

THE FUTURE OF THE SOCIAL DIMENSION IN EUROPE

The history of the European Union clearly shows that European integration underpinned Europe's prosperity, which in turn contributed to improving the social dimension of Europe. We have good reasons to be proud of our European social model and its comprehensive set of EU and national measures to ensure that economic progress leads to social progress.

A business environment which allows companies to create good jobs and be competitive globally is an absolute must to sustain our European way of life, to give workers and citizens opportunities to fulfil their potential, and to fight poverty and social exclusion. This is what the social dimension is about by connecting entrepreneurs, citizens and workers to the EU.

We can be proud that **Europe is one of the best places to live and work in the world**. This is at the core of the achievements of what we call in Europe social market economies. As part of this, the EU social policy plays a particular role in shaping the social dimension of Europe. But going beyond the EU social policy, there are two key conditions for Europe to further improve its social dimension.

The first is the need to **combine social policy with sound economic policy** and a strategy for increasing growth and competitiveness across all EU member states and European Economic Area EEA. Social policies must go hand in hand with those that bring economic progress, such as fully realising the EU internal market, encouraging investment and innovation, and promoting entrepreneurship.

The second is the **synergy between EU and national social policy and actions**. Social policy has to fully reflect the reality of how the EU functions, bringing to life the principle of subsidiarity. This means taking action at the right level, respecting the fact that the EU's role is to support and complement member states' actions. Because the EU social model is based on different national models, which must be preserved. The EU needs to respect the diversity of member states' social systems, which are based on deeply rooted political choices and societal traditions.

In view of increasing trade tensions and challenges to the multilateral rules-based order, rises in populism and the profound changes in the world of work, Europe will need to act in line with its values in a way which safeguards our global competitiveness.

FOR BUSINESSEUROPE, THE MAIN PRIORITIES SHOULD BE:

- Improving the functioning and performance of labour markets, making them dynamic and adaptable and providing flexibility and security;
- Improving the global competitiveness of European companies, by improving productivity and reducing high levels of labour taxation;
- Embracing the potential of the future of work including digitalisation to deliver benefits for companies, citizens and workers;
- Better facilitating free movement and posting of workers for the cross-border provision of services, as part of a fully functioning internal market;
- Tackling skills shortages and mismatches by ensuring the workforce has a relevant skills set, including through an improved connection between companies' needs to innovate and education and training systems learning outcomes;
- Delivering stable societies, through national social protection and welfare systems which provide sustainably and adequately for future generations;
- Strengthening social dialogue as a tool for management of change;
- Supporting companies to provide solutions for sustainability challenges and encouraging global implementation of the UN Sustainable Development Goals.



TO ACHIEVE THIS, WE PROPOSE:

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- **An improved governance of European coordination of national policies on employment and social protection**, working together with the trade unions, European Commission and member states, deepening the cooperation between social partners and the Council's Employment and Social Protection Committees.
 - **A step change in EU social policy**, which encourages access to a wide range of employment forms and no longer assumes that more prescriptive EU employment legislation will better protect workers.
 - A reorientation of EU funds to tackle **youth employment towards addressing structural causes**; get more women into work across sectors and roles, by investing in child care infrastructures and running EU and national campaigns to combat gender stereotyping and labour market segregation.
 - A more strategic approach to **tackling labour shortages and skills mismatches** across Europe, by better supporting national reforms that get more people into work, and better targeting migration policies to attract medium and high-skilled third-country nationals to Europe.
 - Proactive action by the European Commission to eliminate restrictions and excessive administrative burdens at EU and national level against the **free movement and posting of workers**, to fully realise the provision of services in the Single Market.
 - **Steering digitalisation by putting work, people and companies' competitiveness at the centre**, making sure that technology enhances workers' productivity; facilitating understanding and learning between member states and social partners in view of new business models, regarding national definitions of employees and self-employed and collective representation of workers.
 - Improving the way the existing Open Method of Coordination supports member states to benchmark progress to **reform and improve the performance of their employment policies and national social protection and welfare systems**: We call on the next European Commission to create two new Advisory Committees on employment policies and on social protection, along the lines of the Advisory Committee on Vocational Training (ACVT).
 - Increasing EU and member states' **support for capacity building of social partners organisations**, in those countries where they are weak, or where there is a lack of or insufficient capacity to get involved in the European Semester or European social dialogue.
 - Giving more **space to social partners, in full respect of their autonomy and the outcomes of their social dialogue**, to devise tools to manage change, so they can improve their contribution to effective and balanced solutions helping Europe move forward in unity.
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