



**Local & Regional
Europe**

CEMR reply on reinforcing a Strong Social Europe for Just Transitions

**For an Action Plan to implement
the European Pillar of Social Rights**

| November 2020

Our vision

CEMR welcomes the outline of the European Pillar of Social Rights and agrees with the need to boost economic recovery and compliment economic progress with social provision. There is benefit in creating a rights-based social agenda for local and regional communities, and the Pillar is an important step in assessing existing rights with view to improving enforcement.

However, in our opinion, **the measures inspired by the 20 key principles of the Pillar should not be legally binding: it is essential that the Commission respects national and regional competences.** The Pillar should constitute a frame of reference, based on benchmarks to use for inspiration and development of national reforms, such as the UN Sustainable Development Goals. This would allow Members States, and where appropriate, local and regional governments, and national social partners to take ownership, ensure good implementation and upward convergence.

CEMR considers that **growing economic inequalities, poverty and social division should be regarded as the priority** within the European Union in the field of employment and social policy. In order to achieve this objective, issues need to be tackled, such as gender equality, work-life balance and flexible working patterns, digitalisation, and the integration of migrants into the labour market. Other relevant aspects of the European labour market that must be improved are the transition from school to work, lifelong learning (upskilling/reskilling), vocational training and skills mismatch.

This would generate a more equal generational balance, meaning recruitment of young workers, retaining older workers; and, at national level, more balanced reforms of pension systems. Meeting these objectives and tackling these issues as well as many of the principles proposed by the Commission will require access to quality and affordable public services and suitable investment, especially at the local and regional level.

CEMR considers that it is necessary to **increase the involvement of social partners at European, national and local level**, and to take measures to **strengthen the social dialogue**. On employment and social policy, there is a need to find an appropriate balance of what needs to be dealt with at EU level and what must be organised by Member States, regional or local level. **Respect of the principles of subsidiarity and proportionality should be ensured, and the diversity of Europe taken into account, e.g. different social and labour market models.**

Because of the differences in national structures as well as diverse historic and cultural contexts, CEMR does not support additional minimum standards at European level nor a one-size fits all approach. CEMR advocates the recognition of diversity in Europe and sees the **added value of European action in developing reference benchmarks, in respecting already existing minimum standards, and in raising awareness of the Pillar's principles.**

The exchange of best-practice examples, the preparation of surveys and benchmark-setting, as well as technical support from EU institutions are welcomed, but **an obligation to report at regional or local level is rejected due to the bureaucratic burden entailed.**

The **COVID-19 pandemic** has shown more than ever that local and regional government is essential to people's everyday lives, but **the financial impacts have been severe and have placed extreme pressure on already strained budgets and on our workforce.** Without proper resourcing, we will see reductions in spending and inevitable cuts to services, furthering the inequalities highlighted by the

pandemic and putting at risk the very recovery we seek. **Economic recovery in Europe will depend on supporting local economic development and enhanced public expenditure will be required to improve outcomes at local level.**

European local and regional authorities aid social rights implementation through a wide range of public service areas including education, work, housing, health, social security and social inclusion. Responding to the demographic challenge, addressing inequalities, and technological change continue to be pressing factors at local level, in addition to the social, economic and environmental recovery post-COVID.

Our priorities

CEMR believes that the Pillar of Social Rights should aim at supporting the development of local and regional policies in the field of skills, education and life-long learning, while guaranteeing flexible and secure labour contracts. It is also fundamental to encourage gender equality and work-life balance, and to provide active support for employment (particularly youth) in order to facilitate professional transitions.

CEMR wishes to emphasise that all policy areas that do not fall within EU competences, such as minimum wages, should be not covered by measures proposed in the framework of the Social Pillar.

We have identified three main policy priorities that can be addressed at European level:

- 1) The first priority is the **need for a new skills requirement**, which addresses technological change, the needs of young workers and demographic trends, and the integration of migrants into the labour market. It requires **investment in education and training** to convert out-skilled workers, as new skills are needed to properly face the challenges posed by globalised economic competition. To this purpose, we point at the EU cross-sectoral social partners agreement on digitalisation signed in June 2020. **Due to the COVID-19 crisis, the number of apprenticeship and training positions available for young people in some areas of the Union has declined sharply. In addition, a growing socio-economic segregation of young people is threatening the educational sector:** pupils and students who could not and cannot obtain the necessary equipment and infrastructure at home for periods of home-schooling need comprehensive support/care and the free provision of suitable infrastructure (laptops available on loan, expansion of broadband internet) to acquire essential basic skills and abilities. In order to avoid a lost generation in the education and labour market sector, **employment policy measures such as the creation of public apprenticeship and training positions, especially in 'green' jobs** (gardening, public transport, etc.) **as well as further investment in the digitisation of the school sector and companies should be promoted** (e.g. initiatives by federal states to promote digitisation in companies in the spring). On a European level, more training places for young people can be promoted through grants and as part of the Youth Guarantee.
- 2) The second priority concerns **measures to react to current demographic trends:** the changes in the composition of European society, specifically the ageing population, represent a serious issue facing the European labour market. This situation can be transformed into an

opportunity to **include women, elders, migrants, people with disabilities, and people at risk of being socially excluded into the labour market**. Failure to pursue such a process of inclusion may result in a dependency ratio imbalance that would put at risk the whole social welfare system. Targeted efforts are needed to integrate disadvantaged groups, such as elderly people, long-term unemployed or people with health problems, into the labour market. **This necessity has been greatly exacerbated by the COVID-19 crisis and the risk of unemployment becoming entrenched is very high for these groups. LRGs are and will be at the forefront of the support and assistance to unemployed people by providing employment services at local level** and carrying out actions in coordination with the **Recovery and Resilience Facility and SURE** (Support to mitigate Unemployment Risks in an Emergency).

- 3) The third policy priority is higher rates of **participation of women in the labour market**. A greater share of women participating would increase productivity and encourage flexible organisation of working times for men and women, as well as strengthen social cohesion. Increasing the use of new and innovative ways of working would facilitate women's participation; further, it could have beneficial effects on evolving family structures and also help combat exploitation of women, in particular of the most vulnerable. **Moreover, the lockdown affected female-dominated service sectors more severely than others. As a consequence, a higher increase in unemployment amongst women has also been recorded.** In some Member States, 85% of the new unemployed people over the period February-June 2020 were women¹ and, generally, women suffered more than men from the work-life conflicts and financial strain during the lockdown.² **The risk of becoming unemployed and slipping into long-term unemployment is currently higher for women, particularly in the private sector.** The role of local and regional governments as service providers is therefore more than ever essential in order to reduce the impact of this pandemic on the European labour market.

Conclusions

The practical application of some of the 20 principles remains not clear. We reserve the right to adapt our opinion depending on the actual proposals that the Commission presents in the coming months. We welcome dedicated but voluntary actions involving regional and local governments in the forthcoming Action Plan.

There is benefit in strengthening social dialogue and employee representation and building capacity of local and regional governments to deliver greater social outcomes through public services. The importance of the social partners and social dialogue on the one hand, and of local and regional

¹ "Unemployment by gender: In July 2020, the unemployment rate for women was 7.5% in the EU, up from 7.3% in June 2020. The unemployment rate for men was 7.0% in July 2020, up from 6.8% in June 2020. In the euro area, the unemployment rate for women increased from 8.0% in June 2020 to 8.3% in July 2020 while it increased from 7.5% to 7.6% for men" (Eurostat, *Newsrelease* 130/2020, 1 September).

² Cf. Eurofound, *COVID-19 fallout takes a higher toll on women, economically and domestically* ([link to the article](#)).

government on the other hand should be recognised and respected while preparing a further approach for the Pillar's principles.

For a European Pillar of Social Rights to be successful, national ownership and political will are needed from Member States. Municipalities, county councils and regions as employers, service providers and clients of welfare services are essential for social cohesion and employment in Europe.

Meaningful participation of municipalities, county councils and regions, as well as of the social partners at national level, in both the development and implementation of a European Pillar of Social Rights, is crucial for the Pillar to have real effect.

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About CEMR

The Council of European Municipalities and Regions (CEMR) is the broadest organisation of local and regional authorities in Europe. Its members are over 50 national associations of municipalities and regions from 41 European countries. Together these associations represent some 150 000 local and regional authorities.

CEMR's objectives are twofold: to influence European legislation on behalf of local and regional authorities and to provide a platform for exchange between its member associations and their elected officials and experts.

Moreover, CEMR is the European section of United Cities and Local Governments (UCLG), the worldwide organisation of local government.

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