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## **Response from BusinessEurope to the Commission consultation on the draft resilience dashboards for the social and economic, green, digital, and geopolitical dimensions**

Dear Vice President,

Following your request for BusinessEurope's feedback on the draft dashboards for the social and economic, green, digital, and geopolitical dimensions, we are pleased to send you a short document with our main comments on the subject.

We welcome the Commission's work on resilience, as an important monitoring tool to assess Europe's resilience, particularly in international comparison.

The Covid crisis has clearly highlighted the need to increase resilience in several areas, such as in our health systems, to respond more effectively to shocks. Better resilience will be instrumental to reduce uncertainty, encourage business investment and achieve sustainability.

Please consider this statement an attempt for a constructive contribution to the broader debate on how to make our societies and economies more resilient by putting them on a path of sustainable wellbeing beyond GDP.

We hope that our ideas are taken into consideration and would be most happy to discuss them further with you.

Yours sincerely,



Markus J. Beyrer

## **Consultation of BusinessEurope on the draft resilience dashboards for the social and economic, green, digital, and geopolitical dimensions**

### **Response from BusinessEurope**

**The Covid crisis has emphasised the need to increase the resilience of our economies and societies to a wide variety of potential challenges. We therefore welcome the Commission's work on resilience and the proposed new dashboards, which can potentially become an important monitoring tool to assess and improve Europe's resilience.**

Better resilience will be instrumental to reduce uncertainty, encourage business investment and achieve sustainability. We support the approach of looking at both vulnerabilities and capabilities, particularly in international comparison.

In order to ensure the dashboards have the maximum impact in supporting resilience, whilst at the same time balancing the need to meet other goals including competitiveness, we have the following suggestions:

- **Ensure the dashboards are fully integrated into existing Commission work.** Much of the Commission's existing work has clearly been aimed at increasing resilience, albeit not always under such a heading. For example, both the Macroeconomic Balances Procedure and the Stability and Growth Pact are to a large extent about resilience. The document would benefit from greater reference to such existing work, and the Commission will need to ensure that this new dashboard does not undermine both such instruments, which we continue to advocate for improved enforcement of. More broadly, while we understand that the dashboards are not designed to assess progress as regards specific policy targets, we would nevertheless like to see a clearer link between the indicators and policy objectives. According to the draft report, the green indicators are broadly aligned with the policy areas of the European Green Deal (such biodiversity, clean energy, sustainable industry, and mobility, eliminating pollution and climate action), and the digital indicators are in line with the Commission's Digital Agenda. We would ask the Commission to clarify which policy objectives the dashboards are linked to across policy areas (i.e., single market, industrial affairs, global trade, better regulation, health, education etc.).
- **Ensure that vulnerabilities identified in the dashboards are linked to country-specific recommendations.** The Commission states that the dashboards "are developed to help Member States self-assess and identify areas for action and further analysis" (p.3) "...in view of further country-specific analysis and policy action" (p.12). The Commission should therefore ensure that vulnerabilities identified by the resilience dashboards are linked explicitly to the country-specific

recommendations in the European Semester on how to improve competitiveness and resilience.

- **Clear communication will be important in ensuring the dashboards are widely understood and used.** Given the complexity of designing a reliable monitoring tool across several dimensions (with a large number of indicators), it is important that the Commission communicates about how the EU's resilience is being assessed in a way that is easy to understand and accessible to the general public.

#### **Specific comments regarding the proposed indicators:**

##### **Social and economic indicators:**

- We fully agree with the selection of indicators that identify vulnerable groups that could be adversely affected by the green and digital transitions such as 1) employment in energy intensive sectors and 2) employment in manufacturing with high automation risk. Both indicators are central in view of the implementation of the Fit for 55 legislative package as well as the Commission's digital agenda to make sure that the employment effects of the twin transitions are under close scrutiny and have a positive effect.
- Regarding the proposed indicator on active labour market policies (ALMPs) per person wanting to work as a measure of ALMPs expenditures per person: Since spending levels as such do not give much information on how ALMPs perform, we would propose to include a result-oriented indicator that shows how public employment services perform. The list of performance benchmarking indicators designed and monitored in the context of the EU public employment services network (PES network) might be a good orientation for an alternative measurement.

##### **Green indicators:**

- While we fully support that the green indicators are broadly aligned with the policy areas of the European Green Deal, we would refrain from singling out the EU taxonomy legislation as a specific policy with which the dashboards should be aligned, since the taxonomy is not the main reference for the EU's environmental performance (p.18).
- Regarding climate change mitigation and adaptation capacities, we would suggest adding 'CO2 absorption by carbon capture and storage technologies' to complement the indicator on 'CO2 absorption by forests'.
- Regarding sustainable use of resources vulnerabilities, the indicator 'energy used in ICT' might be partly covered by other indicators such as 'domestic footprint'. At the same time, while energy consumption is growing, energy stemming from renewable sources is much more sustainable and less of a vulnerability for the green transition.
- We are aware that the current dashboard does not cover aspects of forest degradation, as current data is not available for all the countries. But we





would like to highlight that this indicator should be added to the dashboard as soon as new data becomes available in the future, notably due the importance of the carbon sink capacity of forests.

**Digital indicators:**

- We fully support the focus on monitoring skills-related indicators and specifically the evolution of new means for education and re/up skilling to assess Europe's digital resilience. There is no doubt that a highly educated and entrepreneurial workforce is required to promote growth and use of AI in Europe. All levels of education and training, starting at an early age, should be strengthened to improve skills on cognitive, social, and cultural levels of future workers to establish a new data culture, awareness of AI and acceptance of those who understand AI.

**Geopolitical indicators:**

- We would like to highlight the importance of finding the right balance among geopolitical indicators so that the aim for resilience and strategic autonomy will not appear as contradictory to openness and global supply chains. It is crucial that the resilience dashboards will not end up legitimising trade defensive measures and decoupling from global supply chains.
- An additional indicator for geopolitical vulnerability/capacity (also in the global dashboard) could be related to (trans-border) infrastructure, assessing Europe's dependence or independence from third countries while considering aspects of resilience in relation to (hyper)connectivity.
- An indicator of vulnerability related to financial globalisation could be the reliance on the dollar in international payments, which we believe is not currently considered in the proposed draft indicators.