# Opinion of the European Committee of the Regions — The European Pillar of Social Rights and Reflection paper on the social dimension of Europe

(2018/C 054/10)

Rapporteur: Mauro D'Attis (IT/EPP), Member of the Executive Council of Roccafiorita

Municipality (Messina)

Reference documents: Proposal for an Interinstitutional Proclamation on the European Pillar of Social

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COM(2017) 251 final.

Reflection Paper on the Social Dimension of Europe

COM(2017) 206 final.

#### I. RECOMMENDATIONS FOR AMENDMENTS

# Amendment 1

Proposal for a proclamation

Preamble (5) — Amend as follows

Text proposed by the Commission	CoR amendment
The Charter of Fundamental Rights of the European Union, first proclaimed at the Nice European Council on 7 December 2000, safeguards and promotes a number of fundamental principles that are essential for the European social model. The provisions of <i>this</i> Charter are addressed to the institutions, bodies, offices and agencies of the Union with due regard for the principle of subsidiarity and to the Member States only when they are implementing Union law.	The Charter of Fundamental Rights of the European Union, first proclaimed at the Nice European Council on 7 December 2000, safeguards and promotes a number of fundamental principles that are essential for the European social model. The provisions of <i>the</i> Charter <i>of Fundamental Rights</i> are addressed to the institutions, bodies, offices and agencies of the Union with due regard for the principle of subsidiarity and to the Member States only when they are implementing Union law.

#### Reason

Specifies that the whole passage refers to the Charter on Fundamental Rights.

# Proposal for a proclamation Preamble (7) — Amend as follows

Text proposed by the Commission	CoR amendment
The European Parliament called for a solid European Pillar of Social Rights to reinforce social rights and deliver a positive impact on people's lives in the short and medium term and enable support for European construction in the 21st century. The European Council stressed that economic and social insecurity needs to be addressed as a matter of priority and called for the creation of a promising future for all, safeguards for our way of life and the provision of better opportunities for youth. The leaders of 27 Member States and of the European Council, the European Parliament and the European Commission made a commitment to work towards a social Europe in the Rome agenda. That commitment is based on the principles of sustainable growth and the promotion of economic and social progress, as well as cohesion and convergence, while upholding the integrity of the internal market. The social partners have committed to continue contributing to a Europe that delivers for its workers and <i>enterprises</i> .	The European Parliament called for a solid European Pillar of Social Rights to reinforce social rights and deliver a positive impact on people's lives in the short and medium term and enable support for European construction in the 21st century. The European Council stressed that economic and social insecurity needs to be addressed as a matter of priority and called for the creation of a promising future for all, safeguards for our way of life and the provision of better opportunities for youth. The leaders of 27 Member States and of the European Council, the European Parliament and the European Commission made a commitment to work towards a social Europe in the Rome agenda. That commitment is based on the principles of sustainable growth and the promotion of economic and social progress, as well as cohesion and convergence, while upholding the integrity of the internal market and taking into account the diversity of national systems and the key role of social partners. The social partners have committed to continue contributing to a Europe that delivers for its workers and employers.

#### Reason

The added phrase clarifies the principles laid down in the Rome Declaration (point 3), including respect for the diversity of national systems.

# Amendment 3

Proposal for a proclamation

Preamble (7) — Add a new paragraph

Text proposed by the Commission	CoR amendment
	In their work on the European Pillar of Social Rights, the Commission, the Council and the European Parliament shall respect the interinstitutional agreement on better law-making.

#### Reason

It is important for the Commission to uphold its agreement with the Council and the European Parliament that there shall be no regulation at EU level if it is not necessary.

# Proposal for a proclamation

Preamble (11) — add a new paragraph

Text proposed by the Commission	CoR amendment
	The establishment of a European Pillar of Social Rights and the gradual implementation of a European social agenda must entail promoting a sustainable and inclusive Europe, boosting the fight against social and regional inequalities and contributing to the creation of a social market economy.

# Reason

The CoR highlights the long-term objectives of establishing a pillar of social rights, which must serve to make Europe more cohesive and more responsive to the social dimension of citizens' needs.

# Amendment 5

Proposal for a proclamation

Preamble (11) — add a new paragraph

Text proposed by the Commission	CoR amendment
	The European Pillar of Social Rights is the cornerstone of a strong European social agenda, in which competitiveness and social justice complement each other. A key element of this, while being in keeping with Member States' respective traditions and practices, is ensuring wages that avoid in-work-poverty, provide for a decent standard of living, and are in line with productivity.

# Reason

The CoR, while taking into account the exclusive competence of the Member States in this matter, has already highlighted the importance of a strong European social agenda, in which fair wages are a key element  $\binom{1}{2}$ .

<sup>(1)</sup> CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

# Proposal for a proclamation

Preamble (12) — add a new paragraph

Text proposed by the Commission	CoR amendment
	In view of the rise in youth unemployment and the growing number of people in or at risk of poverty in recent years, the European Pillar of Social Rights shall take account of the need to bring about a sustainable reduction in poverty, foster social inclusion and tackle youth unemployment.

#### Reason

The CoR has already highlighted the importance of taking measures, something which must be reiterated and considered as part of longer-term planning initiatives such as the pillar concerned (2).

#### Amendment 7

Proposal for a proclamation

Preamble (17) — Amend as follows

Text proposed by the Commission	CoR amendment
Delivering on the European Pillar of Social Rights is a shared commitment and responsibility between the Union, its Member States and the social partners. The principles and rights set by the European Pillar of Social Rights should be implemented at both Union level and Member State level within their respective competences and in accordance with the principle of subsidiarity.	Delivering on the European Pillar of Social Rights is a shared commitment and responsibility between the Union, its Member States, <i>local and regional authorities</i> and the social partners. The principles and rights set by the European Pillar of Social Rights should be implemented at both Union level and Member State level within their respective competences and in accordance with the principle of subsidiarity, <i>taking into account the diversity of national systems and the key role of social partners</i> .
	The European Union and the Member States must work together to secure the financial resources necessary for the implementation of the Pillar of Social Rights.

# Reason

When addressing areas that fall under the competence of local and regional authorities, their commitments and responsibilities should not be overlooked, while taking into account the diversity of national systems. Furthermore, the financial resources necessary for implementation must be guaranteed.

<sup>(2)</sup> CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

# Proposal for a proclamation

Preamble (17) — add a new paragraph

Text proposed by the Commission	CoR amendment
	Local and Regional authorities shall be supported in their efforts to implement appropriate employment and social policies, including support for the development of worklife balance and labour market access policies, in line with the Commission's recent proposal.

#### Reason

A clear reference to a point already made by the CoR in a previous opinion (3).

#### Amendment 9

Proposal for a proclamation

Preamble (20) — add a new paragraph

Text proposed by the Commission	CoR amendment
	Economic, social and territorial cohesion — being one of the most important and comprehensive EU policies as it contributes significantly to strengthening the EU as a whole through solidarity — shall play a key role in supporting the establishment of the social pillar.

# Reason

A clear reference to a point already made by the CoR in a previous opinion (4).

# Amendment 10

Proposal for a proclamation

Chapter I, point 1 — Amend as follows

Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.

CoR amendment

a. Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.

CoR opinion on the Future of Cohesion Policy beyond 2020 (CDR 1814/2016).

<sup>(4)</sup> CoR opinion on the Future of Cohesion Policy beyond 2020 (CDR 1814/2016).

Text proposed by the Commission	CoR amendment
	b. Children and young people from more vulnerable socio- economic backgrounds have the right to specific measures aimed at improving their academic success, which may help achieve a more level playing field in terms of academic and social opportunities.
	c. Everyone has the right to quality internships and/or apprenticeships, to include fair remuneration and appropriate insurance coverage.

# Reason

The amendment adds a reference to specific measures to improve the academic success of children and young people liable to anti-social behaviour. It also tackles the crucial issue of establishing fair conditions for interns and apprentices.

# Amendment 11

Proposal for a proclamation

Chapter I, Point 4c — Amend as follows

Text proposed by the Commission	CoR amendment
People unemployed have the right to personalised, continuous and consistent support. The long-term unemployed have the right to an in-depth individual assessment at the latest at 18 months of unemployment.	People unemployed have the right to personalised, continuous and consistent support, namely with training adapted to their skills, personal and professional experience, qualifications and motivation. The long-term unemployed have the right to an in-depth individual assessment at the latest at 18 months of unemployment.

# Reason

Self-explanatory.

# Amendment 12

Proposal for a proclamation

Chapter II, Point 5d — Amend as follows

Text proposed by the Commission	CoR amendment
Employment relationships that <i>lead to precarious</i> working conditions <i>shall be prevented, including by prohibiting abuse of atypical contracts.</i> Any probation period should be of reasonable duration.	All employment relationships that involve regulated working conditions and probation periods of reasonable duration shall be promoted, thus avoiding the spread of precarious forms of work.

#### Reason

There is no definition of what is meant by 'precarious' working conditions. Municipalities and regions, as employers required to provide a proper service, could come under considerable pressure if part-time, fixed-term and supply work were to be prohibited.

#### Amendment 13

Proposal for a proclamation

Chapter II, Point 6 — add a new point after 6(a)

Text proposed by the Commission	CoR amendment
	Measures to guarantee real wages in line with productivity, while fully respecting the practices in each Member State, shall be supported.

#### Reason

The CoR has already highlighted the importance of a strong European social agenda, in which wages are a key element (5). The EU only has coordinating powers in this area, but could support their implementation.

# Amendment 14

Proposal for a proclamation

Chapter II, Point 6b — Amend as follows

Text proposed by the Commission	CoR amendment
Adequate minimum wages shall be ensured, in a way that provides for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work. In-work poverty shall be prevented.	Adequate minimum wages shall be ensured, taking into account the diversity of national systems and the key role of social partners, whilst safeguarding access to employment and incentives to seek work. In-work poverty shall be prevented.

#### Reason

Families' needs can vary widely. Wages should not be fixed according to needs or to the income of other family members. The key criterion should be that employees receive a wage that corresponds to current market conditions, both economic and social.

<sup>(5)</sup> CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

# Proposal for a proclamation

# Chapter II, Point 6c — amend as follows

Text proposed by the Commission	CoR amendment
All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners.	All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners. The gender pay gap shall be prevented.

# Reason

Gender-based discrimination with regard to wages must be addressed.

#### Amendment 16

Proposal for a proclamation

Chapter II, Point 9 — amend as follows

Text proposed by the Commission	CoR amendment
Work-life balance  Parents and people with caring responsibilities have the right to suitable leave, flexible working arrangements and access to care services. Women and men shall have equal access to special leaves of absence in order to fulfil their caring responsibilities and be encouraged to use them in a balanced way.	Work-life balance  Parents and people with caring responsibilities have the right to suitable leave, flexible working arrangements and access to care services. Women and men shall have equal access to special leaves of absence in order to fulfil their caring responsibilities and be encouraged to use them in a balanced way.
	Measures to incentivise parenthood and to increase the birth rate shall be supported $\binom{6}{1}$ .

# Reason

It is important not to lose sight of the barriers to building a family and the need to support the European birth rate in light of the current demographic challenge. This has also been examined in a previous CoR opinion.

<sup>(6)</sup> CoR opinion on The EU response to the demographic challenge (CDR 40/2016).

# Proposal for a proclamation

Chapter II, Point 10 — add a new point after 10(c)

Text proposed by the Commission	CoR amendment
	d. Workers have the right not to engage in work-related electronic communications outside working hours.

# Reason

Technological developments are making the boundaries between working and non-working hours less clear, this is why the right to disconnect is an important aspect of labour rights.

# **Amendment 18**

Proposal for a proclamation

Chapter III, Point 15 (a) — amend as follows

Text proposed by the Commission	CoR amendment
a. Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights.	a. Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights and the gender pension gap must be dealt with through measures tackling the daily inequalities which prevent women from contributing as much to pension schemes as men.

# Reason

Compromise

#### Amendment 19

Proposal for a proclamation

Chapter III, Point 19 — add a new point

Text proposed by the Commission	CoR amendment
	Integrating refugees and regular migrants  The effective integration of refugees, unaccompanied minors and legally residing migrants shall be supported as it is one of the main tasks necessary to ensure a functioning modern social Europe. This shall be done through, inter alia, education and professional training to identify the individuals' potential and facilitate their integration.

#### Reason

No mention has been made of refugees, unaccompanied minors and legally residing migrants in the pillar and there is a need to show commitment to ensuring that they integrate effectively.

#### Amendment 20

Proposal for a proclamation

Chapter III, Point 20 — amend as follows

Text proposed by the Commission	CoR amendment
Access to essential services	Access to services of general economic interest and to essential services
Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.	a. Everyone has the right to access good quality and affordable services of general economic interest, such as social services, without prejudice to the competence of Member States to provide, commission and organise such services. Support for access to such services shall be available for those in need.
	<b>b.</b> Everyone has the right to access <b>affordable</b> essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.

# Reason

The delivery of SGEIs is an essential tool for social cohesion.

# Amendment 21

Proposal for a proclamation

Chapter III, Point 20 — add a new point

Text proposed by the Commission	CoR amendment
	Access to art and culture  Everyone has the right to access art and culture.

#### Reason

The pillar does not mention access to art and culture, which are key elements in ensuring social cohesion and in tackling marginalisation and poverty. Free access to art and culture also helps to combat radicalisation.

#### **II. POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

#### General comments

- welcomes the establishment of a social pillar as a necessary accompaniment to political, economic and monetary union and a factor in the successful implementation of the horizontal social clause (7), which will enable the delivery of a sustainable and inclusive Europe that empowers its citizens and promotes equal opportunities;
- regrets the Commission's explicit statement that delivering on the European Pillar of Social Rights is a shared commitment and responsibility between the Union, its Member States and the social partners (8), which completely disregards local and regional authorities' responsibility and powers in this area;
- reiterates the importance of a strong European social agenda, in which competitiveness and social justice complement each other (9), in order to avoid all forms of social dumping and to ensure increased employment rates. Reminds to this effect the commitment in the preamble of the Treaty on European Union, to promote economic and social progress for their peoples' and to ensure that 'advances in economic integration are accompanied by parallel progress in other fields';
- stresses the added value that LRAs bring to framing and implementing social and economic policies to increase upward convergence and reiterates its call that the European Pillar support LRAs in their endeavours to implement appropriate employment and social policies (10);
- welcomes the Commission's aim of giving greater consideration to social policy objectives when framing EU policies and of drawing up (minimum) social policy standards to be met by the EU and the Member States in accordance with their respective powers;
- reiterates its call for proper coordination between EU and national economic and social policies (11) ensuring that the regional dimension is better represented (12);
- boosting the social dimension will strengthen the EU project and engage citizens in a renewed project that will allow them to feel a stronger sense of identification;
- notes that the EU's economic and social policies should increase their long-term growth potential, by providing support for productivity and the competitiveness of European companies and for workers' skills;
- emphasises that the social pillar should contribute to reducing poverty, social exclusion and unemployment particularly youth unemployment — and to tackling all possible forms of social inequality ( $^{13}$ ), including gender-based inequalities. This framework must include the European unemployment insurance scheme ( $^{14}$ ), as one of the first joint instruments for tackling employment crises;
- points out that the employment crisis has caused significant long-term unemployment that calls for appropriate active policies, with training programmes to update the skills of these workers and with financial support where necessary;

COM(2017) 251 final, Preamble (17).

Article 9 of the TFEU.

CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

CoR opinion on the European Pillar of Social Rights (CDR 2868/2016). CoR opinion on the social dimension of the Economic and Monetary Union (CDR 6863/2013).

Resolution on the European Commission work programme 2016 (CDR-2015-5929).

CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

Italian government proposal for European unemployment benefit.

- 11. stresses that economic, social and territorial cohesion policy, as one of the most important and comprehensive EU policies (<sup>15</sup>), must play a key role in supporting the establishment of the social pillar;
- 12. stresses that social investment is investment in the future and should not be seen purely as a burden on the public purse;
- 13. stresses the need to coordinate the strategies and objectives that should exist between the Social Pillar and the European Social Fund;

# Specific recommendations

- 14. shares the Commission's aim of increasing employment and encouraging the right conditions for businesses to create more quality jobs across Europe;
- 15. reiterates its call for strengthening the social dimension of the EU and of the Economic and Monetary Union; hopes that a legislative proposal for a European Pillar of Social Rights will allow labour rights and labour mobility in a changing labour market to be addressed while respecting the principle of subsidiarity (<sup>16</sup>);
- 16. reiterates the importance of a strong European social agenda, in which competitiveness and social justice complement each other (17), in order to avoid all forms of social dumping and to ensure increased employment rates;
- 17. highlights that any action taken either public or private must take account of regional and local specificities, demographic challenges and of persistently high youth unemployment. In relation to the latter point the Committee emphasises the importance of extending the benefits of the 'Youth Guarantee' scheme to people up to the age of 30 (<sup>18</sup>) and of making the scheme a permanent feature of European employment policies, with sustainable and adequate funding from both European and national funds;
- 18. indicates that rapid and far-reaching changes from the ageing population and new family models, digitalisation and new types of work, to the impact of globalisation and urbanisation make it necessary to pursue objectives on more and continuous training, skills upgrading and active support for talent, active ageing policies and work-life balance policies. The latter can be addressed through appropriate family (<sup>19</sup>), education and employment policies;
- 19. reiterates the importance of matching the needs of the labour market which include a territorial element with skills, and in this regard, stresses the role played by LRAs in the area of education, training and support to young entrepreneurs in particular (<sup>20</sup>);
- 20. therefore supports enshrining in the European Pillar of Social Rights a right to education and training as a fundamental social and human entitlement;
- 21. further reiterates that, taking into account national, regional and local circumstances and available resources, and bearing in mind that investment in human capital could be treated as a social investment, Member States should be supported in the implementation of the Skills Guarantee, aimed at improving employment opportunities and full participation in society for low-qualified adults in Europe ( $^{21}$ );
- 22. points out that in order to have a balanced and regulated labour market, it is important to take account of changes in the nature of work (4.0), employment relationships and workers' protection, including the right to disconnect. To this end, calls for a permanent high level group to be set up by the Commission, the Council, the Parliament and the Committee of the Regions to develop a European reflection on the impact of digitalisation and new technologies and to promote the necessary economic and social policies, including when it comes to any local and regional measures that may prove appropriate;

(15) CoR opinion on the Future of Cohesion Policy beyond 2020 (CDR 1814/2016).

(17) CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

(18) Opinion on the Youth Employment Package, CDR 789/2013.

CoR opinion on The EU response to the demographic challenge (CDR 40/2016).

CoR opinion on Guidelines for the Employment Policies of the Member States (CDR 1419/2015).

(21) CoR opinion on A New Skills Agenda for Europe (COR-2016-04094).

<sup>(16)</sup> Resolution on the priorities of the European Committee of the Regions for the 2018 Work Programme of the European Commission (2017/C 272/01)

- 23. underlines that, in light of the changes in the nature of work  $\binom{22}{}$ , it is essential that the qualifications of highly mobile professionals be recognised in a quick, simple and reliable manner  $\binom{23}{}$ ;
- 24. believes that the new employment forms or the introduction of new common EU minimum standards must always allow for appropriate standards of social protection;
- 25. calls for greater focus on integrating refugees, unaccompanied minors and legally resident migrants effectively, including through education and vocational training;
- 26. asks for special attention to be paid to the legal acts affected by the UK's departure from the EU, such as freedom of movement for workers within the EU, coordination of social security systems and EU funds related to employment and social policies ( $^{24}$ );
- 27. calls for the use of more suitable tools to evaluate subnational disparities, such as further reliable data on social issues at local and regional level;
- 28. proposes that poverty and social exclusion be addressed immediately, regardless of what caused them or the population group affected and highlights that greater incentives are necessary to support families, to guarantee a permanent escape from social exclusion and to increase funding for social protection; welcomes in the meantime the establishment of a basic guaranteed income, endorsed by many local and regional authorities, as a good practice;
- 29. points out that the social pillar must address the issue of marginalisation and social exclusion, focusing as a priority on policies for people with disabilities and policies for households with several children;
- 30. regrets that the pillar addresses housing only as an aspect of social services. Considers that appropriate and affordable housing for all is a prerequisite, which can lead to greater social cohesion and help to build communities that are resistant to social, economic and geographic segregation;
- 31. stresses the need to ensure the accessibility of a wide network of good-quality and affordable not only essential services but also services of general economic interest, including social services, in conjunction with local and regional authorities:
- 32. is disappointed that the pillar does not mention access to art and culture, which are key for social cohesion and tackling marginalisation and poverty (25);
- 33. strongly urges the Commission and the Council to introduce incentive measures for countries that implement structural reforms geared towards achieving the Europe 2020 social objectives and combating social imbalances;
- 34. underlines the fact that Europe's social progress can also be rolled out in a uniform manner to countries that are not members of the Euro (<sup>26</sup>) and therefore not initially beneficiaries of the social pillar. The CoR invites the Commission and the Council to find suitable instruments for this purpose;
- 35. highlights the need to clarify how European funds can support the implementation of the pillar  $\binom{27}{}$  and also reiterates the need for sufficient resources to be earmarked by the European Union and the Member States for achieving the objectives of the pillar;
- 36. calls on the Commission to draw up a plan for a forward-looking social policy action programme containing specific measures;

(22) Special Eurobarometer 417, European area of skills and qualifications.

Modernisation of the Professional Qualifications Directive (2013/55/EU).
 European Parliament's EMPL Committee Working Party document — 'around 670 pieces of Union law (including legislative acts, delegated acts and implementing acts) are currently in force in the areas of employment, freedom of movement for workers and social policy'.

<sup>25</sup>) European Álliance for Culture and the Arts.

(26) European Confederation of Independent Trade Unions.

(27) European Social Network.

- 37. reiterates its request that the European Pillar of Social Rights support LRAs in their endeavours to implement appropriate employment and social policies (<sup>28</sup>);
- 38. affirms that an appropriate set of tools should be introduced to measure and monitor the progress made ( $^{29}$ ) and calls for a Social Progress Protocol in any future Treaty change, aimed at putting social rights on a par with economic rights ( $^{30}$ );
- 39. highlights the need to increase the social and civil value of volunteering as a means of developing and promoting a local area, and as a tool for social responsibility and direct public participation.

Brussels, 10 October 2017.

The President of the European Committee of the Regions Karl-Heinz LAMBERTZ

<sup>(28)</sup> CoR opinion on the European Pillar of Social Rights (CDR 2868/2016).

http://www.esn-eu.org/news/925/index.html

<sup>(30)</sup> https://www.etuc.org/press/trade-unions-fight-stronger-european-pillar-social-rights#.Wb\_76WepWUm