Securing social triple A rating for EU requires political engagement and proper funding

The European Economic and Social Committee (EESC) has used an own-initiative opinion to call for sufficient funding resources to be put in place for implementing the European Pillar of Social Rights. Adopted at its plenary session on 19 April 2018, the opinion calls for improvements in the Member States and a robust commitment in terms of budget, investment and current spending to make the Social Pillar a reality.

Following the proclamation of the Social Pillar in autumn 2017, the Committee urges Europe's leaders to now turn their declaration of intent into a serious commitment and to press ahead with the progressive implementation of the pillar. This requires not just the commitment of the Member States but also the active ownership, responsibility and participation of all EU institutions, regional and local authorities, social partners and other civil society stakeholders – and adequate funding measures to reflect this.

"The question of how to fund the implementation of the Social Pillar is a logical consequence of its proclamation," says **Anne Demelenne** (Workers' Group, BE), the rapporteur for the EESC opinion on the subject. *"In our view, the key elements for the funding will be* ***more flexibility in EU budgetary rules for public investment, the full use of European Structural Funds and fair taxation****."*

The EESC is firmly convinced that **adequate social investment will be crucial** for ensuring Member States' ability to accomplish the declared objectives of achieving better and sustainable social protection and enhancing the EU's economic potential. It believes that scope for appropriate spending could be created within Member States and with the help of EU programmes by redistributing wealth in a way that respects the principles of solidarity, flexibility and responsibility.

Spending needs would be particularly large in lower-income countries and in those that had suffered drops in income in recent years. These countries would have limited potential for additional social investment, also because their spending is often restricted by the Stability and Growth Pact and its provisions regarding Member States' budget and debt levels.

With this in mind, the Committee urges that **existing European instruments be used to support public investment in the Member States.** The European Union must, the EESC believes, play an active role in implementing the Social Pillar. The European Structural and Investment Funds (EFIFs) and the European Fund for Strategic Investment (EFSI), in particular, could be sources of financial support.

As EESC rapporteur **Anne Demelenne** argues: *"The principles of the Social*

Pillar and the need for its implementation should constitute one of the guiding lines in the upcoming negotiations on the European Union's ***post-2020 Multiannual Financial Framework****. The EU budget must ensure that real added value is delivered to citizens' lives. Only in this way will it be possible to regain their trust and support for the European project."* The EESC therefore urges, in line with the European Parliament, that the current 1% ceiling for the EU's expenditure be increased.

More public investment within Member States could also be facilitated by invoking a **Golden Rule for public investment with a social objective** related to the pillar's twenty key principles. This would allow for a more flexible application of EU budget rules to ensure sustainable growth in Europe.

"The revenue loss for Member States and the EU due to aggressive tax planning and tax fraud is significant. ***Appropriate tax policies*** *should allow for fair taxation, a better combating of tax fraud and thereby raising additional means to contribute to the funding of the Social Pillar,"* says **Anne Demelenne.**

In addition to public national and EU funding, the EESC believes **private sector investment** could make a contribution in some areas. However, it would not be enough in itself and could not ensure against exclusion of the socially weakest, which is why public funding would be more meaningful for the Social Pillar.