

Mr. Nicolas Schmit
Commissioner for Jobs and Social Rights
European Commission
Brussels, Belgium

Brussels, 29 May 2020

RE: EEA calls for caution in the introduction and implementation of EU social policy ambitions

Dear Commissioner,

On behalf of the European Enterprise Alliance, I am writing to raise our concerns on the increasing gap between the current ambitions of EU social policy and the realistic application thereof in times of current and post-crisis.

I specifically refer to the following dossiers and would like to provide the following recommendations:

- The revised Posting of Workers Directive (2018/957/EU), whereby we call upon the European Commission to postpone the date of its application. In light of current uncertainties, we recommend a decision for a date to be made once it is evident that Member States and employers will be able to cope with the relevant provisions dependent on the health of the economy, markets and cross-border flow of all four freedoms of the Single Market.
- The revision of Regulations of Social Security Coordination (No 883/2004/EC) and (987/2009/EC) laying down the procedure for implementation. We understand that the Commission is continuing to look at this dossier and, also here, we ask for consideration in the timeliness of any further procedure in this regard. As a matter of fact, consultation or advice to be provided by SME representatives in the ongoing dialogue with the institutions to this end would be strongly conditioned by the current burdens. The reflection of SME interests in the relevant initiatives would provide a completely different picture than in times of a healthier economy.

Indeed, we would like to call for caution in the introduction or implementation of any EU social policy initiative. We especially appeal for the fallout of the current crisis to be the determining contextual pillar to avoid an inflammatory impact for business, employment, the Single Market and the European economy as a whole.

As the EEA, we represent the interests of SMEs from Central and Eastern Europe whereby our Members highly appreciate the facilitation of access to funding and grants coordinated by the European Commission. Nonetheless, the experience our members demonstrate that the burdens of the Corona virus are not overcome only by financial means when having to cope with new burdens ranging from market adaptability, breaks in the supply chain, to new regulatory conditions.

As recognised by the Directorate-General for DG Internal Market, Industry, Entrepreneurship and SMEs, “SMEs represent 99% of all businesses in the EU...[and]...in the past five years have created around 85% of new jobs and provided two-thirds of the total private sector employment in the EU.”¹ Within this context, this bulk of the economy is and will face the necessity to rebuild their business and source income whilst looking to sustain employment levels.

Considering the necessity to hamper the spread of the virus, restrictions imposed at Member State levels has severely impacted business. Cross-border commerce and mobility has decreased which has resulted in the annulment or suspension of contracts.

Our members have also highlighted their concern about the ability of Member States to fulfil their duty in the implementation of legislation due to the burden that the virus has on the overall administrative capacities of the countries. The danger of an incorrectly or incomplete application of law will create imbalances across the EU which undermine the fundamentals of a Single Market.

We emphasize the need for flexibility in the European Union's approach to social policy and for enabling Member States to adjust social policies to the level of their economic

¹ https://ec.europa.eu/growth/smes_en

development. This is especially important during this difficult time of the pandemic. At the same time, we strongly encourage any activities seeking to lessen administrative burdens which in turn facilitate cross-border mobility and trade, for the benefit of both business and employees.

EU social policy carries with it the necessity of long-term investment in resources, not least because of the transformation it entails; an investment we do not see that SMEs can carry at this moment in time.

On behalf of the European Enterprise Alliance,

Sincerely,


Marcin Nowacki

President, EEA


Danukas Arlauskas

Vice-President, EEA