



# European Economic and Social Committee contribution to the European Commission's 2015 Work Programme

6 November 2014



*European Economic and Social Committee*

# EESC CONTRIBUTION TO THE EUROPEAN COMMISSION'S 2015 WORK PROGRAMME

*The people of Europe are expecting a new lease of life for Europe, accompanied by action in response to their worries about unemployment, de-industrialisation and stalled growth, and to the fight against climate change.*

*We must put introspection behind us. We need to use the Community method to mobilise the whole panoply of instruments at our disposal to bring about a return to competitiveness and sustainable growth.*

*Immediate action is expected, in addition to the long term structural reforms that are indispensable if we are to see a return to lasting growth. To this end, it is vital to strike a balance between proper management of public finances and genuine support for the economy and growth.*

*In the EESC's view, it will require determination in shifting the focus of the capital markets so that, at long last, they meet the financial needs of the real economy.*

*The EESC welcomes Jean-Claude Juncker's proposal to set up a EUR 300 billion public-private investment plan to boost growth and employment.*

*Top priority under the investment plan should go to education and skills acquisition, innovation, entrepreneurship, the energy transition and the green economy. A flexible approach to implementing the plan is essential if we are to avoid getting mired in the bureaucracy that so often dogs EU initiatives, such as the Youth Guarantee.*

*The success of the initiative will also depend on mobilising civil society representatives. The EESC is therefore proposing to organise activities at various levels (hearings, meetings, etc.) to inform national and European civil society organisations of the plan and gather their suggestions.*

*The Committee is adamant that social dialogue must be reinstated as a crucial component of European integration; the Commission must once again resume its role as facilitator of European social dialogue, both globally and within the different sectors. Without consensus and participation, reforms do not stand a chance.*

*Civil dialogue, the key to strengthening the democratic legitimacy of the European Union in the eyes of its citizens, also needs to be stepped up. Under the terms of Article 11 of the Treaty on European Union on participatory democracy, a regular, well-structured and effective civil dialogue needs to be established, using a bottom-up, cross-cutting approach.*

*In terms of governance, the Committee welcomes the appointment of a first vice-president of the Commission to oversee the correct application of European policies on the ground. To this end, we would call on the Commission to publish a regular report on the subject and invite the Committee to contribute to the assessment.*

*Now more than ever, Europe needs a strong and independent Commission which can steer it towards lasting economic recovery and social justice by creating a climate conducive to new initiatives and job creation.*

*The EESC wishes to play an active part, working alongside the Commission in rolling out reforms that will lead to new prosperity. The Committee sets out here concrete, detailed proposals matching each of the 10 working priorities introduced by the Commission president, Jean-Claude Juncker, in his programme for jobs, growth, equity and democratic change.*

# 1. A NEW BOOST FOR JOBS, GROWTH AND INVESTMENT

The EESC welcomes Jean-Claude Juncker's proposal to set up a EUR 300 billion public-private investment plan to boost growth and employment, which is a first step in the right direction. The success of this initiative will depend on the mobilisation of civil society stakeholders at national and regional level.

With regard to growth, jobs and poverty reduction, the EESC highlights the importance of education and lifelong learning, the promotion of quality jobs notably with apprenticeship programmes, access of SMEs to financing social innovation and the development of diverse forms of entrepreneurship. The EESC also stresses the necessity of increasing Europe's competitiveness and supporting the green economy.

## Europe 2020 strategy

In connection with the review of the Europe 2020 strategy in 2015, it is vital to refocus priorities and indicators on sustainable growth and jobs. This review must now tie into the reflections on a strategy for a sustainable Europe in 2013.

### Proposals

- ensure better application and good governance of the European semester through full ownership of the process by the Member States: national parliaments and civil society organisations must be involved in the design and review of NRPs, while the Commission should strictly monitor their implementation;
- establish new social goals, particularly with regard to reducing youth employment and to the quality of jobs, and new sustainable development, environmental protection and climate change goals;
- identify a complementary measurement system to GDP in order to measure the impact of policies adopted in relation to society, families and individuals. In this context it will be necessary to implement the social scoreboard and to guarantee its real application within the European Semester;
- set the priorities for the EUR 300 billion investment plan in line with the Europe 2020 strategy's objectives of smart, sustainable and inclusive growth;
- prioritise actions relating to training for young people, further develop the Erasmus programme for apprentices;
- tap into the potential for creating green jobs: establish a green growth agenda setting out initiatives to promote "green" SMEs, professional training and the creation of "green" jobs, and providing for the use of funding instruments (structural funds, EIB, etc.).

## Financing the real economy

In order to ensure more diversified and stable long-term financing of business, Member States need to be encouraged to promote greater use of equity investment, and to make more effective use of private capital in support of long-term investments.

### Proposals

- *in the country-specific recommendations, support measures that move towards promoting various sources of finances for enterprises;*
- *publish a legislative proposal for enhancing EIB and EIF lending capacity to support growth-friendly investment and cross-border projects through the issuance of European bonds for recovery;*
- *publish a green paper on the feasibility of the introduction of a “golden rule” as regards Member States’ investment in productive activities to support growth and employment;*
- *publish a green paper exploring how to tap into the capital available in sovereign wealth funds alongside more mainstream long term resources such as pension funds and the big insurers;*
- *explore the potential offered by Responsible Investment Funds;*
- *prepare a study on the introduction of an EU wide savings vehicle to tap into private long term savings;*
- *re-capitalise the European Investment Fund as soon as possible, in order to enable it to provide development capital for European SMEs;*
- *recreate an operating environment for a viable banking sector that can contribute to growth;*
- *introduce a differentiated regulatory treatment of simple, transparent asset backed securities (ABS) built on real assets.*

## Encouraging entrepreneurship of all kinds

Unless we strengthen entrepreneurship, it will not be possible to get back to growth and employment.

### Proposals

- *promote entrepreneurship in the plans for implementing the “youth guarantee”;*
- *launch an “SBI2” (Social Business Initiative 2), which would include a complete eco-system allowing funding for social enterprises and the social economy as a whole;*
- *support a proposal for a directive governing the operation of the liberal professions in Europe, including a standardised quality assurance system.*

## Ensuring territorial cohesion

Depopulation and poverty in the rural areas have increased considerably, and could become a factor of social destabilisation. This calls for a European response that could guarantee a regionally balanced and inclusive development.

The regional and social funds have a strong role to play in this process, as does the CAP. Thus, work should begin in 2015 towards the mid-term revision of the CAP which is foreseen for 2017, and which will cover not only agriculture and rural development, but also the effects of CAP on territorial cohesion.

### Proposals

- *prepare a follow-up to the Communication on an EU urban agenda, putting emphasis on multi-level governance structures that foster notably the involvement of, commitment of and ownership by cities;*
- *identify possible impacts of key EU policies on rural development in the context of different local conditions;*
- *analyse EU legislation, policies and programmes, in terms of their impact on territorial cohesion;*
- *prepare a communication on the potential role of Regional Development Agencies as local risk assessors in the assessment of SMEs riskiness, in view of improving their access to finance;*
- *publish a white paper on rural realities in the European Union, with a special attention dedicated to Community-Led Local Development (CLLD).*

## 2. A CONNECTED DIGITAL SINGLE MARKET

Making the most of the opportunities offered by the digital economy is an objective that depends both on the establishment of a strong framework of incentives (investment, training, market, etc.) and on maintaining users' trust in new information and communication tools. The European Union must stop being merely a digital user and become a designer and producer too, and in order to do this it must promote talent. Informing, training and educating are thus priorities.

In the context of the digital agenda, putting digital technology at the heart of all political action is now an imperative, which the EESC fully supports, not least by continuing its efforts to hold dialogue with a broad span of civil society stakeholders.

### *Big Data*

The Commission's efforts to make better use of the business potential of this particularly innovative digital sector, and in particular to help SMEs to invest in it and to identify promising niches in the face of global competition, must go hand in hand with legislative initiatives setting clear criteria for the protection of personal data, e.g. in the medical and financial fields. It is absolutely essential for users to be involved in drawing up future rules.

#### **Proposals**

- *undertake awareness-raising and mobilisation campaigns among civil society stakeholders with regard to the variety of opportunities offered by big data in terms of growth and jobs;*
- *draft a legislative proposal requiring operators to provide adequate information on the use of data, protecting the ability to remain anonymous;*
- *consider the possibility of banning the patenting of large volumes of data, and their use in commercial operations, particularly in the medical field.*

### *Network and Information Security (NIS)*

It is important to provide users, the markets and infrastructure with an equally high level of protection throughout the EU.

#### **Proposal**

- *set up an EU-level authority for NIS. This body should establish standards and monitor enforcement for all elements of NIS across the Union, from the certification and use of secure terminal devices, to network security and data security.*

### 3. A RESILIENT ENERGY UNION WITH A FORWARD-LOOKING CLIMATE CHANGE POLICY

This policy cannot be pursued without public assent, which is why the EESC's priority proposal is to establish a true European Energy Dialogue.

#### *European Energy Dialogue (EED)*

Current consultation practices are inadequate because they are not able to render political decisions on energy fully acceptable, particularly on energy transition. It is vital to make European Energy Dialogue (EED) a reality in order to create a climate of trust between countries, as well as between the players concerned and the general public.

##### **Proposal**

- *establish dialogue on an experimental basis in two or three "European regions" before extending it to the whole of the EU. This dialogue would, in the longer term, enable any new legislative proposal to be backed up by a set of concrete measures for boosting its acceptability and sustainability. A pilot action could be run for two legislative proposals whose success is highly dependent on the fully involvement of civil society.*

#### *Address high energy costs for industry*

The EU must step up efforts to reduce energy prices and cost gap between the EU industry and its main competitors.

##### **Proposals**

- *ensure the full implementation and efficient functioning of the internal energy market, improve the energy flow across the continent with more interconnections and promote investments in infrastructure and energy efficiency;*
- *examine the different national practices regarding the tax and network costs components of the costs of energy, and also promote the gradual transition of support mechanisms for renewables into a more effective market system (with regard to costs).*

#### *Support businesses in their energy transition*

Given high energy prices, climate change and European CO<sub>2</sub> emission reduction goals, businesses are the main parties involved in energy efficiency.

##### **Proposals**

- *encourage Member States to use revenues from the auctions held within the EU emissions trading scheme (ETS) to support businesses that are genuinely working on the transition towards energy with lower CO<sub>2</sub> emissions;*
- *invest in energy efficiency by promoting "green" public procurement, tax incentives, and research and development or demonstration activities;*
- *adopt sectoral targets for energy efficiency.*

## Ensure the security of Europeans' energy supply

The EU's energy security is increasingly under threat. European people's quality of life and business competitiveness are undermined by the risk of the energy supply being cut off or by constantly rising supply costs.

### Proposals

- *establish a European coordination mechanism, particularly for purchasing energy, and energy production and transport infrastructure projects, in order to guarantee an adequate supply at all points in the EU, for the lowest possible cost;*
- *adapt the EIB's rules governing financing mechanisms to make the most of the possibilities for loans.*

## Promote renewable energy

The development of renewable energy sources is one response to the challenges of climate change. It also promotes regional development by contributing to local energy production, and makes it possible to improve the security of Europe's energy supply.

### Proposals

- *set individual targets for each of the Member States, in addition to the common European target of 27% of energy consumption to come from renewables by 2030;*
- *assess the implementation of the Renewable Energy Directive and the transition to more decentralised energy systems across Member States, with this assessment including the roles of civil society and of the ownership of renewable energy facilities;*
- *establish and implement an action plan to promote renewable energies, including a stable, harmonised regulatory framework for the decentralised production of renewable energy and action to promote renewable energy via decentralised production.*

## Promote balanced climate policy

2015 is going to be a crucial year for international climate change negotiations and the EU has a key role to play in contributing to a comprehensive agreement at global level, taking on the role as leader by example, if necessary. All policy areas and decisions affect climate change, so a global and holistic approach at EU level is necessary if climate change policies are to be successful.

Nevertheless, until a comprehensive international agreement on climate change has established a global level playing field for industry, the EU must implement effective safeguard measures for its globally competing industry.

### Proposals

- *inject a new urgency in the climate negotiations in order to secure ambitious commitments and actions from all countries and parts of society*
- *re-design the EU Emission Trading System in a way that provides best performers in sectors exposed to carbon leakage with compensation of regulatory direct and indirect carbon costs.*



## Explore innovative economic models

Efficient use of resources and waste recycling and reduction are challenges that require not just one-off measures but also a radical shift towards sustainable, responsible production and consumption models.

### Proposals

- *bring forward an elaborated and overarching policy strategy on the transition to a circular economy, supported by an action plan with concrete proposals on policy and activities to promote the circular economy, covering the whole life cycle of consumer products. Clear indications about timeline, process and the budget – including use of innovative financial instruments, such as green bonds – should be provided; combat planned obsolescence by introducing a product labelling system that must mention the estimated or average minimum life span;*
- *publish a green paper with genuine public consultation on collaborative consumption, including a poll of good practices in Member States.*

## 4. A DEEPER AND FAIRER INTERNAL MARKET WITH A STRENGTHENED INDUSTRIAL BASE

### *Industrial policy*

It is vital to create jobs in production sectors, not least by reshoring our industry throughout European territory. It comes down to giving Europe back its position as an industrial leader in global competition. Therefore, re-industrialisation must appear as a central word in the European vocabulary to create growth and jobs.

The EU must rebalance its main policies and align them with new industrial policy centred around competitiveness to stop investment leakage and de-location of its industry. The industry needs secure access to globally competitive energy sources, and greater access to raw materials at reasonable costs.

#### **Proposals**

- *carry out a study in the Member States to identify good practice encouraging company relocation and ensure that such practices are promoted to territorial stakeholders;*
- *launch an action plan to support businesses with a strong local identity, not least by promoting access to European systems for the protection of geographical indications and traditional specialities;*
- *promote the Europeanisation of SMEs in connection with the revision of the Small Business Act, for example by organising business meet-ups along the lines of “Euro partnerships”, using the resources of the Enterprise Europe Network.*

### *Internal market - services directive and posting of workers*

The services directive must be applied strictly, avoiding administrative obstacles, particularly those that hinder the spread of innovative services within the EU.

The Committee has carried out a study on the effects of the services directive and of the posting of workers directive on employees and firms. It turns out that abuses have indeed been observed, which give rise to social dumping, tax inequalities and competitive disadvantages.

#### **Proposals**

- *examine the possibility of applying the country of destination principle to working conditions and social rights for workers;*
- *create a single market “authority” which could take effective action against unfair practices (services directive and the posting of workers);*
- *set up coordinated monitoring of the implementation of the posting of workers enforcement directive;*
- *work together with Member States to abolish unnecessary and disproportionate administrative burdens, discriminatory practices and unjustified restrictions to service provision across the EU.*

## *Reduce the administrative burden*

The EESC supports the Commission's initiatives aimed at reducing the administrative burden and welcomes the proposals for reviewing obsolete or unnecessary directives and regulations.

## *The fight against fiscal fraud*

The Committee also reiterates the importance of cooperation tools that strengthen the fight against tax fraud and tax evasion in the EU and improve coordination to foster growth and employment.

### **Proposals**

- *in the annual growth survey, ensure the monitoring of the issues of tax fraud, tax evasion and aggressive tax planning – follow up on the proposal for a common consolidated corporate tax base (CCCTB) to strengthen the European framework relating to corporate taxation;*
- *ensure that the EU is fully involved in the OECD's action plan to combat tax avoidance, base erosion and profit shifting (BEPS).*

## 5. A DEEPER AND FAIRER ECONOMIC AND MONETARY UNION

### *Economic pillar of the EMU*

There is a need for convergence between the economic policies of euro-area Member States. This now requires stronger economic governance for the euro area, moving from the current method of coordination, which has so far only produced poor results, to shared decision-making on the fundamentals of macro- and microeconomic policies.

#### **Proposals**

- *draw up an initiative for the ex-ante coordination of plans for major economic policy reforms in the Member States;*
- *draw up an initiative on the introduction of a Convergence and Competitiveness Instrument (CCI) providing for economic reform contracts between the EU institutions and the Member States and associated solidarity mechanisms and detailing the arrangements for their form, financing and democratic legitimacy;*
- *publish a communication on a roadmap for the introduction of an instrument for joint debt issuance by the Member States whose currency is the euro, of a European Debt Redemption Fund or of a Temporary Eurobill Fund;*
- *draw up a green paper launching a reflection process on the strengthening of euro-area economic governance and decision-making, including the establishment of an own budget.*

### *Social pillar of the EMU*

There needs to be greater convergence of social policies within the EU, in order to implement Article 3 of the Treaty on the EU and to avoid social and regional imbalances, notably in the aftermath of the economic and financial crisis. The Commission, together with the Member States, should take responsibility for improving living and working conditions.

#### **Proposals**

- *review progress and monitor the performance of social policies by including social indicators and social impact assessments in the European Semester exercise;*
- *set up a new European Social Action Programme, which could set out clear tangible targets, updating the targets of the Europe 2020 Strategy;*
- *integration of the European labour market: facilitate cross-border mobility and mutual recognition of diplomas and professional qualifications, and establish common rules on welfare, education and healthcare;*
- *create a European Education Network for Unemployed Workers, which would offer unemployed persons the opportunity of a two-year educational programme and cross-border education vouchers;*
- *explore the possibility of providing an adequate minimum income for people living below the poverty line, the level of which would have to depend on national circumstances.*

## *Capital markets union and regulation of the financial system*

A full Banking Union is essential on the way towards fiscal and economic union, and the necessary decisions for the development of a unified European capital market, comparable to the one of the United States, should be taken.

### **Proposal**

- *draft a communication on the establishment of a capital markets union: assessment of progress towards a full Banking Union, including SSM, SRM, DGS, ESM direct bank recapitalisation and the implementation of the Third Basel Accord, and recommendations on the way forward.*

## 6. A REASONABLE AND BALANCED FREE TRADE AGREEMENT WITH THE U.S.

The Committee believes that a successful agreement with the US could be a significant factor in creating real growth and optimism. However, it recalls that the benefits of such an agreement should be spread evenly throughout the business community, workers, consumers and citizens.

### Proposals

- *include an effective mechanism for consultation and for monitoring by civil society of implementation of the agreement, providing for balanced representation of economic, social and environmental interests and taking account of consumers' interests;*
- *lay down specific provisions for small and medium-sized enterprises to ensure that they benefit appropriately;*
- *include a chapter on sustainable development that reaffirms the obligations arising from membership of the International Labour Organisation (ILO) and from multilateral environmental agreements and containing a strong civil society monitoring mechanism.*

## 7. AN AREA OF JUSTICE AND FUNDAMENTAL RIGHTS BASED ON MUTUAL TRUST

There must be a particular focus on the fundamental rights of EU citizenship. The EESC believes that the EU should strengthen the culture of these rights at European level, not least because fundamental social rights are “inseparable” from civil and political rights, and from economic rights.

### Proposals

- *protect minorities, particularly Roma: revise the framework strategy, initially by having it assessed by independent experts;*
- *appoint a European data protection supervisor responsible for coordination between Member States;*
- *strengthen legislation on the integration of people with disabilities by means of a “European Accessibility Act”, and launch a priority card that is recognised in all Member States;*
- *establish specific indicators and objectives for vulnerable children within the European Platform against Poverty.*

## 8. TOWARDS A NEW POLICY ON MIGRATION

Immigration is a complex problem requiring both short-term and long-term measures. These measures must be based on a solidarity principle, since no EU Member State can face these questions alone. Implementation of these measures must be founded on the expertise of civil society organisations.

### Proposals

- *strengthen the mandate of the Frontex agency to turn it into a border-guard service for the EU;*
- *set up a mechanism for the transfer of asylum seekers within the EU;*
- *revise the Dublin Convention so as to authorise asylum seekers to submit their request in any Member State;*
- *define measures supporting professional training, agreements with countries of origin, and matching labour supply to demand.*



## 9. A STRONGER GLOBAL ACTOR

### Neighbourhood policy

The EESC attaches considerable importance to the southern and eastern neighbourhood policies, focusing on links between civil societies.

#### Proposals

- *implement specific measures to support organised civil society in neighbouring countries;*
- *establish mechanisms to develop and support public and private investment in infrastructure in the Mediterranean (boost EIB support).*

### Trade policy

Trade and investment agreements must ultimately make it possible to increase investment, growth and job creation in Europe on a sustainable basis.

#### Proposals

- *include clauses on environmental and social standards and on consumer protection in ongoing and future negotiations;*
- *include provisions for effective involvement of, and consultation with organised civil society regarding all chapters of the agreements.*

### Sustainable development and the United Nations post-2015 Programme

The EESC feels that the EU needs to show real commitment in a decisive, innovative way, and to show leadership in the negotiations and the definition of new sustainable development goals (SDGs).

#### Proposals

- *negotiation position: fully back the 17 SDGs as set out in the outcome document of the Open Working Group and stand against any re-opening which could weaken the achieved success;*
- *develop global indicators beyond GDP as recommended by the conclusions of the Rio + 20 Summit and the UNSC;*
- *apply ex ante method of assessing economic, social and environmental impact;*
- *promote and defend the principles of sustainable development and poverty eradication not only in the UN but also in other multi- and bilateral relations;*
- *include culture in the Millennium Development Goals, as the foundation of human development.*

### Development aid

2015 coincides with the European Year of Development and with the second mid-review of the Cotonou Agreement on relations with ACP countries.

#### Proposals

- *open the debate and launch inclusive consultations on possible future scenarios post the Cotonou Agreement, which expires in 2020;*
- *conclude new agreements between the EU, third countries and regional organisations on social protection for workers.*

## 10. A UNION OF DEMOCRATIC CHANGE

The EESC calls for the effective application of Article 11 of the Treaty on European Union which concentrates on participatory democracy. The full implementation of Article 11 is crucial to reinforcing the democratic legitimacy of the EU vis-à-vis its citizens.

### Proposals

- *establish a regular, structured and effective framework for vertical and horizontal civil dialogue; as a first step, review existing processes for civil participation in EU policy making and publish a green paper on how civil dialogue could be organised effectively and on a permanent basis;*
- *create a single EU database of information on contacts, consultations and dialogue with civil society and draft an annual report on these consultations;*
- *adopt a European statute for associations, and continue efforts to promote a European statute for foundations;*
- *suggest that national ESCs and similar institutions take part in the European Commission's structured dialogue with national parliaments;*
- *simplify and relax the current rules on European Citizens' Initiatives;*
- *work in partnership with the EESC to promote high-visibility projects for citizens, such as the European Youth Card, European universities and European media.*





## **European Economic and Social Committee**

Rue Belliard/Belliardstraat 99  
1040 Bruxelles/Brussel  
BELGIQUE/BELGIË

Published by: "Visits and Publications" Unit  
EESC-2014-82-EN

**[www.eesc.europa.eu](http://www.eesc.europa.eu)**

© European Union, 2014  
Reproduction is authorised provided the source is acknowledged.



*Print:*  
QE-06-14-108-EN-C  
ISBN 978-92-830-2633-4  
doi:10.2864/24945

*Online:*  
QE-06-14-108-EN-N  
ISBN 978-92-830-2630-3  
doi:10.2864/24617

**EN**