the social partners and civil society, organised at local, national and European level. The EESC expects the legislation indicated in the timeline of the Plan to fully comply with the Charter of Fundamental Rights and to be subject to impact assessments, and stresses the need for extensive consultations with the social partners and civil society. Any legislative decision should be evidence-based, taking stock of the views of relevant stakeholders.
- 2.1.4 The EESC supports the targets set out in the Plan and the notion that these will help focus policy efforts on reaching results and constitute an important incentive for reform and investment in the Member States with a view to achieving upward convergence and well-being. The EESC also underlines that the Plan should be based on concreteness and tangibility with actions that are measurable and accompanied by monitoring frameworks, jointly agreed among relevant stakeholders and encompassing the social, environmental, and economic criteria.
- 2.1.5 While supporting the EU headline targets, the EESC endorses the Commission's call for the Member States to voluntarily set their own national targets. It invites the latter to be ambitious in setting their targets so that all Member States, together with their social and civic partners, contribute to the achievement of the European targets and stresses that without a major coordinated effort it will not be possible to achieve them. The setting of the three main priorities of job creation, improvement of qualifications and social inclusion will provide a common framework of action including in the implementation of the national recovery and resilience plans.
- 2.1.6 The EESC is pleased that the employment target is complemented by commitments to promote inclusive employment and reduce employment gaps, notably by unleashing the labour market's potential, halving the gender employment gap, decreasing the rate of young people not in employment, education or training (NEETs) and ensuring that other under-represented groups participate in the labour market to the maximum of their capacity, and the Committee encourages the Commission to quantify all of these commitments in cooperation with the Member States and social partners.
- 2.1.7 The EESC also welcomes the emphasis in the Plan on education, skills and lifelong learning, including continuous up-skilling and reskilling, with the aim of improving employability, boosting innovation, ensuring social fairness and closing the digital skills gap, noting that, as the Committee has previously stated, access to continuous and lifelong learning must be an individual right for everyone in order to cope with digital and AI developments, shape progress and keep "humans in command"<sup>4</sup>.
- 2.1.8 The EESC proposes that, in order to make the planned mid-term review more effective, the Member States should engage in a constructive dialogue with social partners and consider

<sup>4 &</sup>lt;u>OJ C 14, 15.1.2020, p. 46</u>, point 1.4.

intermediate targets for 2025 should be set, which will enable progress in the first half of its implementation to be assessed.

## 2.2 **On job creation and the future of work**

- 2.2.1 The EESC welcomes the fact that the Plan states that working conditions in the EU are among the best in the world, whilst also acknowledging that new forms of work bring challenges as well as opportunities. The social partners both at European and national level are welcome to joint efforts to work together for meeting the needs of the future of work, achieve upward convergence and ensure that workers are protected and safe regardless of the sector they work in and the country they live in. The social partners both at European and national level, are central to the joint efforts in this direction. The Plan rightly notes that preserving and creating new quality jobs is a priority for the EU. The COVID-19 crisis has shown that the functioning of our societies depends on essential workers across a range of sectors such as transport, services, health and agriculture. We need to create the new jobs of the future by building on the essential jobs of today.
- 2.2.2 The EESC agrees with the strategic approach of the gradual transition from emergency measures to actions that can contribute to achieving the employment target set in the Plan.
- 2.2.3 The EESC agrees with the concern expressed in the Plan for the groups most affected by the pandemic, including women, young people, low-skilled and low-paid workers, temporary, self-employed and migrant workers.
- 2.2.4 The EESC believes that the allocation of EU funds for the priorities should be monitored, both in terms of the resources available from the Commission and in terms of resources allocated by Member States and the social partners.
- 2.2.5 The EESC agrees with the Commission's call on the Member States to use the EU funds available to promote active and effective support for employment.
- 2.2.6 The EESC supports the Commission's approach to the effects of the digital transition of work. The EESC supports the Autonomous Framework Agreement on Digitalisation and is ready to work with the social partners on any follow-up to it.
- 2.2.7 The EESC takes note of the recent OECD Employment Outlook 2020 report entitled "Worker security and the COVID-19 crisis"<sup>5</sup>. The EESC recognises that workers' well-being in the workplaces contributes positively to the overall performance of the companies, organisations and institutions they work in. In addition to promoting health and safety of workers, the EESC expects measures taken at the appropriate level in line with the principles of subsidiarity and proportionality to improve the functioning of the labour markets so that they contribute to economic growth, international competition and foster decent working conditions. Labour market developments must be supported, not hindered, as to ensure that workers are protected,

<sup>&</sup>lt;sup>5</sup> OECD Employment Outlook 2020: <u>"Worker security and the COVID-19 crisis"</u>.

secure and contribute to the overall performance of the companies, organisations and institutions they work in.

- 2.2.8 The EESC expects measures to promote upwards convergence to be taken at the appropriate level in line with the principles of subsidiarity and proportionality to improve the functioning of labour markets so that they contribute to economic growth and international competition, and foster decent working conditions and well-being.
- 2.2.9 The EESC emphasises that the EU must remain fully faithful to the principle that there can be no employment relations, regardless of their nature, which do not have social protection. The EESC considers all forms of undeclared work unacceptable and encourages the Member States to act to combat it.
- 2.2.10 The EESC calls on the Commission and the Member States to take all necessary measures to ensure that digitalisation does not create precariousness and vulnerabilities while ensuring that the opportunities provided by digitalisation are fully utilised.
- 2.2.11 The EESC would like to see a stronger link between the ambitious goal for skills, education and lifelong learning and the financial means available to achieve it. The EESC draws attention to the fact that public expenditure on education in the EU dropped from 5% in 2010 to 4.7% in 2019, and stresses that the Social Pillar's targets and goals cannot be pursued without more public investment in education. It also emphasises the need for public and private investment to support training and lifelong learning and encourages employers to increase opportunities for employees to undertake work-based learning and training.
- 2.2.12 The EESC recognises the Commission's concern about the green and demographic transitions and their effects on employment and skills. However, the Plan may benefit further from specific agreed commitments and initiatives in this respect, so further detailing should be done in the Plan and in national documents.
- 2.2.13 The pandemic has hit young people particularly hard. The statistics show that half of all young people in the EU are employed on a temporary basis. Addressing the risks linked to involuntary temporary employment, there is some clear potential in the Plan to improve the quality of employment for young people in particular through the Review of the Traineeships Recommendation, a focus on the quality of offers under the Youth Guarantee, and a number of initiatives planned on working conditions, for example, for platform workers.
- 2.2.14 While the Plan contains clear provisions for enhancing the role of the social partners (trade unions and employers) in the initiatives, it says very little about the role of civil society organisations such as youth organisations, which play a vital role in representing EU citizens.

## 2.3 On skills and equality

2.3.1 The EESC shares the Commission's view that a skilled workforce is the engine of a prosperous green and digital economy, powered by innovative ideas and products and technological developments. As the Plan states, education and training systems play a key role in laying the

foundations for lifelong learning and employability and can help overcome skills shortages, provided they are geared towards labour market needs. Education and skills should be at the centre of political action to support the creation of jobs.

- 2.3.2 The EESC supports the ambition to improve lifelong education and expresses its concern regarding the access to basic digital skills, which it considers, like the Commission, to be a precondition for inclusion and participation in a digitally transformed Europe.
- 2.3.3 The EESC regrets that there is no objective on gender equality in access to lifelong learning and encourages the Commission to define one. The EESC points to the need for a gender mainstreaming approach in all EU policies and strategies.
- 2.3.4 The EESC is currently drawing up a separate opinion on the proposed directive aimed at strengthening the application of the principle of equal pay for equal work or work of equal value between men and women and will present an opinion on the text.

## 2.4 **On social protection and inclusion**

- 2.4.1 The EESC considers that further proposals on social protection and social inclusion should be pursued. It shares the view stated in the Plan that Europe is home to the most equal societies in the world, the highest standards in working conditions, and broad social protection. Nevertheless, poverty levels in the EU remain unacceptably high and considerable efforts are still needed to ensure similar conditions in every country.
- 2.4.2 Children account for 20% of those at risk of poverty in the EU, which the UN Special Rapporteur on extreme poverty and human rights has described as "an exceedingly high number for developed country standards"<sup>6</sup>. The EESC welcomes the Commission's proposals for an EU strategy on the rights of the child and a Recommendation for a child guarantee, as well as the target to lift five million children out of poverty by 2030. It reiterates its call for "a 'Care Deal for Europe', ensuring the provision of greater quality services for all throughout the life-cycle"<sup>7</sup> and for Member States to invest in the availability of high-quality, affordable, accessible and diverse care services. It believes that the eradication of child poverty would have very positive effects in reducing the poverty of young adults and the unemployed.
- 2.4.3 The EESC believes that EU should set minimum social standards, fully compliant with the Charter of Fundamental Rights and this process should be subject to thorough consultation with the social partners and civil society organisations at EU and national level.
- 2.4.4 The EESC notes that the Plan does not include a proposal for a directive, but a recommendation instead<sup>8</sup>, on minimum income security, which it considers necessary to combat the most serious forms of poverty.

<sup>6 &</sup>lt;u>Statement by Professor Olivier De Schutter</u>.

<sup>7 &</sup>lt;u>SOC/662</u>.

<sup>8</sup> As done 30 years ago - <u>Council Recommendation of 24 June 1992 on common criteria for sufficient resources and benefits in social protection systems (92/441/EEC)</u>.

- 2.4.5 The EESC believes that it is necessary to take significant steps to strengthen the resilience of social security systems and their coordination at EU level, guaranteeing universal access to workers, respecting national competences regarding access to social protection.
- 2.4.6 The Committee shares with the Commission the view that reforms and investments in health systems are necessary in order to improve, inter alia, access to quality healthcare for all, and reduce social, territorial and economic inequalities in health. However, if the Commission supports the Member States only by providing evidence-based information and sharing best practices, that is insufficient and much more should be done, while respecting the division of competences: formulate objectives and targets, support investment in the infrastructure, train the workforce in the health system, devise common quality standards, and finance health research.
- 2.4.7 The EESC welcomes the plan for a High-Level Expert Group to study the future of the welfare state. As the representative of European organised civil society and a forum for social and civic dialogue, it is uniquely prepared to reflect on the challenges of the welfare state of the Member States. The Committee advocates in particular the adoption of fiscal models taking into account national economy characteristics and promoting sustainable growth that make it possible to maintain reasonable and adequate social benefits, support public and social services and distribute the tax burden equitably, while promoting active inclusion in the labour market and the digital and demographic transitions.

## 2.5 **On the implementation of the Plan**

- 2.5.1 The EESC shares the determination of the Heads of State and Government expressed in the Porto Social Commitment to continue deepening the implementation of the European Pillar of Social Rights at EU and national level, with due regard for respective competences and the principles of subsidiarity and proportionality. The EESC also emphasises the complementarity between the social dimension, social dialogue and the active involvement of the social partners and the highly competitive social market economy.
- 2.5.2 The EESC stresses the need to align the financing of national policies with the objectives and actions of the Plan. This is another reason why there must be no return to the SGP rules. Moreover, any revised rules must fully facilitate the implementation of the Plan.
- 2.5.3 The EESC expects that socially responsible public procurement practices defined and promoted by the European Commission should be streamlined in the implementation of the Plan. Amounting to more than seven times the equivalent of the combined MFF and RRF (an estimated EUR 2 trillion, i.e. 14% of GDP p/a), it offers huge potential as a market to incentivise employee organisation, representation and collective bargaining, and sustainable quality employment and environmental practices.
- 2.5.4 The EESC reaffirms the importance of integration between different policy areas for the achievement of social progress, following closely the economic recovery and prosperity. Synergies must be established between existing and future initiatives and strategies that fall

under the different principles of the Social Pillar. Its objectives must be mainstreamed and included in the European strategic framework for post-2020 recovery.

2.5.5 The EESC calls on the Member States to recognise and enhance social and civic dialogue, both tripartite and bipartite, each with its specific role in the implementation of the Plan.

## 2.6 **On the relationship between the Social Pillar and the European Semester**

- 2.6.1 The EESC considers that the European Semester is the appropriate framework for the monitoring of the Plan equal attention shall be placed on social and environmental objectives together with macroeconomic stability and productivity. It welcomes the assertion made in the Plan that the national recovery and resilience plans represent a unique opportunity to plan and finance investments and reforms that support a recovery that is social and focuses on jobs, while embracing the green and digital transitions and implementing the relevant country-specific recommendations under the European Semester. The Plan rightly calls on the Member States to make the best use of the European Semester and to seize the unprecedented opportunity offered by the Recovery and Resilience Facility.
- 2.6.2 The EESC recommends that, within the European Semester, a regular high-level assessment of progress is made, including when relevant at national level, by means of indicators devised in cooperation with the social partners, in the context of the mainstreaming of the Pillar principles and UN SDGs.
- 2.6.3 The EESC believes that the Plan should be a structuring tool for social policies in the EU. It must be a central part of renewed economic and social governance, aimed at sustainable and inclusive economic recovery and growth, and equipped with monitoring indicators and procedures that lead to Country Specific Recommendations in all matters related to it.

## 3. Specific comments

- 3.1 The EESC draws attention to the need to adapt the European statistical system to the needs of monitoring the targets and indicators set out in the panel of social indicators.
- 3.2 The EESC agrees with the point made in the Plan that integrating and updating the existing set of indicators should contribute to tracking progress towards the Pillar principles in a more comprehensive manner and help to monitor the implementation of the policy actions proposed in the Plan.
- 3.3 The EESC agrees with the need to revise the concept of working-age population and encourages the Commission to work with the Member States in this area, while taking into consideration the mainstreaming of the policies on ageing and the rights recognised and protected by the Charter of Fundamental Rights.
- 3.4 The EESC notes that the goal of vocational training has a baseline from 2016, as the European statistical system only produces this indicator every five years. The measurement of this indicator should be on a yearly basis in order to be able to properly monitor progress.

- 3.5 The EESC reiterates its position regarding platform work and states that "the EU and the Member States move towards uniformity of concepts in order to achieve decent work in the platform economy"<sup>9</sup>.
- 3.6 The EESC calls on Commission to implement in relation to social security, the stated principle that "taxation should be transferred from work to other sources more favourable to employment and in line with climate and environmental objectives, while safeguarding revenues for adequate social protection", bearing in mind that the essential challenge is ensuring adequate coverage for all workers in a changing labour market, fully respecting the principle, expressed in point 3.2.9 above, that all forms of employment must have social protection.
- 3.7 The EESC endorses the Commission's encouragement to the European Parliament and the Council to conclude negotiations on the revision of the social security coordination rules in order to improve the mobility of workers and provide adequate social protection within the EU, without creating excessive burdens for employees and companies.
- 3.8 The EESC calls on the Commission and the Member States to ensure that the results of the announced work of a group of experts on investment in education and training is reflected in the adoption of measures that significantly strengthen education and training systems, in particular in meeting the targets defined in Plan.
- 3.9 The EESC believes that the area of care is one of the major challenges across the EU. The EESC supports the inclusion in the Plan of an initiative on long-term care that ensures better access to quality services for people in need.
- 3.10 The EESC, in regard to the EU's role as a responsible global leader, reaffirms its previous recommendations that the European Commission, the OECD and the ILO work together with the social partners at all appropriate levels, as well as with civil society organisations in general, to develop appropriate provisions with regard to decent working conditions and the necessary protection<sup>10</sup>, as well as regarding the promotion of a progressive, fair and sustainable trade policy<sup>11</sup>.
- 3.11 In this context, the EESC hopes that joint work by the Commission, the OECD and the ILO could lead to a possible ILO Convention for platforms<sup>12</sup>. In the same sense, efforts should be made in relation to the regulation of teleworking. The EESC points to its recommendation that "a joint process by the European Commission, the ILO and the OECD should be initiated with a view to drawing up an ILO convention on teleworking. The EESC also considers that decent

<sup>9 &</sup>lt;u>OJ C 429, 11.12.2020, p. 173</u>. Conclusion 1.8.

<sup>10 &</sup>lt;u>OJ C 125, 21.4.2017, p. 10, point 3.9</u>.

<sup>&</sup>lt;sup>11</sup> <u>OJ C 47, 11.2.2020, p. 38–49</u>, point 1.4.

<sup>12 &</sup>lt;u>OJ C 429, 11.12.2020, p. 173</u>. Conclusion 1.14.

telework conditions should be part of the ILO Decent Work Agenda and the corresponding national programmes"<sup>13</sup>.

3.12 The EESC also believes that the EU should take more responsibility in helping the world tackle the COVID-19 pandemic. The Plan should acknowledge the EU's participation in COVAX, in line with the speech by the President of the Commission Ursula von der Leyen and her statement that Europe "must guarantee the availability of safe vaccines, not only for those who can afford them, but for everyone who needs them"<sup>14</sup>.

Brussels, 8 July 2021

Christa SCHWENG The president of the European Economic and Social Committee

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N.B.: Appendix overleaf.

<sup>13 &</sup>lt;u>SOC/660</u>. Conclusion 1.14.

<sup>14 &</sup>lt;u>State of the Union Address, 16 September 2020.</u>

### **APPENDIX** to the **OPINION**

of the

European Economic and Social Committee

The following counter-opinion, which received at least a quarter of the votes cast, was rejected during the discussions (Rule 43(2) of the Rules of Procedure):

AMENDMENT 1	Tabled by:
	ANGELOVA Milena
SOC/679	<b>ARDHE</b> Christian
The European Pillar of Social Rights Action Plan	CLEVER Peter
	KONTKANEN Mira-Maria
	MALLIA Stefano
	MINCHEVA Mariya
Replace the whole opinion:	PILAWSKI Lech
	POTTIER Jean-Michel

Amendment

SEBARDT Gabriella

#### 1. Conclusions

- 1.1 The EESC considers the European Pillar of Social Rights Action Plan ("the Plan") a useful guidance for Member States and the Union in their efforts towards competitiveness, growth, employment, structural reforms, productive investments and well-being of people. The EESC also underlines that there is no social dimension without a sound economic foundation. Competitiveness and higher productivity based on skills and knowledge are preconditions for the social dimension of the Union. Labour market developments must be supported, not over-regulated or hindered. If Europe is to cope with global competition, growing digitalisation and new business models, innovation and flexibility are needed in terms of employment, working hours and labour mobility.
- 1.2 The EESC supports the priority areas of the Plan and shares the view stated in the Plan that Europe is home to the most equal societies in the world, the highest standards in working conditions, and broad social protection, with a wide-ranging social acquis already in place.
- 1.3 The EESC recalls that a possible implementation of the Plan can happen at Union or at Member State level, with due regard for respective competences and the principles of subsidiarity and proportionality. Active involvement of the social partners plays a crucial role in this regard.
- 1.4 The EESC recalls the legally non-binding nature of the social pillar and underlines the division of competences between the EU and Member States, where social policy mainly is a responsibility for Member States. Should the EU consider proposing legislation on social policy, all initiatives should be based on evidence and on proof that it is fit to fulfil its purpose. Initiatives should also be subject to a targeted competitiveness check, as a control measure to avoid proposals which hinder improving competitiveness and creating more jobs and sustainable growth.

### 2. General remarks

2.1 Article 3 of the Treaty on European Union states that the internal market shall work for the sustainable

development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress.

- 2.2 Article 153 of the Treaty on the Functioning of the European Union enshrines that the EU only supports and complements the activities of the Member States in defined fields of social policy. A wide-ranging EU social acquis is already in place.
- 2.3 On 17 November 2017, the European Parliament, the Council and the Commission proclaimed in Gothenburg the 20 principles of the European Pillar of Social Rights, which did not change the EU primary law. The EESC takes especially note of the Preamble of the European Pillar of Social Rights which states: "At Union level, the European Pillar of Social Rights does not entail an extension of the Union's powers and tasks as conferred by the Treaties. It should be implemented within the limits of those powers."
- 2.4 In its 2019-2024 Strategic Agenda, the European Council emphasised that the European Pillar of Social Rights shall be implemented at Union and Member State level, with due regard for respective competences.

## 3. Implementation

- 3.1 The EESC considers that the Plan provides useful guidance, including in the areas of employment, skills, health, and social protection, but underlines the division of competences between the EU and Member States, where social policy mainly is a responsibility for Member States.
- 3.2 The EESC expects measures taken at the appropriate level in line with the principles of subsidiarity and proportionality to improve the functioning of the labour markets and social models so that they contribute to economic growth, competitiveness and the social dimension.
- 3.3 This requires respect of the different socio-economic environments and the diversity of national systems, including the role and autonomy of social partners.
- 3.4 The EESC believes labour markets in Europe must continue to be reformed, but in different ways in different parts of the Union, building on their different labour market models. In some Member States, it may involve actions related to minimum wages or achieving lower indirect labour costs. In other Member States, it may be a matter of introducing more flexible forms of employment or adapting social security systems so that employment is stimulated. This means that preference must be given to non-binding instruments.
- 3.5 Should the EU consider proposing legislation on social policy, all initiatives should be based on evidence and proof that it is fit to fulfil its purpose. Initiatives should also be subject to a targeted competitiveness check as a control measure to avoid proposals which hinder improving competitiveness and creating more jobs and sustainable growth.

#### 4. Economic foundation, social partners, employment and skills

4.1 The EESC notes that there is no social dimension without a sound economic foundation. Competitiveness and higher productivity based on skills and knowledge are preconditions for the social dimension of the Union.

- 4.2 The EESC shares the view expressed by the Commission on the need to support collective bargaining coverage and promote social partners' membership. Social partners play an important role in creating well-functioning labour markets.
- 4.3 EESC welcomes point 4 of the Porto Declaration on the role of Social Partners: "The social dimension, social dialogue and the active involvement of social partners have always been at the core of a highly competitive social market economy."
- 4.4 The EESC is of the opinion that social dialogue and collective bargaining is best promoted if the state or the EU is involved in neither setting the criteria for collective bargaining agreements nor their enforcement, and that the parties have full responsibility for both.
- 4.5 The Plan is a good opportunity to demonstrate that Member States and its social partners can deliver a proper response to the challenges that labour markets are facing after the pandemic.
- 4.6 The EESC endorses the view of the Plan that "support to employment and workers cannot be successful without support to companies and entrepreneurs. A vibrant industry remains central to Europe's future prosperity and a key source of new jobs." Employment creation, however, is not about new legislation or other obligations increasing the burden of companies.
- 4.7 As stated by the EESC, competitiveness and higher productivity based on skills and knowledge represent a recipe for maintaining the well-being of European societies.
- 4.8 The EESC welcomes the emphasis in the Plan on education, skills and lifelong learning, including continuous up-skilling and reskilling, with the aim of improving employability, boosting innovation, ensuring social fairness and closing the digital skills gap.

#### 5. Role of European Semester

- 5.1 The EESC believes that the possible monitoring of the Plan and the respective national reforms should happen in the framework of the open method of coordination and the European Semester. The European Semester should be used as the reference framework for supporting Member States' and social partners' efforts to improve through reforms the performance of national employment and social policies.
- 5.2 The EESC emphasises that the Social Scoreboard proposed in the Plan should feed into the European Semester so that it guides Member States in their labour market and social policy reforms. The monitoring of labour market outcomes on the basis of indicators should contribute to coordinated policy exchanges at EU level, which leads to the preparation of adequate country-specific recommendations in the context of the European semester process.
- 5.3 The EESC believes that the existing coordination mechanisms of the Members States as well as of the Commission are the adequate instruments to ensure the engagement of all relevant stakeholders at national level in implementing the Pillar, including as regards its mid-term review. Guidance in using the existing coordination mechanisms should be a priority for the Commission in relation to the Member States.
- 5.4 The EESC calls on the Member States to make the best use of the European Semester and to seize the

unprecedented opportunity offered by the Recovery and Resilience Facility in setting ambitious national recovery and resilience plans. The EESC notes that NextGenerationEU is an emergency tool based on Article 122 TFEU and will continue to be treated as a one-off measure.

Outcome of t	he vote:
In favour:	93
Against:	149
Abstention:	14

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