

Opinion of the European Economic and Social Committee on the communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions launching a consultation on a European Pillar of Social Rights

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Rapporteurs: **Jacek KRAWCZYK**

Gabriele BISCHOFF

Luca JAHIER

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Foreword

Article 3 TEU: ‘... [The Union] ... shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. [...].’

This opinion sets out the European Economic and Social Committee’s initial contribution to shaping what may eventually be a European Pillar of Social Rights. It draws from the rich and diverse discussions during the 28 national debates organised by the Committee, which it believes provides the added value of this opinion. The Committee emphasises that the Pillar must be developed with the strong involvement of civil society, including the social partners, at all levels. It stresses the need for more clarity regarding what the Pillar is ultimately intended to be and in defining its scope.

The Committee is of the opinion that the Pillar must offer a positive project for all and should apply to all EU Member States, while acknowledging that the euro area may need particular instruments/mechanisms. The Committee believes that the future of work — with all the opportunities and challenges this presents — should be a key priority in the debates regarding the Pillar.

1. Introduction

1.1 Following the request from the President of the European Commission to the European Economic and Social Committee (EESC) for an EESC contribution to the consultation on a European Pillar of Social Rights (‘EPSR’) ⁽¹⁾, the Committee engaged in broad civil society ⁽²⁾ consultations in the 28 Member States. In total, some 116 EESC Members and close to 1 800 other representatives of civil society organisations participated in these national debates.

1.2 The EESC’s opinion on the *European Pillar of Social Rights* reflects and has integrated the principal conclusions and recommendations of these national debates. The Committee notes the Commission’s intention to ‘... express a number of essential principles to support well-functioning and fair labour markets and welfare systems’ ⁽³⁾ and considers the EPSR to be a very important initiative for the sustainability of the EU. Within this context, this EESC Opinion constitutes a first step in the

⁽¹⁾ Letter from Mr Juncker, President of the European Commission to Mr Dassis, President of the EESC, dated 8 March 2016.

⁽²⁾ According to EESC terminology, the term ‘civil society’ refers to ‘organised and representative civil society’. See opinions OJ C 329, 17.11.1999, p. 30 and OJ C 193, 10.7.2001, p. 117.

⁽³⁾ See footnote 1.

ongoing process towards the establishment of an EPSR. The Committee states its intention to continue contributing to discussions on this topic, notably subsequent to the adoption of the Commission's White Paper in 2017.

2. Challenges and priorities

2.1 In 2017, the European Union will mark the 60th anniversary of the signing of the Treaty of Rome. This landmark anniversary offers an occasion to celebrate the EU's achievements, but must also be the occasion to address Europe's major political, economic and social challenges. Citizens' trust in the European Union has diminished in many Member States. For the first time in its history, the Union will probably see a Member State breaking away.

2.2 Since the shock of the 2008 financial crisis, the European Union has continued to experience a series of subsequent crises. Although situations vary among Member States and there have been different policy responses, today the EU is facing numerous challenges which include: a prolonged period of high unemployment, unacceptable levels of youth unemployment, economic instability and deterioration in the social situation including increased poverty and inequality levels. To this can be added globalisation, demographic developments and digitalisation. The inability of the Union to deal adequately with the influx of asylum-seekers and migrants has added to the general sentiment that the EU can no longer provide both political and practical solutions that work in the interests of all. Eurosceptic, populist and nationalist parties seek to capitalise on these fears by offering simplistic solutions to complex problems, pointing a finger at certain sections of our communities and creating dangerous divisions in society.

2.3 Some of the challenges and divergences among and within the Member States were made worse by the crisis. They result from or are exacerbated by, inter alia, a lack of growth and structural weaknesses in our labour markets and social protection systems, which to a large extent predated the crisis. What will make the difference is the collective capacity of the EU and its Member States to create the conditions for sustainable growth and employment.

2.4 The EESC welcomes the Commission's initiative of launching a public consultation on a European Pillar of Social Rights, as part of the effort to secure 'a fair and truly pan-European labour market' to achieve a 'triple-A social Europe' and to serve as a compass for renewed convergence within the euro area. However, there is much uncertainty about what this 'Pillar' is ultimately intended to be. Above all, the EESC stresses that the European Pillar of Social Rights must result in a positive project for all. This way it can contribute to regaining trust in the EU's ability to improve life prospects for current and future generations.

2.5 To this end, the Pillar must also address the specific challenges occurring in the labour market and social protection systems with a view to achieving a fair balance between the economic and social dimension, as well as contributing to the fight against poverty, social exclusion and inequalities.

2.6 The EESC acknowledges that the European economic and social model is based on the shared understanding of the importance of increasing employment, social progress and productivity, as the underlying key factors for sustainable economic growth, which benefits everyone in a fair manner. The process of preparing the Pillar is an opportunity to reaffirm our shared commitment to the European social model, while ensuring that national welfare systems and labour markets are adaptable and fit for the future⁽⁴⁾. The EESC emphasises the need for growth and competitiveness in the whole of the EU. In this context, the EESC stresses the necessary interlinkage between economic, employment and social policy⁽⁵⁾.

2.7 The EESC is convinced that EU and national policies and actions aiming to achieve economic success and social progress need to become more central in the EU policy debates. Moreover, achieving coherent and mutually reinforcing EU and national policymaking is important. As part of these efforts, a new mindset towards change is necessary.

2.8 Whereas the European Semester process continues, the Europe 2020 Strategy aiming at 'smart, sustainable, inclusive growth' has become marginalised and the hopes for achieving its social targets, notably of the objectives of achieving 75 % employment participation rates, or lifting 20 million people out of poverty, have faded away. Similarly, the 2008 Active Inclusion Recommendation⁽⁶⁾ has had a limited impact.

⁽⁴⁾ National debates in Ireland, Latvia, Portugal and Spain.

⁽⁵⁾ Article 3 TEU: '... [The Union] ... shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment.'

⁽⁶⁾ OJ L 307, 18.11.2008, p. 11.

2.9 As a starting point, the Pillar should promote the existing EU social *acquis* and its full and proper enforcement. Where new binding legislative initiatives and instruments are considered, this must be done in line with existing legal bases and procedures. The legal status of the Pillar is yet to be determined, as is also its relationship to the core international human rights instruments⁽⁷⁾. However, the EESC stresses that social rights must apply to everyone living in the EU and in all EU Member States, while acknowledging that particular instruments/mechanisms may be needed for the euro area.

2.10 Investment in the future is crucial but Europe continues to suffer from a lack of public and productive private investment. The EESC recognises the efforts made by the 'Juncker Plan' for investment⁽⁸⁾ and welcomes its extension. In the second phase, greater investment must be targeted towards the countries and regions which need it the most, to boost their economies and growth and avoid even greater divergence between and within Member States. Investment projects in social infrastructure should also be supported sufficiently through the Juncker Plan.

2.11 The discussions on the Pillar are taking place in parallel with other key debates at EU and global level, notably on the future of Europe and the future of work. The discussions on the future of Europe at the Rome Summit in 2017 should take into account the debates surrounding the European Pillar of Social Rights. The EESC emphasises the need for synergy and coherence in these discussions which will shape our common future. The development of the Pillar should take account of the Europe 2020 Strategy and learn from its problematic implementation. It should also be linked to an overarching EU strategy⁽⁹⁾ to implement the 2030 Agenda for Sustainable Development adopted by the United Nations in 2015, with its Sustainable Development Goals. These set out an agenda for global transformational change to end poverty, protect the planet, ensure protection of human rights including the human rights of persons with disabilities as enshrined in the UN Convention on the Rights of Persons with Disabilities (UNCRPD), which EU and Member States are obliged to implement, and guarantee prosperity for all⁽¹⁰⁾. At EU level, effort must also be made to ensure that all EU anti-discrimination and gender legislation⁽¹¹⁾ is implemented.

2.12 In parallel with the Commission's public consultation, the EESC launched a series of national debates in the 28 Member States to raise awareness about the initiative beyond Brussels, stimulate debate and openly discuss how the Pillar should be developed. Many of the outcomes of these national debates are reflected in this opinion.

2.13 It is imperative to better define the scope of the Pillar. The EESC is of the view that this initiative should include all citizens, covering all phases of the life-cycle. The EESC is concerned about the lack of reference to asylum-seekers and migrants in the Commission's communication on the Pillar.

2.14 The role of civil society must be better recognised and reinforced. Civil dialogue needs to be strengthened to ensure that people, including young people⁽¹²⁾ and those in vulnerable situations or facing discrimination, feel that they are able to participate in the design, implementation and review of policymaking processes. The social partners have a specific role to play in the elaboration and implementation of policies directly or indirectly affecting employment and labour markets. Social dialogue must be promoted and supported, while respecting the autonomy of the social partners and collective bargaining and increasing the social partners' capacity to engage in social dialogue. The proper involvement of social partners and civil society in the discussions concerning the Pillar was underlined in many national debates⁽¹³⁾. In three debates, the importance of creating a consensual approach and ownership was underlined⁽¹⁴⁾.

⁽⁷⁾ <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CoreInstruments.aspx>

⁽⁸⁾ https://ec.europa.eu/priorities/jobs-growth-and-investment/investment-plan_en

⁽⁹⁾ OJ C 34, 2.2.2017, p. 58.

⁽¹⁰⁾ <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

⁽¹¹⁾ Directive on equal treatment between persons irrespective of racial or ethnic origin (2000/43/EC) (OJ L 180, 19.7.2000, p. 22).

General Framework for Equal Treatment in Employment and Occupation Directive (2000/78/EC) (OJ L 303, 2.12.2000, p. 16).

Directive on equal treatment between men and women in the access to and supply of goods and services (2004/113/EC) (OJ L 373, 21.12.2004, p. 37).

Directive on equal opportunities and equal treatment of men and women in matters of employment and occupation (2006/54/EC) (OJ L 204, 26.7.2006, p. 23).

⁽¹²⁾ The importance of engaging young people in the dialogue was raised in several national debates in Slovenia, for example.

⁽¹³⁾ National debates in Ireland, the Netherlands, Portugal, Finland, Belgium, Greece, Slovakia, Slovenia and Croatia.

⁽¹⁴⁾ National debates in Cyprus, Belgium and the Netherlands, for example.

3. Future of work

3.1 The EESC is convinced that the future of work should be a key priority within the debates about the Pillar, in order to address the major changes taking place in the world of work. The EESC believes that a more consistent and integrated approach is now needed and therefore calls for a coherent European Employment Strategy on, inter alia, the work of the future, addressing:

- investment and innovation,
- employment and quality job creation,
- fair working conditions for all,
- fair and smooth transitions supported by active labour market policies,
- the involvement of all stakeholders, especially the social partners ⁽¹⁵⁾.

3.2 The task of shaping and managing the transformations taking place in the world of work is shared among several institutional actors. All relevant stakeholders must work together to ensure that the future of work is fair and inclusive, offering employment opportunities for all and leading to social progress. The EESC is convinced that a well-educated, well-skilled and motivated workforce with a decent income and access to quality jobs is in everyone's interest. Securing positive future outcomes will depend on the necessary investment to provide people with the tools needed to adapt to these changes, provide adequate safety nets and foster innovation, not least social innovation.

3.3 The changes in the world of work should be used to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all' ⁽¹⁶⁾. This goal should be addressed by the EU, the Member States and the social partners in their different roles. Civil society organisations representing people distanced from the labour market should also be involved. The preconditions for the creation of more and quality jobs are unevenly distributed among and within the Member States. The EESC urges the institutional actors of the Member States to move rapidly towards a 'high-road' strategy combined with an active labour market policy. This should be supported by a revamped and inclusive European Employment Strategy and a coherent and ambitious European Industrial Strategy.

3.4 The EESC has already appreciated rooting the EU agenda for new skills and jobs ⁽¹⁷⁾ in the notion of flexicurity and has underscored the need to strike the right balance between internal and external flexicurity in the interests of both a more efficient labour market and the protection of workers. It has also underlined the importance of actively involving the social partners in monitoring and evaluating the implementation of flexicurity policies ⁽¹⁸⁾. Moreover, the EESC has underlined that sound macroeconomic policies fostering employment growth as well as a favourable business environment realising and supporting the full growth potential, are important pre-conditions for flexicurity to work. The EESC has also encouraged Member States and the EU to create and maintain a legal framework conducive to adaptability, which is simple, transparent and predictable, as well as to strengthen and uphold employees' rights and the justiciability, and to promote through the EU a stable legal framework for collective bargaining and social dialogue when implementing flexicurity. It has also underlined that it is important for the social partners to be actively involved in the debate and the decision-making process on flexicurity ⁽¹⁹⁾. Balancing flexibility and security ⁽²⁰⁾, as well as the labour market's ability to adapt to new challenges, was addressed and emphasised in the national debates in a number of Member States ⁽²¹⁾.

3.5 The framework conditions in labour markets need to support new and more diverse career paths. Different forms of sourcing labour and different forms of working are needed in working life. This requires providing a suitable employment protection legislation environment to provide a framework for fair working conditions and to stimulate recruitment under all employment contracts.

⁽¹⁵⁾ National debates in Finland and Hungary, for example.

⁽¹⁶⁾ Sustainable Development Goal 8.

⁽¹⁷⁾ An Agenda for new skills and jobs, COM(2010) 682 final.

⁽¹⁸⁾ OJ C 318, 29.10.2011, p. 142.

⁽¹⁹⁾ OJ C 211, 19.8.2008, p. 48.

⁽²⁰⁾ National debates in Denmark, Finland and Hungary.

⁽²¹⁾ National debates in Bulgaria, Latvia, Poland, Romania, Slovakia and Slovenia, for example.

3.6 The changes occurring in the world of work are many and multi-faceted. We must find ways to ensure secure transitions between jobs, statuses and from unemployment to employment, as well as from education to work, for the whole workforce. People's ability to make the necessary transitions at different stages of their lives and the availability of the frameworks and support mechanisms to enable them to do so will determine the society we live in and our economic prosperity. The EESC proposes to discuss in a holistic manner the frameworks and support mechanisms to support these transitions.

3.7 Rapid technological advances are also shaping the way we live and work. Pro-active policymaking at the EU and national levels can and must ensure that the opportunities provided by digitalisation can be unlocked while the pitfalls are avoided or mitigated ⁽²²⁾. In the national debates, digitalisation, along with frequent references to the need for the necessary investment in training and infrastructure ⁽²³⁾, was widely identified as one of the main challenges that should be reflected in the Pillar ⁽²⁴⁾. The impact of these developments on the labour market and standards, economy, tax and social security systems and on the living wage must, therefore, be carefully assessed ⁽²⁵⁾.

3.8 The Digital Agenda and the Digital Single Market initiative should be connected to a new overarching approach to the future of work. This must address the economic, employment and social challenges, including the objective of providing the necessary skills and a level playing field. The EESC believes this can best be achieved in accordance with the Treaties through a rights-based approach at the appropriate level, supporting access to, among others, education and social protection and better EU coordination in areas where it has no legislative competence.

3.9 As the EESC has already emphasised, 'cooperation is key' ⁽²⁶⁾ when addressing the challenges of digitalisation. In this context, the EESC addresses, in particular, the European Commission and the European governance level as a whole, national governments, the social partners and wider civil society as a whole. The EESC has already recommended that the European Commission, the OECD and the ILO should work together with the social partners at all appropriate levels and wider civil society organisations, to develop appropriate provisions on decent working conditions and the protection required to take account of new forms of work (such as online work, the gig and sharing economies) ⁽²⁷⁾.

3.10 Particular attention should be paid to increasing youth employment levels. As already stated in previous EESC opinions, specific measures to combat youth unemployment should be taken within the national reform programmes ⁽²⁸⁾. Well-functioning apprenticeships and other quality forms of work-based learning (WBL) systems can help young people to make a smoother transition from school to employment ⁽²⁹⁾. The EESC has supported the idea of the establishment of youth guarantee schemes in the Member States being funded through a specific Youth Employment Initiative Fund, within the Multiannual Financial Framework and appreciated its creation ⁽³⁰⁾.

3.11 The role of social dialogue was emphasised in many of the national debates ⁽³¹⁾. The EESC is concerned that there are a number of countries without an adequate social dialogue ⁽³²⁾, as well as countries/sectors where employers and employees are not represented in the social dialogue and not involved in collective bargaining. This should be taken into consideration ⁽³³⁾, as well as the need to foster a solution-oriented social dialogue contributing positively to worker protection and the competitiveness of enterprises. Collective bargaining should be promoted at all appropriate levels; and to monitor this, the EESC recommends collecting data on the coverage of collective bargaining throughout Europe, through indicators in the European Semester, while fully respecting national practices and industrial relations systems.

⁽²²⁾ OJ C 13, 15.1.2016, p. 161.

⁽²³⁾ National debates in Austria, Bulgaria, Czech Republic, Croatia, Denmark, Germany, Finland, Hungary, Luxembourg, Poland Slovakia and Spain.

⁽²⁴⁾ National debates in Bulgaria, for example.

⁽²⁵⁾ OJ C 303, 19.8.2016, p. 54.

⁽²⁶⁾ OJ C 389, 21.10.2016, p. 50.

⁽²⁷⁾ See footnote 25.

⁽²⁸⁾ OJ C 161, 6.6.2013, p. 67.

⁽²⁹⁾ OJ C 13, 15.1.2016, p. 57.

⁽³⁰⁾ See footnote 28.

⁽³¹⁾ National debates in Cyprus, Estonia, Finland, Hungary, Ireland, Latvia, Romania, Slovenia and Slovakia.

⁽³²⁾ National debates in Hungary, for example.

⁽³³⁾ See footnote 25.

3.12 Technological progress is creating new job opportunities, but jobs will also be destroyed. The extent to which this will occur is disputed and recent outlook studies differ ⁽³⁴⁾.

3.13 In any case, investment in people must be at the core of any future of work strategy. The level of competences and skills, notably digital skills, will be instrumental in equipping citizens and workers for the future. The introduction of a 'skills guarantee' ⁽³⁵⁾, supported by the necessary investment, could provide the framework to empower people to acquire the necessary skills, throughout their lives. Access to quality education which is inclusive of all EU citizens, including vocational education, life-long learning, and opportunities for re-skilling and up-skilling will be the foundation for this.

3.14 Technological change can enhance skills development, but may also have the potential to speed up the process of skills obsolescence for workers in many occupations. In addition to educational actors, business, working with trade unions, Cedefop and governments must also play their part in ensuring that competences and skills are developed to match demands in the changing world of work ⁽³⁶⁾, also by increasing the responsiveness of national education and training systems to changing skills needs. This must be done in a coherent way. The development of competence takes time and needs sufficient resources and greater and more efficient investment in education and training is urgently required. The different impacts/outcomes that education and welfare systems have in European countries and regions must also be taken into consideration.

3.15 New forms of work are developing so rapidly that contractual arrangements cannot keep pace, which is why their legal status must be looked at. The EESC has called for urgent clarification of the status of labour market intermediaries and online platforms, as well as an investigation into the contractual status of crowd workers and other new forms of work and employment relationships. Guidelines are also necessary to clarify possible grey zones linked to employment status in relation to taxation and social insurance ⁽³⁷⁾. The overall objective must be guaranteeing fair working conditions for all and aiming to ensure that all workers are covered by fundamental labour standards and adequate social protection.

3.16 The social partners, in particular, are in focus when it comes to promoting negotiated flexibility and stability of work at all appropriate levels, but this needs a commitment of governments and the European governance-level, in addition to improving cooperation between EU institutions, governments and social partners. The EESC has already stated that the EU and Member States, in consultation with the social partners, should consider strategies for adjusting the scope of social and labour standards so that they reflect the conditions of a digitalised working environment ⁽³⁸⁾.

3.17 The 'sharing economy' and other new employment models should not be used as a means of avoiding decent wages, or meeting tax and social security obligations ⁽³⁹⁾. The EESC has also already suggested that the EU should consider ways in which the development of EU platforms can be encouraged in such a way that the value created remains in local economies ⁽⁴⁰⁾.

3.18 Convergence of wages and establishing minimum wages in the Member States were raised by participants in some of the national debates ⁽⁴¹⁾. The EESC believes that further efforts are needed in this direction. The ILO study *Building a Social Pillar for European convergence* ⁽⁴²⁾ is a useful reference point. It highlights that a range of indicators can be used to compare minimum wage levels, which take into account national circumstances, but the most popular is the ratio of minimum to median (or mean) wages. Further, it states that the adoption of a common approach to minimum wage policy

⁽³⁴⁾ See for example Frey and Osborne 2013, *The future of employment: How susceptible are jobs to computerisation*, and Breugel 2014, *The computerisation of European jobs*.

⁽³⁵⁾ On 21 and 22 November 2016, the Council reached a political agreement on a recommendation on 'Upskilling pathways: new opportunities for adults' (formerly 'Skills Guarantee').

⁽³⁶⁾ See footnote 25.

⁽³⁷⁾ See footnote 25.

⁽³⁸⁾ See footnote 22.

⁽³⁹⁾ See footnote 22.

⁽⁴⁰⁾ See footnote 22.

⁽⁴¹⁾ Addressed in eastern and central European countries such as Bulgaria, Czech Republic and Slovakia, but also in France.

⁽⁴²⁾ Studies on growth with equity, building a Social Pillar for European convergence, International Labour Organisation, 2016.

at the EU level could help to limit the extent of poverty in the enlarged Union and limit the proportion of people on low pay within national contexts. It suggests that that a starting point could be a tripartite analysis at the national level of minimum wage coverage, level and compliance such as referred to in ILO instruments. The ILO study also states that the findings of a number of studies highlight the importance of a balanced approach — as emphasised in Convention No 131 — with respect to the elements to be considered when determining the level of a minimum wage that, so far as possible and appropriate in relation to national practice and conditions, include: (a) the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups; and (b) economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment. Further discussions on these issues are needed and should be undertaken in the context of the development of the Social Pillar. The EESC stresses that the key competence and autonomy of the national social partners in regard to wage-setting processes must be fully respected, in accordance with national practices. The need to respect the division of competences and the subsidiarity principle, as well as the role of social partners in setting the level of minimum wages⁽⁴³⁾ was also referred to in some national debates. Overall, the EESC has already stated that convergence did not occur among euro area Member States, despite the expectations of an endogenous optimal currency area⁽⁴⁴⁾.

3.19 In some national debates it was recognised that demographic changes⁽⁴⁵⁾ and changing patterns in society are other factors profoundly affecting the world of work. Active labour market policies (ALMP) need to be effective and targeted in order to reach good employment outcomes. In one country, focussing on the possibility of involving private agencies to improve active assistance to job seekers was discussed⁽⁴⁶⁾. Employment and labour market policies in Europe must continue to implement tangible measures to put the principle of non-discrimination in the workplace into practice and to ensure equality of all groups of workers⁽⁴⁷⁾.

3.20 Gender equality is a central element of securing fair working conditions for all. In addition to having more women in the labour market, ageing populations and longer working lives are likely to entail increased caring responsibilities over the life cycle. Flexibility in working life, working time and a sustainable work-life balance will be of increasing significance to all workers. The EESC has already highlighted that reconciling family and work responsibilities needs coordination across a range of areas such as care provision, parental leave and family-friendly workplaces⁽⁴⁸⁾. The EESC calls for an integrated approach between legislative and non-legislative measures to be introduced at the appropriate level to promote work-life balance in the Member States. It is important that sufficient investments are targeted to accessible and affordable care facilities. This will contribute to increasing employment participation overall, notably among women and also for full-time work.

3.21 Particular attention should be paid to the labour market integration of vulnerable sectors of society and minorities. The economic, social and cultural situation of Roma people is not improving in most Member States and, as stated in an EESC report, the Roma Strategy should be consistently included in the European Semester⁽⁴⁹⁾.

3.22 Sustainable pension systems are of key importance taking into account the ageing of European societies. The Commission has stated that increasing retirement ages in line with gains in life expectancy combined with efforts to promote active ageing not only allows for a substantial reduction in pension expenditures, but also allows for accruing higher pension entitlements. However, the EESC has previously criticised the Commission's proposal that the retirement age should be indexed to increasing life expectancy and instead proposed measures that bring the actual retirement age closer to the statutory retirement age⁽⁵⁰⁾. As stated by the Social Protection Committee, reducing unemployment and encouraging people to stay in labour markets longer today, including through raising the labour market participation of women, will be

⁽⁴³⁾ National debates in Finland and Denmark for example.

⁽⁴⁴⁾ Shifting economics in the world, consequences for EU competitiveness (information report)

⁽⁴⁵⁾ National debates in Finland, Slovenia, Malta, Ireland, Poland and Estonia, for example.

⁽⁴⁶⁾ National debate in the Czech Republic.

⁽⁴⁷⁾ See footnote 18.

⁽⁴⁸⁾ OJ C 341, 21.11.2013, p. 6.

⁽⁴⁹⁾ EESC report 'Better Inclusion of the Roma community through civil society initiatives' (2014).

⁽⁵⁰⁾ OJ C 299, 4.10.2012, p. 115, OJ C 332, 8.10.2015, p. 68.

crucial for the future sustainability and adequacy of pension benefits⁽⁵¹⁾. For example, a European comparative pension sustainability and adequacy index would be a helpful benchmark to underpin Member States' efforts to reform their pension systems and to reduce poverty.

3.23 The aim of making people work longer needs to be accompanied by a life-cycle approach encompassing good working conditions, including health and safety and working-time policies, and encouraging people to pursue life-long learning opportunities. A longer working career up to retirement age with a decent income during working years, resulting in a decent pension, and policies that make a smooth transition to retirement for older workers possible is also a requisite: the evolution of the way we work is also a key factor in this respect.

3.24 The standards of social security in the EU differ greatly, depending on the different systems and traditions. The EESC has advocated clearer EU strategic priorities in social policy and to frame general social policy principles as part of a solid work programme. The EESC has also referred to the need to aspire to a binding social protection floor⁽⁵²⁾ and proposes to define high-level standards at appropriate levels while taking duly into account both sustainability and adequacy requirements. Better exchange of best practices is required for a more inclusive social security net for everyone living legally in the EU. In the context of the challenges of Work 4.0 and the advent of new forms of employment and semi-employment it is essential to reflect and decide how Member States can reform their social security systems so as to develop the unemployment insurances into inclusive employment insurances that can work as a future safety-belt and also facilitate employment and decent work. It is important to ensure that work is a more attractive option than being on benefits, by creating the right incentives for people to be better off working while securing income security for people who do not find work. Benchmarking in this area could add value for Member States to improve, where needed, eligibility conditions, benefits duration and levels.

3.25 As far back as 2009, the EESC emphasised that Europe needs to regain its position as a leader in research and innovation. It underlined that performance in the scientific and technical fields, and their application in a competitive globalised economy would ensure that Europe has a future in the global industrial arena. Furthermore, it emphasised that a social climate that is open to progress is a prerequisite for innovation⁽⁵³⁾. Creative entrepreneurship that leads to job opportunities also plays a key role in shaping an innovation-friendly environment. Civil society has a key role to play in this process.

3.26 The EESC sees a connection between the capacity for innovation in the workplace and workers' participation. Moreover, 'good' and 'sustainable' business management must be built on the internal market's tried and tested legal structures and practices of employee involvement based on information, consultation and also, where applicable, co-determination⁽⁵⁴⁾. Provisions on obligatory employee involvement should be consolidated and applied universally in EU law on the basis of standards already achieved⁽⁵⁵⁾.

3.27 Climate change presents major environmental and social challenges for Europe and the rest of the world. The future of work will also be shaped by the urgent need to transform our economies, industries and jobs to safeguard the planet. The EESC welcomes the EU's ratification of the Paris Agreement and has called for a coalition of civil society and subnational authorities to deliver on the COP21 commitments⁽⁵⁶⁾. Delivery of these commitments must be in line with EU commitments to reduce poverty. Supporting just transition, decent work and employability will require investment in resources to support communities and workers in sectors that are already being affected by this transition, as well as to anticipate and facilitate future restructuring and transition into a greener and more sustainable economy. The Investment Plan for Europe should support projects in line with the COP21 commitments.

⁽⁵¹⁾ Social Protection Committee, Social Protection Performance Monitor (SPPM) — Report on key social challenges and main messages from SPC, 12606/16.

⁽⁵²⁾ OJ C 13, 15.1.2016, p. 40.

⁽⁵³⁾ EESC position paper on research and innovation in the EU (EESC-13-19-EN).

⁽⁵⁴⁾ OJ C 161, 6.6.2013, p. 35.

⁽⁵⁵⁾ See footnote 54.

⁽⁵⁶⁾ OJ C 389, 21.10.2016, p. 20.

4. The need for social investment

4.1 Both social and economic imbalances pose a threat to the EU. They undermine social cohesion and political credibility, and hamper economic progress. The EESC has previously set out its views on the need to tackle poverty as a priority and to make the fight against poverty and social exclusion one of the Pillar's major components⁽⁵⁷⁾.

4.2 While acknowledging that poverty reduction is primarily the competence of the Member States, the EESC also urges the EU Council to reiterate the commitment to the Europe 2020 Strategy's poverty reduction target whilst pursuing a more integrated approach. This means that poverty reduction should be systematically addressed through the European Semester process and that the Europe 2020 Strategy should be linked with the 2030 Agenda⁽⁵⁸⁾. Economic growth and competitiveness are essential, therefore a macroeconomic policy that helps to create decent jobs is important to reduce inequality and poverty.

4.3 The EESC has previously stated that the longer the savings-oriented policy — primarily focussed on making spending cuts — continues without adequate measures to generate growth, social cohesion and solidarity, it will become increasingly clear that Europe's economic integration and prosperity is at risk from growing social inequalities⁽⁵⁹⁾. The EESC calls for renewed efforts to promote the concept of social investment throughout all relevant policy fields⁽⁶⁰⁾. The EESC believes that further consideration needs to be given to how to link the 'Juncker Plan 2' with the Social Investment Package objectives. Moreover, it has called for a European Social Investment Pact⁽⁶¹⁾, which would support social reforms and social investments and help to bring about renewed economic, social and territorial convergence.

4.4 The EESC welcomed the Commission's Social Investment Package, which appeared to signal a paradigm shift towards a stronger focus on social investment, viewed not as a cost but as an investment in Europe's growth and employment potential⁽⁶²⁾. The EESC regrets that more has not been done to effectively implement these objectives. Social investment offers economic and social returns over time, in terms of increased employment or labour incomes, improved health, reduced unemployment, better education, less poverty and social exclusion, etc. It also improves individuals' prosperity and well-being, while boosting the economy by ensuring a more skilled workforce, higher productivity and employment. Such investment, especially when growth-enhancing would also contribute to strengthening people's skills and qualifications, improve their opportunities in society and the labour market, as well as stimulating the economy, helping the EU to emerge from the crisis stronger and more competitive. Moreover, it would ensure more efficient and effective public spending, leading to savings in public budgets in the medium to long term.

4.5 The EESC has already welcomed the fact that the important role of the social economy, social enterprises, civil society and the Social Partners for implementing the social investment package is expressly recognised by the European Commission⁽⁶³⁾.

4.6 The EESC has already expressed its view that the establishment of a European minimum income under a framework directive would help to combat social exclusion, ensure economic and territorial cohesion, protect the fundamental rights of the individual, guarantee a balance between economic and social objectives and distribute wealth and income fairly. It reiterates its call for the Commission to examine funding possibilities for a European minimum income and the establishment of an appropriate fund⁽⁶⁴⁾.

4.7 The EESC reiterates the view that sustainable, effective and efficient social welfare systems are of the utmost importance for all societies in the EU. They are vital means to maintain social and territorial cohesion, solidarity, stability in society, as well as supporting economic growth. Welfare systems also have an important function as automatic stabilisers, as was evidenced during the crisis. While recognising that the decision on the structure and content of social policies are primarily competencies of the Member States, national and EU initiatives should aim to render more efficient and enhance

⁽⁵⁷⁾ OJ C 133, 14.4.2016, p. 9.

⁽⁵⁸⁾ See footnote 57.

⁽⁵⁹⁾ OJ C 13, 15.1.2016, p. 33.

⁽⁶⁰⁾ EESC contribution to the Commission's 2017 working programme, 14.7.2015.

⁽⁶¹⁾ OJ C 271, 19.9.2013, p. 1.

⁽⁶²⁾ OJ C 271, 19.9.2013, p. 91.

⁽⁶³⁾ See footnote 62.

⁽⁶⁴⁾ OJ C 170, 5.6.2014, p. 23 (this opinion did not receive the support of the Employers' Group; see <http://www.eesc.europa.eu/resources/docs/statement-minimum-income.pdf>).

social protection systems covering social security, social assistance and social services, healthcare and housing provision⁽⁶⁵⁾. As indicated by the Council and Social Protection Committee, Member States should maintain their efforts to improve the performance of social protection systems and ensure that they deliver better social outcomes while maximising the positive impact of employment and growth⁽⁶⁶⁾.

4.8 National social security institutions and public authorities bear the responsibility for ensuring universal, quality affordable and accessible social services. The State must accredit, invest in and supervise access to the provision of these services, which may be provided by public authorities, non-profit or for-profit actors, as is already the case in several EU countries. Representative civil society organisations, notably the social partners, social enterprises and mutuals play an important role. This role extends to the drafting, implementation, provision and surveillance of social security, health insurance and social assistance schemes. Furthermore, closer cooperation between all actors can contribute to more effective and better use of public resources in the delivery of social policies. This should also include the possibility of making use of partnerships between public authorities and private actors while respecting the features of national systems.

4.9 The EESC is of the opinion that stronger and more transparent dialogue is needed between relevant actors to make and transform social protection systems more sustainable in terms of prioritising resources into effective, efficient and relevant public investment, in the full respect of and with the aim of promoting social rights and, in particular, the fundamental principles of social security systems of the member states.

4.10 The transition to Work 4.0 must be accompanied by a parallel transition to Welfare 4.0. The crisis, slow growth and high level of unemployment, as well as a combination of a growing ageing population and a shrinking workforce, are challenging the sustainability and adequacy of social protection systems. In parallel, social services are increasingly in demand, notably as a result of ageing populations, but the resources to meet this demand are limited. Reforms are therefore essential to put in place effective and economically efficient social protection systems, social policies and services. The Pillar must not only be responsive to capturing the transformations that occur in the world of work but should also aim to support Member States in providing appropriate solutions in response to the important changes occurring regarding welfare systems, social policies and services. The key objectives should be safeguarding their quality, sustainability, accessibility, affordability and adequacy for all who depend on them, through appropriate regulatory frameworks and policies.

4.11 The EESC also recognises that continuous pressure on public budgets, demographic and societal changes and emerging new social challenges have, in many Member States, generated new and innovative forms of organisation for the financing and delivery of benefits and services. This phenomenon, called social innovation, is driven by the necessity to address unmet social needs. It is complementary to the traditional welfare provision by the State, by mobilising various social and economic actors and financial resources working in cooperation with local authorities. However, it must not replace the responsibility and role of the State and its different public components in ensuring universal access to quality, affordable, sustainable and accessible services for EU residents in accordance with national practices. Social innovation creates social capital and strengthens the role of local communities. It is recommended that the European Commission and Member States ensure that major instruments such as public procurement and the European Structural and Investment Funds are effectively employed to support social innovation and social economy enterprises.

4.12 On numerous occasions, the EESC has highlighted the particular and important role played by the social economy, including social enterprises, in delivering economic and social solutions⁽⁶⁷⁾. The sector constitutes a key element of the European social model and directly contributes to social and economic cohesion and change, to a fairer income and wealth distribution and active citizenship. More recently, the EESC has called for an EU action plan on the social economy⁽⁶⁸⁾.

⁽⁶⁵⁾ National debates in Bulgaria, Ireland, Romania and Spain for example.

⁽⁶⁶⁾ 2015 Council conclusions on social governance for an inclusive Europe (Council document 14129/15) and Social Protection Committee, Social Protection Performance Monitor (SPPM) — Report on key social challenges and main messages from SPC, (Council document 12606/16).

⁽⁶⁷⁾ See for example: OJ C 117, 26.4.2000, p. 52; OJ C 318, 23.12.2009, p. 22; OJ C 229, 31.7.2012, p. 44; OJ C 458, 19.12.2014, p. 14; project on social entrepreneurship. The important role of the social economy was also addressed in several national debates in Bulgaria, Estonia, Italy, Lithuania, Portugal and Spain for example.

⁽⁶⁸⁾ EESC contribution to the 2017 work programme of the European Commission, 15 June 2016.

4.13 In general, and within the sphere of the EU's competences, the Pillar should aim to provide a common reference framework to benchmark and monitor the necessary national legal and policy framework to secure the right to good quality provisions, in particular of social protection benefits ⁽⁶⁹⁾, including the availability, affordability and accessibility of social services as well as sustainability and effectiveness. This should apply to all branches of social security ⁽⁷⁰⁾, as well as to all other social (protection) services.

4.14 In the same vein, the Pillar should aim to create the necessary incentives for the Member States to secure the portability of entitlements acquired in accordance with relevant national criteria thus ensuring free movement. Such acknowledgment could allow for a more adapted support for each individual to organise their professional and private lives. It would provide more respectful and flexible means to adapt to the life cycle of any EU citizen, in particular allowing for smooth transitions into, on and out of the labour market.

4.15 Additionally, the Pillar should be used to set benchmarks concerning the provision of essential services. Implementation strategies by Member States should be developed taking into account the specific socio-economic and fiscal situation of each country. Benchmarks should not be limited to the availability of services and should drive the implementation of the essential principles enshrined in Protocol 26 (universal access, quality, safety, affordability, equal treatment and the promotion of users' rights). The voluntary European Quality Framework for social services and the European Quality Framework for early childhood education and care should be used as a reference in the development of benchmarks.

4.16 The principle of equal opportunities for all is enshrined in the European Treaties and must be fully and adequately reflected in an inclusive social pillar. As the EU *acquis* already provides for a common set of minimum standards for workers across Europe, they must be enforced. Equality and non-discrimination must be ensured for men and women and for all groups in our society, including people with disabilities, LGBTI people, people belonging to ethnic minorities and others who face discrimination.

4.17 Achieving higher levels of employment participation of diverse groups in Europe is essential in order to face demographic ageing and a shrinking working-age population. Progress is also needed in the promotion of equality and non-discrimination in other aspects of life, beyond work, such as access to goods and services, education, housing and healthcare. Within this context, it is hoped that the discussions on an EU Equal Treatment Directive on access to goods and services will be rapidly relaunched.

5. Outcomes from the debates with organised civil society

5.1 The EESC organised debates with organised civil society in all Member States between 2 September and 2 November 2016. The debates were coordinated by three EESC members ('trios') from the country concerned, often in cooperation with the European Commission (15 debates) or the national Economic and Social Council (7 debates). Participants came from a wide range of employers' organisations, trade unions and other civil society organisations, as well as, less frequently, academia. Overall, close to 1 800 representatives of civil society organisations participated in the 28 debates.

5.2 A set of key questions was used as a basis for the discussions in the majority of debates. The debates covered a wide variety of issues, reflecting the different national systems, priorities and circumstances. Following the debates, the coordinating trios prepared national reports which, in most cases, included Conclusions and/or Recommendations. The guidance questions were as follows:

- (1) What do you consider as the most urgent economic and social challenges in Europe and in your country? What is needed to address those?
- (2) Do you think a Pillar of Social Rights is needed and if so, how should it be shaped to address the key social and economic challenges in Europe and in your country?

⁽⁶⁹⁾ Including in case of disability, of long-term care and childcare.

⁽⁷⁰⁾ Healthcare and sickness benefits, unemployment benefits, old-age benefit, employment injury benefit, family benefit, maternity benefits, invalidity benefits and survivor's benefits.

- (3) How could a renewed EU labour market strategy address the needs of enterprises, workers and job-seekers for flexibility and security? How could this take into account important issues such as the new realities of the increasingly digitalised economies and labour markets, the challenge of an ageing population, and the need to facilitate labour market transitions?
- (4) How to ensure the sustainability of social protection systems and that the resources available are prioritised into effective, relevant and necessary social investments and services? What role for the different actors?
- (5) How could the European Pillar of Social Rights positively support economic and social convergence across Europe?
- (6) What do we need to promote and sustain cohesive societies in Europe?

5.3 The conclusions/recommendations of the trio Members' country reports revealed that a number of common themes/topics were raised during the various debates. These are summarised in this section of the opinion.

5.3.1 In relation to the scope and format of the European Pillar of Social Rights:

- In 18 Member States, the conclusions/recommendations show that organised civil society, or parts of it, supported the initiative of launching the EPSR (CY, DE, EE, EL, ES, FI, FR, IE, IT, LT, LV, MT, PL, PT, RO, SE, SI, SK). In 12 Member States (DE, EE, ES, FI, HR, HU, IE, IT, LU, MT, PT, SK) it was stated that the objectives, scope and/or content of the Pillar should be further clarified.
- In 13 Member States, the conclusions highlighted the interdependence between economic and social policies (BG, CY, CZ, DE, ES, FI, HR, IE, IT, RO, SE, SI, UK). Moreover, in nine Member States (DE, DK, EE, EL, ES, FI, MT, RO, SE) the importance of growth, and in six cases competitiveness (EE, ES, FI, DK, MT, SE) was stressed.
- In 12 Member States, the conclusions state that the EPSR should apply to the whole EU (BG, DE, CZ, EE, ES, FI, HR, HU, IT, PL, SK, SE).
- In nine Member States, the conclusions referred to either the implementation/enforcement of the EPSR, or implementation/enforcement of the existing *acquis* and policies (BG, DK, EE, HR, IE, LV, LT, PL, SE). In five of these, (BG, HR, IE, LV, LT) it was specifically stated that the pillar should be included in the European Semester exercise.
- In the conclusions of eight countries (DE, EL, ES, FI, HU, PT, SK, RO), the necessity to promote social cohesion and to combat increasing poverty, inequalities and exclusion was highlighted.
- In seven Member States (BE, CZ, DE, DK, FI, HR, SE), attention was drawn to the need to respect the subsidiarity principle. In this context, three Nordic Member States (FI, SE, DK) defended the national competence of collective bargaining and three Member States the division of competences (FI, SE, BE).
- The issue of convergence (including upward convergence, convergence on social policies and/or convergence between Member States in general) was referred by eight Member States (BG, DE, FR, HR, HU, IT, PT, SK).
- The conclusions/recommendations in six Member States referred to the need for investment whether public, private and/or social (CZ, EL, ES, HR, IE, SI).

5.3.2 Key themes raised in the conclusions/recommendations and linked to the European Commission's preliminary outline of the EPSR:

- The crucial role of social dialogue was mentioned in the conclusions/recommendations in 11 Member States (CY, EE, ES, FI, HU, HR, IE, LV, RO, SI, SK).
- In seven Member States (CY, EE, FI, IE, LV, RO, SI), the importance of civil dialogue was stressed (even though this issue was not included in the Commission's preliminary outline of the EPSR).

- In six Member States (CY, DK, HR, HU, PL, SI) the conclusions underlined the need to adapt to changes, notably due to digitalisation.
- The necessity to take into account the challenges and changes resulting from demographic developments were mentioned in the conclusions of three countries (BG, CY, SI).
- Issues such as integrated social benefits and services, health care and sickness benefits, pensions, unemployment benefits, minimum income and access to essential services (which are amongst the 20 principles referred to in the Commission's preliminary outline for the EPSR), as well as social security, social standards and the sustainability of social protection were the issues most often referred to in the conclusions/recommendations. One or more of these issues were mentioned in the conclusions of 22 Member States (BE, BG, CY, CZ, DE, DK, EL, FI, FR, HR, HU, IT, LT, LU, LV, MT, PT, RO, SE, SI, SK, UK).
- Employment, job creation and combatting unemployment (including youth unemployment) were mentioned in the conclusions/recommendations of seven countries (BE, CZ, EL, ES, FI, HR, RO).
- In 11 Member States (BE, BG, CY, CZ, DE, DK, FI, FR, HR, HU, SI) the conclusions focussed on education and skills (also in the context of labour market digitalisation).
- In 10 Member States (BE, CY, CZ, DK, FI, HR, HU, MT, RO, UK) the conclusions stressed the need to ensure the labour market participation of under-represented or marginalised groups and in seven of these (BE, DE, DK, FI, HU, MT, UK) gender equality was mentioned in this context.
- In eight Member States (CZ, CY, DK, FI, FR, HR, RO, SE) one or more of the following issues were referred to: the need for job stability, transitions, decent work and/or social security, sometimes also in conjunction with the digitalisation of the labour market.
- In three Member States (DK, FI, SI) the conclusions referred, respectively, to the fact that the 'flexicurity' concept would help to future-proof Europe's social model, to the need for balance between flexibility and security and that the economic needs for flexible labour should be taken into account.

5.4 The conclusions/recommendations also revealed that the principal point of divergence was whether the EPSR should foresee legislative measures. Participants within and amongst countries were divided on the issue with employers representatives (generally) not supporting the idea of further legislation and the trade union representatives (generally) taking the opposite view.

6. Governance

6.1.1 The European Pillar of Social Rights needs much more clarity concerning the content, processes, concrete initiatives for its implementation, funding and monitoring, in addition to clarity on the role for the different actors. The governance question is of utmost importance, respecting what is foreseen in the Treaties, including the principle of subsidiarity. Citizens have a right to know who is responsible and accountable for each decision.

6.1.2 As for the relevant actors and their role, the EESC emphasises that in labour market issues, a partnership between public authorities and social partners at EU and national levels is the key vehicle to improve policy progress towards broadly supported objectives. In the field of social protection, governments, public/regional/local authorities and different national institutions dealing with the organisation of social security as well as social service providers, play a central role. In addition, also the social partners often have a role and responsibilities in the elaboration and implementation of social protection schemes and in social services. Other stakeholders, such as social agencies can have expertise in particular in social assistance and can play a role and provide safety nets for a fringe of the population at risk of poverty.

6.1.3 The EESC stresses that the Pillar can become a positive project for Europe, and for all but only if its results are visible. In these times of crisis, the Pillar can be a good opportunity to demonstrate that the EU level is still capable of delivering a proper response, where appropriate, to the challenges faced by ordinary people, while fully respecting the division of competences and the principle of subsidiarity. In particular, the Pillar should serve to promote people's well-being in line with the Treaty obligation for, among other things, 'a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment' (Article 3 TEU). In addition, the Pillar should contribute to better-functioning labour markets and social protection systems. At the same time, the EESC is worried about the lack of clarity of the Pillar in regard to its scope. The EESC fears that this can create even more uncertainty and frustration by raising expectations that will not or cannot be met ⁽⁷¹⁾.

6.2 *Social rights for all*

6.2.1 The Commission proposes that the Pillar should first apply to the euro area, as it has already started a process for further integration and consolidation towards greater convergence. However, social provisions in the EU Treaties ⁽⁷²⁾ cover all EU Member States. Reflecting what was stated in numerous national debates, the EESC is of the opinion that the Pillar should apply to all 28 EU Member States.

6.2.2 In an earlier opinion the EESC noted that socially sustainable macroeconomic policies are a precondition for a stronger economic recovery and for securing social cohesion. Also, a better consideration of economic realities is an essential precondition to achieve productive employment and well-designed social policies at EU and national levels, in a fair way between generations. The Committee welcomes the emphasis placed on the use of flexibility within the rules of the SGP, whereby the Commission will take into account certain public investments when calculating the fiscal deficit, but considers it a limited and partial measure ⁽⁷³⁾.

6.3 *The European Semester*

6.3.1 The European Semester and the National Reform Programmes — which apply equally to non-euro area countries — should become the principal vehicles for the implementation and monitoring of the Pillar. However, given the additional macroeconomic monitoring mechanisms that exist within the European Semester for the euro area countries, it is possible that they may develop additional relevant benchmarks to support national reforms. The link between the Pillar and the European Semester was referred to in a number of national debates ⁽⁷⁴⁾.

6.3.2 The EESC points out that some of the economic policy goals of economic governance of recent years must be brought more into line with the EU's social policy objectives under Article 4(2) TFEU ⁽⁷⁵⁾. All measures under the European Semester — in accordance with the horizontal social clause ⁽⁷⁶⁾ — must be subject to a social impact assessment. These results should be made public and discussed at national and European level ⁽⁷⁷⁾.

6.3.3 The EESC has previously stated that during the European Semester, employment and social goals should be placed on an equal footing with macroeconomic considerations in the European Semester ⁽⁷⁸⁾. It has also recommended that there should be comparable and common indicators, e.g. on poverty and inequality, as well as mandatory social impact assessments of all reform agendas proposed by the national reform programmes (NRPs) and the country-specific recommendations (CSRs) ⁽⁷⁹⁾.

6.3.4 The EESC calls for the rebalancing of the European Semester so that the existing scoreboard of key employment and social indicators are taken into account when formulating the CSRs.

⁽⁷¹⁾ The lack of clarity was raised in many Member States, with some sections of civil society expressing concern that there could be a 'boomerang' effect. If expectations are created, but are ultimately not met, this could lead to even more distrust and frustration.

⁽⁷²⁾ Article 3 TEU, Article 9 TFEU, Title X of the TFEU and the Charter of Fundamental Rights.

⁽⁷³⁾ OJ C 268, 14.8.2015, p. 33.

⁽⁷⁴⁾ National debates in Austria, Bulgaria, Italy, the Netherlands and Romania.

⁽⁷⁵⁾ See footnote 59.

⁽⁷⁶⁾ Article 9, TFEU.

⁽⁷⁷⁾ See footnote 57.

⁽⁷⁸⁾ See footnote 61.

⁽⁷⁹⁾ See footnote 57.

6.3.5 The objective of having more convergence towards improving working and living conditions should be facilitated by specific targets, taking account of the Europe 2020 Strategy and the Sustainable Development Goals and guiding the coordination of economic, employment and social policies.

6.4 *Economic and social governance*

6.4.1 The EESC is extremely concerned about the stability of the EU, since the necessary reforms — with or without treaty change — always occur only at the last minute and under intense pressure. What is needed is to strengthen social, political and economic cohesion in the EU once again and to continue coherent economic and monetary integration as a basis for a properly functioning EMU. A serious debate on a well-founded architecture for the EMU, requiring consensus on economic and social objectives, as well as agreed governance, is therefore unavoidable⁽⁸⁰⁾.

6.4.2 Social, political and economic cohesion must be enforced to strengthen the shock-absorption capacity of the Economic and Monetary Union. The EESC points out that divergence in the EMU economies must be given greater consideration and that balanced structural reforms in these countries must be introduced to reflect the requirements of a monetary union and in accordance with national requirements, in order to ensure the necessary convergence.

6.4.3 The EESC has already suggested how the EMU could be better designed and has submitted proposals for developing its democratic and social design, as quickly as possible within the framework of the Community method. This would bolster democratic resilience and meet the social obligations arising from the Treaties⁽⁸¹⁾.

6.4.4 An economically sound EMU is of key importance. As previously stated by the EESC, in this context, the governments of the Member States have an important responsibility for the further development of a democratic and social EMU. The same applies to the social partners, both nationally and at European level, for whom the EMU provides the overarching framework for their respective systems for setting wages and organising labour market and social policy. As economic and social players, they play a key role as regards compliance with the EMU's common stability target⁽⁸²⁾. Better involvement of the social partners can contribute to improved EMU governance. Their views on how to organise labour market and social policy should also be considered as part of the debates on the future of EMU⁽⁸³⁾. A strengthened and structured dialogue with civil society would also help to improve democratic resilience and governance.

6.4.5 The EESC is of the opinion that tackling persisting imbalances, as well as creating trust and confidence across Europe, require more effective and democratic economic governance, notably in the euro area⁽⁸⁴⁾.

6.5 *Enforcing and reaffirming the existing social acquis*

6.5.1 The European Pillar of Social Rights should aim to contribute to the effective enforcement of the existing legal social *acquis* anchored in EU primary and secondary legislation in relation to employment and social rights, including in particular social protection and the effective supervision by labour inspection, among others, and the right to an effective remedy and access to justice. International legally binding sources of rights ratified by Member States for EU citizens should be fully respected.

6.5.2 The EESC believes that the Pillar provides for the opportunity to reaffirm the existing social *acquis*. Moreover, the process of developing the Pillar also gives scope to assess what works and what does not, what is missing and what should be improved in the EU's and Member States' approach so as to foster renewed social and economic convergence, sustainable growth and employment creation in the EU.

⁽⁸⁰⁾ See footnote 59.

⁽⁸¹⁾ OJ C 332, 8.10.2015, p. 8 and OJ C 13, 15.1.2016, p. 33.

⁽⁸²⁾ See footnote 59.

⁽⁸³⁾ See, for example, the in-depth employment analysis.

⁽⁸⁴⁾ OJ C 332, 8.10.2015, p. 8.

6.6 Resources for a social stabilisation of Europe

6.6.1 The European Fund for Strategic Investment and European Structural and Investment Funds are designed to play a crucial role in creating jobs and growth and in promoting territorial and social cohesion. The EESC is of the opinion that a more effective and efficient use of these funds is needed and that EU long-term investment in high-quality social infrastructure and services, including through the European Fund for Strategic Investments and the European Investment Bank should be prioritised and coupled to the implementation of the Pillar.

6.6.2 Within the limits of the Stability and Growth Pact, the EESC has presented different options and proposals. One could be a 'golden' or, indeed, 'silver' rule⁽⁸⁵⁾ for public investment, including in the social sector by Member States to add to EU public investment via a system of commonly agreed parameters which, in combination with the right structural reforms, would foster private investment⁽⁸⁶⁾.

6.6.3 Within the context of budgets and reviews of the Multiannual Financial Framework, the EESC believes it necessary to use, as already indicated by the Commission, 25 % of the European Structural and Investment Funds, namely the European Social Fund and the European Regional Development Fund, to promote social investment in social, health, education and housing services and policies. Furthermore, some resources should be set aside at the EU level under the ESF as available funding to strengthen the social partners' capacities. The European Commission should provide guidance to Member States on how to promote social investment in practice and on how to monitor the quality and effectiveness of the projects.

6.6.4 In 2014, the EESC referred to a redistributive mechanism to be used in the event of asymmetric shocks⁽⁸⁷⁾ and pointed out that the Union and in particular the euro area cannot ignore the social consequences of current economic policies by leaving them entirely up to individual countries. It emphasised the need to view education and training budgets as an investment in the future⁽⁸⁸⁾. Participants in some national debates discussed whether EU unemployment insurance or an adjustment fund was needed and could be feasible⁽⁸⁹⁾. These debates showed that views on this issue differ significantly and that these discussions also need to continue⁽⁹⁰⁾.

6.7 Link between global and EU strategies

6.7.1 The reflections on the Pillar should also consider, where appropriate, the global dimension. The latest debates stemming from the ILO, Council of Europe, OECD and IMF are key, particularly in respect of evidence showing that inequality affects the durability of growth and that redistribution does not harm growth. Reflections should also recognise that the sustainability of the European social model is interlinked with improving the global competitiveness of Europe.

6.7.2 The 2030 Agenda for Sustainable Development was agreed by all Member States of the United Nations in 2015. As such the attainment of these goals is an obligation for the Member States of the European Union. The EESC believes that the Pillar could significantly contribute to the 2030 Sustainable Development Agenda, especially concerning the goals 1 (No poverty), 3 (Good health and well-being), 5 (Gender equality) and 8 (Decent work and economic growth).

6.8 A clear overall strategy for a better future in Europe

6.8.1 The EESC calls on the Commission to propose a clear and coherent strategy for the Pillar. The EESC agrees with the Employment Committee (EMCO) and the Social Protection Committee (SPC) which have stated that 'the European Pillar of Social Rights should build on and improve existing instruments, including the European Employment Strategy (EES) and the Open Method of Coordination in the areas of Social Protection and Social Inclusion (social OMC), and on that basis serve as a compass for the process of fostering sustainable upward convergence in terms of employment and social outcomes, while respecting national competences'⁽⁹¹⁾. Designing new appropriate benchmarks on a limited number of key labour market and social challenges to assess progress can be part of this process. Establishing such a framework of cooperation would

⁽⁸⁵⁾ See footnote 73.

⁽⁸⁶⁾ OJ C 451 of 16.12.2014, p. 10, on more flexibility of SGP concerning certain 'public investment'.

⁽⁸⁷⁾ See footnote 86.

⁽⁸⁸⁾ OJ C 327, 12.11.2013, p. 58, OJ C 271, 19.9.2013, p. 1.

⁽⁸⁹⁾ National debates in Finland and France, for example.

⁽⁹⁰⁾ See footnote 59.

⁽⁹¹⁾ The European Pillar of Social Rights Joint EMCO-SPC Opinion 12605/16, endorsed by the EPSCO Council on 13 October 2016.

help Member States to achieve positive results through reforms ⁽⁹²⁾ and contribute towards increased social cohesion.

6.8.2 Despite the clear risks, the EESC nevertheless still believes that the EU is capable of delivering a better, more democratic and social EU. The EESC will do whatever is necessary to support debates in the Member States and at the EU level to engage citizens 'for a better future in Europe'. A fair globalisation, which provides a good life, sufficient employment opportunities and fair working conditions for all, can only be achieved if the EU keeps its unity and is able to act. To preserve its model of society, Europe must be able to adapt itself to changing realities to maximise opportunities for all. This is our alternative to protectionism, nationalism and populism.

Brussels, 25 January 2017.

The President
of the European Economic and Social Committee
Georges DASSIS

⁽⁹²⁾ National debates in Romania, for example.