



SOCIAL POLICIES TO GO HAND-IN-HAND WITH COMPETITIVENESS

How employers see the social dimension of the EU



- **Competitiveness and higher productivity based on skills and knowledge represent the only sound recipe for maintaining the well-being of European societies.**
- **Economic growth and a well-functioning internal market are preconditions for strengthening the social dimension of the EU.**
- **Demographic change and digitalisation mean that we need adaptable and flexible national education and training systems, labour markets, and welfare systems.**
- **While the EU aims at better economic and social convergence starting-points and national circumstances differ between EU countries. This should be acknowledged in all discussions about employment and social policies.**
- **The EU-level should only deal with those social matters, which require an EU approach. The principles of subsidiarity and proportionality must be strictly observed.**
- **At EU level, the key to success is to enforce and apply existing rules and structures more efficiently. The Social Scoreboard that feeds into the European semester should serve as a guide for Member States' economic and social reform activities.**
- **The EU needs to respect the autonomy of national and European social partners.**

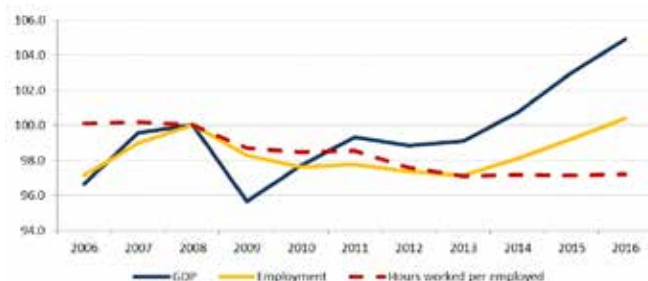
WHAT we want: a well-functioning, flexible and adaptable labour market, adequate and sustainable social protection, and comprehensive education and training systems based on sustainable economy and contributing to better economic and social convergence.

WHY we have to achieve this: an increased employment level is needed to maintain our social model, to reap the benefits of technology and digitalisation, and to respond to demographic challenges.

HOW it can be best done: introducing and implementing national reforms with the support of EU-level guidance, benchmarking and mutual learning such as in the framework of the European semester.

WHO should do it: social partners and governments have a key role, supported by EU-level activities where needed; respecting national competences and complying with the subsidiarity principle, national well-functioning models must be respected.

GROWTH IN REAL GDP, EMPLOYMENT AND HOURS WORKED PER EMPLOYED PERSON IN THE EU (CUMULATIVE CHANGE - INDEX 2008 = 100)



Source: 2018 European Semester: Joint Employment Report

Rapid technological development, digitalisation, demographic change and ongoing transformation of the world of work are just a few factors influencing the shape of future social policies.

A competitive and sustainable economy with a high level of employment is the basis for the European economic and social model which also contributes to better economic and social convergence. Enhancing productivity based on skills and knowledge is the only sound recipe for maintaining the well-being of European societies. The social dimension of Europe cannot be strengthened without economic growth and a well-functioning internal market.

To embrace future opportunities, national education and training systems, as well as labour markets and welfare systems, must be adaptable and flexible.

Much-needed reform of education systems should narrow the skills gap. Reforms should also recognise the potential of the digital economy and the importance of individual responsibility, as well as the key role of cooperation between the worlds of education and business.



To create jobs we need vibrant and well-functioning labour markets where flexibility and businesses' adaptability to change are accompanied by adequate security for workers. All work counts here: full-time, part-time, open-ended, or temporary.

We need longer and more diverse careers, as well as more people in the labour market, including through the integration of migrants. Promoting different and new forms of work, as well as providing conditions that encourage self-employment and entrepreneurship, are means of attaining this goal. A solid and forward-looking EU policy on immigration is also urgently needed.

EU countries have different starting points due to different traditions and different levels of economic development and unemployment. This fact must be the basis for any discussion about employment and social policies while the EU is striving for better economic and social convergence.

The EU-level should only deal with those social matters, which require an EU approach. Both the subsidiarity principle and the proportionality principle, enshrined in the Treaty, should be the basis for a common understanding of what constitutes Europe's added value in terms of employment and social policies.



The way forward is to develop the social dimension by ensuring more efficient enforcement and application of existing rules and structures. With more than 70 social directives in effect, there is scope for improving the performance of existing regulatory frameworks at EU and national level.

In relation to work and social protection, potential tools available to the EU include social indicators in the context of the European semester, or the Social Scoreboard. These should serve as a guide for Member States' economic and social reforms. The European Pillar of Social Rights is not the basis for new EU legislation, the essential purpose of the pillar should be to serve as a compass for Member States when designing and implementing structural reforms.

The EU needs to respect the autonomy of national and European social partners. Workable solutions can be achieved only when labour market organisations are involved in decision-making.

TO BE AVOIDED:

- The principles of subsidiarity and proportionality should not be ignored. All EU action in the field of employment and social policies adhere to these principles.
- The role of the European Pillar of Social Rights should be to guide the Member States in their reforms, not to form the basis for new EU legislation.
- Key principles of the internal market such as the free movement of people and services should not be compromised. A fair balance should be established between European and national level when promoting cross-border activities.
- National circumstances affecting economic development and well-functioning national labour market and welfare models should not be downplayed but should be taken properly into consideration.
- The role and negotiation prerogatives of the social partners at national and EU level should not be disregarded but should be fully respected.