

SUMMARY OF THE RESOLUTION • 11 JUNE 2020

EESC proposal for post-COVID 19 crisis reconstruction and recovery:

"The EU must be guided by the principle of being considered a community of common destiny"



1.

The EESC warmly welcomes and fully supports the proposals of the European Commission: the Next Generation EU plan and the overall EU budget for 2021-2027. The functioning of the future Next Generation EU instrument has to be complementary with the new MFF, where other EU priorities, not necessarily connected with the pandemic, also have to be sufficiently reflected.

2

The EESC is convinced that recovery from the effects of the coronavirus crisis will only be successful if it is accompanied by the restructuring of our society: we need to focus on reconstruction as well as on recovery. We cannot simply restore what existed in the past: we need to restructure and improve it.

3.

For the EESC, restructuring and improvement will have to be based on the principles underpinning all our work: protecting human and social rights, democratic values and the rule of law, unlock the full potential of the Single Market, strengthen the economic resilience of the EU, achieving the Sustainable Development Goals (SDGs), creating a circular economy and achieving climate neutrality in the EU by 2050 at the latest and the full implementation of the European Pillar of Social Rights. We must also ensure good governance and democratic accountability.



4.

The participation of all citizens through the organisations of social partners and the organised civil society will make it possible to reform the economy and society. This also applies especially to the European Semester process, that will acquire an increasingly important role in monitoring and evaluating the interventions set up in the Next Generation EU framework. The Member States and the EU must therefore ensure that in this complex process no one is left behind.

5.

The European Union is based on common European values which are non-negotiable under any circumstances¹: respect for human dignity and human rights, freedom, democracy, equality and the rule of law. These values cannot be forgotten when the EU and its Member States face an emergency and its fallout in terms of economic and social challenges. While the response to the current crisis needs to be swift and warrants certain exceptional and time-limited measures, these cannot go against the rule of law and cannot endanger democracy, the separation of powers and the fundamental rights of European citizens. The EESC insists that all policy measures in this respect must be fully in line with our common values as laid down in Article 2 TEU.

6.

In this new recovery and reconstruction process, the EESC hopes that the forthcoming Conference on the future of Europe could be an opportunity to strengthen and deepen the EU's institutional structure and for a real renewal of the EU project, capable to face the challenges of the next decades.

7.

The main areas of the process of recovery and reconstruction include:

- promote reform of the European Economic Governance, revising the Stability and Growth Pact for the purpose of simultaneously ensuring stability and growth;
- unlock the full potential of the Single Market, aiming to keep it integrated, functional, efficient to restore competitiveness;
- continuing to pursue the necessary structural changes and connected investment activities, mainly as regards digital, smart and social innovations and the green transition;
- continuously improving the EU's competitiveness;
- creating the conditions to strengthen the role of labour as one of the main drivers for the relaunch of the European Economic System;
- creating the conditions to strengthen EU self-sufficiency and resilience in addressing global impacts;
- creating the conditions to retain control over strategic EU assets and industries;
- substantially improving EU delivery chains in the event of risks and emergencies.

¹ EESC opinion SC/052 on The Future of the EU: Benefits to citizens and respect for European values.

8.

The investments made under the short-term economic stimulus should be either neutral towards, or should accelerate, the structural transformation of the European economy towards zero pollution, restoration of biodiversity and climate neutrality by 2050.

9.

Sustainable investment in communities, in public spaces, in health care, in education, in social services, in zero carbon housing and infrastructure and in the protection and restoration of biodiversity, decentralising energy production, will be essential to delivering a "well-being" economy. One such area, which should be prioritised, is energy renovation of buildings.

10.

The EESC believes that the competitiveness of the EU's production system should be relaunched by strengthening the SME's system, large enterprises and social enterprises. In this way they should represent development drivers towards the green and digital transition and the offer of decent work.

11.

Safeguarding employment and income for all workers is a priority and we need to shape today's policies with a long-term perspective in mind (training, long life learning, etc.). In this way we should also guarantee the safeguarding of vulnerable groups (precarious workers, children in poverty, people with disabilities, citizens in marginalized areas, etc.).

12.

Based on the Next Generation EU recovery instrument it will be necessary to ensure a progressive increase in EU own resources through the introduction of relevant and appropriate revenues to choose among, for example: EU Emission Trading Schemes, a common consolidated corporate tax base (CCCTB), digital tax, a financial transactions tax, a CO₂ levy or the seigniorage. In the meantime the EU should strengthen his commitment: combating tax fraud and aggressive tax planning; activate a coordination mechanism capable of neutralising aggressive tax planning and combating the phenomenon of tax evasion; and activate a powerful strategy for clamping down on money laundering.



13.

Take full advantage of the new, more sustainable business models emerging (circular, sharing, social economy, etc.). These are also a feature of the EU societal model and deliver dual value creation – economic and social value, as well as being instruments to deliver the European Green Deal and the SDGs. These business models offer an opportunity to help the economy recover and address societal issues at the same time. Here the EU circular action plan will be crucial, as will the promised EU action plan for the social economy (Spring 2021).

14.

The recovery plan will have to promote: more sustainable food systems, both at the production and consumption levels, in line with the Commission's intentions relating to the "From Farm to Fork" strategy for sustainable food; the EU's food sovereignty in a spirit of solidarity between the various forms of European agriculture and the integration of economic, social and environmental aspects; the ambitious proposal from the new EU biodiversity strategy.

15.

Most importantly, one of the main lessons of the coronavirus crisis is that health systems in almost every European country need to be strengthened through the creation of an "EU Health Union".



16.

It is necessary to relaunch the EU's geopolitical strategic role in promoting global peace processes, so as to relaunch opportunities for economic development in the EU neighbourhood: Western Balkans, Euromed and Eastern Partners, and in other conflict-ridden areas.

17.

However good and comprehensive the measures to be taken, they are only effective and they can only count on support if they end up on the ground and reach the people for whom they are intended. It is therefore imperative to work hard to ensure effective implementation, both by the EU institutions and by the Member States.

https://www.eesc.europa.eu/en/initiatives/civil-society-against-covid-19/eesc-prepares-future

European Economic and Social Committee Rue Belliard/Belliardstraat 99 • 1040 Bruxelles/Brussel • BELGIQUE/BELGIË • <u>www.eesc.europa.eu</u>

Published by: "Visits and Publications" Unit • EESC-2020-64-EN



