The Grassroots View - S3 Episode 20 - The Energy Crisis

One in four households in the European Union cannot afford to sufficiently heat, cool or light their homes. What does this mean for European citizens, and especially for those with fewer resources? This episode of The Grassroots View analyses the impact of the energy crisis on our daily lives. With Elena Mastantuono (EESC), Sonja Van Renssen (Energy Monitor), Sabrina Iannazzone (European Anti-Poverty Network) and Thomas Dorget (Confrontations Europe). (tk)

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It all starts with energy

Dear readers,

The war in Ukraine and the COVID-19 pandemic have caused significant socio-economic turmoil across Europe and the world. Almost seven months on from the start of the war, fear of rising energy prices and energy insecurity, together with food price volatility and global inflation, are endangering people's lives and well-being worldwide. Thus, the situation in Ukraine, with its long-term consequences of soaring energy prices, will be among the topics that dominate our work at the European Economic and Social Committee in the coming months.

In our contribution to the European Commission's work programme for 2023, we emphasised the energy crisis, which has been amplified by the EU's dependency on Russian gas, the need to limit as far as possible its exposure to unreliable suppliers and to diversify its energy sources.

In addition to the supply difficulties and Member States' duty to ensure energy for households and businesses, another challenge is to stay on track with climate neutrality by 2050 and the EU's other long-term needs. EU policies should at the same time bring economic, social and environmental benefits. Achieving this magic triangle would allow our societies to overcome the crises, respecting the planetary boundaries and leaving nobody behind.

In order to take citizens' demands seriously, measures are needed to improve civil dialogue, as was highlighted in the proposals that emerged from the Conference on the Future of Europe. The EESC stands ready to play its role and properly follow up the Conference's outcome and if a Convention is organised, the EESC must play a prominent role in it. We will continue to work on this in the second half of 2022.

I hope that the summer break has brought everyone at least some peace of mind and the additional energy boost we all need to face the challenges ahead.

Christa Schweng
EESC President

Diary Dates

21-22 September 2022, Brussels
Judith Vorbach: A social taxonomy for sustainable investment

The goal of the EU taxonomy is to channel investments towards sustainability by providing a transparent classification system for investors and companies. Currently, the EU Taxonomy Regulation and its implementing acts focus on climate-related and environmental goals, complemented by minimum social safeguards. While the EESC welcomes the green goals, it calls for a concept of holistic sustainability, so that the taxonomy includes environmental, as well as social sustainability.

The minimum social safeguards are useful, but not enough to ensure social sustainability for workers, consumers and communities. The planned social taxonomy will gain importance if it is part of an overall policy geared towards social sustainability, which also implies the financing of social welfare by government spending, and the importance of public investment.

The EESC calls on the Commission to publish the overdue report describing the provisions that would be required to extend the taxonomy’s scope to “other sustainability objectives, such as social objectives”, as requested in the Taxonomy Regulation. The EESC points to the comprehensive preparatory work done by the Platform on Sustainable Finance, and recommends adhering to the proposed objectives of decent work, adequate living standards and inclusive communities reflected in a multilevel approach. Also, the upcoming Corporate Sustainability Reporting Directive would be a complement to a social taxonomy against which the activities could be evaluated. The EESC recommends starting with simple criteria and providing for easy and transparent procedures. The close integration of the social and green taxonomies should be a goal, but as a first step, mutual minimum safeguards might be practical.

The rising demand for socially orientated investment should be supported by providing a reliable taxonomy which makes companies who contribute to social sustainability more visible. A well-designed social taxonomy would contribute significantly to tackling the problem of social washing, where an organisation makes misleading claims about the social responsibility of its products or services. It should constitute a gold standard, reflecting a higher level of ambition than provided for in legislation. In particular, it should refer to the European Pillar of Social Rights and the Sustainable Development Goals, such as SDG 8 on decent work. The social partners and civil society organisations should be fully involved when designing the taxonomy and complaint mechanisms should also be provided for them. As with the green taxonomy, the definition of what should be included in a social taxonomy will be controversial. But this is exactly why the definition process should be subject to democratic decision-making. The success of the taxonomy is linked to its credibility, and the activities it includes must meet a widely accepted definition of sustainability.

Imagine Ukraine...

In the column “Imagine Ukraine”, we publish photos showing the war in Ukraine and its aftermath. It is often journalists who bring such testimonies, because they are the ones who go where we cannot go, to record the traces and save them from oblivion.

Here is a photo taken by Olga Chaiko, Ukrainian journalist on the “Fakty” news program in Kiev, with her comment: “This picture is from Hostomel airport - this is where Russian saboteurs landed, and the broken pavilion where the legendary world’s biggest plane, Mriya, stands. It has been destroyed by the Russians, as well as one of the biggest planes, Ruslan”. Viktor Zelenkov, cameraman from Fakty TV, was there to capture this image and remember it.
One question to...

One question to

In our "One question to..." section, we ask EESC members to respond to a question on a hot topic that is high on the European agenda. For the September edition, we spoke to Lutz Ribbe, EESC member and President of the Sustainable Development Observatory, on the energy crisis and renewable energies.

**EESC Info question:** In the face of the energy crisis, how can renewable energies meet the challenges of trends to revert coal and nuclear reconversion or delaying the Green Deal targets?

Lutz Ribbe: Energy crises and renewable energy

In February 2015, the European Commission published its "Energy Union package", a "framework strategy for a resilient Energy Union with a forward-looking climate policy". Many good proposals were put forward; promises on promises were made, including to drastically reduce import dependency, consistently expand renewable energies, and make Europe the world’s number one in renewables. Citizens, it was maintained, should be placed at the heart of the policy...

Had we worked consistently on implementing these proposals, we would not have stumbled so deeply into the crisis we are facing today. And yet, Member States seemed to be satisfied with their old policies: Germany allowed itself to be dazzled by Putin's cheap fossil fuels, even declaring the expansion of renewables to be "too fast". The latter was capped, and the result was a real collapse in the wind industry, with a loss of around 40 000 jobs. Poland is failing to get its act together and move away from coal, and France continues to dream of the alleged benefits of the nuclear industry; the reality, however, looks somewhat gloomier as - enter climate change - more than half of France's reactors had to be taken off the grid owing to technical problems and insufficient cooling water. The EU’s dependency on energy imports had never been as high as it was in 2021, and our research and development spending on climate-friendly technologies is at the lower end globally.

There are only two real options when it comes to solving our current energy problem while tackling climate change: much more consistent savings and a truly massive expansion of renewable energies. There is huge potential to do both. On the positive side, our domestic resources of wind and sun provide much cheaper electricity than the (currently) still highly subsidised fossil and nuclear power plants.

It therefore comes down to building many new, decentralised production structures, but also to creating new stakeholders, who should form the backbone of the energy transition. This is because the energy transition requires social acceptance, and this can only be created if we involve people. 90% of green power plants in Germany, for example, belong to private citizens, farmers, cooperatives, SMEs and municipal utilities, and not to large energy utility companies. However, there is little evidence of any strategy to genuinely support civil society engagement in order to increase the potential of producing and using decentralised energy for jobs, and to ensure public ownership of and participation in the energy transition by promoting prosumer and civic energy. We will pay the bitter price of this now and in the months to come. Unfortunately, so too will our climate.

Lutz Ribbe, President of the EESC Sustainable Development Observatory

The surprise guest

**The surprise guest**

In the column "The surprise guest" you will find views and opinions of people whose attitudes, actions and commitments are models for others. In this issue, we publish an article written by Olga Vegera and Vasyl Kushmuns - members of the NGO Promote Ukraine - about their activities as a non-governmental organisation in Brussels working for a free Ukraine.

Promote Ukraine is an independent media and civil society platform that gives voice to experts from Ukraine and the EU on issues relevant to both parties. It is a politically and governmentally independent organisation based in Brussels which aims to empower Ukrainians to take up a role as free European citizens. The team works to boost Ukraine’s visibility within the EU, while at the same time promoting Ukraine in political, business and non-governmental circles in European countries.
The NGO’s main task is to facilitate relations between the EU Member States and Ukraine. Promote Ukraine's long-term goal is to establish a network entitled 'Successful Ukrainians – Prosperous Ukraine' – to be made up of people who are ready to use their skills and time to benefit Ukraine. About 150 volunteers of numerous nationalities work in the organisation. Most are from Ukraine, but there are also Spaniards, Italians, Belgians, French people, Canadians and Americans.

To turn solidarity with Ukraine into concrete action, in April 2022 the EESC joined the European Parliament's civil society hub initiative for Ukraine, allowing Promote Ukraine to use part of its offices, premises and equipment situated in the Rue Belliard 68-Rue de Treves 74 complex in Brussels' EU district, while also providing administrative and technical support to help coordinate Ukrainian civil society's activities. In this way the EESC has offered Promote Ukraine a secure home in the heart of Europe. (ehp)

Olga Vegera and Vasyl Kushmuns: "Promote Ukraine" as a voice of Ukrainian civil society in Europe

How European is Ukraine? Why was it attacked? Does it need reform? How and where does it see its future? - these were the questions our NGO “Promote Ukraine” was set up to address back in 2014.

Today, these questions are as relevant as ever, although the response is much clearer. Along with civil society colleagues, our team of 150+ volunteers works tirelessly, both to amplify the message about Ukraine - which is enduring unspeakable hardships on its path towards Europe - and to show how the EU and its Member States are standing united with Ukraine. Thus, we see ourselves as a civil society advocacy and media hub, acting as a bridge, bringing the EU and Ukraine closer together.

To achieve this goal, our work is divided into 10 working groups. Progress and results are communicated on the website, in the journal and in our podcast. To strengthen our partnerships, we operate a free international helpdesk for organisations, businesses and initiative groups that are offering or seeking help in Ukraine. Our team in Brussels is split across three locations: the workspace made available by the EESC president and the Station Europe building offered by the president of the European Parliament, which together provide a kind of hub for Ukrainian civil society, and a cultural centre.

During these six months of war, we have:

- held more than 50 meetings with representatives of various European and Asian countries, European institutions and NATO, advocating for Ukrainian airspace to be closed, for sanctions against Russia, for Ukraine to be provided with weapons, for Ukraine to be granted EU candidate status, for the Black Sea ports to be unblocked so that foodstuffs can be exported, etc.
- organised over 55 demonstrations in front of the European Parliament, the European Commission, the European Council, NATO and the representations of Russia and some EU Member States, the largest of which were attended by 8 000 people, as well as weekly Lukoil boycotts
- sent humanitarian aid worth more than EUR 170 000 at the request of military units, including ambulances, cars for evacuating the wounded, personal protective equipment, communication devices and individual first-aid kits
- operated two warehouses in Brussels providing food, hygiene products and clothes to temporarily displaced persons from Ukraine, serving more than 1 000 people weekly
- provided assistance to refugees, in the form of psychological and administrative support, job fairs, distributing PCs and bicycles, dance therapy, painting classes etc.
- raised funds for Ukrainian Armed Forces through the #UkraineNeedsYou campaign

We at "Promote Ukraine" appreciate and rely on the EU's unfading support and plan to continue making headway towards not only Ukraine's victory, but also its membership in the EU.

True to our values, we keep on "Promoting, Connecting and Sharing". Join us!

Members of the NGO "Promote Ukraine":

Marta Barandiy, founding chair of Promote Ukraine
Maryna Yaroshevych, Ukraine
Olga Vegera, Ukraine
Liza Bezvershenko, Ukraine
Lyuba Karpachova, Ukraine
Vasyly Kushmuns, Ukraine
Oksana Terletska, Ukraine
José Aynat, Spain
Yulia Chervona, Ukraine
Iryna Nohai, Ukraine
Pieter Goossens, Belgium
Kateryna Polyakova, Ukraine
Oksana Bulda, Ukraine
Olena Kuzhym, Ukraine
Bohdan Yeromenko, Ukraine
Olga Gusarova, Ukraine
Anna Melenchuk, Ukraine
Andrea Castagna, Italy
Natalia Maksymenko, Ukraine
Lesya Magas, Ukraine
Ivanna Malchevska, Ukraine
Artem Shostak, Ukraine
Filip Haugland, Sweden

Our websites:
https://www.promoteukraine.org/
https://www.ukrainianhub.eu/
Europe’s organised civil society will not give up on Ukraine

On 19 July, the European Economic and Social Committee (EESC) held a high-level conference in Kraków on the relief and reconstruction of Ukraine, at which it pledged its full support on all fronts for the war-ravaged country.

With war fatigue kicking in and solidarity seeming to wane as Europe braces itself for the harshest winter in decades, European civil society remains committed to helping Ukraine on its path to recovery and to "building back better", in line with Europe’s core values.

At its conference, the EESC stressed that it would continue advocating for ongoing EU solidarity with Ukraine. It pledged to work closely with Ukrainian civil society, the social partners and authorities to assist the country through the lengthy and demanding accession process, with the final goal of it one day becoming a full EU member.

The conference was opened by EESC president Christa Schweng and the deputy mayor of Krakow, Andrzej Kulig.

Ms Schweng commended the "concrete support for Ukraine" shown since the beginning of the war by civil society across the Member States, and above all in Poland. The EESC chose to hold the conference in Krakow "to pay tribute to this heartening solidarity, as well as to express our closeness to those who are working on the ground every day."

The conference brought together high-level EU, Polish and Ukrainian officials, alongside representatives of civil society organisations, including trade unions and employers' organisations, from both the EU and Ukraine.

The aim was to discuss the efforts undertaken so far by the grassroots level to directly aid those in need on the ground, including refugees, internally displaced people and those who have still not left, despite Russia's brutal attack on their country.

The conference also looked at ways of directly helping the Ukrainian economy cope with the devastating effects of the war, amid gloomy projections of its GDP dwindling by some 45% in 2022. This calls for nothing short of a new Marshall Plan to help rebuild the country from scratch, in a green and sustainable way that is also in line with European labour and social rights.

The speakers in the high-level introductory panel warned against the war fatigue and against losing momentum for helping Ukraine. They highlighted the crucial role of the EU's and Member States' support for Ukraine to remain on the European agenda.

Vitaly Portnikov, Ukrainian journalist, political commentator and opinion maker, stressed the need to have objective and independent journalism in Ukraine: "This is as important as having the Ukrainian government and armed forces. To have this, we need the EU's support and international programmes. Without freedom of speech and high-quality information, without resources, we will have a risky situation."

The conference featured three panels, which discussed various aspects of aid for Ukraine. The first debate gave an overview of the work done so far by civil society organisations providing immediate support for refugees on their arrival and helping with their integration.

The second panel focused on displaced people and the role of Ukrainian civil society in ensuring that their country continues to function in the face of the crisis. The final panel explored how EU civil society can help and support Ukraine's recovery in accordance with EU values and norms, such as the rule of law, democracy and transparency, in particular from the perspective of an EU candidate state.

More information about the conference is available on our dedicated webpage.

EU Organic Awards 2022: the EESC finalists are in!

The European Economic and Social Committee (EESC) is proud to announce the finalists, by category, of the first ever EU Organic Awards, co-organised with the European Commission and other partners to reward excellence in the European organic value chain. The winners of each category will be announced on 23 September, EU Organic Day, at a special ceremony with the EU commissioner for Agriculture, Janusz Wojciechowski.

Inspiring initiatives on the ground show that the organic transition is already taking hold across Europe. The first step of the evaluation process has now been completed, and after a thorough assessment of all applications, the finalists in the following three categories are:

- For best organic SME processing food products:
  Gino Girolomoni Cooperativa Agricola – Isola del Piano, Province of Pesaro and Urbino, Italy
  Goodvenience.bio GmbH – Magdala, Thuringia, Germany
  Laborca Biohof GmbH – Burgau, Styria, Austria

- For best organic food retailer:
  Ecoveritas SA – Barcelona, Spain
  La ferme à l'arbre de Liège – Lantin, Liège, Belgium
  BIO MERCATO, seiVital GmbH – Kempten, Bavaria, Germany

- For best organic restaurant:
  Trattino – Lyon, France
  Lilla Bjers HB – Visby, Gotland Island, Sweden
Czech EU Presidency will rethink, rebuild and repower Europe

“Europe as a Task: Rethink, Rebuild, Repower”. This is the official motto of the Czech Presidency of the Council of the European Union, which started on 1 July 2022 and will focus on managing the consequences of the war in Ukraine, reducing Europe's energy dependence and increasing its future strategic autonomy.

Addressing EESC president Christa Schweng and the other EESC members at the plenary session debate on 13 July 2022, the Czech Minister for Foreign Affairs, Jan Lipavsky, presented the priorities of his country's EU presidency.

"The delicate economic and geopolitical context has partially shifted the priorities and the war in Ukraine, and its impact on Europe will guide the Czech Presidency throughout its mandate," he said. "We are at a time when there is a war going on just outside the borders of the European Union and our main task in the period ahead will be to find a united and strong consensus on measures that will mitigate the negative impact of the developments on our citizens as much as possible."

Inspired by Czech statesman Václav Havel’s vision in a speech 26 years ago, the motto provides a strong message to sum up the five pillars of the Czech EU Presidency:

1. managing the refugee crisis and the post-war reconstruction of Ukraine,
2. increasing the EU's energy security,
3. increasing European defence capabilities and cyberspace security,
4. strengthening the strategic resilience of the European economy,
5. protecting the EU's democratic institutions and its values.

Saying that the Czech EU Presidency's priorities were also the priorities of the EESC and Europe as a whole, Ms Schweng added: "The Czech Republic is taking over the rotating Council presidency at a time when the European Union is still struggling to recover from the consequences of the pandemic, while facing the consequences of the war in Ukraine. We will do our utmost to ensure that our Committee makes a powerful contribution to the activities of the Czech Presidency." (mp)

EESC and CoR presidents discuss common challenges for the future of Europe

At the July plenary session of the European Economic and Social Committee (EESC), its president, Christa Schweng, and the newly elected president of the European Committee of the Regions (CoR), Vasco Alves Cordeiro, discussed new prospects for joint action and cooperation between the two committees.

Opening the debate, EESC president Christa Schweng noted that the two committees had always defended the European project and provided valuable input into it. "At this critical time, when Europe is being pushed from all sides, it is more important than ever to join forces and bring Europe closer to its citizens," she said.

Mr Cordeiro agreed on the political importance of the joint work of the EESC and CoR, especially in these difficult times for the EU. "From building the recovery after the pandemic to strengthening European democracy, from facing the war against Ukraine and its social and economic consequences to defending cohesion policy: our two committees have a joint interest and responsibility to speak with a clear voice and move the European Union forward," he said.

A stronger and fairer Europe for all and a stronger Cohesion Policy into the future are the two main objectives of the newly elected CoR president, which the EESC shares and supports. A stronger Europe from the democratic point of view is a Union with strong values and foundational principles, such as freedom, respect for human dignity, the rule of law and democracy, and a fairer Europe fighting for gender equality and an inclusive society. The second priority, Cohesion Policy, plays a key role in strengthening economic, social and territorial cohesion in the European Union. Mr Cordeiro stated that the CoR would firmly defend cohesion policy ahead of the future battle for the post-2027 EU budget.

Ms Schweng stressed the importance of citizen participation in the EU process, which "is an issue on which we should work closer together" and when following up on the Conference on the Future of Europe (CoFoE) we can put this closer cooperation into practice. "The Conference represents a great opportunity but also a tremendous responsibility towards the citizens". said Ms Schweng. "We need to be clear about empowering citizen participation," Mr Cordeiro added.

During the ensuing debate, the president of the EESC’s Civil Society Organisations’ Group Séamus Boland, said: "We in the EESC share with our colleagues in the Committee of the Regions a common goal, which is to ensure that the people we represent have access to public services when they need them. Working in union, we can be a powerful voice in articulating the needs of people who are often left behind because of poverty or exclusion."

The president of the EESC's Employers' Group, Stefano Mallia underlined the role of cohesion policy to boost growth and prosperity and the need to create an economic environment in which innovative businesses of all sizes can thrive. According to Mr Mallia, a stronger Europe means strong economies, a resilient Single Market and better conditions to face new challenges.

The president of the Workers’ Group, Oliver Röpke welcomed the firm commitment of the newly elected CoR president to a stronger and fairer Europe and stronger democracy. He also stressed the complementary role of both committees. He pointed to the cooperation with the CoR on implementing the CoFoE and said that both committees would strive for citizen participation.
Both Committees’ presidents stressed their commitment to work together for a fairer and stronger Europe and to make the voice of those who act on the ground heard. (ab)

It is high time for the Western Balkans to invest in their youth

To secure a more prosperous future for their citizens, Western Balkan (WB) governments need to address the problems encountered by young people, who hold the key to such a future. Sufficient and transparent budget allocations for youth policy development and the inclusion of young people in the EU accession process are prerequisites for facilitating positive changes and improving the situation of young people in the region.

Ionuţ Sibian, EESC member and rapporteur for the opinion “Youth Policy in the Western Balkans”, as part of the Innovation Agenda for the Western Balkans stressed the role of the EU institutions: “The EU institutions have to further support the WBs in improving youth participation. The Youth Guarantee in the WBs should be implemented in partnership between Youth Guarantee providers and relevant stakeholders”.

Andrej Zorko, EESC member and co-rapporteur, is calling on all six WB partners to align with key EU youth policy documents and to further invest in evidence-based youth policies addressing youth development challenges.

Turn the region into a place with future prospects

The high level of youth migration from the WBs, which has been a long-standing problem, stems in particular from young people's inability to access quality education, and the limited career opportunities.

Current educational systems and curricula are in desperate need of reform. The entrepreneurial capacities of young people should be encouraged and promoted, while the social infrastructure of the region needs to be further strengthened.

The EU Innovation Agenda for the WBs includes youth and, consequently, encourages WB governments to build up their youth policy framework and proceed with the necessary reforms to turn the place into a region with future prospects for young people. (at)

Violence against women must be recognised as an EU crime

At its July plenary, the European Economic and Social Committee (EESC) debated the Commission's draft directive on tackling gender-based violence and gender equality with Cristina Fabre of the European Institute for Gender Equality.

In recent years, the European Union has stepped up its efforts to promote and mainstream gender equality and women's empowerment. Despite these efforts, violence against women remains the most common human rights violation across Europe, with one third of all women being victims of violence.

Opening the debate, EESC President Christa Schweng stated that "As the voice of civil society, the EESC is committed to a more gender-equal society and to achieving a Union free of violence against women and girls."

Cristina Fabre, of the European Institute for Gender Equality, mentioned the economic impact of inequalities: "Promoting gender equality improves our economy. GDP per capita has the potential to rise from 6.9% to 9.6% if we ensure equal rights for women and girls."

José Antonio Moreno Diaz, rapporteur for the opinion on the recent proposal for a directive on combating violence against women and domestic violence, discussed how the EU can combat this epidemic of violence against women: "Violence against women is a violation of human rights, therefore we call for its inclusion in the list of EU crimes under Article 83(1) of the TFEU. The Committee argues that social problems are not solved purely through the court system and that punishment should not be the sole means of action. "We need to ensure victims' access to healthcare services, including sexual and reproductive health services", explained the co-rapporteur Ody Neisingh, "Fix the system, not the women."

At the request of the Czech Presidency, a separate opinion on gender equality was also adopted during this plenary. The EESC rapporteur, Milena Angelova, stated that that gender equality requires recognition, ownership, and constant commitment by all stakeholders in society."We must build a life-long gender equality culture, encompassing all stages and areas of life", said Ms Angelova. (gb)

The social dimension must be included in new rules on sustainable products

At its July plenary, the European Economic and Social Committee (EESC) called on the European Commission to strengthen the social aspects of key proposals to align EU rules on sustainable products, ecodesign and sustainable textiles.
The EESC adopted a report on the Commission’s sustainable products roadmap on making sustainable products the norm, on a new regulation on ecodesign and on a strategy for sustainable textiles. The proposals are part of the new EU circular economy plan and will increase efforts to make Europe less resource-dependent in the face of current crises, which include the COVID-19 pandemic, Russia's war on Ukraine and climate change.

In the opinion on the sustainable products roadmap and the ecodesign regulation, the EESC believes that the EU’s circular economy strategy will only succeed if producers, consumers and workers, as well as the authorities, are properly involved and informed. Its successful implementation will require clear, sound and consistent rules. These are needed to ensure that sustainable products are competitive and to make the transition to a circular economy more inclusive.

**Wider scope for a new ecodesign regulation**

New requirements on product durability, repairability, recycling, environmental impact and CO2 emissions, for example, and improved rules on the information provided on digital product passports and labels are needed for the transition to the circular economy.

However, the proposed regulation overlooks the social dimension. A reference to the Commission's proposed Directive on Corporate Sustainability Due Diligence seems insufficient.

**A stronger focus on workers' rights and child labour is needed**

In a separate EESC opinion on sustainable textiles, EESC stressed that greater emphasis is needed on social aspects in the textile sector, notably on workers' rights and collective bargaining. The EESC calls for strict measures that prohibit economic relations with businesses that use child labour or which fail to ensure decent working conditions.

Furthermore, the EESC suggests that people should buy and wear clothes with a sense of responsibility. In line with this call, investments and programmes are needed to improve the capacity of inspection bodies and the operational capacity of the social partners to monitor global agreements and workers’ rights.

Finally, to ensure equilibrium between businesses and others in textile supply chains, the EESC recommends launching global best practices for sustainability. (ks)

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**EU Roadmap on security & defence: EESC calls on Member States to act with unity and firmness**

In a new opinion, the European Economic and Social Committee (EESC) fully supports the objectives of the European Roadmap on Critical Technologies for Security and Defence, which is particularly timely in view of the war in Ukraine.

At its July plenary session, the EESC adopted an opinion on the European Roadmap on Critical Technologies for Security and Defence. Hailing the Commission's proposals as a generally good initiative, that is able to act and respond to various crises and geopolitical challenges, the EESC nonetheless stressed that the Commission should invest further in horizontal and vertical synergies between Member States.

First and foremost, the EESC believes that a comprehensive approach that spans the civil-military dividing line and combines the European and national levels should be adopted as quickly as possible. The invasion of Ukraine is a wake-up call, showing us that we need to act much faster than usual.

Moreover, regarding the technical aspects, the opinion suggests that the findings of the Observatory of Critical Technologies (OCT) must be incorporated into roadmaps. The transition between the different phases of the technology and the industrial cycle can only be managed successfully if the ownership of an initiative and the responsibilities are clear.

At the same time, the EESC calls on the Member States to ensure that their immediate responses to Russia's aggression against Ukraine are in line with the content and objectives of the roadmap, which is a long-term endeavour. Short-term national defence investments must be coordinated at European level to avoid increased fragmentation and duplication.

The EESC also proposes setting up an online one-stop-shop for small and medium-sized enterprises and start-ups, an online "EU SME corner", where businesses can enter predefined data and in return receive tailor-made information about which European programme(s) could best support them. (ks)

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**The EU-US Trade and Technology Council must seize the momentum to lead the way in trade, technology and innovation**

At its July plenary, the EESC argued that the new Trade and Technology Council (TTC) can become an innovative tool for both the EU and USA to work together towards a safer and more prosperous world, based on the principles of sustainable development and democratic values. The Council is designed to be a participatory process and, as such, it needs to demonstrate its transparency and strong engagement with civil society and stakeholders.

In its own-initiative opinion on The new EU-US Trade and Technology Council in action: priorities for business, workers and consumers and necessary safeguards, the EESC highlights the priorities of the TTC.
Christa Schweng, EESC President, said “The Trade and Technology Council is a new form of cooperation. Its key objective must be to explore how trade and technology can work better for our societies. Organised civil society on both sides of the Atlantic needs to play an important role in the TTC”.

Timo Vuori, EESC member and rapporteur for the opinion, stated “The EU-US TTC must, in the short and long term, deliver solutions to improve the bilateral and international trade environment. Otherwise, the TTC may lose its momentum”.

The EU and the USA still have the most integrated, bilateral economic relationship in the world, equal to half of world GDP and one third of global trade flows.

The economist and writer Fredrik Erixon, who was invited to speak at the plenary, explained that this initiative was a new opportunity for both partners to command influence in the world’s economy, by being united and seeking partnerships with like-minded countries that share their basic economic and political values.

**A stronger internal market through uniform digital taxation**

In an exploratory opinion, the EESC insists on the importance of coordinated European legislation establishing tax rates for digital service companies. This will ensure a growth-friendly business environment and benefit the internal market, while avoiding the gaps that separate national initiatives would create. The Committee’s opinion, drafted at the request of the Czech Presidency of the Council of the European Union, states that any new rules must avoid double taxation and minimise compliance costs for businesses.

While the EU can play a leading role in defining rules for taxing the digital economy, it should respect the international agreement reached by the OECD/G20. On that, rapporteur Benjamin Rizzo stated: “Both Pillar 1 and Pillar 2 of the OECD Inclusive Framework on Base Erosion and Profit Shifting must be implemented within the EU as soon as it is feasible. It will help achieve a high degree of consistency with the international agreement that will be negotiated by the OECD/G20”. Co-rapporteur Petru Dandea added: “The EESC stresses that properly devised international tax laws on digital businesses are instrumental in preventing tax evasion and tax avoidance practices, as well as in designing a fair, stable and progressive taxation system”. (tk)

**Taxation rules on cross-border teleworking must be updated and simplified**

How should wages and company profits be taxed in a way that meets the needs of today’s work environment? In an opinion adopted at its July plenary session, the EESC takes up this challenge, while welcoming and encouraging the rise of teleworking. An updated and easy-to-follow set of rules should ensure that employees and employers in Europe do not face multiple taxation or unintended non-taxation because they are working from abroad.

“We are in a new world, where people want to work differently, The EESC fully supports more flexible work and cross-border teleworking situations,” says rapporteur Krister Andersson. "But this new paradigm also poses serious challenges for international taxation systems and an efficient European single market". Among other measures, the EESC proposes to create a one-stop-shop, such as exists for VAT, at a European level. An employer would report the number of days teleworkers worked in their country of residence and in the country where the employer is located. With this information, tax authorities would be able to assess in which country income would be taxable, or what part of the income would be taxable in each country. Mr Andersson points out that “This system would allow employees and employers to reduce tax disputes between Member States, and at the same time help ensure that taxes are levied correctly without requiring the individual to file in multiple countries”. (tk)

**The digital transition must be fair: human rights and human control must remain central**

Many Europeans are not yet digitally literate and most national administrations have not yet implemented digital solutions. Making people’s access to some services of general interest conditional on having a digital identity could result in a lose-lose situation: a significant number of Europeans could see their right to access these services being denied.

The EESC opinion adopted at the July plenary session and drafted by Dumitru Fornea sounds the alarm. New governance tools introduced with the digital and industrial revolution must not be oppressive and make people’s daily lives contingent on having to sign up to digital technology systems that are controlled in an undemocratic way.

“The advantages of digital technology solutions are obvious,” said Mr Fornea. “However, their rapid implementation, especially for services of general interest such as digital identity, could lead to the exclusion of a significant number of Europeans. We must ensure that humans remain in command, with democratic control and with the involvement of civil society organisations.”

According to the EESC, digital technology solutions such as digital identity, digital means of payment and incorporation into virtual and augmented reality platforms should remain complementary tools and should not completely and unfairly replace other practices that have been developed and perfected by humans over thousands of years.
The EESC was the first European institution to call for the “human in command” approach when dealing with AI systems and reiterates that it is paramount for humans to have the last say and be in full control of decision-making processes when it comes to machine developments. (mp)

**News from the Groups**

**Corporate Sustainability Due Diligence: Bureaucratic monster or meaningful tool?**

By Antje Gerstein, Member of the EESC Employers' Group

On 23 February, the European Commission launched its proposal for a Directive on Corporate Sustainability Due Diligence, which sets out an obligatory framework for companies to identify and act on adverse environmental and human rights impacts across their own organisation – and their entire value chain.

Unfortunately, the proposal as it stands does not deliver on the aspired goals. It is important to note that the Commission's own Regulatory Scrutiny Board (RSB) pointed to serious flaws in the impact assessment, for example the description of the problem is vague and the report should be better aligned with other initiatives.

The co-legislators should aim to move away from provisions that simply impose obligations and rather choose a more process-oriented approach based on engagement and on building trust. This means that businesses should be expected to design their human rights due diligence processes in a way that is risk-based and proportionate to their potential and actual impacts.

As companies need legal certainty and have to minimise liability risks, they might feel forced to shorten supply chains and withdraw from regions with potentially problematic human rights situations. This could have serious implications, as global trade would be damaged and many workers in developing and emerging countries would lose their jobs.

The RSB opinion and the EESC opinion on “Sustainable corporate governance” (INT/973), both emphasise the need for regulatory and policy coherence. The UN Guiding Principles for Business and Human Rights (UNGPs) and the OECD Guidelines are the benchmarks that clearly outline the duties and responsibilities of all actors and we need to stick to these.

The European Parliament and the Council of the EU have to choose: do they want to create a constructive, partnership-based, future-proof, outcome-oriented and real-world approach to sustainable global supply chains? Do they want to ensure that parallel product-related initiatives are better aligned? If so, then there is still a lot to do. We can assure the co-legislators that employers are committed to doing their part to ensure a successful outcome. This Directive touches upon the core business of our members. We have no choice but to get it right.

Read the full text in the Employers' Group Newsletter: [https://europa.eu/!vYX7Wq](https://europa.eu/!vYX7Wq)

**Winter, Gas, and Heating**

By the EESC Workers’ Group

Europe finds itself in a difficult situation after many years of negligence and unfounded optimism on energy issues. Fuelled by shutdowns of nuclear facilities that were mostly replaced with gas or coal (and with tens of thousands of premature deaths added each year), an addiction to natural gas as an easy and cheap (and lately, also green) alternative, and an energy market ill-designed for crises or for providing high shares of renewables, frost this winter looks particularly menacing.

These ingredients, set on fire by the Russian invasion of Ukraine, have made transport and energy prices skyrocket. Together with the price spikes for many basic food products due to disturbances in the global food chain, inflation has reached levels not seen in decades. The steep rise in prices affects, first and foremost, the most vulnerable populations who already had no margins for increasing energy, transport and food costs. Not to speak of the likely starvation and hunger in the rest of the world where spending extra is not a possibility.

As our companies struggle to continue under severe cost hikes, and our citizens and workers doubt if they will be able to turn on heating this winter, the initiative on REPowereu and that on reforming the energy market are a welcomed relief. Green and just transitions have become not only a climate necessity but also a social and geopolitical one. Without decisive action to break away from fossil fuels, our political systems will likely collapse long before we reach any climate targets. (prp)

**Volunteers: essential actors in European societies**

By the EESC Civil Society Organisations’ Group

The informal and formal voluntary activities undertaken during the COVID-19 pandemic and the assistance provided to Ukrainian refugees have once again demonstrated the vital and holistic contribution volunteering makes to society. Volunteering plays a pivotal role in building social capital, social inclusion and cohesion. It is also an important source of self-development and the most obvious example of civic engagement and active citizenship.
At the conference on **Volunteers – citizens building the future of Europe**, which took place on 7 July 2022 in Gdańsk, Poland, participants therefore called, among other things, for:

- increased social awareness of the contribution of volunteering to European societies, for instance through the availability and sharing of reliable models and data that measure the economic contribution of volunteering, as well as its contribution beyond GDP;
- the introduction of enabling policy and/or regulatory and legal frameworks, to be decided on a country-specific basis and in direct consultation with civil society organisations;
- the provision of structured and sustainable funding and safe and good levels of support and infrastructure for volunteering;
- volunteering to be put back onto the European political agenda, for instance by developing and actively supporting a more comprehensive European-wide voluntary programme, creating an EU-wide volunteering website and designating 2025 as the European Year of Volunteers.

The conference was organised by the EESC's Civil Society Organisations' Group, in liaison with several European and local partners. It brought together volunteers, researchers, representatives of national and European civil society organisations and public authorities, to discuss and share their experience of volunteering trends in the EU, public authority support for organisations and volunteers, and new forms of volunteering.

The complete set of conclusions and recommendations from the conference is available at: [https://europa.eu/!KC4tFR](https://europa.eu/!KC4tFR)