

P6_TA(2006)0340

A European social model for the future

European Parliament resolution on a European Social Model for the future (2005/2248(INI))

The European Parliament,

- having regard to the Commission communication on European values in the globalised world (COM(2005)0525),
- having regard to the Treaty establishing a Constitution for Europe¹,
- having regard to the European Social Charter,
- having regard to its resolution of 18 January 2006 on the European Council's position on the Financial Perspective and the renewal of the Interinstitutional Agreement 2007-2013²,
- having regard to ILO conventions on international labour and environmental standards,
- having regard to its resolution of 15 March 2006 on social protection and social inclusion³,
- having regard to the Report of the High Level Group on the future of social policy in an enlarged European Union of May 2004,
- having regard to the Commission communication on the Social Agenda 2006-2010 (COM(2005)0033),
- having regard to the Commission staff working document on Sustainable Financing of Social Policies in the European Union (SEC(2005)1774),
- having regard to the Commission communication on European policies concerning youth – Addressing the concerns of young people in Europe – implementing the European Youth Pact and promoting active citizenship (COM(2005)0206),
- having regard to the Commission staff working paper on the social situation in the European Union – 2004 (SEC(2004)0636),
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Women's Rights and Gender Equality, the Committee on International Trade and the Committee on Industry, Research and Energy (A6-0238/2006),

¹ OJ C 310, 16.12.2004, p.1.

² *Texts Adopted*, P6_TA(2006)0010.

³ *Texts Adopted*, P6_TA(2006)0089.

- A. whereas the European social model reflects a common set of values, based on the preservation of peace, social justice, equality, solidarity, the promotion of freedom and democracy, and respect for human rights,
- B. whereas one of the cornerstones of the European social model is the social economy,
- C. whereas in the last 60 years, the set of common values reflected in the European social model has allowed a growing EU successfully to become an area of greater economic prosperity and social justice,
- D. whereas, although Member States have different social systems, and have implemented these values in different ways, they commonly aim to attain a balance based on active interdependence between economic growth and social solidarity, and this is reflected in the European social model as a unity of values with a diversity of systems,
- E. whereas Member States and the EU have given priority to upholding the values associated with the European social model, demonstrated by the objectives of the Lisbon Strategy, which makes social development one of the pillars of sustainable development,
- F. whereas there is a clear need to modernise and reform the European social model to respond to demographic changes, meet the challenge of globalisation, and increase the adaptability of human resources to rapid technological evolution, in order to better achieve social inclusion, social justice, and the eradication of poverty,
- G. whereas the European social model must provide measures that meet the challenge of increased migration and immigration and their implications for social cohesion,
- H. whereas any reform of the European social model must not dilute the values that constitute its essence,
- I. whereas a core message of the European social model is equal pay for equal work at the place of work,
- J. whereas higher economic growth is paramount for the sustainability of European social standards, and social standards are intrinsic to sustainable growth,
- K. whereas an adequate income is fundamental to social inclusion and active participation in society as well as a life of dignity,
- L. whereas social policies, when appropriately designed, should not be regarded as a cost but, instead, as a positive factor in the EU's economic growth, not only by increasing productivity and competitiveness, but also by generating social cohesion, raising living standards for citizens, and ensuring access to fundamental rights and equality, thus becoming an important factor in ensuring societal peace and political stability, without which there can be no lasting economic progress,
- M. whereas such social policies must recognise that the majority of employers are small and medium-sized enterprises (SMEs), and that they employ the majority of employees,
- N. whereas services of general interest (SGIs) and services of general economic interest (SGEIs) were expressly recognised for the first time in the Amsterdam Treaty as core elements of how Member States ensure social and territorial cohesion and as areas which

Member States retained the right to define and to fund, and this position was reinforced in the Treaty establishing a Constitution for Europe,

- O. whereas the concept of the European social model is reflected in that constitutional Treaty, and is underpinned by the principles of equality, solidarity and non-discrimination,
- P. whereas the Member States should follow the Roadmap for equality between women and men 2006-2010 (COM(2006)0092), and the European Pact for Gender Equality, and fully transpose current Community anti-discrimination legislation into national law,
- Q. whereas the EU has the capacity positively or negatively to influence the economies in many other parts of the world, by the way in which it trades, both in terms of its role in the WTO and in the conditions that it applies and the agreements into which it enters with less developed regions and countries,
- R. whereas the implementation of a trade policy based on European collective preferences and globally shared values, and an aid policy aimed at eliminating child labour and promoting education, basic labour and environmental standards, and standards of transparency and good governance, will contribute to the enhancement of the political strength of the EU in international institutions,

Reform of the European Social Model

1. Stresses the necessity of preserving and enhancing the values associated with the European social model: equality, solidarity, individual rights and responsibilities, non-discrimination and redistribution with access for all citizens to high-quality public services, and the high social standards already achieved;
2. Insists that only an EU based on economic and social cohesion that defends its common values can be strong enough to protect its interests;
3. Is convinced that there is no alternative to urgently reforming economic and social systems where they fail to meet the criteria of efficiency and socially sustainable development, and where they are inadequate to tackle the challenges of demographic change, globalisation and the IT revolution;
4. Expresses its deep disappointment at the present growth rate in the EU which makes structural reform extremely difficult;
5. Is aware of the widespread concerns among EU citizens regarding unemployment – especially unemployment among young people – exclusion, poverty, insecurity on the job market, and the potential failure of social security systems;
6. Believes that where demographic changes and unemployment affect certain groups disproportionately the European Union must aim to ensure equal access to high-quality jobs;
7. Views the need to renew the EU's commitment to a social Europe as of paramount importance in restoring citizens' confidence in the EU project, which provides jobs, growth and prosperity;

8. Is fully aware that employment and social policy remain broadly within national competence, but stresses that the EU also has competences in this field, as set out in the Treaties, and that there is a need for the EU to create a stronger economic and social framework, in order to allow Member States to implement reforms as necessary at national level, according to their own economic, social and political circumstances;
9. Asks the Commission to take further initiatives to achieve the full implementation of the internal market, which, if fully realised, will create economic growth and competitiveness, having regard to the need to exclude any "race to the bottom" in social, consumer or environmental standards;
10. Supports the Commission in its efforts to encourage the creation and success of European enterprises, with particular reference to SMEs, which contribute greatly to the EU economy and account for the great majority of private-sector employees;
11. Calls on the Commission and the Council to respect the initial equilateral triangle of the Lisbon Strategy and to develop an approach that is better balanced between economic coordination on the one hand and employment and social policy on the other;
12. Expresses its disappointment that many Member States are far from achieving the Lisbon Strategy objectives; therefore reiterates the call on Member States fully to implement the revised Lisbon Strategy, which is considered to be the only sustainable way to achieve economic growth, increase competitiveness and create more and better jobs; calls on the Member States to achieve, in particular, the specific targets set for employment, especially of women and young people, R&D investment, childcare and lifelong learning; views the objectives of the Lisbon Strategy as minimum goals that are vital if the Member States are to undertake the necessary structural reforms;
13. Recommends that Member States deepen cooperation and the exchange of best practice through the enhanced open method of coordination, thereby providing an efficient policy making instrument in the fields of employment, social protection, social exclusion, gender equality in the labour market, pensions, and healthcare; believes that the open method of coordination should enhance the role of parliaments, social partners and relevant organisations;
14. Calls on the Commission to democratise the open method of coordination, ensuring that not only the European Parliament but also national parliaments play a full role in the setting and achieving of targets by Member States' governments;
15. Stresses the importance of launching public campaigns to explain and negotiate the basis of reform objectives in which EU institutions, national governments, public authorities, social partners, and NGOs have an active role to play;
16. Reaffirms its resolution of 12 January 2005 on the Treaty establishing a Constitution for Europe⁴ and the Commission's '3D' campaign of dialogue, debate and democracy; calls on the Commission now to incorporate the social dimensions in its impact analyses in accordance with the social clause provided for in the constitutional Treaty;
17. Calls on the Commission to respect the social economy and to present a communication

⁴ OJ C 247 E, 6.10.2005, p. 88.

on this cornerstone of the European social model, as well as to introduce a statute for a European mutual society and a European association;

Financing the reform

18. Calls on the Member States to undertake reforms in order to ensure the financial sustainability of national social systems, without prejudicing acquired rights, mutual support and intergenerational solidarity, having regard to the context of a changing society and a changing labour market, demographic change, globalisation and technological developments; points out that some of the most successful Member States have already carried out such reforms, while maintaining the sustainability and effectiveness of their social systems; considers, therefore, that comparative analyses should be made of the reforms already made, together with SWOT (strengths, weaknesses, opportunities and threats) analyses of those still to be implemented; stresses the importance of promoting excellence, *inter alia*, by pooling good practice;
19. Is aware that in some Member States current contributions to social protection systems may be inadequate to meet citizens' expectations; considers that Member States, while respecting the principle of solidarity and subsidiarity, should reflect on alternative ways to finance those systems which would promote dynamic reforms while not adversely affecting wages, such as harnessing the added value produced by companies and promoting the principle of vertical and horizontal subsidiarity between institutions and the public;
20. Calls for improved coordination of Member States' tax policies with a view to avoiding harmful tax competition, ensuring sustainable financing for social protection and making tax policy more employment-friendly; notes the fact that tax rates on capital and consumption have, in general, remained stable over the last 30 years while real tax rates on labour have risen over the same period; recommends that the Member States reflect in a coordinated way on the possibilities of improving the existing tax systems in the Union, since tax reforms of this nature would benefit the financial sustainability of national social systems;
21. Stresses the need to strengthen the Structural and Cohesion Funds in order to take account of economic and social cohesion and calls on the Member States to utilise EU funds, such as the Structural Funds, more efficiently in order to co-finance national reforms; deplores the fact that the recent agreement on the Financial Framework was manifestly insufficient to properly resource programmes in favour of cohesion, education and training, lifelong learning, mobility and social dialogue;
22. Stresses that any reforms have to be considered within the context of the Member States' budgetary margin of manoeuvre, but suggests that the reformed Stability and Growth Pact offers opportunities for social investment not previously available;

SGIs and SGEIs

23. Recalls that SGIs and SGEIs are an essential element of the European social model, and are fundamental to the universal delivery of health, education, public transport, water and energy supplies to all citizens; considers it essential that in reforming the EU's social systems, SGIs and SGEIs are respected, given their key role not only in improving the quality of life of citizens, but also in enhancing businesses' capacity for efficiency and

their access to a high-quality labour force;

24. Notes the necessity of dealing adequately with new types of family, in accordance with the principle of subsidiarity, and of enlarging the scope of social services, such as accessible childcare, care for those with special needs or disabilities, and long-term care for elderly persons, while maintaining a high level of consultation in medium and long-term planning;

Social Dialogue

25. Recalls that social dialogue in its various manifestations is an essential element in the traditions of the Member States and, in accordance with national customs and practices, that any successful reform of social systems should involve all stakeholders, in particular the social partners; calls for the renewal of the social dialogue at both national and European level and the development of a greater role for the tripartite dialogue at European level;
26. Recognises the positive role that corporate social responsibility can play in promoting social cohesion through the way in which companies' behaviour impacts upon the daily life of the communities in which they are involved and in enhancing companies' accountability to their stakeholders; recommends the use of social and environmental reporting requirements and public policy measures such as public procurement, in order to stimulate responsible behaviour on the part of companies;

Human Resources

27. Insists that as a central element of the modernisation of social systems the Commission and the Member States cooperate in the setting up of concrete programmes and initiatives focused on the improvement of working and living conditions and the sustainable development of human resources, such as the setting of targets and standards for improved healthcare;
28. Calls for a broad debate concerning the right of all people to a pension of an acceptable level; recognises the fear that pension reforms, begun in many Member States, will increase the number of pensioners already living in poverty; highlights the urgent need for positive action to encourage and enable older workers to remain in or re-enter the labour market, grant fair access and more flexibility in the choice of pension and retirement schemes; calls on the Commission to study national efforts to address the impact of demographic change on pension sustainability and pensioner poverty, and to monitor more effectively the implementation of existing age-discrimination legislation;
29. Draws attention to the situation of women whose pension entitlement should not be diminished because of their marital status or interruptions in employment due to maternity or parental leave, or child-care breaks;
30. Recognises the advantages of 'flexicurity' systems which Member States should adopt, in accordance with their circumstances, in order to protect workers' capacity to keep/find jobs through mobility and/or improvement of professional skills by way of occupational training and lifelong learning, and considers them to be a means of promoting the reconciliation of work-life balance and work and lifecycle concepts;
31. Notes the creation of a Globalisation Adjustment Fund as a potential complement to the

European Social Fund, as well as the Member States' efforts at national, regional and local level to provide specific support to workers seeking new or better jobs;

32. Recalls that gender and race equality and the principle of non-discrimination under Article 13 of the EC Treaty, which provides a legal basis for appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, must be systematically included in all social policies; considers that emerging EU policies on integration are in fact a concrete form of social policy that should be developed; believes that ensuring that everyone, women, men, minority groups, and immigrants, are well integrated delivers benefits to society and social benefits in terms of cohesion and preparedness for the workplace;
33. Emphasises in particular the importance of introducing social and work inclusion measures for disadvantaged persons experiencing difficulties in gaining access to the labour market without assistance, as provided for in Commission Regulation (EC) No 2204/2002 of 12 December 2002 on the application of Articles 87 and 88 of the Treaty to State aid for employment⁵, with a view both to taking practical action to combat discrimination and to providing those concerned with a means of securing an income, independence, personal development and integration, either as an alternative to or in conjunction with welfare assistance;

Social Protection

34. Emphasises that social protection systems should be efficient in achieving their goals of preventing and combating poverty and social exclusion, with particular emphasis on eliminating poverty traps;
35. Considers that employment is a decisive factor in achieving social inclusion; therefore, calls for reforms that direct public spending towards raising employment rates and return-to-work rates and provide incentives to work by eliminating poverty traps and other forms of social exclusion, and address as a matter of urgency the numbers of women and of persons from some ethnic minorities who are unemployed, many of whom face societal and/or structural barriers to entering the labour market; further considers that the specific problems faced by women from ethnic minorities and immigrant women should be studied and addressed;
36. Recognises that, in the 'flexicurity' approach, creating and maintaining adequate social protection mechanisms is an indispensable prerequisite of flexibility, as is firm protection against unfair dismissal;

The external dimension

37. Reaffirms that only if the EU can preserve its economic and social cohesion will it be able successfully to defend EU interests at international level;
38. Recognises that, despite its positive effects, globalisation is producing economic and social imbalances, thus arousing deep apprehension in the citizens of Europe, especially in Member States with high unemployment rates and the regions most affected by company relocations; calls on the Member States, accordingly, to undertake the structural

⁵ OJ L 337, 13.12.2002, p. 3.

reforms that are needed if the EU is to remain attractive on the world stage, with high-value products and services;

39. Stresses that the EU should confidently promote its social values of solidarity and social justice in all trade and development negotiations and agreements;
40. Calls on the EU and the Member States to adopt political actions in relation to third countries with high economic growth (Brazil, Russia, India and China) in order to attain a development model which provides for the respect of human rights, democracy, freedom, labour and environmental standards and social justice; urges the EU to help in finding a global equilibrium between economic growth and high social and environmental standards;
41. Calls on the Commission and the Member States to adopt a consistent line in fora such as the ILO, the OECD, and multilateral environmental agencies; believes, in particular, that the work of the ILO should be more closely integrated into WTO agreements and considers that ILO core labour standards should be integrated into EU strategies towards WTO and bilateral negotiations; calls on the Commission to ensure, through bilateral agreements, that ILO standards are, as a minimum, respected so that child labour is eliminated and humane working conditions are guaranteed;
42. Welcomes the introduction of the Generalised System of Preferences Plus (GSP+) scheme, which provides incentives for higher social and environmental standards, and calls for this approach to be extended to bilateral trade agreements; notes the need for the Commission to monitor closely the implementation of the scheme with a view to ensuring that compliance with these standards is being achieved;

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43. Instructs its President to forward this resolution to the Council and the Commission.