



Position paper

A modern social Europe

Our values, principles and vision

Our views on society and the economy are based on our Christian values and on the firm belief that humans are free and must be at the centre of the social market economy. Our core values are responsibility, respect, solidarity and justice, as envisaged by the founding fathers of the European Communities, Robert Schuman, Alcide de Gasperi, Jean Monnet and Konrad Adenauer, who belonged to our political family.

We believe in the European social model as the foundation of the social market economy. We want to improve and protect social welfare and competitiveness, which needs constant adaptation to a rapidly-changing world. Article 3 of the Treaty on European Union (TEU) sets out the framework in which competitiveness contributes to social justice, and in which social justice stimulates competitiveness. As set out in Article 9 of the Treaty on the Functioning of the European Union (TFEU), we believe that, when defining and implementing its policies and activities, the European Union should always take into account social requirements.

The primary aim of social policy is to offer citizens the tools to become and remain self-reliant. Social policy should be regarded in terms of investment that will bring long-term returns, in the form of self-sustained and independent citizens, and to avoid costs related to long-term reliance on state assistance.

We believe that extremism and populism must be eliminated within the EU and also in the regions that are in crisis to offer genuine prospects to people in their home countries. The Single Market is one of the main foundations of the Union and its proper functioning is the basis for economic recovery in Europe. Labour mobility is of high importance in this context, as a source of European competitiveness.

Just like in other fields (from environmental law to the Single Market and the Stability and Growth Pact) we insist on the full and coherent application and enforcement of national and EU rules, including collective agreements, by all the relevant stakeholders. Respecting laws is a precondition for a well-functioning and fair Single Market.

We are convinced that our social market economy is strongly linked to efficient social dialogue. In this regard, we support the European Commission and its President's commitment to re-launch European social dialogue. We also underline that social dialogue, in accordance with Articles 9 and 152 of the Treaty on the Functioning of the European Union, must be taken into account when defining and implementing policies at EU level. The ability of social partners to participate in meaningful social dialogue is key to balancing competitiveness and fairness, thereby shaping balanced modern EU social policies that reflect the needs of employees and employers. The EPP Group encourages social dialogue using online means to strengthen participatory democracy.



BOOSTING EMPLOYMENT

Employment, a qualified workforce and entrepreneurship are at the top of our agenda. We call on Member States to make the best use of the available EU and national policies and financial frameworks to develop well-functioning economies and labour markets and to promote investment in people and job creation.

EU Funds

With their 86 billion-euro budget, the European Social Fund and the Youth Employment Initiative are the European Union's main instruments for the integration and reintegration of workers into the labour market. We call for targeted and simplified measures to enhance Member States' capacity to make better use of funding available through the European Social Fund, the European Regional Development Fund, the European Cohesion Funds, the European Globalisation Adjustment Fund and the Youth Employment Initiative, which are essential instruments for increasing the employability of Europeans.

Education, skills matching and training

We give priority to investments to boost education, including dual education, language learning (including languages from neighbouring countries), training, apprenticeships, skills, employability and entrepreneurship in Europe via programmes and platforms like Erasmus+ and EURES, which provide opportunities for millions of Europeans to gain useful experience. We are also in favour of setting up a European block-release training system based on best practice in this field within the Member States; this would increase the mobility, including cross-border, of the EU's labour force, which has been proven to contribute to growth by meeting labour demands in the Member States.

We believe that better coordination is needed between education and training curricula and the needs of changing labour markets. We call on the European Commission and the Member States to boost ICT and STEM training and education in order to equip both the current and the future workforce with the relevant e-skills. Dual education programmes and the combination of education and traineeship opportunities must also be encouraged. We support programmes that provide unemployed young people with e-skills, such as open online courses, and encourage the same for Generation 50+/active seniors. Current educational methods must be complemented by practical courses, such as coding at schools, as well as the necessary technological base in schools and universities. We believe that we have to develop, retain and attract a highly-qualified, talented and productive workforce in European countries and create favourable conditions to prevent brain drain.

Moreover, measures should be taken to better enable the recognition of qualifications and diplomas across Europe, including diplomas and online certificates such as those provided by MOOCs, and the validation of non-formal learning, to enable professionals to contribute with their knowledge and skills throughout Europe. We also encourage the Commission to match the labour qualification instrument for jobs, ESCO, with the other European qualification instruments such as EQF, Europass, ECVET and EURES, which are used in education, vocational training and prior learning.

Inclusive labour market

We call for extra measures to be taken for the integration of the 50+ Generation into the labour market, business, education or training, with the aim of preventing long-term unemployment and the risk of social exclusion for this category of workers and their families. We also aim to fight age discrimination in the labour market and promote age-friendly environments.

We are in favour of measures that aim to address long-term unemployment, which is the primary cause of social exclusion. In view of this we support the new Council recommendation on long-term unemployment. We call for an integration initiative so that all jobseekers who have been jobless for more than 12 months would receive an individual assessment and a job integration agreement that would enable reintegration to the employment market before reaching 18 months of unemployment.

Effective integration of legal refugees and migrants is an essential task that is imperative for a functioning modern social Europe. We want to use vocational and educational training as well as internships to identify the potential of individuals and enhance their integration, as part of a two-way process.

Digital jobs

The economy and labour market are changing as a result of digitalisation and the wider application of innovative, more productive, tailored and efficient technologies and services. We see many possibilities for employment in the digital market and we call on all relevant stakeholders to foster the development of new digital jobs in Europe. The Grand Coalition for Digital Jobs, set up together with the private sector, is encouraging. We also encourage strategies aimed at reducing the digital divide and at promoting equal access to new information and communication technologies, in particular for people at risk of poverty and social exclusion.

Entrepreneurship

We need to develop an improved culture of entrepreneurship, including in the manufacturing sector, family businesses, SMEs and micro-enterprises, by fostering entrepreneurial mind-sets and related knowledge, skills and competences. We therefore support initiatives such as the 'Juncker Plan', micro-financing and other EU mechanisms, as well as providing support for independent professionals. We believe that companies and enterprises, whether big or small, are the prime purveyors of growth and jobs and should therefore benefit from a competitive, barrier-free environment and accessibility to financing, allowing them to easily set up and create employment. We are in favour of shifting the tax burden away from labour to a broad-based system of taxation at differentiated levels. More attention should be given to a shift from direct taxes to indirect taxes. We strongly support the development of tax models and simplified tax compliance procedures favouring SMEs, entrepreneurs, micro-entities and start-ups.



STRENGTHENING SOCIAL COHESION AND SOCIAL INVESTMENT FOR EUROPEAN CITIZENS

Upward social convergence is a prerequisite for a sustainable modern social Europe, resilient in the face of modern economic and societal challenges. It is key to achieving favourable conditions for families living in Europe, job creation, improvements in working conditions and living standards and proper social protection, as well as social progress within a highly-competitive social market economy. We believe that upward social convergence is necessary for sustainable economic growth and requires an efficient and fair legislative and policy framework and responsible fiscal policies in all European regions to achieve the goals of the EU 2020 strategy.

Income and wages in Europe

We believe that all citizens and families in Europe should be entitled to an income or support which enables them to cover their living costs. Assessing the needs of EU citizens is the first step towards social justice and sustainable demographics. Social support mechanisms have to guarantee the non-perpetuation of social dependency and must constitute an incentive to education or entering the job market.

All European workers should be entitled to wages allowing them to live a decent life. It is alarming that as much as 8.9% of European workers are currently at risk of poverty. We call for efficient corrective measures to be developed and applied. These measures should be developed at Member-State level, respecting their customs, traditions and budgetary possibilities while taking into account their socio-economic realities as well as the views

of social partners, beneficiaries and any other stakeholders. We believe that a vibrant labour market is key in achieving higher wages and social protection for all.

Fighting poverty

The EPP Group does not want to marginalise any section of our society. Over €3.8 billion are earmarked for the Fund for European Aid (FEAD) to the most deprived for the 2014-2020 period. We therefore call on all relevant stakeholders to use the funds available to lower the risk of poverty in the most effective way. As a first step we call for measures to provide poor people with first aid assistance, followed by setting up individualised accompanying measures leading to an autonomous and decent life, through their inclusion into the labour market. We also believe that more emphasis should be placed on church-organised activities in this field to allow them to implement their effective and important contributions.

Older people, particularly women, should not be forgotten. Elderly women are particularly susceptible to poverty, primarily because of the very high gender pension gap. Therefore, we encourage Member States to introduce specific measures, such as credits for caring periods, minimum pensions and survivors' benefits, as well as to exchange best practice in this field.

We call on the European Commission and the Member States to adjust existing instruments to better target jobless households, improving social integration and employment opportunities for them. These instruments, along with existing best practice at Member-State level, would in turn also be an important tool for reducing child poverty in Europe.

We believe in the potential of the social and “solidarity” economy to address a number of societal issues in an innovative and cost-effective manner. Therefore, we suggest that the Commission gives new impetus to social investment.

Work and family balance

We believe that proximity childcare infrastructure is needed in all EU Member States for better reconciliation of work and family life. We also call for the improvement of accessibility to care services for parents, families and individuals in need. We support employers that look for ways to show their sensitivity to related issues in ways that benefit the organisation, but more importantly enable employees to achieve a better work-life balance. We recognise the crucial role of mothers and fathers in our society and we also welcome and support the initiative announced by the Commission to promote the increased participation of women in the labour market by addressing the obstacles to a better work-life balance, to the benefit of individuals/families and businesses.

We recognise the importance of care for children and other members of the family who need it. We support all measures at Member-State level that would recognise the value of the unpaid work of caretakers and believe that this work should be recognised in pension schemes, thus narrowing the pension gap between women and men. Lifetime Healthy Ageing has to become a basic concept in the formulation of policy, starting from childhood, so as to improve quality of life in old age. This should include high standards of health and safety at work, throughout working life.



A SOUND LEGISLATIVE AND POLICY FRAMEWORK

We respect the Treaties which, in line with the principle of subsidiarity, confer (under Articles 151 to 161 of the TFEU) on the EU the right to support and complement the activities of the Member States in the fields of the protection of workers' health and safety, working conditions, social security and social protection, the information and consultation of workers, the inclusion of disadvantaged people and the integration of third-country nationals legally residing in Union territory.

We believe that European labour and social law must set minimum social standards across Europe, thus ensuring a level playing field for all EU citizens and companies and reinforcing European social and regional cohesion, including in the outermost regions. We are aware, however, that any European legislation must ensure a balance between the needs of different Member States, sectors, workers and citizens' rights. Any introduction of new norms at European level has to be justified, proportionate and based on thorough evidence-based assessment and respect for national customs and traditions.

We are in favour of labour market reforms that encourage the integration of job seekers into the labour market, improving internal and external flexibility for employers and providing secure and sustainable social protection for workers. Such reforms should balance ambitious standards for worker protection and increased opportunities for people to re-enter the job market.

Europe has to deliver, while avoiding empty promises. The EPP Group calls for a smart regulation agenda to facilitate proper enforcement and application of EU social legislation and to ensure that funds reach the right recipients. We underline that social dialogue

remains a vital part of our social market economy, throughout the Smart Regulation process, in accordance with Articles 9 and 152 of the TFEU.

This agenda should be comprehensive and directly linked to the European Semester process. It should consolidate the joint analysis and definition of strategies for both the social and economic dimensions of Member States, stressing the need for these criteria to be reconciled.

We recognise that the inclusion of employment indicators in the macroeconomic imbalance procedure better reflects employment and social developments in the European Semester process. We support giving them the same status as the other headline indicators, allowing them to trigger in-depth analyses in order to, where necessary, improve the outcome of employment and social policies through appropriate structural reforms.

Social protection of workers

The EPP Group supports responsible and effective social protection policies, based on rights and obligations. Member States should also ensure the social protection of workers with regard to pensions by providing public pensions sufficient to maintain a decent standard of living and to protect from old-age poverty, as well as by promoting supplementary pension schemes linked to employment contracts as additional coverage. In accordance with the principle of subsidiarity, Member States should retain full responsibility for the organisation of their pension systems as well as for the decision on the role of each of the “pillars” of the retirement system in individual Member States. However, the establishment of a European pension tracking system is needed.

Given the rising life expectancy in all EU Member States, which is increasing on average by 2.5 years every 10 years, and the demographic changes in Europe, we call on the Member States to urgently implement the necessary structural changes, including to pension systems, in order to ensure sustainable social security for all and solidarity between generations.

We defend long-term contracts as the standard form of contract, which can be stimulated with appropriate measures. Part-time jobs, temporary work, seasonal work and other forms of contracts are also necessary to allow a variety of contractual arrangements for businesses and workers. Nevertheless we call for measures to be taken to ensure that any type of contract offered to a worker corresponds to his commitment and duty and is not a matter of abuse or speculation. We believe that diversity, flexibility and security are of great value to both employees and employers.

We support measures to fight undeclared work in all its forms as well as precarious employment. For us, precarious employment means employment which does not respect European and national standards, in particular in relation to health and security at work, and/or which does not provide sufficient resources for a decent life or appropriate social protection.

We call for a simplified and more efficient set of rules on health and safety in the workplace and to enhance the capacity of SMEs and micro-enterprises to put in place effective and efficient risk prevention measures, as set out by European and national legislation, while respecting workers' rights. We insist that employees performing new-generation jobs

deserve appropriate health and safety protection adapted to the new circumstances, such as for stress, burnout or musculoskeletal diseases. We also want to harness the opportunity provided by the digitalisation of jobs to create secure, flexible work-time arrangements for a better work-life balance.

Equal opportunities

We are strongly committed to improving the inclusivity of the European labour market and therefore we support measures in favour of closing the gaps in European anti-discrimination legislation for employment, especially with regards to people with disabilities. Additionally, we support the implementation of the Council Directive 2000/78/EC on equal treatment in employment and occupation without delay.

The EPP Group stands strongly for complete equality between men and women in terms of wages and pensions, as well as in terms of career evolution in every Member State. We call for targeted measures aimed at increasing women's employment rate in order to combat the persisting 11.5% gender gap in employment and to utilise the full potential of women's labour market competences and skills.

Mobility of workers

Mobility is a source of Single Market competitiveness. There can be no stepping back on a basic and fundamental EU principle like the freedom of movement. We therefore stand for the free movement of workers and mobility framed by clear EU rules on social security systems coordination. At the same time we must not tolerate any abuse, fraud or lack of enforcement of existing EU laws.

We call on Member States to ensure a level playing field in the European Union. In this regard we call for an action plan to remove shortcomings identified in current rules, to combat social dumping within the framework of illegal social practices and to enforce efficient controls. We call on Member States to create a one-stop-shop, as well as a single national website, to inform, advise and assist cross-border workers on the fiscal and social security consequences of working in another Member State.

Abuse and fraud can only be tackled if the EU and the national legislator provide for an effective, enforceable and fitting legal framework based on mutual cooperation, while the Member States have to improve controls and make sure that they are proportionate, justified and non-discriminatory. The legitimate and legal fight against fraud must, however, not be used as a pretext to question the provisions of the Treaties, including the principle of free movement of persons and services whereby citizens of another EU Member State must be treated equally to nationals of the host Member State.

We welcome the Commission's plans to identify and address the shortcomings in the social security minimum entitlement coordination across Europe through an adaptation of the Regulation 883/2004 and Implementing Regulation 987/2009 on the coordination of social security systems. We must prevent the adaptation of the legislation on the coordination of social security systems being used as a tool for unfair competition.

We are aware that problems still exist with the implementation of the Posting of Workers Directive (PWD). In this context, in order to prevent abuses, we call for a timely implementation by Member States of the Enforcement Directive on the posting of workers and for a consequent analysis of the impact of its implementation. The Commission announced the publication of the Labour Mobility Package, including a targeted revision of the PWD. We insist that if this process starts, it should only touch upon the necessary unsolved elements in order to ensure a just treatment of workers and a level playing field for business. A revised Directive must continue to facilitate the freedom to provide services. Any proposed measures must be clear, proportionate, non-discriminatory and justified and respect the different wage-setting mechanisms in the Member States. For stricter controls to combat and prevent abuse, we call for improved cross-border cooperation between the accountable inspection services and for the electronic exchange of information and data.