

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."