



European Economic and Social Committee

SOC/568

A socially sustainable concept for the digital era

OPINION

European Economic and Social Committee

A socially sustainable concept for raising living standards, boosting growth and employment, as well as citizens' security in the digital era

[exploratory opinion at the request of the Bulgarian Presidency]

Rapporteur: **Giulia BARBUCCI (IT/II)**

Request by the Bulgarian Presidency of the Council	Letter of 05/09/2017
Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Section responsible	Employment, Social Affairs and Citizenship
Adopted in section	23/02/2018
Adopted at plenary	15/03/2018
Plenary session No	533
Outcome of vote (for/against/abstentions)	187/16/10

1. Conclusions and recommendations

- 1.1 All policies put in place by European, national and local institutions should take account of the **social sustainability factor** in the same way that they do for economic and environmental sustainability. Recent proposals on the **social dimension** of Europe¹, beginning with the Reflection paper presented by the European Commission and the European Pillar of Social Rights, represent a unique opportunity for promoting the sustainability of measures introduced at European and national level in the field of inclusive growth, employment and social policies. The EESC recommends that the proposals contained in the Commission's current work programme – including the Social Fairness Package, the initiative on fair taxation of the digital economy and the EMU reforms – be designed to promote the sustainability of the **European social model**.
- 1.2 The **impact assessment of measures** introduced in the social domain should be made increasingly accurate in terms of their social sustainability and should be based on the monitoring systems and indicators already in place. The EESC recommends that the institutions conduct an evaluation of the instruments in place and new ones (starting with the Scoreboard appended to the Pillar) and verify how effective they are, the aim being to measure more accurately how the proposed policies impact people.
- 1.3 The EESC notes the concern expressed by the European Parliament in its Resolution of 19 January 2017 on A European Pillar of Social Rights about the need to update existing labour and social standards; with regard to this, the EESC will in due course provide its contribution to the "Social Fairness Package", included in the Commission Work Programme 2018. The EESC also stresses the need for framework conditions in labour markets to support new and more diverse career paths and to improve employment and standards for workers throughout Europe, regardless of their terms of contract, and promote greater convergence towards improved working and living conditions, which would also contribute to overcoming regional disparities. The EESC supports the European Parliament's recommendation that the Commission and social partners should work together to present a proposal for a framework directive on decent working conditions in all forms of employment, extending existing minimum standards to new forms of employment relationships.
- 1.4 The EESC sees a clear connection between **competitiveness, productivity and social sustainability**: all stakeholders must commit themselves to promoting **inclusive growth** and at the same time foster conditions that are favourable for the world of enterprise, with the aim of creating more and better jobs. Labour is still the main factor for creating well-being and wealth; however, the principle needs to be re-established that the only way of building fairer societies is to generate more inclusive and sustainable growth and jobs with the aim of ensuring that people have **decent working conditions, adequate remuneration and pensions and are able to exercise their rights**. Competitiveness, productivity and working rights are principles that should once again form a seamless part of policies drawn up on labour market regulation and social rights.

¹ [OJ C 81, 2.3.2018, p. 145–159.](#)

- 1.5 The Committee is aware that democracy can be at risk if people, still heavily impacted by the effects of austerity, do not benefit from the wealth generated by growth and from productivity generated by digitalisation.
- 1.6 The EESC advocates – as it has done in other opinions – stepping up efforts to **iron out regional disparities** in terms of living and working conditions within the European Union. Upward convergence should not be just a slogan, but a cross-cutting principle to be taken into account and mainstreamed into all EU policies, first and foremost financial and economic ones. There can be no genuine integration whilst such stark differences in wages and effective enjoyment of social rights persist among Europe's citizens. The **Structural Funds** play a fundamental role here and they must be increasingly geared towards overcoming regional disparities.
- 1.7 The EESC warmly welcomes initiatives such as the Youth Guarantee, the Upskilling Pathways and strategies to tackle long-term unemployment, and calls on European and national institutions to secure the appropriate resources to facilitate and speed up transitions and to **guarantee continuity of income in an adequate manner**², particularly for the most disadvantaged. It also recommends creating the right conditions to **guarantee competitiveness, job creation and smooth transitions between jobs** by means of a system of social safety nets and other accompanying measures that take account of the needs of workers and businesses.
- 1.8 The EESC recommends that the social partners develop inclusive collective bargaining at all levels and encourages them to consider new measures (including in the framework of the next work programme of the European social partners) aimed at increasing women's access to digital jobs, for the purpose of **eliminating gender-based wage differences**, resolutely protecting **motherhood** by means of appropriate instruments and creating the conditions for **effective gender equality** in the world of work. It also urges the institutions at all levels, the social partners and organised civil society to coordinate in introducing measures to ensure equal treatment of men and women in all spheres of society.
- 1.9 The EESC also believes that social sustainability is based on fair and effective opportunities for **life-long learning**, starting from early childhood, particularly considering the potential exclusion of broad segments of the population as a result of **digital exclusion**. The EESC recommends that decision makers consider measures aimed at reducing the skills deficit in key areas of the digital economy as they are essential for excellence and to increase European competitiveness. It is also essential to provide digital literacy training for anyone at risk of being excluded, as a result of digitalisation, from exercising their rights and accessing the social services – particularly the fundamental ones – and would urge the social partners and the institutions, in cooperation with organised civil society, to introduce prompt measures to this end. It is a task of the public authorities at all levels to guarantee that a proper digital infrastructure is available and leads to increased inclusion in order to overcome possible disparities between territories and environments.

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[OJ C 170, 5.6.2014, p. 23.](#)

2. The concept of social sustainability in the digital and global era

- 2.1 This exploratory opinion sets out to examine the subject of social sustainability using a **holistic approach**, ranging from the definition of the issue to its impact on political action in the social, employment and economic realms.
- 2.2 The effects of **globalisation**, the heavy legacy of the **economic crisis**, the **declining birth rate** and consequent **ageing of the European population**, and the **weak growth** affecting the economies of most of the Member States are elements that play a key role in identifying today's social problems.
- 2.3 Numerous social and economic indicators clearly reveal that whilst the policies introduced particularly at European and national level to recover from the crisis have on the one hand sought to counteract the instability caused by global factors, on the other they have too often **increased inequalities** and created **new imbalances** – including from a geographical perspective – between social classes, genders and generations. The institutions therefore have to act at all levels, in cooperation with the social partners and organised civil society, in order to put forward policies based on measures to overcome these imbalances and inequalities, mainly through more employment on the basis of sustained and more inclusive growth.
- 2.4 The concept of sustainability is composed of three key facets: **environmental, economic and social**. These three components are included in the European Treaties and are in turn reflected in the concept of sustainable development, which underpins the United Nations' 2030 Agenda for Sustainable Development and its 17 sustainable development goals. Eurostat, in its 2017 overview of progress towards the SDGs in the EU, states that while significant progress has been made towards the overall achievement of the environmental SDGs (SDG 7 "affordable and clean energy", SDG 12 "responsible consumption and production", SDG 15 "life on land", SDG 11 "sustainable cities and communities"), **the progress towards the more social SDGs has only been moderate** (SDG 4 "quality education", SDG 5 "gender equality", SDG 8 "decent work and economic growth", SDG 1 "no poverty", SDG 2 "zero hunger" and SDG 10 "reduced inequalities").
- 2.5 Although there is general agreement in accepting the **definition of social sustainability** as the ability to guarantee conditions of human well-being (security, health, education, democracy, participation, justice) equitably distributed by class and gender, it should be pointed out that this is a concept that is susceptible to possible variations according to the contexts in which it is used. Social sustainability must be introduced and implemented in the same way as environmental and economic sustainability with the objective of reducing inequalities.
- 2.6 In the shaping of macro-economic policies in recent years, social sustainability has frequently been incorrectly considered as **antithetical to economic and financial sustainability**. One example of this are the structural reforms promoted by the European institutions and implemented by national governments following the financial and then economic crisis of 2007-2008. Neither the institutions nor the social partners should oppose competitiveness to sustainability. In fact it has been demonstrated, for example, that the more advanced firms in

terms of sustainability are likely to be more competitive internationally. Furthermore, the EU should guide the process of globalisation in the direction of bringing about sustainable development that works to the advantage of both businesses and workers.

- 2.7 As for the role of companies, **SMEs** have a particularly crucial role to play in achieving a sustainable and inclusive growth, which is at the same time based on the creation of decent employment and boosting competitiveness while taking into account social sustainability.
- 2.8 The **2030 Global Agenda for Sustainable Development and its 17 goals** represent a horizon for making innovation compatible with sustainable development by linking global initiatives with national ones. It states clearly that **the current development model is unsustainable**, environmentally, economically, and socially, thus distancing itself from the idea that sustainability is only an environmental issue. It offers an **integrated vision** of the different dimensions of development. Implementing the Agenda calls for strong engagement on the part of all components of society: institutions, organised civil society and the world of research and universities, as well as effective evaluation measures.
- 2.9 The EESC has on several occasions reiterated the need to establish a virtuous interdependency between financial and macro-economic policies on the one hand and social rights on the other, highlighting shortcomings in compliance with such rights, which leads to increasing disparities in the Union. In particular, the issue of social sustainability should explicitly tie in with the ongoing debate on the proposals regarding the **future architecture of the Economic and Monetary Union (EMU)** and the **Multiannual Financial Framework (MFF)**. On the basis of the current monitoring systems and indicators, impact assessments of measures introduced in the social domain should be made increasingly accurate as regards their social sustainability.
- 2.10 The EESC considers that the institutions will also have the task of evaluating the instruments already in place and new ones (like the Scoreboard accompanying the European Pillar) and verifying how effective they are, the aim being to measure with some accuracy the impact of the proposed policies on social rights on the public.
- 2.11 In order to overcome regional disparities in the EU – in some instances exacerbated by the effects of the economic crisis – it will be necessary, amongst other things, to promote new and more efficient **strategies on the use of resources**, mobilising in particular the European Structural and Investment Funds, which should give priority to promoting **sustainable growth** and **quality employment**. In its opinion on *The impact of social investment on employment and public budgets*³, the EESC has already called "for a **European stimulus and investment programme** to the tune of 2% of GDP" and a greater focus on social investment. New financial resources need to be channelled into this investment plan to supplement the existing European Structural and Investment Funds.

³ [OJ C 226, 16.7.2014, p. 21.](#)

3. **The European social model: sustainability and the improvement of living and working conditions**

- 3.1 The EESC believes that the **European social model** is a unique asset in Europe's identity: through the present welfare systems, it guarantees a high level of social protection and citizenship rights to all. The Committee therefore feels that the model should not be up for discussion, but should if anything be strengthened. To this end, it is vital for the EU's policies to be designed to **guarantee continuous improvements in living and working conditions** for the people of Europe in all spheres, as provided for in the Treaties right from the very outset of the European project.
- 3.2 The Commission's current work programme includes initiatives such as the Social Fairness Package and fair taxation of the digital economy, and measures to reform the EMU are also under way. The EESC recommends that these proposals be designed to promote the sustainability of the European social model⁴.
- 3.3 The EESC considers it necessary to reach a **fair compromise between social sustainability and economic sustainability** when drawing up labour market policies. The past decade has seen an increase in disparities and inequalities between Europe's citizens in access to welfare services and openings in the labour market, and in the proliferation of non-standard forms of work (as is amply demonstrated by the statistics). This has led to an increase in the perception of uncertainty regarding the possibility of improvements in general living conditions on the part of the European public. This perception is particularly prominent among young people and women, and in all sectors of the population most at risk. In view of this, the EESC considers it vital to promote the **integration of migrants into the world of work**, as their contribution to social security systems is often a determining factor in the stability of social security systems and social security nets.
- 3.4 The EESC notes the concern expressed by the **European Parliament** in its Resolution of 19 January 2017 on A European Pillar of Social Rights about the need to update existing labour and social standards; with regard to this, the EESC will in due course provide its contribution to the "Social Fairness Package", included in the Commission Work Programme 2018. The EESC also stresses the need for framework conditions in labour markets to support new and more diverse career paths in labour markets and to improve employment and standards for workers throughout Europe, regardless of their terms of contract, and promote greater convergence towards improved working and living conditions; this would also contribute to overcoming regional disparities. The EESC supports the European Parliament recommendation that the Commission and the social partners should work together to present a proposal for a **framework directive** on decent working conditions in all forms of employment, extending existing minimum standards to new forms of employment relationships.

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[OJ C 51, 17.2.2011, p. 20.](#)

- 3.5 The EESC has, in numerous opinions, examined the phenomenon of **digitalisation** and its impact on the **organisation of work and employment**⁵. We should not, however, confine ourselves to considering digitalisation only in the context of employment and the labour market. The growing use of digital instruments has brought about profound changes in our daily lives – personal, social and even in how we relate to politics, voluntary work and civil society. The EU should promote actions in terms of early childhood education and long life training, in particular on digital skills, to address the skills mismatch. Education systems – including higher education, vocational training and lifelong learning – must strive for excellence, thus allowing for leadership in research, innovation and competitiveness of European ideas, goods and services.
- 3.6 The EESC has stressed in a series of opinions the importance of taking into particular account the needs of **socially vulnerable at-risk groups**. It is important to provide inclusive social protection systems that pay special attention to the needs of vulnerable people and their families in order to guarantee decent living conditions and provide and maintain assisted jobs tailored to the needs of individuals.
- 3.7 **People with disabilities** are at the core of the United Nations Convention on the Rights of Persons with Disabilities and of the European Disability Strategy. The EESC recommends that every effort be made to achieve significant progress in all eight priority areas for action aimed at reaching the goals set by the UN Convention: accessibility, participation, equality, employment, education and training, social protection, health and international promotion of the rights of persons with a disability. As digitalisation impacts all spheres of our daily life, the EESC calls for special account to be taken of people with disabilities, who are very likely to be affected by the digital transformation. The European Union should capitalise on the many opportunities that exist for people with disabilities to promote their employability and access to decent employment, which would also enable them to contribute to the social security systems. The EESC therefore recommends creating the prerequisites for a more active use of tools for life-long training and re-qualification of people with disabilities in the new digital professions.
- 3.8 The EESC considers it vitally important to incorporate the issue of social sustainability into European policies on the **younger generations** and on the **future of the European social model**. The growing levels of scepticism vis-à-vis the institutions on the part of the younger generations (the most alarming sign of this being the extremely low turn-out in elections), organised civil society, political parties and the trade unions, and the rise in membership of Eurosceptic movements and the far right, can only be addressed if the EU pays greater attention to the future of the European social model and its sustainability. The EESC recommends that the EU institutions and national governments introduce all possible initiatives to increase the quantity and quality of jobs for young people, support youth mobility, ensure decent social security prospects and promote life-long education and training at all levels. Initiatives such as Erasmus+, the Youth Guarantee and all the other measures contained in the Youth Employment Initiative must be properly funded and implemented.

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[SOC/570](#) (work ongoing); [SOC/560](#) (not yet published in the OJ); [OJ C 434, 15.12.2017, p. 36](#); [OJ C 434, 15.12.2017, p. 30](#); [OJ C 173, 31.5.2017, p. 45](#); [OJ C 303, 19.8.2016, p. 54](#); [OJ C 13, 15.1.2016, p. 161](#); [OJ C 128, 18.5.2010, p. 74](#)

- 3.9 The EESC deems it crucial to guarantee the **social sustainability of income**, particularly for people of retirement age. It is essential for social protection systems⁶ to guarantee decent living conditions and prevent people from sliding into poverty. In numerous opinions the EESC has voiced the need for pension regimes to be based on **intergenerational solidarity**. While respecting the diversity of national systems, a key concern for the EESC is to increase employment that contributes to ensuring appropriately resourced social protection systems. People working under all types of contractual arrangements, including the so-called new forms of work linked to digitalisation, should have access to and contribute to social protection systems⁷.
- 3.10 In its recent initiatives in the area of employment, the Commission has placed considerable emphasis on the issue of **transitions**. One of the more worrying trends in recent years has been the increase in the time lag between young people completing their studies and finding their first job, particularly when it comes to their first stable job. Moreover, the situation has also deteriorated for the long-term unemployed and for people coming up to retirement age. The EESC warmly welcomes initiatives such as the Youth Guarantee, the Upskilling Pathways and the promotion of apprenticeships as the main form of access to employment via the European Alliance for Apprenticeships and strategies to tackle long-term unemployment. It therefore calls on European and national institutions to secure the appropriate resources to facilitate and speed up transitions and the necessary training to **guarantee continuity of income**, in an adequate manner, particularly for the most disadvantaged and those who are difficult to re-skill and thus enhance their employability. It also recommends creating the right environment for businesses for competitiveness, while ensuring smooth transitions between jobs by means of social safety nets and other external flexibility measures that take account of the needs of workers and businesses.
- 3.11 The EESC considers that one of the foundations underpinning social sustainability is **full gender equality**, recognising at the same time that, as demonstrated by Eurostat figures and many other available indicators, inequalities in this field are intolerable and constitute not only a breach of the equal treatment principles laid out in the Treaties, but also a serious obstacle to the full economic development of the EU. It therefore welcomes the initiatives recently undertaken in this area, starting with the Commission's package of measures to promote work-life balance, and recommends that the social partners develop inclusive collective bargaining at all levels and consider new measures (including as part of the next work programme of the European social partners) for the purpose of eliminating gender-based wage differences, safeguarding maternity unequivocally and with appropriate instruments and creating the conditions for effective gender equality in the world of work. It also urges the institutions at all levels, the social partners and civil society to coordinate in introducing measures to ensure **equal treatment of men and women** in all spheres of society.
- 3.12 A great number of studies and research projects have analysed the **new social risks** in connection with the impact of globalisation and digitalisation in the world of work. The EESC

⁶ [OJ C 13, 15.1.2016, p. 40.](#)

⁷ SOC 560 (not yet published in the OJ); [OJ C 84, 17.3.2011, p. 38](#); [OJ C 120, 16.5.2008, p. 66](#).

shares concerns regarding the growing fragmentation of work, automation and digitalisation, but at the same time believes that these processes, if properly regulated, can provide an opportunity to improve working conditions, make some heavy tasks less onerous and simplify others that are particularly complex.

- 3.13 **Consumer protection** also plays an important role in the field of social sustainability, as the role of consumers is also subject to changes due to digitalisation. European policies in this context should always be up to date and ensure instruments for an effective resolution of consumer-related problems, and pay special attention to changes due to digitalisation in sectors like transportation, energy and financial services.
- 3.14 The **new inequalities** and social risks in the digital era may in part be attributed to the phenomenon of **digital exclusion**, whereby some segments of the population may or may not possess the necessary IT skills and basic digital literacy to have access to information and services, some of them crucial. The EESC believes that social sustainability is also based on fair and effective opportunities for life-long training from early childhood. This is a prerequisite particularly for people living with disabilities, especially in the new digital professions. Such training should take account of the potential exclusion of broad segments of the population (in particular older people, people living in peripheral areas and in poverty, migrants, under-qualified persons etc.) as a result of digital exclusion. In the digital era it is essential to guarantee access to the internet, provide digital literacy training for anyone at risk of unemployment, and to provide the opportunity for them to exercise their rights and access the social services – particularly the fundamental ones. The Committee would urge the social partners and the institutions, in cooperation with organised civil society, to act promptly to introduce measures to this end.

Brussels, 15 March 2018

Georges Dassis

The president of the European Economic and Social Committee

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N.B.: Appendix overleaf.

APPENDIX

to the opinion

The following amendments to points 1.3 and 3.4, which received at least a quarter of the votes cast, were rejected during the discussion:

Point 1.3:

Amend as follows:

1.3 The EESC notes the concern expressed by the European Parliament in its Resolution of 19 January 2017 on A European Pillar of Social Rights about the need to update existing labour and social standards; with regard to this, the EESC will in due course provide its contribution to the "Social Fairness Package", included in the Commission Work Programme 2018. The EESC also stresses the need for framework conditions in labour markets to support new and more diverse career paths in labour markets and to improve employment and standards for workers throughout Europe, regardless of their terms of contract, and promote greater convergence towards improved working and living conditions; this would also contribute to overcoming regional disparities. The EESC will adopt its opinion on the proposal for a framework directive on decent working conditions in the European Union.

Reason

To be given orally

Outcome of the vote

In favour	72
Against	121
Abstentions	9

Point 3.4

Amend as follows:

*3.4 The EESC notes the concern expressed by the **European Parliament** in its Resolution of 19 January 2017 on A European Pillar of Social Rights about the need to update existing labour and social standards; with regard to this, the EESC will in due course provide its contribution to the "Social Fairness Package", included in the Commission Work Programme 2018. The EESC also stresses the need for framework conditions in labour markets to support new and more diverse career paths in labour markets and to improve employment and standards for workers throughout Europe, regardless of their terms of contract, and promote greater convergence towards improved working and living conditions; this would also*

*contribute to overcoming regional disparities. The EESC will adopt its opinion on the proposal for a **framework directive** on decent working conditions in the European Union.*

Reason

To be given orally

Outcome of the vote

In favour	72
Against	121
Abstentions	9
