

## I

(Resolutions, recommendations and opinions)

## RESOLUTIONS

## EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

547TH EESC PLENARY SESSION, 30.10.2019-31.10.2019

**Resolution on ‘The European Economic and Social Committee’s contribution to the 2020 Commission’s work programme and beyond’**

(2020/C 47/01)

At its plenary session of 30 and 31 October 2019 (meeting of 30 October), the European Economic and Social Committee adopted the following resolution by 170 votes to 5 with 9 abstentions.

**1. Introduction**

1.1. In general terms, there are four megatrends that need to be at the heart of the political priorities in the new political legislature: **digitalisation, climate change and biodiversity loss, demography and globalisation**. These megatrends are changing the way we live and work and offering huge opportunities, but also creating new challenges <sup>(1)</sup>. Nevertheless, the main issue is the scale and speed of the change.

1.2. The EU and its Member States are firmly committed to implementing the UN 2030 Agenda for Sustainable Development and the Paris Agreement <sup>(2)</sup> and to advancing their implementation globally through their full range of external actions. Moreover, in December 2018, on the sidelines of COP24, the EU and 20 Member States signed the Silesia Declaration on Solidarity and Just Transition <sup>(3)</sup>. In it, they underlined that considering the social aspect of the transition towards a low-carbon economy is crucial to gaining social approval for the changes taking place.

1.3. The single market remains a key instrument for European integration. Its rejuvenation would benefit Europe, making it more sustainable and cohesive. For instance, the Digital Single Market offers opportunities and needs to be developed to ensure EU competitiveness, through the creation of an enabling environment for new forms of enterprise that are emerging on this market. Meanwhile, the EU must ensure that these new forms of enterprise are sustainable and that they scale up and remain in Europe.

1.4. We need to act at all levels simultaneously and create a dynamic of action to address urgent economic, social and environmental challenges. The EESC believes that sustainable development must therefore be at the heart of Europe’s future <sup>(4)</sup> and calls for **an overarching EU 2050 strategy on sustainability in order to implement the UN 2030 Agenda** <sup>(5)</sup>. This paradigm shift requires changes in (a) governance, i.e. dedicated governance mechanisms are needed to address urgent problems faster and tackle complex issues. The role of such mechanisms would be to link the EU and the Member State levels, not to replace action at either; (b) integrating the SDGs into the EU’s economic and social monitoring and budgeting processes. In this respect, the European Semester could be equipped with new, improved, measurable and complementary social, economic and environmental indicators to monitor and keep track of all aspects of the European Pillar of Social Rights and its principles as well as the 17 SDGs.

1.5. As regards the social dimension, the EU can be proud of its social model compared to other parts of the world. However, social achievements and progress in Europe cannot be taken for granted. In 2017, the EU confirmed its commitment to the European Pillar of Social Rights (EPSR). EPSR implementation and the way forward are key to achieving coherent and mutually reinforcing EU and national policy-making with a view to building renewed consensus on a sustainable economic and social strategy in order to deliver its promise to work for balanced economic growth and social progress leading to the increased wellbeing of its citizens <sup>(6)</sup>.

<sup>(1)</sup> EP study on Global Trends to 2035 and European Strategy and Policy Analysis System (ESPAS) report Global Trends to 2030: Challenges and Choices for Europe, of 9 April 2019.

<sup>(2)</sup> Supporting the Sustainable Development Goals across the world: The 2019 Joint Synthesis Report of the European Union and its Member States of 16 May 2019.

<sup>(3)</sup> Ministerial Declaration Solidarity and Just Transition Silesia Declaration adopted at the Leaders’ Summit during the 24th Conference of the Parties (COP24) to the United Nations Framework Convention on Climate Change (UNFCCC), on 3 December 2018 in Katowice, Poland.

<sup>(4)</sup> EESC opinion of 26 September 2019 on the Reflection Paper ‘Towards a Sustainable Europe by 2030’ (not yet published in the OJ.)

<sup>(5)</sup> EESC opinion of 13 March 2019 on Listening to the citizens of Europe for a sustainable future (Sibiu and beyond) (OJ C 228, 5.7.2019, p. 37).

<sup>(6)</sup> EESC opinion of 25 January 2017 on the European Pillar of Social Rights (OJ C 125, 21.4.2017, p. 10).

1.6. The EU must improve its policies and action to ensure gender equality and other forms of equality, in addition to guaranteeing that all people facing multiple forms of discrimination have equal opportunities in society.

1.7. To face new as well as ongoing social, economic and environmental priorities, the EESC calls for an ambitious and better-targeted EU budget that reflects the will to respond to EU challenges that could be turned into opportunities, giving the EU a new project. Therefore, the EESC calls for a fitness check of the Multiannual Financial Framework (MFF).

1.8. Structured and regular involvement of civil society and civil dialogue play a central role in promoting sustainability in all its dimensions, economic, social and environmental and a clear mandate for civil society's participation in the development, implementation and monitoring of the strategy should be provided. The EESC welcomes the new impetus for European democracy proposed by the Commission's president-elect, Ursula von der Leyen, and is ready to play its full role in the proposed conference on the Future of Europe.

1.9. Social dialogue must continue to have a central role in designing and implementing labour market policies and measures that effectively help companies and workers. Given the substantial challenges related to a just transition to a green economy and sustainable growth, engaging social partners is crucial in order to take into account relevant information and to reach consensus on action. Social dialogue and collective bargaining are a prerequisite for achieving just transitions, better jobs and decent income and for combating social dumping.

1.10. The EESC supports fair taxation and the fight against fraud, tax evasion, money laundering and the financial practices of tax havens; a common objective of EU institutions, governments and business must be to work together in order to put in place efficient mechanisms such as the two anti-tax avoidance directives.

1.11. The 2020 **Commission's work programme and the proposed priorities and activities** will therefore require that adjustments be made to the Commission's objectives, positions and working methods. All of its internal and external policies must be coherent and aligned with the SDGs, so that the principles of efficiency, subsidiarity, proportionality and sustainability are duly considered.

1.12. In order to make concrete proposals for the 2020 Commission's work programme, the EESC has taken into account the political guidelines for the next European Commission 2019-2024 as presented by the Commission President-elect in July 2019 (7).

1.13. The new line-up of the Commission, as presented on 10 September, reflects the priorities and ambitions set out in these political guidelines and is structured around the need to address the changes in climate, technology and demography that are transforming our way of living and working.

## **2. Developing our economic base: the European model for the future — promoting sustained, inclusive and sustainable economic development, a revitalised single market, full and productive employment and decent work for all**

2.1. There is a clear need for a new European economic strategy: a positive narrative for the future development of the EU economy in the wider world that would help increase the resilience of the EU to economic shocks and enhance the sustainability — economic, social and environmental — of its economic model, thus bringing back confidence, stability and shared prosperity to all Europeans. Building on the progress achieved in recent years, this strategy could lay the ground work for the further economic, fiscal, financial, social and political integration that is necessary to achieve the objectives of Europe's single market and economic and monetary union, as set out in Article 3 TEU.

2.2. The EU can only be based on a strategy that is sound economically and robust in terms of its social and environmental sustainability. The environmental dimension must ensure that 'planetary limits' are respected and natural resources not overused, so that long-term sustainable use of these resources remains possible and biodiversity is efficiently protected (8). Business is an enabler for societal and environmental development, and sustainable competitiveness. European companies are ready to play their role and assume their responsibilities, together with workers and stakeholders. Europe needs a business environment that helps prepare for the future where social and environmental aspects are part of its definition, and that provides enabling and supportive conditions for doing business so that companies can effectively grow sustainably and thus generate wealth for subsequent redistribution. This can also take the form of more quality employment, better job opportunities and enforceable rights.

(7) A Union that strives for more — My agenda for Europe — Political guidelines for the next European Commission 2019-2024.

(8) Decision No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on a General Union Environment Action Programme to 2020 'Living well, within the limits of our planet' (OJ L 354, 28.12.2013, p. 171).

2.3. The single market in all its economic, social and environmental dimensions is at the core of European integration and is a strong contributor to the European social market economy. However, it must be fully completed, revitalised and updated with a view to becoming a Digital Single Market. Focus should be put on creating enabling conditions for the development of diverse forms of enterprise (including new economic models), digitalisation and innovation, and cross-border opportunities. Its functioning should be enhanced and a full commitment to its further integration should be guaranteed. The single market should therefore be able to generate sustainable economic development and innovation, attract investment, support entrepreneurs, and foster the sustainable competitiveness of its companies on globalised markets. However, it is also important to recognise that the positive impact of the single market has not spread evenly and that not all citizens are in a position to benefit from its wealth <sup>(9)</sup>.

2.4. As regards the macroeconomic outlook, uncertainty has not decreased. The expected exit of the United Kingdom from the European Union and global tensions between the US and China remain firmly on the table as downside risks to economic development and employment in the near future. According to the European Commission's Summer Economic Forecast, it was observed that despite a low aggregate unemployment rate when viewed against the last two decades, several countries have not reached pre-crisis employment levels. The GDP growth rate in the European Union is expected to be a meagre 1,4 % in the EU this year and 1,2 % in the euro area <sup>(10)</sup>. The EESC is concerned that the downside risks to the economic outlook for the euro area could well evolve into another socioeconomic crisis in the not too distant future, which would pose major challenges for adjustment <sup>(11)</sup>. To avoid the risk of a new recession, an expansive budgetary orientation (positive fiscal stance) that accompanies a monetary policy of similar approach is needed. Budget expansion must be particularly significant in the Member States that have significant surpluses in their balance of payments and a stable or surplus fiscal balance.

2.5. GDP growth does not reflect the wellbeing of most citizens and does not reflect the degradation of the environment and the depletion of natural resources. For this reason, there is a need to develop measures of societal wellbeing and of sustainability with a more suitable set of indicators reflecting the true depth of the long-term economic impact. Referring solely to GDP will shape policies that take into account only their economic impact. Therefore, it is necessary to enlarge the reference framework by including social and environmental indicators in order to design truly sustainable reforms. It is essential that these indicators are also compatible with the UNSDGs <sup>(12)</sup>.

2.6. Massive social disparities within and between Member States and within regions, and territorial imbalances between rural and urban areas remain important concerns. Significant inequality is also obvious when we look at wealth. In this context, the EESC welcomes the Finnish Council Presidency's priority theme of 'the economy of wellbeing', and agrees that reducing inequalities and disparities must be a policy priority. It also agrees that the concept of an economy of wellbeing needs to be integrated into future EU policies and deserves to have a more central place in sustainable and economic decision-making.

2.7. The EU is facing a fast-changing geopolitical and economic situation, growing social and societal polarisation, the increasing role of digitisation and technology in all aspects of life, as well as climate change and other environmental challenges. To address these issues, the EU's industrial transformation is crucial and must take full account of the global SDGs, which provide a key global framework for fair and sustainable economic development.

2.8. In this context, more attention should be given to social and employment issues affecting young people, particularly in terms of the discussion on the future of work. These include, inter alia, digitalisation, platform work, fragmentation and casualisation of the labour market, which are particularly affecting young people.

2.9. The effects of demographic change will be the root cause for some of the most predictable challenges our Union and its Member States will face in the medium term. Demographic developments show that Europe will need to improve the labour integration of women, young and older workers, people with disabilities and migrants. More dynamic, efficient and effective labour market policies are needed to benefit from their talent, skills and entrepreneurial potential as well as to deliver quality jobs. Adequate social protection systems should be part of that equation, as well as ensuing rapid transitions from unemployment to stable working contracts and employment conditions.

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<sup>(9)</sup> See footnote 5.

<sup>(10)</sup> EC Summer Forecast 2019 [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/summer-2019-economic-forecast-growth-clouded-external-factors\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/summer-2019-economic-forecast-growth-clouded-external-factors_en).

<sup>(11)</sup> EESC opinion of 24 January 2019 on the Recommendation for a Council Recommendation on the economic policy of the euro area (OJ C 159, 10.5.2019, p. 49).

<sup>(12)</sup> OECD report of 1 March 2019 Going beyond GDP: Measuring What Counts for Economic and Social Performance and EESC opinion of 29 March 2012 on GDP and beyond — the involvement of civil society in choosing complementary indicators (OJ C 181, 21.6.2012, p. 14).

2.10. Investing in people and social sustainability can help to address these common challenges. Improvements in labour market institutions (i.e. active labour market policies, a more efficient role for PES <sup>(13)</sup>) should in principle translate into better economic and social conditions for more Europeans. In order to address the above-mentioned challenges, the EESC calls, among other things, for more effective, efficient and sustainable social protection systems. In this respect, there is scope for more effective policy action by the European Union and its Member States.

2.11. Such action could focus on a commitment to implement the Pillar of Social Rights. That commitment, as set out in the Interinstitutional Proclamation, is based, among others, on the principles of sustainable growth and the promotion of economic and social progress, as well as cohesion and convergence, the diversity of national systems and the key role of the social partners <sup>(14)</sup>.

2.12. Furthermore, the EU must be a frontrunner in implementing the UN Sustainable Development Goals (SDGs), recognising, firstly, that domestic resources are first and foremost generated by economic growth, supported by an enabling environment at all levels; and secondly, that private business activity, employees' experience and creativity, investment and innovation are major development drivers <sup>(15)</sup>.

2.13. Social dialogue has proven to be an indispensable instrument for improving EU policy- and law-making, for anticipating legislation or providing an alternative to it and for strengthening its social legitimacy. Social dialogue may also be a tool for implementing the sustainable development agenda.

2.14. During the financial and economic crises, the ECB played a stabilising role. The EESC recommends that the ECB's role as the lender of last resort should be consolidated. Nevertheless, we are still confronted with worrying economic phenomena such as a modest investment level in spite of a relatively expansive monetary policy or the fact that banks are depositing funds with the ECB even if they incur negative interest rates. As we still cannot exclude further financial or economic crises, the upcoming Commission must implement measures to make the EU economy less vulnerable to them and more resilient. Furthermore, to prevent future crises, the upcoming Commission must introduce measures to stabilise financial markets and to strengthen the demand side of the economy in particular. Rigid application of fiscal rules weakens economic development especially in the current ambiguous situation. Once again, the EESC recommends the implementation of the golden rule <sup>(16)</sup>.

### Proposals:

- The UN 2030 Agenda puts forward 17 Sustainable Development Goals (SDGs) that the EU has committed to achieving by 2030. The EESC calls for an **overarching EU 2050 strategy for sustainability in order to implement the UN Agenda 2030**, guaranteed by **an ambitious EU budget, and believes that the implementation of the EPRS will contribute to this** <sup>(17)</sup>:
- A **new European single market and industrial policy strategy with a view to developing a sustainable social market economy model** must ensure that Europe is a leader in technology, in innovation and in sustainability, by:
- **Revitalising, reforming and completing the single market** by reviewing key directives to ensure favourable conditions for companies, SMEs and diverse forms of enterprise (such as new economic models and the social economy), as well as for innovation and the development of skills. This includes reviewing mobility schemes and other cross-border opportunities, and, in particular, the single market for services.
- Taking into account the growing role of the social economy in fostering inclusive and sustainable economic development, as well as the social dimension of the EU, the EESC considers that a favourable ecosystem — with appropriate EU funding — for the social economy is an important objective to be addressed in the Commission's work programme <sup>(18)</sup>.

<sup>(13)</sup> EESC opinion of 17 July 2019 on 'The new role of public employment services (PES) in the context of the implementation of the European Pillar of Social Rights' (OJ C 353, 18.10.2019, p. 46).

<sup>(14)</sup> Interinstitutional Proclamation on the European Pillar of Social Rights (OJ C 428, 13.12.2017, p. 10).

<sup>(15)</sup> Resolution adopted by the UN General Assembly on 25 September 2015: Transforming our world: the 2030 agenda for Sustainable Development.

<sup>(16)</sup> See, in particular, the opinion of 24 January 2019 on the Recommendation for a Council Recommendation on the economic policy of the euro area (OJ C 159, 10.5.2019, p. 49) and the opinions of 14 February 2018 on Lessons learned for avoiding the severity of austerity policies in the EU (OJ C 227, 28.6.2018, p. 1), of 18 January 2018 on the Recommendation for a Council Recommendation on the economic policy of the euro area (OJ C 197, 8.6.2018, p. 33), of 10 July 2013 on the Green Paper on long-term financing of the European economy (OJ C 327, 12.11.2013, p. 11), of 26 March 2014 on The impact of social investment on employment and public budgets (OJ C 226, 16.7.2014, p. 21), of 14 April 2018 on Funding the European Pillar of Social Rights (OJ C 262, 25.7.2018, p. 1) and of 20 February 2019 on the Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty (OJ C 190, 5.6.2019, p. 24).

<sup>(17)</sup> See footnote 5.

<sup>(18)</sup> EESC opinion of 17 October 2018 on the European Social Fund Plus (ESF+) (OJ C 62, 15.2.2019, p. 165)

- Creating the framework conditions for a **true digital** transformation and a Digital Single Market to regain global sustainable competitiveness and deliver sustainable growth and jobs, while developing a European vision in areas such as the development of ethical AI and robotics. Europe needs an overarching shift to become the most dynamic digital region in the world — taking into account the opportunities in the new technologies transforming society, such as blockchain technology, the digital economy's global nature and business integration in global value chains <sup>(19)</sup> — so that it can provide a favourable environment for innovation, entrepreneurship, creating high-quality, well-paid and productive jobs that respect the environment as well as a real economy which benefits all <sup>(20)</sup>. Special attention should be given to the **acquisition of digital skills** in relation to the further support of STEM and apprenticeship. Education systems should be reformed where needed to make them fit for purpose in the digital area, among other aspects, **and investment in education systems should be improved** <sup>(21)</sup>.
- Continuing to support the transformation of the European labour market whilst ensuring its proper functioning, fairness and safety <sup>(22)</sup>. The **EESC recommends taking action to ensure that all workers** in the EU, including those in the new forms of work, **come under the protection of occupational health and safety legislation in every aspect related to their work** <sup>(23)</sup> **and can benefit from the best technologies to improve health and safety in the workplace** and prevent accidents, taking into due account the impact this can have on privacy and performance control <sup>(24)</sup>;
- Ensuring a right to lifelong learning for everyone should be on the EU agenda with special attention given to the acquisition of digital skills. National education, training and apprenticeship systems should be further developed with a focus on STEM (science, technology, engineering and mathematics) areas and dual systems. These will lead to better matching of labour market needs and to enable people to acquire skills and to reskill and upskill to mitigate the consequences of the digital revolution, climate change and societal and demographic developments <sup>(25)</sup>.
- Proposing a **coherent policy mix** of macroeconomic, industrial, sectoral and labour policies to ensure a greening of the European economy <sup>(26)</sup>. The aim is to enhance the functioning of the entire supply chain and generate decent jobs along the chain, creating employment opportunities on a wide scale. This should entail tapping into the **potential for creating and promoting quality green and productive jobs** by establishing a green and sustainable growth agenda and implementing initiatives to allow companies, particularly SMEs and in particular micro-enterprises, to embrace SDGs as part of their business strategy.
- The **European Semester**, as the EU's economic governance framework, has a degree of focus on employment and social performance, but it is weak on the dangers presented by climate change and on the EU's progress towards reaching the Paris targets, as reported in the Annual Growth Survey 2019. The EESC therefore calls for a forward-looking EU 2050 sustainable development strategy embedded in a Sustainable Development Cycle, based on **measurable and complementary social, economic and environmental indicators and targets** <sup>(27)</sup>, **in order to design truly sustainable reforms**.
- The Social Scoreboard has proved to be a useful instrument, but it can be improved. The 14 scoreboard indicators and sub-indicators (35 in all) should be subject to continuous revision, involving the social partners and civil society organisations, to adapt them to the political objectives and changing socioeconomic situations in Europe.
- The EESC believes that the following should be included as **key resilience factors in an action programme** <sup>(28)</sup>:
  - **strengthening financial stability**: increasing the financial capacity of the European Stability Mechanism (ESM), promoting a European tax policy that includes fiscal harmonisation, facilitating the fiscal sufficiency of the Member States and establishing effective mechanisms to fight tax fraud,
  - **completing Economic and Monetary Union** by expanding the objectives of the ECB, creating a Single European Treasury with debt-issuing capacity, improving the governance of the Eurozone and making it more democratic,

<sup>(19)</sup> See footnote 5.

<sup>(20)</sup> EESC opinion of 17 October 2018 on the European Finance-Climate Pact (OJ C 62, 15.2.2019, p. 8).

<sup>(21)</sup> See footnote 5.

<sup>(22)</sup> Report of the ILO Global Commission on the Future of Work — Work for a brighter future of 22 January 2019. This report puts health and safety as part of the Universal Labour Guarantee.

<sup>(23)</sup> EESC opinion of 25 September 2019 — Summary of the costs and benefits of Investments in occupational safety and health (OSH) (not yet published in the OJ).

<sup>(24)</sup> Employment and social development in Europe 2019. Quarterly Review of 26 March 2019.

<sup>(25)</sup> EESC opinion of 25 September 2019 on The European Pillar of Social Rights — evaluation of the initial implementation and recommendations for the future (not yet published in the OJ).

<sup>(26)</sup> EESC opinion of 21 September 2017 on The transition towards a more sustainable European Future — a strategy for 2050 (OJ C 81, 2.3.2018, p. 44).

<sup>(27)</sup> See footnote 5.

<sup>(28)</sup> EESC opinion of 17 July 2019 on 'Towards a more resilient and sustainable European economy' (OJ C 353, 18.10.2019, p. 23).

- **increasing the productivity of European economies** by focusing on key factors such as investment (public and private), research, development, education and vocational training, improving business management and worker participation,
  - **labour markets and the quality of employment:** strengthening collective bargaining and social dialogue, ensuring that automatic stabilisers work effectively and creating European unemployment insurance (to complement national schemes), and designing more and better active employment policies supported by a new role for the PES,
  - **promoting social cohesion** by developing and applying the EPSR, with appropriate and more targeted financing, and social dialogue,
  - **promoting the creation of favourable environments** for business activity and investment by improving the financing of companies. Completing, as a matter of urgency, the Capital Markets Union (CMU) and the Banking Union, including a European deposit insurance scheme (EDIS),
  - **combating long-term unemployment and reintegrating** people who are discouraged is another key policy area that needs urgent targeted measures. The EESC **supports minimum requirements for unemployment insurance** in terms of net replacement rate, entitlement period and coverage rate, and also of training and support to workers in the event of unemployment.
- It is absolutely crucial to overcome the public and private investment deficit, with the objective of reaching short-term investment levels in 2007 (22,5 % of GDP in the EU, compared to the current 20,5 %; both figures still significantly lower than those of China and the USA). Therefore, one of the main priorities of budgetary policies must be public investment and to favour private investment, and a reform process to improve the business environment. These reforms must go hand in hand with reforms that improve the quality of employment, reducing their alarming levels of precariousness and ensuring a high level of social and labour rights <sup>(29)</sup>.
- The EESC considers that in establishing benchmarks and minimum standards for a 'triple A' social Europe <sup>(30)</sup>, the European Commission and Member States should agree on a set of common principles, definitions and methods for an adequate minimum income scheme to be put in place in all Member States. The current work on reference budgets <sup>(31)</sup> and the European Minimum Income Network <sup>(32)</sup> provide the basis for the European Commission and Member States to agree on common criteria for establishing what constitutes an adequate minimum income to lift people out of poverty and to lead a decent life compatible with human dignity. Consideration should be given to an EU legislative initiative in this field, in consultation with all stakeholders.
- Further public investments in health, education and social inclusion and in greening the economy, especially at the local and regional level, are needed. They should be accommodated through the introduction of the golden rule that the EESC has recommended in several of its most recent opinions, namely that: **investment expenses, in particular those that promote long-term sustainable growth, should not be counted as regards fulfilment of the deficit objectives of the Stability and Growth Pact**. This, if combined with a reform process, will still ensure the long-term sustainability of public finances <sup>(33)</sup>.
- The EESC **takes note of the Commission President-elect's commitment to table a proposal for a legal instrument to ensure that every worker in our Union has a fair minimum wage. It considers it useful to set benchmarks that help assess the adequacy of low wages**, with a view to preventing poverty among wage-earners, including by promoting analysis and the exchange of good practices through the available mutual learning processes and by introducing common standards to set transparent and predictable minimum wages, where they exist and if the social partners want them <sup>(34)</sup>.
- Mitigating social disparities, combating tax evasion and fraud and supporting a fairer distribution of tax burden, must become political priorities for the upcoming Commission. It therefore calls for the rules adopted to combat these forms of crime and malpractice at European level to be applied without delay, and for the possibility to be evaluated of establishing other more effective measures that also include instruments to end the illicit activities of tax havens <sup>(35)</sup>.

<sup>(29)</sup> See footnote 11.

<sup>(30)</sup> EESC opinion of 20 February 2019 — For a European Framework Directive on a Minimum Income (OJ C 190, 5.6.2019, p. 1).

<sup>(31)</sup> <https://ec.europa.eu/social/main.jsp?catId=1092&intPagelD=2312&langId=en>

<sup>(32)</sup> <https://emin-eu.net/what-is-emin/>

<sup>(33)</sup> See footnote 16.

<sup>(34)</sup> See footnote 25.

<sup>(35)</sup> See footnote 11.

### 3. Building a greener, fairer and more inclusive future — taking urgent action to combat climate change and its impact

3.1. The EESC stresses that environmental protection must be a high priority for the EU in light of the current environmental degradation, and that it must be mainstreamed in all policies and actions of the Union. The Committee underlines that the EU should make a renewed industrial policy strategy compatible with the need to take effective action to reduce greenhouse gas emissions, to increase the share of renewables in the energy mix and to make energy savings, with a view to ensuring that at least the Paris Agreement targets are implemented fully and immediately. At the same time, the EU should push the other parties to the Paris Agreement to fulfil their commitment to ensure a level playing field for European companies. This should also be reflected in an alignment of the EU's emissions reduction targets for 2030 and 2050.

3.2. The faster-changing climate, collapsing biodiversity, other environmental risks and the collective failure to deliver successful policies are also a vital threat to Europe's population, economy and ecosystems. That is why we need a strong overarching EU 2050 sustainable development strategy for the implementation of the UN Agenda 2030. The EU should accelerate the just and sustainable transition to achieve the highest possible level of renewable energy supply. The latter should be clean, affordable, and supportive of community and citizens' ownership.

3.3. Europe must be a leader in fighting for the environment and tackling climate change. The EESC welcomes the fact that an increased effort in climate action is one of the EU's priorities and will continue to be so, as set out in the Political Guidelines of the Commission President-elect, Ms von der Leyen. Environmental sustainability will require a broad policy mix, including trade policy. It will also require the timely implementation of measures, at global, EU, national and regional level, in areas such as energy and transport, taxation, research, industrial and competition policy, as well as employment and social policies.

3.4. Overall, projections of the impact of fully implementing the Paris Agreement show that the transition to a climate neutral economy could raise GDP by an additional 1,1 % and employment by 0,5 % compared to a scenario without climate action policies. This amounts to an additional 1,2 million jobs in the EU by 2030, on top of the 12 million new jobs already expected<sup>(36)</sup>. For this to happen, a level playing in international competition should be created, particularly for European resource and energy-intensive industries (REIIs)<sup>(37)</sup>.

3.5. The transition to a circular and climate-neutral economy will not be inclusive by default, as it implies potentially significant costs and risks for specific sectors. A just transition has two main dimensions: in terms of 'outcomes' (the new employment and socio-economic landscape in a decarbonised economy) and of 'process' (how we get there). The 'outcome' should be a sound industrial and economic base backed up with a conducive investment environment and well-functioning labour and education systems capable of providing decent work for all in an inclusive society in which poverty is eradicated. The process, how we get there, should be based on a managed transition with meaningful economic policies and social dialogue and civil dialogue at all levels to make sure that burden-as well as benefit-sharing is just and nobody is left behind. Necessary measures and reforms may have a substantial impact on people and regions, including significant labour reallocation across sectors and occupations, and profound changes in future skill requirements. **A sustainable transition requires investment in effective and integrated social protection.** In addition, it must be closely combined with a profound and democratic strengthening of economic and monetary union, and with a solid financial strategy capable of ensuring adequate financing of the sustainable transition across an ambitious new Multi-Annual Financial Framework, sustainable and fair national tax systems, and strong public investments at national and European levels. In that context, a fitness check of the Multiannual Financial Framework (MFF) is needed.

3.6. EU instruments such as the European Semester, the ESF and the European Globalisation Adjustment Fund (EGF) as well as the European Social Dialogue can contribute to a just transition by supporting companies, workers and families who have been dependent on work in energy-intensive sectors during the transition, including through retraining, reskilling, individualised job search counselling and potentially income replacement.

3.7. The EESC welcomes the new guidelines on corporate climate-related information reporting as part of the Commission's Sustainable Finance Action Plan, as well as the key recommendations on the types of economic activities that can make a real contribution to climate change mitigation or adaptation (taxonomy)<sup>(38)</sup>. In this regard, it is vital to achieve predictability, certainty and clarity as to which activities are genuinely environmentally sustainable<sup>(39)</sup>.

<sup>(36)</sup> Eurofound (2019), Future of manufacturing — Energy scenario: Employment implications of the Paris Climate Agreement, Eurofound Research Report, February 2019.

<sup>(37)</sup> EESC opinion of 17 July 2019 on the 'Sectoral industrial perspective on reconciling climate and energy policies' (OJ C 353, 18.10.2019, p. 59).

<sup>(38)</sup> Communication from the Commission of 18 June 2019 Guidelines on non-financial reporting: Supplement on reporting climate-related information.

<sup>(39)</sup> EESC opinion of 17 October 2018 on the Proposal for a Regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment (COM(2018) 353 final — 2018/0178 (COD)) and on the Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks (COM92018) 355 final — 2018/0180 (COD)) (OJ C 62, 15.2.2019, p. 103).

**Proposals:**

- The EESC supports the development, in the framework of social dialogue at appropriate national and European levels, of adequate measures on 'just transitions' introducing measures and actions to manage, change and grant minimum protection in cases of reorganised workplaces or collective dismissals stemming from (technological, demographic, globalisation, climate change, circular economy) transitions, including the right to engage in collective bargaining to anticipate change and provide support to affected workers (evolution of the Directive on Collective Dismissals) <sup>(40)</sup>.
- A **just transition** needs to be an integral part of the sustainable development policy framework. Just transition policies should be focused on correcting the adverse distributional effects of climate policy measures, should focus on the active management of labour market transitions and should also deal with regional development issues.
- To address climate and environmental challenges, the EU must **transform a linear economy into a circular, carbon-neutral economy, which ensures that cycles are long-lasting and as an efficient as possible** <sup>(41)</sup>.
- The EESC believes that the Finance-Climate Pact should cover all aspects of a policy to tackle climate change: a fair transition (measures to mitigate the effects of the change, but also to compensate for damage and loss), as well as effective policies for adapting to climate change. The circular economy model should be given priority as much as possible and its regulatory framework improved. Everything will need to be financed on the basis of adequate budgets, achieved by redirecting current investments (green earmarking) and through new sources of accessible funding <sup>(42)</sup>.
- The pact requires the establishment of a clear and predictable European policy framework, over the longer term, with a view to ensuring planning security for investments. This framework must be accompanied by an active reflection on different policy options such as border adjustment mechanisms, such as the Carbon Border Tax, to avoid carbon leakage <sup>(43)</sup>, for products that are not subject to the same environmental and social standards <sup>(44)</sup>.
- Once the sustainability taxonomy <sup>(45)</sup> has been adopted and fully implemented, consideration should be given to the need for possible additional legislative measures, if appropriate and based on a sound impact assessment. In this context, the EESC would refer to its two opinions on the European-Finance Climate Pact <sup>(46)</sup> and on the Commission's Action Plan: Financing Sustainable Growth <sup>(47)</sup>.
- **Investments, both public and private**, in the carbon-neutral economy must be stepped up to achieve the EU's upgraded emissions reduction targets for 2030, and radical change will be necessary to reach a carbon-neutral economy by 2050, in line with the Paris targets. The enduring weakness of investment activity in renewables in Europe is also in contrast with the high level of existing fossil fuel and other environmentally harmful subsidies, which continue across its Member States. The problem is not only underinvestment: the allocation of existing resources is also dysfunctional. Clear policy objectives and a more coherent policy framework are necessary to turn around these negative trends. In any case, the end of the fossil fuels era in Europe must be accompanied by the necessary investments to ensure the protection of its workers, the creation of new jobs and support for local development. Transition processes must be negotiated with the social partners and civil society organisations and related to transparency and effective communication policies.
- **CO<sub>2</sub> emissions should be taxed EU-wide in a socially fair way**, making polluters pay and supporting investment in affordable clean energy. Energy taxation can support the clean energy transition and contribute to sustainable and socially fair growth.
- One of the greatest environmental health risks in the EU is air pollution, causing around 400 000 premature deaths per year. Tackling air pollution through climate action is an opportunity to raise popular and political support for climate change policies.

<sup>(40)</sup> See footnote 25.

<sup>(41)</sup> See footnote 5.

<sup>(42)</sup> See footnote 19.

<sup>(43)</sup> See footnote 7.

<sup>(44)</sup> See footnote 19.

<sup>(45)</sup> See footnote 38.

<sup>(46)</sup> See footnote 19.

<sup>(47)</sup> EESC opinion of 17 October 2018 on the Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions — Action Plan: Financing Sustainable Growth (COM(2018) 97 final) (OJ C 62, 15.2.2019, p. 73).



- Fighting energy and water poverty, and guaranteeing accessible, healthy and good quality food, safe products and an end to damaging exposure to toxic chemicals. A broad policy-mix, including the EU's agricultural policy, should help meet new societal demands, including sustainable production methods, better nutrition, reduced food waste, better animal welfare, climate protection and the preservation of biodiversity.
- The EU should support partner countries' efforts to phase out environmentally harmful subsidies in order to help them implement the 2030 Agenda and the Paris Climate Change Agreement.
- The EU trade policy must be consistent with the 2030 Agenda and the Paris Agreement. Existing provisions on trade and sustainable development chapter agreements must be effectively enforced.

#### 4. **Protecting citizens and freedoms — peace, justice and strong institutions**

4.1. The EU provides peace, stability and prosperity across Europe and beyond, in spite of its many internal and external challenges. The EU stands resolutely for its principles of democracy, the rule of law and fundamental rights. These guide our policies and foster a sense of belonging, building on our shared culture. Democracy must be respected in Europe and promoted abroad. Civic engagement, public accountability, and fairer, more transparent and inclusive decision-making processes must be enhanced at all levels.

4.2. The EU needs open and vibrant societies, where individuals have equal rights and can live free from discrimination and with full respect for their privacy and safety. Cultural diversity enriches Europe and its people. Diversity is part of Europe's identity and strength.

4.3. Europe is facing major challenges and they must be addressed and discussed from a European perspective and not from a national perspective only, and by giving full effect to the provisions enshrined in Articles 10 and 11 of the TEU. For this reason, European democracy needs to strengthen the transnational dimension of its objectives and challenges, while promoting a European citizenship based on the common values in the European Union, with more European institutional education and a deliberative, more participatory societal framework, as well as a more European focus.

4.4. Demographic developments show that Europe will need migrants, their talent, skills and entrepreneurial potential. There is an urgent need to change the narrative and policies on migration based on closer cooperation with third countries, to ensure a rational debate based on facts. Refugees and migrants should be seen not as a threat but as an opportunity for Europe's economic and social model. For this, we need a comprehensive approach and strategy on migration, including legal migration.

#### **Proposals:**

- The EU needs a comprehensive and enforceable mechanism for regular monitoring of the state of democracy and the rule of law in all EU countries.
- Free and independent media and civil society must be supported and allowed to play their role in democracy.
- Consumer policy is close to the interests of the public and can therefore influence people's commitment to the EU's integration process. The EESC calls on the Commission to ensure that consumer rights are enforced and respected in the REFIT process, in the digital world and in the safety of products and services. The Commission should strengthen measures to eliminate energy poverty and consumption poverty and to enhance access to food and services for all Europeans. The Commission should also promote consumers' rights to information, education and participation and their right to organise themselves so that their interests are represented when the rules in which they have a stake are being devised.
- The Commission must complete its review of the main legal and non-legal instruments of EU consumer policy as a cross-cutting, horizontal citizenship policy and must present a new action plan to protect and defend consumers over the next 10 years.
- Moreover, and taking into account that access to services of general interest (SGIs) is a vital component of social justice and is underpinned by the principle of the equal treatment of users, prohibiting any kind of discrimination or exclusion, the EESC calls for the concept of universal access to SGIs to be clarified, and for legislative measures to be introduced obliging Member States to establish access indicators <sup>(48)</sup>.

<sup>(48)</sup> EESC opinion of 19 June 2019 — For a better implementation of the Social Pillar, promoting essential services (OJ C 282, 20.8.2019, p. 7).

- The Commission should present a European Agenda for Combating Discrimination on the grounds defined in Article 19 of the Lisbon Treaty and also take concrete action to unlock and review the Directive on implementing the principles of equal treatment and address the conditions of children, women, persons with disabilities and the elderly in vulnerable situations as well as new forms of vulnerability. The EESC recommends that the Commission take urgent action on this issue at the very beginning of its mandate.
- The Commission should undertake specific initiatives in line with the recommendations of the UN Committee on the Rights of Persons with Disabilities and implement the UNCRPD in its external policies and programmes, including the launch of an EU disability card recognised in all Member States. In 2020, the EU should present its proposal for the European Disability Rights Agenda 2020-2030 and declare 2023 as the European Year of Disability Rights.
- The EESC also encourages the Commission to support activities in educational institutions at all levels to help students to distinguish between fake news and science-based facts.
- The EU must improve its policies and actions to ensure **gender equality by implementing a transformative and measurable agenda for gender equality**, as part of an integrated and ambitious five-year EU gender equality strategy. This strategy should include eliminating gender pay gaps not only via a specific tool that enhances corporate transparency on wage policies and their strategies for tackling gender pay gaps, and addressing all areas defined in the Action Plan for combating the gender pay gap. In addition, the EU must guarantee that all people facing multiple discrimination have equal opportunities in society.
- The EESC underlines the urgent need to assist and integrate refugees and asylum seekers. It calls on the Commission to urgently initiate and undertake an efficient reform of the Common European Asylum System that is respectful of human rights, and the establishment of a genuinely common system for all Member States. It also recommends that progress be made with resettlement and humanitarian visas for refugees in order to meet real needs. It calls on the Commission to intensify efforts to monitor and facilitate the implementation of the agreement on the distribution of refugees among Member States.
- Furthermore, it calls for human rights and international law to be respected in the review of partnership agreements with third countries of transit and origin of migration flows, and for the development of financial instruments to address the root causes of migration.
- **Cooperation with partner countries is essential** in addressing the root causes of migration, helping refugees, dealing with mixed-migration flows, tackling smuggling and carrying out return and readmission work. To provide effective assistance to people in their home countries, humanitarian, development and political instruments need to be coordinated.
- The EU should adopt policies and measures that endorse **safe, orderly and regular migration** and also strengthen inclusion and social cohesion. The EU should **regulate the status of 'environmentally displaced individuals'** and work in closer coordination with the ILO as far as the labour migration and integration programmes are concerned. <sup>(49)</sup>
- The EESC calls **for safe, legal routes for refugees when they come to the EU**. A coordinated approach from all Member States and European and national stakeholders, based on shared responsibility, fair allocation, convergence and respect for fundamental rights, is needed to include more options for family reunification, relocation and resettlement.

## 5. Promoting Europe's interests and values in the world — strengthening the means of implementation and revitalising the global partnership for sustainable development

5.1. In an increasingly fractured and multipolar world, the EU needs to strengthen its position in order to guarantee its prosperity, security and values. As highlighted in the Global Strategy of June 2016, Europe needs to lead in the world through consistent and strong support for the multilateral, rules-based global order, with the UN at its core. The EU should promote global governance based on the core values of social market economy, human rights, rule of law, sustainable development, multilateralism and respect for international humanitarian law.

<sup>(49)</sup> See footnote 5.

5.2. The EU should also make it a priority to develop strong relations with close neighbours, based on a clear balance of rights and obligations. Reference could be made to EU neighbourhood policy and development policy as one of the EU priorities, and the EU as the biggest donor in the world. Civil society should participate in monitoring these policies.

5.3. The EU must maintain the impetus of the enlargement process and continue with the accession negotiations and programmes with the Western Balkan countries.

5.4. EU trade policy is a key factor that applies to the EU as a whole and indeed unites all its Member States. Trade policy has helped the EU to increase its prosperity through commercial exchanges with a wide range of partners. At the same time, the EU embodies and promotes, through trade, the values of social inclusion and environmental protection that are essential to shaping sustainable globalisation — in other words, a form of globalisation that will benefit not only large companies and investors, but also ordinary people, workers, farmers, consumers, crafts and liberal professions and SMEs and in particular micro-enterprises. Trade is also a major tool to support the EU policy towards the developing world, in contributing to the shift from development to partnership, especially with Africa.

5.5. Europe needs a fair and modern taxation policy, adapted to the challenges of the digital economy and ensuring a level playing field for internet giants, on-line merchandise platforms and local businesses. Tackling tax evasion, fraud and avoidance will require more extensive cooperation at international level and between national tax authorities.

#### Proposals:

- The EESC calls in particular for **an ambitious trade policy agenda** at all three levels, unilateral, bilateral and multilateral — a policy that will create growth and quality jobs in the EU while promoting a rules-based trade policy at global level.
- The EU, together with European civil society, including businesses, must also actively promote the full respect of human rights when negotiating trade agreements. Moreover, the ILO conventions should be respected. These agreements should be subject to democratic oversight, ensuring the due participation of civil society, and a roadmap on solid commitments should be sought in case ILO conventions are not properly ratified or implemented <sup>(50)</sup>.
- The EU must also include **a solid commitment in relation to the Paris Agreement and the Convention on Biological Diversity**, in order to put in place real social, consumer protection and environmental clauses in each trade agreement (all potential trading partners of Europe would be concerned since 195 of the 197 members of the United Nations are signatories to it). Carbon pricing at global level would also be an option to be further analysed particularly for the European resource and energy industries (REEIs) <sup>(51)</sup> and, if well designed according to EU and WTO rules, should be actively promoted <sup>(52)</sup>. A Carbon Border Tax could help to achieve this goal.
- The EESC encourages the Commission to strengthen its dialogue with civil society to develop the functioning of Trade and Sustainable (TSD) Chapters in current and future trade agreements. The EESC urges the Commission to be more ambitious, particularly in order to strengthen effective enforceability of the commitments in TSD chapters <sup>(53)</sup>. The EU must also include the highest levels of **human rights, consumer protection, and workers' rights** in all future trade agreements. Moreover, the ILO conventions should be respected. These agreements should be subject to democratic oversight, ensuring the due participation of civil society.
- The EESC supports **fair taxation and the fight against fraud, tax evasion, money laundering and the financial practices of tax havens**; a common objective of EU institutions, governments and business must be to work together in order to put in place efficient mechanisms such as the two anti-tax avoidance directives.
- The EU must cooperate with other economic regions to effectively fight corruption and tax evasion worldwide and to ensure that international rules on corporation tax are clear, transparent, objective and predictable.

<sup>(50)</sup> EESC opinion of 14 February 2018 on Trade and Sustainable development chapters (TSD) in EU Free Trade Agreements (FTA) (OJ C 227, 26.8.2018, p. 27).

<sup>(51)</sup> EESC opinion of 17 July 2019 on 'The sectoral industrial perspective on reconciling climate and energy policies' (OJ C 353, 18.10.2019, p. 59).

<sup>(52)</sup> See footnote 19.

<sup>(53)</sup> EESC opinion of 14 February 2018 on Trade and sustainable development chapters (TSD) in EU Free Trade Agreements (FTA) (OJ C 227, 28.6.2018, p. 27)

- The new business models using internet platforms and other digital tools have resulted in companies relying less on a physical presence in a country. The EESC believes that it is very important to develop **new principles on how to attribute corporate profits to an EU country and tax them**, in dialogue with trading partners, and to actively participate in the ongoing discussions at OECD/G20 level on a global agreement on the digitalised economy, in order to avoid any escalation of trade and tax tensions between major economic players in the world <sup>(54)</sup>.

## 6. Delivering the priorities through strong governance and a stronger EU budget

6.1. Changing economies and worlds of work, changing climate and changing geopolitics are already shaping our Union and will be major drivers for our future. **The EU needs a new governance approach and, when needed, new rules and instruments when defining and implementing EU policies.** Sustainable development requires a holistic and cross-sector policy approach to ensure that economic, social and environmental challenges are addressed together.

6.2. The EESC underlines that the EU must tackle these challenges with strong political commitment, greater and better political integration, with full respect for and while promoting human rights, fundamental freedoms and the democratic principles and by working together.

6.3. The EESC stresses that the financial and economic crisis has produced an imbalance between the main institutions of the Union. This requires **new forms of governance** and management at EU level. The role of the European Parliament must be strengthened to promote more democratic accountability.

6.4. **The implementation of the EPSR and the SDGs requires a robust budgetary base**, a conducive business environment and public and private investment. The negotiations for the next Multiannual Financial Framework should aim to secure proper funding for employment, social and environmental policies and productive investment.

6.5. **A first step to strengthen the climate dimension of the next MFF would be to rise the climate-mainstreaming target for the whole MFF to 40 %, as requested by the EESC.** This would require adjusting all sectoral climate targets accordingly and making them legally binding. The Commission and the Parliament should also work together to make sure that the green architecture of the new CAP, namely conditionality and the eco-schemes, will be implemented efficiently from the environmental point of view, to phase out EU support to projects that harm the climate and to improve climate-tracking methodologies. They should also free significant resources to support those individuals and territories most affected by the energy transition, by creating new instruments or reforming the existing ones.

6.6. Unanimity, which the Treaties require in some fundamental matters, is an almost insurmountable obstacle at important moments and for crucial decisions, and the Committee advocates therefore, with regard to decision-making procedures, the principle of qualified majority voting (QMV) in the Council and, for legislation, the use of the ordinary legislative procedure in all areas where this is possible. The EESC recalls that under the current Treaties this can be achieved by using the various 'passerelle clauses' or, in the case of enhanced cooperation, by using Article 333 of the TFEU <sup>(55)</sup>.

### Proposals:

- Promoting the importance of **cooperation at interinstitutional level**, while respecting each institution's prerogatives as enshrined in the Treaties, this cooperation having been given a new framework with the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. The EESC is of the view that it should be involved in order to ensure that views from all relevant stakeholders are taken into account and ultimately to facilitate the participation of citizens in the work of the EU.

- Using the **European Commission's better regulation tools** is another way to ensure further mainstreaming of sustainable development in European policies. All Commission impact assessments must evaluate **environmental, climate, social and economic impacts** so that sustainability is duly considered and factored in. Ex-post evaluations must also analyse all three dimensions, taking a strong, integrated approach. Social partner consultations are also required, respecting Treaty provisions requesting the specific consultation of labour and management in relation to legislation on social issues (Article 154(2)); consultations with the European Economic and Social Committee, the European Committee of the Regions and national parliaments form another component of the better regulation toolbox to meet the inclusiveness requirement that is at the heart of the 2030 Agenda <sup>(56)</sup>.

<sup>(54)</sup> EESC opinion of 12 July 2018 on The taxation of profits of multinationals in the digital economy (OJ C 367, 10.10.2018, p. 73).

<sup>(55)</sup> EESC opinion of 17 September 2015 on Improving the Lisbon Treaty (OJ C 13, 15.1.2016, p. 183).

<sup>(56)</sup> See footnote 5.

- The EESC strongly believes that the proposed **Multiannual Financial Framework for 2021-2027** is not adapted to deal with the new challenges laid down in the European Council Strategic Agenda 2019-2024 and the Political Guidelines of the next European Commission 2019-2024. The EESC proposes an increase in funding to allow for (i) the implementation by the Member States of the European Pillar of Social Rights to stimulate the creation of quality jobs in the context of sustainable economic development; (ii) the implementation of the UN Agenda 2030; and (iii) the implementation of the Paris Agreement promoting just transitions towards green and digitised societies.
- Making the receipt of EU funds by the Member States conditional upon respect for the principle of the rule of law, a fundamental pillar of values of the Union according to Article 2 of the Treaty on European Union (TEU). The Committee also considers that this conditionality could be extended to the other principles linked to the Rule of Law contained in the EU Treaties <sup>(57)</sup>.
- The projects to be supported, which will be in line with the UN Sustainable Development Goals and which require significant resources for innovation and R & D, will need to be enforced through a tool making it possible to visualise the various sources of financing (including the future MFF) and based on different initiatives <sup>(58)</sup>, namely:
  - redirecting funding towards sustainable investments through ‘green earmarking’ and, in this context, promoting ‘green labelled’ loans from the European Investment Bank (EIB);
  - using quantitative easing by the European Central Bank (ECB) as a source of financing;
  - increasing to 40 % the share of the European Fund for Strategic Investments dedicated to combating climate change;
  - the EU must show a level of ambition that matches the magnitude of the challenge involved in fighting climate change; an average 40 % of its global budget (MFF 2021-2027) must be allocated to this objective;
  - increasing the corresponding share of the European Cohesion Fund over and above the current 20 %;
  - using 3 % of pension and insurance funds;
  - Supporting businesses, particularly SMEs and in particular micro-enterprises, in their R & D investments, up to an amount of EUR 100 billion devoted to this purpose;
  - Respecting the financial assistance commitments made to the countries of the South, which are contributing to the fight against climate change <sup>(59)</sup>.

## **7. EESC leading and facilitating civil society’s participation in EU affairs — empowering, involving and consulting civil society organisations**

7.1. The promotion of sustainability in all its dimensions — economic, social and environmental — requires a considerable effort and engagement by all of the players involved. Open democratic debate underpinned by the structured involvement of civil society has a pivotal role to play in making the transition fair and effective. Major questions about the ‘outcomes’, ‘how we get there’ and how to make sure that the burden- and benefit-sharing is just and that nobody is left behind need to be openly and transparently addressed.

7.2. The EESC underlines the pivotal role of civil society organisations in the design, implementation and monitoring of policies at all stages and at all levels, including the local level. This requires a change in culture and an acknowledgement of the value of civil society at EU and Member State levels, which is already enshrined in Article 11 of the TEU, which provides for EU institutions to promote and facilitate horizontal and vertical civil dialogue, to carry out broad consultations and lay down the foundations for the European Citizens’ Initiatives. These complementary processes take place without prejudice to consultation of the EESC and social dialogue.

<sup>(57)</sup> EESC opinion of 19 September 2018 on the Multiannual Financial framework for the years 2021 to 2027 (OJ C 440, 6.12.2018, p. 106).

<sup>(58)</sup> See footnote 19.

<sup>(59)</sup> See footnote 19.

7.3. Civil society has the capacity to reflect genuinely very different and sometimes diverging interests and to make the decision-makers aware of them. The EESC is a very good example of this process, and it is fully committed to continuing to play its role: facilitating dialogue, and building bridges within civil society and towards the other European institutions.

#### Proposals:

- Considering that the EESC is the civil society institution at EU level, its role should be thoroughly and extensively strengthened and utilised in leading and facilitating the involvement and consultation of civil society in EU affairs. **It should therefore be actively involved in the preparation and realisation of the Conference on the Future of Europe, which is due to start in 2020 and was announced by Ursula von der Leyen in her agenda for Europe.**
- The EESC follows closely and is actively involved in structured dialogues and consultative fora (e.g. the Circular Economy Stakeholder Platform, the European Migration Forum) that bring together and involve civil society organisations and other players from EU institutions and Member States. **When constituting platforms such as REFIT, the Commission should consider the EESC's representation, in accordance with the mandate given to the Committee by the Treaties, and in so doing ensure that this reflects the Committee's composition in the form of its three groups.**
- The EESC points out that, at EU level, there is no structured involvement of civil society organisations in the process of monitoring the implementation of cohesion policy. It therefore strongly recommends that the Commission **establish a European Civil Society Cohesion Forum** <sup>(60)</sup> with the participation of employers' and employees' organisations, and of other relevant civil society organisations.
- When setting up internet portals to gather opinions from the public, thus including both organisations and individuals, the Commission should make a distinction between contributions from civil society organisations and those from individuals. To this end, the Commission should **carry out stakeholder mapping in cooperation with the EESC to identify representative and geographically balanced target groups**, drawing on the Transparency Register. In addition, the Commission **should ensure that the responses have quantitative and qualitative weighting**. Furthermore, the Commission should continuously work on **improving these consultations in terms of transparency, accessibility, feedback and accountability to participants**.
- In order to develop a more strategic approach to these practices, putting them on a more structured institutional and representative foundation, **the Commission should work closely with the EESC and ask for an exploratory opinion on how civil dialogue could be organised effectively and on a permanent basis, leading to a specific Commission communication**.
- **The effectiveness of the European Citizens' Initiative should be improved**, exploring new ways, such as the use of digital tools, to increase the engagement of young people and people from vulnerable groups in particular.

Brussels, 30 October 2019.

*The President*  
*of the European Economic and Social Committee*  
Luca JAHIER

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<sup>(60)</sup> EESC opinion of 17 October 2018 on the Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund (OJ C 62, 15.2.2019, p. 90).