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EDITORIAL

Countdown to a dynamic month with EESC in action! #YEYS2025 #CivSocWeek



Editorial

As winter reluctantly gives way to spring, the EESC is welcoming March with a set of dynamic events, shining a spotlight on the voices of young people and civil society.

The curtain raiser is the 16th edition of the '**Your Europe Your Say'** event. On 13-14 March 2025, the YEYS event, as it is widely known, will bring together nearly 100 young participants from youth organisations, national youth councils and secondary schools, as well as 37 teachers from EU Member States, candidate countries and the UK. All of them will share a unique experience, uniting their voices to shape the Europe they want to live in.

Their recommendations could feed into the EESC's second Civil Society Week, following just a few days later, as a basis for youth-focused discussions. and be shared with high-level representatives from the European institutions.

After its promising start in 2024, this year's Civil Society Week take place on 17-21 March and will focus on ***Strengthening cohesion and participation in polarised societies***. Social instability, economic downturns and widespread discontent, particularly among those who feel unheard and left behind, have further deepened societal divisions.

To address these pressing concerns, the **Civil Society Week 2025** will gather a diverse range of civil society stakeholders from Europe and beyond, providing a unique platform to engage in critical debates, share best practices, and collaborate to develop solutions that foster social cohesion and strengthen democratic engagement.

This year the agenda will bring together three major initiatives: the **European civil society organisations and networks** (EESC Liaison Group panels), discussing how a European Civil Society Strategy could foster greater cohesion; the **European Citizens' Initiative Day (ECI)** and its role in tackling polarisation; and the **Civil Society Prize award ceremony**. The theme of the 15th Civil Society Prize, which rewards excellence in civil society initiatives, is combatting harmful polarisation of European society. The winners come from Belgium, represented by the civil society organisation 'Diversity'; from France, with 'Reporters of Hope'; and from Slovakia, with the 'Slovak Debate Association'. The ranking will be announced during the ceremony!

Our **Civil Society Week** acts as a timely platform, calling organised civil society and citizens to express themselves on key issues, from the escalating challenges of climate change, the rising cost of living and widening income disparities, to the outcomes of the 2024 elections worldwide, which have all created a fertile ground for widespread polarisation.

I invite you to take part in this meaningful exchange by joining our discussions and seizing the opportunity to turn conversation into change. Our voices matter and they can be heard as long as we stand together, proactive and ready to contribute to a more cohesive and participatory Europe. Registrations are open! Don’t miss this opportunity!

Laurentiu Plosceanu

Vice-President for communication

DIARY DATES

13-14 March 2025

Your Europe, Your Say! 2025

17-20 March 2025

Civil Society Week 2025

18 March 2025

ECI Day 2025

26-27 March 2025

EESC plenary session

TO THE POINT

Ahead of International Women's Day on 8 March and the 69th session of the Commission on the Status of Women (UNCSW69) — the main global body promoting women's rights — EESC member Maria Nikolopoulou, rapporteur for the opinion entitled *EESC contribution to the EU’s priorities at the UNCSW69*, writes about the EU's progress in gender equality. While many improvements deserve recognition, women

are still far from having the same rights as men. Many gaps remain to be closed, and many more battles must be won.



GENDER EQUALITY: EUROPE HAS DONE A LOT AND MUST DO EVEN MORE

By Maria Nikolopoulou

A few days before we mark International Women's Day and as we anticipate the 69th session of the Commission on the Status of Women (UNCSW69) in New York, this is a good time to reflect on and evaluate achievements in gender equality. It is also the right time to look towards the future and continue paving the way forward.

In terms of the legislative framework, we note improvements: more women are active in the labour market, earning better incomes, attaining higher levels of education, increasing their political representation, and holding more positions of power. However, progress has been slow and uneven across the Member States.

But as long as structural inequalities, gender stereotypes and backlashes against women's rights persist, women will continue to be under-represented in the public sphere, in politics and in STEM education, they will be exposed to online and offline violence and they will lack access to resources and capital for entrepreneurship. They will also be more prone to suffering time and money poverty and the pay and retirement gaps will take too many years to close.

Moving forward is all about training, funding, and commitment. We need resources to boost women's skills for the digital and green just transition, to fund national action plans to combat violence against women, and to provide training for all personnel working with survivors of violence.

We need to finance entrepreneurial projects and establish affordable, accessible, and high-quality child and elderly care services to lift the burden of unpaid care-giving responsibilities from women's shoulders. Additionally, we need a strong commitment to creating safe spaces, involving more women in local, national, and EU parliaments, and ensuring their active participation in non-violent conflict resolution and peace-building processes, while also promoting gender-inclusive approaches within these efforts.

On top of that, having a broad European strategy for Agenda 2030 would help us move much faster in making gender equality a key part of our policies. The Sustainable Development Goals should be tackled as a whole, not one by one.

In the EU, progress is 'good'. But 'good' is not good enough for the men, women and girls in the EU that are fighting for effective gender equality for the years to come. Our role as civil society is to step up the pressure on policy-makers to move things forward fast.



ONE QUESTION TO…

The 2024 reports by Mario Draghi and Enrico Letta have made quite a splash in the EU and its Member States, becoming roadmaps pointing to the course Europe should take to secure a viable future. In its opinion, *Assessment of the Letta and Draghi reports on the functioning and the competitiveness of the EU's single market*, the EESC provides a civil society perspective on the reports and puts forward recommendations for urgent action. We asked the opinion's three rapporteurs—Matteo Carlo Borsani, Giuseppe Guerini, and Stefano Palmieri—to highlight the proposals from the reports that they consider particularly important for the EU's future prosperity.



LETTA AND DRAGHI REPORTS CANNOT BE CHERRY-PICKED

By Matteo Carlo Borsani
EESC Employers' Group

The first and foremost recommendation that the EESC gives in its opinion is to urgently take action to implement the recommendations of the Letta and the Draghi reports. In my view, this should be done in a comprehensive way; the two reports cannot be cherry-picked. They must be implemented as a whole, without limiting the proposals and attention to comfort zones, and without avoiding the most critical and divisive issues, such as investments.

Starting from the Draghi Report, and given the obvious importance of his focus on EU competitiveness as a whole, I consider his recommendations on the EU industrial policy pivotal. In particular, his insistence on the need to adopt an industrial policy able to overcome the current fragmented approach. Today we have 27 national industrial policies that are not always coordinated. In this regard, only a structured European effort would allow us to ensure the right balance of tax, regulatory and trade/customs provisions and financial incentives that characterise the most recent industrial policies of the United States and China, with huge benefits for the single market.

This, however, should go hand in hand with a drastic reduction of bureaucratic burdens for businesses, for which I particularly appreciate Letta's call for 'a single market to go fast and go far'. Among his key recommendations, Letta advocates streamlining the bureaucratic burden, simplifying administrative procedures, and further actions to 'cut the red tape', especially for small and medium-sized enterprises (SMEs). In this context, in its opinion the EESC welcomes the Commission's proposal to reduce the reporting burden by 25% for all businesses and setting a target of at least 50% for SMEs. In addition, developing and elaborating on Letta's recommendation to consider a mechanism that will assist co-legislators with a dynamic impact assessment (DIA), the EESC strongly supports the idea of a competitiveness check to be carried out during the legislative *iter*.



WE MUST ACT QUICKLY, BUT WITHOUT COMPROMISING ON QUALITY

By Giuseppe Guerini
EESC Civil Society Organisations' Group

Last year, the European Commission and the European Council tasked Mario Draghi and Enrico Letta with drafting reports on EU competitiveness and on improving the single market, respectively. These reports set out an ambitious political agenda for the European Union, serving as both a roadmap and a benchmark for assessing the commitment of institutions and policymakers to shaping the EU's future and their ability to do so.

These reports can be used to gauge how effectively institutions and leaders are responding to today's complex challenges.

The EESC's opinion on the reports provides a valuable tool for evaluating the early steps of this new political cycle. The first of these steps is reflected in the Competitiveness Compass, launched by the European Commission on 29 January. It includes several high-priority proposals that are also highlighted in our opinion, such as closing the competitiveness gap, completing the single market, simplifying regulations without deregulation and recognising that competitiveness depends on people and skills.

However, beyond the competitiveness gap, there is also a lack of concrete action. So far, the Commission has presented strategic documents, communications and commitments, but tangible measures are still months away. This delay underscores the need, as noted in our opinion, for EU institutions and Member States to also initiate a debate on the EU's fundamental rules and the relevance of the current Treaties in addressing today's challenges, which require swift action.

Acting quickly does not mean compromising on quality. The European Commission demonstrated this in 2020 when it swiftly implemented the Next Generation EU initiative. It should show the same agility today.

Achieving these goals requires a multifaceted approach. Rapidly completing the single market is crucial, but it must go hand in hand with a strong commitment to environmental sustainability, economic prosperity and social and territorial cohesion, as these are key drivers of competitiveness.

This vision also calls for a cohesive industrial policy that moves beyond fragmented national approaches, supported by strategic fiscal and customs incentives. At the same time, reducing bureaucratic burdens and compliance costs through smarter regulation and streamlined administrative processes is essential to fostering a more dynamic business environment.

In the energy sector, narrowing price disparities between Member States and other global economies is vital. This will require increased investment in renewable energy, ensuring a more competitive and sustainable energy market.

To support these ambitions, the EU must also develop a common policy on European public goods, clearly defining its strategic priorities and reinforcing its role on the global stage.

The EESC will continue to monitor the implementation of these policies, ensuring that the voice of European civil society is heard and taken into account.



COMPARING EU REGULATIONS WITH THOSE IN THE US OR CHINA IS FUNDAMENTALLY FLAWED

By Stefano Palmieri
EESC Workers' Group

There is considerable overlap between the Letta and Draghi reports, even though they differ significantly in their analysis and proposed strategies.

Take cohesion policy, for example. In the Letta report, it plays a central role by ensuring that the benefits of the Single Market are shared among all citizens and regions of the Union. It also highlights the link between cohesion policy and services of general interest, which are essential for enabling Europeans to live and work where they choose. In contrast, the Draghi report seems to downplay the importance of cohesion policy and the social and territorial dimensions of competitiveness. It discusses European competitiveness without considering territorial disparities, implying that simply boosting the EU's overall competitiveness would solve regional issues. It overlooks the fact that, for many regions, low competitiveness and territorial disadvantage are two sides of the same coin.

Both reports recognise that 'business as usual' is no longer an option for the Union. The urgency and complexity of today's crises require a significant shift in European policymaking, possibly even through Treaty changes. Can we really discuss enlargement without addressing the need for deeper political integration? This shift must also involve a change in scale. The current Multiannual Financial Framework (MFF) is insufficient, anchored at just over 1% of the EU's GNI and constrained by the outdated logic of 'juste retour'. A new approach is needed, inspired by the Next Generation EU model. Extraordinary challenges must be met with bold solutions, including issuing 'common safe assets' as seen during the pandemic.

The upcoming 2028-2034 MFF will test the EU's true intentions, as it sets priorities for the next seven years. In that context, it is reasonable to expect an open debate on the challenges facing the EU, given the multiple ongoing crises, as well as on its key objectives and the common European goods it aims to deliver to its citizens.

When considering regulatory reform, as recommended in both reports, it's important to remember that the EU is the world's most advanced 'social market economy'. Its high economic, social, and environmental standards are essential to this model's success, not obstacles to it. Therefore, comparing the EU's regulations with those of the US or China is fundamentally flawed. Any effort to simplify EU rules must still protect labour conditions, worker safety, consumer rights, social and economic cohesion, and sustainable growth.

Europe has come to understand, albeit belatedly, that being a large market is no longer enough. To move forward, it must strive for greater unity, including deeper political integration and truly unified policies on economy, industry, trade, foreign affairs, and defence. The coming months will be decisive in shaping the future of Europe.



THE SURPRISE GUEST

Competitiveness seems to be the talk of the town these days, with deregulation hailed as a magic recipe for putting Europe on the map of global economy players. But there are many ways to measure competitiveness and there is no universal answer to the question of how much regulation is too much. If not handled with care, debates on competitiveness and deregulation risk spiraling into oversimplified, black-and-white arguments that may threaten sound economic policymaking, writes our surprise guest Karel Lannoo, Chief Executive of the Centre for European Policy Studies (CEPS).

Karel Lannoo is the Chief Executive Officer of CEPS, one of Europe's leading independent think tanks. Specialising in financial regulation, European economic governance and single market issues, his recent publications include 'Understanding Europe' (in Dutch), a task force report on financial sector policy for the von der Leyen II Commission, and various contributions to academic volumes and reviews. Karel is a frequent speaker at hearings of EU, national and international institutions, as well as at international conferences and executive programmes. He directs studies for national governments, multilateral organisations and private sector entities. His writings regularly appear in the media. Additionally, Karel serves on the boards of companies and foundations and as a member of advisory councils, including the Capital Markets Commission of the Dutch AFM, the capital markets supervisor.



THE COMPETITIVENESS OBSESSION

By Karel Lannoo

It is fashionable these days to call Europe uncompetitive and to demand a massive deregulation campaign at EU level. But the extent to which the economic situation is problematic depends on the definition of competitiveness, the denominator used and the benchmark, as well as the circumstances.

Moreover, competitiveness is equated with deregulation, which is incorrect, as if a massive simplification campaign will be the solution. Hence, it is important to get the parameters right to control the discourse, which could otherwise spiral out of control and land in the Eurosceptic camp.

Competitiveness as a policy objective is back, despite having never gone away – it is important to be reminded of these precedents. With the Lisbon strategy, formally adopted by the Lisbon European Council in March 2000, the EU wanted to become 'the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'. Already during the Delors years, competitiveness was a concern for the European Commission – just read the famous 1994 article by Paul Krugman, who called it a 'dangerous obsession'. Mr Delors at the time was concerned about rising European unemployment, against the backdrop of competition from the US and Japan, and proposed, as a solution, a programme of investment in infrastructure and high technology. We have heard this before.

Legislative simplification has been on the agenda for a long time as well. The Simpler Legislation for the Internal Market (SLIM) exercises started as early as 1996, when the EU had 15 Member States. Commissioner Charles McCreevy (2004-2009) favoured regulatory 'pauses' in 2005-06, until the financial crisis hit. Vice-President Frans Timmermans was tasked with a better regulation programme under the Juncker Commission. While all these plans were commendable, it would be better to address the root causes of regulatory complexity – the decision-making process and poor enforcement – rather than merely treating the symptoms. But with 27 Member States, this is easier said than done.

Competitiveness, at least as defined by the Draghi report, is more about productivity and GDP growth, which can give vastly different results depending on the denominator. But there are also other ways to measure competitiveness. One could look at internal versus external competitiveness. Internally, the EU appears weak, with declining productivity compared to the US. Externally, however, the EU has a trade and current account surplus, whereas the US faces a huge trade and current account deficit – yet this does not seem to be a problem (except for President Trump).

The EU also has a much better fiscal position than the US or even Japan, though we lack precise data for an exact comparison with China. The EU's budget deficit was about 3.5% of GDP in 2024, whereas it was almost double that in the US (6.4%). The US can finance this in international markets due to the dollar's global standing, although medium-term interest rates in the EU and the US are diverging, signalling market concerns about the US economy. Today, the six-month market lending rate for the USD stands at 4.8%, whereas in the euro area, it is 2.5% (Euribor).

In addition, energy prices in the EU have been much higher than in the US since mid-2021, when Putin started to manipulate prices, which is a competitiveness problem for the manufacturing industry, and for Germany in particular. Today, the cost of energy in the EU is at least 50% higher than in the US.

Energy policy is another good example for the regulatory debate: is too much regulation the problem? On the contrary, the EU has a single energy market for distribution but not for production, which remains under the control of Member States. This creates problems in countries with excess production, as it drives up prices due to energy shortages in other countries, as is the case between Sweden and Germany.

Furthermore, in the digital sector, one could ask whether having no regulation is better. Do we want US-style free speech and no content moderation? Do we want an oligopolistic market as we have today?

This brief reflection emphasises that any debate on competitiveness and deregulation must be approached with the utmost care to prevent it from degenerating into a black-and-white discussion, which could negatively impact sound economic policymaking.

EESC NEWS



EESC champions pro-worker AI in high-level debate

With artificial intelligence reshaping the workplace, it is crucial to continue promoting human-centric AI and advocating for policies that balance strong AI development in Europe with social justice and workers' rights, a high-level debate at the EESC heard.

At its January plenary session, the EESC held a debate on the deployment of artificial intelligence in the workplace, with statements by EESC President **Oliver Röpke**, European Commission Executive Vice-President **Roxana Mînzatu**, and Deputy Minister of Family, Labour and Social Policy of Poland **Katarzyna Nowakowska**, among others.

Opening the debate, **Mr Röpke** stated that: 'Artificial intelligence is one of the most transformative trends of our time, offering immense potential while presenting critical challenges. Today's debate reaffirmed the importance of anchoring AI policy in the principles of the European Pillar of Social Rights.'

Ms Mînzatu highlighted that: 'When we think about AI, in particular in the workplace, we should look into ways to boost our investment in research and innovation, and how to simplify the ways in which European companies can develop in this area so that we have our own technologies trained according to European data and based on European values. Abiding by our values on social rights and equality, we ensure that European workers have the same rights in a world with or without AI – that they are protected, and that human-centric control is implemented.'

Ms Nowakowska stated that artificial intelligence in the world of work offered tremendous opportunities to increase productivity and competitiveness for businesses, but also raised a number of questions about its potential impact on jobs and employment, worker health and safety, working conditions, overall job quality, and the role of social dialogue.

Adoption of *Pro-Worker AI* opinion and the appended counter-opinion

Following the plenary debate, the EESC adopted the own-initiative opinion on *Pro-Worker AI: levers for harnessing the potential and mitigating the risks of AI in connection with employment and labour market policies*, penned by rapporteur **Franca Salis-Madinier**. The opinion was adopted with 142 votes in favour, 103 against and 14 abstentions It did not receive the backing of the EESC's Employers' Group, which tabled a counter-opinion.

In the opinion, the EESC stresses that social dialogue and worker involvement play a crucial role in preserving workers' fundamental rights and promoting 'trustworthy' AI in the world of work. It adds that current rules should address the gaps in the protection of workers' rights at work and ensure that humans remain in control in all human-machine interactions.

The counter-opinion by the Employers' Group was appended to the opinion. The Group members explained that, in their view, the EU already has the tools to embrace the AI revolution, and the existing legal framework would ensure its smooth deployment. (lm)



Young people are the key for the EU-Mediterranean partnership

Young people in the Mediterranean region must be included every step of the way, from policymaking to implementation. They shape not only policies but also life, as highlighted in the debate held by the European Economic and Social Committee (EESC).

The debate linked to the adoption of the opinion on *Youth involvement in social and civil dialogue in the Mediterranean region*, held at the EESC's January plenary session, is the first EESC opinion to take into account the input of youth representatives from the region. Eight young representatives contributed to the drafting process.

During the debate, the Commissioner for the Mediterranean region, **Dubravka Šuica,** stressed the importance of young people for the prosperity, stability and resilience of the region. 'The future of the Mediterranean is in the hands of its young people. For a shared and sustainable future, we must engage with young generations directly, ensuring that their voices guide our policies and priorities. Together, we will shape the new pact for the Mediterranean by investing in education, jobs and growth.'

EESC president **Oliver Röpke** gave his support for Commissioner Šuica's new pact, which targets investment, sustainability and migration, adding that civil society must be actively involved in designing it. 'Youth engagement is essential for the region's future, and the EESC is committed to ensuring that their voices shape policy and decision-making. Together with the Union for the Mediterranean and the Anna Lindh Foundation, we are striving to build a peaceful and thriving Mediterranean.'

Underlining the importance of the young representatives' contribution to the opinion, Princess **Rym Ali**, president of the Anna Lindh Foundation, said that working with young people is not only important, but urgent and generative. 'There is so much at stake. Without the buy-in of youth, without offering them tools to participate equally, we cannot build a solution for the future. They need a seat at the table', she said.

Eliane El Haber, youth representative for the opinion and advisor at the UNESCO Sustainable Development Goal 4 Youth and Student Network, embraced the EESC's initiative to actively involve young people who represent diverse regional, gender, educational and cultural backgrounds. (at)



EESC and ILO join forces to shape a fair and inclusive AI-driven future at high-level conference

Artificial intelligence is transforming the world of work at an unprecedented pace, bringing both opportunities and challenges for workers, businesses, and policy-makers. On 3 February, the European Economic and Social Committee (EESC) and the International Labour Organization (ILO) held a joint high-level conference entitled 'Social Justice in the Digital Era: AI's impact on work and society'.

The high-level conference saw prominent leaders – including several EU labour ministers – deliberate on strategies to harness AI's potential while addressing the risks it poses to workers' rights and labour markets. This event marked a major contribution to the Global Coalition for Social Justice, highlighting the need for a coordinated approach to AI governance at both European and global level. This joint high-level conference was jointly organised by the EESC's Section for Employment, Social Affairs and Citizenship (SOC) and the ILO.

A call for ethical and inclusive AI development

Opening the conference, EESC President **Oliver Röpke** underscored the urgent need for a human-centric approach to AI, stating that: 'Artificial intelligence is already reshaping our societies and labour markets, bringing both opportunities and challenges. The EESC and its partner organisations are committed to ensuring that AI serves as a force for social justice, strengthening workers' rights, promoting inclusion, and preventing new inequalities. A fair and human-centric AI future requires collective action – from policy-makers to the social partners and civil society – to ensure that technology works for people and not against them.'

ILO Director-General **Gilbert F. Houngbo** emphasised the importance of proactive policies to mitigate AI's disruptive impact on jobs and workplaces: 'We have to ensure that we shape AI in ways that advance social justice. This means several actions: supporting workers, including with skills and social protection; facilitating access by enterprises of all sizes and in all parts of the world to AI technology to harness productivity benefits; and ensuring that AI's integration into the workplace protects workers' rights and promotes social dialogue in the digital transition.'

Over the course of two panels, high-level speakers shared their insights on the challenges and opportunities they perceive in leveraging AI to promote decent work and inclusive labour markets and contribute to gender equality in the years to come. Panellists included EU labour ministers **Agnieszka Dziemianowicz-Bąk** (Poland), **Yolanda Díaz** (Spain) and **Níki Kerameós** (Greece) and **Maria do Rosário Palma Ramalho** (Portugal), as well as the delegate of the French Government to the ILO and to the G7-G20, **Anousheh Karvar** (among others).

The discussions held highlighted the fact that, although there is a risk associated with the rollout of AI, there is no need to be luddites in the face of this new technology. It is essential, however, to focus on social dialogue and include workers in the deployment of AI, while paying particular attention to re-skilling and up-skilling efforts. Proper, controlled rollout and regulation of AI will help avoid major shocks and enable this technology to reduce repetitive tasks without necessarily leading to large-scale layoffs.(lm)



Electricity market: EESC proposes E-facility to regulate where necessary and privatise where possible

The electricity market has to be reformed in such a way that it does more than just meet the 2050 climate-neutrality targets. It is vital to ensure security of supply, stable and affordable prices and the right to energy in order to protect vulnerable groups, says the European Economic and Social Committee.

In the opinion *The future of the supply and pricing of electricity in the EU* , issued in January and drafted by **Jan Dirx** and **Thomas Kattnig**, the EESC advocates a model of government regulation where necessary and private entrepreneurship where possible, and recommends an E-facility.

This could take the form of a company set up by the government that acts as a market maker in the electricity market, thus achieving the objectives of climate neutrality, security of supply and stable and affordable prices.

According to the Committee, the changes needed in the electricity market should be carried out in three stages:

- Phase 1 – from now to 2030

  The E-facility will grow its portfolio with a mix of (non-CO_2) power generation. During this period, power trading will take place on a day-ahead trading basis, however, the influence of the E-facility on the market will grow.

- Phase 2 – from 2030 to 2040

  The E-facility will achieve its market maker position and control an appropriate part of the supply side of the market through supply contracts. Day-ahead trading will adjust during this period accordingly.

- Phase 3 – from 2040 to 2050

  The E-facility will optimise the supply side of electricity to ensure, from 2050, a sustainable long-term supply of electricity with net-zero greenhouse gas emissions at stable and predictable prices. (mp)



To defend its interests, the EU needs to rethink its strategy in the Arctic

The legitimate interests of the EU in the European Arctic will be best defended together through an EU Arctic strategy that strengthens civil society participation in all relevant decisions. Close cooperation with Greenland is also vital for sustainable investment in the Arctic in order to ensure the region's prosperity and resilience.

The EESC has put forward an own-initiative opinion on *Developing Europe's strategy for the Arctic in dialogue with civil society*, adopted at its January plenary session, highlighting the important role the Arctic plays in Europe's strategic autonomy, resilience and competitiveness.

EESC member **Anders Ladefoged**, rapporteur for the opinion, said: 'With our new opinion on the EU's Arctic policy we are offering a civil society perspective on how the EU could develop its policy for this region. Both to take care of its own interests and to help secure a resilient and prosperous region for the people who live there.'

The EESC also supports and encourages full consultation and cooperation with indigenous people in the Arctic. In this context, EESC member **Christian Moos**, co-rapporteur for the opinion, said: 'The interests of European Arctic states are best defended together, through both cooperation between the northern EU Member States and a European Arctic strategy, which must ensure civil society participation and uphold the rights of local and indigenous people.'

Greenland, which is also discussed in the opinion, faces a similar situation to the European Arctic when it comes to both challenges and opportunities relating to the rapid transformation in the region.

Regarding Greenland, Mr Moos said: 'Enhanced European cooperation, including in Greenland, is vital for sustainable investment in the European Arctic to make it a prosperous and resilient region.'

For Greenlanders, one of the main focuses is strengthening their self-determination as a nation under the slogan 'nothing about us, without us'. However, the EU is seen as a close ally based on shared values, such as human rights and social dialogue. (at)



Europe must prioritise competitiveness and integration to stay ahead

The EU needs a sharper focus on competition policy to strengthen its global competitiveness, boost productivity, and ensure the Single Market remains a pillar of economic strength.

At its January plenary, the European Economic and Social Committee (EESC) adopted the opinion entitled *A Competition Policy at the Heart of EU's Competitiveness*. The opinion calls for deeper integration of national economies and smarter state aid strategies to unlock Europe's economic potential and address key global challenges, including digitalisation, climate change and resilience.

The EESC underscored that competition policy is critical to fostering innovation, sustainability and economic growth. 'There is no conflict between competition and competitiveness' , said rapporteur **Isabel Yglesias**. 'With streamlined procedures, flexible tools and sufficient resources, competition policy can drive prosperity for EU businesses and citizens.'

The EU's new competition rules, such as the Digital Markets Act (DMA) and the Foreign Subsidies Regulation (FSR), are already addressing market distortions and enhancing the bloc's global standing. However, the EESC calls for further measures to modernise merger assessments and ensure innovation-driven mergers are effectively controlled, even if they fall below current EU thresholds.

The opinion highlights the vital role of state aid in supporting the green and digital transitions. However, poorly coordinated subsidies risk undermining productivity and growth. Studies show that better coordination within the EU could boost productivity by over 30%. The EESC recommends aligning subsidies across Member States to enhance European value chains and prevent inefficiencies.

The Important Projects of Common European Interest (IPCEIs) and the proposed European Competitiveness Fund should be designed with a pan-European perspective to drive large-scale industrial innovation. These tools must ensure benefits are distributed fairly across the Union, promoting sustainability and resilience.

To position the EU as a global leader, the EESC emphasises the need for:

- Greater integration to reduce misallocated subsidies and boost productivity;
- Stronger rules to protect European innovation during foreign acquisitions;
- Simplified and faster competition and state aid procedures to increase efficiency; and
- A balanced merger policy that promotes innovation, sustainability, and infrastructure investment. (ll)



EESC calls for reforms to EU State Aid rules to support social economy entities

The European Economic and Social Committee (EESC) has called for changes to the European Union's State aid rules in order to recognise and better accommodate the needs of social economy entities, which play a critical role in tackling societal challenges.

In its opinion on ***How to support social economy entities in line with State aid rules: thoughts following the suggestions in Enrico Letta's report***, adopted at its plenary session in January, the EESC

warns that existing regulations are failing to provide adequate support to these enterprises, which often reinvest their profits in efforts to achieve social objectives instead of distributing them to investors.

'We want to make more people aware of the benefits of effective regulation on competition and State aid for both social economy enterprises and the entire system of services of general interest', said the opinion's rapporteur, **Giuseppe Guerini.**

Social economy entities – which range from cooperatives to mutual societies and foundations – employ over 11 million people across the EU, i.e. 6.3% of the working population. They operate in areas such as social and health services, renewable energy and poverty alleviation. Despite their contributions, many face systemic barriers to securing long-term investment capital and navigating public procurement processes, as the current regulatory framework often fails to account for their non-profit or solidarity-based nature.

Among other things, the EESC's opinion highlights the fact that public authorities are underutilising existing tools such as the General Block Exemption Regulation (GBER) and the framework for services of general economic interest (SGEIs).

That is why the Committee is calling for simplification and modernisation of the overly complex and outdated rules under the GBER for supporting the employment of disadvantaged and disabled workers, in line with some of the recommendations from the Letta Report on the single market.

While the recent increase in *de minimis* aid ceilings – €300 000 for ordinary companies and €750 000 for SGEI entities – is welcomed, the EESC also argues that more tailored instruments, such as the GBER or specific SGEI provisions, would better address the needs of social economy entities in fields like health and social services. (ll)



Concrete reforms and decisive steps needed for a resilient, competitive and inclusive economy

Compared to its global peers like the United States, the euro area is facing pressing challenges: low labour productivity, weakening competitiveness and slowing economic momentum. To reverse this trend, the European Economic and Social Committee (EESC) is calling for an urgent and coordinated strategy.

In its opinion *Euro area economic policy 2025*, the EESC outlines a plan to drive growth by deepening the internal market, cutting regulatory red tape and ensuring fiscal sustainability. At the same time, policies must address transformative trends like artificial intelligence (AI) and the pressures of an ageing population.

After external shocks like the COVID-19 pandemic and the energy crisis, the euro area is being confronted with major economic challenges. While stabilisation efforts have been made, issues such as domestic uncertainty, demographic shifts and rising fiscal pressures demand bold reforms.

The EESC puts forward a three-step approach to enhance productivity and competitiveness: deepening the internal market, coordinating industrial policy and cutting red tape. Fiscal sustainability is crucial, requiring a balanced framework, stronger EU collaboration and efforts to tap into untapped revenues. Investment remains a weak point, with a need for expanded venture capital and innovation-friendly policies.

Labour market resilience is also key, necessitating flexibility, fair wages, social security reforms and AI-driven skills development. The EESC stresses the need for shared accountability between the EU and its Member States, advocating enhanced policy coordination. With decisive action and strategic investments, the euro area can build a resilient, competitive and sustainable economy for the future (tk).



Europe’s SDG progress slows, while urgent action is needed on food systems

Europe’s progress toward the Sustainable Development Goals (SDGs) has slowed significantly, raising concerns about meeting the 2030 targets. The Europe Sustainable Development Report 2025 (ESDR), published by the UN Sustainable Development Solutions Network (SDSN), reveals that progress on the SDGs from 2020 to 2023 was less than half the pace seen during the previous period.

Between 2016 and 2019, progress increased by 1.9 points, but this dropped to just 0.8 points in the following years. The slowdown comes amid growing environmental, social, and geopolitical challenges. SDG 2 (Zero Hunger) remains a major concern, as food security and sustainability issues persist across Europe.

A separate study for the European Economic and Social Committee (EESC) emphasises the need for dietary shifts to support sustainable agriculture and public health.

With a new EU leadership in place, experts are calling for stronger policies and investments to accelerate progress on the SDGs. Global cooperation and financing are seen as crucial, with the *4th International Conference on Financing for Development* in Spain in June 2025 expected to focus on scaling up financial support for sustainability.

Guillaume Lafortune, SDSN Vice President and lead author of the report, warns that rising geopolitical tensions are complicating sustainability efforts, but he remains optimistic.

‘The world is increasingly dangerous, unstable, and uncertain,’ he said. ‘At the same time, people, especially young people, want sustainable development. With the size of the global economy and the technologies available, the world has the potential to fully achieve sustainable development.’

‘Sustainable food systems are a crucial driver for the implementation of the SDGs. To accelerate action, we need more ambitious mechanisms to safeguard the livelihoods of farmers, small-scale food producers, and other stakeholders across the food supply chain. But we must also tackle unfair distribution and ensure a just transition,’ said **Peter Schmidt**, president of the EESC’s Agriculture, Rural Development and the Environment (NAT) section, while also calling for greater civil society engagement.

With just five years left to go, the EU faces a critical decision: act decisively or risk falling short on its commitments to a sustainable and equitable future. (ks)



EU Organic Awards 2025: Apply Now!

On 11 February, the European Economic and Social Committee (EESC) announced the launch of applications for the fourth EU Organic Awards, with submissions open until 27 April 2025.

These awards celebrate excellence in the organic value chain, recognising outstanding contributions in categories such as Best Organic Farmer, City, Region, Food Processing SME, Retailer, and Restaurant/Food Service. The EESC specifically oversees three categories:

- Best Organic Food Processing SME
- Best Organic Food Retailer
- Best Organic Restaurant/Food Service

The winners will be revealed on 23 September 2025 (EU Organic Day). Organic stakeholders—including farmers, processors, retailers, and public authorities—are encouraged to apply.

For details of eligibility and applications, visit the European Commission's website. Questions regarding EESC-managed categories can be sent to EUorganicawardsEESC@eesc.europa.eu.

This initiative supports the EU Organic Action Plan, promoting organic production and consumer awareness. (ks)



Civil Society Week 2025 – join the conversation!

The second edition of EESC Civil Society Week 2025, from 17 to 20 March, will focus on *Strengthening cohesion and participation in polarised societies.* Secure your spot here!

There is still time to register for the EESC's second Civil Society Week, during which Europe's civil society, EU policy-makers, experts, journalists, and more will come together to discuss one of today's most pressing challenges—how to counter the polarisation of our societies.

Driven by overlapping crises, from the pandemic and climate change to rising living costs and widening income disparities—polarisation has spread across the EU and beyond, deepening social divisions, eroding

trust in democratic institutions, and straining community unity.

In this context, **Civil Society Week 2025** is a bold call to action in order to foster social cohesion and strengthen democratic participation. Through lively debates and collaborative workshops, this four-day forum will provide a unique platform for all participants to engage in critical discussions, share best practices, and work together to develop practical solutions.

What to expect?

Civil Society Week 2025 will feature panel discussions led by the **EESC Liaison Group**, as well as the **European Citizens' Initiative (ECI) Day** and the **EESC Civil Society Prize** award ceremony.

It will kick off with a thought-provoking keynote speech by scholar, writer and political commentator **Albena Azmanova**, who will set the scene, shaping the discourse for the debates to follow.

In the subsequent high-level panel, we will be discussing whether we are **'Still United in Diversity?'**. Panelists will include the Vice-President of the European Parliament **Younous Omarjee**; Minister for Civil Society on behalf of the Polish Presidency **Adriana Porowska**; EESC President **Oliver Röpke**; Co-chair of the EESC Liaison Group **Brikena Xhomaqi**; Secretary General of the European Movement International **Petros Fassoulas**; and **Mădălina-Mihaela Antoci** of the National Youth Council of Moldova.

During Civil Society Week, we will explore how civic education can help bridge divides, how Europe can lead in innovation without compromising its values, and how to make housing more affordable and sustainable while tackling energy poverty and supporting multigenerational living. We will also look at ways to strengthen civil society through public and philanthropic support, how we can ensure that EU policies reflect local needs in the green and blue transition, and how to recognise, protect, and engage with civil society across Europe more effectively.

A special session, co-hosted along with the European Parliament, will specifically address the **Multiannual Financial Framework** (MFF) and its implications for civil society.

ECI Day 2025

On **ECI Day on 18 March**, the spotlight will be on the powerful tool of participatory democracy that is the **European Citizens' Initiative (ECI)**. Introduced by the Lisbon Treaty, the initiative allows citizens to call on the European Commission to propose new EU legislation on a particular issue. To be considered by the Commission, organisers have to collect 1 million signatures to support their cause.

Through high-level discussions and interactive workshops, participants will explore key topics such as the role of the ECI in tackling polarisation and ways to build stronger support across the Member States. A special focus will be on how civil society organisations can actively participate in the ECI process in order to make citizens' voices heard in European policymaking.

Participants will also have a unique opportunity to connect directly with ECI organisers—past, present, and future—to exchange best practices and lessons learned for their own campaigns.

Additionally, the event will highlight the importance of impact strategies in making ECIs and citizens' panels more effective, with a focus on increasing the chances of legislative follow-up by the EU institutions.

Civil Society Prize 2025

The last day of Civil Society Week 2025 will feature, among other things, the **15th EESC Civil Society Prize** award ceremony.

The Civil Society Prize aims to raise awareness of civil society's outstanding contribution to creating a European identity and citizenship as well as to promoting the common values that bolster European integration. It is awarded annually to individuals and civil society organisations for their innovative and creative non-profit projects on different themes relevant to the EU.

This year the prize will be awarded to three projects that combat the harmful polarisation of EU society.

The Week will conclude with a dynamic closing session, with speakers including the Executive Vice-President of the European Commission (tbc); Vice-President of the European Parliament **Katarina Barley**; EESC President **Oliver Röpke**; and Secretary General of the Centre for Democracy Foundation in Serbia **Nataša Vučković**.

Be part of the conversation!

Over its four days of insightful discussions, inspiring high-level speakers, and great networking opportunities, Civil Society Week 2025 promises to be an event you do not want to miss. Secure your spot today and join us to turn the conversation into change. Your voice matters in building a more cohesive and participatory Europe!

The full programme is available here.

Register here before 12 March. (ma)



The annual Youth Event of the EESC – A gathering of tomorrow's leaders

On 13 and 14 March 2025, the European Economic and Social Committee (EESC) will host its annual youth event, Your Europe, Your Say! (YEYS), bringing together more than 130 participants from across Europe and beyond. This unique event unites secondary school students, representatives of youth organisations, and delegates from national youth councils, all aged 16 to 25, from all 27 EU Member States, nine candidate countries, and the UK.

With an array of workshops, panels, and discussions, the event will provide a platform for young people to actively contribute to shaping the future of Europe. This year, the event is entitled 'Giving Youth a Voice' and the participants will address crucial topics such as sustainability, social inclusion, digital transformation, and more.

The outcomes of these discussions and the insights gathered will be channelled into the EESC's second Civil Society Week and will also be promoted at the European Youth Event (EYE) in June 2025, organised by the European Parliament in Strasbourg.

The YEYS event emphasises the importance of transposing youth engagement into civic action, participatory democracy, and the formation of European policies.

Stay tuned for the outcomes and initiatives coming out of this important gathering. (kc)

NEWS FROM THE GROUPS



Competitiveness Compass: a timely step to reignite Europe’s economic engine

by Stefano Mallia, EESC Employers' Group president

On 29 January, the European Commission adopted the Competitiveness Compass, a critical and timely step to reignite Europe’s economic engine that will chart the EU’s course for the next five years.

EU employers have long advocated for an overarching competitiveness agenda, and we welcome the three pillars of the compass: closing the innovation and productivity gap, combining decarbonisation with competitiveness, and reducing dependencies to secure supply chains. These are key to ensuring that Europe can compete globally, attract and retain talent and foster innovation.

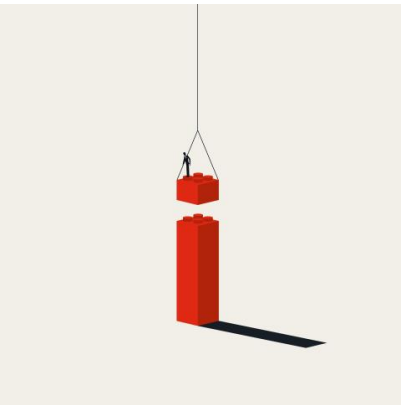
However, the ultimate success of the compass hinges on the development of concrete measures and their timely implementation. Key initiatives such as the Omnibus Simplification package, the Clean Industrial Deal and the horizontal strategy to deepen the single market will play a decisive role. Nonetheless, rebranded strategies and catchy titles alone cannot shield us from the challenges ahead.

For example, simplifying the regulatory framework is the first and most urgent step. Reducing burdensome bureaucracy and promoting speed and flexibility are essential. For too long, EU businesses have struggled with overcomplexity and sluggish decision-making. We also need meaningful implementation of the competitiveness check, so that new legislative and regulatory measures support, rather than hinder, business growth.

The compass rightly focuses on fostering innovation through a robust Capital Markets Union and addressing structural barriers to unlock Europe's potential in deep tech, clean energy and advanced manufacturing, while creating a fertile ecosystem for start-ups and scale-ups.

The never-completed Capital Markets Union is indeed a reminder that we cannot afford any delays. While the compass promotes better coordination of national government investments, it lacks a clear plan on other common sources of funding. But the world will not wait for us.

The race is on and now is the time to go into top gear. Unlocking competitiveness is not just an economic imperative, it is the key to shared prosperity for all. European businesses are and will remain part of the solution.



Competitiveness at all costs? Europe must not let social and labour rights fall behind

By the EESC Workers' Group

The EESC Workers' Group warns that hard-won social and workers' rights should not be pushed aside in the EU's efforts to remain competitive in the global economy. Amid calls for increased deregulation, the EU must not backtrack on key legislation, such as the European Pillar of Social Rights.

Following the recommendations of the Draghi and Letta reports, the Commission has issued a communication on the Competitiveness Compass which, complemented by the horizontal initiatives it has put forward, aims to boost businesses' activities. The goal is to bolster Europe's competitive edge.

The Workers' Group is deeply concerned that social and labour rights may be falling behind in the process, as the EU seems to have chosen to keep pace with other competitive economies at whatever cost.

This is why the Workers' Group has proposed a series of own-initiative opinions that address the competitiveness issue from the point of view of the added value of human capital. Such is the announced proposal for the opinion on 'The role of trade unions in improving productivity'. The opinion will aim to show that the driving force behind productivity in the EU (which affects competitiveness) is mainly the investment in human capital (workers), as well as in technology and innovation.

The key role of trade unions is emphasised in this context, as they unite individual workers through collective bargaining and action, shaping labour market dynamics to help deliver on the promise of a competitive economy.

Similarly, a forthcoming Workers' Group study will aim to take stock of and evaluate the state of play of EU legislation related to the European Pillar of Social Rights. The study will be an important tool of social policy monitoring, as in its search for the golden path to competitiveness, Europe is expected to mainly focus on its economy.

Finally, at its April meeting of the Category *Workers' Voice for More Democratic Participation*, the Workers' Group will examine the proposed efforts to reduce regulatory burdens on businesses – seen as a factor that slows down Europe's competitiveness – and their impact on EU laws protecting workers and the environment, particularly in the context of sustainability due diligence and corporate sustainability reporting.



New EESC study focuses on affordable, sustainable housing in the EU

By the EESC Civil Society Organisations' Group

House prices rose by 47% in the EU between 2010 and 2022. During the same period, rents were up by 18%. According to Eurostat, in 2023, more than 10% of households in cities and 7% of households in rural areas spent more than 40% of their disposable income on accommodation. To shine more light on how we can make housing more affordable and sustainable for all Europeans, the EESC commissioned a study which explores policy solutions to achieve this. In this interview, the study's co-authors, Agnieszka Maj, Economist, and Karolina Zubel, Director of Environment, Energy and Climate Change from the Center for Social and Economic Research (CASE), discuss its key findings.

What is this EESC study about and why is it relevant?

This study on affordable sustainable housing in the EU examines the need for affordable, sustainable housing in the EU, emphasising the role of digitalisation (AI, digital building permits, relevant databases) and social economy structures. Through case studies, it highlights innovative endeavours that improve the affordability, accessibility and sustainability of housing. The study provides actionable recommendations for 2030 and 2050, aligning with the EU's goals of climate resilience, social equity and economic growth. It offers strategic insights for adapting housing policies to evolving challenges while fostering community well-being.

What are the study's main findings?

Digitalisation presents a significant opportunity to improve efficiency in housing planning, construction and management, potentially reducing costs and enhancing sustainability. However, its current impact on cost savings is limited. The main barriers to the adoption of digital advancement include traditional stakeholder views, perceived low return on investment, high implementation costs, and lack of incentives, training and regulations. To unlock the full potential of digitalisation, further investment in digital infrastructure, for instance by making digital platforms interoperable, is essential.

The involvement of social economy entities (limited-profit housing associations, public benefit organisations, cooperatives) represents a promising policy innovation to address current housing challenges. These entities offer cost-effective, well-designed housing solutions that foster community cohesion and promote long-term housing stability. For instance, non-profit and limited-profit housing in Vienna, which accounts for 30% of the city's total housing production, plays a crucial role in stabilising the housing market by exerting a price-dampening effect. This helps to keep rents affordable and prevents market distortions.

On the basis of the findings, what are your main recommendations for action and further research?

In the medium term, EU housing policies should prioritise the introduction of a 'New European Deal for Affordable Sustainable Social Housing' and a 'Housing Directive' for a unified approach across Member States. Countries should promote innovative models like cooperatives and limited-profit housing, provide flexible financial support to housing projects, and embrace digital tools to enhance housing solutions.

In the long term, housing policies should adopt a strategic, sustainable approach, emphasising local solutions and continuous monitoring. Digitalisation must be standardised through legislation, with circular economy practices like bank loans tied to building circularity, rental incentives based on energy efficiency, and grassroots financing initiatives. Additionally, the 'social housing' concept should expand to include middle-income families, similar to Vienna's 'societal housing" model, promoting social mix and preventing gentrification. It is also crucial to both focus on new construction and renovations, and repurpose unused buildings to effectively meet housing needs.

Future research should focus on inclusive approaches in urban planning, construction and housing provision to improve accessibility for all citizens. It should also investigate the impact of emerging technologies, such as AI and automation, on cost savings and efficiency in housing development and management. Furthermore, research should explore innovative housing models across EU Member States, identifying strategies that can enhance both affordability and sustainability.

The study was commissioned by the EESC at the request of the Civil Society Organisations' Group.

FOCUS ON COMPETITIVENESS



Competitiveness Compass fails to balance the needs of businesses with the rights of workers

The European Trade Union Confederation (ETUC), Europe's major trade union organisation representing 45 million workers at European level, has refused to endorse the Competitiveness Compass, the European Commission's blueprint for boosting the EU economy. For the ETUC, the Compass in its present form is unacceptable. We spoke to ETUC's General Secretary, Esther Lynch, about workers' main objections to the Compass and the fate of the European Pillar of Social Rights amid new calls for drastic deregulation and a stronger focus on competitiveness.

EU trade unions have already expressed their dissatisfaction with the latest European Commission plan to revive the EU economy. In your view, where does the main fault lie with the Commission's Competitiveness Compass? Which proposals in the plan do you see as particular red flags?

The main problem with the European Commission's Competitiveness Compass is that it prioritises deregulation over the investments needed to create quality jobs, to develop a strong European industrial policy and to ensure high-quality public services. Likewise, while the Compass acknowledges the importance of quality jobs for a competitive economy, instead of proposing the necessary legislation to reinforce rights,

improve working conditions and promote collective bargaining, it undermines this priority by promoting deregulation, which can lead to poorer working conditions and job insecurity.

One of the most concerning proposals is the introduction of the 28th company regime, which would allow companies to operate outside of national labour laws. This could severely undermine employment legislation across Europe, creating a race to the bottom in terms of workers' rights and protections.

In the same vein, a ban on 'gold-plating' – the ability of governments to legislate above and beyond the minimum standards set by EU Directives – is deeply problematic. The idea behind EU Directives, as distinct from EU Regulations, is that they set minimum standards for all countries. Making these the ceiling of what is possible would not only undermine this idea, but would be deeply detrimental to working people and mean the destruction of hard-won progress in healthcare, education, health and safety at work or fair pay to name a few examples.

Additionally, the Compass' call for pension reforms based on longer working lives is problematic, as it places undue burden on workers without addressing the need for sustainable and fair pension systems.

Moreover, the Compass is heavily skewed towards benefiting businesses, with numerous promises made to business groups but no concrete commitments to legislation that would benefit working people. This includes a lack of measures to ensure that public investments are used to create quality jobs rather than simply increasing corporate profits.

In summary, the Competitiveness Compass fails to balance the needs of businesses with the rights and well-being of workers, making it an unacceptable proposal in its current form.

Would you say that the implementation of the European Pillar of Social Rights (EPSR) could now be under threat?

On paper, the Commission has re-committed to the European Pillar of Social Rights in its recently published work programme for 2025. However, in practice, that same work programme is the first not to include any social legislative initiative since 2019.

By contrast, the Commission has proposed eight pieces of 'simplification' legislation over the next year. Nobody likes being overburdened by administration and trade unions are actively proposing solutions to this end, for example rules on public procurement.

However, it is evident that the problems Europe is facing will not be solved by simplification.

The biggest threat to the implementation of the Pillar of Social Rights is the wave of mass layoffs being announced across Europe. This will endanger wages and job security, but also pensions, social protection and many of the other principles of the Pillar.

It is necessary to ensure investments to protect and create quality jobs, including a SURE 2.0 instrument and a strong EU investment mechanism, as well as to introduce the necessary legislative initiatives to guarantee quality jobs.

If not by cutting regulatory burdens, what would be the right course for the EU to improve its relevance in the current global economic context?

The conditions that led to these layoffs were driven by a lack of investment. This is true as much for private as for public investment.

Corporations have been redirecting investments away from workers' pay and much needed research and development and towards dead-end dividend pay-outs and share buybacks, stymieing the advancement of green and technological developments here in Europe.

Over the past few years, the USA and China have initiated major waves of public investment. Meanwhile, the EU was busy adopting new rules forcing its Member States into austerity cuts.

The EU must urgently change course. Mass public investments – with social requirements to ensure these investments deliver quality jobs – are a pre-condition for implementing the European Pillar of Social Rights.

Esther Lynch is the General Secretary of the European Trade Union Confederation (ETUC). She has extensive trade union experience at Irish, European and international levels and she served as both Deputy General and Confederal Secretary at the ETUC. In her roles, she led efforts to strengthen workers' and trade union rights, influencing key directives on adequate minimum wages, transparent and predictable working conditions, and whistleblowing. She also spearheaded campaigns for the European Pillar of Social Rights and fair pay. Her work secured 15 legally binding exposure limits for carcinogens and social partner agreements on digitalisation and reprotoxins. A lifelong feminist, Esther advocates for ending the undervaluation of work predominantly done by women.

ETUC represents 45 million members from 94 trade union organisations in 42 European countries, plus 10 European Trade Union Federations.



Announced deregulation is a step in the right direction

By Kinga Grafa

Businesses in Europe are still facing excessive red tape, regulatory fragmentation and rising costs. This over-regulation holds back their growth and prevents them from keeping pace with competitors from other parts of the world. Europe can't keep going round in circles – entrepreneurs need real change, not more analysis of the same barriers we have known about for years. This is a key moment to move from words to deeds, writes Kinga Grafa of the Polish business confederation Lewiatan.

The European Commission recently unveiled the Competitiveness Compass, a roadmap for the next five years that seeks to strengthen the EU's economic position and support European businesses. The course of action put forward by the Commission is the right one. Business has long called for such changes, making 'competitiveness' and the 'single market' their top priorities. But if the EU wants to be a global competitor, it must act now. Taking a strong economy as a basis, we urgently need to streamline regulation, lower energy

costs and ensure effective support for investment and innovation. Faced with a volatile geopolitical environment, we also need free trade agreements with key partners to be finalised, such as those covering access to critical raw materials.

Today, businesses in Europe are still facing excessive red tape, regulatory fragmentation and rising costs. Competitors from other parts of the world are growing faster, while over-regulation holds back the growth of European businesses. The European Commission must put forward specific reforms that will genuinely improve the EU's business environment. The Competitiveness Compass addresses the main barriers to growth and productivity in the EU, such as high energy costs, over-regulation and skills and labour shortages. This is the right course of action, but the most important thing is to put it into practice. This means legislative proposals and action plans that promote competitiveness and do not act as a brake on it.

The single market is one of European integration's greatest success stories, but its potential must be fully realised. It is unacceptable that the barriers in the single market, identified 20 years ago, remain in place. The Polish Presidency of the Council of the EU has the chance to change this, with the freedom to provide services a key priority. This is vital not only for the transport sector, but also for the growing group of companies offering professional services. Unfortunately, the Letta and Draghi reports do not pay sufficient attention to this issue. Letta focused only on construction and retail, while Draghi did not take into account the Commission's estimates for the additional steps that could unlock the services market's potential. Positively, Niinistö's report highlighted the role of services in building resilience and security. No one needs convincing how important this is in the current geopolitical landscape. It is against this backdrop that the Commission is proposing the '28th regime' – a single set of rules covering taxation, labour law and corporate law. This initiative aims to simplify cross-border activities, especially for SMEs, but we do not know enough about the proposal at this stage to be able to assess it.

The announcement of deregulation and streamlined legislation is clearly a step in the right direction. Now, however, is the time to put the proposals into practice, and this must be about more than simply reducing the reporting burden. We hope that the Commission will carry out a thorough 'audit' of EU legislation that will translate into specific proposals to rapidly improve the EU's regulatory environment.

We look forward to the Single Market Forum in Kraków and await the conclusions of the public consultation involving Lewiatan members. The aim will be to prepare the next single market strategy.

This is a key moment, moving from words to deeds and implementing solutions that truly unlock the development of European business. Dialogue between the EU institutions and the social partners will be essential if there are to be solutions that meet businesses' real needs. Unless we take bold decisions, we will lose valuable time and lag behind the global competition.

Kinga Grafa *is Deputy Director-General for European Affairs at Lewiatan Confederation and a Permanent Delegate to BusinessEurope**.** A political scientist and journalist by education, she attained her experience regarding the functioning of the EU while working for the Office of the Committee for European Integration (2008-2009) and the European Parliament (2009-2014). She is also a co-author of a book about the Polish aristocracy and author of scientific publications on American foreign policy, the American elite and cultural diplomacy.*



Future 500: scaling European businesses for global success

'It is time to take a concrete step forward from the Draghi Report before it vanishes in the corridors of politics. We need good strategists and policymakers capable of moving beyond this report and developing strategies for EU industrial policy', says Croatian entrepreneur and scientist Stjepan Orešković. Together with Jörn Fleck, senior director at the transatlantic think tank institute Atlantic Council, he presented the ambitious "Future 500" initiative at the public international conference Conclave II in Brussels. Part of the broader Atlantic Council's platform SEEUS Futures, 'Future 500' aims to identify and support 500 European companies poised for substantial growth and global impact. The goal is to support Europe's new entrepreneurs in competing globally, bolstering Europe's presence on the international economic stage. Stjepan Orešković told us more about the project.

Can you briefly present the core idea of 'Future 500' project?

Drawing on insights from important reports on the future of Europe—prepared by Draghi, Letta, and Heitor—and analysed through the dual lens of scientists and entrepreneurs, the initiative raises several critical questions: Who will execute these competitiveness plans, and the newly published Competitiveness Compass? What mechanisms will be used? What costs will be incurred? And what returns can be expected compared to those of recent high-growth U.S. companies? The "Future 500" project is a cornerstone of the SEEUS platform, representing the U.S., EU, and Southeast Europe, and aims to boost visibility and cooperation among these regions. It is strategically designed to address Europe's pressing need to nurture a dynamic environment that elevates local companies to leaders on the global stage. The initiative focuses on providing venture capital, strategic guidance, and international networking, learning from experts like Harvard University's **Dani Rodrik** and EBRD's **Beata Jaworcik** to develop 21st century industrial policies that significantly enhance our competitive position.

Do you already have potential candidates for the 500 companies you plan to select? What are the basic requirements a company must meet to be chosen?

While no specific companies have been chosen yet, 'Future 500' will target entities with scalability and rapid growth potential. The process will be open and continuous, and prioritise economic promise, innovation, and strategic importance within their sectors. We will also seek to establish partnerships with multilateral development banks and investors that are already supporting companies in becoming a competitive force. The focus is on companies that already demonstrate robust growth path, innovative capabilities, and the ambition to scale globally. This ensures that the companies are not only market leaders but also trailblazers in technology and business models. We will build on the experiences of great projects like Scale-Up Europe, which bring together founders, investors, executives and scientists with the mission of making Europe a home for tech champions. For EU candidate countries, these potentially selected companies are especially crucial—they will embody the principles of the new economy and serve as role models for ambitious, internationally competitive firms that do not mostly rely on national taxpayer funding.

How optimistic are you about Europe's global competitiveness potential?

There is significant optimism about Europe's ability to strengthen its global competitive position moving away from prevailing attitudes of self-pity. Eurozone’s stock benchmark total returns, since this bull market began in late 2022, overperformed S&P 500, if we take Nvidia out. European social and health systems are keeping people healthy and active for longer periods at a much lower cost, and have a positive impact on the productivity and competitiveness of our economy on a global scale.

We are trying to echo Immanuel Kant's notion of "genuine enthusiasm" which he mentioned in the context of the French Revolution. Such a mindset can transform challenges into a motivational force, leading to seemingly invincible determination. We need fewer fat cats and puppy dogs—wealthy, complacent elites and overly obedient, unambitious followers—who have been favored in the last two decades. Instead, we need more 'hungry young men'—driven, ambitious individuals ready to take on challenges.

The 'Future 500' initiative aims to proactively address chronic issues flagged in competitiveness reports, such as the need for bold innovation and the scaling of enterprises. Europe's global standing will heavily rely on its ability to integrate advanced technologies, nurture entrepreneurial talent, and refine industrial policies to support inclusive growth. By leveraging its well-educated workforce, rich innovative heritage, and traditional and new industrial sectors—and addressing issues like regulatory fragmentation and market imbalances—the initiative strives to create a fertile environment for business leaders and innovators.

In a nutshell, the "Future 500" initiative marks an important step in testing Europe's economic landscape, positioning the continent as a global competitor by fostering high-potential companies and strengthening the entrepreneurial ecosystem. There is no chance of winning in competition without knowing who our competitors are.

Dr Stjepan Orešković is a scientist and entrepreneur. He is a member of the European Academy of Science and Arts and a founder of Bosqar Invest. Under his family leadership, Bosqar Invest grew its workforce from 300 to over 16,000 employees within five years, showcasing a formidable scale-up strategy that integrates science, technology, investments from pension and other funds, and entrepreneurial courage—a vital approach advocated by Draghi's report. This strategic emphasis likely influenced the Atlantic Council's initiation of the Future 500 project he is talking about.



ECCJ says no to Omnibus: corporate interests should not drive EU policy

A package of legislative reforms on corporate reporting duties, known as the ‘Omnibus Package’, will soon be unveiled by the European Commission. The package aims to simplify and streamline sustainability regulations, making reporting obligations more straightforward for businesses. Since its announcement in November, it has sent shockwaves across the EU, sparking much debate and pushback from various groups. Civil society organisations (CSOs), trade unions, businesses, investors, lawyers and scholars have all raised concerns about the Omnibus Package’s potential to lead to deregulation, urging

the Commission to protect, rather than weaken, those instruments. Andriana Loredan of the European Coalition for Corporate Justice (ECCJ) explains what is at stake and why CSOs like ECCJ oppose the Omnibus Package.

Competitiveness used as a pretext for deregulation of much-needed sustainability regulations

The Omnibus Package focuses on three key sustainability instruments at the heart of the European Green Deal, namely the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD) and the Taxonomy Regulation. This package is a direct result of the new Commission's shift in direction, which began with Mario Draghi's report on the Future of European Competitiveness in September 2024. Draghi's report partly attributes the stagnation of EU markets to excessive regulatory burdens for businesses, while conveniently overlooking other key factors, like oil, gas and food inflation driven by speculation by multinational companies. According to Draghi's report, the EU's sustainability reporting and due diligence framework is a major source of regulatory burden. Without evidence linking sustainability legislation to the perceived lack of EU competitiveness, this narrow perspective has become a pretext for potentially dismantling sustainability legislation altogether.

With this particular Omnibus Package, the Commission intends to simplify some of the most critical instruments recently adopted to address big businesses' impacts on people and the environment. This includes the CSDDD, which was adopted only last year and has yet to be implemented.

Any discussion of Omnibus' content remains speculative for now. However, one of the most significant risks associated with Omnibus is the legislative reopening of sustainability instruments, which could result in the renegotiation of key provisions (like civil liability or climate transition plans under the CSDDD). ECCJ strongly opposes reopening previously agreed-upon sustainability legislation. This would increase regulatory uncertainty, jeopardise businesses' respect for human rights and the environment and penalise first movers.

Disproportionate business influence in the midst of a flawed consultation process

The announcement of the Omnibus Package and the Commission's development of its proposal have been conducted with a total lack of transparency and with no regard for EU treaty law or the Commission's own procedural rules.

The Commission intends to present its Omnibus initiative within a very short timeframe, which does not allow for an adequate impact assessment and public consultation. This approach is incompatible with the right to participate in EU decision-making processes, a democratic principle protected by EU treaty law. It also contradicts the Commission's own Better Regulation Guidelines, which require broad and transparent stakeholder consultation during the Commission's policymaking process.

Instead, in February 2025, the Commission held a semblance of consultation, a so-called 'reality check', with a small, selective group of stakeholders, primarily large companies and business associations. Many of these companies are currently facing legal action for human rights or environmental abuse in their own operations or value chain. Thus, they have a vested interest in weakening sustainability legislation, at the expense of workers, local communities and the climate. Furthermore, the disproportionate representation of large businesses contrasted sharply with the underrepresentation of civil society. CSOs, trade unions and small businesses were only symbolically represented, while victims of corporate abuse and businesses advocating sustainability regulations were completely excluded from the conversation.

Omnibus Package: a potential threat to ambitious climate policies

President Ursula von der Leyen and Commissioner Valdis Dombrovskis, who oversees the entire 'simplification' drive, appear to be aligning with the agenda of the largest, most powerful corporations. In particular, the Commission's key partners during the so-called reality check included companies whose business activities significantly contribute to climate change and who have an interest in reducing climate obligations, such as companies in the oil, gas, petrochemical, automotive and financial sectors. Given the current climate crisis and its adverse impacts on people and the environment, this raises concerns about whether the Omnibus Package will be a step backwards for climate policies.

The Commission's priority should be implementation rather than deregulation

If the Commission is truly concerned with competitiveness and a reduced regulatory burden, as well as human rights and climate justice, it should consider how to effectively implement sustainability instruments. This can easily be done by developing guidelines to assist companies and Member State authorities, as specified in the CSDDD, as well as developing funding and capacity building. This approach would address the Draghi report's criticism of a lack of guidance to facilitate the application of EU sustainability legislation.

Ultimately, secretly rewriting crucial sustainability regulations behind closed doors, with some of the world's largest corporations, is hardly the path towards achieving genuine competitiveness.

Andriana Loredan *is a policy officer at the European Coalition for Corporate Justice (ECCJ) and has been involved in advocacy on the Corporate Sustainability Due Diligence Directive since the proposal was first published in 2022. She previously worked on the topic of business and human rights from a forced labour perspective, at Anti-Slavery International.*



Don't jeopardise decades of hard-won environmental, social and economic achievements

The EU needs to resist the siren song of deregulation, as it would only create uncertainty for businesses, weaken sustainability-driven competitiveness, and diminish citizens' well-being and trust, says Danny Jacobs, general director of the Flanders environmental network *Bond Beter Leefmilieu - BBL*. He shared with us the concerns of environmental NGOs regarding the EU's latest proposal to simplify regulations, which they fear may sideline the key ambitions of the European Green Deal.

Could you comment on the latest Commission initiatives on deregulation, such as the Competitiveness Compass or the Omnibus package?

The European Commission has presented an economically driven agenda of deregulation and simplification, threatening to jeopardise hard-won environmental, social and economic achievements. This tension between adaptation and preservation of the European *acquis* makes it difficult for the EU to steer a clear course.

The Commisssion's Competitiveness Compass, presented in late January, echoes corporate concerns over energy costs and economic challenges, but sidelines key priorities such as zero pollution and citizens' wellbeing, failing to guide Europe's economy towards a clean, prosperous and circular future. The Compass

risks leading Europe astray. Promoting competitive decarbonisation without integrating social and environmental objectives undermines the very purpose of EU institutions: to serve and defend the common good.

What worries civil society organisations is the risky 25% simplification target within the Compass. While streamlining regulations is welcome, simplification without thorough assessments could undermine critical health, social, and environmental protections. It is not regulation that hinders business innovation, but rather a lack of clear rules. Further deregulation would only create a climate of uncertainty, penalising first movers – businesses that take the lead – while compromising progress and sustainability.

We also fear that this push for simplification will come at the expense of environmental and social objectives. The Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CS3D), and the EU taxonomy have many flaws and haven't gone as far as they could have. Weakening them further from an already low starting point would render these directives meaningless.

Another concrete example sets the scene for what is happening at the moment. Flanders has faced an immense PFAS problem in recent years: a large part of our territory is polluted by these chemicals, and hundreds of thousands of citizens are affected. A restriction or ban under chemicals legislation (REACH) is seen as the most effective tool for controlling the risks posed by substances, like PFAS, which are used in industrial processes as well as in products (mixtures and articles). If the European Commission were to abandon the importance of strict REACH regulation, it would increase the risk of exposure to dangerous chemicals, which is harmful to public health. Companies would have fewer obligations to seek safe alternatives, which inhibits innovation in sustainable chemistry. Environmental pollution may increase as less stringent rules lead to more hazardous discharges and waste. Consumers are more at risk because products are not as thoroughly checked for toxic substances. This could result in European companies lagging behind in the global transition to safer and more environmentally friendly products, losing market share to competitors who do embrace future-proof innovations.

How hopeful are you about the fate of the Green Deal in light of the newly announced course set by the Commission to boost the European economy?

The European Commission's 2025 Work Programme presents both promise and peril. While its commitments to decarbonisation and affordable energy signal a potential path towards a cleaner, more resilient Europe, key ambitions of the European Green Deal are at risk of being sidelined. Concerns are mounting over the proposed Omnibus Regulation, which could serve as a backdoor for the deregulation of corporate responsibility under the guise of 'simplification'. Recent trends show that simplification is too often used to weaken essential safeguards, from chemicals legislation to agriculture. The rushed Common Agricultural Policy (CAP) reform in March 2024, which stripped out green safeguards, is a stark example. Now, the long-overdue REACH revision, once framed as a tool to protect public health and the environment, risks being repackaged as a 'simplification' measure to ease industry rules.

Just a few months ago, President von der Leyen promised to stay the course on all European Green Deal goals. And yet the current Work Programme tells a different story, deprioritising the very goals where action is most urgent – particularly the Zero Pollution ambition.

Do you see that deregulation, as proposed, could have negative impact on sustainability and the progress achieved so far?

The EU needs to resist the siren song of deregulation, which would only undermine regulatory certainty and predictability for businesses, weaken long-term sustainability-led competitiveness, and erode citizens'

wellbeing and trust.

The EU needs to ensure that cutting red tape does not mean cutting environmental and public health protections. Smart implementation should strengthen, not undermine, the European Green Deal. Weakening key environmental and social protections under the guise of cutting red tape is not a strategy for economic strength. It is a reckless step backward that will sabotage the very rules designed to future-proof our economy. All this reinforces the alarming risk of undoing a decade of progress on sustainability.

At the same time, civil society is under growing pressure across the EU, with restrictive foreign agent laws, protest crackdowns, and funding cuts threatening fundamental rights. The European Democracy Shield and the upcoming EU Civil Society Strategy must deliver more than just symbolic commitments – they must provide legal protections, sustainable funding, and structured civil dialogue with EU institutions. The Commission's Work Programme must prioritise safeguarding democracy by strengthening civil society. Without an independent and well-resourced civil society, European democracy itself is at risk.

Danny Jacobs *is the general director of Bond Beter Leefmilieu - BBL (a federation of 135 environmental NGOs in Flanders, Belgium) and a Belgian representative in the European Environmental Bureau (Europe's largest network of environmental citizens' organisations, representing some 30 million individual members and supporters*).

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