

CEEP RESPONSE TO THE PUBLIC CONSULTATION ON THE ACTION PLAN FOR THE PILLAR OF SOCIAL RIGHTS

CONTEXT

The President-elect of the European Commission, **Ursula von der Leyen**, committed to the Pillar of social rights in her speech before the European Parliament in Strasbourg in July 2019 and her political guidelines, announcing further actions to implement the principles and rights of the Pillar.

Valdis Dombrovskis – Commission VP for an Economy that Works for the People stressed that the European Pillar of Social Rights remains the common compass for a fair and sustainable recovery. Commissioner Nicolas Schmit emphasised that a successful implementation of the Pillar will depend on actions at all levels.

The **communication “a strong social Europe for just transitions”** published in January 2020 launched a broad consultation on the Pillar of social rights’ implementation. The Commission stated that the key to success often lies in the hands of national, regional, and local authorities, as well as Social Partners and relevant stakeholders at all levels, working together with the EU level to make it work.

The Commission invited all EU, national, regional, local authorities, and partners to present their views by **November 2020** on further action needed and pledge their concrete commitments to implement the Pillar.

GENERAL REMARKS

CEEP strongly supports the objective of fostering a resilient, sustainable and fair European Union, continually aiming at upward convergence and CEEP always considered the European Pillar of Social Rights as a key compass to achieve this objective.

- The Pillar is an important shared political commitment and responsibility that we can use as a reference to guide our actions and policy choices at the National level. Fully respecting the limits imposed to EU action and the principles of subsidiarity and proportionality is imperative. The fact that there are different models of Labour market and delivery of Services of General Interest and welfare in the EU and that the responsibility of the implementation of the pillar lies at national, regional and local levels must be kept in mind. It is especially true when it comes to employment, and social protection systems. CEEP deems vital to remind that there is no one-size-fits-all solution to achieve our objectives for a fair, sustainable and inclusive society.

- We strongly welcomed the start of a broad discussion by the European Commission with all EU countries, regions and national Social Partners as we always considered that the Pillar, as a shared political commitment and responsibility, should be about fostering national ownership of the principles via the European Semester and via the guidance for the use of EU funds and less about new EU legislation.
- That is why CEEP wants for the future Action Plan to foster ownership at the national level and to finally materialise the hope many public services and SGI employers and providers felt when the EU identified social dialogue and essential services, long-term care, healthcare and housing as matters of priorities for the social dimension of the European Union.
- This Action Plan is more than ever necessary as the economic and social crisis we face today has left many European citizens and enterprises vulnerable whilst facing both economic and health-driven challenges.
- CEEP wants for the COVID crisis to serve as the last lesson that the provision of public services and SGIs is crucial to the well-being of EU citizens as well as for the overall economic resilience of the EU. The future Action Plan should contribute to this realisation.
- The Pillar identified the importance of public service and Services of General Interest and Economic Interest under in the framework of Protocol 26 – i.e. quality, safety, affordability, equal treatment, universal access, and user’s rights.
- We believe the Action Plan should now emphasise the considerations of quality, and particularly affordability and equality of access for all households and groups also in terms of accessibility for persons with disabilities and in terms of geographical coverage.

Some of CEEP’s key points in this regard relate to:

- CEEP welcomes the Green Deal as the new Growth Strategy. It is as it is crucial to work with for creating long term sustainable Social and Economic Society.
- Rising energy poverty, impacting over 50 million Europeans before COVID crisis affecting their health and well-being. The right to clean and affordable energy is also part of the 17 Sustainable Development Goals.
- Housing is one of the Pillar’s principles in itself, and we know that approximately 11 % of the EU population spends more than 40 % of disposable income on housing; whereas the European Semester has identified housing cost overburden as a “social trend to watch.”
- The COVID-19 pandemic also had a tremendous impact on the provision of health and social care services in Europe. This is adding to the already existing challenges of the healthcare system such as years of underinvestment, recruitment and retention and demographic ageing.

- The gender pay and pension gaps and the large proportion of women often forced to be economically inactive due to the prohibitive cost and unequal access to childcare;
- Vulnerable groups of citizens that were already at risk of discrimination or of exclusion from SGIs (especially when it comes to employment), such as persons with disabilities, have seen their risk to social exclusion aggravated by the COVID crisis

Some of these data are pre-COVID crisis, and the situation has certainly worsened substantially now.

SPECIFIC EMPHASIS ON KEY ELEMENTS FOR PUBLIC SERVICES EMPLOYERS AND PROVIDERS

Social dialogue

CEEP has a positive assessment of the 2016 quadripartite statement on a new start for social dialogue, signed by the EU cross-sectoral Social Partners, by the presidency of the EU Council and by the European Commission. This text has acted as a catalyst for coordinated progress towards stronger social dialogue at EU and national levels. This is essential as a well-functioning EU social dialogue depends on well-functioning social dialogues at the national level in all EU Member States, in line with diverse industrial relations practices and vice-versa. CEEP contributed actively in the consultation with Andrea Nahles ahead of her report on how social dialogue can be supported and strengthened. We are looking forward to see what ideas will be presented in the report, that is expected to be presented in February next Year, at approximately the same time as the action plan is foreseen to be presented.

EU Social Partners and their members across the EU represent a unique bridge capable of connecting stakeholders and allowing the consolidation of efficient actions that bring together the EU, national, sectoral and enterprise levels. CEEP is committed to continuing and deepening its work related to the challenges imposed by the COVID-19 and insists that the active involvement of Social Partners is more than ever indispensable for optimal recovery, as well as for addressing the digital, green and socially just transitions.

For the Commission to contribute to a stronger social dialogue in line with Principle 8 of the Pillar CEEP insists on the following key points:

- The Commission should act in coordination with EU Social Partners, in the Member States where this is needed, to support and ensure that all national governments appropriately involve the national Social Partners in the preparation of the national recovery and resilience plans.
- Wherever national Social Partners are not appropriately involved in the European Semester, or when a Member State receives a CSR on social dialogue without sufficient progress to improve the situation, the Commission and the Council should agree on appropriate supportive measures to unlock the situation with the support of the national Social Partners in the countries concerned.

- Trust, formal and timely consultation with the Social Partners as well as support through robust EU-funding is a pre-requisite for a well-functioning social dialogue. Furthermore, the respect of the independence of social dialogue and Social Partners from the EU institutions and from national governments and political influence is essential, to fully represent the interest of workers and employers alike.
- Despite several coordinated actions with the European Social Fund Committee and a richer involvement of Eurofound when it comes to supporting Social Partners capacity needs, progress has been slow and uneven. CEEP calls for a stronger political will at national levels and better coordination in the context of the European Social Fund management. Social Partners needs for capacity-building and joint actions have meanwhile become even more urgent due to the Covid crisis impact on enterprises and workers. Funding and management conditions (such as co-financing rates) should be made easier for the social partners to access the Funds, develop capacity building and manage meaningful programmes
- CEEP calls on the European Commission to engage in bilateral discussions with the ESF managing authorities where such a need for Social Partners' support exists, intending to agree with those Member States on an amount of the ESF resources foreseen for the period 2021-2027 to be earmarked for Social Partners capacity-building and joint-actions support.

Gender equality and equal opportunities

The way forward to meet the gender equality challenges would be to take a holistic approach: gender budgeting, tackling gender norms, gender stereotypes, educational, professional and career choices, opportunities for parental leave and the sharing of caring and unpaid domestic activities, access to childcare and other care services are aspects that influence both women's and men's situation in the labour market.

Following the crisis, it will be essential to ensure that societies become stable again, through national social protection and welfare systems which provide sustainably and adequately for future generations and by safeguarding public investment. There should also be more focus on accessible, affordable, and high-quality childcare infrastructure across Europe:

- Greater childcare infrastructure investment is needed to support working parents to remain in employment and increase their working hours, as well as attract inactive parents into the labour market.
- This applies also to working relatives of persons with disabilities and to children of elderly parents who have no other choice than to reduce their working time or stop working when dedicated services are not available or affordable.

For the Commission to contribute to a stronger equality dimension in line with the Principles 2, 3, 9 and 11 of the Pillar CEEP insists on the following key points:

- The EC should consider providing support for countries not meeting the Barcelona 33% target: Where necessary, Invest EU, the European Social Fund and the European Regional Development Fund could contribute to creating childcare places. The EU should also gradually raise the Barcelona 33% target: Suggestion to increase the current 33% Barcelona target gradually to 50%.
- The EC could in the Action Plan insist on incentivising the use of childcare facilities: An EU wide campaign to promote the use of childcare facilities, by highlighting the importance and benefits of quality and affordable childcare, in particular early childhood education, not only for employment and labour markets but also for child development.
- The Action Plan should also highlight the co-financing opportunities through different EU-funds (European Social Fund+ (ESF+) and European Regional Development Fund, the Invest EU Programme and the European Agricultural Fund for Rural Development) utilised for measures that make it easier to reconcile work with the family, in particular, to expand childcare.
- The European Commission following the new gender equality strategy, and to streamline EU actions should consider setting gender equality as a horizontal priority for the MFF the EU semester, the RRF and through the Action Plan for the European Pillar of Social Right. This would be an essential step in ensuring improved financing for gender equality and thereby accelerating the implementation of existing gender equality commitments in all areas.
- The EC should raise attention in the Action Plan and the European Semester on the necessity to tackle Horizontal segregation as women are typically over-represented in sectors or occupations that often offer lower rates of pay. They also require skill levels that are rated lower than those required by sectors and occupations in which men are over-represented. This would be a significant contributory factor to the gender pay gap in the EU.
- The EC should consider specific measures to foster the integration of groups at risk of discrimination (like migrants, ethnic minorities of persons with disabilities) into employment and accessing SGIs. The role of social partners in promoting integration should be highlighted in dedicated strategies covered by the Pillar, such as the future European Disability Strategy.

ACCESS TO QUALITY SERVICES OF GENERAL INTEREST, A PRECONDITION FOR THE IMPLEMENTATION OF THE PILLAR OF SOCIAL RIGHTS

Essential services

The European Pillar of Social Rights in its principle 20 refers to **access to quality essential services** mentioning sectors such as water, sanitation, energy, transport, financial services, and digital communications. CEEP calls for the European Commission to identify Services of General interest in order to identify ways to support their action at National level better.

Services of general interest structure and guarantee the economic and social life in times of lockdown and beyond. It has become evident during the crisis that they have a stabilising function for the European labour and internal markets during the crises.

The range of SGIs has become more comprehensive. No longer only services classified in the past as utilities, postal services, transport or telecommunication services and social housing are services of general (economic) interest but also services from the social, educational, health and cultural sector. The crisis has shown that the essence and the abstract purpose of all these services are remarkably similar and connatural so that they belong to the same classification family.

- The **European Commission should broaden its understanding of services of general (economic) interest** accordingly in order to be better able to put into practice Articles 14 and 106 (2) TFEU and Protocol No. 26 and the Action Plan for the Pillar provides a unique perspective for this purpose.
- **SGI driven impact assessment:** The **European Commission should conduct an intense impact assessment concerning all its legislative proposals** and check if they consider the acquis of services of general interest in their “preliminary assessment of expected impacts”.
- **Public infrastructures** of general interest need more attention. Their **state should be reported more regularly in different documents of the European Semester, such as the Alter mechanism reports or country reports.**
- The COVID-19 crisis has exposed the results of years of underinvestment in public and social services and infrastructure in some Member States. CEEP is therefore convinced that the main message underlying the Action Plan for the Pillar of social rights should be that **expenditure in essential public services and social services should no longer be seen as a cost, but as an investment for tomorrow and as a saving for the day after tomorrow.**

Health and social care

The COVID-19 outbreak has shown how vital the work performed by those providing essential services is, such as healthcare and social care as well as emergency services. COVID-19 has also shed light on the need to strongly prioritise investments in the care sectors, and to deal with shortages in health and social care workers and with the urgent need to strengthen services of general interest.

Social and health services which have endured in some Member states a long period of underinvestment as exposed by the COVID-19 crisis must be significantly considered. A long-term investment paradigm, allowing to capture the specificities of such infrastructures, will be key in this endeavour. More specifically, and to maximise their social impact, these funds should follow a decentralised approach, consistent with the InvestEU paradigm, to build on the respective strengths of an extensive range of EU implementing partners and to ensure the best combination between European and territorial actions

Sufficient staff and facilities are essential for service users, employers and workers. The Recovery plan by the EU Commission estimates that taking account of the additional health care needs, additional investment needs in social infrastructure have been increased to €192bn per year.

The European Union, through the tools available, could monitor whether such new funds are also dedicated to improving the operating and working conditions for **health and social care providers to address the challenges of recruitment, retention and demographic ageing.**

The Action Plan on the European Pillar of Social Rights and the future Action Plan on the social economy could jointly insist on the following key points

- Develop funding to face support needs through an integrated approach which would allow for new funding to be deployed mainly through new public sources and through social policies while also considering the role private investment can play
- Provide the social partners with the means to develop the attractiveness of health and social care service professions and improve their working conditions
- Develop hospitalisation at home and insist on the need for Member states to unlock the means to achieve this objective
- Encourage and support the development by Member States of strategies between different local players in health and social services to promote care pathways as part of a comprehensive care strategy for the benefit of the population.
- Support the consolidation of the social and solidarity economy, especially when it comes to delivering services of general social interest for all, including those groups at highest risk of being excluded or discriminated against.

Education and Training

The emerging trends that will have a significant impact on the labour market, including digitalisation, demographic change and green economy, will require not only European citizens to adopt new skills but also new attitudes and lifestyles. CEEP, therefore, deems it essential that the Skills Agenda stresses the necessity of changing the culture of work into a culture of learning on all fronts.

Low-skilled people represent a high percentage of the EU working-age population, and more strategic, sustainable, and coherent approaches are needed to support them into accessing and progressing through upskilling pathways. It is essential to invest in human capital, skills, and lifelong learning to help people address the employment and social challenges ahead. Addressing the low-skills challenge requires a long-term systemic approach and needs to be accompanied by appropriate and sustainable funding resources and mechanisms. Adequate levels of both private and public investment should be stressed, as only a combined effort would allow addressing the existing major funding gaps in this area.

- CEEP believes that in order to develop holistic instruments that create significant results, the Commission needs to involve all the relevant stakeholders in their discussions structurally, so the industry, the Social Partners and the education providers are all included as input contributors and not solely as observers.
- With regards to the proposed Council Recommendation on VET, CEEP urges the Commission to stimulate this trust-building and foster an inclusive environment that takes on a more integrated approach. Concerning the latter, we encourage the Commission to build bridges between policy areas by connecting the Action Plan on the Pillar of social rights with the skills Agenda and to other European initiatives that involve skills and training, such as the Green Deal, the Digital Agenda, the Industrial Policy and most importantly the European Semester.
- Mismatches between qualifications and job requirements remain a long-standing challenge in the several Member States. Skill shortages are impeding growth because of the entailing high productivity cost in many economies across the EU. At the same time, it is important to identify the nature of the skills needed, ranging from job-specific skills to digital skills and a broader set of transversal skills such as critical thinking, adaptability, capacity to learn and relearn. It is equally important to recognise that such skills are best learnt on the job, thereby requiring close cooperation between education and training, employers, and Social Partners.
- For VET to become the first choice, it is important to raise the image and visibility of VET in other policy areas as well. Integrating VET in the EU agendas on regional development, innovation, and industry, including EFSI, ERDF and Horizon Europe, will strengthen outcomes, increase budgets for VET initiatives and improve the quality and image of VET. Having this in mind, the richness of the VET must be showcased in all these policy areas. We, therefore, invite the European Commission in the Action Plan for the Pillar of social rights to display VET's vital role as a contributor to the human capital agenda as it fosters democratic citizenship and EU values as well as adds to innovation and excellence.

Housing

The European Pillar of Social Rights, while fully respecting the principle of subsidiarity, aims at enabling the European Union to support, through its policies and tools, access to decent, affordable and adequate housing for all its citizens.

The Joint Employment report 2021 however paints a challenging picture for this important principle. While housing costs remain very high for a large share of households, the crisis requires action to protect the most vulnerable. One European in ten is affected by housing cost overburden. Lowest income households and people living in cities are most affected. Homelessness, the most extreme form of housing exclusion, increased over the last decade in most Member States.

Already in January 2018, the report of the Task Force dedicated to the need for investments in social infrastructure, chaired by Romano Prodi and Christian Sautter, noted the lack of 57 billion euros for investments necessary in housing infrastructures. The health, economic and social crisis of COVID19,

that Europe is going through, will have consequences on this pre-existing housing crisis and those investment needs will further grow.

- Whereas the competence in matters of housing is national, regional or local, depending on the Member states, the implementation of the European Pillar of Social Rights through all policies of the European Union remains essential.
- The action plan for the Pillar of social rights must make it possible to support the supply of affordable, suitable and accessible housing as a key component of social protection system and the support for social housing must be considered as an integral part of an efficient real estate market.
- This support must be achieved through the various national and local housing policies and enabled thanks to the economic and social policy of the European Union.
- The European competition policy, the internal market strategy, the fiscal and economic governance, cohesion policy, energy policy, Investment, recovery, social inclusion, migration, demography, and research and innovation must all be mobilized in this direction.
- The Economic governance, including the European Semester, which has already started a shift in taking into account the social dimension in the analysis of housing markets, must enable Member States to invest in a sustainable and fair housing policy. Indicators should be developed to achieve this objective and all European financing tools (Next Generation EU, Invest EU, Cohesion Fund, EIB, etc.) should be mobilized by the action plan of the Pillar of European Rights in this direction.
- The EU policy for social inclusion must continue to support the Member States in their initiatives, in particular as regards housing for the most vulnerable. All European policies have the capacity to participate in a concrete and effective implementation of the European Pillar of Social Rights, and in particular of Principle 19 on access to social housing.

Conclusion

CEEP welcomes a further implementation of the European Pillar of Social Rights. In this response to the consultation on the action plan, CEEP highlighted the need to focus on implementation of the Pillar at the regional and the National, regional and local levels and the necessity to use the European macroeconomic governance to further guide this process. Additionally, CEEP emphasised the expectations of Services of General Interest employers and providers when it comes to the future action plan. CEEP wants for the future Action Plan to foster ownership of the Pillar at the national level and to materialise the hope many public services and SGI employers and providers felt when the EU identified social dialogue and essential services, long-term care, healthcare and housing as matters of priorities for the social dimension of the European Union.