



Local & Regional
Europe

CEMR position paper on the European Pillar of Social Rights

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Foreword

The involvement of Local and Regional Governments and social partners is fundamental for the successful implementation of new policy initiatives in the framework of the European Pillar of Social Rights. The best way to achieve the objectives set by the Pillar is to acknowledge existing differences among Member States and European regions and to give due consideration to the principles of subsidiarity and proportionality. There is a growing need to find the appropriate balance of what needs to be dealt with at EU level and what should be organised by Member States, as well as Local and Regional Governments. Thus, we do not believe that additional minimum standards should be created at European level. Instead, the Pillar should cover all the European Union Member States and support the creation of reference benchmarks for the development of social and employment policy.

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1. Introduction

CEMR welcomes the intention of the European Commission to reinforce the social dimension of the European Union.¹ A number of key issues being faced by Europe's local and regional governments and European citizens, such as unemployment (in particular youth), demographic change and diverse challenges for public services, depend on mutually complementing economic and social policies. Therefore, developing proposals for strengthening the social market economy in Europe, which is enshrined in article 3 of the Treaty of the European Union, is appropriate at this time. Reinforcing the social dimension of the EU also is an important means to reconnect the European citizens with the European project.

CEMR deems the legal status, the principles and the goal of the Pillar of Social Rights (hereinafter, Social Pillar) as still unclear. The Social Pillar is a policy framework containing measures proposed in the field of its 20 key principles.² **In our opinion, these measures should not be legally binding; it is essential that the Commission respects national and regional competences.** The Pillar should constitute a frame of reference, based on benchmarks to use for inspiration and development of national reforms, similarly to the UN Sustainable Development Goals³. This would allow Members States, and where appropriate, local and regional governments, and national social partners to take ownership, ensure good implementation and upward convergence.

¹ European Pillar of Social Rights: http://ec.europa.eu/priorities/deeper-and-fairer-economic-and-monetary-union/towards-european-pillar-social-rights_en.

² The 20 principles of the European Pillar of Social Rights: [here the link to Commission website](#).

³ UN Sustainable Development Goals: <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

2. Perspectives on the European social acquis

Measures to recover from the economic and financial crisis, as well as poor economic performance, have led to a reduction of public and social expenditure in Europe. In particular, public spending cuts have heavily affected local and regional governments, making it difficult to deliver basic public services at local level. At the same time, local and regional governments are experiencing deep societal challenges and are confronting demographic changes, due, in part, to ageing populations and migration flows. Moreover, Member States in the Euro-area have had too little flexibility to stimulate investment and growth, according to their specific labour market and welfare systems. **Therefore, CEMR believes that the Social Pillar should not be limited to the Euro-area members, but that it should cover all Member States of the EU.**

Europe's social 'acquis' is remarkable: since the creation of the European Union, about 70 directives and regulations have been adopted in this field. Therefore, **CEMR believes it is fundamental to make use of REFIT⁴** that was set up by the Better Regulation Communication in May 2015 to advise the Commission on how **to make EU regulation more efficient and effective, while reducing burden and without undermining policy objectives.**

Nevertheless, CEMR considers that **growing economic inequalities, poverty and social division should be regarded as the priority** within the European Union in the field of employment and social policy. In order to achieve this objective, crucial issues need to be tackled, such as gender equality, work-life balance and flexible working patterns, digitalisation, and the integration of migrants into the labour market. Other relevant aspects of the European labour market that must be improved are the transition from school to work, lifelong learning, vocational training and skills mismatch. This would generate a more equal generational balance, meaning recruitment of young workers, retaining older workers; and, at national level, more balanced reforms of pension systems. Meeting these objectives and tackling these issues as well as many of the principles proposed by the Commission will require access to quality and affordable public services and suitable investment, especially at the local and regional level. Also, the impact of international trade agreements – CETA and TiSA⁵ – on European society, the economy and in particular on public services, has to be carefully evaluated.

3. CEMR priorities

CEMR considers that it is necessary to **increase the involvement of social partners at European, national and local level**, and to take measures to **strengthen the social dialogue**. On employment and social policy, there is a **need to find an appropriate balance of what needs to be dealt with at EU level and what should be organised by Member States, regional or local level. Respect of the principles of subsidiarity and proportionality should be ensured, and the diversity of Europe taken into account, e.g. different social and labour market models.**

Because of the differences in national structures as well as diverse historic and cultural contexts, **CEMR does not support additional minimum standards at European level nor a one-size fits all approach.** CEMR advocates the recognition of diversity in Europe and sees the **added value of European action in developing reference benchmarks, in respecting already existing minimum standards, and in raising awareness of the Pillar's principles.**

CEMR believes that the Pillar of Social Rights should aim at supporting the development of local and regional policies in the field of skills, education and life-long learning, while guaranteeing flexible and

⁴ REFIT: https://ec.europa.eu/info/law/law-making-process/overview-law-making-process/evaluating-and-improving-existing-laws/reducing-burdens-and-simplifying-law/refit-platform/role-structure-and-working-methods-refit-platform_en.

⁵ EU-Canada Comprehensive Economic and Trade Agreement (CETA) and Trade in Services Agreement (TiSA).

secure labour contracts. It is also fundamental to promote gender equality and work-life balance, and to provide active support for employment (particularly youth) in order to facilitate professional transitions.

CEMR wishes to emphasise that all policy areas that do not fall within EU competences, such as minimum wages, should be not covered by measures proposed in the framework of the Social Pillar.

We have identified three main policy priorities that should be addressed at European level:

- 1) The first priority is the **need for a new skills requirement**, which addresses technological change, demographic trends and the integration of migrants into the labour market. It requires **investment in education and training** to convert out-skilled workers, as new skills are needed to properly face the challenges posed by globalised economic competition.
- 2) The second priority is concerns **measures to react to current demographic trends**: the changes in the composition of European society, specifically the ageing population, represent a serious issue facing the European labour market. This situation can be transformed into an opportunity to **include women, elders, migrants, and people at risk of being socially excluded into the labour market**. Failure to pursue such a process of inclusion may result in a dependency ratio imbalance that would put at risk the whole social welfare system.
- 3) The third policy priority is higher rates of **participation of women in the labour market**. A greater share of women participating would increase productivity and encourage flexible organisation of working times for men and women, as well as strengthen social cohesion. Increasing the use of new and innovative ways of working would facilitate women's participation; further, it could have beneficial effects on evolving family structures and also help combat exploitation of women, in particular of the most vulnerable.

4. Final comments

The practical application of many of the 20 principles is not clear and the background material does not go in depth enough to explain them. We reserve the right to adapt our opinion depending on the actual proposals that the Commission presents in the coming months.

The importance of the social partners and social dialogue on the one hand, and of local and regional government on the other hand should be recognised and respected while preparing Social Pillar principles and a further approach.

For a European Pillar of Social Rights to be successful, national ownership and political will are needed from Member States. Municipalities, county councils and regions as employers, service providers and clients of welfare services are essential for social cohesion and employment in Europe. Meaningful participation of municipalities, county councils and regions, as well as of the social partners at national level, in both the development and implementation of a European Pillar of Social Rights, is crucial for the Pillar to have real effect.

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About CEMR

The Council of European Municipalities and Regions (CEMR) is the broadest organisation of local and regional authorities in Europe. Its members are over 50 national associations of municipalities and regions from 41 European countries. Together these associations represent some 150 000 local and regional authorities.

CEMR's objectives are twofold: to influence European legislation on behalf of local and regional authorities and to provide a platform for exchange between its member associations and their elected officials and experts.

Moreover, CEMR is the European section of United Cities and Local Governments (UCLG), the worldwide organisation of local government.

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