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(Resolutions, recommendations and opinions)

RESOLUTIONS

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

553RD PLENARY SESSION (HYBRID), 15 AND 16 JULY 2020

Resolution on ‘The European Economic and Social Committee’s contribution to the European Commission’s 2021 work programme based on the work of the ad hoc group “EESC contribution to the European Commission’s 2021 work programme”

(2020/C 364/01)

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At its plenary session of 15 and 16 July 2020 (meeting of 16 July), the European Economic and Social Committee adopted the following resolution by 140 votes to 15 with 17 abstentions.

1. Introduction

1.1. As the EESC pointed out in its resolution on ‘EESC proposals for post-COVID-19 crisis reconstruction and recovery’⁽¹⁾, the EESC warmly welcomes and fully supports the proposals of the European Commission: the Next Generation EU plan and the overall EU budget for 2021-2027. The Committee hopes and expects that the lines set out by the Commission in these plans, due to the need for recovery and reconstruction after the coronavirus crisis will be fully and concretely extended in the Commission’s work programme for 2021.

1.2. For the EESC, the work programme should focus on restructuring and improving our economy and society, to be based on the following principles: protecting human and social rights, democratic values and the rule of law; unlocking the full potential of the Single Market; achieving the Sustainable Development Goals (SDGs); creating a circular economy and achieving climate neutrality in the EU by 2050 at the latest, and ensuring good governance and democratic accountability.

1.3. The EESC underlines that the six headline ambitions chosen by the Commission (A European Green Deal, A Europe fit for the digital age, An economy that works for people, A stronger Europe in the world, Promoting our European way of life and A new push for European democracy) provide a powerful framework for working out the work programme for 2021. Perhaps a more explicit focus should be made on investments and the need to accelerate them, also thanks to the

⁽¹⁾ Resolution on post-COVID-19 crisis (OJ C 311, 18.9.2020, p. 1).

measures currently being adopted. Some details for the future work programme can be found in the Commission's Communication on Europe's Recovery Plan ⁽²⁾ and new proposals will be reflected in Commission President von der Leyen's State of the Union address in September and Letter of Intent to the European Parliament and Council. The EESC also appreciates the adjusted work programme for 2020, which reacts to the COVID crisis and could indicate the development in the near future.

1.4. The EESC welcomes the fact that the European Commission adjusted its work programme for 2020 as part of Europe's recovery in order to respond to the coronavirus pandemic. It refocused its work and prioritised the actions needed to propel Europe's recovery and resilience, while it still committed to delivering on its flagship initiatives, the European Green Deal and the Digital Strategy, as they are key to relaunching the European economy and building a more resilient, sustainable, fair and prosperous Europe. It takes note that nine initiatives have been postponed to 2021.

1.5. Especially now that we are experiencing the importance of cooperation between countries in these times of crisis, the EESC hopes that the forthcoming Conference on the future of Europe will lead to strengthening and deepening the EU's institutional structure and to a real renewal of the EU project, able to face the challenges of the next decades. The Commission can therefore count on the full support of the Committee.

1.6. The EESC is convinced that the process of recovery and reconstruction of the economy and society will only be possible with the active participation of civil society organisations and social partners.

1.7. In the following chapters and paragraphs, the Committee formulates its concrete proposals for the 2021 work programme along the lines of the Commission's six headline ambitions.

2. A European Green Deal

2.1. *The Green Deal*

2.1.1. The EU Green Deal can also be seen as an effective tool to sustainably restart the economy through massive investments supporting the necessary structural changes that Europe is facing. From this point of view, it could be considered as an opportunity to support a longer-term economic recovery. It requires a new consensus in Europe to concentrate sufficient public and private financial sources for this purpose and adopt a new governance to successfully implement it in practice.

2.1.2. The EESC is a strong advocate of the transition to the circular economy. The EESC has been a keen supporter of ambitious policies in the field to date through its commitment to the European Circular Economy Stakeholder Platform. Its longstanding demands to the Commission in relation to resource efficiency include a call for a review of eco-design legislation and relevant product-policy legislation, for the gradual inclusion of mandatory resource-efficiency requirements for product design, and for new public procurement procedures to encourage circular products and new business models, while respecting the post-COVID economic circumstances and a real feasibility to provide the change.

2.1.3. The EESC takes note that the review of the non-financial reporting Directive, with a view to improving the quality and scope of non-financial disclosures, including on environmental aspects such as biodiversity, has been postponed to 2021. The EESC believes that tax policies in general should be reformed in line with climate ambitions, and that tax systems and pricing should reflect environmental costs, including biodiversity loss. This should encourage changes in national fiscal systems to shift the tax burden from labour to pollution, under-priced resources, and other environmental externalities. The 'user pays' and 'polluter pays' principles have to be applied to prevent and correct environmental degradation.

2.1.4. The EESC welcomes the fact that biodiversity will be mainstreamed across all policy areas as expressed in the Communication on the Biodiversity Strategy for 2030 ⁽³⁾. The EESC welcomes the fact that the Commission will put in place a new European biodiversity governance framework. This will help map obligations and commitments and set out a roadmap to guide the implementation. This will also benefit both the CAP and the European food system, and could thus continue to make them more sustainable. As part of this implementation, the Commission will put in place a monitoring

⁽²⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1590732521013&uri=COM:2020:456:FIN>

⁽³⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1590574123338&uri=CELEX%3A52020DC0380>

and review mechanism with a clear set of agreed indicators, which will enable regular progress assessment and set out corrective action if necessary. This mechanism must feed into the Environmental Implementation Review and contribute to the European Semester.

2.1.5. The EESC welcomes the European Climate Law, which sets a legally binding EU-wide common target of net-zero greenhouse gas (GHG) emissions by 2050 and establishes a framework for achieving that objective. The EESC thus regards the proposal for a European Climate Law as one of the instruments to contribute to this desired and necessary rebuilding of the European economy ⁽⁴⁾. By September 2020, the Commission wants to come up with the review of the Union's 2030 target for climate in light of the climate-neutrality objective and explore options for a new 2030 target of 50-55 % emission reductions compared to 1990, as well as to provide the corresponding legislative proposals by mid-2021. The EESC urges the Commission to opt for a minimum reduction of 55 % by 2030, with the corresponding legislative proposals, in order to respond for its part to the massive global need for decreasing emissions ⁽⁵⁾.

2.1.6. The participation of all citizens, through the civil society organisations, associations and networks, will make the process of reforming the economy and society truly possible. The Member States and the EU must therefore ensure that in this complex process no one is left behind, in particular the most vulnerable.

2.1.7. Climate action and sustainability commitments must be put at the forefront of recovery and reconstruction policy, which cannot lock the EU further into a high-carbon future.

2.1.8. The MFF will need to increase and allocate sufficient funding for the investment needs, in order to deliver a real and profound green transition. It is also important to continue prioritising other environmental matters such as soil, land and sea protection that must not be downgraded following and despite the COVID-19 crisis.

2.1.9. Further improvement of energy security at all levels and the resilience of society, for example through building renovation programmes, is necessary. Cross-border energy cooperation and inter-connections across the EU remain important, as does the need to promote greater diversification of sources of supply, for instance by having a wider choice of renewable energies and energy storage solutions available.

2.1.10. A window of opportunity to accelerate progress towards the EU's climate neutrality goal is to increase the use of renewable and low-carbon electricity via the electrification of sectors that currently still rely on fossil-based energy sources. The national energy and climate plans constitute an important step in ensuring the Energy Union and the European Green Deal.

2.1.11. In the context of the objective set in the European Climate Law that the EU will be climate neutral by 2050, special attention is needed for the transport sector. Indeed, CO₂ emissions from this sector are still growing, but by 2050 a 90 % reduction in transport emissions will be needed to achieve the climate neutrality target.

2.1.12. The EESC has called for an updated EU Forest Strategy after 2020 as a part of the European Green Deal. The new strategy could feasibly look ahead to 2050. The importance of forests, forestry and forest-based industries in meeting these goals should be recognised across all sectors and lead to optimised cross-sectoral cooperation.

2.1.13. The EESC believes that adaptation action could significantly contribute to ensuring that the sustainable transition and post-COVID-19 reconstruction are implemented in a more just manner. Communities and regions which are more than averagely affected by adverse climate change impacts should be assisted in responding to those impacts and perceived risks. This is especially true for communities and regions whose present and historical GHG emissions are below average.

⁽⁴⁾ NAT/784 — European Climate Law (see page 143 of this Official Journal).

⁽⁵⁾ See footnote 4.

2.1.14. The EESC appreciates that, in the adjusted Commission work programme 2020, the European Green Deal topic is covered sufficiently and rather evenly redistributed through its main parts. It especially underlines the priority attention paid to the financing of the sustainable transition, especially to the European Green Deal Investment Plan and the Just Transition Fund. Also the other areas of interest mentioned in the adjusted work programme, for example sustainable and smart mobility, sustainable production and consumption, sustainability of food systems, or decarbonising energy, are quite relevant for being priorities for this objective. The EESC believes that also for the Commission work programme 2021 its priorities will be focused on these initiatives.

2.2. *The investment priorities*

2.2.1. Public money invested in recovery plans should not only help restore the European economy and society, but also help reduce drastically the impacts of further shocks by investing in a resilient, inclusive and climate-friendly economy (so-called 'well-being economy').

2.2.2. The EU's sustainable finance taxonomy should guide public and private investment throughout the recovery to accelerate the shift from polluting sectors into green sectors.

2.2.3. It is necessary to ensure that the new MFF allocates significant resources to implementing the SDGs and tackling climate change, while phasing out counterproductive funding (e.g. on fossil fuels).

2.2.4. The European economy has performed with an investment gap for the most of the post-crisis decade after 2009. To set a sufficient track record, the investment recovery is a must. This is why the EESC appreciates the proposal for a Recovery Plan, mostly represented by the Next Generation EU Programme and its pillars, and the adjusted MFF 2021-2027. The Next Generation EU can be considered as an extraordinary, but also a necessary and urgent, step to improve the investment environment in the EU. This is further elaborated, for example, in EESC opinion ECO/523 ⁽⁶⁾.

2.2.5. The EESC notes that investments do not represent a Commission policy objective for its term until 2024, and also, in the particular initiatives, they are not adequately represented in the adjusted work programme 2020. The EESC therefore recommends including the investment-based initiatives in its work programme 2021, including the effort to mobilise private investments in favour of the future sustainable economic development of the EU.

3. **A Europe fit for the digital age**

3.1. The coronavirus crisis shows that the digital revolution is an important part of increasing our societies' crisis resilience. Investing in digitalisation of essential services and increasing the ability of governments, legislators and public institutions to deliver their services during a crisis is paramount. At the same time, we have to realise that digital technologies are a tool, not an end goal. We need to take public ownership of the framework surrounding digital technologies and steer it towards high sustainability standards, including strong democratic and technological safeguards, accompanied by cost and knowledge support measures that leave no one behind. This entails, in line with the EU Accessibility Act, a need to ensure that the digital revolution ensures accessibility for the EU's more than 100 million persons with disabilities.

3.2. Digitalisation is both an opportunity and a risk for recovery. It is the field of innovation that can put the EU in the forefront, such as in the area of blockchain, where the EU is in a leading position. Blockchain as a technology (not bitcoin) carries democratic values, offering transparency and improved governance structures. However, the risks inherent in digitalisation must be managed, such as further unemployment, digital marginalisation and social exclusion. And ways must be found to take advantage of the opportunities and balancing the risks at the same time, in a landscape where the EU seeks to remain globally competitive.

3.3. It is important to preserve the European model of rights, standards and consumer policies. This is what makes the EU unique. For instance, in the area of digitalisation the EU ethical code on artificial intelligence (AI) separates the EU view of 'human-in-command' from that of other regions. This approach, based on fundamental rights and freedoms, is part of the EU model and should be preserved despite the tougher competitive climate emerging right now.

⁽⁶⁾ See page 124 of this Official Journal.

3.4. The EESC underlines the importance of digitalisation in all sectors of society, particularly through teleworking and digital services, including e-commerce and e-health.

3.5. The pandemic has shown that digitalisation in education is not equally approachable in society, which could lead to further problems in schooling performances and educational opportunities. Therefore, it is necessary to introduce measures which support disadvantaged groups and thus help prevent segregation.

3.6. There is a need for continuous updating of the legal framework for artificial intelligence and digitalisation: to stay in tune with technical progress, and in particular, the issue of digital communications security, in terms of both networks and content.

3.7. The EESC takes note that the Commission is postponing to 2021 the legislative proposal on the impact of artificial intelligence including on safety, liability, fundamental rights and data. It calls on the Commission to: (i) foster multi-disciplinarity in research, by involving other disciplines such as law, ethics, philosophy, psychology, labour sciences, humanities, economics, etc.; (ii) involve relevant stakeholders (trade unions, professional organisations, business organisations, consumer organisations, NGOs) in the debate around AI and as equal partners in EU-funded research and other projects such as the Public Private Partnership on AI, sector dialogues, and the Adopt AI programme in the public sector and the lighthouse centre; and (iii) keep educating and informing the broader public on the opportunities and challenges of AI. It also recommends that the Commission considers in more depth the impact of AI on the full spectrum of fundamental rights and freedoms, including — but not limited to — the right to a fair trial, to fair and open elections, and to assembly and demonstration, as well as the right not to be discriminated against. The EESC continues to oppose the introduction of any form of legal personality for AI. This would hollow out the preventive remedial effect of liability law and pose a serious risk of moral hazard in both the development and use of AI, where it creates opportunities for abuse⁽⁷⁾.

3.8. Due to the growing use of smartphones and the introduction of 5G networks, the concern of interoperability between applications and networks across the European Union, especially in emergency situations, is of great importance.

3.9. Given the further developments in digitalisation and its increasing impact on private, social and working life and on all sectors, the concern for teaching digital skills and taking action against the digital divide for citizens is essential.

3.10. Quite correctly, Europe's preparedness for the digital age is one of the key priorities, visibly represented also in the adjusted work programme 2020. The EESC appreciates the strong effort of the European Commission to proceed in areas like artificial intelligence, digital services, cybersecurity, digital devices and solutions for consumers, but also digital finance. The EESC particularly welcomes the strong digital line within the proposed New Industrial strategy for Europe. Digitalisation is also visible in the Aviation Services Package. The EESC also highly respects that digitalisation is reflected in the proposed priority areas of the European Research Area.

4. An economy that works for people

4.1. We need to rebuild our economic governance on the basis of a resilient, sustainable and inclusive European economic system. We aim to reach not only a mechanical economic recovery, but rather a qualitative change in the economic policy management and governance.

4.2. The total impact of the crisis is yet to be determined, and reconstruction and recovery will take considerable effort. There is thus an urgent need for a swift implementation of the proposals of May 2020 for a recovery instrument and for a reinforced MFF. We also have to stand ready for further measures and amendments to those already adopted, if this is justified by the evolving situation.

4.3. The Commission is invited to continue to use the Semester as a driver for recovery based on the investment and reform priorities identified as part of the European Semester. The recent emphasis on better including social matters and the European Green Deal is welcomed by the Committee, as is the implementation of the Recovery and Resilience Facility via the Semester. Throughout the Semester, the Commission should support the Member States of the euro area to take all necessary measures to ensure more convergence and integration in the economic field. This includes an aggregate positive fiscal stance for the euro area as a whole in order to be able to grow out of the current crisis.

⁽⁷⁾ INT/894 — White Paper on Artificial Intelligence (see page 87 of this Official Journal).

4.4. All priorities and actions outlined in other policy areas will entail the need to formulate a new economic governance framework that is up to the challenges of today's macroeconomic situation and enables the implementation of strategic industrial, competitiveness, social, environmental and trade policies by the Union and its Member States. At the beginning of 2020, the Commission launched a large public consultation on this topic, but it has been brought to a halt due to the coronavirus crisis and the application of the general escape clause of the Stability and Growth Pact. It is not possible to think that in 2021 we can return to an automatic application of the pact. The Commission should therefore follow up with new initiatives to promote a reform of the Stability and Growth Pact for the purpose of simultaneously ensuring stability and growth.

4.5. In this context, the EESC calls for a more symmetric macroeconomic adjustment, shared both by Member States with deficits and those with surpluses. All Member States need to be able to invest more in public services because, as the crisis has demonstrated, public services play a crucial role in saving peoples' lives and in tackling the pandemic. In addition, European leaders should consider the so-called 'Golden Rule' when applying again the EU's fiscal rules, exempting certain public investment from deficit calculations and taking into account the sustainability of existing debt levels.

4.6. Finally, a permanent euro area fiscal stabilisation mechanism has long been called for, as it would greatly support the Union's counter-cyclical policies in case of future shocks. Such a mechanism would contribute to the long-term stability and sustainability of national public finances and mark the necessary next step in the deepening of Europe's Economic and Monetary Union.

4.7. The post-COVID-19 recovery will crucially depend on the ability of European financial markets to ensure sufficient liquidity. The proper functioning of financial markets and an increase in the ability to share financial risks are also needed to enhance the resilience of the European economy. The further harmonisation and integration of the European financial markets should therefore continue without delay, including the completion of the Banking Union and the strengthening of the Capital Markets Union. When reviewing the bank prudential rules in order to implement remaining agreements of the Basel framework, the specificities of the EU banking landscape have to be taken into account. Furthermore, it is crucial that the financial markets be able to support the green and digital transformation. The EESC feels that more efforts are needed to mainstream sustainability in the financial sector; therefore, the Committee welcomes the aim of the Commission to renew its Sustainable Finance Strategy.

4.8. The EESC strongly believes that, in the context of the digitalisation of the economy, any changes to the rules for allocating taxation rights of profits among countries must be coordinated globally and therefore welcomes the close cooperation between the Commission, Member States and the OECD/G20 to support the development of an international solution. If an international solution cannot be reached, the EU must consider proceeding on its own. The fight against tax fraud and tax evasion as well as against money laundering must remain the highest priority on the agenda.

4.9. Cohesion policy will play a key role in ensuring a balanced recovery, fostering convergence and making sure no one is left behind. Financial flexibility is really crucial to the cohesion programmes and will give the possibility to Member States to transfer the funds according to their needs to tackle the crisis. The EESC believes that a realistic timeline should be set so that the funds should be allocated to the Member States as soon as possible. The focus of the EU Cohesion policy in 2021-2027 should remain on economic competitiveness through research and innovation, digital transition, as well as the European Green Deal agenda and sustainable development.

4.10. The health and economic crisis caused by the COVID-19 outbreak exacerbated the existing wealth and income inequalities and showed clearly the need for a new societal model which contributes more to economic and social cohesion, productivity and a fairer distribution of wealth. The Commission now urgently needs to follow up on previous proposals of the EESC that would help reverse the trend of growing inequality, which is causing a divide between different Member States and social groups and has contributed to the rise of extreme movements and parties. To this end, decisive EU action complementing the Member States' efforts is needed to boost investment in social infrastructure (education and life-long learning; health, long-term care, and social care; affordable housing), to develop public assets addressing the gaps in the market system, to gradually shift fiscal income from labour-based taxation towards a more wealth-based one; to develop a transparent mechanism for monitoring and consolidating data on all income and wealth; to establish a register of corporate shareholders at European level, etc.

4.11. Against the background of the COVID-19 crisis, the Commission should also follow up on earlier initiatives to strengthen and promote Europe's role as a global economic actor. It should further analyse and propose more specific ways and means to strengthen the international role of the euro, to diversify supply chains and promote European rules and standards in certain strategic sectors, to ensure a more resilient European response to extraterritorial sanctions by third countries and to gradually head towards a unified European representation in the international financial fora.

4.12. Economic prosperity must be decoupled from environmental degradation and social exhaustion. Models such as the circular economy, cooperative and collaborative economy offer new opportunities for employment, ownership and innovation, and they transform the relationships between producers, distributors and consumers, making all actors more resilient to crises, when properly regulated. In addition to the proper implementation of the new Circular Economy Action Plan and the continuation of the EESC/EC European Circular Economy Stakeholder Platform, key priorities include: promoting a comprehensive strategy on sustainable consumption, developing new indicators to replace the inappropriate use of GDP and adapting the EU Stability and Growth Pact to account for sustainability and wellbeing.

4.13. There is a need to rebuild a society with stronger services of general interest, as enshrined in Article 14 TFEU, dealing with SGEIs, Protocol 26 on SGEIs annexed to the TFEU, and the European Pillar of Social Rights, in particular, as well as health and social services, electronic communications, public transport, energy, water and refuse collection, and a flanking investment programme.

4.14. Modern economic development concepts are based not only on the criteria of prosperity, profitability and efficiency, but also on respect for social and environmental requirements and elimination of all types of negative externalities and market failure. As a lesson of the most recent COVID crisis, the economy also has to be resilient and strong enough to face future shocks. For this purpose, the elimination of structural imbalances is highly recommended.

4.15. The modern economy also requires a smooth functioning of the market in all its segments, including those created quite recently (virtual, shared, circular, digital economies). For this reason, a better functioning of financial intermediation is also appropriate; in the EU context, it means especially the deepening of the Capital Market Union and completing the Banking Union. To support more the changeover to a more sustainable economy, the taxation system is also to be adjusted to be on board.

4.16. *The Single Market*

4.16.1. The Single Market is the heart of the European building. A working Single Market stimulates competition, improves efficiency, raises quality, and helps cut prices. The European Single Market is certainly one of the EU's greatest achievements. It is therefore crucial to examine how the functioning of the internal market can stimulate or hinder economic recovery after the health crisis.

4.16.2. The Single Market's coherence and unity have been heavily put to the test during the recent COVID pandemic. Some areas were revealed where the Single Market was severely affected and paralysed, especially in the free movement of persons. The continuity of cross-border delivery chains was negatively influenced as well. The volume of cross-border trade in the EU deteriorated by double-digit figures on a year-on-year basis. But its core remained and survived. The main challenge for it right now is to recover all natural cross-border flows within the EU and to dismantle the existing barriers to the Single Market that even started to accelerate quite recently with some national-based strategies and concepts implemented after the previous crisis.

4.16.3. There is an opportunity in promoting social innovation as a model for recovery through co-creation, co-design and co-production. In a complex social landscape with massive societal challenges, the only way is to mobilise all resources in society, working in a cross-sectoral and multi-disciplinary manner in order to identify solutions. Organised civil society is a catalyst for social innovation, a movement that has contributed to designing welfare systems resulting in new policies, structures, products, services and working methods. The participation of civil society is now needed more than ever — but true social innovation only happens when organised civil society is involved.

4.16.4. The Single Market Strategy is at the heart of the European project, enabling people, services, goods and capital to move more freely, offering opportunities for European businesses, consumers and workers. Measures are needed to fully unlock its full potential removing barriers. Further, in the aftermath of the crisis and other aspects of a changing environment, such as digitalisation, the Single Market needs to fully adapt to new ideas and business models. The aim is therefore to restore, revitalise and reconstruct the Single Market as an instrument in recovery. Short-term actions include an immediate opening of borders. In addition, we need short-term actions in two streams: addressing tensions and kick-starting the economy and productivity.

4.16.5. The 'unevel' playing field now emerging is a serious concern. Members States' stimulus packages are extremely varied and have (in spite of the good intention of absorbing some of the demand shock) resulted in an unlevel playing field between Member States. Furthermore, State aid support must be addressed and analysed from a sectoral viewpoint, looking at how in the short- and long-term these actions will distort competition and the level playing field.

4.16.6. We need productivity in the real economy (this means jobs, purchasing power and basic products and services). This productivity may take a different form and be provided by diverse business models, but we need action in this area if we are to avoid further widening inequality gaps. This kick-start means support packages and a favourable environment for SMEs and industry. SMEs as we know are the backbone of the European economy and need specific support, but without extra burdens or red tape. Recovery will only be possible for SMEs if EU and national financial support is made available. Here subsidies, loans, ensuring liquidity, tax incentives, favourable conditions to retain and employ staff, a review of the bankruptcy legislation and other support will be crucial. On bankruptcy laws the EU should take legislative action to enable that small businesses that went bankrupt due to COVID-19 are in a position to start up quickly again. These actions should be time-limited.

4.17. *Industrial strategy*

4.17.1. Many of the previous points are in a general sense also fully valid for the industrial strategy. But European industry faces not only a challenge for the Single Market improvement, but, instead of services, also fundamental structural changes, which is relevant mainly for the coal mining and heavy carbon-intensive industries.

4.17.2. The substance of the new industrial strategy for Europe consists in finding a coexistence between a modern and strong European industry, and the challenges coming from the climate-environmental requirements. The EESC is convinced that this coexistence is feasible and, if successful, it can bring a global comparative advantage to Europe. On the other hand, the EESC is fully aware of and respects the gigantic costs connected with this transition and supports mitigating and compensating for them in an appropriate manner and respecting the economic possibilities.

4.18. *Health systems*

4.18.1. Most importantly, one of the main lessons of the coronavirus crisis is that health systems in almost every European country need to be strengthened, first and foremost by focusing on prevention. The impact of the coronavirus is putting health systems across Europe under enormous strain. While the responsibility for healthcare is a national responsibility, the spread of the virus is not bound by borders. It is affecting the whole of Europe both within and beyond our borders with sanitary, social and economic consequences which urge common responses at European level.

4.18.2. The coronavirus crisis has revealed the dependence of the EU on imports of medical products from non-EU countries. Investments in health protection, care, and long-term care services, in preventive healthcare and occupational health and safety policies — in a life-cycle approach — are needed and have to be supported by EU institutions.

4.18.3. The coronavirus crisis makes it clear that pharmaceutical multinationals have a great amount of power. In order to increase the independence of the pharmaceutical industry, a large European research fund for the development of new medicines and vaccines must also be created. The EU institutions should have the necessary authority to coordinate supply, distribution and prices of essential medical and protective equipment within the Single Market.

4.18.4. The EESC calls for a chemicals strategy for sustainability that ensures the protection of human health and the environment, while minimising exposure to hazardous chemicals. The new strategy will have to be fully coherent with the European Green Deal.

4.18.5. It is necessary to restore the confidence of passengers in transport with a specific regard to public transport. This involves among other measures increasing the health safety of passengers (e.g. air-conditioning systems, detecting sick people, cleaning and disinfection measures etc.). In this context, passenger rights need to be re-considered and even strengthened (e.g. reimbursement for cancelled journeys).

5. A stronger Europe in the world

5.1. The EU needs to strengthen and support its global position in terms of playing a more important and strategic role in the world economy as well as politics. This position has weakened over the last decade. The EU economy has a potential to better utilize its comparative advantages in the global trade and investment market, especially in advanced manufacturing and innovative services, along with an ambition to be a global leader. This effort should be accompanied by a better and more effective representation of the EU in key global organisations and the need to speak there with one voice. The EESC calls upon the European Commission to make a relevant effort to reflect more specifically the need to strengthen the EU's global position in its work programme for 2021.

5.2. The EU should further support a multilateral approach in trade. Incorporating social, labour and sustainable development standards⁽⁸⁾ in the rules of the WTO and other UN-related agencies could substantially contribute to the construction of a new, fair economic and commercial order, and a just and smart globalisation. At the same time, it should oppose the effort to establish new barriers and restrictions in the global economy.

5.3. As one of the concrete lessons of the COVID crisis, the EU should consider more attentively the protection of its strategic assets and investments and strengthen screening in areas where there is a risk of politically misusing an investment transaction in a strategy industry.

5.4. After Brexit, the EU should not only focus on strengthening its coherence and unity, but in relevant cases not forget to continue the enlargement process that has recently been somewhat delayed, despite some progress, especially in the accession of some Western Balkans candidate countries. The enlargement could strongly contribute to eliminating the political and economic uncertainties and increase stability in this part of Europe.

5.5. In the last decade, the geopolitical situation has worsened, which also concerns the territories closer to the EU external border. To support stability and improve mutual relations with the EU, the initiative of a strategic partnership and inclusive neighbourhood policy is to continue. It should react flexibly to the new circumstances and be based on a common respect and the benefits that it brings for both sides.

5.6. The changing geopolitical situation and the consequences of the recent migration crisis as well as the deterioration of external relations in the world with many new risky phenomena has also moved the spectrum of the EU development aid and assistance. The next MFF counts with a huge increase of financial resources for this purpose and expects the inclusion of the European Development Fund in the framework. The EESC supports this activity and underlines the need to pay special attention to Africa, in order to help that continent to overcome a difficult political, economic, social and environmental situation.

5.7. It is necessary to relaunch the EU's geopolitical strategic role in promoting global peace processes, so as to relaunch opportunities for economic development in the EU neighbourhood: Western Balkans, Euromed and Eastern Partners, and in other conflict-ridden areas.

⁽⁸⁾ See, for example, <https://www.ilo.org/global/standards/lang-en/index.htm>

6. Promoting our European way of life

6.1. *The social measures*

6.1.1. Beyond economic and environmental issues, the EU work programme in 2021 must be driven by the social dimension. This means that its commitment to a social and sustainable Europe shall be a priority. In this, civil society organisations play an important role as well. There is an opportunity in promoting social innovation as a model for recovery through co-creation, co-design and co-production. In a complex social landscape with massive societal challenges, the only way is to mobilise all resources in society, working in a cross-sectoral and multi-disciplinary manner in order to identify solutions. Organised civil society is a catalyst for social innovation.

6.1.2. It is necessary to develop a wider understanding of the 'just transition' (beyond coal) and fully implement the European Pillar of Social Rights, while driving reforms of redistributive systems, work-life balance and gender equality.

6.1.3. Implementing the European Pillar of Social Rights (EPSR) at European level and in all Member States is an important step to embarking proactively on a process of upwards social convergence. The Commission's political guidelines promised a fair transition for all towards a green social market economy. In this context, the Commission presented a roadmap on 'A Strong Social Europe for Just Transitions', which launched a discussion with EU countries, regions, and partners on concrete commitments to implement the Pillar to deliver progress at EU, national, regional and local level until November 2020⁽⁹⁾. Based on the contributions received, the Commission will present in early 2021 an Action Plan for the implementation of the social pillar. Additional proposals for 2021 are found in the annex to the roadmap. These include a child guarantee, an action plan for the social economy, a strategy for disability and a long-term vision for rural areas⁽¹⁰⁾.

6.1.4. In the context of the roadmap, the Commission launched a first-stage and then a second-stage consultation of social partners on fair minimum wages⁽¹¹⁾. The EESC awaits a possible forthcoming Commission legal initiative on a decent fair minimum wages. The objective should be to ensure that minimum wages in all EU Member States provide all workers with a decent standard of living. The EESC welcomes the Commission's recognition that there is scope for EU action to foster the role of collective bargaining in supporting minimum wage adequacy and coverage and that measures to support collective bargaining, particularly at sectoral level, should be included in the EU action on minimum wages⁽¹²⁾.

6.1.5. The complexity of the EU's social dimension is such that strengthening it requires governance mechanisms in place to allow for collective problem-solving by various actors across different sectors. The role of social dialogue is key. Strong social recovery also means better access to trade unions and better protection. Collective bargaining and workplace democracy should be supported. The EU and Member States need to support the social partners in increasing the collective bargaining coverage significantly. There is a need to reinforce representativeness and autonomy and the links between European and national levels of social dialogue. Moreover, there is a need to further improve the social partners' capacity and involvement in policy-making, as well as to ensure a stable and balanced industrial relations framework. The EESC believes that the European Commission should revise the EU Quality Framework for Anticipation of Change and Restructuring and propose a legal basis for specific framework conditions concerning worker participation, without interfering in national competences⁽¹³⁾, in order to improve workers' involvement to manage the challenges of the Green deal and of the digital transformation process.

6.1.6. The EESC urges the Commission to reform the European Union's economic governance. The EESC is convinced that some changes are required 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

⁽⁹⁾ https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_20

⁽¹⁰⁾ A Strong Social Europe for Just Transitions.

⁽¹¹⁾ <https://ec.europa.eu/social/main.jsp?langId=en&catId=1226&furtherNews=yes&newsId=9696>

⁽¹²⁾ Ongoing SOC/632 — Decent minimum wages across Europe.

⁽¹³⁾ CCM/124 — EU Quality Framework for anticipation of change and restructuring (OJ C 19, 21.1.2015, p. 50)

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 ⁽¹⁴⁾.

6.1.7. The EESC welcomes the proposal announced for improving working conditions for platform workers in 2021. However, the EESC regrets that the much broader challenge of an inclusive and fair transition is not directly addressed in the Commission communication ⁽¹⁵⁾. It insists on the need for an ambitious action plan to encourage the Member States to follow through on their promises regarding the proclamation of the European Pillar of Social Rights ⁽¹⁶⁾.

6.1.8. Reframing work is of crucial importance in the recovery phase of the COVID-19 crisis. In both the private and public health and care sectors, pursuing productivity growth ran counter to quality of service and undermined the working experience, which had dramatic consequences during the health crisis in most of the EU countries. The shift towards service-based activities would lead to a more labour-intensive economy, counter-balancing the precarious nature of jobs in these sectors, supporting higher levels of employment and bringing jobs back into the real economy. Policies to support quality work in labour-intensive sectors that deliver high quality services are therefore essential.

6.1.9. The EESC remains concerned that poverty in general and in-work poverty are still a significant problem in many Member States. In addition to improving wage levels, a comprehensive approach is needed at EU and Member State level including action to ensure adequate minimum income schemes, common minimum standards in the field of unemployment insurance and effective active inclusion schemes, supported by essential and enabling social services. Well-functioning labour markets, public employment services, and active labour market policies are also required ⁽¹⁷⁾.

6.1.10. The EESC supports the Commission's Gender Equality Strategy 2020-2025 and recommends that the Commission adopt gender mainstreaming strategies in all programming and governance bodies, as well as an intersectional approach to gender equality. The Strategy should be implemented in tandem with tackling the impact of COVID-19, through tailor-made and targeted policy responses. The Committee notes the Commission's intention to propose a legislative initiative on binding pay transparency measures. In addressing pay and other gender gaps, greater social recognition and economic value should be given to jobs and sectors, which traditionally employ many women, and are often underpaid and undervalued.

6.1.11. It is important to continue to tackle and mitigate the socioeconomic consequences of the pandemic, which are exceptionally strong in the key areas of transport, travel and tourism.

6.2. Migration and the post-COVID-19 era

6.2.1. With the arrival of the COVID-19 pandemic, the consequent immense tragedy for national health systems and the collapse of the economy in all countries, the issue of migration seemed to disappear from the scenario and recede into the background, with a certain indifference on the part of the public opinion. Asylum-seekers cannot be abandoned due to the current crisis. Basic protective rights are the core of European values and cannot be thrown overboard when they are inconvenient.

7. A new push for European democracy

7.1. The European Union is based on common European values which are non-negotiable under any circumstances: respect for human dignity and human rights, freedom, democracy, equality and the rule of law. These values cannot be forgotten when the EU and its Member States face an emergency and its fallout in terms of economic and social challenges.

⁽¹⁴⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1600965538199&uri=CELEX:52020DC0102>

⁽¹⁵⁾ https://ec.europa.eu/info/sites/info/files/communication-eu-industrial-strategy-march-2020_en.pdf

⁽¹⁶⁾ INT/897 — Industrial strategy (see page 108 of this Official Journal).

⁽¹⁷⁾ Ongoing EESC Opinion SOC/632 on 'Decent minimum wages across Europe', and EESC Opinion SOC/583: <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/common-minimum-standards-field-unemployment-insurance-eu-member-states-concrete-step-towards-effective-implementation> (OJ C 97, 24.3.2020, p. 32) and EESC Opinion 'For a European Framework Directive on a Minimum Income' (OJ C 190, 5.6.2019, p. 1).

While the response to the current crisis needs to be swift and warrants certain exceptional and time-limited measures, these cannot go against the rule of law and cannot endanger democracy, the separation of powers and the fundamental rights of European citizens. The EESC insists that all policy measures in this respect must be fully in line with our common values as laid down in Article 2 TEU.

7.2. In this new recovery and reconstruction process, the EESC hopes that forthcoming Conference on the future of Europe could be an opportunity to strengthen and deepen the EU's institutional structure and for a real renewal of the EU project, able to face the challenges of the next decades.

7.3. The COVID-19 crisis has exposed the institutional limits and shortcomings of the current European Union, while demonstrating the urgent need for an effective and efficient Union. A new European Union set-up is needed that goes beyond the EU single market to lead to a more integrated Europe with real fiscal capacity and that its main objective is to improve the living and working conditions of its citizens. For these reasons, the EESC is of the opinion that the Conference process should take into account the EU's existing recovery instruments and the solidarity that has already been established, while ensuring ecological sustainability, economic development, social progress, security and democracy. The EESC stresses that despite the pandemic the direct engagement of civil society organisations, and social partners and elected representatives must remain a priority of the Conference and looks forward to starting the Conference so as to build a more democratic, more effective and more resilient Union together with all EU citizens. The EESC believes that the Commission should keep the scope of the Conference open to all possible outcomes, including legislative proposals, initiating treaty change or otherwise.

7.4. In the EESC's view, disinformation poses a direct threat not only to the ability of people to take informed political decisions, but also to the European integration project and therefore to the European Union's unity, prosperity and global influence. Weakening the EU's democratic decision-making capabilities is in the interest of a range of foreign powers, as well as extremist groups that oppose European cooperation and stronger cohesion. The EESC would express its firm support for the EU's current efforts to counter disinformation — external and domestic — and urges the Commission to ensure full compliance and follow-up regulatory action in respect of the Code of Practice on Disinformation, further development of the recently established 'rapid alert system' and Stratcom's intelligence units, and the expansion of the European External Action Service's action against disinformation, paralleled by considerable expansion of EU action against domestic disinformation ⁽¹⁸⁾.

7.5. The EESC strongly supports the European Commission's proposal to develop a 'European Democracy Action Plan' which should be comprehensive and continuous, with the capacity to effect change, assured by financial support and inter-institutional coordination. The European Democracy Action Plan and related future initiatives should strive to do much more to achieve a free and plural media and quality independent journalism, effective regulation of social media, particularly to combat disinformation and including regulation of online political advertising and content responsibility, a modernised electoral process, the inclusion of disenfranchised groups, primarily persons with disabilities, and widespread civic education about the European Union and its democratic process in all Member States. The EESC recalls its proposal for an ambitious EU communication, education and public awareness strategy on fundamental rights and the rule of law and democracy ⁽¹⁹⁾.

7.6. Further action is needed to achieve free and pluralistic media and quality independent journalism, as well as effective regulation of social media particularly to combat disinformation and including regulation of online political advertising and content responsibility.

7.7. *Better regulation and foresight*

7.7.1. The EESC maintains the call for a revised Better Regulation Agenda that integrates a 'sustainability check' to ensure all EU legislation and policies are contributing to the implementation of the SDGs.

⁽¹⁸⁾ SOC/630 — The effects of campaigns on participation in political decision-making (OJ C 311, 18.9.2020, p. 26).

⁽¹⁹⁾ OJ C 282, 20.8.2019, p. 39 and Communication from the Commission to the European Parliament, the European Council and the Council on Further strengthening the Rule of Law within the Union — State of play and possible next steps, 3 April 2019.

7.7.2. The EESC is committed to contributing to the success of the new Fit For Future Platform (F4F) that replaces the REFIT Platform and welcomes the upgrade of the EESC's role in the F4F in terms of participation, representation and input. This new platform will engage Member States and civil society representatives to work on simplification and unnecessary regulatory burden reduction, and preparing Europe for new challenges in the future such as digitalisation. The COVID-19 crisis has demonstrated the importance of designing policies and strengthening capabilities in such a way that they are fit for addressing the uncertainties of the future.

7.7.3. The EESC points out that better regulation is not a substitute for political decisions and must on no account lead to deregulation or reduce the level of social, environmental and consumer protection and protection of fundamental rights. The EESC calls on the Commission to review the guidelines and criteria in its Better Regulation toolbox, with a view to incorporating into evaluation processes the sustainable development goals (SDGs) set out in the Horizon 2030 programme. A 'sustainability check' should be explicitly included in the Better Regulation toolbox. The EESC again calls for the European impact assessment and evaluation ecosystem to keep evolving in order to strengthen its quality and encourage the active participation of organised civil society in designing and implementing legislation ⁽²⁰⁾.

7.7.4. The EESC suggests that the Commission combine public consultations (because of its limitations) with ad hoc round tables of relevant stakeholders, such as social partners and organised civil society, in order to strengthen participatory democracy.

7.7.5. Civil society organisations' involvement in impact assessment and strategic foresight should be strengthened to ensure their expertise and knowledge on the ground is taken into consideration when designing future legislation and policies in the new post-COVID-19 context.

7.7.6. Civil society organisations themselves are among the victims of inequalities and weaknesses in the system. Their current and future ability to respond to needs is threatened by often scarce and fluctuating resources. This needs to be addressed by ensuring funding mechanisms for them. The Commission's 2021 work programme following the crisis is a huge opportunity to review EU engagement towards civil society organisations in terms of more sustainable and structural financial support vs project-based funding.

Brussels, 16 July 2020.

The President
of the European Economic and Social Committee
Luca JAHIER

⁽²⁰⁾ INT/886 — Better Regulation stocktaking (OJ C 14, 15.1.2020, p. 72).