

Eurogroup statement on Greece of 11 June 2020



The Eurogroup discussed Greece's progress with reform implementation and its macro-economic outlook, on the basis of the sixth enhanced surveillance report published on 20 May.

As in most member states, the economic and social situation in Greece has been adversely affected by the COVID-19 outbreak, and the economic outlook is subject to high uncertainty. Based on the Commission 2020 spring forecast, the Greek economy is expected to be among the hardest hit in the EU in 2020, although a fairly strong recovery is projected for 2021. We recall that Greece maintained strong fiscal performance, reaching the primary surplus targets in the past five years and a headline surplus of 1.5% of GDP in 2019. The updated forecast of the European institutions expects the primary balance to turn to a deficit in 2020, before returning to a surplus in 2021. We recall in this context the Eurogroup statement of 16 March 2020 where we agreed that "... automatic revenue shortfalls and unemployment benefit increases resulting from the drop in economic activity will not affect compliance with the applicable fiscal rules, targets and requirements. In addition, we agreed that the budgetary effects of temporary fiscal measures taken in response to COVID-19 will be excluded when assessing compliance with the EU fiscal rules, targets and requirements".

We commend the Greek authorities for the quick and decisive policy response, both in containing the outbreak of the virus and in taking the necessary economic and fiscal support measures. We also welcome Greece's commitment to undertake a set of additional reforms, with a view to supporting the recovery. We furthermore welcome the progress achieved in a number of reform areas, including in the privatization agenda, social welfare, the labour market and the functioning of the public administration. There have been some delays with the reform process, for example with regard to the financial sector. We acknowledge that these delays were mainly due to operational constraints linked to the Coronavirus epidemic.

The increased uncertainty entailed by the COVID-19 outbreak underscores the need to tackle decisively the existing medium-term risks and challenges identified in the enhanced surveillance report. It will therefore be crucial for Greece to sustain, and where necessary strengthen, reform efforts to further support the economic recovery, improve the resilience of the economy and to underpin the commitment to improve the long-term economic potential. We call on the Greek authorities to proceed decisively with the implementation of its arrears clearance plan, with the legislation of an effective new insolvency code, ensuring an appropriate enforcement of all collateral, and the abolition of the current scheme for the protection of primary residences by end-July 2020. Furthermore, we stress the need to strengthen the implementation of other key reforms, including with regard to further strengthening the tax administration, public investment, the business

environment and the implementation of crucial financial sector reforms. This will continue to be monitored in the context of enhanced surveillance.

Against this background, the Eurogroup welcomes the assessment by the European institutions that Greece, also considering the extraordinary circumstances posed by the Coronavirus outbreak, has taken the necessary actions to achieve its specific reform commitments, and that the necessary conditions are in place to confirm the release of the third tranche of policy-contingent debt measures. Subject to the completion of national procedures, the EWG and the EFSF Board of Directors are expected to approve the transfer of SMP-ANFA income equivalent amounts and the reduction to zero of the step-up interest margin on certain EFSF loans worth EUR 748 million in total. Our next discussion on Greece will be based on the seventh enhanced surveillance report expected to be issued in September 2020.

[Visit the meeting page](#)

[Eurofound contributes to International Archives Day 2020](#)



Eurofound went back to the future in a recent contribution to an online exhibition by the Historical Archives of the European Union (HAEU) in Florence to celebrate International Archives Day which marks the founding of the International Council on Archives (ICA) on 9 June 1948.

For the exhibition, Eurofound's archivist selected an extract from a proposal in the Agency's 1982 work programme on the impact of 'télétravail' on working and living conditions. It is striking that the areas identified for investigation in the research almost 40 years ago are as relevant today. A journey in the archives was a timely reminder that telework has been a topic of interest for Eurofound for some time now. Its 1995 publication setting out a framework for organisations and workers considering such arrangements includes a chapter 'Thriving on your own' with self-care guidelines that are equally applicable to the millions of involuntary teleworkers at home today.

The HAEU is a research centre dedicated to the archival preservation and study of European integration. It is the official archive for the historical documents of the Institutions of the European Union. EU Agencies like Eurofound (established in Dublin, Ireland in 1975) and sister agency Cedefop (established in West Berlin the same year and relocated to Thessalonica, Greece in 1995) also deposit their archives here after 30 years.

Eurofound's archives ranging in date from 1976 to 1987 have been digitised and are available for online consultation from the HAEU website, upon registration. They consist in the main of papers of the governing bodies (the

Board and Bureau) with files from the Director and staff on speeches and events in the first two years of operation, that reveal how the remit of the agency was initially envisaged to extend to environmental factors affecting working and living conditions. The creation of an independent research institute at European level was seen as part of the essential development of social policy in the community, and the involvement of the social partners, alongside the governments and the European Commission in the management board, was a key element of that.

[EESC proposals for post-COVID-19 recovery and reconstruction: towards a new societal model](#)



At its June plenary session, the European Economic and Social Committee (EESC) adopted a resolution with its proposals for the post-COVID-19 crisis reconstruction and recovery. Under the slogan 'the EU must be guided by the principle of being considered a community of common destiny', the adopted text suggests taking the opportunity presented by the crisis to build a new societal model: "We cannot simply restore what existed in the past: we need

to restructure and improve it.”

The adopted Resolution shows the EESC’s conviction that the “recovery from the effects of the coronavirus crisis will only be successful if it is accompanied by the restructuring of our society: we need to focus on reconstruction as well as on recovery.” For the EESC, this reconstruction must be based on the principles underpinning all EU activities: “protecting human and social rights, democratic values and the rule of law, unlock the full potential of the Single Market, achieving the Sustainable Development Goals (SDGs), creating a circular economy and achieving climate neutrality in the EU by 2050 at the latest.”

Luca Jahier, President of the EESC, endorsed the adopted resolution and commended the work of the rapporteurs: *We need to send a strong message to other EU institutions that have requested our contribution; this document is backed by a large consensus, and that’s what was asked.*

This idea of consensus was also highlighted by **Stefano Palmieri**, rapporteur from the Workers’ Group: *The guiding principle was finding an agreement on the reconstruction of our society, as the crisis is also partly due to the underlying crisis. Safeguarding employment and incomes for all workers is a priority and we need to shape today’s policies with a long-term perspective in mind*, he said.

Jan Dirx, rapporteur of the Resolution on behalf of the Diversity Europe Group insisted on the idea of a societal shift: *Now we have the opportunity, and it is the time to radically and rapidly make our economies greener, fairer and more resilient to future shocks.*

Their colleague **Petr Zahradník**, rapporteur representing the Employers’ Group, said that the idea behind the Resolution was adopting *an approach referred not only to the mechanical recovery but also to the qualitative restructuring of our society*. Zahradník also pointed out that this document might be an important contribution from the EESC side to the Conference on the Future of Europe announced by the European Commission.

Political choices

The document suggests that the effects of the crisis may have been exacerbated by political decisions that have weakened the EU’s health systems, social structures and strategic production. Taking this into account, the Resolution considers that “business as usual can no longer be a political option to address the effects of the crisis; Europe has the possibility and the opportunity to build another world, and the EU must play a major role in doing that.”

To that end, EESC members suggest that there is an opportunity not only to overcome the crisis but also to build a better future. According to the document, “if handled well, we can get through this together, save lives and societal well-being, transform our socio-economic models to ones even more focused on people and the natural world and boost global partnership for sustainable development.”

Consequences of the crisis

According to the adopted Resolution, the bottom of the economic cycle should be reached during the second quarter of 2020, with gradual signs of recovery in the second half of the year and “pre-COVID-19 levels in 2022 in terms of economic output and in 2023 in terms of investment activity”. But this scenario is conditional on the adoption of appropriate measures to support the recovery.

Regarding this issue, the EESC “warmly welcomes and supports the proposals of the European Commission: The Next Generation EU plan and the overall EU budget for 2021-2027.” EESC members consider that the comprehensive package announced by the European Commission at the end of May represents “a substantial contribution” to resolving the current situation by means of a “quite reasonable” financing model.

However, the EESC believes that the current circumstances have also shown serious limitations in the EU budget in terms of how it responds to unexpected shocks, demonstrating the need to further improve the EU’s financial system.

The recovery plan

Considering the current situation and the needs identified, the EESC sets out its proposals in the Resolution, calling for ‘a green recovery and a strong social recovery as well as a strong economic recovery’ based on six principles: solidarity, competitiveness, sustainability, safeguarding employment, safeguarding income and participation. These proposals include economic and social measures such as:

- **unlocking the full potential of the single market:** in the short term, this means immediately opening the borders, but also addressing tensions and the unlevel playing field between Member States, and kick-starting productivity;
- **industrial strategy:** key industries and sectors must be identified and supported, resulting in a European industrial policy that protects these strategic sectors from the market and ensures the security of supply of key components;
- **the Green Deal:** with this initiative, the EU has started a transition to a sustainable economy. It therefore makes sense for economic support measures to be combined with further stimulation of this transition;
- **investment priorities:** the decentralisation of energy generation and sustainable investment in communities, in accessible public spaces, in health care, in inclusive education, in social services, in zero-carbon housing and infrastructure, and in the protection and restoration of biodiversity will be essential to delivering a “well-being” economy;
- **the European Pillar of Social Rights** must be implemented at European level and in all Member States as an important step towards proactively embarking on a process of social convergence;
- **employment:** high-quality jobs must be at the core of the EU’s strategy, enhancing the importance of know-how and its continuous implementation

- through the system of education, training and life-long learning;
- **health systems:** one of the main lessons from the COVID-19 crisis is that health systems in almost every European country need to be strengthened, focusing on prevention;
 - **international relations:** the post-pandemic world should create a new system for international relations, the global economy and solidarity, with a commitment to sharing the world's wealth and saving lives, as well as protecting health, scientific, intellectual and industrial achievements. The EU should play a leading role in this new system;
 - **migration:** asylum seekers cannot be abandoned due to the current crisis. Basic protective rights are at the core of European values and cannot be thrown overboard when they are inconvenient.

EESC members stress that the proposals included in the Resolution would require a new economic governance system. Therefore, the document calls for a reform of the European Union's economic governance and a revision of the Stability and Growth Pact "for the purpose of simultaneously ensuring stability and growth."

The Resolution also insists on the need to ensure a progressive increase in the EU's own resources through the introduction of "relevant and appropriate revenues to choose among, for example, EU Emission Trading Schemes, a common consolidated corporate tax base (CCCTB), digital tax, a financial transactions tax, etc."

The document also mentions the important role that civil society organisations can play in shaping this new societal model. As Jan Dirx said, "the process of recovery and reconstruction of the economy and society will only be possible with the active participation of civil society organisations and social partners."

We must be united for the future of Europe, and now is the time for action, say EESC president Luca Jahier and European Commissioner Elisa Ferreira



At its June plenary, the European Economic and Social Committee (EESC) hosted a debate on the recovery of the European economy following the crisis brought about by the coronavirus pandemic, stressing that the focus must now be on implementing the European Commission's plan.

Solidarity and cooperation in the EU are central to jump-starting the economy after the COVID-19 pandemic. Speaking at the June plenary session, **Luca Jahier**, president of the EESC, and **Elisa Ferreira**, European Commissioner for Cohesion and Reforms, agreed that the role of cohesion policy in the Commission's European recovery plan and in the revised and more ambitious Multiannual Financial Framework proposal was key and that it was now important to speed up their adoption and implementation.

Mr Jahier stressed that the EESC supported this quite unprecedented and comprehensive plan, the Next Generation EU package, as it sent a clear and long-awaited political signal that Europe was there and that no one would be left alone in the crisis and its aftermath. *The plan also corresponds to the EESC's call for the EU to do whatever it takes to get out of this crisis, stressing that we can only successfully address this challenge if we stay and act together as a community of common destiny. The EESC has always insisted on solidarity, cohesion and sustainability as the driving concepts behind any EU-led recovery, and we are happy to find them all in the plan proposed by the Commission. Now that the decisions have been taken, we need to work on implementation, because those who need the financial help to restart need it as quickly as possible,* said the **EESC president**.

For her part, **Ms Ferreira** welcomed the strong backing from the EESC and said: *Now more than ever we need solidarity and cooperation. The pandemic has reminded us that we must work together to respond to the immediate crisis, repair the economy and promote long-term recovery. Cohesion policy will play a key role, and will provide the first wave of support. On 27 May, the Commission proposed the most comprehensive and ambitious recovery plan that the European Union has ever seen. Next Generation EU will mobilise EUR 750 billion of investment. Cohesion policy itself will benefit from an extra EUR 55 billion of fresh money under the REACT-EU initiative and the new Just Transition Fund, which will be multiplied by five, going from EUR 7.5 billion to EUR 40 billion.*

Emphasising that the Commission's plan for recovery required the support and mobilisation of all actors and institutions for its implementation, **Ms Ferreira** added: *Today, I want to sound a call to action. First, a call to action for cohesion, which is in the DNA of the Commission's new proposals. Our policy is already at the forefront of Europe's response to the crisis. Second, a call to action for economic and social partners, and civil society. And by this I mean action for the partners, and action with the partners. Our job is not done. Our job is only beginning. We have the tools, now is the time for action. Action to ensure that repair and recovery get a level playing field.*

More specifically, **Mr Jahier** was pleased to note that, in the Commission's plan, cohesion and convergence were placed in the forefront by addressing the territorial disparities and social inequalities which had either been exposed or exacerbated by the crisis. He went on to point out that the new REACT-EU initiative was also a very good and much-needed tool as it would provide a top-up for cohesion support to Member States, with a budget which would be distributed taking into account the impact of the crisis. *This will ensure that there is no interruption in funding for key crisis repair measures and support to the most deprived. It will support workers and SMEs, health systems and the green and digital transitions and will be available across sectors – from tourism to culture,* he concluded.

During the debate, **Tellervo Kylä-Harakka-Ruonala**, on behalf of the Employers' Group, said that the Commission's plan could only be successful if public resources were allocated to the investments that brought the best return and if the conditions for doing business, including infrastructure and innovation, were developed and boosted. **Ester Vitale**, representing the Workers' Group, pointed to the importance of avoiding any cuts in the social protection of workers, public health systems and the means of sustainable production in these difficult times, in order to guarantee balanced recovery across the continent. For his part, **Ionuț Sibian**, on behalf of the Diversity Europe Group, mentioned the contribution of NGOs and the importance of helping them to rebuild resilience capacity so that they could continue to perform their vital role in society.

ESMA responds to European Commission consultation on revision of NFRD

ESMA considers that it is time to make these amendments to the NFRD to provide users of non-financial information with more relevant, reliable and comparable disclosure. ESMA's December 2019 advice to the EC on undue short-term pressures on companies found that the non-financial information disclosed by issuers:

- does not always meet users' expectations of which information is relevant,
- is drawn up using very diverse methodologies, is self-reported and not quantifiable, leading to low reliability, and
- is based on such a wide array of reporting frameworks that comparability across issuers is very low.

For these reasons, ESMA suggests in its consultation response that a stronger standardisation of non-financial disclosure is needed. While in the medium term, ESMA is of the view that international alignment should be the objective, action is needed at European level in the short term to fill the gap between issuers' disclosure and users' expectations. ESMA considers that such a European standardisation should be prepared by an EU public body.

ESMA considers that a wider scope of companies should provide such disclosure and proposes that all small, medium-sized and large issuers admitted to trading on a regulated market as well as all large non-listed issuers and all large public-interest entities (PIEs) should be covered by the NFRD. For listed SMEs, however, ESMA takes a proportionate approach and suggests that these should be subject to lighter disclosure requirements in order to avoid unnecessary administrative burden.

ESMA also highlights the importance of ensuring consistency between different legislative initiatives in the area of sustainable finance, notably the NFRD, the Regulation on sustainability-related disclosures in the financial services sector and the Taxonomy Regulation.

The European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) have also provided responses to the consultation. Along with their responses, EBA, EIOPA and ESMA have submitted a [joint letter](#) from their Chairs, highlighting certain key messages which are of particular importance for Europe's future non-financial reporting regime.