

RESOLUTION

on

SOCIAL DIMENSIONS FOR A MORE SOLIDARY EUROPE

(own-initiative resolution)

The ESC President Board decided to develop a resolution on the topic "Social Dimensions for a More Solidary Europe".
At its meeting, held on 16 November 2018, the Plenary Session adopted the resolution.
"Conscious of its spiritual and moral heritage, the Union is founded on the indivisible and universal values of human dignity, freedom, equality and solidarity; it is based on the
2

principle of democracy and the rule of law." - from "The European Charter of Fundamental Rights"

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- 1. The Economic and Social Council (ESC) shares the assessment of the European Social Model as a historical and cultural specific achievement of the European Union (EU), which distinguishes it from all other unions and associations. It is the main concept for the development of social policies in the Member States, which takes into account the unity of objectives, values and principles. Its preservation and development is a guarantee for future pan-European progress, based on the three core values solidarity, equality, competitiveness.
- 2. ESC supports and appreciates the important step of the EU towards more solidarity, more social justice and more guarantees of social rights in Europe through the establishment and implementation of the European Pillar of Social Rights (EPSR).
- 3. ESC also emphasizes that the achievement of a stronger social dimension and cohesion in Europe requires the targeting of financial resources for the realization of the EPSR and the upgrading of the European Social Model both through the European structural and investment funds (especially under the European Social Fund), as well as national funding public and private investments aimed at creating high-quality, high-quality jobs; education and training; innovation and research; quality and affordable public services and social investment¹.
- 4. ESC fully shares the position expressed in the EC Recommendation on the ESG that economic progress and social progress are interdependent and the creation of the European Social Rights Pillar should be part of a wider effort to build a more inclusive and sustainable growth model by improving the competitiveness of Europe and making it a better place to invest, create jobs and strengthen social cohesion.
- 5. Recognizing that social action is primarily the responsibility of national and local authorities and social partners, ESC considers that new initiatives to support national efforts can also be undertaken at the level of the EU to ensure and accelerate the processes of social cohesion in areas such as demography, migration, protection against unemployment, poverty and the risk of exclusion. At the same time, ESC notes that social policy should, in principle, be aimed at encouraging people to work, acquiring the necessary education and training to join the labour market.

3

¹ ESC Opinion on: "The European Pillar of Social Rights and the Role of Organized Civil Society", 2018.

- 6. ESC supports the transformation of the European Semester into the European Economic and Social Semester and proposes the introduction of reports on social imbalances on the twenty EPSR priorities. ESC also considers it appropriate to complement the national reform programmes, convergence programmes and specific recommendations to Member States with sections reflecting the progress and implementation of the EPSR.
- 7. ESC restates its proposal to the European institutions on the more effective implementation of the EPSR through the preparation of a European Action Plan with specific addressed social guidelines and parameters, as well as a commitment to the European Semester and the monitoring of results. Each Member State must draw up its national roadmap, taking into account the national specificities, the necessary funding, as well as the positions of the social partners and civil society.
- 8. According to ESC, only the necessary link between objectives, tasks and criteria at all levels of responsibility can lead to the realization of shared commitment and shared responsibility at the national and the European level, as well as to a clearer definition of the responsibilities of the institutions, social partners and civil society for a more effective implementation of the EPSR.
- 9. ESC considers that one of the most important policies for the development of the European Social Model and for the achievement of cohesion objectives is cohesion policy. In the future, cohesion policy will have an even more important role to play in overcoming differences between Member States, which can become sources of undesirable controversy or even tensions between them. Cohesion policy should therefore be improved and expanded, not limited, especially in terms of reducing the resources that ensure its application.
- 10. In this sense, ESC also solidarizes with the EESC's main positions on the Multiannual Financial Framework (MFF) to prevent a reduction in funds ensuring a level playing field in the process of further convergence between Member States, including in the social sphere.
- 11. ESC, expresses its strong support for the implementation of the EPSR in all EU Member States, also calls that MFF beyond 2020 should anticipate and ensure the achievement of high growth, employment and investment in skills, innovation and infrastructure².
- 12. Taking into account the challenges of rapidly changing working conditions and the introduction of new technologies, as well as the objectives set in the Five Presidents' Report -

² ESC Opinion on: "The European Pillar of Social Rights and the Role of Organized Civil Society", 2018.

the EU to achieve a "three times A" rating in the social sphere³, the ESC actively participates through its own acts and public consultations in the pan-European discussion on the ESG.

- 13. According to ESC, the promotion of the principle of sustainable social protection and inclusion as a priority through the EPSR corresponds to the expectations of society for more justice and solidarity.
- 14. ESC supports a balanced approach between social protection on the one hand and economic and fiscal policies on the other. ESC believes that if this approach is adequately guaranteed by the necessary means and adequate institutional mechanisms, it can successfully become a means of seeking solutions to overcome inequalities and to strengthen the convergence processes.
- 15. ESC welcomes the agreement reached for inclusion in the 2018 European Autumn Package of a detailed analysis of the 14 social indicators related to the EPSR. Moreover, ESC expects the European Semester to focus on promoting social investment and specific national recommendations, thereby creating guarantees for the achievement of the objectives of the EPSR.
- 16. Recognizing the importance of EPSR to civil society, ESC expressed its unanimous position to extend its scope to all Member States, not just the Eurozone. ESC is pleased to note that this proposal was endorsed by the government and has become an official position of the Republic of Bulgaria, as well as the fact that the original position of the European institutions has been changed and that the EPSR is implemented in all Member States.
- 17. ESC expects the European institutions to apply even more explicitly the principle of process democratization, especially in the social sphere, by making the social partners, organized civil society and citizens even more involved in all procedures for planning, implementing and reporting progress. The active involvement of all partners will be a guarantee of their responsibility in achieving the goals set for even greater convergence of quality and standard of living in the EU.
- 18. At the same time, ESC worries that long-term unemployment and rising poverty are challenges that polarize society. In this connection as early as 2014 ESC warned that if these

³ "Completing Europe's Economic and Monetary Union", a report by Jean-Claude Juncker in collaboration with Donald Tusk, Jerun Ddisselblom, Mario Draghi and Martin Schultz, June 2015. See also "The Social Dimension of the European Economic and Monetary Union", European Centre for Policy Strategy (2015).

challenges are not addressed adequately and timely, their deepening will turn the European Union into a "two-speed alliance", a community of (very) poor and (very) rich⁴.

19. The ESC is convinced that such disparities based on inequalities, especially in the social sphere, divert people from the European idea of unity and reduce the credibility of the European institutions. Such processes should concentrate the efforts of European and national institutions, politicians and researchers and find the most appropriate solutions that, on the one hand, will protect against such negative trends and, on the other hand, will correct the already existing processes of division.

20. ESC pays special attention to the need for new policies and measures at the European and the national level aimed at a particularly vulnerable group in the labour market, the group of long-term discouraged people (a group of people who are not looking for work for more than a year because they think they will not find one). So far, this group has not been the subject of sufficient attention and policies, but long-term discouraged people can be seen as labour resources with the necessary motivation and employment measures⁵.

- 21. ESC considers that the policies and measures implemented so far with regard to this vulnerable group are insufficient and weak in effect and suggests that these issues occupy a much wider position in public debates and institutional decisions. The delay or lack of adequate decisions concerning the group of long-term discouraged persons, according to the ESC, is not only a social but also an economic problem that can have serious negative consequences for the development of the EU and individual Member States.
- 22. ESC also suggests that the European institutions set a new specific European target to reduce the share of long-term unemployed in the labour market, which will have an impact on the achievement of the EU-wide 75% employment target of the Europe 2020 strategy.
- 23. ESC has always expressed, promoted and supported the core European value solidarity, and in particular solidarity and intergenerational relations. Taking into account the nature of the demographic crisis and its effects on the labour market, ESC notes the lack of attention paid to solidarity between the generations, especially among young people and the elderly who are in risk of long-term unemployment at the labour market across Europe⁶.

⁴ ESC Resolution on: "Communication from the Commission - Annual Growth Survey for 2014".

⁵ ESC Analysis on: "Long-term Unemployment in Bulgaria", 2016.

⁶ ESC Opinion on: "Active Aging and Solidarity Between Generations", 2012.

- 24. ESC has always supported policies and measures aimed at acquiring new knowledge and skills, regardless of age, as well as promoting physical activity, healthy nutrition, prevention and disease prevention, and broadening the range of services and care for the young and the elderly people. Such an approach will increase the capacity and labour potential of the different generations, which are a valuable resource on the labour market and at the same time a means of overcoming social inequalities.
- 25. ESC is convinced that active aging is very important for the EU in view of the challenges that arise from the ongoing ageing process and believes that new approaches and policies will be needed in the next 30-40 years.
- 26. The population ageing trend with its national and European specificities raises a number of challenges, especially in the case of pension systems. In this regard, ESC considers that pension systems are very vulnerable in the context of an continuously ageing population, emigration and other unfavourable factors. In this context, ESC generally supports the general European steps to increase the retirement age in the solidarity systems, but at the same time takes the view that it is also necessary to take into account the national specificities in taking such actions
- 27. ESC supports the new pan-European private pension product, which will enable especially the so-called mobile workers who work and pay social security contributions in different countries in the future to increase their income after retirement. This product can also contribute to the process of age-related income convergence⁷.
- 28. According to ESC, the European project for a common energy market is also a cause for attention on the social protection of European citizens. ESC assesses the positive effects of the European energy market, but also notes that the social challenges that need to be tackled effectively and fairly are not only a national but also a European issue that can be solved on the basis of the principle of solidarity.
- 29. In this context, ESC calls on the European institutions to complement the energy efficiency and environmental objectives by providing also a social plan that adequately compensates energy consumers and especially vulnerable groups. Such a recommendation is also made by the EESC when examining potential impacts on vulnerable consumers in the

⁷ ESC Opinion on the Proposal for a Regulation of the European Parliament and of the Council on a Pan-European Personal Pension Product (PEPPP) [COM (2017) 343 final - 2017/0143 (COD)].

new energy market structure and largely supports the approach proposed by ESC to prevent and cope with the so-called energy poverty⁸.

- 30. According to ESC, there is a need to undertake coordinated and solidarity policies and to find adequate mechanisms for prevention and protection against energy poverty a phenomenon that is increasing throughout the EU and affects not only individual persons, but often also small family businesses.
- 31. In this regard, ESC proposes that a clear definition of the notion of energy poverty should be adopted at the European level, and on this basis to identify national specificities and adopt appropriate measures to protect the population from energy poverty⁹.
- 32. ESC supports the EESC's proposal to establish a European Solidarity Fund to support Member State or local communities' initiatives for financial assistance for paying bills (social tariffs, electricity vouchers, etc.), training centres for consultants and technical assistance in relation to energy efficiency, etc.
- 33. ESC appeals to the European institutions to take fair account of national specificities when developing common energy criteria and rules that have a negative social impact on large sections of the population as there are still significant structural and other differences in the energy sector between Member States. In this sense, ESC expressed concretely and in a justified manner the concern of the organized Bulgarian civil society about some new EC requirements related to ecology and energy¹⁰.
- 34. Recognizing the importance of issues concerning the social rights of European citizens, ESC is pleased to note that the institutional European documents relating to the EPSR devote a significant place and role to the social partners and civil society. In this context, ESC welcomes the Commission's approach to European-wide debates on the future of Europe in which the ESC participated actively, as well as the social partners in Bulgaria.
- 35. ESC accepts that the active involvement of the social partners and citizens in building a future Europe will increase their own responsibility in the process of improving the quality of work and living standards in the quest for a fairer and more integrated Europe. In this sense, ESC supports the further democratization of EU processes, which will lead to enhanced dialogue with citizens and their organizations.

⁸ Exploratory opinion of the European Economic and Social Committee TEN section on "The new structure of the electricity market and potential impacts on vulnerable consumers".

⁹ ESC Opinion on: "Measures to Tackle Energy Poverty in Bulgaria", 2015.

¹⁰ EC Working Paper on Best Available Techniques for Large Combustion Plants (LCP BREF).

36. ESC is convinced that Europe and the world are facing a new era that will radically change the way we live, work and treat one another. In this regard, ESC found that, in terms of its scale, scope and complexity, the Fourth Industrial Revolution has no analogue in our history. According to ESC, the changes are so fundamental that, from a historical perspective, mankind has never been at such a stage of development, with such great expectations of both prosperity and potential danger¹¹.

37. In the current rapidly changing reality ESC believes that in-depth research and analysis is needed and supports the idea in this direction - the creation of Alliance for the future of work and society in line with one of the seven initiatives to celebrate the 100th anniversary of the International Labour Organization in 2019. The future Alliance should include representatives of the state and the social partners, research institutes, universities, NGOs, civil society and individuals to help shape out coming changes by building together national networks and organizing key regulatory mechanisms to manage the running processes.

38. According to ESC, the question is not whether and when Europe will be ready to face the challenges of the Fourth Industrial Revolution, which will lead to rapid and radical changes in the labour market. Will a lot of jobs be lost? Will new quality jobs appear? How will education systems be reformed and will they be able to respond in a timely manner to the new quality and skills requirements of human capital in Europe? What forms of social protection and support will be adequate to maintain equal access to labour markets? ESC is convinced that these and a number of other issues cannot be delayed either in the European or the national dimension and believes that our common future depends on quick and adequate solutions.

39. ESC recalls the analysis of the World Economic Forum (WEF), which shows that 65% of children now starting their primary education will have completely new jobs. Along with the new generation of electronics and robotics, intelligent systems will completely change our familiar economy and the loss of millions of jobs will hardly be prevented. The possibility of high economic growth, which does not generate enough new jobs, is still quite realistic. ESC's position is that the new industrial revolution has the potential to improve productivity, life and job quality, but at the same time ESC warns that new processes must be accompanied by policies for inclusive, sustainable growth driven by innovation¹².

¹¹ ESC Opinion on: "The Future of Labour: Challenges of the Fourth Industrial Revolution", 2018.

¹² ESC Opinion on: "The Future of Labour: the Challenges of the Fourth Industrial Revolution", 2018.

- 40. ESC insists on defining a common direction for European development and specifically on the modernization of the education systems and educational processes so as to meet the demands of the digital economy, the shared economy and a number of other digital challenges. According to ESC, every European citizen must have guaranteed, equal and secure access to new modern educational institutions and new technological products. The digitization of Europe and the world must not bring new dividing lines, but provide more opportunities for inclusion, association and convergence.
- 41. In connection with the dynamic processes of the Fourth Industrial Revolution and the penetration of digital technologies into the everyday lives of people of all ages, ESC believes that it is necessary to create a mechanism at European level to guarantee consumer rights. It is also necessary to strengthen the emphasis on education and training of children on their abilities and rights in the new environment of the digital environment.
- 42. According to ESC, children should be a specific group of users that need to be given a great deal of attention while ensuring access to digital knowledge and also protecting them against possible risks to digitization and especially social networks¹³.
- 43. ESC fully supports the three major challenges related to the Fourth Industrial Revolution that were identified by ILO in 2016: increased polarization between low and highly skilled jobs caused by the disappearance of middle qualification jobs in developed economies and the lack of economic diversification in developing countries; the need for workers, companies and communities for effective political and social governance of the change process; the distribution of profits resulting from technology between socio-economic groups in a world characterized by increasing inequality.
- 44. ESC proposes that the approach to the Fourth Industrial Revolution should not only be technocratic and economic but also social. Linking these aspects with one another is crucial in the transition to this new stage of development, so cohesion policy and the EPSR have a significant role to play.
- 45. ESC notes with concern that together with the new technological developments in the world, and in particular in the EU, there is a process of increasing inequality in income, wealth, intellectual property, etc. Evidence of this can be found in a number of supranational

¹³ This position was also shared by participants in the 20th Anniversary of Consumer Day in March 2018 in Sofia, organized by the EESC and the ESC.

analyses¹⁴¹⁵, in EC reports¹⁶¹⁷, in EESC opinions¹⁸, in official Eurostat data, etc. The surveys set roughly the same scenarios for the EU's Southern periphery and the new Central and Eastern European countries (CEE) as the most risky in terms of job losses due to computerization.

46. According to ESC, the sense of justice in societies in Europe is diminishing, with the danger of developing radically different political rhetoric. In this sense, ESC believes that engaging the EU and individual member states with concrete strategies for transition to the Fourth Industrial Revolution should be long-term, take into account the principle of social cohesion and take the necessary continuity.

47. ESC notes with concern that for the first time since World War II there is a real risk that today's young generation will be placed in less favourable conditions than the previous generation. In this respect, the demographic tendency to ageing the European continent leaves its negative footprint. There are also doubts that the differences in economic development and standards of living will remain in the future, and that new forms of employment resulting from digitization, automation and artificial intelligence will not be available to large parts of European society¹⁹.

48. Taking into account the contemporary demographic challenges, ESC raises the issue of a new approach to youth and youth policy, on the basis of which to integrate the main objectives, resources, institutions and measures for young people and to ensure a lasting positive effect in the long run²⁰.

49. In this regard, ESC supports the EC's proposal to develop a new youth strategy, focusing on the integration, activity and empowerment of young people. This strategy is an important step towards young people in terms of their participation and their responsibility for the future development of the EU²¹.

¹⁴ http://www.ilo.org/travail/whatwedo/eventsandmeetings/WCMS 544236/lang--en/index.htm

¹⁵ Bruegel based on the 2013 survey of Carl Frey and Michael Osborne of Oxford University - C. Frey and M. Osborne. The Future of Employment: How susceptible are jobs to computerization, 2013.

¹⁶ https://ec.europa.eu/research/social-sciences/index.cfm?pg=policies&policyname=inequalities

¹⁷ https://ec.europa.eu/research/social-sciences/pdf/policy reviews/policy-review-inequalities en.pdf

¹⁸ http://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/wealth-inequality-europe

¹⁹ ESC Resolution on: "The White Paper on the Future of Europe: Reflections and Scenarios for the EU 27 to 2027", 2017.

²⁰ ESC Resolution on: "Integrated Policies for Young People in Bulgaria", 2016.

²¹ COM (2018) 269 - Communication from the Commission to the European Parliament, the European Council, the European Economic and Social Committee and the Committee of the Regions "Engaging, Connecting and Empowering Young People: A New EU Youth Strategy".

- 50. For ESC, the major approach to youth policies must be the integrational one by which to achieve the necessary concentration and coordination of the overall process of governance and control of policies and measures. This process starts from early childhood and accompanies the personal, professional and social development of young people, as well as their education, health care, child protection and responsible parenting.
- 51. ESC is convinced that young people are Europe's future human potential and the better its quality, the better the future of the EU will be. Investments in quality education of young people are their greatest capital for public, professional and personal realization. ESC examines the issues of education in a number of acts and clearly identifies the link between equal access to educational institutions, the labour market and the educational and inclusive process from earliest childhood²².
- 52. ESC considers that the Commission's second Education Package and further proposals for the creation of the European Education Area (ERA) by 2025, focusing on the new challenges of language learning, automatic mutual recognition of secondary education and quality early childhood education are a step towards the implementation of the ESG so as to guarantee the right to equal access to quality and inclusive general and vocational education for all²³.
- 53. In this regard, ESC recalls that it recommended in a previous act to develop and adopt a Strategy for Foreign Language Learning in Bulgaria aimed at both the primary and secondary education systems and the scope and quality of the foreign language training in the country for all persons who have already completed their education. ESC proposes that a similar strategic document be adopted at European level, which will not only lead to stronger integration among young people across the EU, but will also be the key to young people's

²² Resolution on the main positions of the Economic and Social Council on the review of the implementation of the Europe 2020 Strategy in Bulgaria in 2015; Resolution on: "The Realization of Young People on the Labor Market", 2015; Resolution on: "Integrated Policy for Young People in Bulgaria", 2015; Resolution on: "Actions to Support Young People and Fight Youth Unemployment in Bulgaria", 2013; Opinion on: "Policies to Limit Early Exit of the Educational System", 2012; Resolution on: "Measures and Actions to Reduce the Share of Early School Leavers", 2013; Resolution on: "Possible Directions for Development of the Vocational Education and Training System in Bulgaria", 2017.

²³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Building a stronger Europe: the role of youth, education and culture policies (COM (2018) 268); Proposal for a Council Recommendation on the promotion of automatic mutual recognition of higher-education diplomas and of completed secondary education and of the results of periods of study abroad (COM (2018) 270-2018/0126 (NLE)); Proposal for a Council Recommendation on high-quality early childhood education and training systems (COM (2018) 271-2018/0127 (NLE)) and Proposal for a Council Recommendation on a comprehensive approach to language teaching and learning [COM (2018) 272 - 2018/0128 (NLE).

participation in European education, entrepreneurship and job mobility programmes such as "Erasmus+", "Your first EURES job", etc.²⁴

54. According to ESC, Europe must provide the necessary conditions for employment and educational exchanges of young people who make the most of the opportunities for training in their chosen field and even work in other EU Member States and subsequently return to the country and apply the acquired experience and knowledge²⁵.

55. Analysing the challenges faced by young people, the ESC worries that the issue of early school leaving is becoming increasingly acute²⁶. This problem is not only national, it is also relevant for the EU as a whole. In this regard, ESC insists on timely adequate action in order to create real and effective guarantees for the realization of the right of every child to access quality education. According to ESC, this should be a pan-European as well as a national objective, properly regulated. Thus, European and national institutions, civil society structures, and every family must be engaged and responsible²⁷ for the quality education of children.

56. Moreover, according to ESC, in the context of intensified migration processes, it is necessary to discuss options for building an international system (register) across Member States to track the movement of children accompanying their migrant families within the EU. In this regard, ESC expresses its position that without such a register children fall into the category "not covered or early school leavers" in their own country with all the resulting consequences²⁸.

57. Considering the relationship between education and the labour market, ESC states that early school leavers are the most vulnerable group among future labour market participants and most at risk of the so-called "poverty trap" in which their children will almost certainly fall, and then social systems will be even more burdened and the labour market loses valuable resources.

²⁴ ESC Resolution on: "Actions to Support Young People and Tackle Youth Unemployment in Bulgaria", 2013.

²⁵ ESC Resolution on: "Actions to Support Young People and Tackle Youth Unemployment in Bulgaria", 2013.

²⁶ ESC Opinion on: "Policies for Reducing Early School Leaving"; Resolution on: "Draft Strategy for Preventing and Reducing the Share of Early School Leavers (2013-2020)"; Resolution on: "Measures and Actions to Reduce the Share of Early School Leavers"; Analysis "Early Exit of the Educational System"; Resolution "Early School Leaving - Problems and Possible Solutions".

²⁷ This ESC proposal was included in the final document of the Annual Meeting of Presidents and Secretaries-General of the national ESCs of EU Member States and the EESC in 2018.

²⁸ ESC Resolution on: "Early School Leaving - Problems and Possible Solutions", 2017.

58. According to the ESC, education systems are facing extremely difficult challenges, which

require close cooperation along the line: science - research - innovation. ESC considers that a

common system of exchange of best practices and experience between Member States is

needed and supports, in this connection, the Commission's initiatives that promote balanced

mobility and exchange of students, teachers and good practices, as well as the creation of a

European network of universities based on the bottom-up approach.

59. ESC proposes, like the other Europe 2020 targets, that the employment of young people

aged up to 29 years should be one of the monitoring targets. ESC maintains its position on the

need for support with more and more effective measures to improve access to employment for

young people with basic, lower or no education, to find expression and to be central to

European policies.

60. ESC believes that in order to strengthen and develop the social dimension, especially as

regards the integration and activation of young people, it is necessary to increase investment

in education and training systems as well as their modernization, adaptation and targeting of

European funds to support the development of skills and qualifications, the promotion of

social innovation and the fight against poverty. It also insists on the possibility of upgrading

the Youth Guarantee initiative through the financial support of EU funds²⁹.

61. ESC once again expresses its conviction that the future of the EU must build on the values

of the European social model and aim at a more solid, fairer and more competitive Europe.

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²⁹ ESC Opinion on: "The European Pillar of Social Rights and the Role of Organized Civil Society", 2018.