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I

(Resolutions, recommendations and opinions)

RESOLUTIONS

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

**561ST PLENARY SESSION OF THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – JDE62 –
INTERACTIO, 9.6.2021-10.6.2021****Resolution on ‘The European Economic and Social Committee’s contribution to the 2022 European Commission’s work programme based on the work of the ad hoc group on the “EESC contribution to the European Commission’s 2022 work programme”’**

(2021/C 341/01)

Rapporteurs: **Mariya MINCHEVA****Stefano PALMIERI****Jan DIRX**

At its plenary session of 9 and 10 June 2021 (meeting of 9 June), the European Economic and Social Committee adopted the following resolution by 175 votes with 2 abstentions.

1. Introduction

1.1. The EESC has noted that the European Commission’s 2021 work programme shows that the six headline ambitions chosen by the Commission (A European Green Deal, A Europe fit for the digital age, An economy that works for people, A stronger Europe in the world, Promoting our European way of life and A new push for European democracy) provide a powerful framework for working out the work programmes. That is why the EESC has again built this resolution with its contribution to the Commission’s 2022 work programme around these six headlines.

1.2. The Committee assumes that, given the duration of the COVID-19 pandemic, putting the European economy on the right track for sustainable transition, growth and employment, and bringing prosperity to Europeans and European organisations and companies should remain the highest EU economic policy priorities over the next few years. Therefore, the need for recovery and reconstruction after the pandemic should again be fully and concretely extended in the Commission’s work programme for 2022.

1.3. The current situation in Europe with the pandemic is increasing poverty and inequality, and resources should be channelled where they are most needed in order to ensure opportunities, create quality employment, reduce poverty and exclusion, promote entrepreneurship and up- and re-skilling, and ensure access to quality services. As declared by the EU institutions, social partners, civil society organisations and Member States in the Social Summit in Porto in May 2021, both investment and reforms should be used to exit the economic and social crisis, reinforcing Europe’s resilience to future shocks, based on inclusive and sustainable growth, decent work and social justice.

1.4. It is precisely at this time that the Committee would like to emphasise that the EU, and therefore all EU policy, is and should be rooted in the EU’s goals and values laid out in the Lisbon Treaty and the EU Charter of Fundamental Rights. This concerns the following values: human dignity, freedom, democracy, equality, rule of law and human rights. For the EESC,

the work programme should focus on restructuring and improving our economy and society based on these values: unlocking the full potential of the Single Market; achieving the Sustainable Development Goals (SDGs); creating a circular economy and achieving climate neutrality in the EU by 2050 at the latest; and ensuring good governance and democratic accountability.

1.5. The Committee is convinced that the major challenges we all face and the profound transitions in our economy, in how we deal with nature and the environment, and in our own lives, which are necessary for a truly sustainable world, will only succeed if citizens and their organisations are actively involved.

1.6. The EESC notes with regret in its Resolution on the involvement of organised civil society in the National Recovery and Resilience Plans (NRRPs) that national administrations have only slightly involved organised civil society in drawing up their NRRPs. The importance and usefulness of the active involvement of civil society organisations in policy and policy implementation is also evident from the study published by the EESC on 'The response of civil society organisations to face the COVID-19 pandemic and the consequent restrictive measures adopted in Europe', which we presented this spring ⁽¹⁾, and from the Civil Society Prize ⁽²⁾ for the deployment of social actors during the pandemic.

1.7. Therefore, we repeat our call to the Commission for these shortcomings to be corrected in the NRRP implementation and evaluation phases by establishing more formal procedures that facilitate real exchanges. The Committee therefore expects the Commission to recognise in its next year's work programme the key role of business, workers and civil society organisations in the implementation of the National Recovery and Resilience Plans, their review process and their monitoring. In doing so, we assume that the 20 principles of the European Pillar of Social Rights (EPSR) guiding EU social policy will also be at the centre of the recovery strategy to ensure that the digital and green transitions are just and fair. Social partners' and civil society organisations' key role as co-designers of the future of Europe in the Conference on the Future of Europe also needs to be reflected in the Commission's activities.

1.8. The Single Market remains the key driver of a competitive EU economy and as such is a vital enabler of the recovery and reconstruction of the economies of both individual Member States and the whole of the EU. The EESC points out that any obstacles need to be removed and an uninterrupted flow of goods, services, capital, data and people across borders ensured. It is crucial to restore freedoms of movement in the Single Market to pre-COVID conditions as soon as possible, deepen it in all areas, and focus on how robustness of supply and value chains should be further improved through business-driven diversification.

1.9. The EESC welcomes the adoption of the Recovery and Resilience Facility. Its practical implementation, however, is associated with some risks. There is already a delay in the ratification procedure for the Own resources decision ⁽³⁾ that will allow the EU to borrow the necessary funds on the capital markets. The EESC is concerned about the lack of adequate information on the practical arrangements for issuing the necessary bonds that will finance the mechanism ⁽⁴⁾. The coherence between the recommended flagship areas issued by the European Commission (EC) and the real thematic content of the National Recovery and Resilience Plans should also be closely monitored. There is a challenge that not all the Member States will recover at the same pace. The Commission needs to ensure swift approval of the plans presented, with the caution that any delay could result in a widening of the gap between Member States and within segments of each national economy.

1.10. The EESC supports the Commission's communication on the fiscal policy response to the coronavirus pandemic ⁽⁵⁾, where the EC sets out its intention to decide on a future deactivation of the general escape clause of the Stability and Growth Pact following an overall assessment of the state of the economy based on quantitative criteria, namely the level of economic activity in the EU or euro area compared to pre-crisis levels (2019). The EESC is aligned with the necessity to continue to apply the general escape clause in 2022 and also that a premature withdrawal of fiscal support should be avoided.

1.11. To enhance the long-term benefits of the EU recovery plan, the EESC urges that the review process of the EU economic governance framework be resumed as soon as possible. Instead of a 'return to normal', we demand a 'turn' to a revised and rebalanced, prosperity-oriented economic governance framework, which gives equal weight to a range of key

⁽¹⁾ <https://www.eesc.europa.eu/sites/default/files/files/qe-02-21-011-en-n.pdf>

⁽²⁾ <https://www.eesc.europa.eu/en/agenda/our-events/events/civil-solidarity-prize#>

⁽³⁾ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1).

⁽⁴⁾ Only 14 Member States had submitted their national plans by 30 April 2021.

⁽⁵⁾ Communication from the Commission to the Council: One year since the outbreak of COVID-19: fiscal policy response (COM (2021) 105 final), Brussels, 3.3.2021.

policy objectives, such as sustainable and inclusive growth, full employment and decent work, a relaunch of EU productivity, a competitive social market economy and stable public finances. Such a framework should also avoid asymmetric effects in the Member States and stimulate productive investment by implementing, for example, a well-balanced golden rule.

1.12. The Commission should also consider an extension of the Temporary State aid framework by the end of 2022. Thus, it will allow Member States to continue to use the full flexibility foreseen under State aid rules to support the economy in the context of the COVID-19 outbreak, while respecting competition rules, in order to avoid distortions in the single market. However, the EESC considers this regime to be extraordinary and temporary and that it has to be followed by a process of fiscal consolidation to improve the state of public finance in the Member States.

1.13. The EESC notes that investment does not represent a Commission policy objective for its term up to 2024. To make sure we make optimal use of a historic EU financial effort and get out of this unique crisis, we urgently need a well-articulated European economic agenda and effective better regulation policies, as well as an acceleration in the roll-out of vaccines and fewer restrictions at internal EU borders. The EESC recommends including investment-based initiatives in its 2022 work programme, including the effort to mobilise private investment in favour of the future sustainable economic development of the EU ⁽⁶⁾.

1.14. The EESC endorses the proposal of the Commission to revise the Social Scoreboard to cover the Pillar more extensively as a key monitoring tool used in the European Semester. To this end, the Committee recommends adding new, improved, measurable and complementary social, economic and environmental indicators. These will contribute to tracking progress towards the Pillar principles in a more comprehensive manner and to monitoring the implementation of policy actions.

1.15. Decent work should be the default option. The challenge of COVID-19 has shown the weakness of our social system, exacerbated inequalities and poverty, and taken our health and social systems to the brink of collapse. The EESC recommends, in order to create a better future for Europe, helping tackle the current crisis, and correcting the systemic issues that have worsened the pandemic effects, taking decisive action to combat poverty and promote decent work. If the opportunity is properly seized, the digital and green transitions offer an opportunity for more and better jobs, as long as social partners are involved, collective bargaining respected and strengthened, and workers' views (information, consultation and participation) involved in the process.

1.16. The EESC believes that it is also the right moment to learn the lessons from the pandemic and to make sure that policies are put in place to prepare for future comparable shocks as well as new opportunities seized for supporting the renewal of industry. The crisis has clearly shown the importance of Europe's industries, including a strong manufacturing sector, for strengthening the EU's economic foundations and reducing its excessive and critical dependence on external suppliers. An effective industrial strategy must thus remain at the heart of the EU recovery programme. Relevant attention should be also paid to the protection of EU strategic assets and investment (vis-a-vis some third countries), as robust changes in ownership structures after the COVID crisis are expected.

2. The European Green Deal

2.1. Despite the turbulence linked to the global challenge of COVID-19, efforts towards a more sustainable and socially inclusive economic model, the Sustainable Development Goals and, in particular, the transition to a green model of growth will and must continue. The transition to the European Green Deal creates a particular opportunity for the development of businesses based on the social economy model. Innovative and entrepreneurial businesses are key to creating successful and smart solutions to the existential challenge of climate change.

2.2. While the promotion of employment and skills, smooth transitions and dynamic social dialogue are also important elements, a Social Deal as an essential part of a new Green Deal certainly does not only relate to 'work'. It is about income, social security and fiscal support for all who need it, including those who do not have access to work at all. Thus, the inclusion of all civil society actors has to be shared and a matter of common concern (i.e. inclusion of the most vulnerable groups has to be considered).

⁽⁶⁾ Resolution on 'The European Economic and Social Committee's contribution to the European Commission's 2021 work programme based on the work of the ad hoc group "EESC contribution to the European Commission's 2021 work programme"' (OJ C 364, 28.10.2020, p. 1).

2.3. The EU can only lead as global role model in climate protection if we manage the green transition while maintaining competitive value chains, jobs and companies. Companies must be supported in their transformation, not only with financial instruments, but also by enabling new sustainable business models — otherwise they will lose their competitiveness. A balance between entrepreneurial freedom and stricter regulation has to be struck in order to incentivise innovation, minimise the additional administrative burden and avoid potential market distortions.

2.4. The transition towards a more sustainable and resilient economy is more important than ever. The necessary financial resources need to be redirected towards sustainable investment with a long-term approach, which takes into account economic, environmental, social and governance aspects. Building on the work already done and the renewed strategy for sustainable finance, announced by the Commission in the context of the European Green Deal and to be adopted in the first half of 2021, efforts need to be continued to establish and reinforce the EU's sustainable finance framework in a harmonised way that is supported by all actors, including financial institutions, companies, citizens and authorities. The EESC stresses the importance of also financing the 'sustainable transformation' of our economy. A positive approach that provides incentives will allow all sectors and industries to undergo a transformation and to contribute to the transition. The different starting points and challenges regarding the transformation that companies, sectors and regions face, should be also taken into account.

2.5. To achieve the Green Deal's production and consumption objectives, in 2022 the Commission should continue its valuable work on the transition to the circular economy through its 2020 Action Plan, in particular on:

- designing sustainable products, with a view to re-industrialising Europe;
- supporting an enabling environment for companies to adapt their business models and improving investment predictability;
- empowering consumers and public buyers, especially by strengthening circular procurement;
- making key product chains circular;
- further developing an EU market for secondary raw materials;
- continuing the monitoring of the circular economy through the European Semester and the Monitoring Framework, and re-assessing the indicators on resource use;
- improving enforcement of EU waste legislation by Member States.

The EESC and the Commission should continue to build on the success of their joint work on the European Circular Economy Stakeholder Platform, bringing together stakeholders' good practices, lessons learnt, and research and strategies for a fair and just transition.

In 2022, the Commission should continue to develop the European Climate Pact to ensure that the Pact is based on genuine participation and ownership by local climate actors and is a vehicle for delivering on the EU's climate ambitions. The EESC has also called for the creation of a European Climate Pact Stakeholder Platform, based on the principles of inclusiveness, transparency and genuine participation and ownership by climate actors at all levels. Setting up an EU Climate Finance Forum as part of the Pact would stimulate truly mutual learning processes and access to finance and remove barriers.

2.6. Moreover, the youth engagement mechanism on climate and sustainability, like the Youth Climate and Sustainability Round Tables proposed by the EESC, should be an integral part of this pact, facilitated by youth organisations.

2.7. The Commission's choice to increase the greenhouse gas emissions reduction target for 2030 to 55 % is largely in line with the Committee's opinions. Working with net zero from the intermediate targets is only possible on condition that the integrity of the system, including the precise calculation of emissions and absorption of carbon, is guaranteed. The EESC believes it is very important that citizens and social partners be able to know how the emission target goals can be achieved

and what this means for their work and life. This is essential for support for all the measures to be taken. Therefore measures should be taken to guarantee that the risks and opportunities are shared equally to ensure certainty and stability. The EU must ensure that its trade policy and its trade agreements are consistent with its climate ambitions; the Commission should therefore pay special attention to the possible consequences for low-income third-country citizens.

2.8. The Commission's Farm to Fork and Biodiversity Strategies are at the heart of the European Green Deal. Turning these strategies into meaningful and timely actions is now crucial. Structured and broad civil society participation in the implementation of these strategies must be ensured, for example via a European Food Policy Council, as called for by the EESC.

2.9. In 2022, the Commission should start preparations for its proposal for a legislative framework for sustainable food systems, foreseen for publication in 2023. The legislative framework should ensure a comprehensive approach and include clear targets, indicators and a robust monitoring mechanism. The EESC has recommended the development of an EU sustainable food scoreboard, which would allow food system challenges to be addressed through a multi-year approach, thereby promoting policy alignment at different levels of governance. The scoreboard would provide indicators and would thus encourage and monitor progress towards meeting the targets that have been set.

2.10. The Common Agricultural Policy (CAP) and Common Fisheries Policies (CFP) should also make a significant contribution to the European Green Deal, especially with regard to the Farm to Fork and Biodiversity Strategies, setting higher ambitions for environmental and climate action, striving for more sustainable and resilient food systems and ensuring that the social dimension is properly taken into account. Globally, a level-playing field must be secured for all agri-sea-food industries so that EU sustainable production is neither externalised nor negatively affected by imports from countries with lower environmental, social, health and quality standards, particularly in light of the economic and trade disruptions created by the COVID-19 crisis. Likewise, social sustainability must play a key role also in the CAP, and a system of social conditionality should be considered to ensure that European funds are not used when labour and human rights abuses are present and that agricultural workers enjoy the highest standards of labour and social protection.

2.11. The Committee supports the EU's zero pollution ambition to secure healthy ecosystems and a healthy living environment for Europeans. To this end, the Commission will adopt in 2021 the action plan entitled 'Towards a Zero Pollution Ambition for air, water and soil — building a Healthier Planet for Healthier People'. The EESC is looking forward to exploring the proposed instruments and timetable for the implementation of this action plan.

2.12. The EESC calls on the Commission to put in place concrete support measures for a successful transition, in the form of lead markets for green steel, temporary financial support for low-carbon processes, and investment in the hydrogen, carbon capture, storage and usage infrastructure, as well as overall rethinking of state aid and competition rules accordingly. It is also necessary to promote the transition of the banking and financial sector to further focus support on sustainable and innovative projects.

2.13. The EESC welcomes the fact that the Commission's new transport strategy is focused on Sustainable and Smart Mobility and is integrated into the European Green Deal. However, as the single market and social issues are key enablers for the transition to a more sustainable and smart mobility, the EESC would like to see them reinforced in the upcoming measures.

2.14. The EESC supports making all transport modes more sustainable and promoting a sustainable multimodal transport system, based on cooperation between the modes and on optimised environmental characteristics and the social sustainability of each mode. At the same time, a comprehensive approach on how this can be achieved is necessary. A successful EU mobility strategy must also go hand in hand with strengthening the competitiveness of the transport sector as a whole and the EU's related industrial base. While the unprecedented COVID-19 pandemic has demonstrated the vital importance of a well-functioning transport single market and of sustainable supply chains, the EESC also underlines that the COVID-19 crisis requires a clear distinction between the recovery phase of the aviation sector in the short term, while securing the sector's necessary contribution to the emissions reduction targets for greenhouse gases as well as international competitiveness, and a level playing field in the medium to long term.

2.15. The Commission should continue development of the Energy Union, through annual reporting on the State of the Energy Union and supporting Member States in the implementation of National Energy and Climate Plans. More attention should be given to how to place citizens at the centre of the energy transition. Supporting community energy and empowering consumers, local ownership and regional development, and assessing the adequacy of just transition strategies should feature high on the list of the political priorities of the Commission.

2.16. Already in 2021, the Commission is putting forward a dense and ambitious programme of legislative initiatives to decarbonise the energy sector, particularly under the 'Fit for 55' package. In 2022, the Commission should continue pursuing the integration of the energy system, clarifying how to reach security of supply using low-carbon or carbon-free energy sources, also with regard to the public sector's role. A business-friendly approach is needed to the green transition, underpinning the Green Deal and its new targets with a credible industrial strategy to turn it into a real driver of growth, ensuring that the sustainable finance agenda also allows the financing of transition technologies, infrastructure and activities, taking into account industrial competitiveness.

2.17. Achieving climate neutrality will not be an easy task for Europe. Decarbonising the industry will place a burden on energy-intensive companies (steel, cement, chemical sectors) with high-energy costs, while simultaneously imposing massive structural change on the industrial, transport and energy sectors, risking economic disadvantage in a competitive global market. To preserve competitiveness, a comprehensive energy turnaround is needed, providing security of supply for businesses and households, without pushing up prices, while increasing both network connectivity and storage capacity. Hydrogen will play a key role in this process. Relevant applications need to be developed as a priority.

2.18. The EESC believes it is very important to reduce energy dependence. Therefore, measures should be taken to reduce energy imports and eliminate subsidies for energy sources that are harmful to the climate and the environment, and the European Union should take on a leadership role in renewable energy, energy efficiency and electromobility. However, social consensus should be a priority, particularly considering that some EU regions which are still dependent on coal mining or the use of other fossil fuels are still far from completing the transition to sustainability, and that the incomes of the people living there are lower than those of people in other Member States, and their economic opportunities fewer. Failure to provide adequate answers to the negative impact of the energy transition on people and businesses, particularly SMEs, and the inability to provide adequate support to those hardest hit can lead to strong political and social resistance and slow down the overall process of implementing national energy and climate plans.

2.19. The EESC would point out that establishing a clean hydrogen economy in Europe is just one strand of the strategy seeking to link up the EU's various energy sectors more effectively. Due to high production and transport costs, clean hydrogen should be used only in cases where other decarbonisation options are not possible, for example in sectors where it is difficult to reduce carbon emissions or in some very specific applications in the transport and construction sectors. The EESC stresses that if clean hydrogen is to take off, European funds should not subsidise fossil fuels, and it calls on the Commission to apply the 'do no harm' principle to all public funding under the MFF, InvestEU, the EU Recovery Fund and State aid.

2.20. The EESC takes the view that, given the Renovation Wave strategy's specific nature and its trajectory up to 2050, it needs to be set within a clear, stable and tailored legal and financial framework. The Commission should put in place incentives for the development, at local level, of the industrialisation and mass roll-out of energy-efficiency renovation processes.

2.21. The EESC recalls that the Western Balkans are highly sensitive to the impact of climate change, resulting in damage to general health and the economy, and urgent action is needed to improve quality of life for their citizens, especially children and young people, by means of a just transition to a greener model, bearing in mind the 'no one should be left behind' principle. The EESC supports the Green Agenda for the Western Balkans and calls for future action for a greener Western Balkans to be adapted to the region's specific challenges and needs, including an adequate regulatory framework, cross-border activities, innovative technological solutions, locally produced and consumed energy and energy efficiency, sustainable urban transport, road and rail networks, public and private engagement, ICT and fast internet deployment, agri-food measures, etc.

2.22. The EESC wholeheartedly supports the European Commission working with EU Member States to promote key competences, knowledge and perspectives facilitating lifelong learning. We need to put quality jobs and working conditions at the core of EU strategy, enhancing the importance of know-how and its continuous implementation through a system of education, training, the right to life-long learning, which needs to be implemented by assuring access opportunities, and concrete examples of possible individual learning accounts. This will equip people to deal with changes required in the context of the digital and green transitions, to ensure that nobody is left behind. The EESC calls on the Commission to initiate social dialogue on individual learning accounts and to develop an EU-level green skills and competences strategy in line with the European Green Deal.

3. A Europe fit for the digital age

3.1. The coronavirus crisis is showing that the digital revolution is an important part of increasing our societies' crisis resilience. Investing in digitalisation of essential services and increasing the ability of governments, legislators and public institutions to deliver their services during a crisis is paramount. At the same time, we have to realise that digital technologies are a tool, not an end goal. We need an efficient European framework to ensure full accessibility for EU citizens and equal opportunities for all, and to steer it towards high sustainability standards, including strong democratic and technological safeguards, accompanied by cost and knowledge support measures that leave no one behind.

3.2. The EESC notes that bringing the EU to the digital forefront requires the EU to allocate considerable funding to research and innovation, and to facilitate cooperation between businesses, researchers, the public sector and other stakeholders.

3.3. The pandemic has accelerated the digital transition, highlighting the need to address challenges like work-life balance as well as the health and safety of workers. Social dialogue at European, national and industry levels is a useful tool for examining whether and to what extent employees' health and their private lives require additional protection at a time of ubiquitous digital mobile communication, and which measures are appropriate in this regard, including an EU-level evaluation of the so-called 'right to disconnect'.

3.4. The Commission should work together with the Member States to eliminate the differences between standard and non-standard workers/atypical workers, clearly differentiating between the real and the bogus self-employed. Every worker, determined as such by both national law and the case law of the CJEU, should be equally protected, regardless of whether or not they work for a digital platform, and their right to collective bargaining and representation and the safeguarding of working conditions and health should be recognised, whilst respecting the different industrial relations systems.

3.5. The digital transition should contribute to productivity gains, and also to improving education and promoting the political, social and cultural participation of everyone living in the EU. The EESC calls for special attention to be paid to older people, people with disabilities, people at risk of social exclusion and other vulnerable groups to avoid a digital divide. Therefore, one of the objectives of the digital transition should be to establish universal access to broadband internet as a public service free of charge for all EU residents, especially when we take into account the fact that there is currently very uneven coverage and that this is particularly damaging to rural areas (SMEs and citizens).

3.6. People, with their knowledge, skills and competences, play a crucial role in the global race. The demographic situation is hampering the availability of workforce and, on top of that, there is an increasing qualitative skills gap. The EESC calls for an urgent development in education and training to meet the demands of the Artificial Intelligence (AI) era, including by ensuring a firm basis in basic skills and STEM competences. Upskilling, reskilling and continuous learning — accompanied by adaptability and resilience — is a necessity to ensure everyone is able to respond to changes in the labour market and in everyday life.

3.7. Considering the rapid technological progress outside the EU, the latter needs to step up its efforts to improve its own competitiveness. This applies to a wide range of technologies, many of which respond to societal needs such as food, water, energy, mobility and housing. The development and uptake of AI and other digital technologies is the most relevant example here, as such technologies have a transformational impact across the whole economy and across society.

3.8. It is important to preserve the European model of rights, standards and consumer policies. This is what makes the EU unique. For instance, in the area of digitalisation the EU ethical code on AI separates the EU view of 'human-in-command' from that of other regions. This approach, based on fundamental rights and freedoms (for example, it must be ensured that gender, race, etc. have no influence on decisions made by AI), is part of the EU model and should, in the EESC's view, be preserved despite the tougher competitive climate emerging right now.

3.9. The EESC calls on the Commission to keep competitiveness and workers' interests at the core of the digital transition, by maintaining a strong focus on industrial relations and the future of industrial jobs, and to foster the just transition and a people-centred approach to these changes. An ambitious industrial strategy is essential to ensuring the success of the twin green and digital transitions. The digital transformation of our economies and societies must be supported by an incentivising investment climate and by developing trusted conditions for the safe deployment and use of new technologies.

3.10. The EESC notes that social policy should encourage skills-related investment, better supporting national labour market and social security reforms, and ensure that the European pillar of social rights promotes economic growth and facilitates job creation.

3.11. For the Committee, the European regulatory framework must ensure the removal of barriers to online transactions, while ensuring the protection of privacy and personal data and ensuring cybersecurity. In addition, tackling the fragmentation of the digital single market should remain one of the priorities, with a particular focus on SMEs and micro-enterprises.

3.12. In the view of Committee, the implementation and monitoring of a regulatory framework for AI should be a priority. Civil society should be involved in this process and draw the attention of policy-makers to new issues that may emerge in this context. This includes limiting possible technological shifts, the risks of exclusion and the EU's dependence on digital giants. The digital single market must leave no one behind. This means, on the one hand, better accessibility, understanding and use of digital tools and, on the other hand, improving skills and training in digital technologies.

3.13. The EESC welcomes the New Transatlantic Agenda and its efforts to strengthen the transatlantic partnership. The unprecedented COVID-19 context clearly demonstrated that the digital economy is transforming our societies and economies, and that technology must be a high priority in the renewed EU-US cooperation. The EESC therefore supports the creation of the Technology and Trade Council (TTC), and calls for strong involvement of civil society in future efforts to create a structured transatlantic framework on policy and regulatory principles, including foundations for a future EU-US agreement on digital trade.

3.14. Digitalisation will continue to present challenges and opportunities for the European financial system. In 2021, the Committee supported the Commission's Digital Finance Strategy and the legislative proposals stemming from it. The EESC calls on the Commission to continue these efforts in 2022 in order to address the challenges adequately and to seize the opportunities of digital finance for the benefit of all stakeholders. This would support the digital transformation of the European economy by contributing to innovation-friendly and competitive financial markets.

3.15. Welcoming the fact that digitalisation and automation can substantially contribute to more sustainable ('green') transport, the EESC calls for the Commission to ensure a just transition to automation and digitalisation that 'leaves no one behind'. The Commission should ensure that the twin green and digital transitions of the sector run smoothly and in an economically, socially and environmentally balanced way.

4. An economy that works for people

4.1. The COVID-19 pandemic has been laying waste the European economy and wreaking havoc in society, with rising unemployment and inequalities as a consequence. A strong economic base and value creation are key to generating sustainable development and maintaining the ambitious European social model. Social policies need to go hand in hand with policies that boost economic development, recognising their mutual purpose for the common good. Job creation, skills development and inclusive labour markets are the best recipe for preventing inequalities and exclusion and for

enhancing societal stability. Economic and social progress is thus firmly intertwined. Economic performance and prosperity are fundamental. To achieve a quick recovery, all the relevant tools must be mobilised (fiscal, monetary, structural, pro-investment supportive, regulatory and financial). The process of recovery has to respect social needs and be regionally even and balanced.

4.2. Beyond economic and environmental issues, the social agenda must drive the EU's work programme in 2022. This means the Commission's commitment to a social and sustainable Europe should be a priority, while also considering possible new indicators for economic progress that go beyond GDP, for example quality of life, environmental sustainability, social cohesion, health and the overall well-being of current and future generations. Civil society organisations play an important role in this regard. There is an opportunity in promoting social innovation as a model for recovery through co-creation, co-design and co-production. In a complex social landscape with massive societal challenges, the only way to reach successful recovery is to mobilise all resources in society, acting in a cross-sectoral and multi-disciplinary manner in order to identify joint solutions to common challenges. Organised civil society is a catalyst for social innovation.

4.3. The EESC welcomes the European Pillar of Social Rights Action Plan and believes that in 2022 tangible measures in relation to sustainable development and social cohesion should be taken to enable European citizens to access essential services of good quality. The EESC urges the Commission to consider different options regarding the question of a minimum income in Europe to better address Europeans' situation, particularly when facing the dire economic prospects of the pandemic and its aftermath.

4.4. The European Commission should focus on the regaining of jobs and the fight against inequality and poverty in the recovery process and pay particular attention to supporting vulnerable groups such as atypical workers, children in poverty, persons with disabilities, people in marginalised areas and people with a migrant or ethnic minority background through active and inclusive policies. Poverty in general and in-work poverty are still a significant problem in many Member States. Therefore ensuring that jobs pay an adequate wage is essential to guaranteeing adequate working and living conditions. A comprehensive approach is needed at EU and Member State level to tackle these concerns, including support for effective active inclusion schemes, accompanied by essential and enabling social services.

4.5. The pandemic has exacerbated unpaid domestic and care work by women and domestic violence against them. The European Commission should propose a 'Care deal for Europe' to help relieve women of these unpaid tasks and propose ambitious measures to counter this type of violence.

4.6. The EESC strives to strengthen the role of civil society organisations in its partner countries, in particular that of social partners, in all areas, but especially in the economic and social fields. Stability is indispensable in order to overcome the crisis and stability is not possible without the involvement of social partners in the process of decision-making in the area of the economy, and the active involvement of business associations in the legislative process, reforms and the implementation thereof. Cooperation between the social partners and other civil society organisations is a driving force for successful, sustainable and inclusive economic, employment and social inclusion policies. The Commission should recognise this essential role by improving social and civil dialogue equally.

4.7. Entrepreneurship in all its forms and sectors (including tourism, industry, the platform economy, social economy and the liberal professions) is essential for economic growth, innovation, employment and social inclusion. It is therefore important to identify the difficulties faced by SMEs (especially very small businesses often of a family nature) when accessing the Single Market and to provide effective and better-targeted responses to them. Social entrepreneurship deserves particular attention, given the role that this form of entrepreneurship can play in overcoming the crisis and in ensuring a fair and sustainable economic recovery.

4.8. Europe is in a transition towards climate neutrality and digitalisation. These green and digital transitions involve new technologies, and therefore investment and innovation, and will lead to new types of jobs and new skills. Industrial policy should therefore have a strong social dimension, because quality jobs, social protection and efficient public services create an enabling environment for industrial activities to flourish.

4.9. A modern consumer policy must ensure that consumers have the rights and protection they need. The Single Market makes it easier for EU consumers and businesses to buy and sell goods and services across borders, both online and offline. This requires trust and confidence in the market, targeted legislation and effective enforcement. Consumer information and training must also help them become real players in the green and digital transitions and help them make more responsible and informed choices.

4.10. It is essential to closely monitor new forms of consumption and production, taking into account the need to integrate environmental concerns and consumer and labour protection, as well as growth and employment aspects. The circular economy is helping the move towards more sustainable production and consumption patterns.

4.11. Enterprises are the cornerstone of a viable Europe. The European economy has to be more innovative and resilient. It constantly requires further improvements to the business environment. Good regulation is a cost-efficient way of supporting the recovery. The principles of better regulation, competitiveness checks as well as the European pillar of social rights and environmental sustainability should be guaranteed when introducing any new policy measures. The need for a favourable business environment applies to regulation, taxation and allocation of public financing alike, keeping in mind that investment in innovation lays the foundations for European success. Modern industrial policy requires a comprehensive approach that aims to strengthen the competitiveness of EU enterprises across all policy areas. Investment in future-proof infrastructure is a necessity for the operability of the single market. Removing double taxation and digitalising and simplifying tax systems, particularly in the VAT area, would also contribute to investment and trade.

4.12. The Recovery and Resilience Facility regulation confirms the importance of genuine civil society involvement in the development of National Recovery and Resilience Plans, within the framework of the European Semester. The EESC calls for the establishment of binding conditionality for such consultation, as involvement varies between countries and regions, also as regards other instruments under the Multiannual Financial Framework, on the basis of minimum standards defined at EU level.

4.13. To avoid cliff-edge effects on the economy, prevent a return to austerity measures and enhance the long-term benefits of the EU recovery plan, the EESC urges that the process of reviewing the EU economic governance framework be resumed as soon as possible. Instead of a 'return to normal', we demand a 'turn' to a revised and rebalanced prosperity-oriented economic governance framework, which gives equal weight to a range of key policy objectives, such as sustainable and inclusive growth, full employment and decent work, a competitive social market economy and stable public finances. Such a framework should also avoid asymmetric effects in the Member States and stimulate productive investment by implementing, for example, a well-balanced golden rule. In any case, the general escape clause of the Stability and Growth Pact should stay activated until unemployment falls significantly and growth is established on a firm upwards trajectory, with modernised fiscal rules coming into effect afterwards.

4.14. The Committee calls for efforts to be stepped up to complete the Banking Union, a long overdue project. European banks will continue to play a vital role in the economic recovery from the COVID-19 crisis, supporting the economy and employment. A fully-fledged Banking Union would also contribute to social inclusion and to the achievement of the sustainable development goals, which is vital to ensuring Europe's future competitiveness. The Committee stresses the need for further increasing the proportionality of banking rules, without sacrificing the effectiveness of prudential rules. The EESC considers it crucial that the diverse landscape of the European banking sector be taken into account when bank prudential rules are reviewed.

4.15. The Capital Markets Union (CMU) should also remain high on the agenda. The Committee supported the initiatives outlined in the 2020 Capital Markets Union action plan. The Committee calls for real support from Member States to achieve the goals of the CMU and emphasises that initiatives that are strategic for the financing of Europe's economy and the climate and digital transitions should be given special attention. The Committee considers that best national practices should be promoted in order to improve the financial literacy of Europeans, a prerequisite for making better use of the high level of savings in Europe. Furthermore, the EESC stresses that taking into account environmental, social and governance (ESG) considerations should be further promoted, and the EESC therefore highlights the need for investors to be able to access reliable ESG-data.

4.16. The EESC strongly believes that, in the context of the digitalisation of the economy, any changes to the rules for allocating taxation rights relating to profits among countries must be coordinated globally and therefore welcomes the close cooperation between the Commission, Member States and the OECD/G20 to support the development of an international solution. If an international solution cannot be reached, the EU must consider proceeding on its own. The fight against tax fraud and tax evasion as well as against money laundering and aggressive fiscal planning must remain high on the agenda.

4.17. Cohesion policy will play a key role in ensuring a balanced and effective recovery, fostering convergence, combating inequalities and making sure that no one is left behind. It is important that the various resources of the cohesion funds from the 2021-2027 programming period be spent effectively and in a timely manner so that real recovery is accomplished. In order to recover from the crisis and to enhance resilience and sustainability, equal and fair distribution needs to be prioritised. Territorial cohesion will also aim for more balanced and sustainable development, in accordance with the territory where one lives. The focus of EU cohesion policy in the 2021-2027 period should remain on economic competitiveness through research and innovation and the digital transition, as well as the European Green Deal Agenda and the Sustainable Development Goals.

4.18. In the transport sector, the retention of quality jobs and appropriate working conditions are key requirements for retaining a skilled workforce, without which sustainable competitiveness cannot be secured. Quality jobs and appropriate working conditions should be maintained, and the recruitment and training of a qualified workforce should continue. The Committee welcomes the Commission's ongoing initiatives concerning 'women and transport' and calls for even more action to be taken in order to achieve gender equality in the sector.

4.19. The EESC invites the Commission to establish, under the Renovation wave strategy, a new 'Erasmus for energy-efficiency renovation 2050', so as to attract young people in Europe to new jobs in the construction industry.

4.20. The Social Scoreboard should regularly monitor progress in the implementation of the Pillar in both the JER and the country reports. It should work in an integrated manner with the already existing Employment Performance Monitor (EPM) and Social Protection Performance Monitor (SPPM) developed by the MS. The 14 scoreboard indicators and sub-indicators (35 in all) should be subject to continuous revision, involving the social partners and civil society organisations, to adapt them to the political objectives and changing socioeconomic situations in Europe.

4.21. A new European Semester should achieve social objectives in the framework of social imbalance monitoring to rebalance the predominance of fiscal and macroeconomic requirements. The Social Scoreboard should monitor and target all of the Pillar's rights and principles and include improved and new measurable indicators. Such indicators could include, besides statistics, real access to quality-based social services, enforceable social rights, social and labour integration of migrants, collective bargaining coverage, participation of social stakeholders in the Semester process and access to apprenticeships and quality higher education. The Commission should monitor implementation of the national reform plans in close cooperation with the social partners and relevant civil society organisations, thereby promoting social country-specific recommendations. The number and structure of recommendations should be appropriate and monitor progress made on the priorities indicated in the roadmap.

4.22. The involvement of the social partners should be strengthened in line with the provisions of the TFEU, enabling them to be consulted on the design and implementation of economic, employment and social policies, according to national practice. Timely and meaningful involvement of the social partners is essential to improve engagement in policies, thereby facilitating their successful implementation in a way that balances the interests of workers and employers. Cooperation between social partners can be a driving force for successful, sustainable and inclusive economic, employment and social inclusion policies. Consultation of the social partners should be strengthened by improving implementation of the EU framework on information, consultation and participation, particularly in restructuring processes (⁷).

5. A stronger Europe in the world

5.1. The EESC considers that, under the preconditions of the European Green Deal and Sustainable Development Goals, social cohesion, economic upward convergence and the promotion of competitiveness and innovation should be the basis on which the euro area's economy gathers pace and supports a stronger international role for the euro in the coming period. This requires, inter alia, the completion of the Economic and Monetary Union and the Banking Union, as well as additional measures to deepen the European financial sector, including a stronger European financial market infrastructure and solid interest rate benchmarks. The promotion of wider use of the euro in strategic sectors is also crucial in contributing to an increased international role for the euro. To this end, Member States are urged to take a more unified approach in international diplomacy and a more pro-active stance to promote the EU's interests in such sectors, which could result in enhanced trade opportunities.

(⁷) See EESC opinion on industrial transitions (OJ C 56, 16.2.2021, p. 10) and opinion INT/903 — 'No Green Deal without a Social Deal' (see page 23 of this Official Journal).

5.2. As far as enlargement policy is concerned, the EESC's expectation is that the next country reports should follow a clear structure for monitoring how civil society is dealt with by Western Balkan governments. The EESC firmly believes that the EU should also invest in developing horizontal civil society structures by providing social partners and other civil society organisations from the Western Balkans with expertise, technical support, and regional and international networking opportunities, not least for the purpose of ensuring that they have a more active role in the enlargement process. To keep a check on the transparency and accountability of Western Balkan political elites, the EU should commission regular 'shadow' reports on the state of democracy from civil society organisations in the region.

5.3. To rebuild confidence in enlargement and strengthen the ways in which the EU reaches out to its natural allies in the region, the EESC is convinced that the EU should allow political leaders and citizens from the Western Balkans to join the activities and discussions held in the context of the Conference on the Future of Europe (CoFoE), on a consultative basis. The EU institutions can draw on local civil society resources and enlist the help of EU delegations in the region to mobilise citizens in the Western Balkan partners, giving them the chance to join the platforms on which EU citizens will have exchanges during the CoFoE.

5.4. As regards the Eastern Partnership, the Committee believes that the EU is, first of all, a union of values; thus its relations with its neighbours should also be based upon the same values and become conditional. The Committee commits to remaining highly involved in building stronger and more democratic societies in the neighbouring countries, in which civil society organisations can operate freely.

5.5. In the context of deteriorating EU-Russia relations, the EESC calls upon the Commission to continue to support relations with Russian civil society.

5.6. Building the means for civil society to play its part on the global scene: the EESC calls on the Commission to continue reflection on how to strengthen the role of domestic advisory groups (DAGs). It is essential to secure adequate means and resources to help them deliver on their monitoring and advice functions, notably in light of the new generation of DAGs, whose scope will be much wider. The EESC will okay its part in this support. We expect that the 2022 Commission work programme will capture the need for DG Trade to implement some of the recommendations resulting from enhanced constructive debates with the EESC and DAGs in 2021. The WTO has recently increased its engagement with civil society beyond the annual public forums, and these efforts contribute significantly to greater effectiveness and democracy in the multilateral trade system. However, there remains substantive room for improvement. The EESC is looking forward to developments following the Commission's commitment to boosting the voice of civil society at multilateral level, notably Action 6 of the recent Ottawa Group 6-point action plan.

5.7. The EU is a key player when it comes to international trade. It must behave like one when it comes to negotiating trade deals with international partners, in this way maintaining its leading role in setting up an economic agenda, promoting here its core principles, social and labour standards and values (rule of law, fundamental rights and democratic principles). The conclusion of ongoing negotiations, the ratification and implementation of finalised agreements and the launch of new negotiations are all required to make use of global opportunities. The EU also needs to contribute to strengthening multilateralism and support the role and modernisation of the WTO.

5.8. The EESC believes that the EU must become autonomous in the development of a European data infrastructure and new digital technologies. Between China and the United States, the EU must stand on its own and invest in the technology of the next generation. The EU has to develop its own vision and strategy for digital sovereignty, while remaining open to free trade and supporting the multilateral system. Strategically it should focus on getting its infrastructure, cybersecurity, cloud, key enabling technology and data in place and convince global partners through the quality of its standards and products. Ensuring food security, a strong food supply chain and agri-food sustainability for the EU should also remain one of the Commission's priorities.

5.9. The EESC proposes that EU trade, investment and economic agreements should:

- incorporate social, labour and sustainable development standards into the rules of the WTO and other UN-related agencies and in this way contribute substantially to the construction of a new fair economic and commercial order and just smart globalisation;

- include a chapter containing clauses dealing with tax offences, money laundering and aggressive tax planning and for cooperation between tax authorities;
- include a Human Rights and Due Diligence mechanism to ensure respect of labour standards and sanctions against labour rights violations⁽⁸⁾. This mechanism should be based on agreed standards enforced by proportionate, effective and dissuasive sanctions, and introduced by binding legislation containing clear definitions of the rights and proportionate reporting requirements;
- incorporate the full and real involvement of civil society organisations and social partners in the negotiation process and in the next phases of the monitoring and impact evaluation of the effects of the agreements (Domestic Advisory Groups).

5.10. The Committee urges that the EU work actively with the United States to achieve the Paris climate goals, as the United States is once again active in the climate field. Especially now that the relationship with China is becoming more problematic due to Chinese domestic and foreign politics, a strong EU-US bond is of great importance, not only in the area of climate.

5.11. The EESC recognises that the EU-China Strategic Partnership is under pressure due to the deteriorating situation in Hong Kong, the shrinking space for civil society and the human rights situation in China, in particular as regards the Uighurs. The Committee therefore calls on the Commission to make use of all possible diplomatic and political possibilities to improve the situation of the citizens of Hong Kong and minorities in China. In this context, the EESC requires that as soon as possible the Commission make a proposal to establish an EU-unique strategy (in full coherence with European policies on transport, competition, investment, human and labour rights, safety, etc.), to respond with a different initiative in the EU Member States linked to the Belt and Road Initiative.

5.12. The EESC endorses the need for ‘Stepping up international action for climate resilience’, as the Commission puts it. In doing so, we must keep in mind that outside the EU, least developed countries and small island developing states are hit hardest by the impact of climate change. That is why we insist, as part of the EU-Africa Partnership Strategy, that the EU work with the most endangered countries in Africa because, as the Commission rightly quotes the World Bank: in Sub-Saharan Africa alone, climate change may trigger the migration of up to 70 million people by 2050.

5.13. The Mediterranean area will have to return to being the neuralgic centre of Europe as it has been for centuries, an area dedicated to the exchange of people, goods and cultures. The EESC calls for the strategic role of the Mediterranean to be re-established to enable a neighbourhood policy capable of ensuring peace processes and sustainable economic, environmental and social development.

6. Promoting our European way of life

6.1. A vibrant civil society is at the heart of the European Union. Our way of life is characterised by a sense of fairness, justice and solidarity, and an understanding of the need to contribute to the common good for the benefit of all. Considering the fact that the COVID-19 crisis has had a particularly negative impact on certain societal groups such as women, youth and mobile EU citizens, who have been experiencing a ‘double lockdown’, it is now more important than ever for civil society organisations to play a central role in contributing to strengthening this way of life and they should be regarded as allies in protecting, promoting and preserving our way of life based on inclusiveness and respect for others. Therefore, the EESC asks the Commission to give civil society organisations proper, targeted support and recognition and, in this way, preserve the civic space and democratic right to association that is essential to our way of life.

6.2. One of the main lessons of the coronavirus crisis is that health systems in almost every European country need to be strengthened, focusing on prevention and guaranteeing access for all to public health structures, basic health services including vaccines, and long-term care. The situation of people in care facilities requires particular and urgent attention. While the responsibility for health care is a national responsibility, the spread of the virus is not bound by borders and requires common responses at European level.

⁽⁸⁾ See EESC opinion on mandatory due diligence and EP Legislative resolution on due diligence and corporate accountability (OJ C 429, 11.12.2020, p. 136).

6.3. The European Commission should focus on the regaining of jobs and the fight against inequality and poverty in the recovery process, and pay particular attention to supporting vulnerable groups, such as children in poverty, persons with disabilities, atypical workers, people in marginalised areas, migrants and ethnic minorities, through active and inclusive policies. Poverty in general and in-work poverty are still significant problems in many Member States. A comprehensive approach is needed at EU and Member State level to tackle these concerns, including support for effective active inclusion schemes, accompanied by essential and enabling social services.

6.4. A special focus needs to be on children and youth: this is the generation that will pay the huge public debt that countries are now creating to deal with the consequences of the pandemic. We cannot fail to consider the challenges related to their active involvement in society as well as on the labour market.

6.5. Migration remains a priority issue due to its impact on EU society and the EU economy (employment, integration, border control and the fight against racism, xenophobia, populism and discrimination). The COVID-19 pandemic is exacerbating migrants' vulnerability due to personal, social, situational and structural factors, as was the case in past economic crises. There is a need to develop more sustainable and safe legal pathways for entering the EU and to pay attention to the efficient use of mechanisms that already exist, balancing the current asylum system between security and solidarity. Besides, it is key to debunk fake news and false perceptions and to combat hate speech and political discourse against migrants. This will also help fight racism, radicalisation, xenophobia and discrimination.

6.6. The transatlantic partnership is based on our historically shared and common values. It is key in tackling global challenges and preserving international order. The EESC calls for the European Union to use the renewed transatlantic partnership to face the current global unprecedented challenges, including the rise of China and other global actors who do not align their actions with the same democratic principles. It also calls for full EU involvement in the upcoming Summit for democracy announced by President Biden and the strong involvement of civil society.

7. A new push for European democracy

7.1. The way the EU legislates ('better regulation') and the need to have a European body of legislation better able to serve citizens and businesses deserve particular attention. The EU legislative process must be more transparent, more open to input from stakeholders and easier to understand.

7.2. The participation of all citizens, through civil society organisations, associations and networks, will put the process of recovery and reshaping the future of Europe on a truly democratic basis. The EESC is therefore of the opinion that the Member States and the EU institutions should ensure that in this complex process no one is left behind, in particular, the most vulnerable. This means enabling civil society organisations to be key and equal partners in decision-making. Better implementation of TEU Article 11(2) on civil dialogue is more needed than ever. The EESC believes that one instrument for this would be the inclusion of a fourth pillar in the European Democracy Action Plan, with a strong emphasis on, and a clear strategy for, active citizenship.

7.3. European core principles of Article 2, such as democracy, rule of law and fundamental rights, including civic space, are closely linked. The rule of law report as well as the democracy action plan should be interconnected and monitor civic space issues, including civil society space. The Committee considers it desirable that the EC follow up on these action plans and deploy stronger mechanisms to defend these principles and civil society space. Where national laws conflict with EU law, infringement proceedings should be initiated.

7.4. The EESC is looking forward to the Commission's 2022 plans for a new 'Initiative on Social Dialogue', but it urges the Commission to extend it to 'Civil Society Dialogue' so that in situations where this is desirable, civil society organisations other than the traditional social partners can also participate in the dialogue. That will put civil society on an equal footing with social partners in policy-making.

7.5. The economic downturn caused by the pandemic has substantial implications for gender equality, both during the downturn and the subsequent recovery. The pandemic itself has exacerbated gender imbalances. That is why the EESC believes that it is absolutely necessary that gender equality and gender mainstreaming be addressed in all facets of EU law-making and implementation.

7.6. Fundamental rights and the rule of law are at the core of European values; they apply at any time and in any place in the EU and therefore cannot be temporarily put on hold. 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 Committee calls on the Commission to be vigilant in this regard and, where necessary, to take active action where these values are violated. Furthermore, the Commission should integrate the victims' agenda into all EU funding programmes, including EU funds managed at national and international level. The Committee recalls its proposal for an ambitious EU communication, education and public awareness strategy on fundamental rights and the rule of law and democracy.

7.7. The new EU instruments to protect and promote fundamental rights and the rule of law, for instance the new Rule of Law Review Cycle and the new mechanism for making EU funding conditional on respect for fundamental rights and the rule of law, need to be implemented in such a way that these tools can be applied quickly and effectively. In addition, the EESC calls for strengthening the role of civil society in the rule of law review cycle and a stakeholder forum.

7.8. Philanthropy and civil society have a key role to play to promote key European policy areas and they could do even more if they had a better operating environment. The new EU Money laundering and terrorism financing policy must be risk-based and proportionate to the risks it seeks to address and must not unduly restrict legitimate public benefit and philanthropy work.

7.9. As we are permanently experiencing, it is abundantly clear that further action, certainly also from the Commission, is needed to achieve free and pluralistic media and quality independent journalism, as well as effective regulation of social media, particularly to combat disinformation and including regulation of online political advertising and content responsibility.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

OPINIONS

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

561ST PLENARY SESSION OF THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – JDE62 –
INTERACTIO, 9.6.2021-10.6.2021

Opinion of the European Economic and Social Committee on ‘Towards circular public procurement’

(Own-initiative opinion)

(2021/C 341/02)

Rapporteur: **Ferre WYCKMANS**

Co-rapporteur: **Gonçalo LOBO XAVIER**

Plenary Assembly decision	20.2.2020
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1. Conclusions and recommendations

1.1. A transparent, digital and competitive Circular Public Procurement (CPP) instrument, with Green Public Procurement (GPP) as defined by EU legislation, falls under policies to promote development of the single market, to deliver high-quality goods and services to citizens and consumers, and to develop an innovative, smart, sustainable and socially responsible European public procurement culture.

1.2. The management of public procurement is a central and decisive factor in terms of increasing investment in the environment sector, the climate objectives and the Sustainable Europe Investment Plan.

1.3. Public procurement that includes minimum mandatory Green Public Procurement criteria (EU GPP criteria) falls within the scope of circular economy policies as set out in the Circular Economic Action Plan (CEAP).

1.4. Legislation and regulation must give CPP a boost through various instruments such as procurement directives and sector-specific legislation.

1.5. The introduction of CPP encourages development of the circular economy. Many of the new rules are currently still based on voluntary adjustment. The EESC calls for further steps to increase the number of mandatory agreements. In addition, it is essential that the regulatory framework be simple, clear and uniform.

1.6. The EESC is convinced that the introduction of minimum mandatory GPP criteria can raise the baseline of sustainable and CPP across Europe.

1.7. These minimum criteria do not act as an obstacle to frontrunners or hinder innovation, or give an excuse to contracting authorities to go further than the minimum. The key is that minimum mandatory criteria must be regularly checked and updated to take account of technological advancement and must not restrict those that go further.

1.8. The EESC is convinced that CPP will allow administrations to move beyond the lowest price criterion at the time of purchase and to evaluate the quality and circularity aspects of tenders and the quality of work.

1.9. The EESC considers that the quality of employment, one of the European Pillar of Social Rights principles, must be reflected in the requirement to enter into public contracts with companies that apply collective agreements or, failing that, follow the applicable national law and practice resulting from the agreements between the social partners. This will prevent social dumping and ensure fair competition.

1.10. The EESC welcomes the standardised free-to-access to Life Cycle Cost (LCC) measuring tools that have already been developed by the EC. The LCC of a product or service, and the use of criteria that go beyond price, such as quality, sustainability or social impact, inspire and encourage public buyers to use public procurement as a way of achieving a positive social and ethical impact.

1.11. It is vital to increase participation of SMEs and social enterprises in public procurement and this could be achieved by providing support to SMEs in bidding, and by using a careful balance between qualitative and quantitative criteria in the tender specifications.

1.12. The EESC is convinced that steps towards making it obligatory to include social clauses in calls for tender will ensure that the evaluation of the social aspect — which, alongside the economic and environmental aspects, represents the third pillar of sustainable development — becomes a permanent part of tendering procedures.

1.13. Similarly, the EESC thinks that ecolabels are a good mechanism to use if circularity aspects can be included, but the current directives make it unnecessarily complicated for the procurer because they put the emphasis on the procurer knowing exactly what is in the ecolabel.

1.14. It is essential to train public buyers in the legal and technical aspects of CPP and the concept of LCC, and to train those buyers that are end-users in the sustainable use of products.

1.15. For the EESC, it is vital to promote the concept of CPP, either through broader communication of good examples and practices, or through promotional campaigns or, where appropriate, public and training initiatives. There is a need for partnership and guidance through which the EU should support the development of a platform with a large procurement network.

1.16. EU institutions should also lead by example, by conducting CPP and showcasing this through case studies to emphasise the opportunities and benefits available to all public buyers.

2. General comments

2.1. Annual government expenditure accounts for around 14 % of the European Union's overall gross domestic product⁽¹⁾: governments are therefore Europe's biggest consumers and their expenditure is determined by public procurement.

⁽¹⁾ https://ec.europa.eu/growth/single-market/public-procurement_en

2.2. A transparent, digital and competitive Circular Public Procurement (CPP) instrument, with Green Public Procurement (GPP) as defined by EU legislation, falls under policies to promote development of the single market, to deliver high-quality goods and services to citizens and consumers, and to develop an innovative, smart, sustainable and socially responsible European public procurement culture ⁽²⁾.

2.3. The development of the circular economy is one of the EESC's main areas of interest. The management of public procurement is a central and decisive factor in terms of increasing investment in the environment sector, and in the Sustainable Europe Investment Plan ⁽³⁾ and the EESC opinion on the *New Circular Economic Action Plan* ⁽⁴⁾.

2.4. The aim of the opinion is to propose integration of a number of different instruments into European legislation, with a view to promoting the spread of CPP, i.e. aligning the main purpose of a contract with protection of the environment and social rights, and looking for and choosing economic solutions with a lower environmental impact during their lifespan.

2.5. Legislation and regulation must give CPP a boost through various instruments (minimum GPP-criteria, encouraging a sectoral approach, strengthening the eco-design framework and enhancing eco-design regulations, compulsory monitoring) to circular economy public procurement, with a view to:

2.5.1. Promoting quality and innovation, including from an environmental and social perspective;

2.5.2. Reducing the expenditure that local authorities currently incur for the services they offer;

2.5.3. Making public procurement smarter and more efficient;

2.5.4. Using public procurement to address global challenges such as climate change, resource scarcity and inequalities by supporting social policies;

2.5.5. Stepping up the transition to more sustainable and competitive logistics chains and business models;

2.5.6. Guiding the use of the public procurement framework in the emergency situation related to the COVID-19 crisis ⁽⁵⁾;

2.5.7. Helping SMEs and social economy enterprises access a larger market share, while promoting their presence in local markets and, at the same time, promoting an even greater presence in European industrial systems, as the virtuous circle can be a driving force for investment in environmental innovation and an increased demand for specialised and skilled jobs;

2.5.8. Defending and broadening consumer rights and better promoting the application of the principles of justice and fairness as set out in the European Pillar of Social Rights.

2.6. The introduction of CPP encourages development of the circular economy. Many of the new rules are currently still based on voluntary adjustment. The next step is to increase the number of mandatory agreements. Furthermore, it is essential that the regulatory framework be simple, clear and uniform.

⁽²⁾ The European Commission published a useful brochure on this subject in 2017: https://ec.europa.eu/environment/gpp/pdf/cp_european_commission_brochure_en.pdf

⁽³⁾ See the Commission's Circular Economic Action Plan; the EESC opinion on the *New Circular Economy Action Plan*, and the European Parliament's own initiative report.

⁽⁴⁾ OJ C 364, 28.10.2020, p.94.

⁽⁵⁾ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020XC0401\(05\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020XC0401(05)&from=EN)

3. Minimum mandatory EU GPP criteria

3.1. The introduction of minimum mandatory Green Public Procurement criteria can raise the baseline of sustainable and CPP across Europe. They can make tender specifications easier to formulate: they include obligations which public administrations are required to adhere to, advantages for businesses with environmental certifications, bonuses for deserving tenders, new tender evaluation criteria, and aggregation of public demand in order to promote a qualitative assessment of tenders. It is important that these minimum criteria do not act as an obstacle to frontrunners or hinder innovation, or give an excuse to contracting authorities to go further than the minimum. The key is that minimum mandatory criteria must be regularly checked and updated to take account of technological advancement and must not restrict those that go further. In the meantime, flexible models must promote innovation.

3.2. Socially Responsible Public Procurement (SRPP) is about achieving positive social outcomes in public contracts. SRPP has the potential to influence the broader market on both the demand and supply sides. By purchasing wisely, public buyers can promote employment opportunities, decent work and social and labour market inclusion, better conditions for people with disabilities and the disadvantaged, accessibility, as well as ethical trade ⁽⁶⁾.

3.3. Buying responsibly and ethically can also enhance the profile of those entrepreneurs most attuned to these issues, by encouraging them to engage in more responsible and sustainable management of the production process and employment of workers. This makes socially responsible public procurement a strategic tool for advancing social and labour policies effectively. It is important to implement active policies aimed at facilitating and financing companies, more specifically SMEs, that intend to promote these business models.

3.4. The social sustainability aspect requires firm commitments to ensure that public procurement contracts are only concluded with companies that apply valid collective bargaining agreements or, failing that, follow the applicable national law and practice resulting from the agreements between social partners. This will prevent social dumping and ensure fair competition.

3.5. The European Commission can facilitate the adoption of socially responsible criteria in public procurement and promote their use across the EU. It could, for example, organise a series of workshops to raise awareness of the new Buying Social Guide (expected in 2021) and the use of social criteria and clauses by public buyers in order to support social economy organisations, and maximise opportunities for social responsibility in the manufacture of goods and provision of services. It could also update the #WeBuySocialEU campaign which has collected and disseminated 71 good practices and a series of videos ⁽⁷⁾ to inspire and encourage public buyers to use public procurement as a way of achieving a positive social and ethical impact.

3.6. Through the commitment to integrating minimum GPP criteria into public procurement, social entrepreneurship and the social economy will be promoted, with positive effects both for SMEs and for consumers in conjunction with the organisations concerned. Furthermore, administrations must ensure that the introduction of environmental criteria does not lead to a significant increase in the administrative burden. Such a burden encountered through the procurement process is one of the main obstacles to SME participation.

3.7. CPP will allow administrations to move beyond the lowest price criterion at the time of purchase and to evaluate the quality and circularity aspects of tenders, the Life-Cycle Cost (LCC) of a product or service, and to use criteria that go beyond price, such as quality, sustainability or social impact. The European Commission, which has already developed standardised free-to-access LCC measuring tools ⁽⁸⁾, is well placed to provide such transparent and reliable tools, which procurers can use with confidence. These tools should also provide the option to calculate and include the carbon costs of

⁽⁶⁾ Will be mentioned in the EC Buying Social Guide that is being prepared.

⁽⁷⁾ #webuysocialeu — YouTube.

⁽⁸⁾ Life Cycle costing — GPP — Environment — European Commission (europa.eu).

products. The EESC calls for public buyers to be encouraged to make use of existing tools in public procurement to help develop innovative solutions, for example, through innovation partnerships or competitive dialogues.

3.8. The aim of CPP should be to steer contracts towards meeting a given need rather than simply purchasing a specific product as part of a routine process. In particular, a more comprehensive study of needs will allow a functional or performance-based approach to be adopted. In this way, it is possible to incorporate more flexibility into the process, and to innovate and provide the most effective solutions, thereby reducing costs and resource use. Functional and performance-based approaches may best be achieved through the procurement of services rather than products, including maintenance and take-back services. Demand for such services will create new business opportunities at the local level.

3.9. CPP can cover the promotion of a product's eco-design and its design for recyclability, extended producer responsibility, waste prevention, packaging materials, and sharing, the collaborative economy, reuse and refurbishing.

3.10. The directives do not include any specific mandatory rules on emissions or circular economy, but they enable public authorities:

- to use strategic procurement, which is a relevant and powerful way to respond to societal, environmental and economic challenges to shape the way in which both the public and private sector behave in the market;
- to address common societal goals in the procurement process based on social considerations in the awarding of contracts with a focus on promoting gender equality, employment opportunities and combating discrimination ⁽⁹⁾.

One possibility is to consider to replace the present system, which leaves the decision to use strategic procurement largely to Member States, with EU minimum criteria in some areas such as sustainability and the Life Cycle Cost. Such a policy may at the same time encourage an R & D framework to create circular solutions.

4. Specific comments

4.1. SMEs

4.1.1. The aim is to increase participation of SMEs and social enterprises in public procurement through innovative CPP and greater professionalisation of all stakeholders.

4.1.2. It is necessary to support potential suppliers — especially SMEs and social enterprises — to bid for circular public contracts. Many SMEs remain unaware of market opportunities and how to find them, including how to use the Tenders Electronic Daily (TED portal) ⁽¹⁰⁾, and how to find tenders in other countries, and struggle to provide the environmental and social evidence that procurers require in order to compare bids. Effective and efficient procurement requires quality bids.

4.1.3. In this context, social and environmental criteria can impact at which SMEs can offer their goods and services. In order to comply with these criteria, SMEs will have to make significant investments without any guarantee. Therefore, administrations must be careful not to award contracts based primarily, or only, on the lowest price, as this would hurt SMEs.

4.1.4. Increasing resource efficiency and aiming for sustainability play a role in innovation and competitive advantage for part of the production system, and this is even truer in the case of SMEs.

⁽⁹⁾ Pursuing social goals through public procurement — EASME (europa.eu).

⁽¹⁰⁾ <https://ted.europa.eu/TED/browse/browseByMap.do>

4.1.5. This innovative approach to circular public procurement not only operates at national or regional level, but undoubtedly at local level too, where its impact will be strongest in the case of SMEs and the cooperatives. The EC's Big Buyer Initiative on circular and sustainable construction, for instance, aims to increase the uptake of innovative procurement focussing on zero-emissions construction sites, heavy-duty electric vehicles, and circular construction material.

4.1.6. Greater impetus will be given to commercial innovation; streamlined monitoring (economic and environmental results) can be expected; digitalisation of procedures will help small economic entities to take part in calls for tender.

4.2. *Clauses and labels*

4.2.1. The obligation to apply the minimum EU GPP criteria to tenders of any amount (i.e. for 100 % of the value based on the bid instead of a percentage of the bid) will facilitate the transition and ensure that procurement is both 'green' and 'sustainable'.

4.2.2. Making it obligatory to include social clauses in calls for tender for the award of concession contracts and contracts for works and services and supplies, among other things, especially — but not only — those relating to labour-intensive work (such as cleaning and catering services and others), will ensure that evaluation of the social aspect — which, alongside the economic and environmental aspects, represents the third pillar of sustainable development — becomes a permanent part of tendering procedures.

4.2.3. Social clauses relate to the correct application of the applicable collective agreement covering all workers. But they can also serve the general social interest: employment of risk groups, social economy projects.

4.2.4. Wherever possible, the contracting authority should request an ecolabel or certification in the tender specifications. Ecolabels can be a valuable tool for procurers. Currently, procurers can specify that goods and services must comply with the technical specifications of an ecolabel. They can ask for a certain ecolabel, however they have to ensure that it meets certain conditions set out in the Public Procurement Directives. This is complicated and, in many cases, procurers do not have the resources and time to do this.

4.2.5. Ecolabels are a good mechanism to use if circularity aspects can be included, but the current directives make it unnecessarily complicated for the procurer — they put the emphasis on the procurer knowing exactly what is in the ecolabel. However, the point of the ecolabel is to make it easier for a procurer by not having to understand all the technical details of a product/service and its impact. It is important that the ecolabel is trusted and thoroughly checked to avoid false claims and greenwashing. As procurers move towards more functional or performance-based approaches, the demand for circular economy services will rise. Ecolabels can also be awarded for services, such as the recent EU Ecolabel for Cleaning Services.

4.3. *Training*

4.3.1. It is essential to train public buyers in the legal and technical aspects of CPP and the concept of LCC, and to train those buyers that are end-users in the sustainable use of products. ICLEI ⁽¹¹⁾, together with other organisations, updated the EC's GPP Training toolkit. A Commission training programme for relevant staff to become CPP-specialists in different areas would be an investment that can ultimately lead to lower expenditure and thus to savings. Soft skills such as market dialogue capabilities are also important. Collaboration and dialogue between buyers and suppliers help buyers understand what is available on the market and help suppliers prepare to meet buyers' future needs. Training the relevant staff to become circular procurement specialists in different areas is an investment that can ultimately lead to lower expenditure and thus to savings. In addition, it is necessary to support potential suppliers — especially SMEs and social enterprises — to bid for circular public contracts.

⁽¹¹⁾ International Council for Local Environment Initiatives (<https://iclei-europe.org>).

4.4. Promotion

4.4.1. It is vital to promote the idea of CPP, either through broader communication of good examples and practices, or possibly through other management actions, such as promotional campaigns or, where appropriate, public and training initiatives that the EESC could support and organise. As well as skilled procurers, circular public procurement requires committed decision-makers, informed users, contract managers and engaged suppliers who can meet new needs. Pilot projects provide an ideal opportunity for public buyers to build capacity, raise awareness and catalyse market change through the provision of real business opportunities. Future European funding streams should continue to support innovative CPP-pilots which promote learning through doing and provides opportunities for upscaling and replication.

4.4.2. Since 2010, the Commission has gathered 189 inspiring GPP examples. A further 12 will be prepared in 2021. Many of these also showcase CPP. It could step up efforts to promote good practices that have been disseminated across all Member States ⁽¹²⁾.

4.4.3. The Economy Circular Economy Stakeholder Platform was launched as a joint initiative by the European Commission and the EESC in March 2017. It brings together stakeholders active in the field of circular economy in Europe, and facilitates the exchange of good practices, knowledge and lessons learnt in the circular economy ⁽¹³⁾ ⁽¹⁴⁾.

4.4.4. Some countries have national procurement awards, and they usually include something for green/innovative/social procurement. The EESC proposes the creation of a European Public Procurement Award.

4.4.5. EU institutions should also lead by example, by conducting CPP and showcasing this through case studies to emphasise the opportunities and benefits available to all public buyers. In general, all tenders must include GPP criteria.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽¹²⁾ See https://ec.europa.eu/environment/gpp/case_group_en.htm.

⁽¹³⁾ See <https://circulareconomy.europa.eu/platform/en/good-practices>.

⁽¹⁴⁾ A good example of a local procurement plan is the Amsterdam plan https://mk0mratuurzaamnh901f.kinstacdn.com/wp-content/uploads/2020/01/MRA_CirculairInkopen_ENGdef01.pdf.

Opinion of the European Economic and Social Committee on 'No Green Deal without a social deal'

(Own-initiative opinion)

(2021/C 341/03)

Rapporteur: **Norbert KLUGE**

Plenary Assembly decision	20.2.2020
Legal basis	Rule 32(2) of the Rules of Procedure
	Own-initiative opinion
Section responsible	Single Market, Production and Consumption
Adopted in section	11.5.2021
Adopted at plenary	9.6.2021
Plenary session No	561
Outcome of vote	
(for/against/abstentions)	213/3/12

1. Conclusions and recommendations

1.1. States, companies and citizens together have to tackle rapidly evolving and fundamental challenges. They have to take joint responsibility for leaving nobody behind. Recovery must be built on 'protecting human and social rights, democratic values and the rule of law, unlock[ing] the full potential of the Single Market, achieving the Sustainable Development Goals (SDGs), creating a circular economy and achieving climate neutrality in the EU by 2050 at the latest' ⁽¹⁾. The EESC underlines the fact that the European Union must play a leading role in this process, including globally.

1.2. The transition towards greener and more sustainable economic paradigms will trigger high economic costs carrying the risk of increasing social inequality and the erosion of social cohesion ⁽²⁾. There will be no 'Green Deal' without an integrated 'Social Deal'. There are several key policy components necessary to guarantee a close link between the Green Deal and social justice.

1.3. The promotion of employment and skills, smooth transitions and dynamic social dialogue are clearly important elements. However, a Social Deal as an essential part of a New Green Deal is certainly not only related to 'work'. It is about income, social security and fiscal support for all who need it, including those without any access to work at all. The inclusion of all civil society actors has to be a shared endeavour and a common concern, even in company decision-making — i.e., consideration must be given to the inclusion of the most vulnerable groups.

1.4. Companies have to contribute to the Green/Social Deal within their particular capacities. They must, of course, retain the goal of being profitable and competitive. At the same time, they can play a more prominent role in managing their specific contributions to make the Green Deal, the Recovery and Resilience Plans and the industrial transformation successful and socially beneficial. This includes the promotion of entrepreneurship and the special role of SMEs, as well as the role of social economy enterprises, which should be regarded as complementary actors in linking regional and local labour markets to industrial change.

1.5. One key component of such an approach is a strong and forward-looking social dialogue ⁽³⁾. This will also support a more open and participation-oriented corporate governance. While effective decision-making is one of the key prerequisites for the success of companies and while their boards need to retain the flexibility to balance individual stakeholder interests, social dialogue can play a constructive role in order to improve the quality of company decision-making, as many empirical

⁽¹⁾ EESC proposals for post-COVID-19 recovery and reconstruction: towards a new societal model.

⁽²⁾ OJ C 47, 11.2.2020, p. 30.

⁽³⁾ OJ C 10, 11.1.2021, p. 14.

studies have confirmed. The *workers' voice* ⁽⁴⁾ seeks to effect a positive long-term change in the company by drawing on internal know-how about its procedures, thereby improving risk management and compliance control. This increases the level of information and the quality of decisions to be taken in boards.

1.6. The EESC acknowledges the European Commission's understanding of this issue expressed in the European Pillar of Social Rights Action Plan (of March 2021): As Europe moves from crisis response to recovery, 'social dialogue, information, consultation and participation of workers and their representatives at different levels (including company and sectorial level) play an important role in shaping economic transition and fostering workplace innovation, in particular with a view to the ongoing twin transitions and the changes in the world of work' ⁽⁵⁾. The Commission recommends that national authorities and the social partners ensure that workers are informed and consulted and promote the participation of workers at company level with a view to fostering workplace innovation.

1.7. This systematic understanding of the *workers' voice* in company decision-making regarding restructuring and innovation in the world of work should also be taken into consideration in the reform of the European Semester and the national resilience plans. EU trade policy could make greater use of this in the design of its common trade policy.

1.8. Although the existing EU corporate governance framework provides guidance for companies on taking account of diverse stakeholder interests, sustainable corporate governance requires a broader and pluralistic understanding of what a company is supposed to be. Acknowledging the essential importance of shareholders in overseeing companies, the EESC would like to see an incentive to consider more appropriate and stakeholder-oriented company law, within the EU corporate framework, systematically recognising the *workers' voice*. More broadly shared views and a forward-looking approach of this kind should serve to better meet the enormous challenges posed by climate and digital change and recovery from the COVID-19 pandemic.

Good corporate governance should be understood from the perspective of society, combining the 'costs' that sustainability entails for a company with the benefits that society reaps from more sustainable corporate governance. Alongside environmental benefits, these would include advances in a more inclusive society, namely through the hiring of a more diverse workforce.

1.9. The voice of all stakeholders, especially of workers as constituent elements of the company, must be an integral part of efforts to foster the sustainable and competitive companies of tomorrow in a healthy environment. SMEs, cooperatives and the operations of the social economy play an important role in this concept.

1.10. The EESC wants to see more open and inclusive thinking about the EU framework in the area of the economy in order to empower proactive citizens as entrepreneurs, workers and consumers/prosumers and enable its democratic and representative organisations to anticipate and shape the change ⁽⁶⁾. In addition, companies should be guided in making their contribution to a more inclusive society. This is the most effective way to meet the EU's objective of 'leaving nobody behind'.

⁽⁴⁾ Interest representation of employees at shop floor and company level by works councils and labour representatives in company boardrooms always interact differently as functional equivalents with social dialogue and collective bargaining systems in particular national contexts. At EU level, we have a definition of information and consultation under the EWC directive. Regarding participation in company boardrooms, EU legislation on the European Company (SE) refers only to pre-existing national provisions. For this reason, we use '*workers' voice*' as a cover/generic term to facilitate a common understanding of the purpose of this opinion.

⁽⁵⁾ https://ec.europa.eu/info/files/european-pillar-social-rights-action-plan_en

⁽⁶⁾ The European Commission is preparing an initiative on the Green empowerment of consumers that will also cover certain social elements. In addition, there will be a sustainable product initiative that will require information to be provided about the sustainability criteria of certain categories of products and will also cover social aspects.

1.11. The EESC considers that creation of long-term value as a duty of executive directors by pursuing long-term interests and, therefore, improving directors' accountability towards company sustainability should be encouraged. The contribution of workers through appropriate channels can also have a positive impact on long-term corporate strategies and investments. Methods such as board-level representation of workers have on many occasions proved their positive contribution to long-term corporate strategies and investments ⁽⁷⁾.

1.12. The social dimension needs to be recognised in the future updated industrial strategy and social as well as economic and ecological aspects have to be considered when developing Key Performance Indicators (KPIs) to better measure the transformation of European industry and its resilience in the post-pandemic period, to be included in the update of the EU industrial strategy which has been published by the Commission on 5 May 2021. Social (including labour) as well as economic and ecological aspects have to be considered on an equal footing. In addition to industrial policy and financial markets, the environmental and social dimension of KPIs should also be considered in corporate management accounting systems and decision-making and should measure natural ⁽⁸⁾, social and human capital beside financial capital. European legislation should support accounting standards in Europe which appropriately reflect the true social and economic costs.

1.13. Taking these considerations into account, the EESC wants to open up the political discussion at all levels on how to create a new EU Stakeholder Framework. The European Parliament and the upcoming EU Council presidencies need to lead this debate on how the interaction of all interest groups can be mapped out politically and also, eventually, in an improved legal EU Stakeholder Framework as one of the key prerequisites for climate-friendly and resilient, economically successful, long-term sustainable — and at the same time socially responsible — companies. This should include consideration of the behaviour of investors and capital markets.

1.14. In order to enable participation at European level and to ensure direct information, the EESC calls on the EU Commission and the EU Parliament to follow up with the discussion on an EU framework directive for minimum standards on information, consultation and worker board-level participation in cases where companies adopt EU company law.

1.15. High quality in company decision-making is in the utmost interest of all stakeholders, including shareholders. In this spirit, and driven by the EU's objectives under the Green Deal and the Recovery-Next Generation programme, the EESC calls on EU policy-makers to rethink the EU framework on corporate governance including the shareholder directive, with a view to further improvement. However, the EESC stresses the importance of impact assessment and adherence to the better regulation principles in any possible regulatory action in this regard.

1.16. While the responsibilities of all players (companies, authorities and civil society) must be clear, the EESC advocates placing a strong emphasis in such a debate towards a better EU framework for good corporate governance on the link to active labour market policies and their regional impacts, on effective public employment services, social security systems adapted to changing patterns of labour markets and on setting appropriate safety nets in terms of minimum income and social services for the most vulnerable groups.

1.17. Following the concept of good corporate governance for a successful Green Deal with an inclusive Social Deal, the EESC encourages the European Commission to incorporate into its Work Programme a broader stakeholder model as a benchmark for sustainable corporate governance. The debate on this could draw on resolutions, opinions and reports already adopted by both the EESC and the EP.

⁽⁷⁾ These aspects will be covered in the Commission's forthcoming legislative proposal on Sustainable corporate governance and in particular in the part covering the duties of directors. According to the Commission, trade unions and stakeholders must be involved in the conceptual discussion at an early stage.

⁽⁸⁾ The European Commission is already working with business on natural accounting. As various methods exist, the work under way is trying to streamline these and develop common standards for this purpose. Trade unions and stakeholders should be involved in the development of such standards.

2. The Green Deal and recovery from COVID-19 as a subject of Just Transition of Europe

2.1. The European regulatory framework still does not fully equate the social, ecological and economic goals. While the 'Action plan for financing sustainable growth' ⁽⁹⁾, which seeks to redirect capital flows towards a more sustainable economy, mainstreaming sustainability into risk management and fostering transparency and long-termism, refers to environmental, economic and social dimensions of sustainability, the unified classification system (or taxonomy) for sustainable activities so far only defines criteria for environmentally sustainable economic activities, postponing a definition of social criteria ⁽¹⁰⁾. In this context, the European Commission sees investors (and workers do invest in their company too) as one of the driving forces for sustainable development and is also exploring ways how to empower consumers and other stakeholders in the sustainability transition.

2.2. The effects of the COVID-19 pandemic on jobs and companies are unprecedented, affecting health and safety, work organisation and companies' economic and financial conditions and accelerating corporate restructuring and digitalisation trends, as well as the polarisation within our labour markets.

2.3. Against these uncertainties, European policies have to bring real improvements to people's lives ⁽¹¹⁾. The social model of inclusive, plural and democratic societies needs a resilient civil society and a sound and sustainable social environment based on national policies and integration related to work. Otherwise, nationalism and populism increasingly threatens to overturn democratic values and undermine social and political stability.

2.4. There is a genuine need to develop a broad concept of the social dimension to support the Green Deal including all relevant stakeholders. This approach should cover relevant EU as well as Members State policies, such as employment, social protection and welfare, health and education and training, with a focus on the most vulnerable groups in society.

2.5. EU Member States should promote structural reforms especially in social protection, employment and education and training policies with a view to being better equipped to face the challenges of a fair transition. This means active labour market policies, effective public employment services, social security systems adapted to changing labour market patterns and setting appropriate safety nets in terms of minimum income and social services for the most vulnerable groups.

2.6. Sustainable companies need to create competitiveness, prospects for decent work and income in resilient locations and healthy environments. This is one of the key prerequisites for European objectives and values in making the change to a beneficial Just Transition for the whole civil society. In times of transition and crisis, the involvement of employees and stakeholders is important and can build a firm foundation for the support of employees within companies and societies and thereby foster security and stability. This is key for a company's competitive advantage in a global society.

3. Towards an ecologically, socially and economically sustainable corporate governance

3.1. While respecting national and enterprise differences, information, consultation and board-level participation is a key policy issue for sustainable companies, underpinning more long-termism and improving the quality of decision-making in an economic reform agenda ⁽¹²⁾. In this context, a company's 'good reputation' becomes a competitive advantage. Sustainable corporate governance must foster a long-term and pluralistic focus in companies' decisions, while maintaining the accuracy, quality and effectiveness of the decision-making. The legal interest of companies to which directors' duties are bound should be distinguished from the shareholder interest which sometimes tends to focus on short-term profit. A pluralistic, long-term, sustainable approach should also include employees' interests and other stakeholder interests.

⁽⁹⁾ COM(2018) 97 final.

⁽¹⁰⁾ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

⁽¹¹⁾ OJ C 228, 5.7.2019, p. 24.

⁽¹²⁾ OJ C 161, 6.6.2013, p. 35.

3.2. To this end, the European Commission has undertaken some preliminary steps towards a possible legislative initiative on mandatory due diligence. The EESC strongly supports these initiatives ⁽¹³⁾.

3.3. Furthermore, a new paradigm of anticipating and managing change as an element of 'good' corporate governance that also takes into account the social costs of restructuring and change and the contribution of a company to a more inclusive society should be discussed and developed, in addition to costs and productivity indicators. The impacts on income distribution, age and gender equality, workplaces, environmental and employment quality and sustainability and social inclusion also have to be taken into account ⁽¹⁴⁾.

3.4. Social issues do not yet appear in the same way in KPIs for financial analysis and company valuation. While the European Commission tasked the European Financial Reporting Advisory Group (EFRAG) to develop a European reporting standard, a global impact measurement and valuation standard for monetising and disclosing impacts of corporate activity does not yet exist. Measuring, pricing and reporting the impact of corporations would make it easier for companies to become climate neutral.

3.5. In this regard, the EESC wants to see clear progress in the upcoming review of the directive on non-financial reporting in the area of reporting standards on social and labour aspects of governance, including working conditions, equality in boards and employment of disadvantaged workers or workers with disabilities. The all-round sustainability of companies should be measured and accurately assessed.

3.6. In line with the Green Deal and Recovery objectives, the goal of corporate management up to this point of generating returns for shareholders now has to be supplemented equally by the perception of social and ecological responsibility ⁽¹⁵⁾. Ensuring systematic channels for the *workers' voice* in company decision-making is therefore essential.

3.7. As already stated in the EESC opinion on Industrial transition towards a green and digital European economy ⁽¹⁶⁾, the EESC urges the Commission to strengthen and develop the social dimension in the adjusted and updated industrial strategy. This should also have an impact on the KPIs to be developed, such as also addressing the inclusion of social indicators. There has to be a say for employees and civil society representatives in the consultations on appropriate KPIs to measure success of the Green Deal, at both industry and company level.

3.8. It is worth considering whether the EU legal framework should help define a minimum standard of obligatory information, consultation and workers' participation via appropriate channels e.g. in company boardrooms for the *workers' voice* ⁽¹⁷⁾, guaranteeing early information for and consultation of workers, as well as the anticipation of change. Although there is a positive track record here, there is a need to improve the implementation and enforcement.

3.9. At the same time, gender equality in company boardrooms and executive management positions has to be increased. Circumvention or reduction of workers' board-level participation, corporate legal engineering and artificial constructions such as letterbox companies, created with the purpose of avoiding worker participation, have to be prevented. For workers' board-level participation as foreseen in the national law of at least twelve Member States, and usually understood as co-determination, this means an approach that actively develops and promotes a mandatory minimum floor of participation rights based on common European minimum standards of representation. One example is

⁽¹³⁾ OJ C 429, 11.12.2020, p. 136.

⁽¹⁴⁾ For example, the considerations of the 'Value Balancing Alliance' could help to weight investments in qualified personnel more heavily in the balance sheets. In this alliance, the boards of several large — German — companies are currently working together. <https://www.value-balancing.com/>

⁽¹⁵⁾ OJ C 106, 31.3.2020, p. 1.

⁽¹⁶⁾ OJ C 56, 16.2.2021, p. 10.

⁽¹⁷⁾ OJ C 10, 11.1.2021, p. 14.

the EWC Directive, which has to better match current realities and the future needs of transnational restructuring, the implementation of providing the EWCs with the necessary resources and competences and providing for sanctions for companies disobeying the rules. Sectoral consultation should also play a more active role.

3.10. A social Europe has to be guided by common rules that ensure corporations and their owners adhere to 'good corporate governance'. This serves as an essential element in an effective social dialogue ⁽¹⁸⁾. In this regard, a binding EU legal framework on due diligence and responsible business conduct with a workers' involvement component will play an important role.

3.11. 'Mainstreaming of participation' should become a cross-cutting structural element in all European legislation and initiatives that have an impact on working and living conditions, in order to promote social security and growth.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽¹⁸⁾ OJ C 10, 11.1.2021, p. 14.

III

(Preparatory acts)

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

**561ST PLENARY SESSION OF THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – JDE62 –
INTERACTIO, 9.6.2021-10.6.2021****Opinion of the European Economic and Social Committee on ‘Proposal for a Council Regulation
establishing the Joint Undertakings under Horizon Europe’***(COM(2021) 87 final — 2021/0048 (NLE))**(2021/C 341/04)*Rapporteur-general: **Anastasis YIAPANIS**

Referral	Council of the European Union, 6.5.2021
Legal basis	Articles 187 and 188 of the Treaty on the Functioning of the European Union
Section responsible	Single Market, Production and Consumption
Bureau decision	23.3.2021
Adopted at plenary	9.6.2021
Plenary session No	561
Outcome of vote	
(for/against/abstentions)	160/0/3

1. Conclusions and recommendations

1.1. The European Economic and Social Committee (EESC) considers that the end results of the joint undertakings' (JUs) activity are of utmost importance for the future of the European economy. The momentum to mobilise all possible resources and transform our economy is now, empowering breakthrough technologies and sustainable economic models.

1.2. Interaction and collaborations with other European partnerships should focus on strategic and impact-driven results. Synergies between the different Union funding programmes and Union policies, as well as synergies with EU and national funding provided at Member States level, are vital for guaranteeing R&I projects have the greatest possible impact.

1.3. It is not very clear if and how the European partnerships will be open to as many stakeholders as possible. The EESC considers that the principles of open participation and transparency should govern the activity of all joint undertakings.

1.4. The involvement of social partners and civil society organisations is of paramount importance for the JUs' success, both as providers of expertise and as communication channels. The EESC calls for permanent civil society dialogue within existing JU advisory groups and the inclusion of relevant social partners and Civil Society Organisations (CSOs) in the Stakeholder Groups of the JUs.

1.5. Heterogeneous rules across the different JUs create a lack of clarity and the EESC calls for a homogenous approach as much as possible, while respecting the specificity of each JU.

1.6. The EESC is worried about the limited number of organisations called for as private founders for several undertakings. It also calls for openness and transparency in the selection of the associated members. The joint undertakings should seek to attract the membership of as many Member States as possible. The benefit to become member is very limited considering the open calls principle for funding. Hence, the number of private seats in the governing board should be increased such as in the Clean Aviation JU.

1.7. Article 26(4)(b) should be changed to 'members **and** contributing partners' financial contributions to the joint undertaking for the operational costs'. The role of contributing partners is unclear in terms of participation in the activities, involvement in governance, benefit to bring financial contribution, etc.

1.8. There is a need to ensure the leverage effect of the EU funding as much as possible and foster private contributions that reflect the capacity of the contributors. The EESC appreciates the proposal that the annual costs for SMEs should be significantly lower and is in favour of dedicating a part of the JUs' budget to SME activities.

1.9. The EESC calls for an exact explanation of the procedure to set up the work programme for each JU and to have it included in part I of the Regulation. Full availability of the final research results should be disseminated to all the EU stakeholders.

1.10. The EESC highly appreciates the proposal to eliminate the obligation for partners to report on non-eligible costs and the intention to avoid double auditing.

1.11. The EU's own interest must be pursued and the European Research Area and Europe's capacity for innovation strengthened. The EESC clearly points out that the results of the research by the joint undertakings should be put to good use industrially in the EU using European technology.

1.12. European innovation and patents should be well protected from hostile intentions and economic espionage. The implementation of the European Unitary Patent is a must and intellectual property and patents are a key issue, but they are not mentioned in the Commission's legislative proposal.

1.13. The EESC welcomes the monitoring obligations for SME inclusion, geographical composition and the co-funding rate. Qualitative indicators, such as the type of innovations brought, advantages for civil society and the number of new jobs created should also be introduced.

2. Introduction

2.1. The European recovery strategy is very clear, focusing on the twin transition: green and digital, and addressing strategic dependencies. In this regard, the joint undertakings have a very important role to play in bringing together European expertise from different economic sectors, fostering competitiveness, improving skills and strengthening the industrial base.

2.2. The European Commission proposes to create nine joint undertakings, under Horizon Europe's Pillar II — 'Global Challenges and European Industrial Competitiveness': Circular Bio-based Europe, Clean Aviation, Clean Hydrogen, Europe's Rail, Global Health EDCTP3, Innovative Health Initiative, Key Digital Technologies, Single European Sky ATM Research and Smart Networks and Services.

2.3. The agendas of all joint undertakings should build on the European Green Deal ⁽¹⁾, the European Digital Strategy ⁽²⁾, the United Nations Sustainable Development Goals ⁽³⁾ and translate the goals of the update of the 2020 Industrial Strategy: towards a stronger single market for Europe's recovery ⁽⁴⁾. They should include the EU social partners and civil society organisations, SMEs, public authorities and other interested stakeholders. This has not been the case so far.

⁽¹⁾ COM(2019) 640 final.

⁽²⁾ COM(2020) 67 final.

⁽³⁾ The United Nations Sustainable Development Goals.

⁽⁴⁾ https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1884

2.4. The main objective of the JUs is to stimulate research and innovation across the Union, while accelerating economic, social, digital and ecological transitions. It is very clear that the JUs have the capacity to develop strong public-private partnerships capable of strengthening EU leadership, boosting competitiveness and growth and gathering knowledge, expertise and scientific excellence from across the Union and third countries. Sharing the knowledge across territories, and among citizens and businesses is extremely important.

2.5. Research and innovation are also extremely important for Europe's sustainable recovery after the pandemic, ensuring the competitiveness of the economy, job creation, sustainable growth and contributing to its autonomy. Only by investing big in R&I will the EU prevail on the world stage. The momentum to mobilise all possible resources and transform our economy is now, empowering breakthrough technologies and sustainable economic models.

2.6. In terms of investments in R&I, the EU is lagging behind compared to other parts of the world, especially the USA and Asia. The same goes for capacity and the speed with which R&D results are translated into innovative products and services. This is not acceptable in the long run and Europe can only become a worldwide leader if it capitalises on the momentum created by Horizon 2020. The EESC has already warned that 'technologies developed in Europe are far too often commercialised elsewhere. The EU has not been able to create tech giants. Too few young leading innovative companies grow to be large R&D-intensive firms' ⁽⁵⁾.

3. General comments

3.1. Joint undertakings are mobilising European, national and private funds with the intention of bringing together the most important stakeholders from the European research arena including associated countries. The EESC considers that the end results of their activity are of utmost importance for the future of the European economy.

3.2. Full transparency and ambitious objective-driven activities should characterise the activity of each JU. Interaction and collaborations with other European partnerships, and especially with the other some 120 partnership initiatives within Horizon 2020, should focus on strategic and impact-driven results. Finally, 'synergies between the different Union funding programmes and Union policies, namely with structural funds through compatible regulations, are vital for guaranteeing the greatest impact of R&I projects' ⁽⁶⁾.

3.3. The EESC appreciates the Commission's intention to open up the European partnerships to as many stakeholders as possible, but it is not very clear if and how that will be actually done. The private founding members are quite limited, while the associated members are to be selected by a limited governing board. It is also not clear how the contributing partners are going to be incentivised to join the joint undertakings. Finally, the EESC considers that the principles of open participation and transparency should govern the activity of all joint undertakings.

3.4. The EESC points out that part II of the Regulation implies sometimes different approaches and organisational rules for the JUs. There is a need to ensure the leverage effect of the EU funding as much as possible and foster private contributions that reflect the capacity of the contributors.

3.5. In terms of geographically-balanced representation, it is only the Europe Rail JU that introduces such an organisational rule. Furthermore, although cooperation between the joint undertakings is extremely important, this is mentioned only in relation to the Clean Aviation and SESAR JUs.

3.6. The EESC also observes that for the Clean Hydrogen, EDCTP 3, Smart Network and Services and Key Digital Technologies JUs there is no mention of the selection of associated members. Furthermore, in some cases they must be endorsed by the Commission while in others simply selected by the governing board. The EESC believes that homogenous rules would create more clarity.

⁽⁵⁾ OJ C 364, 28.10.2020, p. 108.

⁽⁶⁾ OJ C 62, 15.2.2019, p. 33.

3.7. The EESC is worried about the limited number of organisations called for as private founders for several undertakings. It is extremely important that the availability of and access to the JUs is as wide as possible. The EESC calls for a thorough analysis focusing on widening the proposed founding members for all JUs and on openness and transparency in the selection of the associated members. Furthermore, in order to ensure coherence with national and regional policies, the joint undertakings should seek to attract the membership of as many Member States as possible. The benefit to become member is very limited considering the open calls principle for funding. Hence, the EESC considers that the number of private seats in the governing board should be increased, such as in the case of the Clean Aviation JU.

4. Specific comments

4.1. Member States have different structural innovation ecosystems, while successful research and innovation does not thrive in the same way. The EESC calls for investments from and the involvement of all Member States, especially the ones that are less advanced. The activity of the JUs must be synchronised with other EU research and innovation programmes, including the Recovery and Resilience Facility ⁽⁷⁾. Member States should be recommended to build structured links of their national recovery plans to the JUs Strategic Research and Innovation Agendas and create synergies, including the national level funding programmes.

4.2. The EESC appreciates the budgetary contribution from the EU budget of almost EUR 10 billion. It considers that it could be increased in some crucial sectors in order to mobilise important additional resources from the private sector and Member States budgets. The Multiannual Financial Frameworks agreement from December 2020 regarding EUR 5 billion to be allocated from the NextGenerationEU to Horizon Europe should top up the funding of the JUs covering the sectors hardly hit by COVID-19 pandemic and those addressing strategic dependencies. However, article 26(4)(b) should be changed to 'members and contributing partners' financial contributions to the joint undertaking for the operational costs'.

4.3. The EESC asks for more clarity, transparency and an ex ante cost benefit analysis regarding the proposal to establish a common back office for all joint undertakings in order to assess if there will be a real added value and gain on efficiency. Also, the EESC expects that the administration of the back office will be fully transparent to citizens and businesses and that use will be made of the top available technology, including blockchain, big data analysis etc.

4.4. The involvement of social partners and civil society organisations is of paramount importance for the JUs' success. They should be thoroughly involved both as providers of expertise and as communication channels, so that progress and end results reach the entire European business community, along with workers, consumers and citizens. The EESC calls for permanent civil society dialogue within existing JU advisory groups and the inclusion of the relevant social partners and CSOs in the Stakeholder Groups.

4.5. The EESC is of the view that there should be several differences in the organisation of the JUs, as they cover different sectors with specific features. However, the principles of open participation for all interested stakeholders and SME access should be clearly specified for all JUs. This is not the case at the moment. The EESC has mentioned that 'despite previous efforts throughout the framework programmes, SMEs should be more involved in activities based on R&I and Horizon Europe would be the best chance to get them on board' ⁽⁸⁾.

4.6. SMEs have common problems and need support for scaling up and reaching international markets. The EESC appreciates that the annual administrative costs for SMEs should be significantly lower than for the large companies. It is not clear, however, why SME representatives are included in some governing boards (e.g. Circular Bio-based JU, Clean Aviation) and not in others.

4.7. The EESC considers that a part of the JUs' budget should be dedicated to SMEs activities. Such a budget should be made available as soon as possible after the set-up of the JUs and should be clearly available on the official website of each JU.

⁽⁷⁾ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

⁽⁸⁾ OJ C 62, 15.2.2019, p. 33.

4.8. The Commission needs to make sure that the available funds are open to all willing participants, who respond to the calls in all JUs, and that the acceptance of projects is transparent and fair. The EESC warns of the possibility that some organisations that are supported by the founding members in the JUs may have some kind of preferential access facility. This would transform the programme into a large subsidy support scheme, which the EESC finds totally unacceptable.

4.9. The EESC calls for an exact explanation of the procedure to set up the work programme for each JU and to have it included in part I of the Regulation. Clearly, a situation where JUs are funding research programmes that companies would have performed anyway should be avoided. Finally, the EESC calls for the final research results to be available all the EU stakeholders.

4.10. In terms of simplification, the EESC highly appreciates the proposal to eliminate the obligation for partners to report on non-eligible costs and the intention to avoid double auditing. It also welcomes the removal of the need for the additional activities costs to be audited, either by the JU or any other EU authority.

4.11. Gathering as many international stakeholders as possible is important for the success of the JUs. However, the EU's own interest must be pursued and the European Research Area and Europe's capacity for innovation strengthened. The EESC clearly points out that the results of the research by the joint undertakings should be exploited industrially in the EU using European technology.

4.12. The EESC has already mentioned that 'the EU cannot maintain its lead in innovation without people with appropriate skills and without smart intellectual propriety policies. We need to make sure that European innovation and patents are well protected from hostile intentions and economic espionage. The implementation of the European Unitary Patent is therefore a must' ⁽⁹⁾. For example, in 2019, Asia submitted 65 % of global patent applications. Europe is at 11,3 % ⁽¹⁰⁾. Intellectual property and patents are a key issue, but are sadly not mentioned in the Commission's proposal.

4.13. The EESC appreciates article 171 dedicated to the monitoring and evaluation of the JUs' activities. It welcomes in particular the monitoring obligations for SME inclusion, geographical composition and the co-funding rate. However, the EESC suggests that the word 'periodic' be replaced by 'yearly' or 'biennially', in order to remove the ambiguity. For the same reason, the Commission should make it clear which service is in charge of monitoring activities.

4.14. The EESC maintains its opinion that 'the "smartness" of a socio-economic system cannot be measured solely on the basis of quantitative indicators such as research and innovation spending; use should also be made of qualitative indicators such as the type of innovations brought, advantages for civil society and the number of new jobs created' ⁽¹¹⁾.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽⁹⁾ OJ C 364, 28.10.2020, p. 108.

⁽¹⁰⁾ World Intellectual Property Indicators 2020.

⁽¹¹⁾ OJ C 440, 6.12.2018, p. 73.

Opinion of the European Economic and Social Committee on ‘Proposal for a decision of the European Parliament and of the Council on the participation of the Union in the European Partnership on Metrology jointly undertaken by several Member States’

(COM(2021) 89 final — 2021/0049 (COD))

(2021/C 341/05)

Rapporteur: **Philip VON BROCKDORFF**

Referral	European Parliament, 17.5.2021 Council, 5.5.2021
Legal basis	Article 114 of the Treaty on the Functioning of the European Union
Section responsible	Single Market, Production and Consumption
Adopted in section	11.5.2021
Adopted at plenary	9.6.2021
Plenary session No	561
Outcome of vote	
(for/against/abstentions)	229/0/3

1. Conclusions and recommendations

1.1. The EESC welcomes the Commission proposal for a European Partnership on Metrology as this supports research and innovation in advanced communication technologies such as 5G, the internet of things (IoT), the smart grid and smart homes, next-generation automotive technologies and smart manufacturing, to name a few.

1.2. The EESC considers the proposal to be an important step towards a European economy that aims to be at the forefront of industry, technology and digitalisation. Advance metrology can play a supporting role in some of Europe's biggest challenges, from healthcare to climate change. However, harmonisation and cross-border compatibility in metrology is key to all this.

1.3. The EESC is of the view that European Metrology Networks (EMN), with their strong focus on stakeholders and their needs, will contribute more effectively towards the research and innovation agenda of the European Partnership on Metrology.

1.4. The EESC also welcomes the funding of joint research projects in this area as this will no doubt accelerate innovation using metrology solutions, capabilities and infrastructure. This is likely to enhance opportunities for new or significantly improved products and services produced or provided by EU companies.

1.5. The EESC believes in the importance of engagement with stakeholders along the metrology value chain to maximise uptake of emerging technologies and contribute to addressing major societal challenges.

1.6. The EESC is also of the view that enhancing Europe's competitive edge in emerging technologies and new product development can only be maintained by adopting a pan-European approach to metrology. This proposal supports this objective by avoiding fragmentation in identifying metrology solutions in the EU.

1.7. The EESC emphasises the importance of metrology as an integral part of the innovation required to support economic recovery across the EU as well as the commitment on the part of Metrology Institutes to support collaborative research and innovation in metrology. The EESC also notes that advanced metrology helps reduce energy consumption and achieve climate change targets in line with Next Generation EU objectives.

1.8. The EESC recognises the role that improved and harmonised measurement and standards could play in the efficient functioning of the Single Market, particularly when EU citizens have adequate information about the products available in the Single Market. Advanced metrology helps achieve this as well as reducing transaction costs associated with participating in the Single Market.

1.9. The EESC believes that precise measurement standards must be accessible and understandable to all stakeholders involved, particularly small businesses and consumers. This will reap significant benefits for the EU's economy as it emerges from its COVID-induced slowdown, particularly as it transitions towards a greener, more digital Europe, while also promoting trust along the entire supply chain.

1.10. Finally, the EESC highlights the evident need to raise awareness among EU citizens of the importance of metrology in areas such as healthcare, manufacturing, advanced communications technologies and the safety of workers in the workplace.

2. Background

2.1. Metrology deals with the scientific study of measurements with respect to industry standards and various units of parameters. Measurements are essential for innovation as they not only impact quality but also influence different technical parameters. In the manufacturing industry, for instance, metrology allows companies to meet consumer design specifications; expected functional outcomes; and compliance regulations and standards.

2.2. Measurement techniques are constantly evolving and this together with rapid technological advancement is supplementing the demand for accurate and reliable metrology products. In response to this, on 23 February 2021, the European Commission published its proposal for a Decision of the European Parliament and of the Council on the participation of the Union in the European Partnership on Metrology jointly undertaken by several Member States.

2.3. Metrology was acknowledged by the co-legislators as one of the priority areas identified for possible Institutionalised European Partnerships based on Article 185 or Article 187 TFEU under the Horizon Europe Regulation. The present proposal for a European Metrology Partnership builds on the lessons learnt from the European metrology research programme (EMRP) and the European metrology programme on innovation and research (EMPIR). However, the present initiative represents a new partnership to meet new challenges. It is not intended as a mere continuation of previous programmes.

2.4. The Metrology Partnership shall, through the involvement and commitment of partners in designing and implementing a programme of research and innovation activities, pursue the following general objectives:

- (a) to develop a sustainable coordinated metrology system on a European level;
- (b) to ensure that state-of-the-art metrology capabilities are taken up directly by innovators in their ecosystems;
- (c) to increase the impact of metrology on societal challenges in relation to the implementation of policies, standards and regulations to make them fit for purpose.

2.5. When implementing the general objectives set out above, the Metrology Partnership shall pursue the following specific objectives:

- (a) to develop by 2030 new research capabilities which are built within the framework of new European Metrology Networks and which perform in terms of calibration and measurement capabilities at least equal to the leading metrology institutes outside the Participating States;
- (b) to support, by 2030, sales of new innovative products and services through the use and adoption of the new metrology capabilities in key emerging technologies;
- (c) to contribute fully and effectively, by 2030, to the design and implementation of specific standards and regulations that underpin public policies addressing societal challenges.

3. General comments

3.1. The world is facing an economic crisis caused by the COVID-19 pandemic. As has happened to other markets, this has also led to a decline in the growth rate of the industrial metrology market, especially in 2020 and 2021. This is because organisations in most of the major demand-generating verticals are currently, or were, non-operational in various countries, thereby negatively impacting the industrial metrology market. The COVID-19 pandemic has also impacted operations on a massive scale, and manufacturers are facing the challenge of assessing the impact. Past and current lockdowns resulting in the shutdown of manufacturing facilities have put a lot of strain on the industrial sector.

3.2. Prior to the global pandemic, the market had witnessed significant growth over the past years, mainly owing to the rising demand for big data analytics, and increasing demand for automobiles in emerging economies. In the future, however, the global industrial metrology market is expected to grow from USD 9,8 billion in 2021 to USD 13,2 billion by 2026. The reasons for this are the increasing adoption of cloud services in the integration of metrological data and the increase in demand for metrology in industry. The latter shall considerably boost the industrial metrology market in the coming years with the hardware segment expected to dominate the industrial metrology market.

3.3. Europe as a global player faces increased global competition in metrology in terms of scale and focus of investment as well as long-term financial commitment to metrology objectives. In the last decade, the US, China and India increased their investments in metrology by 60 %, 50 % and 52 % respectively. Investments in European institutes, however, remained relatively static and did not respond to new and increasingly important research fields. The apparent inadequate level of investment in Europe, coupled with the fragmentation of metrology capabilities, has resulted in efforts being spread out too thinly, without any strategic focus and a relative inability to capitalise on potential economies of scale and strategic complementarities.

3.4. In recent years, related investments outside the EU have surpassed those within the EU. In the US, for example, the National Institute of Standards and Technology (NIST), which is the country's national metrology institute, has a comparatively huge annual budget for its research programme for fundamental measurements and quantum science. The same applies for the National Institute of Metrology (NIM) in China with its targeted research programme for metrology. By comparison, PTB, the national metrology institute (NMI) in Germany and the largest in Europe, covers both research and metrology services for industry and society with its budget.

3.5. The EU's global competitors are making these strategic investments because of the growing need for metrology solutions targeting emerging technologies and new product development. In the Asia-Pacific region, for instance, the rapid increase in industrialisation and rapid evolution of technology is driving market demand. The surge in demand for high quality products in manufacturing and automation sector in countries like China, India and other growing economies is in fact fuelling the expansion of the metrology market in this part of the world.

3.6. Evidently, the metrology market is growing because of an increase in demand for accuracy and precision measurements in multiple industries with the consequence of increasing competition among the key players in the global metrology market such as Carl Zeiss (Germany), Hexagon AB (Sweden), Mitutoyo Corp. (U.S.), Renishaw (U.K.), Nikon metrology (Belgium), Metrology software products Ltd. (U.K.), 3D Digital Corporation (U.S.), Perception Inc. (U.S.) and Faro Technologies (U.S.) and others.

3.7. The metrology market can be segmented on the basis of type, product and end-users. On the basis of type, it is segmented into industrial metrology, scientific metrology and legal metrology. On the basis of products, the market is segmented into coordinated measuring machines (CMM) and optical digitisers, 3D scanners, laser trackers and others. On the basis of end-users, the market is segmented into aerospace, automotive, consumer electronics, industrial, energy and power among others. On the basis of region, the global metrology market is segmented into North and South America, Europe, Asia-Pacific and the rest of the world. Europe has the potential to be a dominant player with an increasing share in the global metrology market and this can be achieved with further technological advancement and investment in research.

4. Specific comments

4.1. Reliable measurements are essential for innovation in economies and societies: metrology, the science of measurement, is vital for scientific research, trade and industry. New societal challenges and emerging technologies increase the need for accuracy, precision and novel measurement capabilities. Advanced communication technologies such as 5G, the internet of things (IoT), the smart grid and smart homes, next-generation automotive technologies and smart manufacturing, to name a few, all depend on advances in metrology. Hence, the EESC welcomes the Commission proposal for a European Partnership on Metrology.

4.2. The EESC considers the proposal as a building block for a European economy that aims to be at the forefront of industry, technology and digitalisation. It also recognises the important role the metrological infrastructure can play in innovation and tackling some of Europe's biggest challenges, from healthcare to climate change. Though individual Member States and individual systems may have their own specificities, achieving harmonisation and cross-border compatibility in metrology is an important objective and one which the EESC fully supports.

4.3. The establishment of sustainable EMNs in highly competitive and emerging areas, able to compete with the top global performers, is crucial for the future of European economies and could also support economic recovery following COVID-19 and its effects. The EESC considers that EMNs, with their strong focus on stakeholders and their needs, will contribute more effectively towards the research and innovation agenda of the European Partnership on Metrology.

4.4. The EESC also welcomes the funding of joint research projects as this will no doubt accelerate innovation using metrology solutions, capabilities and infrastructure. This is also likely to enhance opportunities for new or significantly improved products and services produced in the EU or by EU companies based in third countries. Moreover, financial support for joint research projects would boost efforts to increase and coordinate the role of metrology in the design and implementation of more evidence-based public policies.

4.5. The EESC also believes that the engagement with stakeholders along the metrology value chain to maximise uptake of emerging technologies and contribution to addressing major societal challenges is very important. A European Partnership on Metrology would also support a wide range of European policies, commerce and public services. In addition, further opportunities for Public Private Partnerships (PPPs) could help accelerate Europe's global lead in metrology research and stimulate new innovative products, responding to new demands for precision-products.

4.6. The EESC is also of the view that enhancing Europe's competitive edge in emerging technologies and new product development can only be maintained by adopting a pan-European approach to metrology. This proposal supports this objective by avoiding fragmentation in identifying metrology solutions in Europe which could and place Europe at the top of global performers in providing metrology services for existing, complex measurement challenges and new technologies. This approach also supports Small and Medium Enterprises (SMEs) that rely on metrology in both research and services in the development of quality products.

4.7. The EESC emphasises the importance of metrology as an integral part of the innovation required to support economic recovery as well as the commitment on the part of Metrology Institutes in the EU to support collaborative research and innovation in metrology. At its core, metrology links science and economic activity closely as measurement is a cornerstone for economic transactions, optimisation of production, consumer and business confidence and innovation. Advanced metrology also allows companies to have an optimum scale of production which results in carbon neutrality. Hence, reducing energy consumption in industry is consistent with one of the main objectives of the Recovery and Resilience Facility of Next Generation EU. Furthermore, ongoing research and innovation in metrology supports both innovation and climate change targets. Also relevant is that advances in metrology support public services in implementing regulation much more effectively than is the case today.

4.8. The EESC also identifies further economic benefits resulting from research and innovation in metrology, namely limiting market failure, reduced transaction costs, and increased overall economic efficiency. Improved and harmonised measurement and standards could play an important role in the efficient functioning of the Single Market. It would operate far more efficiently or effectively if EU citizens have adequate information about the products available in the Single Market.

Asymmetric information between buyers and sellers is one of the most common sources of market failure, which occurs when the buyer cannot determine with a high degree of accuracy the quality of a product. Through the provision of more advanced measurement and standards, buyers can measure the quality of products given there are agreed standards and they can therefore differentiate between lower and higher quality products. This then eliminates the asymmetric information, as well as correcting the market failure present, thus increasing the efficiency of the Single Market.

4.9. Another obstacle to the Single Market is transaction costs associated with participating in an economic exchange. Transaction costs arise as a result of the information between consumers and producers being asymmetric and incomplete. This could be addressed by more advanced metrology with the buyer spending less time searching for goods if he or she is assured about the quality of the product being purchased. Clearly, the need for standard, transparent and seamless measurement is critical, both for clients/consumers and businesses.

4.10. In effect, advanced metrology benefits producers in the design of products in accordance with a standard. This allows producers to incur fewer costs associated with correcting defects to meet specifications. This, in turn, facilitates certification and consumer trust in the certification and performance of a product.

4.11. A further point worth mentioning is the continued need for measurement standards and units to be not only accurate and transparent but also accessible and understandable to all stakeholders involved, particularly small businesses and consumers, who form the backbone of the EU economy. This will not only assist in overcoming the market challenges mentioned above, but also reap significant benefits for the EU's economy as it emerges from its COVID-induced slowdown, particularly as it transitions towards a greener, more digital Europe, while also promoting trust along the entire supply-chain. Thus, such considerations related to accessibility must be at the forefront of any strategy aimed at boosting investment in advanced metrology.

4.12. Finally, the EESC highlights the evident need to raise awareness among EU citizens of the importance of metrology. Companies rely on metrology to produce precise specifications for a quality final product which, in turn, meets market demand. Industries turn to advanced measurements to scale up production, including for vaccines, and avoid huge losses. Metrology also makes manufacturing plants safer for workers. Just as important is the relevance of metrology in support of emerging technologies such as quantum technology and so the EU needs to enhance its capacity to develop advanced metrology systems and rely less on other competitor nations.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1628 as regards the transitional provisions of certain machinery fitted with engines in the power range between 56 kW and 130 kW, and above 300 kW in order to address the impact of the COVID-19 crisis’

(COM(2021) 254 final — 2021/0129 (COD))

(2021/C 341/06)

Rapporteur: **Christophe LEFÈVRE**

Referral	European Parliament, 20.5.2021 Council, 25.5.2021
Legal basis	Article 114 of the Treaty on the Functioning of the European Union
Section responsible	Single Market, Production and Consumption
President’s decision	20.5.2021
Adopted at plenary	9.6.2021
Plenary session No	561
Outcome of vote (for/against/abstentions)	206/1/11

1. Conclusions and recommendations

1.1. In the light of the COVID-19 crisis, which has caused a major disruption of supply chains for manufacturers of non-road mobile machinery (NRMM), the EESC has looked into the proposal to extend some of the deadlines set in Regulation (EU) 2016/1628 of the European Parliament and of the Council ⁽¹⁾ and subsequently in Regulation (EU) 2020/1040 of the European Parliament and of the Council ⁽²⁾.

1.2. The EESC welcomes the new proposal for a regulation, which it deems to be an appropriate and proportionate response to the economic consequences of the COVID-19 crisis.

1.3. The six-month extension for the manufacture of non-road mobile machinery fitted with ‘transition engines’ and the nine-month extension for the placing on the market, instead of 12 months for both in 2020, are therefore warranted and balanced.

1.4. While the EESC reiterates the need to contribute to meeting the EU’s air quality targets, it also believes that the proposal guarantees the smooth operation of the market, while ensuring both economic balance for the parties concerned and a high level of public health and environmental protection.

2. Gist of the Commission proposal

2.1. Regulation (EU) 2016/1628 sets out new emissions limits (‘Stage V’), designed to reduce the emissions of air pollutants from engines for non-road mobile machinery (NRMM), and provides some lead time to make this transition.

2.2. The COVID-19 pandemic has disrupted supply chains considerably, with an impact on the ability of NRMM manufacturers to meet some of the deadlines set by Regulation (EU) 2016/1628.

⁽¹⁾ Regulation (EU) 2016/1628 of the European Parliament and of the Council of 14 September 2016 on requirements relating to gaseous and particulate pollutant emission limits and type-approval for internal combustion engines for non-road mobile machinery, amending Regulations (EU) No 1024/2012 and (EU) No 167/2013, and amending and repealing Directive 97/68/EC (OJ L 252, 16.9.2016, p. 53).

⁽²⁾ Regulation (EU) 2020/1040 of the European Parliament and of the Council of 15 July 2020 amending Regulation (EU) 2016/1628 as regards its transitional provisions in order to address the impact of the COVID-19 crisis (OJ L 231, 17.7.2020, p. 1).

2.3. This Regulation was thus amended by Regulation (EU) 2020/1040, which provided for the postponement of certain deadlines that manufacturers could no longer meet without sustaining serious economic damage due to the unexpected disruptions in the supply chain. Manufacturers were granted an additional period of 12 months for the production and placing on the market of machinery fitted with 'transition engines' with a power range of between 56 kW and 130 kW, the production of which was to be completed by 30 June 2020, and the placing on the market by 31 December 2020 at the latest.

2.4. However, due to the continued supply chain and production disruptions caused by the COVID-19 second and third waves, manufacturers will not be able to meet the 2021 deadlines applicable to machinery fitted with transition engines in the power range between 56 kW and 130 kW, and above 300 kW without sustaining serious economic damage.

2.5. These dates must therefore be extended, to avoid a situation in which transition engines, (the numbers of which are capped), can no longer be fitted in the machinery in time and therefore have to be scrapped.

2.6. While there are still supply chain and productions distortions, they cannot be compared with the ones that prevailed in spring 2020. For these reasons, a six-month extension for the manufacture of machinery fitted with those engines and a nine-month extension for their placing on the market, instead of 12 months for both in 2020, are warranted.

2.7. Finally, the proposed extension will also apply to agricultural and forestry vehicles fitted with transition engines, as they are subject to NRMM provisions on pollutant emissions.

3. General comments

3.1. The EESC reiterates its frequently stated belief that reducing harmful emissions of carbon monoxide, nitrogen oxides, hydrocarbons and particulates from the engines of non-road mobile machinery is a vital step towards achieving the EU's air quality targets.

3.2. In its opinion on Regulation (EU) 2016/1628, the EESC recommended rapid approval of the new regulation in view of the strong public health concerns about nanoparticles resulting from combustion processes and the high level of protection that can be achieved by implementing the proposed Stage V for NRMM engines.

3.3. However, the EESC is well aware that the COVID-19 crisis has caused significant disruptions to the supply chain and production, which are continuing due to the second and third waves, and that manufacturers will consequently not be able to meet the 2021 deadlines without suffering serious economic damage.

3.4. Furthermore, the EESC is fully aware that the crisis was not and could not have been foreseen and that these are quite exceptional circumstances. The EESC thus recognises that the COVID-19 pandemic represents a major challenge for the vast majority of European economic sectors.

3.5. The EESC therefore supports the extension of six months for the manufacture of machinery fitted with these engines and the extension of nine months for placing on the market instead of 12 months for both in 2020.

3.6. In the EESC's view, this is a reasonable and proportionate measure aimed at ensuring the smooth operation of the internal market, the economic equilibrium of the parties concerned and a high level of public health and environmental protection.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions — The European economic and financial system: fostering openness, strength and resilience’

(COM(2021) 32 final)

(2021/C 341/07)

Rapporteur: **Tomasz Andrzej WRÓBLEWSKI**

Referral	European Commission, 24.2.2021
Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Section responsible	Economic and Monetary Union and Economic and Social Cohesion
Adopted in section	25.5.2021
Date adopted in plenary	9.6.2021
Plenary session No	561
Outcome of vote	
(for/against/abstentions)	158/1/2

1. Conclusions and recommendations

1.1. The EESC welcomes the Commission Communication on *The European economic and financial system: fostering openness, strength and resilience*. The post-pandemic transformation is causing a significant shift in the global balance of economic power. Therefore, the EU should act swiftly to increase Europe's economic resilience.

1.2. The Committee shares the Commission's assessment regarding the need to strengthen the international role of euro as a key tool for enhancing Europe's global position. At the same time, in the Committee's view, setting ambitious economic objectives is essential to strengthening the single currency, especially given the pace of change in the global economy and the EU's current position in terms of innovation, competitiveness and a regulatory friendly environment. The Committee is therefore calling for a stronger focus in the Communication on the reasons for the euro's weakening international role, and for the completion of the Economic and Monetary Union.

1.3. The Committee notes that the Communication does not take account of the growing position of China, and recommends that the Communication be supplemented in this regard.

1.4. Completion of the Banking Union and of the Capital Markets Union, which helps channel savings toward investment, is essential to increasing the EU's resilience, in line with previous EESC opinions on that matter ⁽¹⁾ ⁽²⁾. The Committee approves all actions proposed by the Commission ⁽³⁾ and proposes introducing measures to help complete the structural changes both at EU and national level, such as revising the economic governance framework in order to make it more prosperity-oriented and investment-friendly ⁽⁴⁾.

1.5. The quality of the regulatory framework has great importance for the development of innovation. Hence, more emphasis should be put on reviewing regulations, in terms of their impact on the competitiveness of European companies. Furthermore, the EESC considers that the Communication fails to recognise the role of universities and research institutions in terms of innovation development.

⁽¹⁾ EESC opinion on a *European Deposit Insurance Scheme* (OJ C 177, 18.5.2016, p. 21).

⁽²⁾ EESC opinion on the *Economic and monetary union package* (OJ C 262, 25.7.2018, p. 28).

⁽³⁾ EESC opinion on *A Capital Markets Union for people and businesses — new action plan* (OJ C 155, 30.4.2021, p. 20).

⁽⁴⁾ EESC opinion on the *Economic governance review 2020* (OJ C 429, 11.12.2020, p. 227).

1.6. The Committee fully supports the proposal to create a digital euro and the continued issuance of green bonds denominated in euro as a means of increasing the international role of the euro and consolidating the EU's dominant position in the field of climate action.

1.7. The EESC agrees that developing financial market infrastructures will prevent reliance on the provision of critical services (including data providers) from third-country jurisdictions and help increase the EU's resilience.

1.8. The Committee supports the European Commission's efforts to develop tools to counteract the effects on EU economic operators of the unlawful, extra-territorial application of unilateral measures by a third country. In the Committee's view, such instruments can contribute to the EU's increased independence as a global actor. The Commission should also consider how to cope with the growing EU dependence on non-EU financial and extra financial data providers.

2. Background

2.1. The subject of this opinion is the Communication of 19 January 2021 on *The European economic and financial system: fostering openness, strength and resilience*. This Communication is an integral part of the strategy to strengthen the EU's open strategic autonomy⁽⁵⁾.

2.2. The key objective of the EU's open strategic autonomy is to safeguard and deepen the Single Market, which underpins the euro and the EU's openness to trade and investment with the rest of the world.

2.3. This Communication sets out how the EU can reinforce its open strategic autonomy in the macroeconomic and financial fields. The main reasons for implementing the outlined strategy are as follows:

- increasing the European economy's competitiveness by enhancing the international role of the euro;
- increasing the resilience of the European economy to real and external shocks caused by third countries or force majeure;
- generating new investments by improving the regulatory environment for business, which will help mitigate the economic and social impact of the COVID-19 pandemic and contribute to the development of the European economy.

2.4. In line with this Communication, the Commission will work towards promoting the international role of the euro, strengthening EU financial market infrastructures, improving the enforcement of EU sanctions and increasing the EU's resilience to the effects of unlawful, unilateral sanctions by third countries.

3. General comments

3.1. The EESC welcomes the publication of this Communication, which includes regulatory proposals and enabling measures aimed at increasing the euro's share of trade and boosting the resilience of the EU financial system.

3.2. The euro area has been in existence for more than 20 years and is growing, taking in new Member States (albeit waiting for new countries to join)⁽⁶⁾ and maintaining the international reputation of the euro. At the same time, the Committee notes that the euro's share of foreign exchange reserves fell from 23 % to 19 % in 2019 — 'close to historical lows'⁽⁷⁾ — and that, according to several acclaimed economists, including Nobel laureates Joseph E. Stiglitz and Paul Krugman, the euro area is still not an optimum currency area⁽⁸⁾ as understood by the creator of this theory, Robert Mundell.

⁽⁵⁾ COM(2021) 32 final.

⁽⁶⁾ COM(2018) 796 final, p. 2.

⁽⁷⁾ *The international role of the euro*, European Central Bank, June 2020.

⁽⁸⁾ *Can the European Project be saved?* Keynote Lecture by Paul Krugman, 23rd International Conference of Europeanists, Philadelphia, April 14-16, 2016.

3.3. The EESC also points out that the role of the rapidly growing Chinese economy, which is becoming increasingly important in the global economy, merits a wider discussion in the context of strengthening EU economic resilience. The average real annual GDP growth rate over the past 30 years was around 10 %, compared with around 2 % in the EU. The pandemic is likely to bring further differences in GDP growth rates: 4,4 % in the EU (- 6,1 in 2020) and 8,4 % in China (2,3 % in 2020) ⁽⁹⁾.

3.4. As the Chinese economy grows, so does the role of its currency in international trade and clearing. In the Official Foreign Exchange Reserves, (in the third quarter of 2020) the US dollar had a share of around 60,5 %, the euro 20,5 % and the Chinese renminbi 2,1 %. However, the renminbi's share is growing rapidly, while the euro's share has fallen ⁽¹⁰⁾. China is also working intensively on its digital currency (testing it already in several cities ⁽¹¹⁾), leaving most of the world behind ⁽¹²⁾.

3.5. In view of the above, the EESC is concerned that the strategy does not include an action plan that takes account of China's growing economic position, and recommends that the Communication be supplemented in this regard.

3.6. The Committee supports the appeal set out in key action to complete the Banking Union ⁽¹³⁾ and make further progress on the Capital Markets Union ⁽¹⁴⁾ as a means of supporting the resilience of the EU and deepening the Economic and Monetary Union. It notes, however, that '[t]he completion of the EMU requires first of all strong political commitment, efficient governance and better use of the available finances' ⁽¹⁵⁾.

3.7. The Committee notes that the continuation of structural changes to ensure a closer and coherent monetary union requires political commitment and, at the same time, proposes that the Communication be complemented by a series of measures capable of yielding tangible results:

- revising the EU economic governance framework in order to make it more prosperity-oriented and investment-friendly (particularly as regards public debt and budget deficits) ⁽¹⁶⁾;
- strengthening the requirement for Member States to coordinate their national policies within the European Semester and increase consistency of monetary, fiscal and structural policies ⁽¹⁷⁾, especially with a view to achieving social cohesion and real convergence;
- carrying out a detailed, cyclical analysis of the processes of real convergence across EU Member States, which together with social cohesion are crucial to making the Single Market more dynamic. Convergence should be monitored to avoid greater discrepancies due to 'the risk that the current cycle of massive state-backed financial rescue packages could reopen the north-south fissures of the euro zone crisis' ⁽¹⁸⁾.

⁽⁹⁾ See *World Economic Outlook database*, April 2021, International Monetary Fund.

⁽¹⁰⁾ Currency Composition of Official Foreign Exchange Reserves (COFER), International Financial Statistics (IFS), International Monetary Fund, <https://data.imf.org/regular.aspx?key=41175>

⁽¹¹⁾ See *China Launches Digital Renminbi Trials in 11 Cities, Stages Seven Digital Renminbi Lotteries in Year Following Start of Testing*, China Banking News, 19 April, 2021.

⁽¹²⁾ PwC CBDC global index, April 2021, <https://www.pwc.com/gx/en/industries/financial-services/assets/pwc-cbdc-global-index-1st-edition-april-2021.pdf>

⁽¹³⁾ EESC opinion on *Towards a stronger international role of the euro* (OJ C 282, 20.8.2019, p. 27).

⁽¹⁴⁾ EESC opinion on *A Capital Markets Union for people and businesses — new action plan* (OJ C 155, 30.4.2021, p. 20).

⁽¹⁵⁾ EESC opinion on the *Economic and monetary union package* (OJ C 262, 25.7.2018, p. 28).

⁽¹⁶⁾ EESC opinion on *Euro area economic policy 2021* (OJ C 123, 9.4.2021, p. 12).

⁽¹⁷⁾ COM(2020) 746 final.

⁽¹⁸⁾ Eurofound (2020), *Upward convergence in the EU: Definition, measurement and trends*, Publications Office of the European Union, Luxembourg, p. 9.

3.8. The Committee agrees that the regulatory framework is crucial for the development of innovation, but regards the actions proposed in the Communication as insufficient. At the same time, the EESC notes that, as a result of Brexit, the number of globally leading universities in the EU, which play a key role in boosting innovation, has decreased to only a few among the world's top 50 universities ⁽¹⁹⁾. Universities are crucial for increasing innovation and long-term resilience to further economic turmoil.

3.9. In the light of the above, the EESC calls for the Communication to be supplemented with measures to:

- ensure greater flexibility of financial market regulation with a view to boosting financial innovation in Europe, including the MiFID II directives and BMR regulations as regards trade in raw materials;
- decrease restrictions that place a disproportionate burden on the development of new technologies;
- increase R&D expenditure (especially support for private R&D investment across the EU) to about 3 % of GDP;
- in the context of the digital transformation, identify and further support European smart specialisations in IT;
- identify regional innovation hubs in the EU and support them directly at EU level, while also favouring private investment in innovation, for example by increasing the levels of the private co-financing requirement.

4. Specific comments

4.1. *Strengthening the international role of the euro*

4.1.1. According to the Communication, the increase in the euro's importance in international trade, investment and payment leads to many benefits, such as greater monetary autonomy, stronger transmission of monetary policy, lower transaction costs and a reduction in price shocks.

4.1.2. The EESC supports the continued issuance of euro-denominated bonds. However, while understanding the benefits of these measures, the EESC calls for the euro's growth strategy to be based on strengthening and expanding the euro economic area, in addition to issuing common debt ⁽²⁰⁾. Due to the COVID-19 crisis, '[t]he EU will issue close to EUR 1 trillion of new debt by 2026.' ⁽²¹⁾ However, '[t]he existence of high public debt levels as a share of GDP can pose difficulties with regards to resilience.' ⁽²²⁾ To overcome these, the European financial system should become 'more resilient by completing the Banking and Capital Markets Unions' ⁽²³⁾. The EESC recommends that the euro's high position with regard to fixed-income securities before the 2008-09 financial crisis should be restored ⁽²⁴⁾.

⁽¹⁹⁾ Six according to the Times Higher Education and only one in the QS World University Rankings.

⁽²⁰⁾ *EU faces barriers to boosting single currency's global status*, Financial Times, 19 January 2021.

⁽²¹⁾ COM(2021) 32 final, p. 8.

⁽²²⁾ EESC opinion on *Towards a more resilient and sustainable European economy* (OJ C 353, 18.10.2019, p. 23).

⁽²³⁾ See remarks by Commissioner Gentiloni at the Eurogroup press conference, 15 February 2021, Brussels.

⁽²⁴⁾ See 'Fixed income market liquidity', *Committee on the Global Financial System Papers*, No 55, Bank of International Settlements, January 2016, p. 18.

4.1.3. The Committee therefore calls for some of the competences of national financial supervisors to be transferred to the EU level, creating a common regulatory framework for the creation of the Banking Union and the Capital Markets Union ⁽²⁵⁾. In the EESC's view, the full movement of capital within the EU should be enabled so that, ultimately, every citizen or SME can benefit from the financial services of any financial institution subject to joint EU financial supervision ⁽²⁶⁾. Any new regulation linked to the building of the CMU should be submitted to tests ⁽²⁷⁾ aimed at checking if it fulfils criteria such as: increased competitiveness and innovation (esp. including digital transition), contribution to the green transition, and financial markets stability.

4.1.4. In addition, steps should be taken to strengthen the euro's presence in the central bank reserves of different countries through swap agreements, and to support the conclusion of large international contracts for European companies (implemented outside the EU) by clearing them in euro.

4.1.5. In order to increase the role of the euro in the world economy, it is necessary to increase the competitiveness of EU goods and services. For this to happen, investments are needed in education and in research and development.

4.1.6. Key action 6 stipulates that the Commission and the ECB will jointly review a broad range of policy, legal and technical questions emerging from a possible introduction of a digital euro.

4.1.7. The Committee supports the idea of a digital euro. However, in the EESC's view, the digital euro should be implemented not via the ECB only, but via the Eurosystem ⁽²⁸⁾ central banks (and any supervisory institutions) ⁽²⁹⁾.

4.1.8. This new settlement system should take into account privacy requirements under the law (especially AMLD V). A properly designed digital euro could support the use of the euro outside the euro area and weaken the role of the US dollar (and in the future of the digital yuan too), especially in international and retail transactions ⁽³⁰⁾.

4.1.9. The EU is a leader in the global green bond market. In 2019, almost half of its issuance was denominated in euro ⁽³¹⁾ and it is also strong among non-euro area residents ⁽³²⁾. The EESC welcomes the proposal to introduce new 'green' financial instruments ⁽³³⁾ with a view to supporting the European Green Deal ⁽³⁴⁾. It will enable the EU to continue and develop its role as a global leader in climate action ⁽³⁵⁾.

4.2. *Increasing the resilience of EU financial market infrastructures and related critical service providers*

4.2.1. The Communication stresses the importance of the EU developing its financial market infrastructures and increasing their resilience so as to avoid reliance on the provision of such critical services from third-country jurisdictions. The Commission should also study how to prevent dependence on non-EU financial and extra financial data providers. The new digital euro-based settlement system could be used to support trade with partners on whom third countries have

⁽²⁵⁾ COM(2020) 590 final and COM(2020) 746 final, p. 8.

⁽²⁶⁾ EESC opinion on *A Capital Markets Union for people and businesses — new action plan* (OJ C 155, 30.4.2021, p. 20).

⁽²⁷⁾ EESC opinion on *A Capital Markets Union for people and businesses — new action plan* (OJ C 155, 30.4.2021, p. 20), point 1.16.

⁽²⁸⁾ See *Report on a digital euro*, European Central Bank, October 2020, p. 7-8.

⁽²⁹⁾ See *Report on a digital euro*, European Central Bank, October 2020, p. 36-40.

⁽³⁰⁾ *EU faces barriers to boosting single currency's global status*, Financial Times, 19 January 2021.

⁽³¹⁾ See *The role of the euro in global green bond markets*, Box 1, 19th annual review of the international role of the euro, ECB, June 2020.

⁽³²⁾ See *Unleashing the euro's untapped potential at global level*, speech by F. Panetta, Member of the Executive Board of the ECB.

⁽³³⁾ See Main results of the video conference of the Eurogroup, 15 February 2021.

⁽³⁴⁾ COM(2019) 640 final.

⁽³⁵⁾ Remarks by Paschal Donohoe following the Eurogroup video conference of 15 February 2021.

imposed unilateral sanctions, and through blocking its use by sanctioned countries and persons (by drawing information from the Sanctions Information Exchange Repository database).

4.2.2. The EESC also recalls the experience of the beginning of the COVID-19 pandemic, when increased interest in the dollar and US repo market dislocation made it more difficult for non-US financial institutions to refinance their operations in dollars. Consideration could also be given to using the European Stability Mechanism as a liquidity pool in euro, which would also be accessible to large financial institutions. We need a clear roadmap for ESM changes and development of the Capital Markets Union.

4.2.3. The EESC agrees in principle with the steps leading to an increase in the EU's open strategic autonomy, including in terms of boosting the resilience of EU financial market infrastructures. On the other hand, the Committee points out that such measures may, under certain conditions, lead to undesired political effects.

4.3. *Strengthening the implementation and enforcement of EU sanctions*

4.3.1. In order to increase the effectiveness of EU sanctions, it is necessary to ensure that they are implemented and enforced in a uniform manner. Subsidiaries of non-EU companies benefit from legal loopholes to circumvent bans, leading to distortions in the Single Market.

4.3.2. The EESC welcomes the proposals aimed at strengthening the EU's ability to apply sanctions uniformly and to speak with one voice.

4.3.3. The Committee also supports the European Commission's efforts to develop tools to counteract the effects on EU economic operators of the unlawful, extra-territorial application of unilateral measures by a third country. However, the EESC underlines the need to develop mechanisms to ensure consensus among all Member States on the object of the sanctions themselves. In the Committee's view, such instruments can contribute to the EU's increased independence as a global actor and protect the Single Market from shocks.

4.3.4. At the same time, it should be noted that since the financial crisis of 2008-2009 the EU financial market has been subject to strict discipline, which imposes administrative obligations on those who want to benefit from the EU Single Market. It is important that these regulations are applied with the flexibility necessary to ensure a balance between costs and benefits, assess the effects of new regulations on European financial companies ⁽³⁶⁾ and adapt the regulatory burden also to the size of these entities (large pan-European banks, financial institutions, and start-ups in the financial technology sector) ⁽³⁷⁾.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

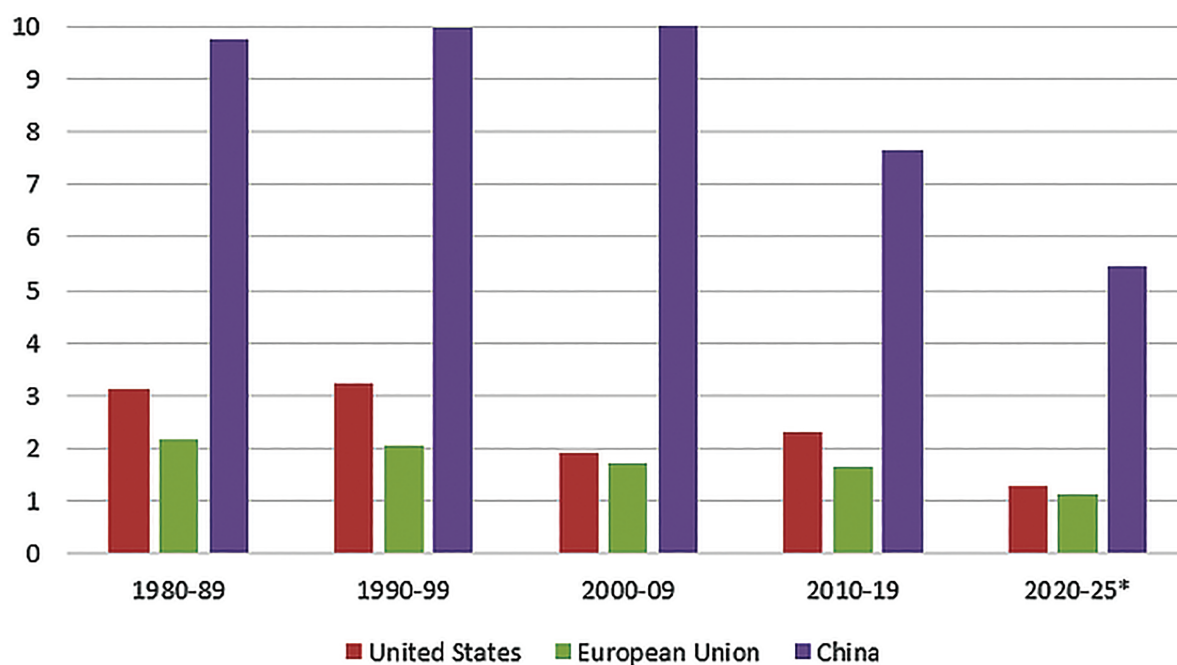
⁽³⁶⁾ EESC opinion on *A Capital Markets Union for people and businesses — new action plan* (OJ C 155, 30.4.2021, p. 20).

⁽³⁷⁾ EESC opinion on a *Digital Finance Strategy for the EU* (OJ C 155, 30.4.2021, p. 27).

ANNEX

Figure 1

Comparison of average real GDP growth rates

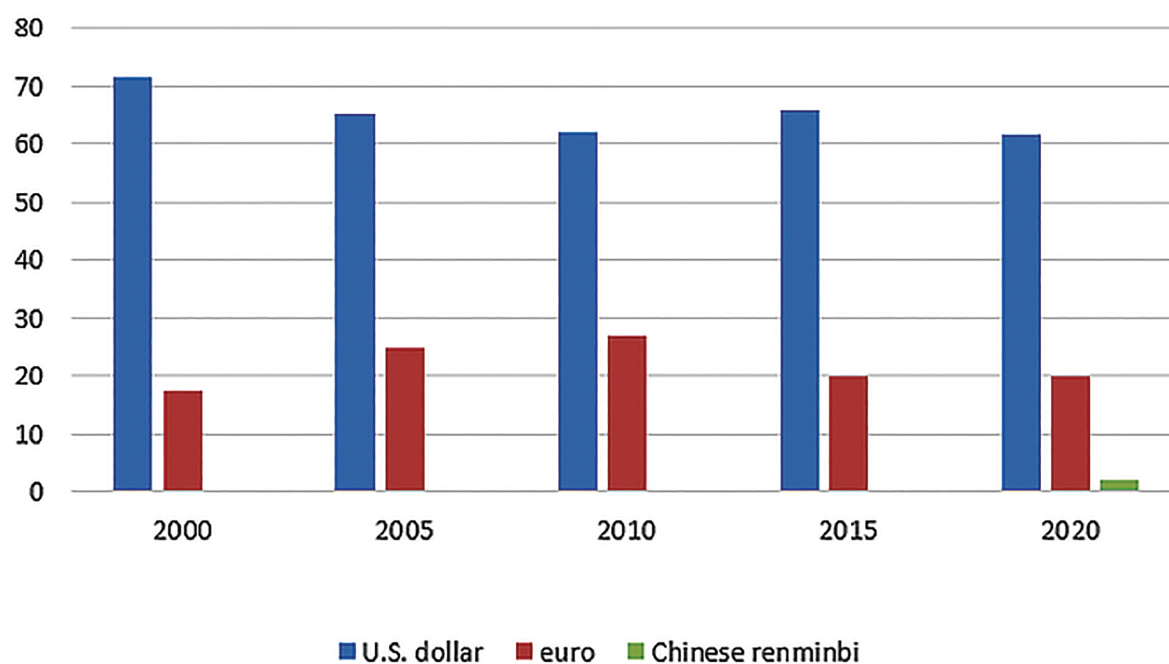


(*) Estimates start from 2019.

Source: own calculations based on: World Economic Outlook Database, International Monetary Fund, October 2020.

Figure 2

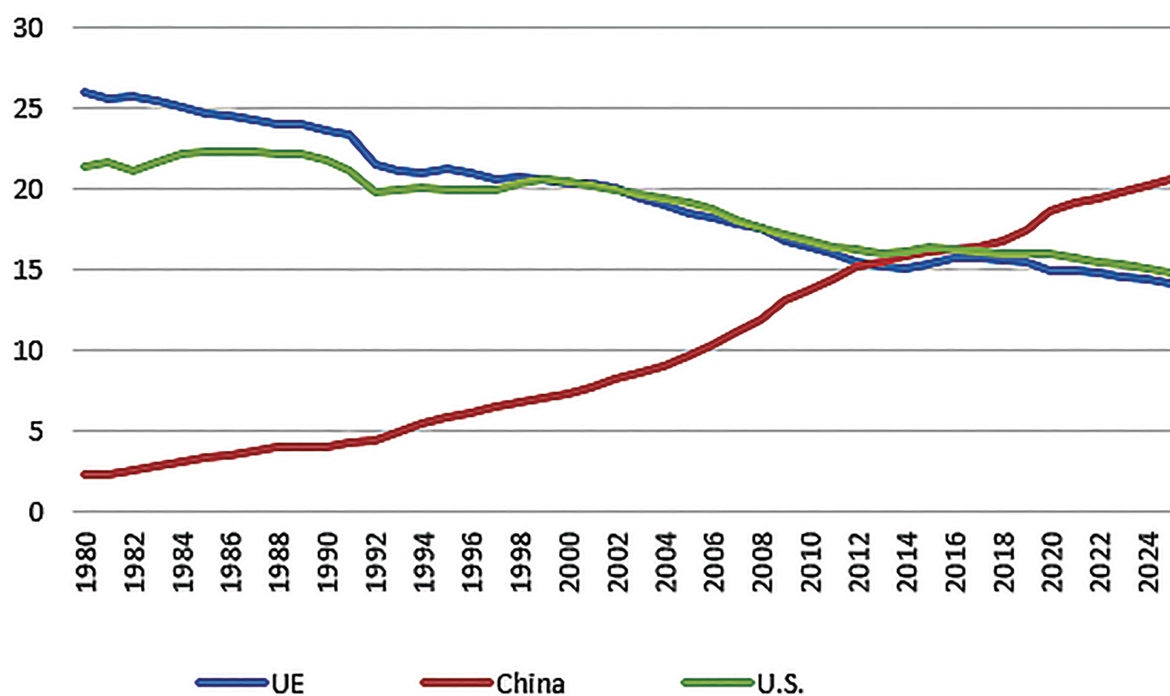
Share of the dollar, euro and renminbi in Official Foreign Exchange Reserves (in %)



Source: International Monetary Fund, data.imf.org

Figure 3

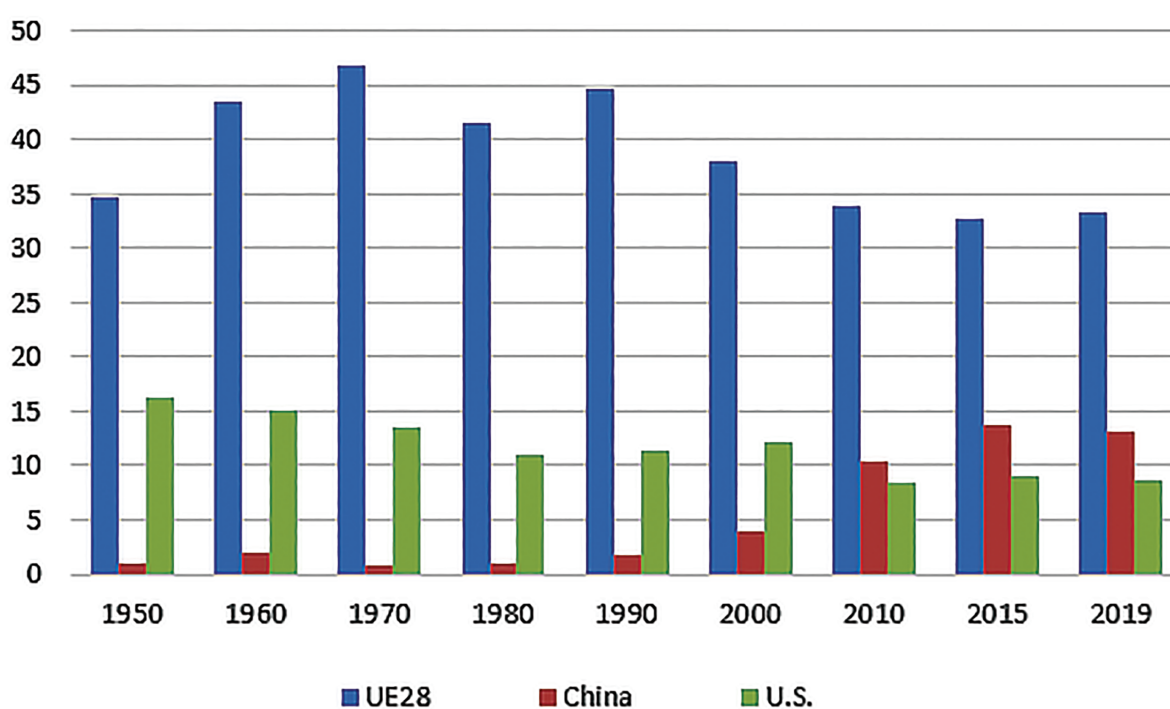
Share of the US, EU and China in global GDP (PPP, in %)



Source: World Economic Outlook Database, IMF, October 2020.

Figure 4

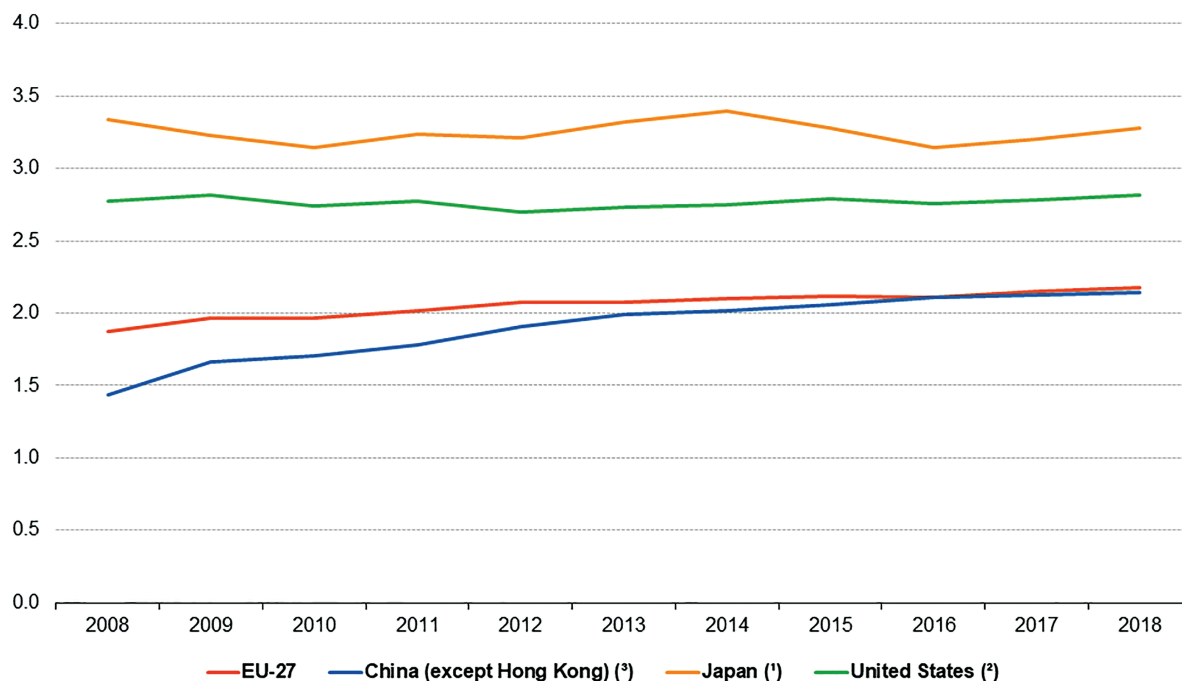
Share of the US, EU and China in global exports (in %)



Source: UNCTAD.

Figure 5

Gross domestic expenditure on R&D, 2008-2018 (% of GDP)



(*) 2008, 2013 and 2018: break in series.

(*) Excludes most or all capital expenditure, definition differs: 2008-2016 and 2018; provisional: 2017

(*) 2009: break in series.

Source: Eurostat.

Opinion of the European Economic and Social Committee on ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Strategy to strengthen the application of the Charter of Fundamental Rights in the EU’

(COM(2020) 711 *final*)

(2021/C 341/08)

Rapporteur: **Cristian PÎRVULESCU**

Co-rapporteur: **Christian BÄUMLER**

Referral	European Commission, 24.2.2021
Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Bureau decision	26.1.2021
Section responsible	Employment, Social Affairs and Citizenship
Adopted in section	26.5.2021
Adopted at plenary	10.6.2021
Plenary session No	561
Outcome of vote	
(for/against/abstentions)	201/2/7

1. Conclusions and recommendations

1.1. The Committee welcomes the new strategy devised by the Commission. The proposal contains clear commitments and places a firm emphasis on application and implementation issues. This is a direction that the Committee has consistently advocated, including in its opinion on the first strategy adopted in 2011 ⁽¹⁾.

1.2. Since then, major social, economic and political developments have complicated fundamental rights protection and brought new challenges for the current frameworks, including for the application of the Charter of Fundamental Rights. The current pandemic significantly increases risks to the health, safety and welfare of millions of people across the continent. At global level, where the EU has a major responsibility to act, the situation is even worse.

1.3. In this context, the EU institutions and Member States must act with a clear vision and greater drive in support of fundamental rights. Even though application of the Charter is limited to accompanying EU law, the growing body of regulations and cross-cutting integration of policy domains create ever-larger scope for action. This development is likely to have multiple implications for civil society, local communities, social partners and companies.

1.4. Unfortunately, after 10 years of implementation of the Charter, there is still a limited knowledge among Europeans of its existence or role. It has also had limited use by civil society organisations, national human rights institutions and human rights defenders. We cannot wait for another decade to make the rights in the charter a reality for the general public, civil society and public institutions. We hope that the European Commission will be more active in informing citizens, the media, civil society, social partners and various other bodies about the Charter, its relevance, its effects and its related instruments.

1.5. All EU institutions have to stand firm and give strong support to all those civil society organisations, human rights activists and journalists who face physical and verbal attacks, intimidation and harassment, including abusive lawsuits, violence and online and offline hate speech. The smear campaigns that are affecting the credibility and legitimacy of civil society must stop and action should be taken against those Member States' governments which engage in it. Enforcement of current rules should be a priority.

⁽¹⁾ OJ C 376, 22.12.2011, p. 74.

1.6. The overall capacity of civil society organisations and human rights defenders to work within the Charter's framework should be significantly strengthened through a package that includes training and knowledge transfer, organisational support, stable and predictable financing, and protection from attacks and negative campaigns. The Committee stands ready to assist in developing a more comprehensive and detailed plan in this respect, especially through its Fundamental Rights and Rule of Law Group. Such an effort should be part of a comprehensive European civil society strategy, one that the EESC deems to be both urgent and necessary ⁽²⁾.

1.7. The Committee welcomes the Commission's comprehensive approach to promoting and protecting the fundamental values on which the EU is founded and the complementarity between this strategy, the European democracy action plan and the first rule of law report. It also suggests including the EU anti-racism action plan in the comprehensive planning process, as well as the EU Disability and LGBTIQ Strategies. The challenges these plans and strategies seek to address are frequently common.

1.8. The EESC reiterates its observations on the economic aspects of the rule of law and fundamental rights. Threats to the rule of law and the overall deterioration of fundamental rights, if not stopped, are likely to negatively affect the mutual trust that underpins the internal market and hence economic growth in the EU ⁽³⁾.

1.9. The Committee stresses that the Charter of Fundamental Rights also includes social rights. The implementation thereof is of considerable importance for people's lives. The social partners must be involved in protecting them, at European and national level. Social dialogue should be enhanced and refocused on the fundamental rights set out in the Charter. Renewing the call that the Committee made in its 2011 opinion on the strategy, greater emphasis should be placed on Title III — Equality and IV — Solidarity as being central to the EU as a democratic, value-based Union that takes its social model and commitments seriously.

1.10. The Committee welcomes the fact that the strategy underlines the overarching nature of the Charter and complements the targeted efforts to make EU rights and values more tangible in areas such as victims' rights and access to justice, equality and inclusion, anti-racism and pluralism, social rights and inclusive education and training, economic rights, rights of both EU and non-EU citizens and rights of the child. Special attention should be given to the impact of Covid-19 on the rights, welfare, and intellectual and emotional development of children. The EESC also notes the importance of Charter articles affecting the economic sphere such as freedom of enterprise, right of property and those linked to proper legal rules.

1.11. The Committee unreservedly supports the EU's commitment to promoting and protecting human rights and values worldwide. That trade agreements and their potential impact on fundamental rights are being highlighted is fully warranted. As stated in numerous opinions, the Committee also draws attention to migration and asylum policy as a key test case for the EU's commitment to protecting fundamental rights. More active support should be given to human rights defenders worldwide.

1.12. As the proposal indicates, national and local administrations, Member States' parliaments and law enforcement authorities are central to promoting and protecting Charter rights. It is not clear how the cooperation would be different from that in the last decade of implementation of the initial strategy. A key objective of this strategy should be to identify the proper mix of incentives and instruments which motivate national and local institutions to be more committed and proactive in relation to the protection of fundamental rights.

1.13. The Committee hopes that there will be a substantive improvement in all key dimensions of the strategy: prevention, promotion, implementation and enforcement. While not ignoring the others, it would be necessary to focus more on enforcement. Proper application of the Charter is essential for maintaining a functional, value-based Union. Application of the Charter is also mandatory. The Commission has to act accordingly and pursue infringement proceedings more aggressively when rights are not respected.

⁽²⁾ In the study 'The response of civil society organisations to face the COVID-19 pandemic and the consequent restrictive measures adopted in Europe' (2021), the EESC mapped the structural challenges unearthed by the pandemic and how civil society organisations responded.

⁽³⁾ OJ C 429, 11.12.2020, p. 16.

1.14. The Committee fully supports the nomination of Charter focal points by the Member States and suggests that they be placed at the centre of government or line ministries involved in the legislative process, for example ministries of justice.

1.15. Given the major impact of the COVID-19 pandemic on society, the Committee urges the Commission to focus the 2022 report on its effect on fundamental rights, especially those relating to socioeconomic wellbeing, and thus firmly underline that social rights are fundamental rights. Special attention should be given to the rights, dignity and welfare of the elderly and people with disabilities who experience isolation in care homes during the COVID-19 pandemic.

1.16. The Committee suggests that each fund (Funds covered by the Common Provisions Regulation (CPR)) be overviewed by monitoring committees that include independent civil society organisations, national human rights institutions and human rights defenders. All these civil actors should be given a say in how the funds are allocated and managed. The EESC asks the Commission to take into consideration the recommendations from its Resolution 'Involvement of Organised Civil Society in the National Recovery and Resilience Plans — What works and what does not?', published in February 2021.

1.17. The Committee calls on the Commission to identify and operationalise funding opportunities for civil society organisations and human rights defenders who are doing frontline work in marginalised and vulnerable communities. The Committee encourages the Member States to operationalise funding programmes for civil society and community groups defending human rights. The design of the programmes should protect the autonomy and independence of the funded entities.

1.18. The Committee proposes creating a responsive, swift and effective mechanism for identifying and reporting physical and verbal attacks, intimidation and harassment, including abusive lawsuits, violence and online and offline hate speech, against civil society organisations and human rights defenders. NHRIs (national human rights institutions) and national social and economic committees should be included in this mechanism.

1.19. In order to facilitate coordination, the Committee suggests that Member States set up national fundamental rights forums in which all the entities concerned could work together: national human right institutions, national equality bodies, ombudsmen, the newly-established Charter focal points and other public bodies. The forums should include organisations and human rights defenders. The Fundamental Rights Agency can assist when these forums are set up.

1.20. The Committee proposes that the Commission set up a special assistance programme aimed at bringing all the NHRIs up to a higher, more uniform institutional capacity (creation, accreditation and steps to ensure compliance) and develop specific guidance for the Member States. As in the case of other instruments and programmes, the EESC recommends better and more extensive use of the remarkable expertise of the Fundamental Rights Agency. Continuing its solid work on key developments in the area of fundamental rights, we encourage the Agency to closely monitor the protection of social rights. The Agency should also become more visible and more easily accessible to the general public and civil society groups and organisations.

1.21. The Committee suggests that the Commission organise special consultation events and reports on specific titles and articles, open to contributions and insights from HRNIs, civil society organisations and human rights defenders. The EESC is more than open to closely cooperating with the Commission in organising these types of meetings on a regular basis involving civil society representatives.

1.22. The Committee is looking forward to the Commission's work on an awareness-raising campaign. Given the importance and urgency of this measure, it would have been helpful to further specify in this strategy the aims, timeline, target groups, instruments, partners and proposed budget for the campaign. The EESC encourages the European Commission to organise Charter-related activities as part of its Conference on the Future of Europe, and to bring fundamental rights issues closer to the citizen and public agenda.

1.23. More research and consultation is necessary to develop an understanding of the Charter's application, based on risk and vulnerabilities, which are more likely to be encountered in certain social groups and regional communities.

2. General comments

2.1. *Background to the opinion*

2.1.1. The Charter applies to all measures by EU institutions. The European Commission's 2010 strategy for effective implementation by the European Union of the Charter of Fundamental Rights underlined how important it was for the EU to show a good example; it set out how the Commission was going to ensure that it fully complied with the Charter. The Charter also applies to Member States when implementing EU law.

2.1.2. The Charter has triggered new EU legislation, directly protecting and promoting certain key rights. Key examples are the new rules on data protection, gender equality, protection of whistleblowers, fair trial and defence rights, and victims of crime. EU Court of Justice case-law invoking the Charter has developed significantly in a wide range of policy areas.

2.1.3. The EU Agency for Fundamental Rights has developed into a trusted EU body providing comparable data and analysis on fundamental rights to support the work of the EU institutions and Member States. The number of independent national human rights institutions and bodies has also risen significantly in the EU.

2.1.4. However, three Member States have no NHRI (Czech Republic, Italy, Malta ⁽⁴⁾), two have no accredited NHRI (Estonia — up for accreditation end 2020 — and Romania), and six have no United Nations' Paris principles-compliant A-status NHRI (Austria, Belgium, Cyprus, Slovakia, Slovenia and Sweden).

2.1.5. A recent Eurobarometer on Charter awareness shows that only 42 % of respondents have heard about the Charter and only 12 % really know what it is. Six out of ten respondents want to know more about their rights and where to turn to if their Charter rights are violated ⁽⁵⁾.

2.1.6. The EESC has a long-standing commitment to supporting human rights and human rights defenders. The Committee is an integral part of the fundamental rights culture and frameworks as it is involved in various structures and activities, gives voice to citizen, civil society and social partner concerns and formulates policy and regulatory proposals with a rights-based vision. To reinforce its efforts, the EESC has created its own Fundamental Right and Rule of Law Group in support of its vision and responsibility.

2.2. *Ensuring effective application of the Charter by the Member States*

2.2.1. The Committee fully supports the Commission's proposal to invite Member States to nominate Charter focal points. Their role, easing the flow of information and best practice relating to the Charter and coordinating capacity-building efforts in the country concerned, is central to advancing the fundamental rights agenda. Ideally they should be placed at the centre of government or line ministries involved in the legislative process, for example ministries of justice.

2.2.2. The new approach adopted when drafting the annual report on the application of the Charter in the EU, namely looking more closely at the Charter's application in the Member States, is pertinent. The Committee also welcomes the focus on fundamental rights in the digital age in the new Charter report for 2021. Given the major impact of the COVID-19 pandemic on society, the Committee urges the Commission to focus the 2022 report on its effect on fundamental rights, especially those relating to socioeconomic wellbeing. Another aspect that needs to be addressed is the move of EU governments into emergency mode, sometimes to the detriment of parliamentary oversight and the democratic checks and balances. The EESC considers that the measures to combat the pandemic should be fully democratic, temporary and proportionate.

⁽⁴⁾ Malta has made significant progress and is expected to set up its NHRI soon.

⁽⁵⁾ Special Eurobarometer 487b.

2.2.3. The Committee urges the Commission to launch infringement procedures more vigorously where appropriate and where there is a breach of EU law.

2.2.4. The Committee welcomes the Commission's proposal that for all programmes supported by EU funds covered by the CPR ('CPR funds') there must be effective mechanisms in place to ensure their compliance with the Charter, from their inception to their implementation. The Committee suggests that each fund be overviewed by monitoring committees that include civil society organisations, national human rights institutions and human rights defenders. This would help close the knowledge gap in CPR implementation bodies with regard to fundamental rights and greatly enhance the capacity of fundamental rights organisations to have a real impact at grassroots level.

2.2.5. The Committee urges the Commission to closely monitor the extent to which EU funds are used in compliance with the Charter and calls for appropriate and warranted measures to be taken, such as possible interruption or suspension of EU funding, or financial corrections when irregular expenditure has not been corrected by Member States. Furthermore, the Committee encourages the Commission to move upstream the Charter compliance checks in connection with major budgetary allocations.

2.2.6. The objective set out in the proposal, namely to promote a supportive, safe environment for civil society organisations and rights defenders in their countries, including at local level, is indeed necessary. Yet, there are no clear indications as to how the objective will be pursued. The Committee calls on the Commission to identify and operationalise funding opportunities for civil society organisations and human rights defenders who are doing frontline work in marginalised and vulnerable communities.

2.2.7. The Committee proposes creating a responsive, swift and efficient mechanism for identifying and reporting physical and verbal attacks, intimidation and harassment, including abusive lawsuits, violence and online and offline hate speech, against civil society organisations and human rights defenders. NHRIs and national social and economic committees should be included in this alert mechanism. The EESC is also willing to contribute to setting up the mechanism and to work with other EU institutions towards the effective protection of and remedies for the organisations and people concerned.

2.2.8. It is more than encouraging to see the Commission's commitment to aligning efforts to secure democracy, rule of law and fundamental rights protection⁽⁶⁾. The Committee considers that the same coordination principles should be replicated at the national level. Too often the various institutions and organisations, public and non-governmental, do not cooperate enough. Thus, the Commission can ask Member States to set up national fundamental rights forums in which all the entities concerned could work together: national human rights institutions, national equality bodies, ombudsmen, the newly established Charter focal points and other public bodies. The forums should include civil society organisations and human rights defenders.

2.2.9. The creation and accreditation of national human rights institutions and steps to ensure their compliance with the United Nations' Paris principles⁽⁷⁾ should be a priority, and more support should be made available for this. The Committee proposes that the Commission set up a special assistance programme aimed at bringing all NHRIs up to a higher and more uniform institutional capacity.

2.3. *Fostering the use of the Charter as a compass for EU institutions*

2.3.1. A check of key Commission initiatives as of the preparatory stage of the initiative will hopefully remain a central concern for the Commission throughout the decision-making process. The fact that the Digital Services Act is highlighted in the proposal and that work is being carried out to ensure compliance with the Charter is appropriate for presenting the wide range of issues and implications that compliance is bringing up.

2.3.2. Thorough preparation of key Commission initiatives is very important. At the same time, the thematic development of compliance should be complemented with Charter-based thinking and analysis, centred on the various titles and articles, as structured in the annual report. One way to achieve that would be to organise special events and

⁽⁶⁾ Coordination at EU level can include the European Network of National Human Rights Institutions (ENNHRI), the European Network of Equality Bodies (Equinet) and the European Network of Ombudsmen (ENO). Coordination at national level can be rendered effective by a core of national institutions.

⁽⁷⁾ The United Nations Paris Principles provide the international benchmarks against which NHRIs can be accredited by the Global Alliance of National Human Rights Institutions (GANHRI).

reports on specific titles and articles, open to contributions and insights from HRNIs, civil society organisations and human right defenders. This would allow substantial knowledge to be accumulated on the specific articles and the rights they protect and project a clearer picture of the overall impact of EU law and policy-making on the lives and rights of members of the general public.

2.3.3. As suggested in point 2.2.2 above, due to the major impact of the COVID-19 pandemic on European society, it is necessary to focus on the state of related rights. Thus, we would encourage the Commission to highlight in the annual reports the impact of COVID-19 and the multiple crises it has caused for the protection of fundamental rights.

2.3.4. In that connection, and renewing the call the Committee issued in its 2011 opinion on the strategy, more emphasis should be placed on Titles III — Equality and IV — Solidarity as being central to the EU as a democratic, value-based Union that takes its social model and commitments seriously.

2.3.5. The Committee unreservedly supports the EU's commitment to promoting and protecting human rights and values worldwide. That trade agreements and their potential impact on fundamental rights are being highlighted is fully warranted. As stated in numerous opinions, the Committee also draws attention to migration and asylum policy as a key test case for the EU's commitment to protecting fundamental rights. It would also point out that democratic stability and the consequent human right protection systems in the European neighbourhood are under pressure and more should be done to support them. More active support should be given to human rights defenders worldwide.

2.3.6. The Committee encourages the European Parliament and the Council to use the tools at their disposal to ensure that the Charter is applied effectively in their work, with the assistance of the Commission and involving the relevant consultative European bodies in the preparation of legislation. The EESC is ready to participate in such inter-institutional dialogue and work.

2.4. Strengthening people's awareness of their rights under the Charter

2.4.1. The Committee is looking forward to the Commission's work on an awareness-raising campaign, aimed at better informing people about their Charter rights and where to turn when their rights are violated. Given the importance and urgency of this measure, it would have been helpful to further specify in this strategy the aims, timeline, target groups, instruments, partners and proposed budget for this campaign.

2.4.2. The awareness campaign should be designed to complement other measures. We recommend that work be started with civil society organisations and state-level bodies, including the judiciary, on training, the transfer of good practice and communication for the public once minimal institutional capacity is in place. The organisations and bodies above can act as resources, helping people place the protection of their fundamental rights in a supportive social and institutional environment.

2.4.3. In that connection, awareness-raising campaigns should be designed to reach those most likely to experience violations of fundamental rights. More research and consultation is necessary to develop an understanding of the Charter's application, based on risk and vulnerabilities, which are more likely to be encountered in certain social groups and regional communities. This would help steer the measures taken by various bodies and also inform various consultation and participation initiatives.

2.4.4. The EESC encourages the European Commission to organise Charter-related activities as part of its Conference on the Future of Europe and to bring fundamental rights issues closer to the citizen and the public agenda.

Brussels, 10 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Democracy Action Plan’

(COM(2020) 790 *final*)

(2021/C 341/09)

Rapporteur: **Carlos Manuel TRINDADE**

Co-rapporteur: **Andris GOBIŅŠ**

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(for/against/abstentions)	231/1/8

1. Conclusions and recommendations

1.1. The European Economic and Social Committee (EESC) agrees with the European Commission (hereinafter the Commission) on the need to act to increase the resilience of European democracy. Moreover, it views the European Democracy Action Plan (EDAP) as both positive and necessary, broadly supports the measures proposed therein and proposes additional emphasis and action in several areas.

1.2. The EESC considers the EDAP to be extremely topical, given the worrying signs that the rule of law is being eroded by challenges for our democracy, both from within and from players abroad.

1.3. The Committee is concerned by attempts in several Member States to take advantage of the challenging situation created by COVID-19 in order to weaken the rule of law. It believes that the Commission should take political action in this regard.

1.4. For the reasons given in the three following points, the EESC recommends that the Commission create a specific pillar in the EDAP for the involvement of civil society and social partners and the promotion of labour democracy. It considers this new pillar to be essential and sets out concrete proposals for it in part 6 of this opinion.

1.5. The EESC's view is that in addition to the areas already included in the EDAP, the promotion of European democracy should involve the fostering of democratic participation at EU, national, regional and local levels, the involvement of civil society and of democracy in all its facets and areas, including labour democracy, among others. The EESC believes that these aspects of the exercise of democracy should be included in the EDAP, as each has its own advantages that make democracy more dynamic and resilient.

1.6. The EESC is disappointed that the EDAP has failed to address the important role of the social contract in reducing inequalities and encouraging Europeans to embrace democratic ideals and does not include any measures to strengthen this role. Likewise, social dialogue and collective bargaining are not recognised or supported in the plan, and nor has the contribution of these areas to the stability of European democracies been made visible.

1.7. The EESC also believes that greater emphasis should be placed on civil dialogue, which is a key prerequisite for the highest quality decision-making and ownership in any democracy, showing due regard for Article 11 TEU. The EESC reiterates the recommendation it made to the Commission in its opinion SOC/627 ⁽¹⁾ to hold an annual Civil Society Forum on Fundamental Rights and the Rule of Law.

1.8. The EESC believes that the EDAP should include a large-scale initiative to foster education on democracy and fundamental rights, which is instrumental for safeguarding democratic values and active citizenship, in particular with regard to young people.

1.9. The EESC asks the Commission to ensure that the EDAP reflects the assessment of the Member States' implementation of the Audiovisual Media Services Directive, and calls on the Member States to swiftly implement this directive.

1.10. With regard to supervision, the EESC calls for online platforms to be made accountable and transparent, and supports the development of a regulatory mechanism in the framework of the Digital Services Act and Digital Markets Act (DSA/DMA) to prevent disinformation, hate speech and manipulations.

1.11. The EESC calls on the European institutions, as a matter of urgency, to take the proposed steps for the security and working conditions of journalists and to prevent the harassment of both journalists and other public interest activists who are victims of strategic lawsuits against public participation (SLAPP).

2. Background

2.1. The EU is founded on the 'universal values of the inviolable and inalienable rights of the human person, freedom, democracy, equality and the rule of law' ⁽²⁾ and is an area where fundamental rights are protected by the Charter of Fundamental Rights of the European Union ⁽³⁾.

2.2. The EESC firmly believes in European democratic values, strongly supports the Commission's ongoing efforts to safeguard and strengthen these values and reiterates the conclusions of previous opinions on democracy and the rule of law ⁽⁴⁾. The value of democracy, as well as the importance of the rule of law in our society, must not be forgotten or devalued by citizens.

2.3. History has shown that democracy must be actively promoted and continually defended against repeated attacks. In her political guidelines for the EU, President von der Leyen identified 'a push for European democracy' as one of her six priority ambitions ⁽⁵⁾.

2.4. The profound political, social and economic changes arising from digitalisation — and which the COVID-19 pandemic has only accelerated — create new risks and vulnerabilities, including the erosion of traditional equal opportunities mechanisms for candidates in election campaigns, uncontrolled funding of political actors, harassment of journalists, dissemination of false information and coordinated disinformation campaigns, cyber-attacks and many other forms of behaviour that jeopardise the integrity of elections. Risks for media and information pluralism, public debate, attacks on the independence of the media and weakening civil society can also be observed.

2.5. The COVID-19 pandemic has also had an impact on the quality of European democracies, given the need for exceptional responses to this public health emergency. The Venice Commission examined these measures and concluded that the COVID-19 crisis should not be used as an opportunity to strengthen governments at the expense of parliaments ⁽⁶⁾. It also noted that serious consideration should be given to ensuring that the necessary regulatory framework is in place as well as identifying to what extent some of these measures could be maintained over time.

⁽¹⁾ OJ C 282, 20.8.2019, p. 39.

⁽²⁾ Preamble to the Treaty on European Union.

⁽³⁾ OJ C 202, 7.6.2016, p. 389.

⁽⁴⁾ See in particular opinions — OJ C 228, 5.7.2019, p. 24; OJ C 282, 20.8.2019, p. 39; OJ C 429, 11.12.2020, p. 16.

⁽⁵⁾ https://ec.europa.eu/info/sites/default/files/political-guidelines-next-commission_en.pdf

⁽⁶⁾ Venice Commission (2020), *Interim Report on the measures taken in the EU Member States as a result of the COVID-19 crisis and their impact on democracy, the Rule of Law and Fundamental Rights*, adopted by the Venice Commission at its 124th plenary session (held online on 8-9 October 2020), [https://www.venice.coe.int/webforms/documents/?pdf=CDL-AD\(2020\)018-e](https://www.venice.coe.int/webforms/documents/?pdf=CDL-AD(2020)018-e)

3. On the EDAP

3.1. The EDAP, which we consider both necessary and timely in an era when democracy in Europe is facing serious challenges, made worse by the COVID-19 response measures, sets out an enhanced EU policy framework and specific measures organised into three pillars:

- promoting free and fair elections and strong democratic participation,
- supporting free and independent media, and
- countering disinformation ⁽⁷⁾.

3.2. The proposed EDAP also addresses empowering citizens and civil society to counter threats to democracy and the rule of law, treating this as a cross-cutting issue for all pillars.

4. General comments

4.1. *On the state of democracy in Europe and the need for the EDAP*

4.1.1. The EESC notes with concern the serious challenges for democracy and public trust in governing institutions in recent years, as demonstrated, inter alia, by: decline in electoral turnout; the number of breaches of the rule of law in several Member States; the emergence and spread of populism and hate speech; pressure on and even violence against journalists; attacks on the independence and pluralism of the media; the concentration of media ownership; illegitimate interference in electoral processes from both inside and out as a result of disinformation, improper financing and external influence; attempts to weaken organised civil society and its participation in decision making and to devalue or even suppress social dialogue, collective bargaining and negotiation.

4.1.2. The EESC considers the EDAP to be a positive and necessary instrument and is broadly supportive of the measures proposed therein, notwithstanding the specific observations made in part 5 and the proposals set out in part 6.

4.1.3. The EESC regrets that the preparation of the EDAP only included a limited dialogue process, as such dialogue would have increased the effectiveness of the plan.

4.2. *On the scope and implementation of the EDAP*

4.2.1. The EESC believes that action to promote democracy in Europe must include — but should not be limited to — protecting the integrity of elections, strengthening media freedom and pluralism, and combating any disinformation and interference.

4.2.2. The EESC believes that the scope of the EDAP should be broadened, and should include a separate pillar on the importance of active citizenship exercised through the involvement of civil society (see part 6).

4.2.3. The EESC believes that the EDAP should have attached greater value to democracy at national, regional and local levels.

4.2.4. Likewise, it believes that the EDAP should cover all facets and areas of European democracy, including labour democracy and structured dialogue with civil society.

4.2.5. The EESC hopes that the EDAP will be implemented in a way that acknowledges the need for the EU to play a key role as a model for promoting democratic values and standards, such as consistency in its internal and external action.

4.2.6. The EESC believes that the EU should take action to strengthen the resilience of European democracies, their social contract and their economic competitiveness, in line with the ambitions of the Conference on the Future of Europe.

⁽⁷⁾ COM(2020) 790 final.

4.3. *Integration of the EDAP into EU policies and effective monitoring*

4.3.1. The EESC believes that, in order to be successful, the EDAP should be closely linked with other ongoing initiatives at EU level that contribute to the same goals, and in particular with the implementation of the Charter of Fundamental Rights of the European Union, the European rule of law mechanism and the implementation of the European Pillar of Social Rights and new strategies for equality, and regrets that this link is not sufficiently visible. The EESC recommends that the links between the various action plans be made explicit and effective.

4.3.2. The EESC reminds the Commission that in its opinion SOC/627, it proposed holding an annual Civil Society Forum on Fundamental Rights and the Rule of Law. Accordingly, it proposes adding a separate part of the EDAP on the state of democracy, including the issue of the application of Article 11 of the EU Treaty.

4.3.3. The EESC regrets that the EDAP is not accompanied by a monitoring framework and an accompanying model to measure progress, and that for many of the measures, no dates have been set, which makes it difficult for the evaluation scheduled for 2023 to be followed up in a timely manner. The EESC proposes that an appropriate monitoring framework be put forward. An important role can be played by the Rule of Law Report as described in part 6.

4.3.4. The EESC, while stressing the importance of significantly reducing social inequalities in terms of strengthening democracy, is disappointed that no mention is made in the EDAP of the need to maintain social cohesion as a key element of democratic stability in Europe. The importance of the social contract in encouraging Europeans to embrace democratic ideals and the need for action to maintain and strengthen this contract are also not mentioned. The EESC recommends that this dimension be included in the EDAP.

4.4. *On the impact of digitalisation on democratic societies*

4.4.1. The impact of attacks on democratic life is exacerbated by the lack of regulation of online platforms — which are concentrated in a very select group that is used widely around the world — and also by the action of their opaque algorithms. The mechanisms used to ensure the accountability of these platforms are insufficient. Ensuring that electoral processes engage voters, guarantee plurality and are fair and transparent is an issue for all democratic nations, and requires attention and action.

4.4.2. The EESC reiterates the assertion made in NAT/794 ⁽⁸⁾ to the effect that the EU should adopt policies that further embed a digital economy incorporating our societal values.

4.4.3. The EESC shares the view that a more vigorous approach to the regulation of online platforms is needed, ensuring that the major players are made accountable to the public and guaranteeing regulation by robust public authorities.

4.4.4. The EESC welcomes the preliminary regulatory steps taken to hold online platforms, in particular very large online platforms, accountable through the proposed Digital Services Act and Digital Markets Act.

4.4.5. It also views the evaluation and updating of the Code of Practice on Disinformation as important intermediary steps to ensure robust monitoring of the impact of disinformation, including in relation to COVID-19, and the related responses of online platforms.

5. **Specific comments**

5.1. *On the promotion of free and fair elections and strong democratic participation*

5.1.1. The EESC agrees on the need to take action to guarantee the transparency of political advertising and communication (EDAP point 2.1) and supports the adoption of European legislation which should ensure that citizens always have full transparency with regard to sponsored content of a political nature at all decision-making levels. National authorities should receive all necessary information from social media networks and others to be able to secure free and fair elections at EU, national, regional and local levels.

⁽⁸⁾ OJ C 429, 11.12.2020, p. 187.

5.1.2. The EESC supports imposing additional restrictions on micro-targeting via the use of opaque algorithms and psychological profiling in the political context, which the Commission proposes to explore in its legislative proposal on the transparency of sponsored political content.

5.1.3. The EESC considers free and fair elections, forming part of trustworthy electoral systems, to be a permanent challenge for all democratic systems, welcomes closer European cooperation on elections in the EU, and calls on the Commission, the EP and the Member States to develop further forms of enhanced cooperation in this area to ensure that elections are more inclusive, transparent and representative. The compendium on best practices should support these efforts.

5.1.4. The EESC welcomes the adoption of a new EU operational mechanism to support resilient electoral processes, organised and coordinated via the European Cooperation Network on Elections (point 2.3).

5.1.5. The EESC shares the concern stated in the EDAP regarding the prevention and combating of foreign influence on European democratic processes and deems it appropriate for the EU to impose costs via joint, clear and strong sanctions on those responsible for such interference and by launching a joint initiative on cybersecurity.

5.1.6. The EESC believes that the identification of electoral processes as critical infrastructure, which may already be considered when assessing foreign direct investment⁽⁹⁾, should be adopted, and that the EU's operational mechanism to support resilient electoral processes should have the operating conditions and means to guarantee the security of procedures, including the cybersecurity of elections, at all levels.

5.1.7. The EESC suggests implementing meaningful transparency regarding online content distribution, which includes auditing of algorithms, better transparency in the online advertising ecosystem and transparent processes for content promotion/demotion; empowering civil society (academics, researchers, journalists, CSOs) and independent regulators in their role of enforcing the accountability of online actors; sanctioning those acting in bad faith, especially when there are repeated efforts to escape transparency and accountability from society.

5.1.8. The EESC regrets that the EDAP does not provide for the promotion of democratic engagement and active participation beyond elections as a separate pillar, does not recognise the role of social dialogue in democratic stability and does not include any specific measures in this regard. It recommends that the promotion of social dialogue, freedom of association for business and trade unions, collective bargaining and the right to information and consultation be included in the new pillar proposed in part 6.

5.1.9. As regards the already-existing proposals in the EDAP on the fostering of democratic participation and active participation outside the electoral context (point 2.4), the EESC believes that a large-scale initiative to promote education on democracy, including media and information literacy should be included in the EDAP, although it welcomes the fact that education about citizenship is mentioned in relation to the use of the Structural Funds.

5.1.10. The EESC points to its call in SOC/627 for an ambitious public communication, education and awareness-raising strategy on fundamental rights, the rule of law and democracy. Such a strategy should include a strong focus on active citizenship.

5.1.11. The EESC recommends that Member States make use of the Structural Funds and that the Commission itself use the funds at its disposal to support and strengthen the capacities of civil society.

5.1.12. Independent fact-checkers should receive adequate funding to be able to operate in real time, as the EESC has already recommended in relation to the Action Plan against Disinformation⁽¹⁰⁾. It is important to give the Commission greater power at the European level to act more effectively at this level and to better support Member State action at the national level.

⁽⁹⁾ As expressed in the Communication, and in particular footnote 17.

⁽¹⁰⁾ Conclusions — point 1.7 of the opinion (OJ C 228, 5.7.2019, p. 89).

5.1.13. The EESC recommends taking the utmost care to ensure that any consideration of criminalising hate speech at European level (point 2.4) cannot be interpreted as restricting freedom of expression, and emphasises that any initiatives in this area must comply with the principle of subsidiarity.

5.1.14. The EESC is pleased to note that the EDAP advocates promoting equality at all levels and fostering the participation in political life of women, LGBTIQ persons, disadvantaged young people, people with a minority racial or ethnic background, persons with disabilities and persons or groups with lower levels of digital literacy or digital engagement.

5.2. *On support for free and independent media*

5.2.1. With regard to the safety of journalists (point 3.1), the EESC is concerned by signs that restrictions are being placed on journalists' freedom, including threats to their physical safety, and agrees that the situation is alarming. The Committee considers it very important for the Commission to propose the drafting of a recommendation in this regard before the end of 2021 and calls on the Commission, the EP and the Member-States to urgently propose effective mechanisms to protect journalists, editorial independence, diversity and pluralism, media literacy, an enabling environment that will ensure the sustainability of the sector, and good working conditions for journalists.

5.2.2. The EESC expresses its disapproval of the harassment meted out to journalists and other public interest activists in the form of strategic lawsuits against public participation (SLAPP). The EU must ensure that the scope of anti-SLAPP measures includes journalists, activists, trade unionists, academics, digital security researchers, human rights defenders, and media and civil society organisations, among others.

5.2.3. With regard to measures to support media pluralism (point 3.4), the EESC regrets the vagueness of the EDAP as to how the Commission will act to preserve media pluralism — enshrined in the Charter of Fundamental Rights — particularly as regards the very important issue of media ownership. A more proactive attitude on the part of the EU is needed in view of the finding in the 2020 Rule of Law Report that some Member States have no system in place to ensure the transparency of media ownership or face obstacles to effectively disclosing such ownership publicly. The EESC therefore encourages the Commission to advance its understanding of who the players operating in the media markets are and which safeguards and conditions are conducive to pluralism, and to monitor the concentration of distribution networks and the intermediaries which increasingly influence or determine the conditions for access to, and the nature of, the media and content. The public consultation on the EDAP also demonstrated that the imposition of clear-cut obligations on all media outlets and companies to publish detailed information about their ownership was being adhered to.

5.2.4. The EESC is concerned about the ongoing attempts in several Member States to use the difficult situation created by COVID-19, which has weakened the media sector, to attack press freedom by means of abusive, discriminatory and even repressive actions. The EESC calls on the Commission to work together with the Member States to bridge the gap identified in the Rule of Law Report regarding the rules for the distribution of state advertising to the media.

5.2.5. The EESC calls on the Commission to examine the mechanisms used to fund media pluralism and support innovation, freelance journalists and local media. Evaluating the implementation and effectiveness of the 'neighbouring' right for press publishers in copyright in the digital single market directive might be considered.

5.2.6. Given that the deadline for Member States to implement the Audiovisual Media Services Directive was on 19 September 2020, the EESC asks the Commission to ensure that the EDAP reflects the assessment of this process and calls on the Member States to swiftly implement this directive.

5.2.7. The EESC asks the Commission to analyse the possibility of allowing the streaming of public media produced to all Member States free of charge, including, inter alia, via cable networks and streaming providers. This would be a clear step towards multilingualism, better understanding and cooperation, and would bring the EU closer to a common public space by uniting people in diversity and pluralism.

5.3. On countering disinformation

5.3.1. The EESC agrees with the emphasis placed on tackling disinformation (part 4) and considers it important to strengthen cooperation between Member States in order to combat disinformation.

5.3.2. The EESC underlines the importance of the Digital Services Act (point 4.2) in terms of the oversight, accountability and transparency of online platforms, and supports the drafting of a regulation mechanism for the prevention of disinformation.

5.3.3. The EESC believes that, given the importance of education on democracy to the quality of democratic life (point 4.3), the EDAP should be much more ambitious in this area and should set objectives and targets for supporting innovative projects and funding civil society initiatives in this field.

5.3.4. EU mechanisms should support better cooperation among the relevant regulatory authorities to decrease the risk that disinformation will be disseminated via propaganda channels registered within the EU.

5.3.5. Online advertising platforms should be required to deliver annual transparency reports, ideally to a designated, independent auditing authority. Annual transparency reports could include detailed information and explanations on policies and internal processes for tackling disinformation, down- and upranking criteria, and content selection and presentation mechanisms as well as advert targeting and delivery policies, policies on the display of 'accurate' information (e.g. on COVID-19 and elections), and appeal mechanisms for content that was wrongfully removed. An independent auditing body could take the form of an EU-level body made up of national oversight authorities, a new EU body for auditing social media platforms.

5.3.6. As the Digital Services Act (DSA) provides an opportunity to address the power and information asymmetry from digital gatekeepers such as Google and Facebook who have a major impact on democracy, the European Democracy Action Plan should secure a rights-based approach to the DSA.

5.3.7. EU policymakers must ensure freedom of speech principles are protected while adopting legislation to tackle disinformation. In particular, the use of criminal law to fight large-scale disinformation risks creating a dangerous space for human rights abuse in the form of state-sponsored intimidation and unjustified prosecution of critical voices.

6. Proposal for the creation of a fourth pillar in the EDAP: 'Promoting active and democratic participation beyond elections'

6.1. Background

6.1.1. The EESC believes that, in order to give due weight in the EDAP to a clear strategy on active citizenship, a specific pillar should be created in the plan. The Committee considers this essential to ensuring a smoother recovery from the current crisis and paving the way for a more sustainable and robust democracy in Europe.

6.1.2. The promotion of social dialogue, collective bargaining and civil dialogue should be included in this new pillar.

6.1.3. The EU Treaty introduced a major innovation: the concept of citizen participation in Article 11. However, more than 10 years after its entry into force, the opportunities for citizens to participate in decisions beyond elections still fall far below needs, which often leads to a twofold dissatisfaction: with the policies themselves and with the lack of opportunities to influence decisions. In this context, the EESC notes the position it expressed in SOC/423 ⁽¹⁾, to the effect that it is of the utmost importance to develop proposals for specific actions in order for the EU institutions to take the initiatives incumbent on them to establish the appropriate measures for the implementation of Article 11(1) and (2) TEU.

⁽¹⁾ OJ C 11, 15.1.2013, p. 8.

6.1.4. Likewise, Article 152 of the Treaty on the Functioning of the EU states that the EU has a role to play in recognising and promoting the role of the social partners.

6.1.5. In this context, the EESC proposes the creation of a fourth pillar in EDAP: 'Promoting active and democratic participation beyond elections', which the present contribution outlines.

6.2. *Promoting a culture of active participation*

6.2.1. Creating an open and enabling environment for civil society in Europe

- Civic space should form a specific pillar/section of the Rule of Law Report and should be given more attention, including a thorough assessment of the civic space in each Member State, taking into account its different components, their inter-connectedness and their impact on the political system and the rule of law.
- The Commission should develop, on the basis of existing international law ⁽¹²⁾ and more detailed guidance ⁽¹³⁾ and in cooperation with civil society, a set of guidelines to defend and promote civic space in the EU and its Member States; this should encompass (1) freedom of association; (2) the right to operate free from state interference; (3) freedom of expression; (4) the right to cooperation and communication; (5) the right to public information; (6) the right to freedom of peaceful assembly; (7) the right to seek and secure resources; (8) the duty of State protection; (9) academic freedom; and (10) philanthropic action; the possible negative side effects of new and existing legislation and its implementation should be assessed (in other words, legislation on money laundering and transparency should be proportionate and risk-based).
- The Commission should make provisions, in its organisation, for contact persons responsible for civil dialogue. It should also work with the Member States to promote the strengthening of civil dialogue structures and support their creation where they do not yet exist, by harnessing European funds.
- The Citizens, Equality, Rights and Values Programme should be accessible to European, national and local civil society organisations in all Member States, including human rights activists wishing to promote and protect the EU's fundamental values; funding under this programme should cover operational costs, as well as litigation, capacity building, surveillance activities and cooperation at EU level.
- The Erasmus + programme should provide opportunities for exchanges between civil society organisations and the social partners to promote mutual learning and the exchange of good practices.

6.2.2. Education on democratic citizenship and human rights should be a priority for the EU.

- An important prerequisite for active citizenship and civic engagement is civic education (including media literacy) at all levels, both formal and informal, intra- and extra-curricular in all Member States. Civic education is a key tool in efforts to combat anti-democratic trends, promote European values and overcome current divides.
- As current practices differ considerably across the EU, a separate set of minimum standards or recommendations should be drawn up on the basis of the Council of Europe's Charter on Education for Democratic Citizenship and Human Rights Education (CM/Rec (2010)7).
- A culture of active participation requires specific attention to ensure that no citizen residing in the EU is excluded or at risk of exclusion or discrimination due to a failure to respect their political or socioeconomic rights.

⁽¹²⁾ European Convention on Human Rights, Charter of Fundamental Rights of the European Union.

⁽¹³⁾ OSCE/ODIHR, Guidelines on Freedom of Association.

6.3. *Give citizens and their organisations a real say in EU decision-making processes*

6.3.1. The EU and its Member States should support the mobilisation of citizens on the ground and empower them to speak in all their diversity by giving practical expression to their 'right to participate in the democratic life of the Union' enshrined in Article 10 TEU. The EU and its Member States should give citizens the means to engage in an 'open, transparent and regular dialogue with representative associations and civil society' (Article 11 TEU). The EESC should produce an annual report on this issue.

6.3.2. Citizens and their organisations should be fully involved in shaping EU policies; a sound balance should be ensured between the different stakeholders' contributions by reviewing the consultation methodology to include more civil society and social organisations at EU and national level and by harnessing the potential of the European Citizens' Initiative for citizens to set the agenda.

6.3.3. The provision in Article 11 TEU for an 'open, transparent and regular dialogue with representative associations and civil society' in all EU policy areas should be fully implemented. The Commission should initiate an **inter-institutional agreement on civil dialogue with European civil society**.

6.3.4. Meaningful and inclusive participation of civil society in the Conference on the Future of Europe should be ensured, with a link to the EDAP, as an opportunity to discuss how democratic processes and active civic engagement can be strengthened.

6.3.5. Within their Multi-Annual Financial Framework plans, Member States should be asked to allocate adequate resources to finance civil dialogue and boost the capacity of CSOs to participate in decision-making; the Commission should include civic participation/democracy among the **horizontal priorities of its country-specific recommendations**.

6.3.6. An **annual event** should be launched bringing together the highest-level representatives of the EU institutions and representative civil society organisations/associations, as well as representatives of sectoral dialogues and local, regional, national and macro-regional (transnational and neighbourhood policy) dialogues to share best practices and draw up an annual plan to **strengthen democracy, participation and civic dialogue**. The Commission and the EESC should play a leading role in this process as organisers.

6.4. *Strengthening support structures for social dialogue and collective bargaining*

6.4.1. Acting to promote democracy through economic and social cohesion, including by promoting labour democracy. Democracy is also under attack at this level and the pandemic has raised important issues that need to be addressed quickly.

6.4.2. Social dialogue and collective bargaining are among the best examples of democratic functioning. Dialogue between organisations representing their own interests and values is a structured space for discussing and negotiating matters of common importance, albeit with different interests. Mutual recognition and respect between partners and the rational search for resolutions to situations, problems and conflicts are the building blocks of a democratic culture.

6.4.3. The pillar should include measures to promote these principles, such as:

- respect by all Member States of ILO conventions, with particular focus on the main conventions, which concern free trade union activity,
- a structured information, consultation and hearing process and a final report of that process for all legislative initiatives at Member State level,
- support for the strengthening and, where necessary, the establishment of Economic and Social Councils,
- the appointment, at Commission level, following acceptance by the European social partners, of a senior European officer responsible for promoting and monitoring social dialogue in the Member States and the EU, who can also assume the duties of supporting civil dialogue if, after consultation of civil society organisations, they agree on that,

- the organisation of a biannual high-level tripartite social dialogue meeting (European social partners, Commission and Member States) to promote and monitor social dialogue at European and Member-State level,
- the adoption of a measure promoting collective bargaining in public procurement and access to public funds, including European funds, requiring contracting employers to enter into a collective agreement or, until existing such agreements, ensure high-quality jobs on the basis of applicable legal regulations, following the applicable national law and practice resulting from agreements between social partners and governments at national level. This will prevent social dumping and ensure fair competition,
- the adoption of training programmes for representatives of the social partners to foster social dialogue and collective bargaining.

Brussels, 10 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2016/794, as regards Europol’s cooperation with private parties, the processing of personal data by Europol in support of criminal investigations, and Europol’s role on research and innovation’

(COM(2020) 796 final — 2020/0349 (COD))

(2021/C 341/10)

Rapporteur: **Philip VON BROCKDORFF**

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Plenary session No	561
Outcome of vote	
(for/against/abstentions)	233/2/3

1. Conclusions and recommendations

1.1. The EESC welcomes the Commission’s proposal on strengthening Europol’s mandate insofar as it improves data protection safeguards and research capabilities. This will help boost the fight against organised crime and terrorist activity and reinforce operational police cooperation in the EU Member States to protect our citizens.

1.2. The EESC also welcomes the proposed cooperation on the part of Europol with third countries, enabling cooperation with private parties or operators, notably regarding the exchange of data. The EESC is of the opinion that private operators should have a point of contact at EU level where they could report information that might be relevant for criminal investigations. The Commission’s proposal will address this shortcoming.

1.3. The EESC also welcomes the Commission’s proposal as it aims to support crime prevention authorities to find innovative solutions to counter international crime and keep up with the evolving landscape. The proposal will also develop Europol’s and national enforcement agencies’ competence and research capabilities.

1.4. The EESC underlines that strengthening Europol’s capacity should involve prioritising cross-border investigations, particularly with regard to serious attacks against whistleblowers and investigative journalists who play an essential role in exposing corruption, fraud, mismanagement and other wrongdoing in the public and private sectors.

1.5. The EESC is also of the opinion that there are no concerns with regard to privacy protection and fundamental rights in the processing of data. On the contrary, up-to-date and harmonised legislation would allow for more effective examination of issues related to data protection, while striking a balance between the security requirements of individual Member States and those of the EU.

1.6. Currently, Europol is not able to provide law enforcement authorities in the Member States directly and in real time with information on criminal activities sourced from third countries or international organisations. The proposal amendments therefore seek to address this security gap and create a new alert category for exclusive use by Europol in defined circumstances. The EESC thus welcomes the creation of a new alert category in support of the Schengen Information System.

1.7. Reinforcing Europol's powers and resources involves a commitment to efficiency because scale allows for cost-effective efforts. The EESC considers the proposed increase in Europol's budget to be a positive response to further protecting EU citizens as well as enhancing cooperation between Europol and national law enforcement agencies. However, it would expect this increase to be reflected in the number of operational staff at Europol and enhanced organisational effectiveness.

1.8. Overall, the EESC is of the opinion that the proposals are a step in the right direction in that they extend Europol's role in responding to evolving situations. However, Europol's work will still rely heavily on the activities and actions of Member States and the data gathered by national law enforcement agencies. Hence, and especially in the context of an increasingly globalised environment, it may be pertinent to ask whether it is time to allow Europol to act on its own initiative.

1.9. In this context, the EESC also believes that bolder steps to widen Europol's mandate and scope may need to be taken in the future. As the proposals acknowledge, organised crime has become more sophisticated and the most dangerous criminal networks are increasingly transnational. With organised crime continually evolving, Europol's mandate will need to be adapted to make it an even more central player in European security.

1.10. This is why the EESC recommends, at some point, an independent review of Europol's role and responsibilities. The review would also investigate how national law enforcement practices and data-gathering processes impact on the analyses provided by Europol. Such a review would also take into account the views of civil society and social partners as well as other relevant stakeholders.

2. European Commission proposal

2.1. In response to rising security threats, particularly those posed by criminal organisations, the European Commission published a proposal for a Regulation amending Regulation (EU) 2016/794 on 9 December 2020 as regards Europol's cooperation with private parties, the processing of personal data by Europol in support of criminal investigations, and Europol's role on research and innovation.

2.2. The proposal attempts to address these key issues:

- (i) enable Europol to cooperate effectively with private parties;
- (ii) enable Europol to support Member States with the analysis of large and complex datasets (big data);
- (iii) allow Europol to request that the competent authorities of a Member State initiate, conduct or coordinate the investigation of a crime that affects a common interest covered by an EU policy, regardless of the cross-border dimension of the crime.

2.3. The Commission also sees a need to strengthen Europol's cooperation with the European Public Prosecutor's Office (EPPO) as well as third countries. Europol's role on research and innovation, its data protection framework, and its parliamentary oversight will also be bolstered.

2.4. Insofar as enhanced cooperation with private parties is concerned, the proposal sets out rules for Europol to exchange personal data with private parties (in order for the agency to be able to receive personal data from them), to inform them about missing information, and to ask Member States to request that other private parties share additional information.

2.5. The rules also introduce the possibility for Europol to act as a technical channel for exchanges between Member States and private parties. In order to improve crisis response, other rules will govern support to Member States in preventing the large-scale dissemination of terrorist content via online platforms (related to ongoing or recent events depicting harm to life or physical integrity or calling for imminent harm to life or physical integrity).

2.6. To be able to process large and complex datasets, the Commission intends to introduce the possibility to carry out pre-analysis of personal data, with the sole purpose of determining whether such data fall into the various categories of data subjects and are linked to a crime.

2.7. To effectively support criminal investigations in Member States or by the EPPO, in certain cases, Europol would be able to process data that national authorities or the EPPO obtained in the context of criminal investigations – in accordance with procedural requirements and safeguards applicable under national criminal law. To this end, Europol would be able to process (and store upon request) all data contained in an investigative case file provided by the Member State or the EPPO for the duration of the agency's support for that specific criminal investigation.

2.8. The Commission also proposes the creation of a new alert category of the Schengen Information System. This proposal is based on the fact that Europol is not able to provide the Member States' law enforcement authorities directly and in real time with information sourced from third-countries or international organisations on persons who have been suspected or convicted of criminal and terrorist offences.

2.9. From a budgetary perspective, the proposal estimates that an additional budget of approximately EUR 180 million and approximately 160 additional positions would be needed for the 2021-2027 period of the Multiannual Financial Framework.

3. General comments

3.1. Europe's security in all its spheres of activity, be they private or public, faces evolving and increasingly complex security threats. The digital transformation, advanced technology, and ease with which criminals can execute criminal activities via the internet has accelerated criminal activities in Europe and worldwide, with the incidence of cybercrime rising exponentially.

3.2. Terrorism also remains a significant threat to the freedom and way of life of the EU and its citizens. The COVID-19 crisis has enhanced such threats, with criminal organisations exploiting the crisis and adapting their modes of operation or developing new criminal activities.

3.3. These evolving security threats call for effective EU level support to the work of national law enforcement authorities. These threats spread across borders, cut across a variety of crimes, and manifest themselves in organised crime groups that engage in a wide range of criminal activities.

3.4. In view of these developments, action at national level alone is not sufficient to address these transnational security challenges and Member States' law enforcement authorities have increasingly made use of the support and expertise that Europol, the EU agency for law enforcement cooperation, offers to counter serious crime and terrorism.

3.5. Europol is the centrepiece for EU-level support to Member States in countering serious crime and terrorism. The agency offers support and expertise to national law enforcement authorities in preventing and combating serious crime affecting two or more Member States, terrorism and forms of crime which affect a common interest covered by an EU policy. Since the entry into application of the 2016 Europol Regulation, the operational importance of the agency's tasks has changed substantially and its operational support has continued to increase, with Europol now part of almost every major counter-terrorism investigation in the EU.

3.6. Against the background of evolving and increasingly complex cross-border security threats, with blurring boundaries between the physical and digital world as well as the residual high threat of terrorism in Europe, strengthening Europol's capacities, capabilities, and tools to support Member States effectively in countering serious crime and terrorism is considered both a welcome and timely response.

4. Specific comments

4.1. The EESC welcomes the Commission's proposal on strengthening Europol's mandate as the proposal seeks to bring improved data protection safeguards and strengthen Europol's role in terms of research.

4.2. The EESC also welcomes the proposed operational cooperation with third countries, enabling cooperation with private parties, notably regarding the exchange of data. The EESC does not consider the proposal enabling cooperation with private parties to be disproportionate. On the contrary, the proposal is deemed quite necessary given the constant evolution of international crime using internet and mobile devices. Criminal organisations increasingly use cross-border services offered by private parties to communicate and carry out illegal activities. However, private operators do not currently have a

point of contact at EU level where they could report information that might be relevant for criminal investigation. This proposal seeks to address this gap. In effect, the legislative amendment would enable Europol to act as the contact point and to examine, in a centralised manner, the crime or the case under investigation by the Member State(s). This arrangement allows for the development of the necessary cooperation between Europol and private parties.

4.3. The amendments propose that Europol should play a key role in assisting Member States to develop new technological solutions based on artificial intelligence, which would benefit national law enforcement authorities throughout the EU. Identifying innovative solutions is an important part of countering international crime to ensure that crime prevention authorities keep up with the evolving landscape. That can only be done through coordinated research. The EESC, therefore, supports Europol's proactive role in providing centralised support to law enforcement authorities in Member States in (i) identifying innovations and (ii) in the development of the competence and capabilities of these authorities, using technologies and innovations developed within the EU itself, rather than resorting to security solutions sourced from third countries.

4.4. Insofar as the data protection of individuals is concerned, the changes aim to effectively ensure that privacy protection and fundamental rights in the processing of different types of data are fully respected. The EESC is also of the view that processing of personal data is already very strictly regulated and hence there are no issues to flag. On the contrary, up-to-date and harmonised legislation would allow for more effective examination of issues related to data protection, while striking a balance with the security requirements of individual Member States and the EU in its entirety.

4.5. The EESC also notes that currently Europol is not able to provide the law enforcement authorities in Member States directly and in real time with information sourced from third-countries or international organisations on persons who have been suspected or convicted of criminal and terrorist offences. The Commission's proposal, therefore, seeks to address this security gap. This together with the creation of a new alert category for exclusive use by Europol in specific and well-defined cases and circumstances is welcomed by the EESC.

4.6. However, the EESC is of the view that the Commission may need to take even bolder steps in the future to widen Europol's mandate and scope. As the proposals acknowledge, crime has evolved and the most dangerous criminal networks are increasingly transnational. That is why cooperation and collaboration between European countries and police forces is important. It is essential that over time Europol's mandate be adapted to make it an even more central player in European security.

4.7. The EESC underlines that strengthening Europol's capacity should involve prioritising cross-border investigations, particularly with regard to serious attacks against whistleblowers and investigative journalists who play an essential role in exposing corruption, fraud, mismanagement and other wrongdoing in the public and private sectors. This is consistent with the European Parliament Resolution of July 2020, which refers to a stronger mandate to enable Europol to request the initiation of cross-border investigations in cases of serious attacks against whistleblowers and investigative journalists⁽¹⁾.

4.8. The EESC believes that reinforcing Europol's powers implies a commitment to efficiency because scale allows for cost-effective efforts. Further strengthening Europol's mandate and increasing its resources is a necessity for European society to feel and be protected.

4.9. By further strengthening Europol's mandate, the EESC implies further strengthening of the coordination between national law enforcement agencies and Europol with the latter asserting itself as a centre for analysis and innovation. In this connection, the proposed legislation is seen as a step in the right direction. Coordination between Europol and Member States is key to all this and the proposals provide a strong basis for enhanced coordination.

⁽¹⁾ European Parliament Resolution of 10 July 2020 on a comprehensive Union policy on preventing money laundering and terrorist financing (2020/2686(RSP)).

4.10. However, criminal activity does not respect borders and, in an increasingly globalised environment, the EESC raises the question of whether it is time to allow Europol to act on its own initiative. Should Europol have a right to initiate investigations and to pro-actively execute law enforcement activities in the Member States? This is currently not allowed but developments in criminal activity may necessitate a debate as to whether criminal investigations on a wider scale ought to be initiated by Europol.

4.11. As stated, the proposals are a step in the right direction in that they extend Europol's role to respond to evolving situations, but Europol's work will still rely heavily on the activities and actions of Member States and the data gathered by national law enforcement agencies. The EESC, therefore, considers that an independent review of Europol's effectiveness in executing its tasks and activities (which to a significant degree also depend on the effectiveness of national law enforcement agencies) would prove highly relevant. The review, possibly conducted by a small group of retired senior members of the judiciary and police force, would also examine how national law enforcement practices and data-gathering affect the analyses and assessments produced by Europol, and how that in turn affects national law enforcement activity. Such a review would also need to take into account the views of civil society and social partners and relevant stakeholders, especially those groups and individuals whose lives could be wrongly or unjustifiably affected by law enforcement activities.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

Opinion of the European Economic and Social Committee on**‘Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the EU Security Union Strategy’***(COM(2020) 605 final)***‘Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions — A counter-terrorism agenda for the EU: Anticipate, prevent, protect, respond’***(COM(2020) 795 final)**(2021/C 341/11)*Rapporteur: **Ákos TOPOLÁNSZKY**

Referral	European Commission, 24.2.2021
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Outcome of vote	
(for/against/abstentions)	234/1/3

1. Conclusions and recommendations

1.1. The European Economic and Social Committee (EESC) welcomes and supports the strategic agenda to protect EU citizens from terrorism, as proposed in the EU Security Union Strategy⁽¹⁾, and agrees that a strong and ambitious counter-terrorism policy is needed.

1.2. At the same time, it stresses that efforts to achieve this objective must be based on recognition of, and full compliance with, the legal bases of international and European law, which safeguard and preserve our pluralistic society, our shared values and our European way of life.

1.3. The EESC considers the new agenda to be important and timely, and broadly endorses its arrangements and its focus on the concept of resilience.

1.4. It stresses the importance of using modern technology, but also highlights the need to ensure that its use is limited in view of the rule of law and fundamental rights.

1.5. The Committee feels that the agenda introduces a coherent framework for action designed primarily for the institutions and authorities engaged in specialised and essential tasks to prevent and combat the terrorist threat. However, the text does not provide for representatives of local communities, citizens' and victims' associations, civil society organisations and trades unions, religious communities, academia and private stakeholders to be as involved as they should be in addressing this problem.

1.6. The EESC thinks that the main objective should be to prevent and eliminate risks and tension rather than tackling their undesirable consequences after the event, with the particular high social cost that entails.

1.7. It highlights the importance of researching and assessing the threat so as to avoid putting in place arrangements that could unjustifiably encroach on fundamental rights.

⁽¹⁾ COM(2020) 605 final.

1.8. It draws attention to the role of the Member States and the need for them to develop synergies in the sustainable implementation of the programme.

1.9. In terms of the efficacy of responses to terrorism, it is crucial to have a scientific understanding of the individual and social causes of terrorism rather than sticking to purely political responses.

1.10. With regard to prevention, the EESC draws attention to the relevance of actively involving civil society and its organisations, along with the social partners, something which has so far been underused. In this regard, it believes that one particularly beneficial security investment consists of mobilising joint action, risk reduction programmes, and reconciliation processes initiated in communities.

1.11. The EESC is convinced of the need to fight terrorism effectively and steadfastly, but without infringing on European values and citizens' democratic rights: if these were substantially restricted, then terrorists could be considered to have achieved their aims.

1.12. Protection of public spaces should be planned and implemented with the involvement of private stakeholders and representatives of local communities so as to reach a consensus. Ongoing dialogue should be set up with religious leaders, since religion can play a considerable role in reducing radicalisation and certain types of threat, as well as community tensions caused by terrorism.

1.13. The Committee notes that EU law prohibits general and indiscriminate retention of data and that this can only be permitted subject to strict guarantees based on detailed regulation and backed up by continuous monitoring of the system.

1.14. In the context of the use of the Terrorist Finance Tracking Programme (TFTP) ⁽²⁾, there should be ongoing assessment of the guarantees to protect the privacy of EU citizens.

2. Preliminary remarks ⁽³⁾

2.1. The EESC welcomes and supports the strategic agenda for effective and coordinated action based on comprehensive approaches designed to protect EU citizens from terrorism, as proposed in the EU Security Union Strategy ⁽⁴⁾.

2.2. The EESC agrees that a strong and ambitious policy is needed to combat terrorism, but notes that this should be based on an evidence-based risk analysis and rigorous assessment of the impact of measures that have already been implemented in the EU.

2.3. The EESC is fully committed to the universal values of respect for human life and dignity, as enshrined in the Universal Declaration of Human Rights. The EESC also agrees with the Commission that democracy, the rule of law, fundamental rights — in particular the right to privacy — freedom of expression, freedom of religion and respect for diversity are the foundation of the European Union and therefore call for a strong collective approach that safeguards and upholds our pluralistic society, our common values and our European way of life. These fundamental values must be constantly and systematically taken into account when planning and implementing the measures provided for in the communication.

2.4. In the EESC's view, the new agenda is important and timely: its arrangements providing for anticipation, prevention, protection and response, and the cross-cutting dimension of international cooperation, provide an adequate framework and approach for implementing a comprehensive response plan. The EESC also thinks it appropriate that the communication draws particular attention to a number of issues, including the importance of resilience. Resilience requires greater engagement on the part of society, and thus of civil society and communities, in the process of establishing and guaranteeing security.

2.5. It is also worth mentioning the focus on the use of modern technology, which obviously allows terrorist activities and support for terrorism to be tackled more effectively. However, it is essential to specifically define, in line with EU law, the use of all these new tools — especially those that can be used to acquire and analyse 'big data' — and more traditional approaches, and also to regulate the use and storage of the data collected and to check that rules are always and everywhere adhered to.

⁽²⁾ OJ L 195, 27.7.2010, p. 3.

⁽³⁾ Given that the Committee endorses the content of the agenda and in view of its technical nature, this opinion addresses mainly aspects relating to civil society, the rule of law and fundamental rights, which are central to the Committee's remit.

⁽⁴⁾ COM(2020) 605 final.

2.6. The Committee feels that the agenda introduces a coherent framework for action designed primarily for the institutions and authorities engaged in specialised and essential tasks to prevent and combat the terrorist threat. However, the text does not provide for representatives of local communities, citizens' and victims' associations, civil society organisations and trades unions, religious communities, academia and private stakeholders to be as involved as they should be in addressing this problem. It will not be possible to eradicate the terrorist threat without the efforts of people in society at local level to reach concerted agreements that could be supported with a view to reducing the risk.

2.7. The EESC thinks that the main objective should be to prevent and eliminate risks and tension rather than tackling their undesirable consequences after the event, with the particular high social cost that entails. The Committee believes it is important that implementation of the agenda not be based on social perceptions or political responses, but always on the actual terrorism situation and the real threat it presents, and that measures taken to address these be devised accordingly. Policy measures should also be designed to reflect this.

2.8. The EESC points out that the EU will not be able to combat radicalisation effectively unless it also successfully tackles the exclusion suffered both by its own ethnic minorities (such as the Roma) and by those who have recently arrived in the EU.

2.9. So as not to undermine social inclusion and to ensure that the responses mounted are proportionate, it is necessary to keep an eye on and minimise the gap that exists in some Member States between society's perception of the terrorist threat and the actual extent of that threat. It is therefore important to research and assess the threat so as to avoid putting in place arrangements that could unjustifiably encroach on fundamental rights. Security policies can only be adapted on the basis of a detailed analysis of the evidence base of real threats and risks identified.

2.10. The EESC also sees the agenda's robust commitment to fighting radicalisation as a major positive aspect of combating terrorism. However, as well as tackling radical content online, the Committee believes it is very important here to understand and explore the mechanisms of radicalisation and deradicalisation, and to study the nature and process of radicalisation, as a way of preventing the phenomenon. Civil society representatives and communities can play a key role in this area.

2.11. The EESC is convinced of the need to fight terrorism effectively and steadfastly, but without infringing on European values and citizens' democratic rights: if these were substantially restricted, then terrorists could be considered to have achieved their aims.

2.12. To succeed, even the best designed and most sophisticated programmes are largely dependent on the willingness of the Member States involved in implementing them to cooperate with each other, and on their resilience and the policy decisions taken to support the programmes. Political will is critically important here.

2.13. The EESC believes that a rigorous assessment of the situation should have been carried out when the agenda was launched in order to identify the processes to which the agenda should provide an appropriate response and the results achieved from efforts already deployed.

3. Substantive aspects

3.1. Anticipate

3.1.1. It is essential that use of artificial intelligence (AI) in early detection and combating terrorism generally should be transparent and verifiable, that it should target only content and people relevant to the fight against terrorism, and that the seven key requirements of the AI strategy be met ⁽⁵⁾.

3.1.2. On protection of public spaces, the agenda rightly focuses on using new technologies. The EESC nevertheless regrets that the text only tacitly addresses the issue of preparing for vehicle-ramming attacks, even though these have occurred very frequently in recent years. A certain number of so-called strategic terrorist attacks (with a large number of victims, wide media coverage and significant fear generated) have been carried out in this manner.

⁽⁵⁾ COM(2020) 65 final.

3.1.3. In terms of the efficacy of responses to terrorism, it is crucial to have a scientific understanding of the individual and social causes of terrorism. The EESC therefore considers that there should be a particular focus on this matter, since knowledge acquired here can effectively reduce the human and material damage.

3.2. *Prevent*

3.2.1. With regard to prevention, the EESC draws particular attention to the fact that the civil sphere can play — and is already playing — an important role in fighting precisely this aspect of terrorism. This is relevant to the content, which ranges from strengthening the sense of security in society to supporting and monitoring the operational processes of bodies combating terrorism through detection and prevention of radicalisation, and through combating it. The agenda should therefore take a much more detailed look at the context and nature of cooperation that can be promoted at all levels of society. Cooperation between individuals or groups and communities could have a demonstrable, long-term impact in terms of reducing risks and promoting lasting inclusion. The agenda should place more emphasis on this proactive, rather than purely reactive, approach.

3.2.2. The agenda under discussion rightly places considerable importance on combating the promotion of extremist ideologies online, referring to the live streaming by terrorists of terrorist acts. But it does not mention the much more frequent practice — which the Committee therefore considers essential to prevent — of witnesses to terrorist acts disseminating them on social media.

3.2.3. The agenda recognises the societal role of very large online platforms, and also includes obligations in relation to them. It would be useful here, in addition to the measures mentioned in the Commission document, to carry out regular assessments of the systemic risks associated with fundamental rights, social division and the manipulative techniques underlying radicalisation.

There is also a need for continuous assessment of the risks relating to industrial, economic and commercial operators, small and medium-sized enterprises and civil society representatives, and for them to have a greater role as partners in preventing terrorism through their umbrella organisations.

3.2.4. With respect to prevention, it should be pointed out that not just hate speech, but also the spreading of fake news and conspiracy theories plays a major role in radicalisation. Combating this is therefore essential to combating terrorism.

3.2.5. The EESC underlines the importance of strategic communication not only after an attack, but also as a means of prevention, which also means incorporating the message formulated by civil society in order to dull the appeal of terrorism and offer alternative solutions.

3.2.6. Collective action and resilience of towns and municipalities can contribute effectively to protecting the community. In the sphere of prevention, the EESC believes that one particularly beneficial security investment is mobilising joint action, risk reduction programmes, and reconciliation processes initiated in communities. Addressing, resolving and eventually dissipating tensions could obviate the need to act in risk situations and so free up considerable resources, as well as increasing levels of social inclusion. This means understanding the root causes and nature of terrorism, and it requires ongoing monitoring of action taken.

3.2.7. Our cities must have better access to funding, advice and training if they are to address the current challenges and improve their resilience. The EESC robustly endorses the support provided by the Commission for the activities of local prevent coordinators through the Radicalisation Awareness Network. It regards the 'EU Cities against Radicalisation' initiative and strategic dialogue between cities as essential. The Committee believes that such dialogue should also be made a permanent feature in urban areas by setting up appropriate forums.

3.2.8. Given that actual and perceived social exclusion, discrimination and marginalisation can increase people's receptiveness to radical propaganda and create additional threats to social cohesion, the European Commission should step up its anti-racism activities. It is therefore necessary to deploy appropriate social policies to reduce risk and strengthen confidence, given that terrorist acts can also be interpreted as extreme manifestations of social tension and mistrust.

3.2.9. The Committee believes that more attention should be paid than has been so far to studying, identifying and effectively preventing radicalisation processes in prisons. It hopes that the support programmes implemented on the basis of evaluations undertaken in recent times will continue to be consolidated in this context, and is in favour of them. It should be ensured, by means of well-designed strategies, that prisons are not hotbeds of radicalisation, but rather, as far as possible, places where it is tackled.

3.3. *Protect*

3.3.1. The section on 'Denying terrorists the means to attack' does not discuss measures to prevent vehicle-ramming attacks. Given the frequency of such attacks in the past few years, the agenda absolutely ought to consider this problem.

3.3.2. The EESC also encourages further efforts to prevent the use of hired and shared vehicles as tools for terrorist attacks and to develop effective urban planning practices to prevent damage caused by vehicles used for this purpose.

3.3.3. Protection of public spaces should be planned and implemented with the involvement of private stakeholders and representatives of local communities so as to reach a consensus, while endeavouring to keep restrictions on the free use of such spaces to a minimum. The EESC agrees about the need to establish minimum standards of protection for public spaces that are particularly crowded and highly symbolic.

3.3.4. Ongoing dialogue should be set up with religious leaders, since religion can play a considerable role in reducing radicalisation and certain types of threat, as well as community tensions caused by terrorism. This approach should be complemented by interfaith dialogue and, if necessary, reconciliation processes.

3.4. *Respond*

3.4.1. Given the highly specialised nature of the antiterrorist response, the EESC is particularly insistent about the need for and importance of regular communication of outcomes.

3.4.2. The Committee notes that EU law prohibits general and indiscriminate retention of data and that this can only be permitted subject to strict guarantees based on detailed regulation and backed up by continuous monitoring of the system.

3.4.3. The activities of the EU Centre of Expertise for victims of terrorism, currently at the stage of a pilot project, should be continued and expanded to assess the impact of counter-terrorism on civil society and fundamental rights. Mechanisms for helping victims in the Member States should also be reviewed and stepped up as part of the first Union strategy on victims' rights (2020-2025) ⁽⁶⁾. The smooth functioning of national contact points for victims of terrorism ⁽⁷⁾ is also critical.

3.4.4. A lot of information has been gathered through the Terrorist Finance Tracking Programme (TFTP) ⁽⁸⁾. Where this information is used by a third party (e.g. in the context of cooperation between the EU and the United States), there must be ongoing assessment of the guarantees to protect the privacy of EU citizens. The same goes for cybersecurity, processing of encrypted information during investigations, management of e-evidence (eEDES), and digital investigations conducted with international partners. In all cases, the interests of citizens in terms of their legal protection must be considered paramount.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽⁶⁾ COM(2020) 258 final.

⁽⁷⁾ In accordance with the Council conclusions of 4 June 2018 on Victims of Terrorism (9719/18).

⁽⁸⁾ OJ L 195, 27.7.2010, p. 3.

Opinion of the European Economic and Social Committee on Communication from the Commission to the European Parliament and the Council — Europe's Beating Cancer Plan

(COM(2021) 44 final)

(2021/C 341/12)

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1. Conclusions and recommendations

1.1. The European Economic and Social Committee (EESC) welcomes Europe's Beating Cancer Plan (Plan) as a milestone in the fight against cancer and its social, financial and psychological consequences among EU citizens and calls for a concrete roadmap on the implementation of the Plan, accompanied by performance indicators and realistic timeframes.

1.2. While the prevention of cancer is of the utmost significance, it is equally important for the European Union (EU) and Member States (MS) to ensure the availability of high-quality, accessible healthcare infrastructure, including screening, diagnostics and treatment facilities, health services with an adequate, needs-based level of health care personnel, and effective support systems for patients' physical and mental well-being during and after treatments.

1.3. As an urgent measure, it is necessary to tackle the problems caused by the COVID-19 pandemic with respect to access to health services. Restrictions and delays may reduce the chances of recovery and must be effectively addressed, and an urgent response is needed to address people's fears. The social partners (SP) and civil society organisations (CSO) have an indispensable role to play by disseminating best practices and providing relevant information — about what can cause cancer, about helping people recognise early symptoms, promoting prevention and inspiring healthy lifestyles. Their efforts shall be supported, including by devoting relevant funds under ESF+ for joint actions in combating cancer and for dissemination of best practices on health prevention.

1.4. To enhance the early detection of cancer, the EESC endorses the initiatives of screening and cancer prevention projects and encourages the use of new technologies and efforts to raise people's awareness of the need for preventive screening. The screening and educational initiatives should target all of the frequent types of cancer and be available to the largest possible number of people.

1.5. The Plan needs to respond to the demographic situation in the EU and ensure conditions conducive to the preservation of good health until old age. Simultaneously, the EESC calls for special attention to be paid to beating child cancers, which require measures of their own with respect to detection, access to standard and innovative medicines and dedicated care for children and adolescents.

1.6. To reduce national, regional and social inequalities in beating cancer and provide high-standard solutions for all, it is crucial for the EU to involve all MS in implementing the Plan and encourage cooperation between the MS, including with the support of EU funding. The Plan's implementation needs to respond to the specific and particular needs of patients and survivors and adapt to the different national circumstances — including people's different socioeconomic environment, age, gender, disability, etc.

1.7. The EESC also calls for improved possibilities for cancer patients to benefit from high-quality treatment, care and expertise provided by other MS, as well as from the availability of medicines, medical equipment and other medical products provided by a well-functioning single market.

1.8. The EESC considers research and innovation a cornerstone for better understanding cancer risk factors and improving diagnoses, therapies and treatments. Innovation ecosystems, involving different sized enterprises, researchers, patients, health professionals and authorities, need to be encouraged, advanced and supported by EU and national funding, particularly through partnerships under Horizon Europe.

1.9. The EESC emphasises the need for major efforts to be focused on the generation, availability and accessibility of data to help develop more advanced prevention, diagnosis and treatment methods. Linking digital health data with the genomic data of biobanks must be facilitated to enable personalised prevention and care. The development and use of data analytics methods, including AI, also need to be enhanced through strengthened EU cooperation.

1.10. The EESC stresses the importance of reducing tobacco smoking and notes the report from the Commission on the application of Directive 2014/40/EU concerning the manufacture, presentation and sale of tobacco and related products ⁽¹⁾ and its conclusions, aimed at reducing smokers' exposure to hazardous and/or addictive substances. In this context, noting the Commission opinion on emissions and measurement methods [section 3.1 of the report], the EESC also advocates further research on the testing method for the content of smoke emissions, including via the WHO-Intense method, and advocates implementation of WHO recommendations based on research outcomes.

1.11. To contribute to the effective prevention of occupational cancer, the EESC calls for more research into occupational exposure to carcinogens, mutagens and endocrine disruptors and the causes of occupational cancers, particularly in women. The EESC acknowledges the cancer-related legislative initiatives in the Plan to reduce occupational exposure to cancer, and stresses the need for any possible updating to be science- and evidence-based and underpinned by consultations with the SP. The EESC underlines the need to promote and support research and development on finding replacements for dangerous substances and products. With respect to asbestos, the EESC refers to its previous opinions, including the proposals on the recognition and compensation aspects ⁽²⁾. It also calls for consideration of multiple exposures in risk assessment and management at work, and for data on occupational exposures to be integrated into early detection programmes.

1.12. The successful beating of cancer requires international cooperation and high-quality education in cancer-related disciplines, including cooperation between the MS in education and skills promotion programmes supported by the EU and implemented also by joint actions of the SP. Cooperation is also particularly important in the field of research and innovation and in facilitating knowledge-sharing. Moreover, open and structured collaboration is needed to ensure the availability of medicines, equipment and other goods for cancer treatments.

1.13. Enterprises play a central role in developing solutions for cancer prevention, screening, diagnostics and treatment. They also strive to beat cancer by reducing their environmental impacts, developing and producing safe products or modified, less-harmful products, improving health and safety in workplaces, and supporting patients in combining work and cancer treatment and returning smoothly to work. To encourage this, the EU needs to provide favourable conditions for innovation, investment and running businesses.

1.14. The EESC calls for close involvement of the SP and CSO in the further development and follow-up of the Plan, together with targeted promotion and funding for joint actions of the SP and CSOs, including a broad representation of different sectors.

⁽¹⁾ Report on the application of Directive 2014/40/EU.

⁽²⁾ A very important aspect is to maintain efforts to abandon the use of dangerous asbestos — See EESC opinions OJ C 251, 31.7.2015, p. 13 and OJ C 288, 31.8.2017, p. 56.

1.15. The EESC calls for EU-wide campaigns to increase awareness and knowledge of measures to prevent and manage cancer in workplaces, and of the role of high-quality food products, clean water and air, and healthy individual lifestyles, including diet, exercise and the choice of better alternatives, in cancer prevention. Communication, with the aim of making the Plan and its measures understandable and credible to European citizens, will play a crucial role in the success of the Plan and the achievement of its goals.

2. General comments

2.1. The EESC welcomes the Plan as a milestone in the fight against the growing problem of the burden of cancer among EU citizens. As the EESC finds the proposal too general, it invites the EC to describe how it will be translated into concrete action and impact prevention and patients' situation. The EESC also calls for a roadmap to be established that would detail the implementation of the Plan and incorporate performance indicators and realistic timeframes for this strategy.

2.2. The EESC applauds the proposals for a multi-faceted and innovative approach to tackling cancer, based on prevention, early detection, diagnosis and treatment and improving the quality of life of patients and survivors — also in particular by keeping them in employment. Notably, while cancer prevention is of the utmost significance, it is equally important for the EU and MS to ensure the availability of high-quality healthcare infrastructure, including screening, diagnostics and treatment facilities and health services.

2.3. The EESC notes that the Plan needs to be further adapted to facilitate the equal involvement of each and every MS and their regions to help bridge any possible inequalities. Quite often, morbidity and mortality are correlated not only with the type of cancer, but also with location and social gradients. Thus, the recommendations need to be adapted to the involvement of individual MS in the fight against cancer, including the organisational advancement of national screening and vaccination programmes and support schemes, and by addressing the issue of social inequalities in health. It is also necessary to support the person and their carers in dealing with the consequences of cancer in terms of loss of autonomy and citizenship: access to funds, support for everyday life, etc. The same attention must be paid to combating the economic fallout of cancer and the consequences of this for certain already insecure sections of society.

2.4. The cancer inequality register should be as inclusive as possible, identifying disparities between MS and between regions, and — when possible — social inequalities, especially regarding work and gender. It is also important to provide the appropriate infrastructure and competent personnel for the collection of high-quality associated data in effective cooperation between cancer registries of all MS and cooperation between countries.

2.4.1. Occupational exposures amplified by other factors such as the social determinants of health, including environmental exposures, access to care, education level, etc., play an important role in this dynamic. The EESC stresses the need to promote and support research on finding replacements for dangerous substances and products.

2.4.2. The EESC underlines the importance of environmental exposures — including the quality of food products, water and air and stresses the vital role of providing relevant training, education and information to motivate and support people to choose and follow a healthy lifestyle.

2.4.3. Beating cancer requires due attention to all phases of the process: cautious and informed prevention; early and relevant detection; access to swift treatment, high-quality and accessible care with an adequate, needs-based level of health care personnel, support for reintegration into society and at the workplace and after-care service.

2.5. The EESC welcomes the provision of EUR 4 billion in funding for the Plan, but requests that these resources be reviewed against the backdrop of the national health systems, considering their organisation of public/private health financing schemes. The EU cannot afford to remain slow to act in the fight against cancer, which would generate human suffering and worsen the economic conditions of Europeans. The EU needs a new Marshall Plan for oncology.

2.6. In the EESC's view, demographic and economic implications are of key importance for the Plan. Europe's ageing population equates to a low fertility rate, on the one hand, and an increase in people's lifespan, on the other, which in the long run will also challenge healthcare systems across the EU. This is also associated with an increased risk of developing cancer with age. Decisive measures are needed to ensure conditions conducive to preserving good health in Europeans until old age. The actions outlined in the Plan as a new approach to cancer prevention, treatment and care should be the pathway to achieving this goal. The Plan should be subject to an inventory/review clause every two years and include shared indicators for all EU MS.

3. High quality and equal care

3.1. As an urgent measure, it is necessary to tackle the problems caused by the pandemic. The EESC notes that restrictions in access to many medical services, especially in oncology and cardiology may only be avoided if the COVID-induced disruptions are effectively addressed. Massive delays in diagnosis and treatment reduce recovery chances, thereby increasing mortality rates.

3.2. It is also important to strengthen and develop the infrastructure and services to meet mid- and long-term needs. Practices need to be developed to be well prepared for responding to other potential exceptional situations effectively, including the development and EU-wide roll out of telemedicine and remote measures that are applicable in any circumstances and also contribute to reducing cancer inequities between MS and within their regions.

3.2.1. Inequalities between MS can be found both between east and west — with a brain drain flowing west; and between small and big countries, with major differences in screening programmes and investment in health systems. Research-active hospitals are ranked as the frontrunners in beating cancer.

3.2.2. The need for cooperation between MS can be addressed by various measures and tools, including:

- Data sharing and use of AI;
- Exchange of knowledge and expertise;
- Collaboration to tackle drug shortages;
- Inter-speciality training programmes;
- European Reference Networks; and
- An EU Network of National Comprehensive Cancer Centres.

3.3. The EESC welcomes the 'helping children with cancer initiative', but is concerned about the lack of specific measures to tackle the situation and calls for more specific and truly swift and concrete actions with dedicated funding to cure more children and adolescents with cancer and to do so more effectively. Given the urgent need to give children access to innovation, reduce inequalities in treatments and understand the origin of child cancers — since, unlike with adults' cancers, we cannot prevent paediatric cancers — the EESC calls for the Plan to be used as an opportunity to end the unfair situation of forgotten children and to finally give them the consideration they deserve, as they represent Europe's future.

3.4. The EESC is concerned about the significant regional differences in cooperation models and information flows, including the digital divide, negatively affecting the elderly, people residing outside major cities, persons with disabilities and financially disadvantaged groups. This is why the roadmap must ensure standardisation in this area.

3.5. The EESC also calls for a more grassroots Plan that is flexible enough to respond to particular needs and adapt to different circumstances and the situation of cancer patients and survivors.

3.6. The EESC welcomes the aim of preventing cancers caused by viral infections by introducing population-based vaccination, but notes that vaccination rates and the level of progress of vaccination programmes vary between regions. All regions should replicate best practices to make sure that each citizen has access to these types of vaccines.

3.7. The EESC endorses the plans to improve the early detection of cancer by means of screening projects and educational activities, including those utilising new technologies, aimed at raising patients' awareness of the need for preventive screening, and integrating data on occupational exposures into early detection programmes. Better knowledge of hereditary cancers is also needed in targeting the screening.

3.8. Prevention is more effective if it is not based on simple individual behaviour only and if it reduces or eliminates harm and collective factors contributing to cancer. Social determinants are underestimated in section 3 of the Plan.

3.9. The Committee notes that early diagnosis initiatives should target all types of cancer, including blood cancers, and that screening tests should be available to the largest possible populations.

3.10. The EESC calls for improved possibilities for cancer patients to benefit from high-quality treatment, care and expertise provided by other MS, as well as from the availability of medicines, medical equipment and other medical products provided by a well-functioning single market.

3.11. The EESC also stresses the importance of support systems — including providing the necessary information and knowledge — for patients' physical and mental well-being during and after treatment. The same concerns are relevant for employees, employers and entrepreneurs. Furthermore, the EESC emphasises the welfare of carers for cancer patients. Their informal careers as carers can seriously impact work/life balance and affect their physical well-being. The EESC therefore joins the EC in urging the MS to fully transpose the Directive on work-life balance for parents and carers and support the forthcoming Strategy on the Rights of Persons with Disabilities 2021-2030.

3.12. The EESC draws attention to cultural diversity and the varying degrees of respect for the fundamental rights of EU citizens, including in relation to non-discrimination in employment, social protection or access to financial services such as credit. Thus, it is necessary to eliminate disparities between MS and follow the principle of the 'right to be forgotten' with respect to an individual's cancer history as well as patients' carer representatives.

4. Need for new solutions to beat cancer

4.1. Given the enormous advances in technology and science, including medical science, the EESC welcomes the promise of a modern approach to combating cancer by means of new technologies, research and product innovation. It is also to be applauded that the EC focuses on insights from comorbidities, and social and behavioural sciences in its flagships and actions.

4.2. The Plan rightly emphasises the role of research and innovation as a cornerstone for better understanding of cancer risk factors and improving diagnoses, therapies, treatments, and prevention policies. International and EU-wide cooperation is crucial here to share best practices, including on regulatory approaches, combining professionals' expertise, data and technology, and financial resources as productively as possible.

4.3. Major efforts should be focused on the generation, availability, and accessibility of data to develop more advanced genomic tracing, prevention, diagnosis and treatment methods, including developing the European Health Data Space. The digitalisation of health data and safe and secure sharing thereof in the entire care path are vital for enabling patients to receive adequate care and treatment, including cross-border healthcare. Simultaneously, red tape in healthcare needs to be reduced and health record practices made as efficient as possible. The possibility of linking digital health data with the genomic data of biobanks must also be facilitated as an important enabler of the development of cancer prevention, diagnosis and patient-centred care. The development and use of data analytics methods, including AI, also need to be enhanced through strengthened EU cooperation.

4.4. The question of multiple exposures is one of the most important challenges in developing prevention of both environmental and occupational cancers. The EU should strengthen support for existing research in this area. Equally important is the provision of relevant information — about what can cause cancer, about helping people to recognise early symptoms, managing cancer-related stress, promoting prevention and inspiring healthy lifestyles. The SP and CSO have an indispensable role to play and their efforts shall be supported, including by devoting relevant funds under ESF+ for joint actions in combating cancer and for dissemination of best practices on health prevention.

4.5. There is a need to coordinate a systematic collection of data on occupational exposure to carcinogens and mutagens at European level and to link existing data from cancer registries with data on the occupations of cancer patients. Such data would enable preventive action to be better targeted and stimulate the early detection of cancers among those exposed. New and innovative research projects in Europe should be extended to cover all MS.

4.6. Exposure to endocrine disruptors is associated with a number of hormone-dependent cancers. Basic research on these substances must serve as a basis for improving European policies in this field and for better prevention.

4.7. Successfully beating cancer also requires high-quality education in cancer-related disciplines, including solid cooperation between the MS and the social partners in education and skills promotion programmes supported by the EU, such as the Inter-specialty cancer training programme and the EC's Pact for Skills. The Plan should mention the need for continuous professional development, information and awareness-raising in the health workforce, also regarding the management and administration of hazardous medicinal products (HMPs). Moreover, highly educated and skilled professionals are needed to deliver the various services, be it in the initial diagnosis and setting up of a treatment plan, or in administering medications, surgery and radiology, while close collaboration between cancer researchers, healthcare professionals and patients is another foundation for successful care. Additionally, intensive cooperation with partners outside the EU is also crucial to facilitate knowledge-sharing.

4.8. Enterprises play a central role in developing solutions for the prevention, screening, diagnostics, and treatment of cancer. The advancement and facilitation of innovation ecosystems are of utmost importance for the success of the EU. The ecosystems need to involve enterprises of different sizes (from big international companies to start-ups) and researchers, patients, health professionals, and authorities. This work has to be supported by EU and national funding, particularly through partnerships under Horizon Europe. It is also essential to determine the role of the EMA in encouraging and supporting MS in the introduction of innovative, safe and effective cancer therapies.

4.9. The EMA has an important role to play in marketing, and making accessible in a safe way, advanced products and relevant equipment to help prevent and efficiently cure cancer. It also can enhance MS' access to such products and coordinate their effective roll-out across the EU. This will result in quicker access for all patients to high-quality modern treatment.

4.10. Besides developing and providing medicines, vaccines, technology and care services, enterprises strive to beat cancer by reducing their environmental impacts, developing and producing safe products, or modified, less-harmful products and improving health and safety in workplaces. Among other things, exposure to UV radiation from outdoor activities should be reduced as far as possible, especially in sectors such as agriculture and construction. Health is concerned as much as safety for the social partners, who are developing sectoral prevention policies which they finance by means of a social security contribution. To unleash their potential, a fluid coordinated approach is key to enable the development and provision of high-standard solutions. Moreover, employers — and also trade unions and CSOs — support patients in combining work and cancer treatments and returning smoothly back to work.

4.11. To encourage the work of those enterprises specialised in developing solutions for beating cancer, the EU needs to provide favourable conditions for innovation, investment and running businesses. It is essential for strengthening the EU's overall global position in cancer-related healthcare technologies, services and solutions.

4.12. It is also important to speed up introduction and access to new cancer diagnosis methods and treatments, without compromising the patients' and healthcare professionals' safety. In this regard, an enabling and supportive regulatory framework is an essential element of a favourable business environment. EU regulation must be science-based and ensure a level playing field for companies within the EU and vis-a-vis their global competitors.

4.13. Considering the central and versatile role of enterprises and employers in the practical work for beating cancer, it is important to engage, in an all-inclusive way, a wide representation of businesses and employers, from the healthcare sector to construction, to the consumer goods, agriculture and manufacturing industries, as well as patient and carer representatives in the further development and implementation of the measures. Equally important is the role of SP and CSO in providing best practices and information and in organising awareness-raising campaigns.

5. Cancers requiring special emphasis

5.1. The EESC welcomes the childhood cancer initiative of the Plan but points out that there is a major need to increase efforts to impact the lives of children and adolescents and reduce existing inequalities. This requires investment in innovation, and clear and urgent dedicated actions and funding intended to develop and introduce proper detection methods, medicines, treatment, and care services. This is the opportunity to end the unfair situation of forgotten children and to finally give them the consideration they deserve, as they represent Europe's future.

5.2. The EESC notes that haematological cancers represent a significant health and economic burden for European citizens. The Plan can alleviate these burdens for patients, their families and society through considerations and innovative approaches to blood cancer care. Appropriate commitment to and investment in high-quality cancer surveillance, health system reform and innovative approaches to care can ensure that meaningful advances in blood cancer treatment can be made available to all on a sustainable basis.

5.3. The EESC points out that the Plan could emphasise the need to focus specifically on malignant haematology and enable the deployment of dedicated initiatives to advance the status of care for this frailest patient population:

- Malignant blood cancers were responsible for 9 % of all cancer deaths (124 000) in the EU, Norway, Switzerland and Iceland in 2016, and account for 12 % of the total healthcare expenditure in the EU ⁽³⁾;
- Haematological cancers typically affect the very young (30 % of childhood cancers) and the very old in society, the frailest among us, and it is unfair not to consider them because they are not the economic/working population.

6. International cooperation in the fight against cancer

6.1. The EESC concurs that international cooperation and coordination are necessary to boost medical development and the prospects for long term health for millions of Europeans, but is concerned that the Plan adopts an overly general approach to international cooperation in its implementation. The importance of international cooperation is illustrated best by the sad fact that five-year survival rates are highest in the USA, Canada, Australia, and New Zealand, followed by the best EU countries.

6.2. The EESC emphasises that cooperation is particularly important in the field of research and innovation, with a view to setting science-based and risk-proportionate regulatory standards, and in facilitating knowledge-sharing to make sure that the most advanced knowledge is available for the benefit of Europeans.

⁽³⁾ Institute for Health Metrics Evaluation GBD results 2016.

6.3. The EESC stresses the importance of reducing tobacco smoking and notes the report from the Commission on the application of Directive 2014/40/EU concerning the manufacture, presentation and sale of tobacco and related products ⁽⁴⁾ and its conclusions, aimed at reducing smokers' exposure to hazardous and/or addictive substances. In this context, noting the Commission opinion on emissions and measurement methods [section 3.1 of the report], the EESC also advocates further research on the testing method for the content of smoke emissions, including via the WHO-Intense method, and advocates implementation of WHO recommendations based on research outcomes.

6.4. While the EU should avoid excessive dependence on foreign countries in strategic areas such as healthcare, international economic cooperation is necessary for the availability of safe medicines, equipment and other goods needed in cancer treatment. Trade must be open with respect to the international supply chains of the health sector, and the EU must combat any sort of protectionism between MS or globally. Solutions to cancer also provide European companies with significant export opportunities, which need to be promoted to respond to the global demand for health-related solutions.

7. Health promotion activities and communication

7.1. The EESC appreciates the strong link between the quality of the environment and a healthy lifestyle and diet as factors reducing the incidence of cancer. The MS, together with the SP and CSO, shall explain and promote the role of high-quality food products, clean water and air in preventing cancer, as well as other diseases. They also shall join forces to educate and motivate people to follow a healthy lifestyle and avoid hazardous things, as this is the only way also to help children avoid exposure to carcinogens. In addition, more knowledge on cancer issues should be provided in schools and through campaigns using traditional and social media.

7.2. There is a need to raise public awareness of a healthy lifestyle, and accurately inform consumers about better alternatives, as well as prevention, treatment and care for cancer patients, survivors and people at risk of cancer.

7.3. The Committee, however, points out that the level of health awareness varies between regions and changes in this area must take account of local customs.

7.4. As cooperation between the SP plays a key role in the workplace, the EESC calls for EU-wide campaigns to increase employees' and employers' awareness and knowledge of measures to prevent and manage cancer in the workplace, including by sharing good practices and providing toolkits and training.

7.5. The EESC agrees that the Plan has great potential to secure Europeans' health needs. Communication — to make the Plan and its measures understandable and credible to European citizens — will thus play a crucial role in the success of the Plan and the achievement of its goals.

8. Follow-up of the strategy

8.1. The EESC underlines that many elements need to come together to dispel any doubts about the prospect of effective implementation of the Plan. The general and non-binding nature of the Plan does not guarantee its effective implementation and a more effective and regionalised response to the increasing burden of cancer. Accordingly, the EESC calls for a variety of different instruments to be designed that will pave the way for the effective implementation of the Plan in line with national specificities and practices.

8.2. The EESC also calls for close involvement of the health technology and solutions providers, SP and CSO in the further development and follow-up of the Plan, with a wide all-inclusive representation of different sectors. This is also crucial in the preparation of corresponding national action plans.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽⁴⁾ Report on the application of Directive 2014/40/EU.

Opinion of the European Economic and Social Committee on ‘Proposal for a directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms’

(COM(2021) 93 final — 2021/0050 (COD))

(2021/C 341/13)

Rapporteur: **Pekka RISTELÄ**

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1. Conclusions and recommendations

1.1. The EESC welcomes the Commission’s proposal, which aims to make it easier for workers to enforce the principle of equal pay where they consider that they have been the victims of pay discrimination, to contribute to greater transparency in pay structures and to strengthen the role of national bodies in enforcing this principle.

1.2. The EESC notes that the proposed Directive is wide in scope, applying to all workers in both public and private sectors, and that it recognises intersectional aspects of discrimination.

1.3. However, the EESC considers that the proposal should be strengthened in various respects, particularly regarding the criteria to be used to determine the value of work, the coverage of some of the key transparency obligations, and the role of the social partners and collective bargaining in the implementation of the principle of equal pay.

1.4. The EESC considers that more detailed guidance could be provided regarding the objective criteria to be used to determine the value of work in a gender-neutral way. Such criteria should include skills and characteristics of work typically performed by women, which are otherwise often overlooked or undervalued when assessing the value of work, such as people-centred skills. These criteria should be developed with the involvement of, or by, the social partners, and formulated in a way that leaves space for further specification by them.

1.5. While the proposal is rightly sensitive to concerns about additional burdens on SMEs, the EESC does not find a complete exemption of all employers with fewer than 250 workers justified. Special rules for SMEs could, however, be appropriate. Member States should also be required to provide support, training and technical assistance to employers, particularly SMEs, with their pay transparency obligations.

1.6. The EESC considers that measures should be taken to promote collective bargaining on equal pay and other measures aimed at closing the gender pay gap, without prejudice to the autonomy of the social partners. Collective bargaining can have a significant, beneficial role in promoting equal pay and gender equality systematically at company, sectoral, regional or national levels.

1.7. The EESC points out that the measures contained in the proposal are only some of the steps necessary to address the structural issues underpinning the gender pay gap. A holistic approach that includes furthering and strengthening enforcement, will be necessary to ensure equal pay in practice. This should include further efforts to tackle labour market segregation, gender stereotypes and the undervaluation of work performed predominantly by women; adequate and accessible childcare services, as well as adequate provisions for leave for partners; and initiatives to raise awareness of pay gaps, promote career opportunities for women and ensure better representation of women in decision-making positions; and eliminating tax-related disincentives to women's employment.

2. Introduction

2.1. Equal pay for men and women for equal work or work of equal value is one of the fundamental rights and principles of both the EU ⁽¹⁾ and international and European human rights instruments ⁽²⁾. It was reiterated most recently in Principle 2 of the European Pillar of Social Rights. It is also expressed in Article 4 of the Gender Equality Directive ⁽³⁾, which prohibits direct and indirect sex discrimination with respect to pay for the same work or for work of equal value.

2.2. The EU equal pay framework has been in place for many decades ⁽⁴⁾ and has contributed towards addressing pay discrimination and gender bias in pay structures. According to EIGE, 9 % (out of 14,1 %) of the gender pay gap (the 'unexplained' part) is attributed to unobserved worker characteristics not captured by the model, as well as discrimination ⁽⁵⁾. Other causes of the gender pay gap are, for example, the fact that women bear a greater share of unpaid care responsibilities, which affects their participation in the labour market such as working part-time, and horizontal and vertical occupational segregation. Some of this is addressed by other aspects of Union law and policy ⁽⁶⁾.

2.3. These measures have led to progress on closing the gender pay gap in the EU. Nevertheless, the average EU full-time pay gap still stands at 14,1 %, with very little progress made over the last decade. Developments vary between the Member States, with some of them even showing increasing pay gaps ⁽⁷⁾. The fact that women, on average, still earn less per hour than men contributes to the gender gaps in overall annual earnings (36,7 % ⁽⁸⁾) and pensions (30 % ⁽⁹⁾) — although it is not the only factor contributing to these gaps. In particular, the gender gap in overall earnings is largely explained by the fact that women spend fewer hours in paid work, to a large extent in order to accommodate unpaid care responsibilities ⁽¹⁰⁾. Working full time has a great impact on earnings and career opportunities, and giving this opportunity to both women and men requires support structures such as care services, shared family responsibilities and eliminating tax-related disincentives to women's employment.

2.4. The case law of monitoring bodies of international and European human rights instruments clearly demonstrates that there is still much room for improvement in most Member States, in both law and practice, in ensuring and enforcing the right to equal pay, including regarding pay transparency ⁽¹¹⁾.

⁽¹⁾ Laid down in Article 119 of the Treaty of Rome (1957) and now contained in Article 157(1) of the Treaty on the Functioning of the EU. Article 23 of the Charter of Fundamental Rights of the EU provides that equality between women and men must be ensured in all areas, including pay.

⁽²⁾ See in particular: Article 7(a)(i) of the UN International Covenant on Economic, Social and Cultural Rights (ICECSR), ILO Convention No 100 (1951) and Article 4(3) of the Council of Europe's European Social Charter (1961, revised 1996).

⁽³⁾ OJ L 204, 26.7.2006, p. 23.

⁽⁴⁾ Equal Pay Directive (OJ L 45, 19.2.1975, p. 19)

⁽⁵⁾ EIGE (2020) Gender inequalities in care and consequences for the labour market, page 26.

⁽⁶⁾ OJ L 188, 12.7.2019, p. 79; COM(2020) 152 final, 5.3.2020 and COM(2017) 678 final, 20.11.2017.

⁽⁷⁾ Eurostat data from 2019, Gender pay gap statistics.

⁽⁸⁾ Eurostat data from 2016, Gender overall earnings gap.

⁽⁹⁾ Eurostat data from 2018, Closing the gender pension gap?.

⁽¹⁰⁾ Eurostat (2019) Why do people work part-time?

⁽¹¹⁾ See e.g. the case-law of the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) on Convention No 100 *Equal Remuneration Convention* (1951), the decisions adopted by the Council of Europe's European Committee of Social Rights (ECSR) on the collective complaints submitted by the University of Women Europe (UWE) against 15 EU Member States and the ECSR's conclusions on non-conformity with Article 4(3) of the European Social Charter under the normal reporting procedure.

2.5. The COVID-19 pandemic has had severe effects on society, the economy, workers, entrepreneurs and businesses. Importantly, the pandemic has underscored the fact that women still receive lower pay than men, and that the work performed in many female-dominated, essential jobs is still undervalued. The pandemic has also disproportionately affected women, at the workplace and beyond, and, without decisive action, is likely to have negative repercussions on gender equality ⁽¹²⁾.

2.6. The EC's proposal for a Directive to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms (2021/0050 (COD), 'the proposal') recognises the urgency of taking action to promote equal pay for men and women in this context. The proposal aims to address some of the main obstacles to the effective implementation and enforcement of the EU equal pay framework in practice, which has remained a challenge ⁽¹³⁾. The Commission considers a reduction of 3 percentage points in the unexplained gender pay gap to be a reasonable estimate of the impact of the proposed measures, although the lack of precise data on the extent of pay discrimination makes the impact of the proposed measures difficult to assess ⁽¹⁴⁾.

2.7. The Commission has identified three main sets of challenges in this regard: a lack of clarity over key legal concepts, such as 'work of equal value', a lack of transparency in pay systems, and a range of procedural obstacles, such as high legal costs or a lack of sufficient compensation ⁽¹⁵⁾. In 2014, it published a Recommendation on strengthening the principle of equal pay between men and women through pay transparency ('the Recommendation'), aimed at addressing some of these issues ⁽¹⁶⁾. The Recommendation has had little uptake in Member States ⁽¹⁷⁾, though some already have various pay transparency measures in place, which differ in their design and coverage ⁽¹⁸⁾.

2.8. At the start of her term of office, EC President Ursula von der Leyen identified the principle of equal pay for equal work as the founding principle of a new European Gender Strategy and binding pay transparency measures as one of her political priorities. The Commission subsequently included the introduction of binding pay transparency measures in the EU Gender Equality Strategy 2020–2025. The European Parliament has expressed support for the introduction of such measures in its resolutions on the gender pay gap ⁽¹⁹⁾ and on the Gender Equality Strategy ⁽²⁰⁾. The EESC has also called on the Commission to act in this area to address situations where work typically performed by women is undervalued, including by introducing binding pay transparency measures, but also measures to ensure equal opportunities for women and men in the labour market and to tackle horizontal and vertical gender segregation by occupation ⁽²¹⁾.

3. General comments

3.1. The EESC has previously stated that binding measures are necessary to strengthen the principle of equal pay between men and women ⁽²²⁾. The experience with the 2014 Recommendation on pay transparency has shown that non-binding measures are unlikely to achieve the desired result, which is to ensure the effective application of the principle of equal pay in practice, at the required pace.

⁽¹²⁾ Wenham C (2020) *The gendered impact of the COVID-19 crisis and post-crisis period*, European Parliament; Eurofound (2020) *Women and labour market equality: Has COVID-19 rolled back recent gains?*; European Commission, 2021 report on gender equality in the EU.

⁽¹³⁾ According to the European Commission Report on the application of Directive 2006/54/EC (COM(2013) 861 final), and the Evaluation of the relevant provisions in the Directive 2006/54/EC implementing the Treaty principle on 'equal pay for equal work or work of equal value' (SWD(2020) 50 final).

⁽¹⁴⁾ Impact Assessment accompanying the proposal, page 116.

⁽¹⁵⁾ COM(2013) 861 final; SWD(2020) 50 final.

⁽¹⁶⁾ OJ L 69, 8.3.2014, p.112.

⁽¹⁷⁾ COM/(2017) 671 final.

⁽¹⁸⁾ Veldman A (2017) *Pay Transparency in the EU: A legal analysis of the situation in the EU Member States, Iceland, Liechtenstein and Norway*, Luxembourg, Publications Office of the European Union.

⁽¹⁹⁾ EP Resolution, 30.1.2020.

⁽²⁰⁾ EP Resolution, 21.1.2021.

⁽²¹⁾ OJ C 110, 22.3.2019, p. 26, OJ C 240, 16.7.2019, p. 3, OJ C 364, 28.10.2020, p. 77.

⁽²²⁾ OJ C 364, 28.10.2020, p. 77.

3.2. The EESC welcomes the Commission's proposal, which aims to make it easier for workers to enforce the principle of equal pay where they consider that they have been the victims of pay discrimination, to contribute to greater transparency in pay structures and to strengthen the role of national bodies in enforcing this principle.

3.3. However, the EESC considers that the proposal should be strengthened in various respects, particularly regarding the criteria to be used to determine the value of work and the coverage of some of the key transparency obligations, but also the role of the social partners and collective bargaining in the implementation of the principle of equal pay, the social partners being best placed to reassess the value of skills and occupations ⁽²³⁾. It is concerned that, otherwise, the benefits of the proposed measures will be limited for many workers, and the measures will not contribute sufficiently to the systemic changes required to eliminate pay discrimination and gender bias in pay structures.

3.4. The EESC points out that the measures contained in the proposal are only some of the steps needed to address the structural issues underpinning the gender pay gap. A holistic approach including further measures, as well as strengthening enforcement, will be necessary to ensure equal pay in practice. These should include further efforts to tackle labour market segregation, gender stereotypes and the undervaluation of work performed predominantly by women; adequate and accessible childcare services, as well as adequate provisions for leave for partners; and initiatives to raise awareness of pay gaps, promote career opportunities for women and ensure better representation of women in decision-making positions; and eliminating tax-related disincentives to women's employment.

4. Specific comments

4.1. Scope and definitions

4.1.1. The EESC notes that the proposed Directive is wide in scope (Article 2), applying to both the public and private sectors, and to all workers who have an employment contract or employment relationship, where the determination of the existence of such a relationship is guided by facts relating to the performance of the work. This includes workers in non-standard employment, such as on-demand or platform work, where the facts relating to the performance of the work indicate that these criteria are satisfied ⁽²⁴⁾. The existence of an employment contract or employment relationship is defined by law, collective agreements and/or practice in force in each Member State, with consideration to the case-law of the Court of Justice.

4.1.2. The definition of 'categories of workers' in Article 3 provides that these should be specified by the employer. It is crucial that there are mechanisms in place to ensure that categories of workers are determined in a gender-neutral way, such as by ensuring that these are drawn up with the involvement of trade union/workers' representatives, in accordance with national law and practice.

4.1.3. The EESC welcomes the fact that the definition of pay discrimination includes discrimination based on a combination of sex and any other ground for discrimination ⁽²⁵⁾, recognising intersectional aspects of discrimination. The Commission should provide further guidance to ensure that cases in which pay discrimination arises from a combination of sex and another protected characteristic can be identified and addressed as such.

4.1.4. The EESC notes that, throughout the proposal, responsibilities are allocated to 'workers' representatives' without the term being defined. Its explanatory memorandum states that 'if formal workers' representatives are absent in the organisation, the employer should designate one or more workers for this purpose'. In order not to risk undue interference with national systems for industrial relations, as well as to avoid trade union rights and prerogatives being bypassed by workers' representatives chosen by the employer ⁽²⁶⁾, the proposal should guarantee that legitimate workers' representatives

⁽²³⁾ OJ C 110, 22.3.2019, p. 26.

⁽²⁴⁾ Recital 11 of the proposal.

⁽²⁵⁾ Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin (OJ L 180, 19.7.2000, p. 22) and Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJ L 303, 2.12.2000, p. 16).

⁽²⁶⁾ The case law of the ILO Committee on Freedom of Association (CFA) and the Committee of Experts on the Application of Conventions and Recommendations (CEACR) is clear that the prerogatives of trade unions cannot be by-passed or opened to other organisations, associations or (groupings of) individual workers (chosen by the employer). See in particular ILO CFA Digest of case law (§ § 1214, 1222-1230, 1234, 1342-1349) and the CEACR General Survey of 2012, pp. 96-97.

are always designated by workers. It needs to be stated that this is to be done in accordance with the relevant conventions and case-law of the International Labour Organization on the freedom of association, the right to organise and the right to collective bargaining.

4.2. *Equal pay and work of equal value*

4.2.1. In Article 4(3), the proposal clarifies some of the objective criteria to be used in determining the value of work, in accordance with CJEU case law, and requires that Member States take measures to ensure that tools and methodologies are established to determine the value of work. These provisions will assist workers seeking to enforce their rights in identifying an appropriate comparator, and ensure that the value of work is determined more consistently between Member States. It will assist the social partners in designing pay structures in a gender-neutral way and in determining which categories of workers perform work of equal value, which is essential for the application of other provisions in the proposed Directive.

4.2.2. However, the proposed provision lists only a few, general criteria. It would be desirable to provide more detail on the objective criteria to be used to determine the value of work, whereby particular effort should be made to ensure that the requisite skills and characteristics of work typically performed by women are not overlooked. Where such skills and characteristics are overlooked, the assessment of the value of work is not gender-neutral. For example, the proposed criteria should specify further sub-criteria to be taken into account, which include people-centred skills typical of work performed in many female-dominated jobs, such as care work⁽²⁷⁾. Providing more detail would contribute to ensuring that work typically performed by women is not undervalued. These criteria should be formulated in a way that leaves space for further specification by the social partners.

4.2.3. The social partners are best placed to assess the value of skills and occupations. The gender-neutral criteria, and the tools and methodologies to determine the value of work referred to in Article 4(2), must be developed by them or at least with their involvement, without prejudice to their autonomy. Social dialogue and collective bargaining are instrumental in reaching the desired objectives and in addressing the gender pay gap.

4.2.4. The EESC welcomes the introduction of the option of using a hypothetical comparator or other evidence allowing alleged discrimination to be presumed, where no real comparator can be established. This will assist workers in highly sex-segregated workplaces to show discrimination where this exists, even if there is no real comparator. It is particularly important to ensure that women workers in highly sex-segregated workplaces can bring equal pay claims, since evidence suggests that there is a correlation between the degree of feminisation of a workplace and lower pay — that is, the higher the proportion of women, the lower the pay⁽²⁸⁾.

4.3. *Pay transparency*

4.3.1. The EESC takes note of the proposed measures in Articles 5-9 aimed at enhancing the availability of information on pay, including prior to employment, and transparency in pay structures, but notes the need to accommodate national industrial relations models. These can contribute to addressing one of the major challenges in identifying and challenging pay discrimination, as well as pay disparities caused by gender differences in initial salary negotiations, which tend to

⁽²⁷⁾ For example, it could be specified that 'skills' include interpersonal skills, 'effort' includes not only physical, but also mental and psychosocial effort, or that 'nature of the tasks' includes emotional support. More detailed guidance on the kinds of criteria and sub-criteria to be used to determine the value of work is provided in the Commission Staff Working Document accompanying the document to the Report from the Commission to the Council and the European Parliament on the application of Directive 2006/54/EC, SWD(2013) 512 final, 16 December 2013.

⁽²⁸⁾ ILO (2018) Global wage report 2018/2019: what lies behind gender pay gaps, Geneva, ILO, page 75.

disadvantage women ⁽²⁹⁾. The EESC notes that the proposal recognises that Article 5 does not limit the ability of employers, workers, and social partners to negotiate a salary outside the indicated range.

4.3.2. These measures could prompt employers to identify and address pay gaps in their organisation. Reporting and joint assessments can contribute to raising awareness of pay discrimination and gender bias in pay structures and addressing them in a more systemic and effective way, benefitting all workers in the organisation without the need for workers to bring an equal pay claim. At the same time, it is important to improve employees' knowledge of what the pay and salary consists of and how it can be influenced. Awareness-raising activities on gender issues in workplaces would also greatly contribute to tackling the pay gap. More pay transparency can have beneficial effects also on workforce satisfaction, retention and productivity ⁽³⁰⁾.

4.3.3. The wording of the proposed Article 7(5) suggests that workers may be prevented from speaking freely about their pay to others beyond the specific circumstances of enforcing the principle of equal pay. The EESC points out that, to ensure greater transparency, it should be made clear that workers should not be prevented from disclosing their pay to colleagues and others, particularly their trade union. The ability to discuss pay freely with others enables workers to identify that the principle of equal pay has been breached.

4.3.4. Furthermore, employers should not be able to prevent workers from disclosing to their trade union information regarding pay levels for categories of workers that is obtained on request and that could indicate pay discrimination (Article 7(6)). The recipient could be required to treat the information confidentially, other than for the purposes of enforcing the principle of equal pay.

4.3.5. The limitation of the requirement to report on pay gaps within the organisation to employers with at least 250 workers (Article 8(1)), which exempts all small and medium-sized enterprises (SMEs), will mean that only about a third of all workers in the EU can benefit from this measure ⁽³¹⁾. Furthermore, women are overrepresented in small firms ⁽³²⁾, which means that an even smaller proportion of women workers will benefit from this measure. This threshold is a step back from the Commission's 2014 Recommendation, which suggests reporting requirements for employers with at least 50 employees ⁽³³⁾.

4.3.6. The EESC recognises that SMEs may have more limited resources to comply with their obligations under the proposed Directive. The proposal should be sensitive to concerns about additional burdens on SMEs, particularly given the significance that these may have in the post-pandemic recovery process, which may be on-going after entry into force of the

⁽²⁹⁾ Evidence suggests that, for example, women tend to avoid salary negotiations and that men are more successful than women in negotiating labour market outcomes. See M. Recalde and L. Vesterlund, *Gender Differences in Negotiation and Policy for Improvement*, a working paper from the US National Bureau for Economic Research (at <https://www.nber.org/papers/w28183>); A. Leibbrandt and J. A. List, *Do Women Avoid Salary Negotiations? Evidence from a Large Scale, Natural Field Experiment*, a working paper from the US National Bureau for Economic Research (at <https://www.nber.org/papers/w18511>).

⁽³⁰⁾ See Impact Assessment, pages 17-18 and, e.g.; Chamberlain, A., *Is Salary Transparency More Than a Trend?*, Glassdoor Economic Research Report, 2015; Wall, A., *Pay openness movement: Is it merited? Does it influence more desirable employee outcomes than pay secrecy?*, *Organization Management Journal*, 2018.

⁽³¹⁾ SMEs account for around two thirds of employment in the EU, and 99,8 % of all enterprises, Statistics on small and medium-sized enterprises.

⁽³²⁾ EIGE (2020) Gender inequalities in care and consequences for the labour market, page 29.

⁽³³⁾ Recommendation 4.

proposed Directive. Nevertheless, the Commission estimates that the costs of producing reports will be moderate⁽³⁴⁾. A complete exemption of all employers with fewer than 250 workers is therefore not justified, but special rules for SMEs could be appropriate.

4.3.7. Special rules reducing the required frequency of reporting for smaller enterprises would reduce costs, whilst requiring employers to identify and eliminate pay gaps for the benefit of workers. The threshold for reporting obligations should be no higher than 50 workers, but the frequency of reporting for enterprises with more than 50 but fewer than 250 workers could be reduced.

4.3.8. A similar concern arises with respect to the limitation of the requirement to conduct a joint assessment to employers with at least 250 workers (Article 9). The costs for producing a joint assessment are estimated to be somewhat higher than for reports⁽³⁵⁾, but they still do not justify a complete exemption for employers with fewer than 250 employees. Special rules for SMEs could be justified.

4.3.9. Member States should be required to provide support, training and technical assistance to employers, particularly SMEs, to comply with their pay transparency obligations, including by developing tools and methodologies for calculating pay gaps. Member States should, wherever possible and appropriate, also make use of the possibility in Article 8(4) to compile information on pay gaps across organisations themselves, particularly in respect of small and medium sized enterprises.

4.3.10. The EESC notes that the proposal differs from the Recommendation in that it requires that employers report only on pay gaps between male and female workers by category of worker and across the organisation. To ensure more transparency and accountability, trade union/workers' representatives should be able to verify the method used by the employer to calculate pay gaps and whether calculations are accurate, with due regard for national law and practice. In line with the Recommendation, reporting obligations should extend to average pay levels of male and female workers by category of worker. This allows workers and other bodies to assess the actual differences in pay across categories of workers, which is essential to ensuring the effective enforcement of the principle of equal pay.

4.3.11. The EESC points out that the proposal does not specify how frequently employers should provide information relating to pay for different categories of workers (Article 8(1)(g)). This information should be made available on an annual basis, like other types of information. Special provisions regarding frequency could be made for SMEs, as suggested in point 4.3.7.

4.3.12. The EESC supports the proposal to oblige employers to remedy the situation, in cooperation with trade union/workers' representatives and other bodies, and the requirement to include measures to address any differences identified and report on the effectiveness of such measures in the joint assessment (Article 8(7), Articles 9(2) and 9(3)). These provisions are key to ensuring that reporting and joint assessment obligations are effective in promoting the principle of equal pay.

4.3.13. Article 10(1) provides that information provided pursuant to the above-mentioned requirements which involves the processing of personal data must be provided in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council⁽³⁶⁾ (General Data Protection Regulation — GDPR). It should be specified that the GDPR should not be used by employers as a reason to deny information necessary to identify pay discrimination. Article 10(3) contains adequate protections for an individual worker's privacy, requiring that where an individual worker is identifiable, the relevant information should be made available to trade union/workers' representatives or the equality body only. These should then advise the worker on whether there are grounds for an equal pay claim.

⁽³⁴⁾ The Commission Impact Assessment suggests additional average costs of between a minimum of EUR 379-508 and a maximum of EUR 721-890 for the first year, with costs decreasing for the following years: Impact Assessment (SWD(2021) 41 final, page 59). See also Eurofound (2020), Measures to promote gender pay transparency in companies: How much do they cost and what are their benefits and opportunities? Eurofound working paper, WPEF20021.

⁽³⁵⁾ An average cost of between a minimum of EUR 1 180-1 724 and a maximum of EUR 1 911-2 266, expected to decrease with any subsequent assessments: Impact Assessment (SWD(2021) 41 final, page 61).

⁽³⁶⁾ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

4.4. *Collective bargaining and social dialogue on equal pay*

4.4.1. The proposal recognises the importance of the social partners giving particular attention to equal pay in collective bargaining and provides that Member States take measures to encourage social partners to pay due attention to equal pay matters, including at the appropriate level of collective bargaining ⁽³⁷⁾. It also provides that the different features of national social dialogue and collective bargaining systems across the Union and the autonomy and contractual freedom of social partners, as well as their capacity as representatives of workers and employers, be respected ⁽³⁸⁾. However, unlike the 2014 Recommendation, the proposal does not include a provision ensuring that the issue of equal pay can be discussed at the appropriate level of collective bargaining.

4.4.2. Article 11 provides only that the rights and obligations under the Directive should be discussed with the social partners. It should be further specified what this entails. In particular, it is important to ensure, specifically, that measures are taken to promote collective bargaining on equal pay and other measures aimed at closing the gender pay gap, without prejudice to the autonomy of the social partners. Collective bargaining can have a significant, beneficial role in promoting equal pay and gender equality in a systemic manner at company, sectoral or national levels.

4.4.3. In addition, other measures that promote social dialogue, the discussion of equal pay and the development of gender-neutral job evaluation schemes by the social partners, awareness of equal pay issues among them, and sharing of best practices should be encouraged.

4.4.4. The ability of trade union/workers' representatives to act on behalf of workers should be strengthened, including by giving trade union/workers' representatives the right to request information on pay levels, broken down by gender, for categories of workers. Such information would enable trade union/workers' representatives to identify pay discrimination and act to address it, including through collective bargaining.

4.4.5. The EESC points out that trade union/workers' representatives must have the necessary technical knowledge and training to fulfil their function of identifying pay discrimination, and advising and representing workers with respect to the relevant issues. It should be clarified that trade unions have a right to represent their members.

4.5. *Remedies and enforcement*

4.5.1. The EESC takes note of the proposed provisions seeking to address procedural barriers faced by workers seeking to bring an equal pay claim, such as high legal costs, inadequate compensation and limitation periods. In this regard, it acknowledges the varying legal traditions when it comes to the Member States' rules of procedures. The EESC points to the need for flexibility in order to respect both national judicial systems and the different features of national social dialogue and collective bargaining systems across the Union and the autonomy and contractual freedom of social partners, as well as their capacity as representatives of workers and employers.

4.5.2. The EESC supports the proposal to ensure that various entities can act on behalf of or in support of a worker or group of workers, with their explicit approval, and that equality bodies and workers' representatives can do so on behalf of several workers (Article 13). The possibility of class action at the national level could also be considered, as it is expected to have a substantial impact on enforcement ⁽³⁹⁾. The EESC points to the need for flexibility in order to respect varying legal traditions and national judicial systems.

4.5.3. The EESC notes that Article 19 regarding legal and judicial costs could give rise to financial difficulties for micro-businesses and some small businesses as defendants in the procedure. Where legal costs are so significant as to threaten the operation of the business, non-recovery should be considered to be manifestly unreasonable.

⁽³⁷⁾ Proposal, Recital 31.

⁽³⁸⁾ Recital 31 of the proposal.

⁽³⁹⁾ Foubert, P. (2017). See also Benedi Lahuerta, S. (2018).

4.5.4. The EESC notes that the proposed limitation period of three years in Article 18 could require significant changes entailing challenges to existing dispute resolution mechanisms in some Member States. Where this is the case, it should be possible for Member States to accommodate their judicial systems and legal traditions, without compromising the objective of Article 18, which is to ensure that short limitation periods are not a barrier preventing victims of pay discrimination from enforcing their right to equal pay.

4.6. *Equality and monitoring bodies*

4.6.1. The EESC welcomes the proposal to strengthen the role of equality bodies in enforcing the principle of equal pay and ensure cooperation between equality bodies and other bodies with an inspection function (Article 25). In addition, provision should be made to ensure close cooperation between equality bodies and the social partners, as well as the monitoring body, if separate from the equality body, with due regard to the autonomy of the social partners.

4.6.2. The EESC particularly welcomes the provision on adequate resources to enable equality bodies to perform their functions effectively (Article 25(3)). It also welcomes the proposed requirement to designate a monitoring body to support the implementation of the principle of equal pay (Article 26). To further strengthen the role of national bodies, however, the proposal should ensure that the monitoring body and labour inspectorates are provided with adequate resources to carry out their functions effectively.

4.6.3. The EESC considers that the composition of the monitoring body should include the social actors involved in the application of the principle of equal pay, in particular trade unions and employers' representatives, as well as civil society organisations promoting gender equality and equal pay.

4.7. *Horizontal provisions*

4.7.1. The EESC considers that the proposed non-regression clause (Article 24) could be further strengthened by adding that nothing in the Directive shall be interpreted as restricting or adversely affecting rights and principles as recognised, in their respective fields of application, by Union law or international law and by international agreements to which the Union or the Member States are party.

4.7.2. Article 27 seeks to ensure that the Directive will not affect the right of the social partners to negotiate, conclude and enforce collective agreements or take collective action in accordance with national law and practice. It should also be further specified that social partners can introduce provisions or apply collective agreements that are more favourable to workers than those laid down in the Directive.

4.7.3. The EESC notes that Article 30 allows for implementation of the Directive by the social partners where they jointly request to do so, provided that the results sought by the Directive are guaranteed at all times. This provision ensures that the Directive allows for different means of implementation across different national systems, whilst guaranteeing the same level of protection for workers.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

ANNEX

The following amendments, which received at least a quarter of the votes cast, were rejected in the course of the debate (Rule 43(2) of the Rules of Procedure):

New point 3.1

Add a new point before 3.1:

3.1. The European Economic and Social Committee (EESC) is a firm supporter of the principle of equal pay for men and women for equal work or work of equal value and recognises it as one of the fundamental rights and principles of the European Union. The EESC also supports the Commission's objective to close the gender pay gap and to further promote the principle of equal pay. However, in order to address the gender pay gap, the root causes of the gap must be carefully assessed and correctly identified. The EESC believes that the Commission proposal on the pay transparency directive⁽¹⁾ fails to properly recognize the principle factors behind the gender pay gap such as horizontal and vertical labour market segregation, following from individual educational and professional choices, full-time versus part-time work as well as unpaid care-related constraints as well the role of tax incentives. Therefore, instead of the proposed pay transparency measures, there are more efficient and proportionate measures than binding EU legislation to address these issues while at the same time ensuring that administrative burdens and costs for companies, in particular SMEs, are not increased. The EESC underlines that pay structures and wage setting are an essential part of collective bargaining and social dialogue that fall within the competence of Member States and social partners. The EESC finds that the proposed directive⁽²⁾ fails to fully respect the national wage formation competences and to sufficiently take into account the diverse national social and industrial relations models or judicial systems and legal traditions in the Member States. Furthermore, no consideration is paid to the fact that wage formation is also shaped by the concurrent demand and supply of skills in the labour market as well as available resources. Therefore, the EESC concludes that the Commission proposal on pay transparency is disproportionate and runs counter to the principle of subsidiarity. The Commission should reconsider or rework its proposal and the co-legislators are invited to take into account and address these concerns in the next steps of the legislative process.

Outcome of the vote:

In favour: 90

Against: 109

Abstention: 18

Point 3.2

Amend as follows:

3.2. The EESC recognises that ~~welcomes~~ the Commission's proposal, ~~which~~ aims to make it easier for workers to enforce the principle of equal pay where they consider that they have been the victims of pay discrimination, to contribute to greater transparency in pay structures and to strengthen the role of national bodies in enforcing this principle.

Outcome of the vote:

In favour: 85

Against: 131

Abstention: 17

⁽¹⁾ COM(2021) 93 final

⁽²⁾ COM(2021) 93 final

Point 3.3 (linked to point 1.3)

Amend as follows:

3.3. However, the EESC considers that the proposal should be strengthened the possibility for Member States to accommodate their industrial relations models in various respects, particularly regarding the criteria to be used to determine the value of work and the coverage of some of the key transparency obligations, but also the role of the social partners and collective bargaining in the implementation of the principle of equal pay, the social partners being best placed to reassess the value of skills and occupations ⁽³⁾. It is concerned that, otherwise, the benefits of the proposed measures will be limited for many workers, and the measures will not contribute sufficiently to the systemic changes required to eliminate pay discrimination and gender bias in pay structures.

Outcome of the vote:

In favour: 90

Against: 138

Abstention: 17

Point 4.2.4

Amend as follows:

4.2.4. The EESC ~~is critical about and questions~~ welcomes the introduction of the option of using a hypothetical comparator or other evidence allowing alleged discrimination to be presumed, where no real comparator can be established. ~~This will assist workers in highly sex-segregated workplaces to show discrimination where this exists, even if there is no real comparator. It is particularly important to ensure that women workers in highly sex-segregated workplaces can bring equal pay claims, since evidence suggests that there is a correlation between the degree of feminisation of a workplace and lower pay — that is, the higher the proportion of women, the lower the pay ⁽⁴⁾. It is unclear how this would work in practice, and it would create legal uncertainty for companies. It also ignores the dynamic developments in a company, where aspects which impact on pay, such as the general economic situation (economic performance, competitiveness, productivity, demand), as well as work tasks and organisation, change constantly. The EESC believes that potential pay discrimination must always be assessed in relation to the employees in a single company in comparable positions. In addition, the EESC points out that wage formation is mostly a prerogative of (collective) bargaining and subject to detailed professional advice and should not be regulated. Wages are formed in the labour market, paying workers for the tasks performed, as well as reflecting objective elements and the performance of the worker. Wages are set as part of a contractual relationship between two private parties or through collective agreement. The directive should respect these aspects and wage setting structures.~~

Outcome of the vote:

In favour: 69

Against: 114

Abstention: 15

⁽³⁾ OJ C 110, 22.3.2019, p. 26.

⁽⁴⁾ ILO (2018) Global wage report 2018/2019: what lies behind gender pay gaps, Geneva, ILO, page 75.

Point 4.3.5

Delete point:

~~4.3.5. The limitation of the requirement to report on pay gaps within the organisation to employers with at least 250 workers (Article 8(1)), which exempts all small and medium-sized enterprises (SMEs), will mean that only about a third of all workers in the EU can benefit from this measure ⁽³⁾. Furthermore, women are overrepresented in small firms ⁽⁶⁾, which means that an even smaller proportion of women workers will benefit from this measure. This threshold is a step back from the Commission's 2014 Recommendation, which suggests reporting requirements for employers with at least 50 employees ⁽⁷⁾.~~

Outcome of the vote:

In favour: 81

Against: 125

Abstention: 13

Point 4.3.6 (linked to point 1.5)

Amend as follows:

4.3.6. The EESC recognises that SMEs may have more limited resources to comply with their new obligations as they often lack human resources personnel under the proposed Directive. The proposal should be sensitive to concerns about additional burdens on SMEs, particularly given the significance that these may have in the post-pandemic recovery process, which may be on-going after entry into force of the proposed Directive. Nevertheless, ~~the~~ The Commission estimates that the costs of producing reports will be moderate ⁽⁸⁾, however underestimating the overall financial consequences for employers. In fact, total costs cannot be assessed in advance, but will depend on the cost of producing new types of data and statistical compilations, the number of disputes, practical enforcement problems and effects on wage formation and collective agreements. A complete exemption of all employers with fewer than 250 workers is therefore to be supported ~~not justified~~, but special rules at national level for SMEs could be appropriate. Therefore, Member States should be allowed to establish appropriate thresholds.

Outcome of the vote:

In favour: 90

Against: 121

Abstention: 13

Point 4.3.7

Delete point:

~~4.3.7. Special rules reducing the required frequency of reporting for smaller enterprises would reduce costs, whilst requiring employers to identify and eliminate pay gaps for the benefit of workers. The threshold for reporting obligations should be no higher than 50 workers, but the frequency of reporting for enterprises with more than 50 but fewer than 250 workers could be reduced.~~

⁽³⁾ SMEs account for around two thirds of employment in the EU, and 99,8 % of all enterprises; Statistics on small and medium-sized enterprises.

⁽⁴⁾ EIGE (2020) Gender inequalities in care and consequences for the labour market, page 29.

⁽⁷⁾ Recommendation 4.

⁽⁸⁾ The Commission Impact Assessment suggests additional average costs of between a minimum of EUR 379-508 and a maximum of EUR 721-890 for the first year, with costs decreasing for the following years: Impact Assessment (SWD(2021) 41 final, page 59). See also Eurofound (2020), Measures to promote gender pay transparency in companies: How much do they cost and what are their benefits and opportunities? Eurofound working paper, WPEF20021.

Outcome of the vote:

In favour: 82

Against: 127

Abstention: 18

Point 4.3.8

Amend as follows:

~~4.3.8. A similar concern arises with respect to~~ The EESC also welcomes the limitation of the requirement to conduct a joint assessment to employers with at least 250 workers (Article 9). The costs for producing a joint assessment are estimated to be somewhat slightly higher than for reports ⁽⁹⁾, therefore but they still do not justifying a complete exemption for employers with fewer than 250 employees. Special rules for SMEs at national level could be justified.

Outcome of the vote:

In favour: 82

Against: 130

Abstention: 20

Point 4.3.9

Amend as follows:

~~4.3.9. Member States should be required to provide support, training and technical assistance to employers, particularly SMEs, and to incentivize them to take up voluntary measures of comply with their pay transparency obligations, including by developing tools and methodologies for calculating pay gaps. Member States should, wherever possible and appropriate, also make use of the possibility in Article 8(4) to compile information on pay gaps across organisations themselves, particularly in respect of small and medium sized enterprises.~~

Outcome of the vote:

In favour: 91

Against: 130

Abstention: 15

Point 4.4.4

Amend as follows:

~~4.4.4. The EESC welcomes that the proposal increases the possibilities for employees to enforce their rights regarding the principle of equal pay. The ability of trade union and workers' representatives to act on behalf of workers should always be conditional on a clear mandate from the worker and should take place in accordance with national law and practice as well as systems of industrial relations. The right to request information on pay levels, broken down by gender, for categories of workers should not be automatically granted, but should always case-specifically justified and mandated by the worker. The ability of trade union/workers' representatives to act on behalf of workers should be strengthened, including by giving trade union/workers' representatives the right to request information on pay levels, broken down by gender, for categories of workers. Such information would enable trade union/workers' representatives to identify pay discrimination and act to address it, including through collective bargaining.~~

⁽⁹⁾ An average cost of between a minimum of EUR 1 180-1 724 and a maximum of EUR 1 911-2 266, expected to decrease with any subsequent assessments: Impact Assessment (SWD(2021) 41 final, page 61).

Outcome of the vote:

In favour: 88

Against: 127

Abstention: 11

New Point 4.5.5

Add new point after 4.5.4:

4.5.5. The EESC underlines that any form of discrimination based on gender should be corrected. There is a concern, however, that the requirement of full compensation, as stated in Article 14, could cause both legal uncertainty and practical difficulties regarding, inter alia, the period for which such compensation would be paid. The specific conditions for claiming and obtaining such compensation or reparation should therefore be specified at national level.

Outcome of the vote:

In favour: 89

Against: 127

Abstention: 20

New point 4.5.6

Add new point after new 4.5.5:

4.5.6. The EESC notes that the provision in Article 16(2) on additional circumstances in which the burden of proof shifts to the employer, namely where an employer has not complied with the transparency obligations set out in Articles 5-9, may have far-reaching consequences if applied strictly. It should therefore be left to the Member States to determine the appropriate evidential rules when such non-compliance amounts to negligence of the expected duty of care.

Outcome of the vote:

In favour: 91

Against: 145

Abstention: 13

Point 4.7.2

Amend as follows:

4.7.2. Article 27 seeks to ensure that the Directive will not affect the right of the social partners to negotiate, conclude and enforce collective agreements or take collective action in accordance with national law and practice. Their accords should be considered to guarantee the desired protection ~~It should also be further specified that social partners can introduce provisions or apply collective agreements that are more favourable to workers than those laid down in the Directive.~~

Outcome of the vote:

In favour: 95

Against: 134

Abstention: 12

Point 4.7.3

Amend as follows:

4.7.3. The EESC notes that Article 30 allows for implementation of the Directive by the social partners where they jointly request to do so, provided that the results sought by the Directive are guaranteed at all times. This provision ensures that the Directive allows for different means of implementation across different national systems, whilst guaranteeing the same level of protection for workers. In order to make this evidently clear it should be modelled on the directives on agency work and transparent and predictable working conditions which state that such implementation is allowed as long as the overall protection of workers is respected.

Outcome of the vote:

In favour: 86

Against: 142

Abstention: 9

Point 1.1 (linked to point 3.1 New)

Amend as follows:

1.1. The European Economic and Social Committee (EESC) firmly supports the principle of equal pay for men and women for equal work or work of equal value and recognises it as one of the fundamental rights and principles of the European Union. The EESC also supports the Commission's objective to close the gender pay gap and to further promote the principle of equal pay. However, in order to address the gender pay gap, the root causes of the gap must be carefully assessed and correctly identified. The EESC believes that the Commission proposal on the pay transparency directive⁽¹⁰⁾ fails to properly recognize the principle factors behind the gender pay gap such as horizontal and vertical labour market segregation, following from individual educational and professional choices, full-time versus part-time work as well as unpaid care-related constraints as well the role of tax incentives. Therefore, instead of the proposed pay transparency measures, there are more efficient and proportionate measures than binding EU legislation to address these issues while at the same time ensuring that administrative burdens and costs for companies, in particular SMEs, are not increased. The EESC finds that the proposed directive⁽¹¹⁾ fails to fully respect the national wage formation competences and to sufficiently take into account the diverse national social and industrial relations models or judicial systems and legal traditions in the Member States. Furthermore, no consideration is paid to the fact that wage formation is also shaped by the concurrent demand and supply of skills in the labour market as well as available resources. Therefore, the EESC concludes that the Commission proposal on pay transparency is disproportionate and runs counter to the principle of subsidiarity. The Commission should reconsider or rework its proposal and the co-legislators are invited to take into account and address these concerns in the next steps of the legislative process. The EESC welcomes the Commission's proposal, which aims to make it easier for workers to enforce the principle of equal pay where they consider that they have been the victims of pay discrimination, to contribute to greater transparency in pay structures and to strengthen the role of national bodies in enforcing this principle.

Point 1.3 (linked to point 3.3)

Amend as follows:

1.3. However, the EESC considers that the proposal should be strengthened the possibility for Member States to accommodate their industrial relations models in various respects, particularly regarding the criteria to be used to determine the value of work, the coverage of some of the key transparency obligations, and the role of the social partners and collective bargaining in the implementation of the principle of equal pay.

⁽¹⁰⁾ COM(2021) 93 final.

⁽¹¹⁾ COM(2021) 93 final.

Point 1.5 (linked to point 4.3.6)

Amend as follows:

1.5. ~~While the proposal is rightly sensitive to concerns about additional burdens on SMEs, the EESC supports the Commission's proposal to exempt does not find a complete exemption of all employers with fewer than 250 workers yet recognises that justified. Special rules at national level for SMEs might could, however, be appropriate. Therefore, Member States should also be required allowed to establish appropriate thresholds. Member States should also be required to provide support, training and technical assistance to employers, particularly SMEs, with their pay transparency obligations.~~

**Opinion of European Economic and Social Committee on Commission Staff Working Document —
Evaluation of the White Paper Roadmap to a Single European Transport Area — Towards a
competitive and resource-efficient transport system**

(SWD(2020) 410 final)

(2021/C 341/14)

Rapporteur: **Pierre Jean COULON**

Co-rapporteur: **Lidija PAVIĆ-ROGOŠIĆ**

Referral	European Commission, 14.01.2021
Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Section responsible	Transport, Energy, Infrastructure and the Information Society
Adopted in section	27.05.2021
Adopted at plenary	09.06.2021
Plenary session No	561
Outcome of vote (for/against/abstentions)	241/1/4

1. Conclusions and recommendations

1.1. The EESC welcomes this initiative to evaluate the implementation of the White Paper 2011, but regrets the delay in launching the evaluation and the fact that it was only addressed to the Committee at the Committee's own request.

1.2. In future, the EESC wishes to be able to benefit from regular progress reports on implementation of Commission strategies and to be able to give its contribution in the area of transport. Furthermore, the EESC recommends that future strategic documents have a clear monitoring plan prepared from the beginning.

1.3. The EESC hopes that these evaluations will take the form of regular and dedicated progress reports at intervals enabling a real assessment to be made of progress, delays and their causes and, where fitting, possible remedial measures to be taken. It is important to assess in a timely manner what was achieved and what was not and why (e.g. co-modality, better situation with railways, congestion, social issues, environmental goals, etc.) and act accordingly.

1.4. The Committee supports the greening of transport, but stresses that the energy transition must be fair and — without denying its objectives — provide viable and realistic alternatives that take account of the specific economic and social territorial features and needs of all parts of Europe, including rural areas.

1.5. The Committee also reiterates its stated views regarding the White Paper, to the effect that curbing modality is not an option, that co-modality and not modal shift should be aimed at, that a green transition must both be socially just and preserve the competitiveness of European transport, including through full implementation of the European Transport Area, with full implementation of the Single Market. The EESC in this context also regrets the delays in implementation of the TEN-T.

1.6. The EESC, as already stated in its 2012 opinion, would like to encourage an open, continuous and transparent exchange of views on the implementation of the White Paper between civil society (business, employers, employees, users, NGOs and academia, etc.), the Commission and other relevant players such as national authorities at different levels. This will improve civil society buy-in and understanding, as will useful feedback to policy makers and those carrying out implementation.

1.7. The EESC reiterates the statement made in its 2011 opinion on the *Social aspects of EU transport policy*. The EESC urges the European Commission to put in place the necessary measures to ensure the harmonisation of social standards for intra-EU traffic, bearing in mind also the need for an international level playing field in this respect.

1.8. The new *Sustainable and Smart Mobility Strategy — putting European transport on track for the future* was the subject of an EESC opinion (TEN/729 ⁽¹⁾) adopted on 28 April 2021. The EESC again argues strongly for the implementation of all its conclusions and recommendations.

1.9. The EESC will pay close attention to the future Fit for 55 strategy and work on several opinions on this legislative package, which the Commission is due to publish on 14 July.

2. Introduction

2.1. On 10 December 2020, a Staff Working Document entitled *Evaluation of the White Paper Roadmap to a Single European Transport Area — Towards a competitive and resource efficient transport system* [SWD (2020) 410] was published. The European Economic and Social Committee had been consulted in 2011 when the roadmap was drawn up. It adopted opinion TEN/454 ⁽²⁾ on 26 October 2011. Following the publication of the SWD evaluation (2020), the European Economic and Social Committee decided to look at the evaluation carried out against the backdrop of the objectives set out in the Roadmap and of opinion TEN/454 and developments since its publication.

2.2. Since the adoption of the White Paper, numerous Commission initiatives covering all types of transport have been carried out (Fourth Railway Package, the 2016 European Strategy for low-emission mobility, the Directive on alternative fuels infrastructure, three mobility packages on various aspects of road transport, the Regulation on port services, blue belt, aviation strategy, NAIADES programme, European Accessibility Act, the Regulation on Trans-European Transport Networks and the Regulation on the Connecting Europe Facility, etc.). The evaluation offers an opportunity to highlight the technical, political and social progress, and in particular the road transport regulation part of the mobility package adopted in 2020, while pointing out the goals that have not been met.

2.3. Achievements should be assessed against the original 2011 targets, which could not take into account events which have taken place since then, whether geopolitical (Brexit, the rise of China), environmental (no sign of global warming slowing down or of collective ability to achieve the objectives of the Paris Agreement) or in the area of health (COVID-19 crisis). The health crisis has highlighted Europe's dependence on imports of goods strategic for sovereignty and has triggered a historic European act of interventionism (EUR 750 billion recovery plan), itself following the profound change in European environmental policy ambitions with a target of carbon neutrality by 2050 and a 90 % reduction in greenhouse gas (GHG) emissions in the transport sector as part of the European Green Deal.

2.4. The EESC takes note of the 2016 Commission staff working document evaluating the roadmap's implementation ⁽³⁾, which concludes that regarding the goals set in the White Paper, the time passed since its adoption is in most cases still too short to properly assess progress achieved. The evaluation points out that efforts are being made to improve the relevant indicators and refers to stakeholders' expectations of a better focus on implementation, increased investments in transport infrastructure, better consideration of the needs of transport users and workers, a stronger Single European Transport Area and technological developments.

2.5. While it attempts to confine itself to the scope of the evaluation document, this opinion cannot completely disregard global developments. Therefore, the reader of the opinion is encouraged on every point to ask what the potential, foreseeable or possible short-, medium- and long-term impact of these events might be, which will only become apparent with time.

2.6. The EESC confirms its view stated in its opinion on the Roadmap, on the importance of getting civil society involved regarding the Roadmap's implementation and evaluation. The EESC adopted in 2015 an opinion on the Roadmap's progress and challenges at the request of the European Parliament, which in September 2015 adopted a Resolution on the roadmap's implementation. In the 2016 SWD, several EU bodies' opinions were presented, which the EESC sees as good practice.

⁽¹⁾ OJ C 286, 16.7.2021, p. 158.

⁽²⁾ JO C 24 du 28.1.2012, p. 146.

⁽³⁾ SWD(2016) 226.

3. General comments

3.1. The EESC welcomes this evaluation initiative, and the opportunity it provides it make its point of view known and which should be used first and foremost to prioritise the developments, progress and delays pointed out in the document. For the future, the EESC wishes to be regularly informed of the progress of the strategies implemented by means of such evaluation work carried out at intervals appropriate to each project. The EESC hopes that these evaluations will not just take stock as a matter of course of progress and delays, but also set out the key elements behind such progress and delays, as well as international developments and initiatives that have, or may have, an impact on the initial roadmaps.

3.2. In its opinion of October 2011, the EESC criticised the fact that very few deadlines were included in the list of proposed measures and that the Roadmap did not clearly link strategic measures (with a 2050 deadline) with tactical measures (which could have started to be taken immediately). The opinion called for the Roadmap to — in particular — establish a more detailed work plan for the period 2013–2020. In its 2015 opinion, the EESC suggested a general re-assessment of the action plan in annex I to the Roadmap in terms of its current political feasibility. It is clear that, in 2018, the progress made on the three specific targets (GHG emissions — 60 % reduction on 1990 by 2050 and 20 % reduction on 2008 by 2030; fossil fuel dependency, limiting congestion growth) was modest. GHG emissions were 32 % above 1990 and grew over the period 2013–2018. Fossil fuels still accounted for the bulk of the energy needs of the transport sector. Although their share had been declining over recent years, the rate of decline, closely linked to the implementation of the various countries' environmental regulations, was insufficient. With regard to the congestion indicators, however, the unquantified, unambitious objective still seems not to have been met. The EESC points out, however, that the new ways of organising work generated by the health crisis are opening up new possibilities for systems.

3.3. In the 2011 opinion, the EESC supports the Roadmap's strategy of making greater use of market-driven measures. In its 2015 opinion, the EESC pointed out the need to pay attention, *inter alia*, to cohesion aspects of the polluter pays principle and the need to consider risks of social exclusion and the need to ensure coherence with taxes and charges in general. However, owing to the failure to slow down global warming, the lessons learned from the health crisis and the major role played by political authorities during and, in all probability, after the crisis, the EESC calls on Europe and Member States' public authorities to play their full part in steering the changes needed for a sustainable future, in particular by speeding up investment programmes.

3.4. Most of the initiatives provided for in the White Paper are directed towards the implementation of a co-modal transport system within a Single European Transport Area. The EESC reiterates its support for co-modality. The EESC, in this context, also draws attention to the need to fully implement in practice the formal market opening achieved with the fourth railway package in order to make rail an attractive partner in multimodality terms, taking also into consideration the environmental and social issues.

3.5. In 2011 and 2015, the EESC pointed to a lack of realism regarding how to achieve greening the system and the cost. Given the delays observed and the health crisis and its economic consequences, the EESC is deeply concerned about players' ability to finance the necessary changes.

3.6. The initial target of a 60 % reduction in CO₂ emissions in the transport sector by 2050 was very ambitious, particularly given the figures for the end of 2018 and the outlook set out in the evaluation, which indicated that without additional policies or stronger existing measures the target will not be achieved. The EESC calls for the fresh impetus provided by the European Green Deal to be enshrined in a European research and development policy commensurate with the challenges and to be steered according to a tighter implementation timetable.

3.7. The Committee suggests that a tighter timetable and medium-term objectives not be limited to CO₂ emissions but that specific, quantified targets be set for reducing oil dependency, noise emissions and air pollution. The Committee stresses that the energy transition must not lead to a deterioration in living standards in some parts of Europe. The transition must be fair and take into account, economic, social and territorial specificities, without negating its goals.

3.8. In line with its earlier opinions (2011 and 2015), the EESC stresses the importance of the statement made in paragraph 18 in the Roadmap that 'curbing mobility is not an option'. It should be stressed that this statement should not be interpreted as running counter to any measure aimed at making transport more energy efficient and reducing emissions. Europe is going through a period when it is battling headwinds, so to speak. However, these must not be allowed to throw it off course. Good progress has been made on the Roadmap's objectives relating to the organisation of the European internal market. It would be highly damaging for the social and environmental requirements of the various European initiatives to fall behind in the coming years.

3.9. The Roadmap caters for the need to enhance the competitiveness of alternative modes to road transport. The Committee continues to support this aim, as long as it is achieved by promoting higher capacity and quality in rail, inland waterways and short sea shipping as well as efficient intermodal services, and not by hindering development of efficient and sustainable road services within the EU.

3.10. The EESC welcomes the progress made on social matters (creation of the European Labour Authority, incorporation of the ILO Maritime Labour Convention into European law, implementation of the surveillance measures provided for in the December 2011 road haulage package, etc.). The EESC is concerned at the tensions that have arisen owing to diverging social protection and wage levels in the road haulage market, as well as the fact that certain working conditions are not decent. As in 2011 and 2015, the EESC calls for an increase in road safety, social standards and human and financial resources to monitor compliance with texts and legislation. Finally, the EESC would also like the Commission to address the issue of 'employees/self-employed' on home delivery platforms. As in its TEN/697 ⁽⁴⁾ opinion, the Committee calls for the promotion of employment and the combating of social dumping.

3.11. In its earlier opinions (2011 and 2015), the EESC had expressed serious doubts as to the appropriateness of the specific modal shift goal of the Roadmap: i.e. 30 % of road freight over 300 km to shift to other modes such as rail or water-borne transport by 2030 and more than 50 % by 2050. The evaluation clearly shows that, to date, changes in the distribution of transport modes have not taken place. The EESC, in this regard, agrees with the statement in the 2015 resolution of the European Parliament on the implementation of the roadmap that the modal shift strategy of the roadmap is not a success and that therefore the sustainability of all modes should be improved and co-modality solutions sought. The European Green Deal, with its target of reducing transport GHG emissions by 90 % by 2050, moves the goalposts without addressing the practical questions raised by this new objective.

3.12. The EESC reiterates its concerns regarding the competitiveness of Europe and its companies. The EESC is of the firm opinion that global measures are preferred. Regional or continental measures — like European consumer rights, social standards and sustainability measures — should also apply to transport companies coming from non-EU countries, operating to, from and in the internal market, leading to a global level playing field and avoiding carbon leakage and job losses.

3.13. The EESC takes note that both previous evaluations largely maintain that it is too early to fully evaluate the outcome of the implementation of the roadmap. The EESC considers it unsatisfactory that insufficient evaluation criteria seem to be at hand to achieve a credible stocktaking at any point in time of the evaluation of the strategy. In particular, such a statement appears unsatisfactory when implementation activities have been ongoing for respectively five (2016) and nine (2020) years. The EESC, in this context, refers to the recommendation in its 2011 opinion for a more precise work plan for the 2013-2020 period which makes an evaluation easier.

3.14. Both the 2016 and the 2020 evaluations attach considerable importance to the full implementation of the Single European Transport Area, and the 2020 evaluation particularly pinpoints the EU single market as a strong driver for cost-efficient change, including in particular widespread acceptance of technological change, and points to the importance of this for fostering public and private investments therein. Against the backdrop of that statement, the EESC finds it surprising that more attention is not given to the link between the sustainability and digitalisation objectives and the single market in the Commission's 2020 Sustainable and Smart Mobility Strategy, including social and cohesion aspects. For reasons like this, the EESC regrets that the 2020 evaluation was not terminated before the new strategy was decided. This would have made it possible to profit from the conclusions of the evaluation when establishing the strategy.

3.15. The EESC regrets that the evaluation does not adequately highlight the problems and delays in implementing TEN-T, and in particular the core network corridors.

3.16. The EESC draws attention to the importance of getting the support of civil society and stakeholders, including through a participatory dialogue as suggested in the EESC's 2012 opinion. Wide understanding and acceptance of policy objectives will be extremely helpful to achieve results.

⁽⁴⁾ JO C 14 du 15.1.2020, p. 112.

4. Specific comments

4.1. The EESC continues to support the trans-European transport networks programme. In connection with the Green Deal, it has called for, calls for and will continue to call for policies for investment in modern infrastructure adapted to future challenges ⁽⁵⁾. The EESC continues to support the trans-European transport networks programme. Moreover, the Committee recommends prioritising direct links between airport hubs and the high-speed railway network, the existence of which must be a prerequisite before discussing a possible ban on short-haul flights.

4.2. The EESC reiterates its support for the creation and implementation of a Single European Sky. Echoing its TEN/697 opinion and in the light of the crisis, the Committee calls on the Member States and all aviation stakeholders to facilitate the complete and rapid implementation of the EU's ambitious targets for the safety, cost efficiency, capacity and sustainability of its air transport sector.

4.3. In its transport policy in the railway sector, the European Commission has so far focused mainly on competition within the railway sector, instead of consistently pursuing environmental policy objectives from the White Paper on Transport. The EESC underlines that integrated railway systems can guarantee fair allocation as well as non-integrated systems. Unbundling has had different consequences in different Member States, depending on the state of the infrastructure, the quality and size of the vehicle fleet, the model of unbundling. The competitiveness of new private carriers is often based on the low level of working conditions. 'One model fits all' in the railway sector is not good — geographical specifics, scope, indentation of lines, ways of operating freight and passengers' transport should be taken into consideration.

4.4. The considerable sums it is planned to mobilise in the cause of achieving carbon neutrality by 2050 and reducing GHG by least 50 % by 2030 are likely to be a challenge for the transport sector. The EESC calls for the creation of a 'Transport JTF (Just Transition Fund)' in order to specifically support the sector's workers and businesses, which are not all large entities.

4.5. Since 2011, progress has been made in the social sector, in particular with the implementation of the 2006 ILO Maritime Labour Convention. However, these minimum rules cannot provide the workers concerned with working conditions commensurate with the European project. Following the abandonment of the European flag project, the EESC urges the European Commission to put in place the necessary measures to ensure the harmonisation of social standards for traffic within the EU, bearing in mind also the need for an international level playing field in this respect.

4.6. With regard to the creation of a European register and flag, the EESC notes that the evaluation ignores the many, complex reasons why this has not been achieved.

4.7. As regards the European Transport research, innovation and deployment strategy, the new objectives of the European Green Deal require efficient ways of mobilising resources and closer coordination of the various stakeholders in the sector.

4.8. The EESC reiterates the statement it made in its 2011 opinion on the Social aspects of EU transport policy, in which it recommends 'attracting women and young workers to employment opportunities in the transport sector with measures which improve employment quality across all modes of transport, working conditions, training and Lifelong Learning (LLL), career opportunities, operational and occupational health and safety and which contribute to a better work-life-balance' ⁽⁶⁾.

4.9. The EESC reiterates the need to establish a Social, Employment and Training Observatory in the transport sector. Incentives for adopting quality standards throughout the entire transport sector are needed.

4.10. In its 2011 opinion, the EESC pointed out that 'overall, the social dimension of the roadmap is weak'. The EESC makes the same comment on the evaluation document. The EESC sees the need for social evaluation, to be linked to the request to set up the Social Affairs Observatory in the previous point, as a priority. The changes and the pace of change required of the sector will of necessity put pressure on the organisations and the men and women who bring them to life.

⁽⁵⁾ EESC opinion on the *Sustainable development of the EU transport policy and planning for TEN-T* (exploratory opinion) (OJ C 248, 25.8.2011, p. 31) (TEN/446).

⁽⁶⁾ EESC opinion on *How EU policies have impacted on the job opportunities, the training needs and the working conditions of transport workers* (exploratory opinion) (OJ C 248, 25.8.2011, p. 22) (CESE 1006/2011).

4.11. The health crisis and the development of online sales with home or near-to-home delivery have increased 'individualised' transport of goods in urban areas in particular. The acceleration of these distribution methods contributes to urban congestion and pollution, and, as in the context of energy, it raises the question of the last mile. The challenges posed by this type of consumption are increasing, bringing a need for even faster deployment of measures to reduce CO₂ emissions, especially in a densely populated environment.

4.12. The EESC notes the progress made in the electric vehicle fleet and the widely differing situations across the countries of the EU. These advances, which are essentially the result of each Member State's legislation, require infrastructure and raise standardisation issues. In its opinion on this matter ⁽⁷⁾, the Committee expressed its strong support for moves toward the wider uptake of electric vehicles. It welcomes the use of decarbonised energy but with caution.

4.13. The EESC notes that the White Paper deals mostly with technological innovation and overlooks other important aspects of sustainable mobility policies, which may also be innovative (e.g. soft measures and social innovation, like new approaches to planning, citizen involvement, innovative ways of raising awareness, etc.). Therefore, a broader definition of innovation is needed.

4.14. Although non-motorised transport was recognised in 2011, its promotion still lacks attention and coherence. Many cities are investing in walking and cycling infrastructure (e.g. through ERDF programmes). However, the European Union currently does not have a strategy or the administrative and management capacities to address this area in a comprehensive, cross-sectoral and integrated manner. The EESC would like to refer to its opinion regarding the important potential health benefits of active modes of transport such as cycling and walking in Europe, where small actions were purposefully suggested to unleash the potential of cycling and walking in terms of health benefits and accessibility for EU citizens. Therefore, the EESC suggests preparing an EU strategy for non-motorised transport. This would result in concrete EU actions in terms of strategic planning, designing and investing in cycling and walking.

4.15. In regards to urban mobility plans, since the publication of Sustainable Urban Mobility Plan (SUMP) guidelines in 2013, the Commission has funded hundreds of cities across Europe through EU funds (e.g. CIVITAS initiative) to ensure the balanced and integrated development of sustainable urban transport modes. This is illustrated by the impressive and prolific take-up of SUMP in Europe. Importantly, this follows a participatory approach with people's needs at the centre of the process. Comprehensive sustainable urban mobility planning has proven to be an effective way to tackle climate, energy and environment challenges. The EESC would like to encourage a needed European initiative towards building national frameworks in EU countries for developing and implementing SUMPs as main strategic tools for planning urban mobility.

4.16. Regarding communication and knowledge transfer on urban mobility, the EESC notes the great work done with the establishment of the ELTIS portal in 2014 as an urban mobility observatory which contributes to the visibility of trends and good practices.

4.17. The measures for car road charging and Urban Vehicle Access Regulations (UVARs) are still not widely accepted in Europe. The White Paper stated that congestion costs will increase by about 50 % by 2050 and there is a need for evaluation of existing car road charging schemes with provision of incentives to Member States which launch pilot projects for the implementation of schemes along such guidelines. Promoting and encouraging public transport and non-motorised mobility could be a solution.

4.18. The White Paper foresaw growing development of alternative fuels (such as electric and hydrogen cell fuels) as a contribution to greening transport. Although in the last 10 years there was improvement and growth in relation to producing alternative fuels, in 2018 only 33 % of EU electricity came from renewable energy. The EESC therefore considers that vehicle emissions and their carbon footprint should be measured over their entire lifecycle. Besides, replacing internal combustion engines with electric cars will not change the congestion patterns in our cities.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

⁽⁷⁾ EESC opinion on *Toward the wider uptake of electric vehicles* (exploratory opinion) (OJ C 44, 11.2.2011, p. 47) (CESE 989/2010).

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council laying down management, conservation and control measures applicable in the Indian Ocean Tuna Commission (IOTC) Area of Competence, amending Council Regulations (EC) No 1936/2001, (EC) No 1984/2003 and (EC) No 520/2007’

(COM(2021) 113 *final* — 2021/0058 (COD))

(2021/C 341/15)

Referral	European Parliament, 24.3.2021 Council, 31.3.2021
Legal basis	Article 43, paragraph 2 and article 304 of the Treaty on the Functioning of the European Union
Section responsible	Agriculture, Rural Development and the Environment
Adopted at plenary	9.6.2021
Plenary session No	561
Outcome of vote (for/against/abstentions)	187/0/2

Since the Committee endorses the content of the proposal and feels that it requires no comment on its part, it decided, at its 561st plenary session of 9 and 10 June 2021 (meeting of 9 June), by 187 votes in favour with 2 abstentions, to issue an opinion endorsing the proposed text.

Brussels, 9 June 2021.

*The President
of the European Economic and Social Committee*
Christa SCHWENG

Opinion of the European Economic and Social Committee on ‘Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2017/625 as regards official controls on animals and products of animal origin exported from third countries to the Union to ensure compliance with the prohibition of certain uses of antimicrobials’

(COM(2021) 108 *final* — 2021/0055 (COD))

(2021/C 341/16)

Referral	European Parliament, 11.3.2021 Council, 17.3.2021
Legal basis	Articles 43(2), 114, 168(4)(b) and article 304 of the Treaty on the Functioning of the European Union
Section responsible	Agriculture, Rural Development and the Environment
Adopted at plenary	9.6.2021
Plenary session No	561
Outcome of vote (for/against/abstentions)	212/0/4

Since the Committee endorses the content of the proposal and feels that it requires no comment on its part, it decided, at its 561st plenary session of 9 and 10 June 2021 (meeting of 9 June), by 212 votes in favour with 4 abstentions, to issue an opinion endorsing the proposed text.

Brussels, 9 June 2021.

*The President
of the European Economic and Social Committee*
Christa SCHWENG

Opinion of the European Economic and Social Committee on Proposal for a Regulation of the European Parliament and of the Council laying down conservation and management measures applicable in the Western and Central Pacific Fisheries Convention Area and amending Council Regulation (EC) No 520/2007

(COM(2021) 198 *final* — 2021/0103 (COD))

(2021/C 341/17)

Referral	European Parliament, 26.04.2021 Council, 06.05.2021
Legal basis	Articles 43(2) and article 304 of the Treaty on the Functioning of the European Union
Section responsible	Agriculture, Rural Development and the Environment
Adopted at plenary	09.06.2021
Plenary session No	561
Outcome of vote (for/against/abstentions)	221/0/7

Since the Committee endorses the content of the proposal and feels that it requires no comment on its part, it decided, at its 561st plenary session of 9 and 10 June 2021 (meeting of 9 June), by 221 votes in favour with 7 abstentions, to issue an opinion endorsing the proposed text.

Brussels, 9 June 2021.

The President
of the European Economic and Social Committee
Christa SCHWENG

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