



Brussels, 30 November 2020

European Chemical Employers Group's (ECEG) reply to the European Commission's Consultation on Reinforcing Social Europe – Implementation of the European Pillar of Social Rights

The European Commission launched a consultation process towards the realization of an Action Plan to fully implement the European Pillar of Social Rights (EPSR). The Action Plan is expected to be issued in early 2021. ECEG welcomes the Commission's commitment to collect stakeholders' views.

We have some concerns in relation to the above-mentioned initiative:

- **Consultations are supposed to be open-ended.** However, the current one leads only in one direction: to expand the European Pillar of Social Rights.
- **The Better Regulation idea needs to be reinforced.** The EU already presents a comprehensive and extensive legislation on social affairs, with around 70 Directives

regulating social issues, such as working hours/conditions, H&S in the workplace, etc. Additional EU action on these topics would therefore be counterproductive if the root-causes of social problems in Europe are not addressed.

We need proper enforcement and application of the existing legislation alongside economic growth and competitiveness.

The Pillar should not be used as a basis for legitimising additional social policy legislation at European level.

- **This EU approach proposes a one-size-fits-all model**, which takes into account neither the different national industrial traditions and/or social systems, nor the specificities related to the businesses' size and sector. This can be detrimental for the social partnership in general, especially in those countries where social partners have a high degree of freedom in their negotiations. Social Dialogue and the principle of subsidiarity must be fully respected, together with the division of competences between national and European levels.
- **It does not take into account the serious consequences of Covid-19 on companies.** The Commission's launch of the Action Plan on EPSR does not take into consideration the difficulties that businesses currently face due to the Covid-19 outbreak. The Commission's Autumn 2020 Economic Forecast projected that the EU economy would contract by 7.4% in 2020 due to the coronavirus pandemic and lockdown measures. Moreover, the unemployment rate will reach 7.7% by the end of the 2020 and it will further increase in 2021 (8.6%)¹. This trend is expected to worsen in light of the current second wave.

Therefore, the Commission's exclusive focus on social rights is therefore not the right approach. It also needs to include employability, employees' competences and rapid re-launch of the economy while securing sustainable growth and competitiveness.

All actions and initiatives at European level need to be assessed via a competitiveness check.

¹ See: "Autumn 2020 Economic Forecast" https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/autumn-2020-economic-forecast_en.

In conclusion: The action of the EU should focus on supporting Member States and social partners in addressing structural labour market challenges. This needs to be done in full respect of social partners' autonomy and the subsidiarity principles. ECEG considers that adequate country-specific recommendations in the context of the European semester process remain the main policy vehicle through which national policies can be coordinated and economic development in Member States improved. ECEG supports BusinessEurope's proposal to establish a tripartite exchange between EU and national social partners, national governments, and the European Commission.

This tripartite exchange should take place ahead of the publication of the action plan in order to jointly develop its content.

For more information, please contact:

Emma Argutyan, Director General

e.argutyan@eceg.org.

About ECEG

ECEG, the European Chemical Employers Group, founded in 2002, is a recognised European Sectoral Social Partner, representing the chemicals, pharmaceuticals, rubber and plastics industries in Europe. Our sector provides approximately 3.3 million direct jobs in more than 94.000 enterprises.