

CEEP CONTRIBUTION TO THE UPCOMING WHITE PAPER ON THE FUTURE OF THE EU

WHERE DOES THE EUROPEAN PROJECT STAND?

1. Nowadays, the **future is happening faster than ever**, bringing new opportunities and challenging the established technological, economic, social and political models and patterns. The Revolution 4.0, the Digital Union, the Energy Union, Circular Economy are reshaping our lives daily, pressing the policy makers to redesign and implement new rules.
2. At the same time, it is not exaggerated to state that the European Union is currently undergoing one of its most critical and existence-threatening phases since the signature of the **Treaties of Rome on March 25, 1957**. International terrorism, protection of the EU's external borders, distribution of refugees, tough negotiations on international trade agreements, the Brexit referendum, the EU sanctions against Russia and the ongoing economic and financial crises are just some of the most controversial topics member states of the European Union are struggling to find a common solution to.
3. In this situation, both EU members states as well as their citizens are questioning the added value of the EU, at a time when staying united is more necessary than ever. Also, European citizens are openly questioning whether the EU is still able to find solutions to the most urgent challenges and to secure solidarity, protection, stability, national traditions and social cohesion. Thus, on top of the above-mentioned crises, the EU is also suffering from a **legitimation crises**.
4. This has been the case since at least five years. We remember: In 2012 the European Union celebrated the **20th anniversary of the European Single Market**. Back in May 2010, former EU Commissioner for Internal Market and Competition, Mario Monti, presented his so called „**Monti Report**“¹ on the state of play of the Single Market. Already in this report Monti declared that the Internal Market was more unpopular than ever amongst the European Society.² Already at that time people feared that the Internal Market was undermining their well-established social systems, national traditions and services of general interest.
5. Thus, we must cope with a feeling that has been growing since almost ten years now. It is foolhardy to think that the EU can solve this problem at a moment's notice. Together we must think about a joint **strategy** to come out of this crisis even stronger than we went in.

¹ Monti, Mario: A new Strategy for the Single Market – At the service of Europe's Economy and Society, 9. May 2010.

² Cp. *ibid.*, p. 20.

WHAT CAN WE DO TOGETHER?

1. **CEEP**, the EU association representing employers and enterprises providing public services and services of general interest (SGIs) was established in 1961. Since then CEEP has been accompanying European policies in close cooperation with the European Council, the Council of the European Union, the European Parliament and the European Commission. Today, CEEP members employ 30 percent of the EU workforce, contributing by one third to the European GDP and representing 500.000 enterprises, amongst which 25.000 local public services and SGIs enterprises.
2. As social partner, we very well know that the economic and financial crises revealed significant room for improvement when it comes to the performance of public administrations and SGIs' enterprises. Being close to the citizens and to the enterprises, we also very closely monitor the discussions about international trade agreements, and are aware of the fears of the citizens. Moreover, we openly admit that CEEP and its members might also be partially responsible for questioning the added value of the Internal Market by heavily criticising former attempts of the European Commission to liberalise different kinds of public services.
3. We do however acknowledge that the **Treaty of Lisbon** formed a sound basis for the provision of Services of General (Economic) Interest and for the protection of national traditions and identities. We appreciate that, at the latest since the Juncker-Commission, offenses against public services and SGIs have diminished. That is why we totally support the political strategy of the Juncker-Commission **"to be big on big things and small and modest on smaller things"**. We welcome the **holistic approach** of the European Union when dealing with those big things namely the Energy Union of the Digital Union, for example. This is already an important lesson learned which the EU can build upon in the next decade.
4. CEEP is convinced that the current EU crises can only be solved by a **strategy that is based on a strong combination of EU and decentral actions**. The problems cannot be solved in Brussels, Strasbourg or Luxembourg or by the EU Institutions alone. We need the commitment of the EU member states, national politicians, national social partners, and of the national media. We need to jointly communicate on the valuable things done by the EU, on the real added value it brings. We need to step down from an attitude where the EU is made responsible for everything that does not work or that goes wrong and national politics or associations are responsible for all good outcomes. We need to commit ourselves to a differentiated argumentation.
5. **Employers and enterprises providing public services and SGIs can also do more**. First, in their role as social partners. Our members can make and are willing to make a greater contribution, together with their Trade Union counterparts at national, regional and local level, to bring and **maintain social peace**, create new jobs, reduce levels of poverty. Sustainable results can be achieved through negotiating strong collective agreements as well as by contributing to shaping and implementing ongoing structural reforms. This will mean that national social partners will take ownership of reforms and increase their acceptance by citizens.

6. But we also have a role in **acting as mediators between the EU and our members**. When it comes to international trade agreements, for example, we have successfully convinced most our members that in case some red lines are guaranteed, international trade agreements are valuable and necessary assets for making the EU a strong economic player vis-à-vis third countries.
7. In the same way, we are constantly communicating to our members, and the citizens they serve, about the importance for the EU to keep a leading role in climate and sustainability policies. EU's unique possibility to handle these questions and combine them with cohesion policies, at a general level, should be further promoted. It is about issues/questions where EU initiatives play a major role, in relation to each member state's action. In this framework, we are committed to doing our share, especially through the, **CEEP-CSR-label** that encourages public services and SGIs' providers into sustainable and socially responsible practices in all aspects of the services' delivery (towards the environment, the citizens, the workers, the stakeholders).
8. Moreover, CEEP members want a strong European Union when it comes to the relationship with third countries. It is only together with all EU member states that we can protect our values and identities. The EU only counts for 500 million citizens compared to 7.35 billion worldwide, growing to some ten billion by the year 2050. However, as stated above we – meaning EU and national social partners, EU and national policy makers, EU and national media and civil society – can improve the way we communicate these economic and social rationalities.
9. **CEEP is fully ready to further act as an intermediary/ translator** between the EU and its citizens. It is not only a scientific finding of CEEP members that **people tend to trust their national, regional and local public services and SGIs the most**. This was also for example revealed by a Eurobarometer Report of February 2009 concerning "The role and the impact of local authorities on the European Union".³ People tend to have more trust in the local level due to its proximity to the people. We can build upon this to positively communicate about the EU and bring back **hope**, a feeling of **protection** and perspectives, finally **regaining trust** in the ability of politics to meet the above-mentioned challenges.

³ Eurobarometer: Special Eurobarometer 307: The role and impact of local and regional authorities within the European Union, February 2009.

OUR CONCRETE PROPOSALS

1. As stated above CEEP is convinced that it is necessary to identify **actions for implementation at EU member state level**.
2. Decisive measures are necessary to **reinforce Europe's competitiveness** in order to support higher levels of productivity, employment and prosperity. The EU is suffering today from a low comparative productivity and misallocation of investment, alongside many structural weaknesses. This explains why the global crisis hit Europe so hard, and why EU-wide recovery still presents such a challenge.
3. The effects of the crisis have exacerbated structural weaknesses and contributed to a legacy of economic and policy challenges that now need to be addressed.
4. Today, **deeper European market integration, further cohesion and convergence**, strengthening and developing markets and stepping up efforts to make Europe stronger and more competitive are crucially needed. To make Europe more competitive and productive, CEEP's members will modernise their services delivery by adapting to the digitalisation and adopting new technologies, by promoting innovative economic models and particularly the circular economy and by contributing to modernising education systems to the new labour market challenges.
5. The EU manufacturing industry is lagging behind its world competitors – both in terms of innovations' generation and in terms of marketing the innovative products. CEEP can help remedy this by contributing to the **digitalization of public services and SGIs** and **to the circular economy**, by **modernizing health and social care** (digitalization, new technologies, improved life expectancy), by intervening in education improvement, etc., including the energy, transportation and other elements, that can increase the EU competitiveness.
6. The lack of skilled labour force in the EU is not expected to improve in the future. Therefore, it is important to stress once more the potential of public services and SGIs in attracting people, especially the young, to public services and SGIs' jobs. Public services and SGIs' employers have to **reskill and upskill** their **workforce** as new demands constantly emerge in the labour market and new forms of jobs continue to develop. Transitions between education and jobs and from one job to another will be increasingly important. In that respect investments in human capital will play a major role and digital skills will be crucial to be able to adapt to the changing demands on the labour market. The digital transformation has been producing fundamental changes to the EU labour market, both in quantitative and qualitative terms. It is critical to stay on the front line and at the same time ensure the fairness of the transformation.
7. There is a striking **need for the EU social and economic model to be strengthened** in these turbulent times as illustrated by the every-day strikes and demonstrations all over Europe. The public services and SGIs have a lot to offer in this regard, because of their important potential to improve the living standards and to boost regional development. Many regions in Europe have fallen behind and are now failing to attract investment and economic activity, due to a lack of public services and SGIs' infrastructures, skills and connectivity, this ends up creating a spiral of

diminishing potential at national, regional and local level. To break this vicious cycle: we **need to foster European regions' attractiveness**, by supporting their ability to develop quality public services and SGIs such as health, security, education, innovation. A renewed priority for inclusion and productivity is therefore key to improving living standards and supporting regional developments.

8. Furthermore, the projects that originate from the **European Fund for Strategic Investments (EFSI)** could also be used to better emphasize the added value of the EU. Billions of Euros are mobilized in order to invest in critical infrastructure, education, research and innovation but it is too seldom spoken about. We did of course take notice of the roadshow of Commissioner Jyrki Katainen on the EFSI in 2015, however, as stated above, the EU-Institutions cannot be everywhere. Banks and local politicians could be mobilized to become more active in reporting about these important projects vis-à-vis their citizens/ customers. Here the target group should be the younger/ middle-aged generation of politicians and entrepreneurs. They mainly grew up with an integrated, peaceful and prosperous Europe. It is the generation that benefited the most from the EU although seldom speaks about its successes. Many EU achievements are taken for granted nowadays by a huge majority of people. In CEEP's point of view we need to make clear that nothing can be taken for granted if all stakeholders are not get engaged in securing these achievements.
9. On top of fostering the use of EFSI 2.0 through the completion of its third pillar, the White Paper should also be the opportunity to **re-think some EU rules**, both in the context of completing the EMU and of reviewing existing fiscal rules, **including the Stability and Growth Pact**. A non-dogmatic approach and open analysis of those rules is what citizens ask for as opposed to the defence of the status quo at any price. Indeed, we have several recent examples, the Brexit vote and the recent Presidential Election in the US being the most significant ones, demonstrating to at least some extent, a growing "anti-establishment" belief/movement. If the reflection on the Future of Europe does not recognise and respond to this then we (European and national institutions, European and national social partners) could be accused of simply trying to protect the "status quo" and blame recent events upon the uneducated and ill-informed. To do so would be doing a great disservice to many of our citizens.
10. The EU already has a certain number of **good initiatives** that could be used to this end, by slightly adapting them, such as for example the Covenant of Mayors, the European Week of Waste Reduction, the European week of Sports, the European Mobility week, etc. Instead of "just" collecting waste, the European Week of Waste Reduction could for example be used to organise discussion rounds at national, regional and local level in order to discuss the added value of European Environmental legislation as such. Same is true for the other aforementioned initiatives.
11. In addition to the already existing weeks, CEEP could very well imagine organising a **European Week of Public Services**.⁴ During this Week of Public Services, participants at national, regional and local level would discuss the added value of the internal market for the preservation and promotion of their values and identities. Ahead of the **White Paper on the Future of the European**

⁴ This practice already exists, for instance, in Germany and Italy when it comes to utilities, in the Netherlands when it comes to education and healthcare, in the UK when it comes to healthcare etc....

Union to be published in the first quarter of the year 2017, it could be worthwhile to gather all decentral actions already put in place by the European Union and to analyse how they can better be made use of in order to communicate about the added value of the European Union for each and every citizen.

12. This brings us to another important lever, namely **communication**. One of the major problems is that the European Union does not have an own **public voice**. The abovementioned actions could for example be executed in close cooperation with national, regional and local media. Furthermore, especially after the Brexit referendum, a significant part of civil society in UK stood up in order to defend the idea of European integration. There are very useful campaigns – mostly run in digital media. The question is how the European Union but also national politics can better and earlier assist civil society to get engaged in such a positive communication *before* crises emerge. Here, again, CEEP and its members who are closest to the citizens are ready to further elaborate on this question.
13. That is why CEEP thinks that the EU needs a **holistic communication strategy** to be rolled out at national, regional and local level. This does not mean that we need a new EU communication body. We think the solution can be achieved through a decentralised implementation. Furthermore, holistic does mean to only concentrate on “hard facts” like economic and social data. The recent political discussions, whether at international, EU or national level showed that people need to be emotionally touched. Public services are an example of such an “emotional good” that 500 million Europeans rely on in their everyday life, that are tangible for them and public services and SGIs’ providers are an important intermediary between the EU and the citizens.
14. Therefore, **CEEP is fully ready to accompany the abovementioned actions** together with its European and national partners and stands ready for further exchange on the topic.
15. The **success of the White Paper** on the Future of the EU indeed widely depends, in our view, on how much the EU institutions will **include key players in its shaping**. In this regard, we think that EU social partners and their national members can make a real difference in guaranteeing the final legitimacy of the instrument and that is why we call on the EU institutions to closely involve us into the future steps of this project.