## **EUROPEAN COMMISSION**



Brussels, 12.10.2017 C(2017) 6059 final

Dear President,

The Commission would like to thank the Bundesrat for its Opinion concerning the Commission Communication "Establishing a European Pillar of Social Rights" {COM(2017) 250 final}.

In establishing the European Pillar of Social Rights ("the Pillar"), the Commission is delivering on President Juncker's promise in the 2015 State of the Union address. In March 2016, the Commission presented a preliminary outline of the Pillar followed by a broad public consultation. The resulting final proposal set out a number of key principles and rights to support fair and well-functioning labour markets and welfare systems.

The support expressed by the Bundesrat for the objectives of the initiative, notably a stronger social dimension for the European Union, as well as a renewed process of convergence towards better working and living conditions, offers a good basis for taking forward together the implementation of the Pillar. The Commission shares the Bundesrat's view that policy coordination should take place in the context of the European Semester.

The Commission takes note of the concerns expressed by the Bundesrat on some of the issues addressed by the Pillar such as education and training, the dismissal of workers, work-life balance, and old-age pension. On the right to education, the Commission sees this guideline in the broader context of the United Nations' Sustainable Goal 4: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" and as a commitment to achieving this goal.

The Commission also acknowledges the concerns expressed over some of the indicators proposed for the Scoreboard. With the Social Scoreboard, the Commission does not intend to introduce a performance screening of Member States' Education and Training systems. It rather a question of bringing comparative evidence to the table that would serve as a reference framework to monitor 'societal progress', in a tangible, holistic and objective way, which is easily accessible and understandable to citizens.

Ms Malu DREYER President of the Bundesrat Leipziger Straβe 3 - 4 D – 10117 BERLIN With regard to the benchmark on adult participation in (lifelong) learning, the data are available annually from Eurostat's Labour Force Survey and provide an important reminder of the challenge increasing the participation of adults proves to be across Member States. Eurostat is working with Member States to revise the methodology for collecting these data from 2020, which would result in a more accurate picture of participation over a 12-month period.

The Commission shares the Bundesrat' opinion on the importance of fully respecting the principles of subsidiarity and proportionality when it comes to the implementation of the Pillar.

The Commission is very aware that education is primarily a competence of Member States and their regions, and notes that links and partnerships with labour market stakeholders and businesses are becoming increasingly important. The far-reaching public consultation on the European Pillar of Social Rights also revealed that skills and education are considered as one of the most important aspects of the social dimension of the European Union.

The Commission wishes to stress that the Pillar does not in itself modify or create new social rights. It builds on and complements the existing acquis by setting out key principles which should be shared by participating Member States in the conduct of their employment and social policies. In this context, the principle on education and training reflects the need to do more to equip people with the skills they need throughout life as it came out as a very strong message in the public consultation on the Pillar. How Member States organise and finance their Education and Training systems to do this is a matter for them.

The Commission takes note of the Bundesrat's proposals to simplify administrative procedures to make better use of the European Social Fund, as well as to conduct more effective assessments of social impacts.

The Commission follows the Better Regulation principles which are laid down in the Better Regulation Guidelines. The guidelines require an impact assessment whenever the initiative is expected to have significant economic, environmental or social impacts. There are a number of safeguards to ensure quality assessment. The Regulatory Scrutiny Board is an independent body that provides quality control of the impact assessments. A positive opinion from the Board is needed before an initiative can be adopted. Furthermore, the impact assessments have to be based on solid evidence and are usually based on studies carried out by independent contractors.

With regard to the standardization of the access to statutory pension schemes, the Commission would like to clarify that the Pillar only refers to the right to a "pension commensurate to their contributions and ensuring an adequate income." The 2008 Recommendation on "Active inclusion of people excluded from the labour market" already speaks of "adequate income support" for all in need, including those with insufficient pensions. The Social scoreboard does not have an indicator assessing pension adequacy.

A proposal for a joint proclamation by the European Parliament, the Council and the Commission would express a common political will for and joint vision of a strong social dimension of the European Union.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Bundesrat and looks forward to continuing our political dialogue in the future.

Yours faithfully,

Frans Timmermans First Vice-President Marianne Thyssen Member of the Commission