



BRIEFING
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The European Pillar of Social Rights – a basis for upward social convergence?



On 8 March 2016, the European Commission presented its communication for a public consultation on the European Pillar of Social Rights which is accompanied by an outline of the Pillar as well as two staff working documents: one on key economic, labour market and societal trends and one on the EU social acquis. The process of building the Pillar is part of the ongoing “Deepening the Economic and Monetary Union (EMU)” and foresees a final proposal for the Pillar early in 2017.







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Background

In his State of the Union address on 9 September 2015, Commission President Juncker stated that “We have to step up the work for a fair and truly pan-European labour market (...). As part of these efforts, I will want to develop a European Pillar of Social Rights, which takes account of the changing realities of Europe’s societies and the world of work. And which can serve as a compass for the renewed convergence within the euro area...»

He continued “...The European Pillar of Social Rights should complement what we have already jointly achieved when it comes to the protection of workers in the EU. I will expect social partners to play a central role in this process. I believe we do well to start with this initiative within the euro area, while allowing other EU Member States to join in if they want to do so.”

The European Pillar of Social Rights is targeted at the Eurozone but non-Euro countries are able (and supposed) to join the Pillar. The overarching aim of the Pillar is to re-establish **upward social convergence** among members of the Eurozone as disparities keep increasing.

The Pillar - Establishing new social rights?

Unlike its name suggests, the Pillar will not establish new rights for European citizens but rather describe principles. It refers to rights established in the EU Treaties and in the Charter of Fundamental Rights, while lacking a mentioning of other sources of economic, social and cultural rights such as ILO or UN conventions (e.g. the UN Convention on the Rights of Persons with Disabilities).

The communication of 8 March¹ consists of four documents: a general communication including consultation questions, an annex presenting the main principles and values underpinning the Pillar and two staff working documents: one on the current social acquis and the other on recent changes on the labour markets and in our societies.²

The main principles and values

The draft outline of the European Pillar of Social Rights is divided into three main chapters; two in the field of employment and one in the field of social policies. Each of these chapters contains a number of policy domains, to which in total 20 principles are attached.

The 3 chapters are:

CHAPTER I: EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

1. Skills, education and lifelong learning
2. Flexible and secure labour contracts
3. Secure professional transitions
4. Active support for employment
5. Gender equality and work-life balance
6. Equal opportunities

1 see http://europa.eu/rapid/press-release_IP-16-544_en.html

2 see SOLIDAR communication, 9 March 2016: <http://www.solidar.org/Together-for-Social-Europe,2077.html>





CHAPTER II: FAIR WORKING CONDITIONS

7. Conditions of employment
8. Wages
9. Health and safety at work
10. Social dialogue and involvement of workers

CHAPTER III: ADEQUATE AND SUSTAINABLE SOCIAL PROTECTION

11. Integrated social benefits and services
12. Health care and sickness benefits
13. Pensions
14. Unemployment benefits
15. Minimum income
16. Disability benefits
17. Long-term care
18. Childcare
19. Housing
20. Access to essential services

Timeline

Until the end of 2016: public consultation³

June -September 2016: Events in Member States to discuss the proposal for a Pillar with national parliaments, trade unions and civil society

Contact national EC officers in charge of the European Semester to get invited and make your voice heard!⁴

The EESC is organising similar events in the Member States. More information will follow!

Spring 2017: EC proposal for a White Paper on the future of the EMU

³ see http://ec.europa.eu/priorities/deeper-and-fairer-economic-and-monetary-union/towards-european-pillar-social-rights/public_en

⁴ overview of Semester officers (2014): <https://semester-alliance.files.wordpress.com/2014/07/2014-semester-alliance-toolkit-annex-2-who-to-contact.pdf>

SOLIDAR assessment of the draft outline of the Pillar

As a real social agenda has been absent from the EU policy-making for several years now and the Europe 2020 agenda has disappeared, SOLIDAR welcomes the initiative of a European Pillar of Social Rights with the aim of achieving **upward social convergence**. In our understanding, this convergence is necessary to stop the growing social and socio-economic divergences between and within member states.

SOLIDAR is especially happy to see the acknowledgement of the importance of **social protection systems** which are no longer considered as an economic burden but rather as assets for making our social market economy more resilient.

Nevertheless, many questions remain open for SOLIDAR:

- **Principles rather than rights?**

SOLIDAR criticises the confusion between rights and provisions. As mentioned above, the Pillar will not establish new rights as such as it only refers to principles. And although some of the principles enlisted are enlarging the current set of social rights, such as the access to life-long learning, in other areas the Pillar seems to take a more limiting approach. For example, the access to adequate unemployment benefits is directly linked to “preserving incentives for a quick return to employment.”

- **A Pillar only for EU citizens and legally residing individuals?**

SOLIDAR regrets that the Communication does not make specific references to the opportunities and challenges related to the arrival of a high number of third country nationals in Europe. While the high number of young people arriving to Europe are an opportunity for our societies to counter demographic developments such as the ageing of our societies, the risks are high that people with unclear





legal status will end up in precarious working and living conditions outside the regular labour market. SOLIDAR advocates for equal access to economic, social and cultural rights for all people irrespective of their legal status.⁵

- **Implementation at national level - the complete set or only cherry-picking?**

A big question mark remains about the legal force of the different elements of the Pillar. Will the principles, or rather the measures resulting from them, be legally binding or only recommendations with no legal obligation? Can Member States “cherry-pick” some principles to be implemented and leave other ones aside? These are only a few of the open questions for our network when it comes to the implementation at national level. SOLIDAR advocates for a comprehensive implementation of all principles and resulting measures contained in the Pillar in order to guarantee the full range of social safeguards applicable in all EU Member States. The foreseen application of the Pillar in Eurozone countries only is not acceptable as this would increase the already existing disparities between Member States.

- **How to finance the Pillar?**

As stated by the Commission, there will be no financial incentives for Member States to implement the different parts of the Pillar or for non-Eurozone-members to join the Pillar. Furthermore, SOLIDAR regrets that the concept of (social) investment is completely absent from the proposal. Without adequate funding of social safeguards cannot fulfil their function of stabilising our societies and enabling people to live a decent life.

On the contrary, the currently implemented austerity-based policies are eroding the social welfare systems that have been developed over decades in

⁵ see http://www.solidar.org/IMG/pdf/75_2015_11_06_solidar_briefing_75.pdf

the member states and thereby counteracting the concept of social investment.

To conclude, the overall question remains: Where is the real added value of this proposal for a Pillar compared to the already existing *acquis communautaire*, such as the Lisbon treaty, Protocol 26 on services of general interest and the Charter of Fundamental Rights?

Without an accompanying proposal for a fiscal capacity for the Eurozone, such as an Unemployment benefit scheme or a solidarity fund, the White Paper to be published in 2017 will remain weak.

For SOLIDAR it is important that the principles set out in the Pillar are not only applicable and implemented in the areas of social and employment policies but equally in all other relevant policy fields, such as fiscal policies (e.g. application of the Stability and Growth Pact) and the European structural and investment funds. The Pillar must not be a placebo for non-existing social cohesion but rather a foundation for social cohesion policies enshrined in all EU legislation.







ANNEX

SOLIDAR'S RESPONSE¹ TO THE PUBLIC CONSULTATION ON A "EUROPEAN PILLAR OF SOCIAL RIGHTS"

ON THE SOCIAL SITUATION AND THE SOCIAL "ACQUIS"

Question 1: What do you see as most pressing employment and social priorities?

SOLIDAR response: Based on the recommendations of the 2015 SOLIDAR Social Progress Watch², an extensive consultation with SOLIDAR members and partners that has been carried out on a yearly basis since 2013, the following overview of social and employment trends have been identified in 14 countries:

	Austria	Bulgaria	Croatia	France	Germany	Greece	Hungary	Italy	The Netherlands	Romania	Serbia	Slovakia	Spain	The United Kingdom
High levels of unemployment continue to trigger a one-sided policy response aimed at labour market flexibility			X	X		X	X		X			X		
Vulnerable groups are being pushed to the fringes of the European labour market	X	X	X	X		X		X	X	X	X	X	X	X
Increasing inequality between workers within and without the standard employment model	X			X				X					X	X
Negative impact of austerity measures on health and social services	X	X	X	X	X	X			X	X			X	X
Limited participation in lifelong learning			X	X		X	X			X		X		
Decreasing investment in lifelong learning					X				X					X
Volunteers increasingly relied on as an alternative to maintain public services				X	X				X					X
Outdated or vague legal frameworks for volunteering	X	X						X						
High number of people at risk of poverty or social exclusion	X	X	X	X	X			X	X	X	X		X	X
Attempts by governments to recast the social sector in the same mould as the private sector	X	X		X	X			X		X				

Therefore, the following priorities have been identified:

- Fighting unemployment through the promotion of inclusive and quality employment and decent work as well as fair mobility
- Improving access to healthcare and quality social services for all as well as quality employment in the health-care and social sector
- Promoting access to and participation in lifelong learning with a particular focus on non-formal and informal learning
- Strengthening active citizenship and volunteering for social cohesion
- Fighting discrimination and social exclusion
- Promoting, reinforcing, and supporting social economy

¹ The responses have been submitted to the public consultation by the European Commission, to be found at: <http://ec.europa.eu/social/main.jsp?langId=en&catId=699&consultId=22&visib=0&furtherConsult=yes>

² see http://www.solidar.org/IMG/pdf/2015_11_25_solidar_spwi_general_report.pdf





Q2. How can we account for different employment and social situations across Europe?

While respecting national, regional and local specificities as well as the Principle of Subsidiarity, the EU as well as Member States have to take actions to re-establish upward social convergence.

SOLIDAR wants to see economic and social policy reforms at EU and national level that lead to a real upward social convergence and that are supportive of a socially inclusive Europe, providing economic security for all, fighting poverty, inequality and discrimination, promoting equal opportunities for all across all fields of life. Such a rights-based approach builds on comprehensive and integrated social policies that are based on high-level social safeguards such as the availability, accessibility and affordability of services of general interest, in particular in the social, health and education sectors, as well as adequate minimum income and minimum wage schemes.

SOLIDAR considers an EU-wide applicable set of common and high-level social safeguards throughout the life-cycle of a person as an indispensable element for empowering people and constructing a social union. Poverty and inequalities can only be efficiently tackled by adopting a set of unequivocal safeguards for everyone living in Europe. This is needed to achieve the social and territorial cohesion stipulated in the Treaties.³

The involvement (and empowerment) of civil society organisations at all levels of policy-making (local, regional, national, European) is a prerequisite for evidence-based policy-making that finds acceptance throughout society.

Q3. Is the EU acquis up to date and do you see scope for further EU action?

While the acquis already provides for certain employment rights for workers and social rights for EU citizens, SOLIDAR criticises the lack of implementation and policy coherence of some of these rights. Therefore, before suggesting new legislation, in some areas strengthened implementation could already improve the situation, e.g. the Social Investment Package.

Nevertheless, SOLIDAR identified various fields where further EU action can be helpful to improve the current situation:

1. EU framework directive on minimum income that establishes common principles, definitions and methods in order to achieve a level playing field across Europe and prevent the undermining of welfare state provisions. Adequate minimum income schemes are the basis for social protection over a person's life-span and therefore enable people to live a life in dignity. According to the Commission Recommendation of 3.10.2008 on the active inclusion of people excluded from the labour market, apart from facilitating access to quality employment for those who can work, active inclusion policies should provide resources which are sufficient to live in dignity, together with support for social participation, for everyone who cannot work e.g. people with a disability, long-term unemployed etc. but also for children in poor households or elderly people in the form of adequate pensions.
2. EU framework for an adequate minimum wage above the level of minimum income with 60% of national median wage as a minimum threshold. The minimum wage needs to be set in a non-discriminatory way (irrespective of e.g. type of contract, age, work experience etc.) and has to be applicable for all sectors of the economy to ensure that workers and employees can live a decent life.⁴

3 see http://www.solidar.org/IMG/pdf/77_briefing_together_for_social_europe_social_safeguards.pdf

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ON THE FUTURE OF WORK AND WELFARE SYSTEMS

Q4. What trends would you see as most transformative?

- Demographic trends (ageing, migration etc.)
- New skills requirements
- New ways of work

Q5. What would be the main risks and opportunities linked to such trends?

Migration

The current refugee 'crisis' sheds light on the fact that refugees and migrants often do not have access to their fundamental economic, social and cultural rights, including the right to health, the right to an adequate standard of living, including housing, water, sanitation, and food; the right to education; the right to social security; and the right to decent work and quality employment.

Data shows that migrants are usually young and healthy and better educated than their peers in their country of origin. The EU seems to miss the opportunity to use the big potential of migrants arriving in Europe to counteract the trends of demographic ageing. Instead, many governments restrict migration (by introducing quotas, border enforcement, citizenship policy etc.), forcing people into the grey economy where undocumented workers pay taxes but do not receive benefits (which has a positive monetary effect on the country's welfare system at the cost of the individual). Furthermore, the trade union movement seems to concentrate one-sidedly on protecting national workers. And of course it seems easier to win elections when immigrants can be used as scapegoats in crisis situations.⁵

New skills requirement and new ways of work

The ever increasing use of technology in daily life (for example internet-based application for benefits, mandatory online tax declarations etc.) and the digitalisation of the labour market (for example the rise of Uber, Airbnb etc.) together with the establishment of new employment forms (such as zero-hour contracts, increasing self-employment) are posing serious challenges to the individual as well as to the welfare state in general. Member States' welfare systems need to adapt to these challenges while providing a high level of social safeguards which do not undermine competitiveness but increase commitment and productivity.⁶

Q6. Are there policies, institutions or firm practices which you would recommend as references?

N.A.

ON THE EUROPEAN PILLAR OF SOCIAL RIGHTS

Q7. Do you agree with the approach for the Pillar?

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- Principles rather than rights?

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- A Pillar only for EU citizens and legally residing individuals?

SOLIDAR regrets that the Communication does not make specific references to the opportunities and challenges related to the arrival of a high number of third country nationals in Europe. While the high number of young people arriving to Europe are an opportunity for our societies to counter demographic developments such as the ageing of our societies, the risks are high that people with unclear legal status will end up in precarious working and living conditions outside the regular labour market. SOLIDAR advocates for equal access to economic, social and cultural rights for all people living in Europe irrespective of their legal status.

- Implementation at national level - the complete set or only cherry-picking?

A big question mark remains about the legal force of the different elements of the Pillar. Will the principles, or rather the measures resulting from them, be legally binding? Can Member States “cherry-pick” some principles to be implemented and leave other ones aside? These are only a few of the open questions for our network when it comes to the implementation at national level and the accountability of Member States. SOLIDAR advocates for a comprehensive implementation of all principles and resulting measures contained in the Pillar in order to guarantee the full range of social safeguards applicable in all EU Member States (and not only the Eurozone countries) in order to achieve upward social convergence in the whole EU.

- How to finance the Pillar?

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To conclude, the overall question remains: Where is the real added value of this proposal for a Pillar compared to the already existing *acquis communautaire*, such as the Lisbon treaty, Protocol 26 on services of general interest and the Charter of Fundamental Rights?

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Q8. Do you agree with the scope of the Pillar, domains and principles proposed? Are there aspects which are not adequately expressed or covered so far?

Chapter I: “Equal opportunities and access to the labour market” is too narrowly focused on bringing people into employment while disregarding that the rights in that chapter (especially skills, education and lifelong learning, and gender equality and work life balance) are crucial for people to live their lives in dignity and as a part of society. Economic and social policies need to be on an equal footing to ensure socially and economically balanced





policy-making, encompassing equally economic, social and cultural rights.

SOLIDAR is convinced that the potential of civil society based organisations in the provision of education and lifelong learning services as well services that help people accessing the labour market needs to be further recognised and supported.

Equally, Chapter II: “Fair working conditions” has a focus on the labour market, while only Chapter III: “Adequate and sustainable social protection” is concentrating on social rights and social protection in the wider sense. SOLIDAR would like to stress the fact that the currently implemented austerity-based policies are eroding the social welfare systems that have been developed over decades in the member states and thereby counteracting the concept of social investment. The financing of social protection and social services is crucial in the efforts to balance economic and social policies. Budgetary flexibility - as announced by the Commission in early 2015 - is still focused on structural reforms that promote investments in infrastructure and neglects the concept of social investment. Therefore, SOLIDAR demands renewed efforts by the Council and the Commission to envisage rules of the Stability and Growth Pact that explicitly support investment in social protection systems, public and social services, education etc.⁷

Q9. What domains and principles would be most important as part of a renewed convergence for the euro area? (Please select maximum 5)

1. Skills, education and life-long learning
2. Flexible and secure labour contracts
3. Secure professional transitions
4. Active support for employment
5. Gender equality and work-life balance
6. Equal opportunities
7. Conditions of employment
8. Wages
9. Health and safety at work
10. Social dialogue and involvement of workers
11. Integrated social benefits and services
12. Health care and sickness benefits
13. Pensions
14. Unemployment benefits
15. Minimum income
16. Disability benefits
17. Long-term care
18. Childcare
19. Housing
20. Access to essential services

⁷ see http://www.solidar.org/IMG/pdf/2015_11_30_social_progress_lab_struc_reforms.pdf





Q10. How should these be expressed and made operational? In particular, do you see the scope and added value of minimum standards or reference benchmarks in certain areas and if so, which ones?

The rebalancing of the social and economic union needs to be footed on high social safeguards and not a bare minimum level of standards. Although it has been shown that Member States with high levels of social protection have weathered the economic crisis better, many governments keep dismantling social protection systems, e.g. by lowering benefit levels, and shortening the duration of benefits. Thereby they risk to roll-back within a few years progress made over the time span of decades towards comprehensive social security systems. Furthermore, high levels of social safeguards in all Member States of the EU are a necessary precondition to allow for secured labour mobility, one of the core principles of EU citizenship and a major remedy to unemployment in different Member States.

A key role in implementing the principles enshrined in the Pillar will play a reinforced European Semester which needs to be put on equal footing with the Stability and Growth Pact and must not be overridden by fiscal consolidation policies. The use of benchmarks to support Member States' social and economic progression will play a crucial role in this regard - if the right set of benchmarks is used. The social scoreboard in the European Semester is a good starting point for this. It needs to be adapted to reflect better the life course approach, including possible transitions and changes in a person's life. Currently, the indicators used are too narrowly focused on policy dimensions that concern the quality of human capital (e.g. unemployment), lacking the dimensions of transitions and the ability to protect people from structural and cyclical changes in their situation.

Social investment is crucial for the recovery of Europe's economies as well as for the achievement of upward social convergence. Investment in human development - starting as early as possible with child care and education - needs to be measured with a long-term perspective to adequately grasp the economic and social returns in the productive phases of a person's life. Non-investing in Europe's citizens and people arriving to our continent means a big financial and societal burden on our economies and societies in the future. The ongoing reforms of social protection systems with the aim of increasing their effectiveness need to be well balanced between requirements for efficiency and investment in adequate social safeguards (such as pensions, health care etc.).





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SOLIDAR is a European network of membership based Civil Society Organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors; social affairs, lifelong learning and international cooperation.

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