

# SOCIAL POLICY

18 May 2021

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The way we work will never be the same again. The technological revolution we are witnessing leads to unheard of technical progress and new business opportunities. Global trade, a strong common currency, European industrial and environmental standards and a strong Single Market create a virtuous cycle of successful companies, more tax revenues, and more and better jobs. Progress leads to prosperity. At the same time, this technological revolution radically changes economic patterns, social systems and the labour market.

As Christian-Democrats we support harnessing the full potential of the technological revolution while making sure everyone in our society has the chance to participate in this prosperity. No-one should be left behind and we need to stand for policies that take into account the demographic challenge and promote equal opportunities for all, particularly those that are most hit by the crisis, such as vulnerable groups, families, the young generation, and the elderly. We believe our values are more valid than ever, and the strongest starting point for designing the future. They combine the best of conservative, liberal, and Christian-social ways of thinking. The concept of a Social Market Economy, with its balance between freedom and the unfettered development of the individual on the one hand, and solidarity with all in society on the other, are key answers to the challenges of our time.

This has to be achieved in the framework of providing decent work based on dignity and merit and leading to a society, which is more than the mere sum of individual effort. It implies that Europe, with its Member States, must act to ensure respect for work and fair pay. Salaries have to allow people to have a decent life. It also implies entrepreneurial freedom and a level playing field in

trade, in the Single Market and in its international commercial relations. But the economy is at the service of all men and women, not the other way around. A strong Single Market, social stability and fairness go hand-in-hand. In order to allow the Single Market to fully play out its potential and allow for fair competition, it needs adequate minimum standards, including on occupational safety, the protection of vulnerable groups, anti-discrimination and fair posting standards, and special support for disadvantaged regions through the structural funds.

This social policy was part of the Rome Treaties creating the EEC, which emphasises the overarching aim of social progress and a balanced economic development. It is our duty to continue this legacy and carry it into the 21st century. When the EU's original six founding Member States came together in 1957/58, they also faced unprecedented economic, societal and technological change. They knew: progress must be both economic and social, in which everyone can play a part according to his or her abilities, in order to create a new community and a new society based on a free, open and fair Social Market Economy which allows economies to grow and to reduce poverty and inequality.

## Preserving opportunities in times of COVID-19

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This commitment to a Social Market Economy is now more needed than ever. The deep economic and social impact of COVID-19 is just the latest example of why we need to address social issues at European level: not to regulate each detail, but to support Member States and to ensure that equality of opportunity remains at the heart of the Eu-

European project – while respecting the principle of subsidiarity.

COVID-19 has a disproportional impact on different Member States, different regions and different groups in our society with the most severe impact on the most vulnerable groups. The pandemic shed light on many existing imbalances and accelerated dangerous social trends. Many livelihoods are threatened by the economic downturn. It is with this in mind that we agreed to add European-level measures like the SURE programme to national measures, to provide a one-off measure of economic and social solidarity in Europe. Its loan-based system excludes moral hazard while giving the necessary means to all European Member States to provide a safety net during this pandemic, support national short-time work schemes and avoid mass lay-offs. The instrument, financed through common loans issued by the European Commission and safeguarded by Member States' guarantees, is a clear sign of European solidarity during crisis times.

We see in SURE the European Unemployment Benefit Reinsurance scheme announced by Commission President Ursula von der Leyen, now that the economic fallout of the crisis lasts longer than foreseen. The instrument should thus be extended for the duration of the current exceptional situation, continue to be based on loans, and activated in case of severe external financial/economic shocks only.

## Developing the right skills set for the future

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As part of our response to COVID-19, we want to strengthen the competitiveness of our economies by making sure everyone in our societies has the right skills to find a job and bring their talents to fruition, in particular the young generation now suffering from the COVID-19 crisis. We need to invest in human capital and knowledge in order to keep up with the demands of a modern labour market. The young generation especially suffers from high levels of unemployment, while many employers are unable to fill vacancies because they cannot find people with the right skills.

Strengthening EU education programs, while at the same time aligning training and education with the needs of the economy and society of the future, supporting employees and teachers to train the right skills as well as investments in digital infrastruc-

ture are necessary. A significant part of the funds provided by the Recovery Plan in the framework of the Next Generation EU instrument should be spent on upskilling and life-long learning.

We also want the EU to develop new digital platforms for cross-border education and job opportunities.

These measures should not be limited to the immediate recovery effort alone. Predictions show that in the future more people in the EU will be working in highly-skilled jobs, while the need for low-skilled jobs is expected to decrease. Therefore, inclusive education and training systems must be reformed and updated, to adapt the qualifications of workers to the requirements of the labour market, including the Green Deal and digitalisation. Overall, this policy should be in line with the European Pillar of Social Rights, the Green Deal and digitalisation.

Education is an investment in our common future and one of the main instruments for the development and self-realisation of each individual. It has a positive impact on social cohesion, which is a pre-condition for economic growth, job creation and employment.

## Digital Single Market: Opportunity instead of overregulation

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We believe that the increasing digitisation of the labour market and its new technologies should be seen as an opportunity rather than a threat. We want digital business models, along with respective new job opportunities to thrive in Europe. We want our continent to become the entrepreneurial hotspot of the world.

We want online marketplaces, app providers and the gig economy to be subject to taxation and labour market rules, just like traditional businesses, while ensuring consumer protection and trust.

The digitisation of the labour market, including platform work, should respect the work of social partners and should not lead to a new type of employment status. We want to combat false self-employment with clear criteria to distinguish the employment status of workers and independent contractors. Start-ups and SMEs are free to use innovative work models, without hampering fair competition, violating labour market rules or evading social security payments.

Employees and workers should also benefit from digitisation processes, such as a fair framework for home office work, AI-augmented support systems, while keeping in mind their right to disconnect. We want to make sure that job diversity and flexibility regarding working time and place of work are a matter of voluntary choice and not a violation of workers' rights.

## Providing a framework instead of regulating minimum wages

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We welcome the fact that the European Commission has refrained from developing a binding formula to set minimum wages, while proposing a common European way to ensure adequate pay for all and to eliminate unfair practices and a downgrading of social protection standards for our workers. Upholding the integral rights of Member States and the principle of subsidiarity, which govern our social policy approach, is at the core of the proposal.

Europe's prosperity is not based on centralised decisions, but respects the laws, customs and traditions of its Member States and Regions, in particular in an area as sensitive as social policy. Nonetheless, the European spirit and human-centered economic and social approach also entails a sense of unity and inclusion and has to offer solutions to prevent (in work) poverty, unfair practices, and race-to-the-bottom competition. The proposal for European minimum wages should be in line with Principle 6 of the European Pillar of Social Rights, allowing everyone a decent living wherever they work.

At the core of this proposal must be the respect of national traditions and the freedom and strengthening of the role of social partners. Our approach is therefore not to change what is working well at national level, but instead to strengthen existing national systems with a strong accent on social dialogue, collective bargaining and its binding effect. Subsidiarity and solidarity go hand in hand and are two sides of the same medal. However, safety nets with minimum standards have to be developed to ensure that all workers in the Union are fairly paid and that the low-wage sectors, atypical and precarious working conditions and the dismantling of social security systems can be eradicated.

Where Member States do freely choose to set-up a minimum wage at a level decid-

ed by the Member State or its social partners, we want to make sure it corresponds to clearly defined minimum norms in the respect of workers, their dignity and the most basic principles of the European Union. In the interests of subsidiarity, we reject legally binding recommendations and criteria that set the level of the minimum wage.

## Ensuring fairness by fighting abuse

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Openness of the Single Market and opportunities for all can only be guaranteed if the EU takes a rigorous stance against all abuse. We want the European Labour Authority to become fully operational as a matter of priority, to support and strengthen the capacity of national labour inspectorates and authorities, as well as social partners, in order to ensure fair mobility, effective cross-border enforcement of workers' rights and to effectively tackle social fraud, abuse and dumping, in close co-operation with national and regional authorities.

To stand against abusive practices and to ensure equal treatment of workers throughout the whole chain of contractors, we should tackle abusive subcontracting that use artificial arrangements such as letter-box companies, bogus temporary agency work and pretend self-employment.

To give both national authorities as well as ELA the right tool to identify misuse, we should aim to make the Electronic Exchange of Social Security Information (EESI) fully functional as soon as possible. It will facilitate cross-border exchanges between social security institutions and speed up the handling of individual cases, while not creating an additional burden on businesses or employees. In addition, we should move forward on a digital European social security number (ESSN), which is necessary to ensure legal certainty, fair mobility and the protection and enforcement of workers' rights.

This should help enhance the cross-border protection of social security rights, fight abuse and improve the enforcement capacity of the European Labour Authority.

## Family friendly policies

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We stand for family-friendly policies that help children to get a better start in life and

parents to find the right balance between their professional careers and family duties. The path of a child's life strongly depends on the time and care it receives by its parents in the first years of its life. We are concerned about the number of early school leavers, in risk of later being converted into unemployment and poverty, a situation that in many cases is repeated between generations.

The EU and Member States must encourage employers to adopt family friendly measures, such as the possibility for parents to use teleworking and to temporarily reduce their working hours without significant pay cuts and job mobility in order to guarantee their children's care and education. It is important to retain the lessons learned from the pandemic crisis for the regulation of teleworking, without harming employers or employees.

It is our duty to create and improve European policies that guarantee respect for the rights of children and youth, and that guarantees their well-being.