

Renewed social agenda

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The Committee on Employment and Social Affairs adopted the own-initiative report drawn up by José Albino SILVA PENEDA (EPP-ED, PT) on the Renewed Social Agenda, recalling that the major negative consequence for the EU arising from the current financial and economic crisis will be the **dramatic increase of unemployment** which will more severely affect the most vulnerable social groups. Moreover, recalling that employment still does not guarantee a route out of poverty for many people in the EU, MEPs stress that, in 2006, 16% of European citizens were at-risk-of-poverty and children, large families, single parents, unemployed people, people with disabilities, young people, elderly people, ethnic minorities and migrants are especially vulnerable.

In this context, MEPs analyse the Commission's proposals in its renewed social agenda and consider that two large categories of measures should be implemented: priority actions and instrumental actions.

Priority actions: in this area, MEPs focus on the following points:

European social models: given the economic recession, MEPs call on the Council and the Commission to reaffirm the importance of a **strong social Europe**, incorporating sustainable, effective and efficient social and employment policies. They therefore call on the Commission to develop an **ambitious** Social Policy Agenda for the period **20102015**. The Commission is also called upon to: (i) put forward a coherent policy plan on decent work in line with the Charter of Fundamental Rights of the EU; (ii) combine the renewed social agenda with other initiatives such as the European pact for gender equality, the European Youth Pact and the European Alliance for families.

MEPs are concerned that the measures proposed in the Commission communication are **insufficiently coherent to impact on the current levels of poverty and exclusion in the EU** and to address the current challenges to social cohesion. They therefore call for proposals to achieve a balance between economical freedoms and social rights, particularly: (i) a directive providing for basic labour rights for all workers (regardless of employment status); (ii) a review of the Council Directive in order to reduce gender pay gaps; (iii) a directive on cross-border collective bargaining. MEPs also consider that social policy should cover key actions such as combating discrimination and modernising the European social models while strengthening their values.

Although Member States are facing a serious economic crisis, MEPs consider that **this is not the time to reduce social expenditure** but rather to reinforce structural reforms and support social services of general interest, by reaffirming the importance of their universal access, quality and sustainability. Therefore, MEPs call on the Commission to reaffirm the crucial role played by public services in the European Union by proposing a framework directive on **services of general interest**, guaranteeing their legal security. Moreover, MEPs stress the need to find ways to modernise and reform the national security systems to eradicate poverty with a long-term perspective (by reforming pensions systems and health care services through the improvement of their access and the establishment of a progressive taxation system).

MEPs also call on the Member States to provide for schemes for a **national minimum wage** (as not all do). They also call for measures to take into account the social consequences of the environmental and climate crises.

Social and employment policies: MEPs welcome the proposals included in the Commission's work-life balance package, but further measures are needed to encourage employers' openness regarding flexible work arrangements. They therefore call on the Commission to make a proposal on a better reconciliation

between private, family and professional life optimising the use and knowledge of ICT and **new forms of work organisation**, taking into consideration the needs and well-being of children. Member States are also called upon to provide for guaranteed minimum income schemes for social inclusion.

In order to combat **early school leaving**, MEPs call for school curricula to be adapted to tomorrow's job market, taking account of society's needs and technological developments. They call for the promotion of the concept of Second Chance Schools and informal and non-formal learning. In particular, MEPs call for the elimination of low-level and segregated education which has irreversible negative effects on marginalised groups, particularly on Roma. They also stress the need for more effective lifelong learning and training actions. MEPs stress, in particular, the need to improve education in Europe by dynamising the process of compatibility and comparability of the Member States' educational systems and promoting University-business cooperation.

In the light of the crisis, measures are also needed to ensure better worker participation in the decision-making process within companies. MEPs therefore reiterate their call for the further strengthening of the functioning of European works councils.

Other channels could also be explored, such as the possibility for unemployed persons to easily start their own entrepreneurial activity, via credit guarantees, reduced interest rates or a **lump sum of unemployment benefits** which, while also mitigating income loss, will help unemployed people find new jobs. MEPs also stress the importance of the social economy and microcredit to promote the social and economic reintegration of unemployed persons (particularly the long-term unemployed).

With regard to **women**, MEPs stress the vital need to support mothers, by means of **family allowances** during infancy and the creation of a suitable framework for their return to the labour market.

MEPs also call for the promotion of a stronger link between the implementation of **flexicurity and the enhancement of social dialogue**, respecting national customs and practices. Moreover, while recognising that Member States have competence for wage policy, MEPs suggest that social partners at national level discuss new methodologies for wage policies which could include higher financial participation of employees in companies' proceeds. According to MEPs, such schemes could allow for channelling employees' extra earnings to special capital funds created by companies. The debate should also focus on **'decent living wages'**, which guarantee minimum wages significantly above the adequate income level, to enable people to move out of poverty and to benefit positively from work.

Immigration: MEPs draw attention to the negative impact (possible brain drain) that immigration may have in the development process of the countries of origin. They therefore stress the importance of ethical recruitment from third countries, particularly with regard to health-care professionals. MEPs also stress that **the long-term impact of immigration on the demographic change is uncertain** since it depends on the volatility of migration flows, family reunification and fertility rates. Moreover, MEPs emphasise that immigrants can, when legally employed, contribute to the sustainable development of social security systems. Immigration policy should also promote a coherent and efficient strategy for the integration of migrant people on the basis of equal opportunities. Furthermore, MEPs consider that strengthening of the implementation and enforcement of existing labour laws under national and Community law and under ILO conventions must be a priority for the EU institutions and the Member States, as well as strengthening anti-discrimination laws.

The EU at an external level: MEPs consider that, in its external relations, the EU could have a more proactive role in promoting **core social and environmental standards**. MEPs also call for the setting of a decent work agenda capable of promoting compliance with ILO conventions. Moreover, MEPs consider that the EU should aim for a **globalisation process that is more socially inclusive and economically and environmentally sustainable**. The Commission is also called upon to actively promote the concept of Corporate Social Responsibility.

Structural Funds: MEPs suggest strengthening the potential of structural funds, through simplification, flexibility and improvement of procedures, with the aim to help Member States to optimise the output of social and employment policies. According to MEPs, the renewed Social Agenda must make a clear commitment that EU structural and cohesion funds will help to achieve the objectives of the Social Agenda. They therefore call on the Member States to use the European Social Fund (ESF) and all the other Structural Funds not only in order to improve the employability of people but also the social infrastructure. They also call for particular attention to be given to the regions that are most affected by globalisation as well as to regions in the new Member States that are in the process of social convergence.

Instrumental actions: with regard to instrumental actions, MEPs make the following points:

Social and civil dialogue: according to MEPs, flexibility and acceptance of change by citizens can increase through more mutual trust which can be enhanced by a more effective and transparent social dialogue as well as ensuring more effective participative democracy in policy design and delivery. The social dialogue should encourage policies on health and safety at work and, in general, promote improvements in the quality of life. MEPs call on the Commission to launch a debate on how workers who are not in full-time employment (temporary workers, part-time workers, workers on fixed-term contracts) can be brought into the social dialogue. They also call for the promotion of awareness of the results of social dialogue as well as a **wide debate** between European stakeholders, national public authorities, employers and employees and civil society, about the social agenda for the post-2010 period.

MEPs also favour an effective dialogue between Parliament and **civil society** (which should be involved from the beginning of decision making processes). MEPs stress the importance and value of the consultation process as an effective tool in empowering citizens by enabling them to directly input into the policy process at EU level. They therefore call on the Commission to take further steps to raise awareness of future EU consultations via the media and other appropriate forums. According to MEPs, it is urgently necessary for the European institutions, national social partners and civil society to adopt a "**social pact**" encompassing social actions with realistic, binding targets and indicators.

EU law: MEPs call for an improvement of the law making process at the EU level, by making it clear why actions at the EU level are needed, ensuring the quality of the content and delivering strong and independent impact assessments covering the social, environmental and economic effects. In this context, MEPs stress that effective cooperation between Member States should be a priority and that better EU law-making should actively seek the involvement of civil society, thus bringing it closer to the EU.

Open Method of Coordination (OMC): MEPs consider that there should be a better linkage at the EU-level between economic and social policies, and their contribution to the eradication of poverty and social exclusion. They also stress the need for the adoption of a legally binding charter of fundamental social rights. Moreover, there should be a better linkage at the EU-level between economic, environmental and social policies.

Lastly, MEPs consider that the post-2010 Lisbon Strategy should cover a strengthened OMC.