



European Economic Area
Consultative Committee
Comité consultatif
de l'Espace Économique Européen
Beratender Ausschuß
des Europäischen Wirtschaftsraums

E U R O P E A N E C O N O M I C A R E A
C O N S U L T A T I V E C O M M I T T E E

Ref. 17-2232
7 June 2017
Brussels

RESOLUTION AND REPORT

on

the Social Dimension of the EEA and the European Pillar of Social Rights

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RESOLUTION

on

the Social Dimension of the EEA and the European Pillar of Social Rights

The Consultative Committee of the European Economic Area (EEA CC):

- A. Noting the different proposals and initiatives presented by the European Commission on 26 April 2017 related to the European Pillar of Social Rights (EPSR)¹,
 - B. Noting the broad public consultation launched by the Commission in March 2016 on an EPSR²,
 - C. Having regard to the Opinion of the European Economic and Social Committee (EESC) on an EPSR³,
 - D. Having regard to the Resolution of the European Parliament on an EPSR⁴,
 - E. Having regard to earlier Resolutions of the EEA CC, in particular those on Quality Jobs for Sustainable Growth⁵, on Gender Equality in the Labour Market⁶ and on Youth Unemployment⁷,
- 1. welcomes the opportunities provided by the EPSR to address how best to support fair and well-functioning labour markets and welfare systems, including the need to step up mutual learning between European countries,
 - 2. notes that the social dimension of the European Union, and hence the package and initiatives on the EPSR, are closely linked to the free movement of persons of the Internal Market, in addition to the involvement of the social partners in the European Social Dialogue,

¹ <http://ec.europa.eu/social/main.jsp?catId=1226&langId=en>

² https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/towards-european-pillar-social-rights_en

³ <http://www.eesc.europa.eu/?i=portal.en.soc-opinions.38841>

⁴ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2017-0010+0+DOC+PDF+V0//EN>

⁵ <http://www.efta.int/sites/default/files/documents/advisory-bodies/consultative-committee/cc-resolutions/English/EEA%20CC%20Resolution%20and%20report%20on%20investing%20in%20quality%20jobs%20for%20sustainable%20growth%20final.pdf>

⁶ http://www.efta.int/sites/default/files/documents/advisory-bodies/consultative-committee/cc-resolutions/English/EFTA_BXL-%231130927-v5-EEA_CC_Resolution_on_gender_equality_in_the_labour_market_in_the_context_of_the_economic_crisis%20%282%29.pdf

⁷ http://www.efta.int/sites/default/files/documents/advisory-bodies/consultative-committee/cc-resolutions/English/EEA%20CC%20Resolution%20and%20reporton_the_role_of_social_partners_in_the_transition_of_young_people_from_education_to_the_labour_market.pdf

3. notes that the EPSR is open to all EU Member States, although primarily conceived for the euro area, and highlights that the social rights and key principles under the EPSR should offer a positive project for all members, and are also relevant to the EEA EFTA States and social partners given the scope of the EEA Agreement,
4. emphasises the crucial role of social dialogue, including at European level where EFTA social partners participate fully, and stresses that social partners must be closely involved in the design, implementation and monitoring of policies and reforms at EU, national and local level,
5. stresses the importance of continuing to stimulate sustainable growth, to support the creation of quality long-term jobs that allow people to have a decent income and standard of living, thereby contributing to a robust economy, social cohesion and growth,
6. emphasises that against the backdrop of an ageing and declining population, globalisation, digitalisation of societies and economies, and the ongoing transformation of jobs and tasks, it is crucial to invest in human capital to support productivity growth and ensure job-rich and inclusive growth in the future,
7. underlines the importance of striking the right balance between security and flexibility in the labour market, with the necessary flexibility for employers to adapt swiftly to changes in the economic context, providing both a favourable business environment and employment security, in accordance with legislation and collective agreements,
8. calls on the relevant authorities and actors to foster innovative forms of work and to encourage entrepreneurship and self-employment, but stresses that employment relationships that lead to precarious working conditions should be prevented, including by prohibiting abuse of atypical contracts,
9. underlines that all workers have the right to fair wages that provide for decent living conditions. All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners,
10. stresses the importance of quality and inclusive education, training and life-long learning in order to maintain and acquire the skills needed for full participation in society and in the labour market,
11. calls on the relevant authorities to improve the labour market relevance of education and training systems by investing in education and skills to reduce skills mismatches and ensure that people have the relevant skills for a labour market in transition,
12. stresses the urgency of reducing the high unemployment among young people, and calls on the relevant authorities and institutions to implement

efficient measures to facilitate the transition from education to the labour market,

13. stresses that equality of treatment and opportunities between women and men must be enhanced in all areas, including participation in the labour market, terms and conditions of employment, career progression and equal pay for work of equal value, and calls on the relevant authorities and institutions to promote a good work-life balance,
14. stresses that all workers and the self-employed should have the right to a pension in retirement, and that people should be able to live in dignity in old age,
15. emphasises that workers have the right to be informed and consulted in good time on matters relevant to them, in particular on the transfer, restructuring and merger of undertakings, and on collective redundancies,
16. notes that guidance on how to interpret various aspects of the Working Time Directive has been presented by the Commission,
17. calls on the EEA States to continue using the EEA Grants⁸ to support social dialogue, invest in human capital and contribute to sustainable labour and business markets and growth in the beneficiary countries,
18. notes that in the context of Brexit, a low regulation regime in the United Kingdom could undermine its attempts to create a high wage, high skill and high productivity economy, and would represent a possibility of reducing employment rights and increasing inequalities in the EU and EEA EFTA economies,
19. agrees that positive reinforcement of the social dimension of the EU and the EEA is particularly important following the financial crisis and developments such as Brexit, in order to ensure that European citizens identify with, and see the benefits of, the European project.

⁸ <http://eeagrants.org/>

REPORT

on

the Social Dimension of the EEA and the European Pillar of Social Rights

1. Introduction

1. The EEA EFTA States are part of the Internal Market of the European Union through the Agreement on the European Economic Area (EEA Agreement), which has been in force since January 1994. As a result, the EEA EFTA States transpose and implement all EU acquis related to the Internal Market, including acquis for the free movement of persons, labour law, health and safety at work, gender equality and other EU initiatives in the social field.

2. EFTA social partners are also part of the European Social Dialogue through their membership of different European social partner organisations⁹. The European Social Dialogue is established under the Treaty on the Functioning of the European Union (TFEU) and gives the social partners a role at European level in EU decision making on matters related to the social field. Several agreements negotiated by the European social partners have been adopted as directives by the EU Council, and these have also been incorporated into the EEA Agreement and made applicable in the EEA EFTA States.

3. The European Pillar of Social Rights (EPSR) was primarily conceived for the Member States of the euro area, but is open to all EU Member States that wish to participate. It is also relevant to the EEA EFTA States given the scope of the EEA Agreement. The EPSR is accompanied by a number of legislative and non-legislative initiatives related to work-life balance, information for workers, access to social protection and working time, which will update or complement EU acquis. Several of these initiatives are directly relevant to the EEA Agreement or addressed to the European social partners through the European Social Dialogue.

⁹ European workers are represented by the European Trade Union Confederation (ETUC). European employers are represented by three different organisations: the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP); BUSINESSEUROPE and the European Association of Craft, Small and Medium-Sized Enterprises (UEAPME).

2. The European Pillar of Social Rights and the social dimension of Europe

4. In March 2016, the European Commission presented a preliminary outline of the EPSR and launched a broad public consultation to gather feedback. On 26 April 2017, the Commission presented the results of the public consultation, together with its final proposal for the EPSR (see list of all documents in the Annex). The EPSR sets out a number of key principles and rights to support fair and well-functioning labour markets and welfare systems. It is designed as a compass for a renewed process of convergence towards better working and living conditions among participating Member States. Most of the tools required to deliver on the EPSR are in the hands of national, regional and local authorities, as well as the social partners and civil society at large.

5. The Commission states¹⁰ that there is a strong economic argument for the EPSR by underlining that for the social market economy to be successful and competitive also in the future, it is crucial that living and working conditions in Europe converge for the better. This is particularly important for the euro area and in the context of completing the economic and monetary union. This is why the EPSR was primarily conceived for the euro area, but is applicable to all Member States, to foster a fairer and more social Europe in a context where the world of work and societies are changing rapidly. The Commission highlights that globalisation, the digital revolution, an ageing population and changing work patterns represent both opportunities and challenges, and that these developments need to be shaped.

6. The Commission has also presented a reflection paper¹¹ on Europe's social dimension, which marks the start of a reflection process with citizens, social partners, the European institutions and governments to identify responses to the challenges faced by the European societies and citizens in the coming years. The paper also aims to clarify the contribution at EU level in addressing these challenges. The discussion on the social dimension of Europe is part of the broader debate initiated by the Commission's White Paper on the Future of Europe¹². The reflection paper will feed into discussions on a social summit for fair jobs and growth in November 2017. The Rome Declaration adopted by EU leaders on 25 March 2017 outlines the importance of a social Europe¹³.

7. The reflection paper on the social dimension of Europe raises questions on how to sustain our standards of living, create more and better jobs, equip people with the right skills and create more unity within society, in light of tomorrow's society and world of work. It does so by setting out three possible options for the social future of Europe. The political option chosen will have implications beyond the social field, stretching to the competitiveness of Europe, its capacity to shape globalisation, the stability of the economic and monetary union, cohesion within the Union and solidarity between people.

¹⁰ http://europa.eu/rapid/press-release_SPEECH-17-1119_en.htm

¹¹ https://ec.europa.eu/commission/publications/reflection-paper-social-dimension-europe_en

¹² https://ec.europa.eu/commission/white-paper-future-europe/white-paper-future-europe-way-ahead_en

¹³ http://www.consilium.europa.eu/press-releases-pdf/2017/3/47244656633_en.pdf

8. The first option outlined in the paper would be to limit the social dimension to free movement. Under this option, the Union would keep rules to promote cross-border movements of people, such as rules on social security rights of mobile citizens, on the posting of workers, on cross-border healthcare and the recognition of diplomas. However, there would no longer be EU minimum standards on, for instance, health and safety of workers, working and rest time, or maternity and paternity leave. Europe would no longer foster opportunities for Member States to exchange best practices in the fields of education, health, social protection and inclusion, culture and sports, and regional reconversion programmes in the Member States that are currently co-funded by EU money would have to be discontinued or funded nationally.

9. The second option, would imply that those who want to do more could do more in the social field. Countries sharing the euro as a single currency could do more together in the social field to preserve the strength and stability of the euro area and to avoid abrupt adjustments in the living standards of its citizens. Other interested countries could participate as well.

10. The third option suggests that the EU27 deepen the social dimension of Europe together. While the centre of gravity for action in the social field should and would remain with national and local authorities, the EU would explore ways to further support Member State action, making full use of all instruments in its toolbox. Legislation would not only set minimum standards but, in selected areas, could fully harmonise citizens' rights across the EU, with the aim of focusing on social convergence in social outcomes.

11. The EEA EFTA States should also follow closely and participate in these reflections since the outcome will concern them through the EEA Agreement.

3. The rationale and content of the European Pillar of Social Rights

12. The EPSR is presented in a context where Europe is still struggling to recover from the economic crisis, and most countries are continuing to face economic and social challenges. Despite the fact that economic growth across Europe has improved, high levels of unemployment and risk of poverty remain of concern, in particular among young people¹⁴. Although most countries are seeing an increase in jobs, there is concern about the quality and longer-term sustainability of the jobs that are being created. Raising inequalities threaten social, economic and political stability, and challenge solidarity between and within countries, including between generations.

13. The EPSR is about delivering new and more effective rights for citizens, and the 20 principles and rights enshrined in the EPSR are structured around three categories:

¹⁴ Eurostat estimates that 19.7 million men and women in the EU28, of whom 15.5 million were in the euro area (EA19), were unemployed in March 2017. Compared with March 2016, unemployment had fallen by 1.6 million in the EU28 and by 991 000 in the euro area. In March 2017, 3.9 million young people (under the age of 25) were unemployed in the EU28, of whom 2.7 million were in the euro area. Compared with March 2016, youth unemployment had decreased by 439 000 in the EU28 and by 268 000 in the euro area.

1) equal opportunities and access to the labour market, 2) fair working conditions, and 3) social protection and inclusion. It focuses on how to deliver on the promise in the Treaties of a highly competitive social market economy, aiming at full employment and social progress. While the principles and rights are shared, their delivery is not assumed through a “one size fits all” approach. The EPSR acknowledges the diversity of situations and the different means available to achieve these common goals.

14. The EPSR takes direct inspiration from the existing wealth of good practices across Europe, and builds on the strong body of law at EU and international level. The Commission’s proposal also takes full account of broader political considerations and legal limitations. Member States, and for many domains the social partners, have primary or even exclusive competences in areas such as labour law, minimum wage, education, healthcare and the organisation of social protection systems. The principles and rights set by the EPSR will need to be implemented at EU and Member State level in full respect of their respective competences.

15. The EPSR package includes a proposal for a legislative initiative in the form of a draft directive on work-life balance¹⁵, which is also relevant to the EEA EFTA States. The Commission presents a set of legislative and non-legislative actions to modernise the existing EU legal and policy framework to support better work-life balance for men and women with caring responsibilities and a more equal use of leave and flexible work arrangements. The current EU legal framework for family-related forms of leave and flexible working arrangements was set in the 1990s and revised in 2009 by the social partners. In an earlier resolution¹⁶, the EEA CC has underlined the importance of various effective measures to support the work-life balance for both women and men for enhancing gender equality and increasing women’s participation in the labour market, knowing that the impact of parenthood on labour market participation is very different for women and men.

16. Furthermore, the EPSR package includes a consultation of the social partners on how to reform the Written Statement Directive¹⁷, which is also part of the EEA Agreement¹⁸. The extensive public consultation on the EPSR revealed that there is a growing challenge to define and apply appropriate rights for many workers in new and non-standard forms of employment relationships with a view to avoiding unfair practices and ensuring that workers’ rights are safeguarded. The proposal underlines the need to ensure that workers and employers have clarity on their contractual relationships and that

¹⁵ http://europa.eu/rapid/press-release_IP-17-1006_en.htm

¹⁶ http://www.efta.int/sites/default/files/documents/advisory-bodies/consultative-committee/cc-resolutions/English/EFTA_BXL-%231130927-v5-EEA_CC_Resolution_on_gender_equality_in_the_labour_market_in_the_context_of_the_economic_crisis%20%282%29.pdf

¹⁷ <http://ec.europa.eu/social/main.jsp?catId=1226&intPageId=5015&langId=en>

¹⁸ http://www.efta.int/eea-lex?qs=Directive+91%2F533%2FEEC&sort_bef_combine=search_api_relevance+DESC&sort_by=search_api_relevance&=Search

labour legislation maintains its relevance and effect in today's labour markets, where globalisation and digitalisation are changing the forms of employment and bringing in new work arrangements.

17. Finally, the EPSR package includes a first stage consultation with the European social partners on access to social protection for all employment types. The package also includes an "interpretative communication" on the Working Time Directive. This part of the EPSR is also EEA relevant.

Annex

The different elements of the European Pillar of Social Rights

Documents relating directly to the **EPSR**:

1. Communication on an EPSR – providing the context and rationale for the Pillar of Social Rights;
(https://ec.europa.eu/commission/publications/commission-communication-european-pillar-social-rights_en)
Commission Recommendation on establishing the EPSR – outlines the 20 principles of the consultation documents;
2. https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en
Draft joint proclamation to be adopted by the Commission, Parliament and Member States by the end of the year;(https://ec.europa.eu/commission/publications/draft-joint-proclamation-european-parliament-council-and-commission_en)
3. Staff working document, explanatory fiches on each principle;
(<http://ec.europa.eu/social/BlobServlet?docId=17606&langId=en>)
4. Summary report on the consultation;
(<http://ec.europa.eu/social/BlobServlet?docId=17608&langId=en>)

Documents relating to the **Social Scoreboard** tool (see online tool [here](#)):

6. Staff working document on scoreboard methodology;
(<http://ec.europa.eu/social/BlobServlet?docId=17607&langId=en>)

Documents relating to specific proposals/legislative initiatives.

Work-life balance for parents and carers. This is a proposal for a legislative initiative in the form of a draft directive:

7. Communication on work-life balance initiative;
(<http://ec.europa.eu/social/BlobServlet?docId=17604&langId=en>)
8. Proposal for a directive;
(<http://ec.europa.eu/social/BlobServlet?docId=17605&langId=en>)
9. Annex to proposal to show changes;
(<http://ec.europa.eu/social/BlobServlet?docId=17620&langId=en>)
10. Accompanying statement by the Commission;
(<http://ec.europa.eu/social/BlobServlet?docId=17644&langId=en>)
11. Work-life balance fact sheet;
(<http://ec.europa.eu/social/BlobServlet?docId=17583&langId=en>)

Access to **social protection for all employment types**. This is a proposal for a legislative initiative at first stage consultation:

12. First phase consultation for social partners;
(<http://ec.europa.eu/social/BlobServlet?docId=17616&langId=en>)

Written Statement Directive. This is a proposal for a legislative initiative at first stage consultation:

13. First phase consultation with social partners;
(<http://ec.europa.eu/social/BlobServlet?docId=17614&langId=en>)
14. Staff working document – REFIT evaluation;
(<http://ec.europa.eu/social/BlobServlet?docId=17615&langId=en>)

Working Time Directive. This is not a legislative initiative but an “interpretative communication” and is presented as a final document:

15. Interpretative communication on the Working Time Directive;
(<http://ec.europa.eu/social/BlobServlet?docId=17617&langId=en>)
16. Accompanying staff working document;
(<http://ec.europa.eu/social/BlobServlet?docId=17623&langId=en>)
17. Implementation report;
(<http://ec.europa.eu/social/BlobServlet?docId=17622&langId=en>)