

Opinion of the Committee of the Regions on the Communication from the Commission on the Social Agenda

(2006/C 31/08)

THE COMMITTEE OF THE REGIONS,

Having regard to the Communication from the Commission on the *Social Agenda* (COM(2005) 33 final);

Having regard to the decision of the Commission to consult the CoR on this subject, under the first paragraph of Article 265 of the Treaty establishing the European Community;

Having regard to the decision of its President of 20 January 2005 to instruct its Commission for Economic and Social Policy to draw up an opinion on this subject;

Having regard to the draft Constitutional Treaty and in particular Articles III-117 and III-209 to III-219;

Having regard to the *White Paper on European governance* adopted in 2001 (COM(2001) 428 final);

Having regard to the Report from the High-level Group on *The future of social policy in an enlarged European Union* (Employment and Social Affairs DG — May 2004);

Having regard to the report entitled *Jobs, jobs, jobs — Creating more employment in Europe* (drawn up by the Employment Taskforce chaired by Wim Kok — November 2003);

Having regard to the publication entitled *The Economic Costs of Non-Lisbon. A survey of the literature on the economic impact of Lisbon-type reforms* (European Economy, Occasional Papers no. 16, March 2005);

Having regard to its opinion of 23 February 2005 on the *Proposal for a Regulation on the European Social Fund and the Proposal for a Decision of the European Parliament and of the Council establishing a Community programme for employment and social solidarity — PROGRESS* (CdR 240/2004 fin);

Having regard to its opinion of 23 February 2005 on the *Communication from the Commission on The Social Dimension of Globalisation — the EU's policy contribution on extending the benefits to all* (CdR 328/2004 fin);

Having regard to its opinion of 29 September 2004 on the *Communication from the Commission on increasing the employment of older workers and delaying the exit from the labour market* (CdR 151/2004 fin) ⁽¹⁾;

Having regard to its opinion of 22 April 2004 on the *Joint Report on Social Inclusion summarising the results of the examination of the National Action Plans for Social Inclusion (2003-2005)* (CdR 21/2004 fin) ⁽²⁾;

Having regard to its Resolution of 24 February 2005 on *Revitalising the Lisbon Strategy* (CdR 518/2004 fin);

Having regard to the draft opinion (CdR 80/2005 rev.1) adopted on 3 May 2005 by its Commission for Economic and Social Policy (Rapporteur: Ms Linetta Serri, Member of Armungia Municipal Council (IT-PES));

adopted the following opinion at its 60th plenary session, held on 6 and 7 July 2005 (meeting of 6 July).

⁽¹⁾ OJ C 43, 18.2.2005, p. 7.

⁽²⁾ OJ C 121, 30.4.2004, p. 32.

1. The Committee of the Regions' views

The Committee of the Regions

1.1 warmly **welcomes** the commitment to implement a new Social Agenda for 2005-2010, fully endorses its objectives and supports the strategies and the range of individual instruments set out to implement them, which are succinctly described in the slogan 'A social Europe in the global economy: jobs and opportunities for all';

1.2 particularly **appreciates** the fact that, despite Europe's slower rate of growth and the unsatisfactory results that the Lisbon Strategy has produced so far, the same Lisbon objectives promoting the social dimension of economic growth are again being put forward in the sphere of social policy and that the European social model, defined in the 2002 Barcelona European Council as being based on 'good economic performance, a high level of social protection and education and social dialogue' is being relaunched;

1.3 **endorses** the principles upon which the Social Agenda is founded: the integrated approach, the promotion of quality jobs, the modernisation of social protection systems and, lastly, an approach based on the 'cost of the lack of social policy' principle;

1.4 **points out**, however, that the objectives set out are, at times, too general and that the wording with regard to the implementing instruments and deadlines needs to be more precise;

1.5 **agrees** that the 'cost of the lack of social policy' principle has to be taken into account as social policies can contribute towards the achievement of both social and economic objectives. They are not only a means of reducing social exclusion but can effectively help to achieve better economic results, for example, by increasing the economy's potential to adapt to changes on the global stage. In practice, non-existent or inadequate social policies may thus have an adverse impact on potential economic growth;

1.6 notwithstanding the overall positive opinion expressed above, **deplores** the fact that the role and responsibilities of local and regional authorities are not explicitly mentioned in the Social Agenda, particularly since in most European countries, the working definition and implementation of social policies fall within their remit;

1.7 **believes**, therefore, that in line with the subsidiarity principle enshrined in the draft European Constitution and the recommendations set out in the 2001 White Paper on European governance (Working paper on *Ongoing and systematic policy dialogue with local-government associations*), the active involvement and subsequent action of local and regional authorities will be one of the preconditions for the successful implementation of the Social Agenda's objectives;

1.8 **hopes** that through the involvement of grassroots authorities, current gaps and disparities between the different Member States will be reduced and that the best qualities of the

European social model will be promoted. It is hoped however that, in the case of the latter, best practices are followed, rather than levelling down to the Member States lagging furthest behind in the area of social policies.

The strategies, objectives, instruments and proposals of the Commission

2. Recommendations of the Committee of the Regions

Increasing confidence

The Committee of the Regions

2.1 **is aware** that these are times of great disquiet for the citizens of Europe (factors such as a slower rate of growth, reduction in purchasing power, an ageing population, the current perception that the European Union does not play a primary role on the global stage, difficulties affecting social protection systems, persistent poverty belts and economic and social exclusion, give rise to fear and defensive behaviour, and, furthermore, fuel long-standing and emerging forms of 'local egoism'); thus **agrees** with the idea that boosting confidence must be a key element of European social strategy;

2.2 **believes** that firm action should be taken to disseminate accurate information so that the fears of both the older and more recent Member States are allayed;

2.3 **stresses** the need, however, for substantial objectives and the immediate delivery of perceptible improvements to living and working conditions to go hand in hand with the commitment towards better communication. These objectives should be adapted to the different circumstances and priorities of the various Member States, and local and regional authorities must be strongly involved in them.

3. The instruments

The Committee of the Regions

3.1 **believes** that the range of instruments set out (legislation, social dialogue and financial instruments) should be vigorously deployed in order to counter the widespread loss of confidence;

3.2 **notes** the step forward taken by adding a general social clause (Article III-117) to the draft Constitutional Treaty, under which the social dimension will have to be taken into consideration in all Community policies;

3.3 **welcomes** the complementarity between the Social Agenda, the Lisbon strategy and the sustainable development strategy which must interact with all the Community policies. If the instrument for impact assessment developed by the Commission were to reflect the subsidiarity principle, in accordance with the draft Constitutional Treaty, this integrated approach could bring about practical progress with regard to social and employment policies;

3.4 **calls on** the Commission to implement the open method of coordination in conjunction with the current purely intergovernmental methodology: this should be done by involving local and regional authorities, who will be the main actors involved in the management of the Agenda's financial instruments, especially concerning the 'Convergence' and 'Regional competitiveness and employment' objectives;

3.5 **considers** that it is imperative to make decisive progress towards the application throughout the Union of the Community *acquis*, and **emphasises** that the legislation of the Member States must progressively incorporate European principles and minimum standards in order to reduce the gaps and imbalances between them;

3.6 **believes** that, a year after the accession of new Member States, it would be appropriate for the Commission to review the restriction which limits the access of workers from the new Member States to the labour market in the former EU-15. In particular, it would be useful to assess the structural impact of this restriction on the status of labour relations;

3.7 **believes** that the restriction limiting the access of workers from new Member States to the labour market in the former EU-15 and the current debate on the Commission's proposal for a Directive on services in the internal market highlight the need to revise Directive 96/71 concerning the posting of workers in the framework of the provision of services.

4. Three conditions to succeed in increasing confidence

The Committee of the Regions

4.1 **recognises** the importance of a new intergenerational approach which aims to provide greater and better prospects for young people. An increase in confidence and the relaunch of the Lisbon strategy objectives would necessarily depend on the central role of young people; in this context, it draws attention to its opinion (EDUC 37, 2004) on the Proposal for a Decision of the European Parliament and of the Council creating the 'YOUTH IN ACTION' programme for the period 2007-2013;

4.2 **calls for** a detailed discussion, during 2005, of the Green Paper on the intergenerational dimension;

4.3 **believes** that the intense debate on the ageing population and the reform of pension schemes must be accompanied by an in-depth assessment and consideration of the currently deteriorating conditions facing young people with respect to income security and employment and professional prospects. Without neglecting the persistent problems of older citizens, due attention should be given, through an integrated approach, to groups at risk of social exclusion;

4.4 warmly **welcomes** the idea of an intergenerational partnership that would build on the experience of older people and ensure that they remain within the economically active population, while ensuring that younger people have the opportunity

to join them; therefore **calls** upon the Commission to introduce trials, dissemination of good practice and specific initiatives with a view to encouraging interaction between generations;

4.5 in line with the Commission Communication, **attaches great importance** to the idea of a partnership at all levels, viewing this as a crucial instrument for building the social capital that seems to have been diminished due to weak economic growth and compounded by the delay in implementing the Lisbon objectives, first among which is the provision of decent working conditions for all European citizens;

4.6 **emphasises** the need for specific action to be taken in areas where, for historical or socioeconomic reasons, the practice of partnership is less rooted in tradition or experience;

4.7 **fully agrees** on the importance of the EU's external dimension. Europe can and must take an active role on the international scene, particularly to press for decent working conditions for all and to ensure fair trade rules, as well as to protect and uphold the European social model in a globalised economy and its principles regarding human dignity, social justice and solidarity;

4.8 **believes** that there are at least two other preconditions for increasing citizen confidence: i) a citizenry with a high level of awareness of the European opportunities available to them; ii) a citizenry holding the necessary tools to take advantage of these opportunities, such as language skills; **urges** the European Commission to place emphasis on these conditions, as well as on the others.

5. The two priority areas: moving towards full employment

The Committee of the Regions

5.1 **fully agrees** with the strategy to maintain the objectives of employment and the quantity and quality of employment at the core of the Social Agenda. In accordance with the four priorities set out in the Kok Report, employment remains the key means to combat social exclusion and to foster sustained and ongoing economic growth;

5.2 **supports** the drafting of a Green Paper on the development of labour law. The widespread increase of new forms of work dictates that the legal instruments of labour law be updated;

5.3 **believes** that action in this area is necessary to ensure that the flexibility of employment, which is indispensable for modernising the labour market and for competitiveness, does not adversely affect workers' safety or result in an increased risk of social exclusion;

5.4 **considers** therefore that social dialogue remains a fundamental instrument and should be carried forward and reinforced in all ways in order to promote, facilitate and manage reforms while ensuring that they are socially just;

5.5 **appreciates** the Commission's intention to propose a new strategy on health and safety at work, which, through prevention initiatives, aims to ensure the health and safety of workers;

5.6 **looks forward** to the prospect of a European labour market; **hopes**, nevertheless, that it will not be restricted to pushing ahead with workers' mobility between the Member States but will rather serve to extend the rules and regulations governing the dynamics of the labour market, which successfully combine maximum guarantees with maximum efficiency and productivity;

5.7 **considers**, in this context, that trans-national collective bargaining can be useful;

5.8 similarly, **welcomes** the promotion of corporate social responsibility;

5.9 similarly, **welcomes** the promotion of better and more effective coordination of social security schemes.

6. Towards a more cohesive society

The Committee of the Regions

6.1 **acknowledges** that modernising social protection, including its financial sustainability, is a key component of the mid-term review of the Lisbon strategy; reiterates, however, that such 'modernisation' must ensure a more cohesive society and equal opportunities for all;

6.2 in the light of the above, **believes** that local and regional authorities should be called upon to play a central role in the modernisation process and that the Open Method of Coordination (OMC) should be extended to subnational regions and communes;

6.3 **agrees with** the proposals to rationalise the OMC through a single list of objectives that are common to the three areas of social inclusion, pensions and health;

6.4 fully **welcomes** the objective to combat poverty and promote social inclusion;

6.5 **believes** that a Community initiative to provide all citizens with minimum income schemes is highly important and **calls on** the Commission to develop specific actions in order to compare and contrast the various national and regional experiences and thus promote the dissemination of good practice and the comparative analysis of related regulations;

6.6 **welcomes** the idea of a European year of combating poverty and social exclusion (2010); nevertheless, **expresses**

concern that similar initiatives (such as the other 'European year' events, outlined in the Commission Communication, to be held between now and 2010) may become merely celebratory, whereas they should, on the contrary, go hand in hand with a reinforcement of the specific actions to be promoted;

6.7 fully **welcomes** the objectives of combating discrimination and promoting minority rights, not least by means of legislative initiatives;

6.8 **supports** the proposal for a European gender institute. Other existing instruments should, however, be improved in order to contribute more effectively to the evaluation of the experiences and the implementation of good practices developed in the various Member States;

6.9 **points** to the need for the objective of combating discrimination to be better articulated by setting out specific actions and measures to use for different situations: the objective of equal opportunities for men and women carries historical connotations and presents specific issues that cannot be reduced to the more general aspects of minority rights, which, moreover, affect the various Member States differently;

6.10 **welcomes** the commitment to draw up a specific Communication on social services of general interest (SSIGs) and, above all, hopes that this initiative will help to overcome the legal uncertainties of the current framework. It recalls the prominent role played by local and regional authorities in the SSIG sector and the need to give them adequate support in order that they may continue to ensure universal access. To achieve the desired mobility of people within the EU, all Member States must make significant, coordinated progress in this sector. In this connection, it appreciates the Commission's intention to grant, under certain conditions, an exemption from notification regarding state aid for some social service areas such as hospitals and social housing.

7. Conclusions

The Committee of the Regions

urges the Commission to take adequate account of the effective role and responsibilities of local and regional authorities in the various areas covered by the Social Agenda, in accordance with the subsidiarity principle enshrined in the Constitutional Treaty, and reiterates that this is the best way to create a people's Europe that is also based on the principles of cohesion and solidarity, and is engaged in the process of making the EU the most competitive and dynamic knowledge-based economy in the world.

Brussels, 6 July 2005

The President
of the Committee of the Regions
Peter STRAUB