

**Opinion of the European Economic and Social Committee on the 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A single market for 21st century Europe'**

COM(2007) 724 final

(2009/C 77/03)

On 20 November 2007 the European Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

*Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A single market for 21st century Europe.*

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 15 July 2008. The rapporteur was Mr Cassidy and co-rapporteurs were Mr Hencks and Mr Cappellini.

At its 447th plenary session, held on 17 and 18 September (meeting of 18 September), the European Economic and Social Committee adopted the following opinion by 51 votes to two with four abstentions.

**1. Executive summary — conclusions and recommendations**

1.1 The EESC underlines the importance of the Lisbon Strategy as an aid to maintaining the benefits of the Single Market and its development and consolidation.

1.2 A well functioning, competitive and innovation-friendly Single Market is essential for Europe to make the most of globalisation while safeguarding its welfare standards. In this connection the EESC is concerned by recent decisions of the Court of Justice concerning the posting of workers, and it is in the process of analysing the repercussions of these for the Community's social policy 'acquis' <sup>(1)</sup>.

1.3 In order to develop the Single Market, the EESC underlines the importance of promoting and capitalising on scientific research and innovation results, assisting national technology suppliers in promoting at European level the innovative products and technologies, promoting dissemination and transnational exploitation of research results. The Single Market is a key tool for realising the Lisbon Agenda. Its aim is to benefit consumers, economic growth and employment by progressively dismantling barriers to the free circulation of people, goods, services and capital, even though many remain. The benefits from closer integration are undeniable.

1.4 The Commission's Single Market Review Package provides a good basis for reinvigoration of the Single Market, but its success will depend greatly on the ability and the ambition of national governments and their social partners to take up their responsibilities and put in place the necessary resources to turn this rhetoric into reality.

1.5 Correct and uniform enforcement of existing legislation and standards is one of the most important challenges. Impact Assessments, the reduction of administrative burdens and the cost of legislative compliance which stem from the tax fragmentation of the internal market, better consultation of the social partners and stakeholders, in particular SMEs, are essential both to improve understanding of regulatory goals and to identify non-regulatory solutions.

1.6 Small and medium sized firms make a vital contribution to the effective operation of the Single Market. SMEs in their various forms play a particularly important role in the service sector and are central to the social compromises that support the EU's economy. The Small Business Act and the SME Charter all acknowledge the importance of SMEs in the policy processes and institutions of the EU and member states. However, the EESC believes that greater attention should be paid to the role of SMEs in the implementation of policy, specifically with reference to their contribution to achieving economic, environmental and social policy objectives.

1.7 The EESC underlines that the European Globalisation Fund is an important instrument of solidarity that will provide specific help to workers made redundant as a result of changing global trade patterns to find another job. While it is welcomed that the scheme applies to employees in SMEs the Committee regrets that it is not available to the self employed who will be vulnerable to the same changes.

1.8 The EESC calls upon the Commission and Member States to ensure sufficient allocation of resources to improve enforcement of Single Market rules. Initiatives should also be developed to ensure synergies between Single Market policy, competition policy and social and environmental policy, which are important for a well functioning Single Market.

<sup>(1)</sup> INT/416, R/CESE 1120/2008.

1.9 The Commission and Member States have to ensure that new regulatory initiatives, which should contribute to the smooth functioning of the Single Market, take into account both the impact on the competitiveness of European companies and the social and environmental effects. In order to ensure coherence and legal certainty for business and consumers, and to avoid new initiatives contradicting each other, there should be a 'Single Market Compatibility Test' <sup>(2)</sup> for new proposals at both EU and national levels, to assess their social and environmental impact.

1.10 Easy and affordable access to justice for citizens and businesses should be provided including adequate means for redress and dispute resolution mechanisms. In this regard, development of out-of-court dispute resolution tools should be improved.

1.11 The EESC can only welcome the objective of the communication of 20 November 2007 on SGIs, aimed at 'consolidating the EU framework applicable to services of general interest, including for social and health services, providing concrete solutions for concrete problems where they exist' and 'a mix of sector-specific and issue-specific actions'.

1.12 Because EU primary law or the treaties recognise that SGIs as a whole form part of the EU's 'common values' and contribute to its 'social and territorial cohesion', sector-specific actions (taking account of the specific characteristics of each sector) must be combined with issue-specific approaches.

1.13 By incorporating the distinction between economic and non-economic services into primary legislation, as well as the need to ensure respect for SGIs' common operating principles, the SGI protocol shows how the process of clarifying the concepts and schemes under consideration is now more important than ever to ensure that such services no longer depend on an exclusive legislative or judicial case-by-case approach.

1.14 Despite repeated demands by the European Parliament for genuine legal certainty for social services of general interest, the proposals set out in the SGI communication are confined to a set of answers to 'frequently asked questions', which will certainly be useful, but have no binding legal value.

1.15 The EESC, therefore, proposes a multi-faceted and gradual approach, combining the sector-specific and issue-specific aspects, which would lead to the adoption of legislative initiatives where required and/or to these principles and conditions being adapted to the different sectors concerned (the cross-cutting, issue-specific approach).

<sup>(2)</sup> As requested by the European Parliament in its resolution of 4 September 2007 on the Single Market Review: tackling barriers and inefficiencies through better implementation and enforcement [2007/2024(INI)].

## 2. Main elements of the Commission Communications

2.1 The Commission package under consideration proposes a range of initiatives underpinned by five working papers and two communications concerning services of general interest and the social dimension of the single market <sup>(3)</sup>.

2.2 The EESC has produced opinions on all of these topics <sup>(4)</sup>. It has recently adopted an own-initiative opinion on the external dimension of the Single Market and is currently preparing one on its social and environmental dimension <sup>(5)</sup>.

## 3. General comments — More effective enforcement

3.1 The Committee welcomes the emphasis in COM(2007) 724 final on empowering consumers and SMEs in order to help them benefit from the Single Market and respond better to their expectations and concerns. It is therefore welcome that the Single Market policy pays special attention to consumer-related areas, such as energy, telecommunications, retail financial services and the wholesale and retail trades.

3.2 The success of future Single Market policy depends on the combined capacity of Member States and of the Commission to improve its functioning. The Single Market is 'work in progress' and is a shared responsibility. Member States have to take greater ownership of it. Often national authorities fail to live up to their responsibilities for the management of the Single Market resulting in new obstacles which undermine the trust which the Single Market should inspire. The important role that social partners have in supporting the Single Market should be more recognised.

<sup>(3)</sup> The Commission 'package' of 20 November 2007 consists of a Communication 'A single market for 21st century Europe' [COM(2007) 724 final], establishing a set of initiatives to reposition the Single Market. This Communication is supported by five staff working papers on:

- 'The single market: review of achievements' [SEC(2007) 1521]
- 'Instruments for a modernised single market policy' [SEC(2007) 1518]
- 'Implementing the new methodology for product, market and sector monitoring: Results of a first sector screening' [SEC(2007) 1517]
- 'The external dimension of the single market review' [SEC(2007) 1519]
- 'Initiatives in the area of retail financial services' [SEC(2007) 1520].

There are two further communications:

- A Communication on 'Services of general interest, including social services of general interest: a new European commitment' [COM(2007) 725 final] and several staff working documents [Commission staff working documents: SEC(2007) 1514, SEC(2007) 1515, SEC(2007) 1516]
- A Communication on 'Opportunities, access and solidarity: towards a new social vision for 21st century Europe' [COM(2007) 726 final].

<sup>(4)</sup> CESE 267/2008, OJ C 162 of 25.6.2008, CESE 1262/2007, OJ C 10 of 15.2.2008, CESE 62/2008, OJ C 151 of 17.6.2008.

<sup>(5)</sup> CESE 481/2008, OJ C 204 of 9.8.2008 and INT/416, R/CESE 1120/2008.

3.2.1 The Commission aims at giving higher priority to correct enforcement. There is a need to establish instruments to ensure that legislation works better in practice. Timely and correct transposition of Community legislation and administrative simplification are crucial to facilitate enforcement. Correct transposition of the services directive is particularly important for achieving its goals of creating jobs and growth.

3.3 Provision of easy and quick solutions to problems that citizens and business face in the Single Market should remain a priority. SOLVIT is a particularly helpful but unfortunately 'underused' tool due to a lack of knowledge about the system and its usefulness and adequate resources especially at national level. Any initiative to remedy this situation, including actions to ensure sufficient resources in the SOLVIT centres, both human and financial, are highly recommended, as are initiatives to widen their scope.

3.4 The EESC supports the Commission's intentions to streamline and expedite infringement processes by giving priority to infringement cases which present the greatest risk and are economically important without compromising the effectiveness of existing deterrents.

3.5 Much remains to be done in market surveillance of locally produced and imported products. This imposes a duty on Member States' authorities as well as on the European Commission.

3.6 The EESC would like the Commission to place more emphasis on assistance to SMEs by linking SME policy to the social and environmental objectives of the European Union, and finally to abolish all national non-tariff barriers including barriers to the free movement of capital and workers <sup>(6)</sup>.

3.7 In a more general way, it remains crucial that the Commission continues playing a strong role as guardian of the Treaty and exercises its right of initiative in order to make the Single Market function well.

3.8 The EESC supports the importance of continuous efforts to be made for further reducing costs resulting from fiscal fragmentation of the Single Market through promotion of community regulations which will support the development of trans-border activities and provide for consolidation of the Single Market.

<sup>(6)</sup> *Small and medium-sized enterprises — Key for delivering more growth and jobs. A midterm review of Modern SME policy*, COM(2007) 592 final available from:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52007DC0592:EN:NOT>.

#### 4. Better regulation

4.1 The EESC welcomes the objective of ensuring 'more inclusive policy-shaping' and the desire to 'broaden stakeholder involvement'. Systematic impact assessments are of key importance.

4.2 Consultation of representative stakeholders when an impact assessment is being prepared is essential. Impact Assessments should be scrutinised by an independent and external body of experts including end user groups of the legislation.

4.3 Reduction of the administrative burdens on companies must also be guaranteed without compromising social outcomes.

4.4 In order to ensure coherence and legal certainty for business and consumers, and to avoid new initiatives generating new barriers, there should be a 'Single Market Compatibility Test' with an evaluation of the social and environmental consequences <sup>(7)</sup> for new proposals at both EU and national levels. Unclear legal texts, often implemented and interpreted differently, cause contradictions in Community legislation.

4.5 Improved information and data about the practical implementation of Single Market rules is of paramount importance. The Commission should be more open in disclosing information about those Member States which do not fulfil their responsibilities and in assisting the role of national social partners by making national reporting more consistent and transparent.

#### 5. External dimension of the Single Market <sup>(8)</sup>

5.1 The EESC agrees with the Commission that globalisation is a formidable source of dynamism and competitiveness and that the Single Market is an asset which should be used as a springboard to meet the challenges of globalisation.

5.2 Trade liberalisation is correctly identified as the first pillar of the EU's strategy in this area. An ambitious conclusion of the Doha Round and completion of the far-reaching free-trade agreement negotiations launched under Global Europe will be the measure of the EU's success.

5.3 Regulatory and standards issues are increasingly determinants of companies' ability to engage internationally. European Standardisation Organisations such as CEN, CENELEC and ETSI in cooperation with advisory organisations, such as NORMAPME <sup>(9)</sup>, should ensure that such standards are accessible to all businesses particularly small businesses, across the EU and developing countries.

<sup>(7)</sup> See opinion CESE 794/2007.

<sup>(8)</sup> CESE 481/2008, OJ C 204 of 9.8.2008.

<sup>(9)</sup> The European Office of Crafts, Trades and Small and Medium-Sized Enterprises for Standardisation.

5.4 The Commission rightly emphasises the need to achieve improved regulatory cooperation, equivalence and convergence internationally. 'One test, one standard, accepted everywhere' should be the long-term goal.

5.5 EU regulations must maintain competitiveness. Excessive burdens on EU companies will not be compensated for by international acceptance of EU norms. Regulatory cooperation with partner countries will not be successful without a spirit of openness and innovation to other approaches.

5.6 The EESC is encouraged by the commitment to benchmarking of EU regulation against international best practice particularly with that of EU's main trading partners. This benchmarking should be systematically included in EU impact assessments and the EU should be open to regulatory cooperation with important trading partners. The EU should accept officially recognised international standards for conformity assessment.

5.7 EU initiatives to take a lead on a global scale in rule-setting and the development of high quality, science-based international standards for industrial and food products should be encouraged. Common standards should be accompanied by common regulatory objectives. Therefore the Committee would recommend more focus on bilateral agreements and networks among international regulators.

5.8 The EU should remain supportive of free trade, while at the same time providing an adequate level of market surveillance to guard against the import of unsafe products. The Commission however should make sure that these measures and emerging systems of private standards are not misused in a protectionist manner <sup>(10)</sup>.

## 6. The social dimension of the Single Market

6.1 The Committee supports the view that a social dimension will help to improve the functioning of the Single Market, along the lines of the 'growth and jobs' strategy and through its strong emphasis on a healthy SME economy.

6.2 Since labour market integration is the best safeguard against social exclusion, better use of Europe's labour force potential in rapidly changing societies must be at the core of

the Commission's plan for 'opportunities, access and solidarity'. The Commission must work with social partners to ensure that this applies especially to vulnerable, immigrant and minority groups.

6.3 To respond to the challenges of globalisation: technological change and evolving social and environmental realities, policy efforts must be geared towards securing social goals through increasing employment rates and creating the framework conditions for high productivity growth.

6.4 The importance of integrating 'flexicurity' <sup>(11)</sup> in all EU policies has been highlighted by the EESC in its opinion <sup>(12)</sup>. SMEs, and especially the self employed, are central to the effective operation of flexible labour markets. To this end a greater understanding of the role of SMEs in relation to social policy provision is needed.

## 7. Innovation-driven Single Market

7.1 In order to develop the Single Market, the EESC underlines the importance of promoting and capitalising on scientific research and innovation results, assisting national technology suppliers in promoting at European level the innovative products and technologies, promoting dissemination and transnational exploitation of research results. Europe's innovative capacity can be greatly influenced by the quality of the Single Market. Coordination of efforts is required at the European level on R&D between 'clusters' of SMEs, large firms, research institutes, universities and the new European Institute of Innovation and Technology.

7.2 Progress towards a more competitive patent system in terms of costs of legal certainty is key for Europe's innovation capacity. This includes progress on a common patent jurisdiction system for Europe that should deliver the highest quality, cost-effectiveness and reliability for all companies and a Community Patent also meeting those benchmarks to benefit in particular SMEs. Strong protection of intellectual property rights with effective measures at European and international level against the growing scourge of counterfeiting and piracy is also needed.

7.3 Innovation in social policy administration should embrace the variety of social economy organisations (such as cooperatives) that can bring service provision closer to user communities under appropriate regulatory supervision.

<sup>(10)</sup> WTO World Trade Report 2005 'Exploring the links between trade, standards and the WTO' from [http://www.wto.org/english/res\\_e/booksp\\_e/anrep\\_e/world\\_trade\\_report05\\_e.pdf](http://www.wto.org/english/res_e/booksp_e/anrep_e/world_trade_report05_e.pdf).

<sup>(11)</sup> CESE 767/2008 (SOC/283), COM(2007) 359 final: Flexicurity can be defined as an integrated strategy to enhance, at the same time, flexibility and security in the labour market.

<sup>(12)</sup> CESE 999/2007, OJ C 256 of 27.10.2007.

7.4 The new Single Market Policy must play a central role in the creation of an environmentally sustainable global economy.

## 8. Consumer protection policy

8.1 A balanced consumer policy is important for a well-functioning Single Market. The EESC sees consumers as central to the Commission's new vision for a truly inclusive Single Market. More attention should be paid to the experience of consumers in the market, for instance through impact assessments or incorporating consumer interests into the Lisbon Agenda.

8.2 The focus should be on one common market that is beneficial to consumers and business and on the role that the service sector can play in the economy, raising quality and consumer trust. Consumers should have effective access to goods and services offered throughout the EU and businesses should be able to offer their goods and services anywhere in the EU as easily as they do on their domestic market. Harmonisation coupled with mutual recognition provides the right basis for this 'win-win' situation <sup>(13)</sup>.

## 9. Communication on Services of general interest, including social services of general interest: a new European commitment <sup>(14)</sup>

9.1 The EESC has stated its concerns in a number of opinions <sup>(15)</sup> at the situation of legal uncertainty concerning SIG.

9.2 The communication highlights the role of the specific protocol on social services of general interest appended to the Lisbon Treaty (the SIG protocol) which is intended, according to the Commission, to establish a consistent framework that will guide EU action, whilst providing a solid basis for defining services of general interest <sup>(16)</sup>.

9.3 The Communication on SGIs, on the other hand, makes only a passing reference to the new Article 16 of the Lisbon Treaty, without elaborating on its implications, whereas this introduces a new legal base for Services of General Economic Interest (SGEI), giving the Council and the Parliament the task of establishing, by means of regulations, in line with the ordinary legislative procedure, the principles and conditions enabling SGEIs to fulfil their missions.

9.4 The effective implementation of the principle that missions of general interest take precedence, which is now made possible by the new Article 16 of the Lisbon Treaty, will help reducing the frequent recourse to the arbitration of the Court of Justice.

9.5 The Lisbon Treaty involves a number of innovations, not least the new Article 16 referred to above, and a general reference to SGIs and services of non-economic general interest (SNEGI). It helps to refocus the issue of services of general interest in the field of Community action in line with the principle of subsidiarity.

9.6 In the EESC's view, the new Lisbon Treaty (Article 16 TFEU and the SGI protocol) is therefore merely the start of a new approach to achieve greater legal security and more consistent regulation of national and Community SGI schemes.

9.7 The SGI protocol forms a handbook to the rules on SGIs, both economic (SGEI) and non-economic (SNEGI), but makes no attempt to solve the problem of distinguishing between these two categories.

9.8 By incorporating the distinction between economic and non-economic services into primary legislation, as well as the need to ensure respect for SGEIs' common operating principles, the SGI protocol shows how the process of clarifying the concepts and schemes under consideration is now more important than ever to provide legal security for the companies and bodies responsible for managing these services and their main beneficiaries.

9.9 The SGI communication proposes to 'consolidate the EU framework applicable to services of general interest, including for social and health services, providing concrete solutions for concrete problems where they exist' and 'a mix of sector-specific and issue-specific actions'.

9.10 Such action should, of course, take account of the specific characteristics of each sector concerned. Because primary law has recognised, however, that SGEIs as a whole form part of the EU's 'common values' and contribute to its 'social and territorial cohesion' there is a need to combine sector-specific actions (taking account of the specific characteristics of each sector) and issue-specific approaches.

9.11 The EESC therefore proposes a multi-faceted and gradual approach, combining the sector-specific and issue-specific aspects, which would lead to the adoption of legislative initiatives where required and/or to these principles and conditions being adapted to the different sectors concerned (the cross-cutting, issue-specific approach).

<sup>(13)</sup> As stated in the European Council conclusions of 13-14 March 2008.

<sup>(14)</sup> COM(2007) 725 final.

<sup>(15)</sup> CESE 427/2007, OJ C 161 of 13.7.2007, CESE 976/2006, OJ C 309 of 16.12.2006, CESE 121/2005, OJ C 221 of 8.9.2005 and CESE 1125/2003, OJ C 80 of 30.3.2004.

<sup>(16)</sup> COM(2007) 725 final of 20.11.2007, point 3, page 9.

## 10. The specific situation of Social Services of General Interest

10.1 The EESC underlines the importance of the Lisbon strategy as an aid to maintaining the benefits of the Single Market and its development and consolidation.

10.2 The Commission has introduced the concept of social services of general interest (SSGI) and has detailed it in its White Paper on SGI and in two communications <sup>(17)</sup> and in a 'staff working document' <sup>(18)</sup>.

10.3 The communication does not put forward a definition of these SSGIs and prefers to make a distinction between two broad groups of SSGIs: firstly legal and complementary social protection schemes; and secondly, 'other essential services provided directly to the person'.

10.4 The Commission's tentative approach shows how difficult it is to classify SSGIs, as they reflect specific and extremely varied tasks that are deeply rooted in national and even local collective preferences.

10.5 During consultation on the 2003 Green Paper, the majority of stakeholders in this sector (local authorities, operators, users' representatives) stated that they felt there to be increased legal uncertainty regarding the body of Community law that applied to them, given their specific characteristics, in particular concerning authorisation to provide the service. They made it clear that they fell into a 'grey area', which hampered their work. This led to:

- the Commission launching a specific discussion process (involving a communication, studies, etc.),
- the legislator largely excluding them from the scope of the Directive on services <sup>(19)</sup>, and
- the European Parliament calling twice for greater legal certainty <sup>(20)</sup>.

10.6 The Commission has not, however, adhered to this approach, which clearly contradicts the sector-specific approach that it favours, and today intends to limit its proposals to a set of answers to 'frequently asked questions' and an interactive information service, which will certainly be useful, but have no binding legal value.

<sup>(17)</sup> COM(2006) 177 of 26.4.2006 entitled 'Implementing the Community Lisbon programme: Social services of general interest in the European Union' and COM(2007) 725 of 20 November entitled 'Services of general interest, including social services of general interest: a new European commitment'.

<sup>(18)</sup> SEC (2007) 1514 of 20.11.2007 entitled 'Frequently asked questions concerning the application of public procurement rules to social services of general interest'.

<sup>(19)</sup> See Article 2(1) and (2)(j) of the Services Directive.

<sup>(20)</sup> Rapkay Report of 14.9.2006 and Hasse Ferreira Report of 2007.

10.7 In order to meet the calls for legal certainty, *inter alia* under Article 16 TFEU which opens up new prospects with regard to the place and role of SGEIs in the European Union, including SSGIs, the process of clarifying the concepts and also the Community frameworks applicable to public-spirited activities must be pursued.

## 11. Communication on 'Opportunities, access and solidarity: towards a new social vision for 21st century Europe'

11.1 The Committee welcomes the objectives stated in the Communication on 'Opportunities, access and solidarity: towards a new social vision for 21st century Europe' <sup>(21)</sup>, which addresses EU citizens, civil society and businesses, including SMEs, and is based on Europe's key instruments such as the Single Market, the Lisbon Strategy for Growth and Jobs and the Sustainable Development Strategy.

11.2 The current changes in European societies (EU 27 with 500 million citizens, demographic change, globalisation, technological progress and economic development among others) might represent new work opportunities and skills, but adaptation to change still entails a risk of unemployment and exclusion.

11.3 The EESC supports a more prominent role for the EU in facilitating, anticipating and fostering such structural changes while promoting European values at global level. The Communication sketches out a new 'life chance' social vision for 21st century Europe and attempts to complete the consultation expired on 15 February 2008. The Bureau of European Policy Advisers (BEPA) among others, as well as Member States and EU institutions, have been involved in the debate on social changes and on the concept of a European Social Reality. The EESC welcomes the objective of ensuring that the final analysis of these discussions will contribute to the preparation of the renewed Social Agenda to be submitted in 2008 and take into account the new institutional framework provided by the Lisbon Treaty.

### 11.4 General assumptions and comments

#### 11.4.1 Changing social realities

All Member States are experiencing rapid and profound changes and in particular Europeans express anxiety and concern for the future generation (see also previous EESC opinions and

<sup>(21)</sup> COM(2007) 726 final.

initiatives, the BEPA document with a detailed overview of on-going social trends and the Commission's 2007 Social Situation Report).

#### 11.4.2 'Life chances' social vision for Europe: advancing well-being through opportunities, access and solidarity

- Opportunities — to start well in life, realise one's own potential and make the most of the chances offered by an innovative, open and modern Europe.
- Access — new and more effective ways to get an education, progress in the job market, obtain quality healthcare and social protection and participate in culture and society.
- Solidarity — to foster social cohesion and social sustainability, and make sure that no one is left behind.

11.4.2.1 The EESC agrees with the Commission that there is no 'one size fits all' recipe for Europe and that common challenges require joint action supported by active citizenship.

11.4.2.2 Combating social exclusion and improving living by creating opportunities for individuals is essential to sustain economic growth and to reduce risks of shortcomings in the welfare system. Confidence and trust are essential for progress, modernisation and openness to change.

#### 11.4.3 Key areas for action:

In order to achieve the objectives of 'opportunities, access and solidarity', the EU needs to invest:

- 1) **in youth:** new social changes and new economy based on innovation and technology request more attention in terms of education and skills; investing in youth has a positive impact both on economic development and social cohesion. The Lisbon Agenda has placed education in the centre of the European social and economic system by turning knowledge into a competitiveness lever for Europe in the global context;
- 2) **in fulfilling careers:** a dynamic economy and labour market require flexible labour market rules and high social standards (see 'flexicurity');
- 3) **in longer and healthier lives:** longer life expectancy puts a burden on social protection systems but also creates new

economic opportunities in terms of new services, goods and technologies. The EU should promote new social policies to take advantage of these opportunities and to remedy the failure of current protection systems;

- 4) **in gender quality:** new economic models induce new social schemes. For instance, labour policies should consequently adapt to new requirements of gender equality. Some of the Commission's proposals address pay gaps, the tax system and family-friendly practices at the workplace;
- 5) **in active inclusion and non-discrimination:** the recent enlargements revealed deep economic and social disparities between Member States and regions. The European Commission aims at promoting a new cohesion policy based on the acceptance of diversity, active inclusion, the promotion of equality and the eradication of discriminations;
- 6) **in mobility and successful integration:** The Single Market has led to an increasing citizens mobility also impacting on SMEs. This requires new EU-wide approaches based on integration;
- 7) **in civic participation, culture and dialogue:** these aspects play a important role in social cohesion while also involving economic resources connected with innovation and technological development.

#### 11.4.4 The role of the EU

11.4.4.1 The EESC stresses the fact that although the main competence for these policies lie in the Member States, the EU and Social Partners play an important role in steering and supporting related actions and reforms. The '*acquis communautaire*' is a major instrument in particular with regards to enlargement and cohesion policies, the Lisbon Treaty and the Charter of Fundamental Rights.

11.4.4.2 The EESC agrees with the following five strategies set out in the Communication:

- **setting policy frameworks for action:** the EU has already stated common goals, aiming at harmonisation among Member States, in terms of Employment Strategy, the Lisbon Agenda and social policies. Efforts must now be focused on reaching these objectives and making these common principles operative;

- **upholding Europe's values and ensuring a level-playing field:** The European legal framework plays a fundamental role in steering national policies towards common objectives;
- **sharing experiences and good practices:** The EESC shares the Commission's view that best practices, exchange of experiences, joint evaluations and peer reviews on social innovations should be part of the mainstream national and European policy debate. Institutions at national, regional and local level, social partners and NGOs should also be actively involved;
- **supporting action at local, regional and national level:** The EU cohesion policies and structural funds have contributed in reducing disparities in prosperity and living standards across the EU. In recent years these instruments have been more closely associated with 'growth and jobs' policy priorities (for the period 2007-2013 over 75 billion euros from the European Social Fund have been invested in new skills and innovative companies). The EESC underlines that the European Globalisation Fund is an important instrument of solidarity that should provide active measures to alleviate consequences of globalisation on most vulnerable groups as well as on businesses, including SMEs. It is therefore crucial to take part in the debate on the EU budget after 2013 so as to include the findings of social consultation;
- **raising awareness and building a strong knowledge base:** The EESC welcomes the initiatives such as the European Year for Equal Opportunities for All (2007), for Intercultural Dialogue (2008), for combating poverty and social exclusion (2010). The existing Foundations and Agencies — the European Foundation for the Improvement of Living and Working Conditions, The European Agency for Fundamental Rights and the European Institute for Gender Equality — will increasingly contribute to decision-making, to raising awareness and to promoting systematic consultation (and not only e-consultation). The EESC, independent expert panels, representative organisations and research institutes at EU/national levels should also be associated to this process. The EESC calls for an increased involvement of all interest parties in raising awareness and improving the quality of findings (provision of reliable data, statistics, common indicators, monitoring systems, etc.) on social issues.

Brussels, 18 September 2008.

The President  
of the European Economic and Social Committee  
Dimitris DIMITRIADIS

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