



Conference on the **Future** of **Europe**

DRAFT PROPOSALS - Stronger Economy, Social Justice and Jobs

Introduction

We are living in extraordinary times and the EU will be judged on its efforts to emerge from the current crises stronger, with a more sustainable, inclusive, competitive and resilient growth model. The invasion of Ukraine by Russia and the COVID-19 pandemic have changed the face of the EU. The Conference will also need to address the social and economic consequences of this war in an already very demanding post-pandemic context. At the same time, climate change still represents a continuous threat to humanity and will have a dramatic impact on the economy and on our societies. From the recommendations received, it is clear that citizens are calling for stronger EU action. Outstanding transnational challenges, such as, inequalities, competitiveness, health, climate change, migration, digitalisation or fair taxation call for proper European solutions. From the recommendations and discussions, it is also clear that we need a comprehensive strategy to ensure better wellbeing for the European citizens in the different aspect of their lives. Some elements of this strategy can be found in already existing policies and can be achieved by making full use of the existing institutional framework at European and national level; others will require new policies and, in some cases, treaty changes. However, new policies and treaty changes should be seen as means to achieve better wellbeing and not as ends in themselves. It is both possible and necessary to reshape the EU in a way that will guarantee its strategic autonomy, sustainable growth, improvement of living and working conditions and human progress, without depleting and destroying our planet in the framework of a renewed Social Contract. The recommendations of this Working Group are intended to achieve these goals.

Proposal I: Sustainable Growth and innovation¹

Objective: We propose that the EU supports the shift to a sustainable and resilient growth model, fully incorporating the green and digital transitions with a strong social dimension in the European Semester, and empowering citizens, trade unions and businesses. The conventional macroeconomic indicators and the GDP need to be complemented with new indicators in order to address the new European priorities such as the European Green Deal or the European Pillar of Social Rights and to better reflect the ecological and digital transitions and the wellbeing of people. This objective could be achieved by:

Measures:

¹ Citizens' recommendations on which the proposal is mainly based: European Citizens' Panel 1: 9, 10, 11, 12, 14; The Netherlands: 1; Italy: 1.1, 2.3, 3.1, 4.b.1 ; Lithuania: 3, 8.

- i. Promoting greener production processes by companies and supporting companies to identify the best solutions and providing positive and negative incentives; (ECP11 & 12)
- ii. Working towards a more sustainable and circular economy by addressing the issue of planned obsolescence and ensuring the right of repair; (ECP14)
- iii. Reforming the EU's economic governance and the European Semester in order to ensure that the green and digital transitions, social justice and social progress goes hand-in-hand with economic competitiveness. In addition, there is a need to better involve social partners and the local and regional authorities in the implementation of the European Semester in order to improve its appliance and accountability.; (online platform)
- iv. Tackling the use of single use plastic packaging/containers; (ECP12)
- v. Expanding the use of European technology and make it a viable alternative to foreign technology; (discussions)
- vi. Promoting research into new materials and technologies, as well as the innovative use of existing materials, while ensuring that research efforts are not duplicated; (ECP9, NL1)
- vii. Addressing the sustainability, affordability and accessibility of energy, considering energy poverty and the dependence on non-EU states, by increasing the share of sustainably sourced energy; (ECP10, LT3, IT 1.1)
- viii. Raising awareness among both companies and citizens how to behave in a more sustainable manner and guarantee just transition, based on social dialogue and quality jobs; (ECP12 & online platform)
- ix. Including ambitious social, labour and health standards, including occupational health and safety, in new EU trade agreements; (LT8)
- x. Overcoming the self-interest of individual States and the tendency to seek individual advantages to the detriment of others; (IT 4.b.1)
- xi. Developing an economy centred more on the production of happiness (Gross Domestic Happiness) than on goods (Gross Domestic Product); (IT 3.1)
Overcoming the logic of "fixed quotas" in agricultural production, with the relative destruction of excess produce. (IT 2.3)

Proposal II: Enhancing EU's competitiveness and further deepening the Single Market²

Objective: We propose strengthening the competitiveness and resilience of the European Union's economy, single market, industry and addressing strategic dependencies. We need to promote an entrepreneurial culture in the EU, where innovative businesses of all sizes, and in particular MSMEs, as well as start-ups are encouraged and can thrive in order to contribute to more resilient and cohesive societies. There is a need for a strong functioning market economy in order to facilitate the vision of a more social Europe. This objective could be achieved by:

Measures:

² Citizens' recommendations on which the proposal is mainly based: European Citizens' Panel 1: 10, 11 & 14; Germany: 2.1, 2.2; The Netherlands: 1, 2; France: 3, 9; Italy: 1.2, 1.3, 1.4, 1.5, 2.1, 2.2, 2.4, 4.a.2 ; Lithuania: 1.

- i. Developing a clear vision for the European economy and playing to Europe's strengths, quality and diversity while taking into account of economic and other differences between Member States, and promoting cooperation and competition between businesses; (NL1 & 2)
- ii. Consolidate what has been done in terms of the single currency and the interconnection of payment systems and telecommunications; (IT 4.a.2)
- iii. Reducing the standardisation of products and recognising local and regional cultural and production peculiarities (respect for production traditions); (IT 2.2)
- iv. Enhancing upward social and economic convergence in the Single Market, by completing existing initiatives such as the Banking Union and the Capital Markets Union and implementing a forward- looking reform of our Economic and Monetary Union; (discussions)
- v. Promoting policies for a strong industrial base and innovation in key enabling technologies, and a forward-looking climate policy coupled with industrial competitiveness with a strong social dimension, based on social dialogue and well functioning industrial relations; (discussions)
- vi. Giving special attention in all new initiatives to SMEs, the backbone of our economy. The “Think Small First” principle must be respected in all EU’s legislative proposals and a SME test should be reinforced in the Commission's impact assessment in accordance with clear principles while fully respecting social and environmental standards and consumer rights; (discussions)
- vii. Ensuring the participation of SMEs in funding applications, tenders and networks with as little administrative effort as possible. Access to finance for SMEs with high-risk innovation projects should be further developed by entities such as the European Innovation Council and the European Investment Bank; (discussions)
- viii. Creating a better framework for investments in R&I aimed at a more sustainable and biodiverse business models. (ECP 10, 11 & 14) Focusing on technology and innovation as drivers of growth; (IT 1.3)
- ix. Promote collective economic performance through autonomous, competitive industry; (FR3)
- x. Identifying and developing strategic sectors, including space, robotics and AI; (FR3 & 9)
- xi. Investing in an economy based on tourism and culture, including the many small destinations in Europe; (IT 1.2) Addressing the security of supply by diversifying input sources/raw materials and increasing the manufacture of key goods in Europe, such as health, food, energy, defence and transport; (FR9, LT1, IT 1.4)
- xii. Promoting the digitalisation of European businesses, for instance through a specific scoreboard allowing businesses to compare their degree of digitalisation, with the overall aim of increasing competitiveness; (DE 2.1)
- xiii. Promoting digital cohesion to contribute to economic, social and territorial cohesion as defined in the Treaty on the Functioning of the European Union; (discussions)
- xiv. Strengthening cross-border cooperation in order to enhance cohesion and resilience within and beyond regions, by fostering the European Cross Border Mechanism and similar tools; (discussions)
- xv. Enhancing and promoting the possibilities for cross-border training in order to upskill the European workforce and increase competitiveness, while at the same time boosting citizens'

- economic literacy; (DE 2.2, LT7). Promoting exchanges between workers in Europe through a European Job Centre. (IT 6.1) Encouraging young people to study science subjects; (IT 1.5)
- xvi. Reducing, where non-essential, bureaucracy (permits, certifications); (IT 2.1)
 - xvii. Combating counterfeiting and unfair competition; (IT 2.4)
 - xviii. Ensure greater participation of start-ups and SMEs in innovation projects as this increases their innovative strength, competitiveness and networking. (platform, discussions)

Proposal III: Inclusive labour markets³

Objective: We propose to improve the functioning of labour markets so that they ensure fairer working conditions and promote gender equality, employment, including that of young people and vulnerable groups. The EU, Member States and social partners need to work to end in-work poverty, address the rights of platform workers, ban un-paid internships and ensure fair labour mobility in the EU. We must promote social dialogue and collective bargaining. We need to ensure the full implementation of the European Pillar of Social Rights, including its relevant headline targets for 2030, at EU, national, regional and local level in the areas of “*equal opportunities and access to the labour market*” and “*fair working conditions*”, while respecting competences and the principles of subsidiarity and proportionality and to include a Social Progress Protocol in the Treaties. While doing so, there should be a respect of national traditions and the autonomy of social partners and a cooperation with civil society. This objective could be achieved by:

Measures:

- i. Ensuring that statutory minimum wages guarantee that each worker can earn a decent and similar quality of living across all Member States. Clear criteria (e.g. living costs, inflation, above the poverty line, the average and median wage at national level) to be taken into account when setting minimum wages level should be set up. The levels of statutory minimum wages should be regularly reviewed in light of these criteria in order to ensure their adequacy. Special attention should be put on effective implementation of these rules and monitoring and tracking improvement in the standard of living. At the same time, collective bargaining should be strengthened and promoted throughout the EU; (ECP1 & 30; DE 4.2; online platform).
- ii. Taking stock and more strongly enforcing the implementation of the Working Time Directive (Directive 2003/88/EC) and other relevant legislation that ensures healthy work life balance while looking at new national policies in this domain;. (ECP2)
- iii. Introducing or reinforcing existing legislation that regulates so-called 'smart working' and incentivising companies to promote it. (ECP 7) The EU should ensure the right to disconnect, do more to address the digital divide at the workplace and assess the implications of remote work on health, working time and companies performance. There is a need to guarantee fair digitalisation based on human rights, improved working conditions and collective bargaining; (discussion).

³ Citizens' recommendations on which the proposal is mainly based: European Citizens' Panel 1: 1, 2, 7, 28, 30; Germany: 4.1, 4.2; The Netherlands: 4; France: 6; Italy: 5.a.1, 5.a.4, 6.1, 6.2.

- iv. Having integrated employment policies at an EU level where active labour market policies remain central and increasingly coordinated (IT6.2) while Member States focus on continuing their reform efforts to create favourable conditions for quality job creation. (discussion)
- v. Taking steps to ensure that social rights take precedence in case of conflict with economic freedoms including via the introduction of a social progress protocol in the Treaties. (online platform/discussion)
- vi. Ensuring gender equality, in line with 2020-2025 EU Gender Equality Strategy. The EU should continue measuring the gender equality through a gender equality index (i.e. attitudes, salary gap, employment, leadership, etc.), monitor the strategy yearly and be transparent with the achievements; and encourage the sharing of expertise and best practices and set up a possible direct citizen-feedback mechanism (e.g. an Ombudsperson); (ECP28; IT 5.a.1). There is a need to address gender pay gap and introduce quotas in senior positions. There should be more support for women entrepreneurs in the business environment and women in STEM (discussion).
- vii. Promoting youth employment, for example through financial assistance for companies, but also by giving employers and workers additional support (NL4) and support to young entrepreneurs and young self-employed professionals; (for example through educational tools and courses);
- viii. Promoting employment of disadvantaged groups (NL4), in particular among people with disabilities;
- ix. Promoting employment and social mobility and, therefore, to have a full chance of self-realisation and self-determination. (IT5.a.4 & IT6.1) There could be a long-term strategy to ensure everyone in our societies has the right skills to find a job and bring their talents to fruition, in particular the young generation (discussion). It is important to invest in people's skills adapted to the changing labour market needs and promoting life-long learning through among others exchange programme at all stages of life and ensure the right to lifelong learning and the right to training. (FR6; DE4.1) To this end, there is a need to strengthen the cooperation between businesses, trade unions and vocational, education and training providers (discussion).

Proposal IV: Stronger social policies⁴

Objective: We propose to reduce inequalities, fight social exclusion and tackle poverty. We need to put in place a comprehensive anti-poverty strategy that could include, among other, a reinforced Child Guarantee and Youth Guarantee, the introduction of minimum wages, a common EU framework for minimum income schemes and decent social housing. We need to ensure the full implementation of the European Pillar of Social Rights, including its relevant headline targets for 2030, at EU, national, regional and local level in the area of "*social protection and inclusion*" with due regard for respective competences and the principles of subsidiarity and proportionality and to include a Social Progress Protocol in the Treaties. This objective could be achieved by:

⁴ Citizens' recommendations on which the proposal is mainly based: European Citizens' Panel 1: 19, 20, 21, 25; Italy: 4.a.1.

Measures:

- i. Reinforcing the competences of the EU in social policies and proposing legislation to promote social policies and ensure equality of rights, including health, harmonised for the entire EU, which take into consideration agreed regulations and the minimum requirements throughout the territory. (ECP19 & 21) The EU could support and complement the policies of Member States by among others proposing a common framework for minimum incomes to ensure that nobody is left behind; These actions should be carried in the framework of the full implementation of the European Pillar of Social Rights and its Action Plan; (discussion)
- ii. Not compromising on welfare rights (public health, public education, labour policies); (IT 4.a.1)
- iii. Promoting research in social matters and health in the EU, following priority lines that are considered to be of public interest and agreed on by the member countries, and providing the appropriate funding. This could be achieved in part by reinforcing collaboration across fields of expertise, across countries, centres of studies (universities, etc.); (ECP20)
- iv. Granting access to medical services to all persons below 16 years old across the EU in case these services are not available in the national context; (discussions)
- v. Ensuring that the EU, together with social partners and national governments, supports targeted access to decent social housing for citizens, according to their specific needs Financial effort should be shared among private funders, landlords, housing beneficiaries, Member State governments at central and local levels, and the European Union. (ECP25)

Proposal V: Demographic transition⁵

Objective: We propose to address the challenges arising from the demographic transition, as a critical ingredient of Europe's overall resilience, in particular low birth rates and a steadily ageing population, by ensuring support to people throughout the lifecycle. This should involve comprehensive action aimed at all generations, from children and young people, to families, to the working-age population, to older persons who are still prepared to work as well as those in retirement or need of care. This objective could be achieved by:

Measures:

- i. Ensuring quality, affordable and accessible childcare across the EU, so that mothers and fathers can confidently reconcile their work and family life. Where appropriate this could include childcare opportunities at or near the workplace. In some Member States also overnight care is available which should serve as an example. Additionally, this could be flanked by supportive measures such as reduced VAT rates on equipment needed for children. It is essential to prevent poverty and social exclusion of children; (ECP22 & 26) Reinforcing the Child Guarantee, guaranteeing access of children in need to services such as education and care, healthcare, nutrition and housing, could be an instrument to achieve this.
- ii. Introducing specific support and protection of work for young people. Such measures towards the working-age population should include access to knowledge for mothers and fathers

⁵ Citizens' recommendations on which the proposal is mainly based: European Citizens' Panel 1: 21, 22, 23, 26, 27; Italy: 5.a.1.

- about their return to work. (ECP22) Reinforcing the Youth Guarantee could be an instrument to improve the access of young people under the age of 30 to good quality offers of employment, continued education, apprenticeships or traineeships; (discussion)
- iii. Improving legislation and implementation thereof to ensure support of families across all Member States, for instance with regard to parental leave as well as childbirth and childcare allowances. (ECP26 & IT 5.a.1) Housing plays a crucial role in supporting families and should be addressed (platform & discussion);
 - iv. Taking action to guarantee that all families enjoy equal family rights in all Member States. This should include the right to marriage and adoption; (ECP27)
 - v. Promoting flexible retirement ages by taking account of the specific situation of older persons. When determining the retirement age, there should be a differentiation depending on the profession, and thereby factoring in particularly demanding work, both mentally and physically; (ECP21 & IT 5.a.1)
 - vi. Preventing old age poverty by introducing minimum pensions. Such minimum levels would need to take account of the living standard, the poverty line and purchase power in the respective Member State; (ECP21)
 - vii. Guaranteeing appropriate social and health care to older persons. In doing so, it is important to address both community-based as well as residential care. Equally, measures need to take account of both care receivers and care givers; (ECP23)
 - viii. Ensuring the sustainable development and the demographic resilience of the regions that are lagging behind in order to make them more vibrant and attractive, including through the cohesion policy; (discussion)
 - ix. Taking coordinated action at the European level for collecting data disaggregated by factors such as gender and analyzing demographic trends, sharing best practices and knowledge and supporting Member States in shaping and implementing adequate policies including by establishing a specialized EU body in this area. (discussion)

Proposal VI: Fiscal and tax policies⁶

Objective: We propose that the EU promotes future-oriented investments focused on the green and digital transitions with a strong social and gender dimension, building on the examples of the Next Generation EU and the SURE instrument. The EU needs to take into account the social and economic impact of the war against Ukraine by adapting its economic governance to new geopolitical context and by strengthening its own budget through new own resources. Citizens want to move away taxation from people and SMEs and target tax evaders, big polluters and by taxing the digital giants while at the same time they want to see the EU supporting Member States' and local authorities' ability to finance themselves and as well as in using EU funds. This objective should be achieved by:

Measures:

⁶ Citizens' recommendations on which the proposal is mainly based: European Citizens' Panel 1: 13, 31; The Netherlands: 3; Italy: 4.b.2, 4.b.3, 4.b.6; Lithuania: 9, 10.

- i. Establishing a system that provides for the same laws, taxation systems, rights and duties in all countries; (IT 4.b.2) * **(FOR THE CONSIDERATION OF THE WORKING GROUP)**
- ii. Harmonizing and coordinating tax policies within the Member States of the EU in order to prevent tax evasion and avoidance, avoiding tax havens within the EU and targeting offshoring within Europe, including by ensuring that decisions on tax matters can be taken by qualified majority in the Council of the EU while still allowing leeway for individual Member States to set their own tax rules (within a certain threshold) to deal with their own economic and societal issues; (ECP 13 & 31, IT 4.b.3)
- iii. Promoting cooperation between EU Member States to ensure that all companies in the EU pay their fair share of taxes; Introducing a common corporate tax base or a minimum effective rate (NL3)
- iv. Ensuring that companies pay taxes where profits are made; (ECP13)
- v. Ensuring that tax policy support European industry and prevents job losses in Europe; (ECP13 & 31)
- vi. Give further consideration to common borrowing at EU level, with a view to creating more favourable borrowing conditions, while maintaining responsible fiscal policies at Member State level; (LT9)
- vii. Making the public debt of various Member States a common responsibility; (IT 4.b.6)* **(FOR THE CONSIDERATION OF THE WORKING GROUP)**
- viii. Strengthening oversight of the absorption and use of EU funds, including at local and municipal level. (LT10)