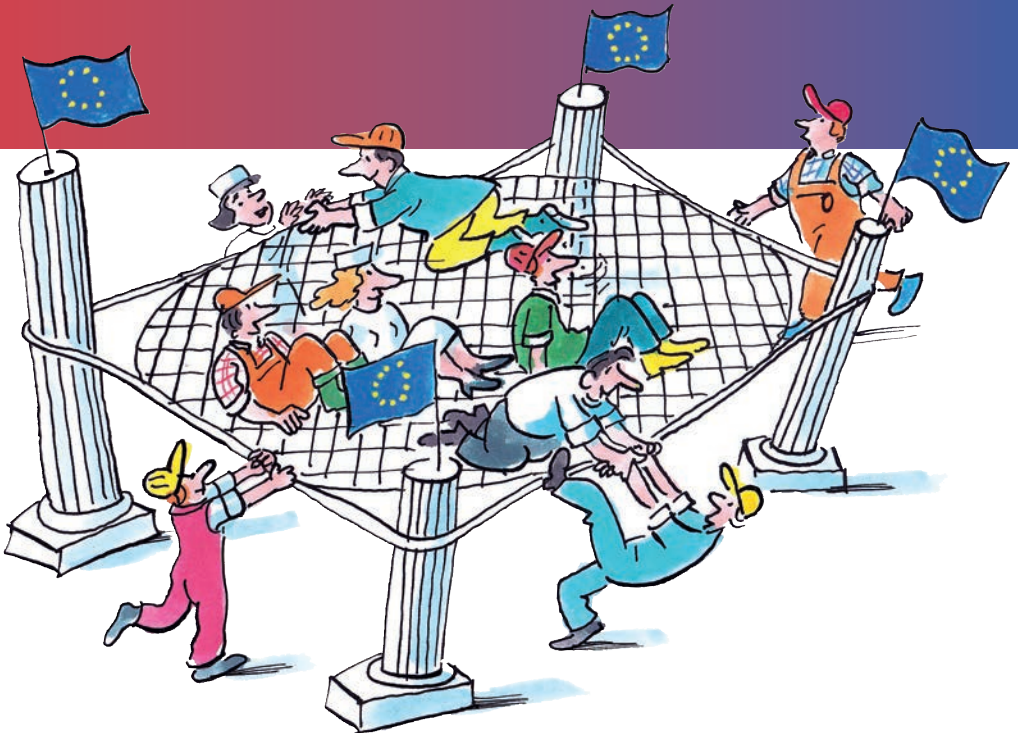


European Pillar of Social Rights





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Foreword

Dear readers,

Since the proclamation of the European Pillar of Social Rights by the European Parliament, the Council and the European Commission at the Gothenburg Social Summit on 17 November 2017, the educational work of the EZA has supported and accompanied the implementation of its 20 key principles, which are grouped into three chapters on “Equal opportunities and access to the labour market”, “Fair working conditions” and “Social protection and inclusion”.

The project coordination conducted by EZA in the 2018/2019 educational year, with a total of five seminars, had at its core the conviction that workers’ organisations have a central role to play in the implementing of the 20 key principles. Although the European Pillar of Social Rights only expresses recommendations that are not legally binding in nature, it was nevertheless acknowledged by workers’ representatives in the seminars as the most significant EU social policy initiative of recent decades, putting social and employment questions at the very top of the EU’s political agenda.

Taking as a basis the presentations and discussions held in the seminars, this report identifies areas of action for workers’ organisations with regard in particular to fair wages, the protection of workers’ rights, equal opportunities for women and men and good systems of social security. It describes the potential for the European Pillar of Social Rights to contribute to an upwards convergence between member states in the social and employment sectors. It also shows how the European Pillar of Social Rights and the Sustainable Development Goals of the United Nations Sustainable Development

Agenda 2030 can work together complementarily to protect people from poverty and social exclusion.

I would like to offer my very sincere thanks to both Katrin Stancheva, who headed the project coordination and wrote this concluding report, and the staff at the five member centres who contributed seminars, for their dedicated and valuable work.

I hope you find the report to be an interesting and inspiring read.

Sigrid Schraml
EZA Secretary-General

Introduction

**“Power has only one duty –
to secure the social welfare of the People.”
Benjamin Disraeli (1845), British Politician
“*Sybil, Or The Two Nations*”, p. 315**

Ever since its founding more than 60 years ago, the European Union has played a very important and decisive role in welfare and prosperity in Europe. In addition to the promotion of peace among the member states, it has contributed significantly to its citizens' happiness by opening the borders of the common market for more than 500 million people, and consistently ensures the free movement of goods, services, capital and people.

In the last few years, labour markets have been healthier and in better condition than in the last decade overall. Today, employment is still growing and more people than ever before are active in the European labour market. At the end of 2018, unemployment levels were decreasing across all the EU member states (6.6% or 16.306 million people in the EU-28 – the lowest level since the EU monthly unemployment series began in January 2000¹), while at the same time the youth unemployment rate also fell dramatically. Although these numbers are a relatively positive sign, there are also other sides to the current employment situation that should not be underestimated and that deserve the necessary attention. These include problems like

¹ Data, current for December 2018, Unemployment Statistics of Eurostat, Source: https://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics#Recent_developments

the fact that there are not enough workers to meet demand, the number of people who are working but remain poor, who are trying to win the battle against poverty every day, but in spite of their efforts are living in conditions of constant poverty, and also the fact that there is a large group of people who are totally indifferent and are excluded from the labour market, as well as the newly arisen phenomena of:

- ✧ involuntary part-time work,
- ✧ bogus self-employment and
- ✧ numerous abuses of traineeships.

All of this proves once again the changing nature of work and the influence it may have on employment in different member states. If not well managed, the growth in new technologies in combination with the increased fragmentation of production could intensify income polarisation within countries, as well as income divergence across different EU member states. All of these are socially significant challenges that should be tackled in order for the European project to survive.

The focus on a more social Europe was introduced by Commission President Juncker in 2014, and includes the vision of and commitment to a “Social Triple A” for Europe:

“... a Europe at the heart of the action, a Europe which moves forward, a Europe which exists, protects, wins and serves as a model for others ...”²

2 Commission President Jean-Claude Juncker, State of the Union Address, European Parliament, 9 September 2015, Source: http://europa.eu/rapid/press-release_SPEECH-15-5614_en.htm

This was seen as one of the main responses to the 2008 financial crisis, which had caused people generally to lose trust in the European project. The essential role of public services in shaping the European social market economy was also emphasised. There is a clear need for Europe to be active in the interests of citizens. These are four of the most important areas that have been highlighted as crucial to establishing a social Europe:

- ✧ The stimulation of jobs, growth and investment
 - social protection
 - employment
 - investment in skills development
 - education and life-long learning
- ✧ A European area of justice and fundamental rights based on mutual trust
- ✧ New policy on migration
- ✧ The EU - a union of democratic change securing the competitiveness of Europe, defined as a shared responsibility on all levels and with social partners.

1 European Pillar of Social Rights

Against the backdrop of global economic tensions, the instability of the euro area and an absence of constructive proposals – particularly with regard to the improvement of living and working conditions – from emerging populist movements, President Juncker described his main vision for the creation of a European Pillar of Social Rights in his first State of the European Union speech in September 2015. His message concerning the Pillar was ambitious: it was said to be about “delivering new and more effective rights for citizens”, and Commission President Juncker called for agreement on the Pillar “to avoid social fragmentation and social dumping”³. In the aftermath of the Brexit referendum and in response to the 60th anniversary of the Treaty of Rome, a debate on the future of Europe was launched in 2017 with a white paper process, and will continue until the European elections in 2019.

The European Pillar of Social Rights is an initiative intended to serve as a driver for social change in Europe and a guide towards efficient employment and social outcomes when responding to current and future challenges. It was adopted on 26 April 2017 and proclaimed jointly by the European Commission, the European Parliament and the Council in November 2017. The initiative was unanimously endorsed by all member states (including the UK), thereby exceeding Commission President Juncker’s initial political ambitions. It includes twenty principles grouped into three chapters:

3 Commission President Jean-Claude Juncker, State of the Union Address, European Parliament, 9 September 2015, Source: http://europa.eu/rapid/press-release_SPEECH-15-5614_en.htm

Chapter I: Equal opportunities and access to the labour market:

1. Education, training and life-long learning; 2. Gender equality;
3. Equal opportunities; 4. Active support to employment.

Chapter II: Fair working conditions: 5. Secure and adaptable employment;
6. Wages; 7. Information about employment conditions and protection in case of dismissals; 8. Social dialogue and involvement of workers; 9. Work-life balance; 10. Healthy, safe and well-adapted work environment and data protection.

Chapter III: Social protection and inclusion: 11. Childcare and support to children; 12. Social protection; 13. Unemployment benefits; 14. Minimum income; 15. Old-age income and pensions; 16. Health care; 17. Inclusion of people with disabilities; 18. Long-term care; 19. Housing and assistance for the homeless; 20. Access to essential services.

The European Pillar of Social Rights can be understood as:

- ⇒ A recipe for real change
- ⇒ A reflection of the needs and aspirations of the European citizens
- ⇒ An instrument for the promotion of economic and social convergence among EU member states – central to the European integration project.

2 EZA input on the European Pillar of Social Rights

EZA and its members have been engaging actively with the European Pillar of Social Rights since 2016. In the years following the announcement of the Pillar, a very broad debate with all stakeholders took place. In March 2016, the Commission also presented a first outline of the Pillar and launched a public consultation. More than 16,500 online replies and nearly 200 position papers were sent to the Commission on the topic. The final version of the Pillar unites the results of this entire consultation process. Several contributions were also made by different EZA member organisations.

In the 2017/2018 EZA educational year, an academic and practical education and training project was implemented on the subject of the EPSR. Professor Jozef Pacolet (HIVA - Onderzoeksinstituut voor Arbeid en Samenleving, Catholic University of Leuven) developed a scientific position paper on the topic. The paper was presented in seven different projects, where Professor Pacolet collected feedback from different EZA member organisations. He then collated all the feedback in a final paper. This final paper assesses the value of the Pillar in light of other initiatives taken in the past to develop the social dimension of the European Union, as well as its value in terms of content, enforceability, legal impact and budget implications. The paper is published by EZA in its series “Contributions to social dialogue” under the title “European Pillar of Social Rights – Quo Vadis? The Overwhelming Ambition for a Social Europe” and is available in English, German and Spanish.

In the EZA educational year 2018/2019, EZA organised a project coordination on the subject of the Pillar, with the aim of examining the

role of workers' organisations in the implementation of the individual elements of the Pillar, and with a particular focus on sustainable industrial relations, equal opportunities for women and men, fair working conditions and sustainable social protection.

3 Seminars within the framework of the EZA “European Pillar of Social Rights” project coordination 2018/2019

In the 2018/2019 EZA educational year, the project coordination included the following five projects:

1. The future of Europe – the social dimension, April 2018, Utrecht, the Netherlands, organised by CNV (Christelijk Nationaal Vakverbond)
2. The European Pillar of Social Rights: how to foster implementation of social rights and make it more “biting” for social partners?, May 2018, Turin, Italy, organised by Beweging.academie
3. The European Pillar of Social Rights: opportunities and challenges for the sectoral social dialogue on company, national and European levels, October 2018, Houffalize, Belgium, organised by BIE International
4. The European Pillar of Social Rights: towards a more equal and social Europe, November 2018, Vilnius, Lithuania, organised by LDF Education Center (Vsl Lithuanian Labor Federation Education Center)
5. A social Europe, workers’ movements and social dialogue: a joint vision for the “European Pillar of Social Rights”?, November 2018, Manchester, UK, organised by GEPO (Groupe Européen de Pastorale Ouvrière)

4 EPSR for broad European convergence

From the very beginning, the EU has always sought to promote continued convergence between its member states. This includes achieving higher economic growth in low-income member states, closing the gap between different national labour markets and levelling social imbalances between EU regions. These aims are a fundamental part of the European integration process. A significant problem is that the convergence has come to a halt in recent years. Differences and inequalities between countries continue to exist and have even deepened in some sectors. Indeed, since the global economic and financial crisis, these disparities between member states have in fact grown larger and are significantly hindering the convergence of countries and the achievement of a sustainable union between them. This is most visible and tangible in terms of labour rights, employment opportunities, income levels, income distribution and social inclusion. It also has the direct negative consequence of some quite worrying challenges throughout Europe, such as increasing Euroscepticism, for example. There are numerous possible explanations for these gaps between EU member states, including the enlargement of the Union to include very diverse countries without sufficient policy coordination or a sufficient level of convergence. The basic idea for the implementation of the EPSR is to focus initially on euro zone countries, while at the same time inviting all other countries to participate. What does this mean? It means that there is a real possibility that those countries in particular that have weaker social protection systems, the most serious violations of fundamental rights, and the greatest barriers for vulnerable groups of people, are also those that could potentially be excluded from the Pillar's main coverage. There is a real danger that the focus on the euro zone could result directly in a further deepening of existing inequalities and divisions, with some countries falling further behind.

5 EPSR and Sustainable Development Goals (SDGs)

In 2016, the European Commission committed itself to implementing the United Nations Sustainable Development Agenda 2030 (Agenda 2030) and its Sustainable Development Goals (SDGs), which are the follow-up to the Millennium Development Goals (MDGs). As a speaker at the LDF Education Centre seminar argued, the EPSR and SDGs, implemented in the right way, can complement each other and have the potential to make an extremely positive impact on people's lives throughout the EU. When the European Commission decided to launch the EPSR initiative, it was acknowledged that most of the tools required for its implementation were the responsibility of the member states and their respective social partners. Such a statement of rights and principles is very welcome but not sufficient on its own. The European institutions therefore declared that they would mobilise all possible instruments to enable the EPSR to “set the framework, give direction and establish a level-playing field, in full respect of specific national situations and institutional set-ups.”⁴ At the same time, the UN Agenda 2030 is a truly global agenda within which the SDGs function as a basis for global action and development. Several of the Agenda 2030 goals coincide, at least partially, with the principles included in the EPSR. They could work complementarily together to protect people from poverty and social exclusion. While the EPSR defines rights as principles and the SDGs are formulated as targets, they could be combined and incorporated into a comprehensive strategy to better support the implementation of social rights.

⁴ “The European Pillar of Social Rights - Questions and Answers”, Brussels, 26 April 2017, Source: http://europa.eu/rapid/press-release_MEMO-17-1004_en.htm

6 The role of civil society in EPSR implementation

During the different events that made up the project coordination, many representatives of workers' organisations voiced their disappointment over the fact that the framework of the EPSR foresees no concrete role for civil society – since civil dialogue can very often facilitate the crucial link between policies and their effective implementation. The Europe 2020 strategy is soon to come to the end of its lifespan, and both the SDG agenda and the EPSR thus represent a great chance to achieve its goals. For the sake of coherence and in order for the different frameworks to be implemented in an effective manner, civil society must be actively involved as a key stakeholder. One of the very pressing questions for the European institutions is, therefore, how both to implement and to measure progress on the SDGs in the member states. As all the seminars underlined, there are many similarities between the rights covered by the EPSR and those included in the Agenda 2030 goals, and the main issues are therefore how they might complement each other, how their achievements might be reinforced, and what opportunities there are for bringing them together in a strong, comprehensive framework accompanied by specific policy recommendations. The failed Europe 2020 strategy needs to be replaced by a more ambitious social and sustainable agenda. A close linking of the Agenda 2030 and the EPSR could provide this opportunity to regain the trust of EU citizens and ensure a more positive European development.

Another undervalued characteristic of civil society in relation to the EPSR, and one that was discussed at three of the five events, is the concept of “social citizenship and social consciousness” as an instrument against populism and the spread of extremism. Every EU citizen

is a member of a political community with corresponding rights and duties. This type of membership involves three main dimensions:

- ✧ Legal status, which encompasses civil, political and social rights, and which safeguards the possibility of acting in accordance with legal restrictions, as well as the opportunity to claim legal protection.
- ✧ Every person has the right to be a “political agent” and to participate actively in a society’s political institutions.
- ✧ Citizenship entails membership of a community and a sense of belonging, which is linked to social cohesion and the strengthening of the EU community.

The undermining of social citizenship is caused by the transformation of capitalism into its current neoliberal state – which brings with it change in all aspects of life – and by exposing citizens to the social violence of the market. The marketisation and privatisation of the welfare state has also played an important role in this process. Moreover, as a consequence there has also been a sharp decline in faith in the civil society institutions (trade unions, social movements, community groups and NGOs) the empowered citizens, and particularly workers and excluded groups.

7 Review of some specific EPSR characteristics

Throughout the project coordination it was widely debated and emphasised that the EPSR is the most comprehensive social initiative to be adopted by the EU in recent decades. Not only do its three chapters connect social policy and labour law, but it also proposes some new rights that were previously absent in the EU sphere. The “right to fair wages”, for example, is a completely new written right⁵, and especially noteworthy since the EU does not have any legislative competence to regulate pay effectively. On the one hand, therefore, the EPSR sounds very promising for workers and employees in many ways. But on the other hand, despite its goal of upward convergence, the EPSR is quite disappointing in terms of its legal commitments. It is composed of recommendations and a proclamation, which is to say only soft law instruments with no legally binding force for the stakeholders or the member states. Despite this, the initiative has already been criticised by some stakeholders as going too far. There are some concerns that the EPSR contains more of a promise than a binding commitment to use the principles and rights embodied in the Pillar to develop a more significant social dimension and achieve better protection for workers in Europe.

The debates at some of the events also covered these three legislative initiatives in connection with the Pillar:

⁵ Chapter II, paragraph 6 from the European Pillar of Social Rights, Source: https://ec.europa.eu/commission/sites/beta-political/files/social-summit-european-pillar-social-rights-booklet_en.pdf

- 1) Work-life balance
- 2) Access to social protection
- 3) Revision of the Written Statement Directive

A constructive criticism shared by the various speakers was that these initiatives merely refer to the EPSR, rather than attempting to apply and implement its twenty principles in practice.

The EPSR has been viewed as a real opportunity to reinvest in the social dimension of Europe. In presenting the twenty principles within the context of the project coordination, the idea was pursued that the EPSR might be the most suitable basis for a productive and inclusive dialogue – not only for the EU member states but also for non-EU organisations – in relation to sectoral dialogue and particularly with regard to the challenges faced by workers in multinational companies, since it was found that these are very common throughout the world.

At the conference organised by BIE International in Belgium, a positive side of the EPSR was emphasised – namely that it secures a stricter deadline for the existing right to information regarding employment terms and conditions, via its proposal for a directive on transparent and predictable working conditions. This is much appreciated by all the workers' organisations. It calls for this information to be given at the start of employment in future, rather than within the first two months, as is currently provided by the Written Statement Directive. Despite its limited character, the EPSR complements existing rights. But it still does not answer the significant question of how these rights are to be implemented in practice – whether there will be any meaningful, concrete measures in this direction, or whether it will require the adoption of additional instruments at a national or

European level. Political commitment to the principles is visible, at least, and a proposal was launched to rework the Written Statement Directive into a directive on transparent and predictable working conditions.

One of the most appropriate conclusions in this regard was that the European Commission should actively strengthen the legal framework and promote good practice for constructive sectoral social dialogue, and social dialogue as a whole, especially within (multinational) companies, both at a European level and at a national one. The EPSR and its 20 principles are a suitable foundation for an effective framework that puts the focus on social issues. Awareness of the EPSR should therefore be increased, and it should be actively promoted. Its non-binding nature, the lack of legislative initiatives to support it, and the still unproven connection with the European Semester and the Social Scoreboard mean that there is no guarantee of long-lasting and meaningful results. But despite these unfavourable conditions, if the EPSR is supported by strong political commitment and a concrete action plan, it could serve to generate a productive consensus around specific principles, and also to shield against further deregulation of workers' rights.

8 EPSR and workers' organisations

Strengthening of social dialogue and collective bargaining:

The EPSR should be recognised and utilised by all workers' organisations as a useful tool for the promotion of social dialogue and collective bargaining, which are the most suitable instruments for designing and implementing policies and rights. It should be implemented in places where it is necessary to rebuild social dialogue and collective bargaining, when they have been disrupted by the policies adopted as anti-crisis measures, or are not operating due to lack of commitment on the part of employers. During the project coordination it was very often confirmed by event participants that the EPSR should be used more actively in this way by the trade unions, and that its influence is currently underestimated by many workers' organisations.

Redoubling the efforts of workers' organisations so that their demands are heard:

The European Commission launched the EPSR initiative in order to achieve a fairer and more inclusive European Union. Workers' movements should congratulate and support the Commission for placing such an important topic at the centre of their concerns and the top of the European agenda. Indeed, this obliges all workers' movements to redouble their commitment so that their demands are heard, and so that they might become the driving force in the dialogue that is opening up on these significant social topics. After the first three years of overwhelming ambition, the EPSR initiative must now continue with very concrete activities on behalf of all stakeholders, including civil society, following the principle of subsidiarity. Currently, everything is in the hands of the European people to translate the

ambition into practice. The subsidiarity principle has been stressed because of the risk that certain regions might move even further ahead than others by performing strongly in the implementation of the Pillar, thus leading to inequalities between different European regions becoming even larger.

The social question must be given the same level of importance as the economic one:

All the participants in the seminars affirmed the assertion that work is a basic right. The primacy and dignity of every person was thus underlined by everyone in precedence over economic development. The aim of all economic activities should be and always remain the common good. Innovative policies should be implemented in order to give concrete shape to the aspirations set out in the EPSR proclamation.

It was also highlighted as another important strength that the EPSR initiative unites people around a positive common goal – namely that of pushing employers to ensure better labour conditions and to listen to the voice of workers and employees, because “without people there is no profit”.

9 The social doctrine of the church and its implications at the European level

Throughout the 2018/2019 EZA educational year, active discussions were held and proposals were made that were based on the social doctrine of the church. And a specific panel was included in the programme of the GEPO seminar that was dedicated to the social doctrine of the church and its importance to future EU evolution. After totalitarian regimes and systems such as Nazism, fascism, and Soviet Communism, the individual was valued in Europe and there was opposition to everything that denied freedoms. (This was also visible in the social doctrine of John Paul II⁶). This functioned perfectly as a basis for a capitalist market economy, which promotes private initiative, the success of the most powerful, and additional aggravation of inequalities. Such an imbalance, with all its dramatic consequences, called for a restoration of equilibrium around the notion of the “common good”.⁷ This notion opposes the absolutism of the individual over the community, along with that of economic profitability, financial dominance and privileges claimed by certain groups. The concept of the common good addresses “the well-being or happiness of a community in general or of its members, and all things that are intended to contribute thereto: material goods, respect for others, social justice”. It also covers a wide range of issues that are key solidarity goals: the reduction of inequalities, a participative and inclusive approach that extends to young and future generations, the preservation of the environment, climate control, etc.

6 “Compendium of the social doctrine of the church”, p. 5-6, Source: http://www.vatican.va/roman_curia/pontifical_councils/justpeace/documents/rc_pc_justpeace_doc_20060526_compendio-dott-soc_en.html

7 This concept was also used in previous reports and in the above text. It should be noted, though, that in fact the term “common good” is absent from the official vocabulary of the European Union.

10 Author's conclusions and recommendations

Thinking particularly of the situation in Central and Eastern Europe in recent years, it is important to point out that there has been a covering up of (sometimes even direct) attempts to bring about deregulation and relieve companies and states of social responsibility. We are currently witnessing major social challenges relating to the quality of employment and wages, restrictions on the exercising of trade union rights and freedoms, lack of bipartite social dialogue resulting in the non-conclusion of collective agreements, the deterioration of public services and access to those services, and high inequality and poverty. Sometimes the traditional instruments of social dialogue as a path to social progress are ineffective, since it remains largely a formal mechanism that does not shape or sufficiently influence the policy-making process.

Furthermore, if upwards convergence is the goal, key elements must be identified in order to move gradually in that direction. It is more than advisable not to impose a fixed minimum wage throughout Europe, but rather to introduce maximal benchmarks for the single market and to adopt minimum standards and benchmarks in the social sphere, in order to ensure the same policies for each citizen across Eastern and Western Europe. The Social Scoreboard is an essential but not fully adequate tool for implementing the EPSR. If the Social Scoreboard is intended to provide an effective counterbalance to macroeconomic indicators, promote social investment, and realise the EPSR rights and objectives, it must be supported by other legally binding instruments. The open coordination method is not sufficient and there is, furthermore, a real danger of further deepening the division between Eastern and Western Europe, with all its nega-

tive consequences (downwards convergence, social dumping, regression and rising inequality).

The EPSR and its inter-institutional proclamation offers a real opportunity to move towards a stronger “Social Europe”. The implementation of some of its related initiatives (the proposed Directive on Work-Life Balance and the revision of the Written Statement Directive) has been significantly hindered, at times by differing views among the member states, and at times by disagreements among social partners. Such differences in the social partners’ positions on EPSR issues can be perceived very clearly, for instance, in the negative outcome of the consultations on access to social protection and transparent and predictable working conditions.

With this in mind, the effective implementation of the Pillar requires that the relationship between the Pillar and EU macro-economic and fiscal policies – and their influence on each other – be clearly defined, and the role of the Social Scoreboard strengthened significantly. Moreover, civil society organisations and social partners should become important stakeholders in the EPSR implementation process.

Despite it being a positive project as such, there is a risk of the EPSR becoming a pillar of meaninglessness. In conclusion, therefore, it should be emphasised that full implementation of the Pillar will indirectly require major public investment, which needs to be driven by a radical change in social model on the basis of the following guidelines and recommendations:

- A clear change in values in accordance with the social doctrine of the church and the principle that freedom consists of equality plus solidarity, as the prime solution and fundamental basis for a social Europe

- A focus on a rights-based model of social and sustainable development
- The ensuring of fairer distribution, shared solidarity, human rights, and inclusive and sustainable economic growth
- An end to austerity measures
- The engagement of civil society in EPSR implementation and the use of the concept of “social citizenship” as an instrument against populism
- Investment in social rights and standards for all.