



## BRIEFING TO MEMBERS

### THE CONTENT OF THE EUROPEAN PILLAR OF SOCIAL RIGHTS

May 2016

The European Pillar of Social Rights, presented by the European Commissioner for Employment and Social Affairs Marianne Thyssen on 8 March, is aimed to step up the work for a fair and truly pan-European labour market, facilitating the convergence of social standards in Europe.

The final content of the European Pillar of Social Rights is not disclosed yet, and will be the key outcome of the consultation with social partners and the civil society, taking place until the end of December 2016. The European Commission has, however, released a first and preliminary outline for the European Pillar of Social Rights, which provides a foundation for discussion and participation in the public consultation.

#### The role of the European Pillar of Social Rights

As stated by President Juncker in his State of the Union speech of September 2015, the purpose of the Pillar is to express a number of essential principles which address the changing realities of Europe's societies and can serve as a compass for the renewed convergence within the euro area. The Commission's official Communication on the Pillar clearly states that the purpose of the principles expressed in the Pillar is to support well-functioning and fair labour markets and welfare systems in the European Union, taking the Economic and Monetary Union as a starting point.

The Pillar will entail a list of principles, which should apply to all participating Member States in the design and implementation of their employment and social policy. It will focus mainly on creating greater convergence among Member States within the euro area and on the needs and challenges which these countries are facing, with the objective to foster a deeper and fairer Economic and Monetary Union.

The principles composing the Pillar will serve as a compass for renewed convergence within the Euro area, driving reforms at national level by providing the "benchmarks" for the screening and mapping of the social performance of participating Member States.

#### The Social Pillar and its relation to the European Semester

Although the Pillar will state the principles that should chart the direction of Member State reforms, several indications are already given through the instrument of the European Semester. Providing policy analysis and Country-Specific Recommendations to EU Member States, the European Semester already impacts Member States' employment and social policies, although prioritising macroeconomic performances. The relation between the Pillar and the Semester is not yet clear, though it currently looks like the Pillar might serve as an umbrella outlining key social principles, whilst the Semester will become a key instrument at the





implementation level. In the preliminary outline of the Pillar, no mention is being made of the Europe 2020 targets, in particular poverty reduction.

## The scope of the European Pillar of Social Rights

The preliminary outline for the Social Pillar lists 20 principles which outline the minimum standards that Eurozone members should grant to their citizens in order to improve the labour market and social rights.

A previous proposal contained more than the double this amount, however the number was reduced to 20 in order to increase the chances of implementation. This way, the Pillar tries to strike a balance between comprehensive action and feasibility.

The 20 principles are grouped into three main axes or chapters:

- Equal opportunities and access to the Labour Market
- Fair working conditions
- Adequate and Sustainable Social Protection
  
- **Labour market: accession and working conditions**

Concerning the first chapter on “equal opportunities and accession to the labour market”, the preliminary outline for the Pillar lists six main principles: skills, education and life-long learning; flexible and secure labour contracts; secure professional transition; active support for employment; gender equality and work – life balance; and equal opportunities.

Considering the fair working conditions axis, the key principles are: conditions of employment, wages, health and safety at work, social dialogue and involvement of workers.

All these principles are enounced as EU values in accordance with the Charter of Fundamental Rights and the Treaty on the Functioning of the European Union.

- **Adequate and sustainable social protection**

The third axis of the preliminary outline of the Social Pillar is the most comprehensive one, outlining 10 principles which touch on different aspects of social protection:

- The integration of **social protection benefits and social services**, since a disjointed panorama of social benefits and services risks to reduce their effectiveness;
- The ensuring of universal access to **high quality healthcare**, encouraging health promotion and disease prevention, addressing health inequalities and promoting universal paid sick leave during periods of illness;
- The ensuring of **an adequate income in retirement** through pensions which provide a decent standard of living for all persons;
- **Adequate unemployment benefits**, with a sufficient duration in order to allow time for job search;
- **Adequate minimum income schemes** for those who lack sufficient resources for a decent standard of living;



- **Enabling services and basic income security** ensuring decent standards of living to people with disabilities through support services and basic income security, enabling integration into the labour market;
- Access to **quality and affordable long-term care services**, to be strengthened and improved in a financially sustainable way;
- Access to affordable and quality **childcare services for all children**, while at the same time measures should be taken to prevent child poverty especially for children from disadvantaged backgrounds;
- Access to **social housing or housing assistance** for all those in need, together with protection against eviction for vulnerable people and the provision of shelters to those who are homeless.
- **Access to essential services**, such as electronic communications, transport, energy (such as electricity and heating), transport and financial services should be ensured for all.

For each one of these principles, the document places a dual emphasis on **adequacy** and **financial sustainability**, which can cause tensions in practice and undermine effective social protection measures particularly in those countries with less developed welfare systems. Especially in economic downturns, there is a real risk that the financial sustainability of welfare systems will be prioritised over their coverage and effectiveness. In the preliminary outline, fiscal considerations are featured prominently with regards to health care systems and pensions.

It is worth noting that social protection is not consistently portrayed as a goal in itself, but - in some cases - rather as a productive factor stimulating economic performance and growth. The risk is that this implies a hierarchy where social goals are secondary to economic goals, justifying the prioritisation of measures like fiscal consolidation, and that it questions the necessity of social reform in itself. After all, economic growth can be achieved in different ways, not all of which are conducive to social cohesion.

Another alarming element is the lack of references to previous framework documents: In the last years, the Commission launched several initiatives devoted to address social issues, such as the [Active Inclusion Recommendation](#) (2008), the [European Platform against Poverty and social exclusion](#) (2010) or the [Social Investment Package](#) (2013). The lack of any mention of these actions, as well as of the Europe2020 goals, illustrates a potential lack of consistency between the Commission's different strategies and approaches.

## The legal nature of the European Pillar of Social Rights

The starting point of the Pillar is the social objectives and rights inscribed in the EU primary law, consisting of the Treaty on European Union (TEU), the Treaty on the Functioning of the European Union (TFEU), the Charter of Fundamental Rights and the case-law of the Court of Justice of the European Union.

Other international documents taken into account in the draft of the preliminary outline of the Pillar of Social Rights are **the European Social Charter**, adopted by the Council of Europe and ratified by 43 European countries, and some recommendations from the ILO.

The European Pillar of Social rights will be limited to setting standards, since many of the principles which are part of this declaration are not part of the competences of the Union (such as the legislation on wages), as stated in the **Treaty on the Functioning of the European Union**. For this reason, it is not clear to foresee how the desirable social outcomes will be achieved.



- **How will the Pillar be enforced?**

The Public Consultation includes a question on how the principles should be expressed and made operational. The Commission will involve the Parliament and the Council, as well as the other EU institutions, to gather broader support for the implementation of the Pillar.

The most probable legal form for the Pillar is the one of a Commission Recommendation, which means that the countries **will not be legally obliged to implement the list of principles**. Employment and social policies are however not a direct competence for the European Union, but rely mainly on Member State legislation. For this reason, it is hard to foresee to what extent these principles will be implemented.

- **The Pillar and the EU social “acquis”**

Many of the principles listed in the Social Pillar are meant to complement the so-called social “acquis”, the ensemble of social rights provided by the European Union in its legislation. The Pillar **does not repeat nor paraphrase** the [EU “acquis”](#), but it spells out in more detail principles and commitments that can steer greater convergence within the euro area. As the acquis is composed of norms contained in EU primary law and in several European directives, the Pillar aims at going into details and at clarifying many of the aspects which make up the acquis. It is also meant as a way to revise the acquis in areas where it demonstrates gaps at the social level or where implementation is lacking.

### What can you do?

Even if economic and social goals are portrayed as two sides of one coin, Eurodiaconia and its members have observed that real tensions can manifest themselves in practice. In fact, an important tension already manifests itself through the joint focus on the adequacy and fiscal sustainability of social protection systems, as outlined in the preliminary outline of the Pillar.

With the Social Pillar being presented as a key tool to promote ‘upward social convergence’ in the years to come, it is very important that it focuses on the right social priorities, and that a focus on the adequacy of social protection is not undermined by fiscal concerns.

Against this background, Eurodiaconia strongly encourages its members (both those operating within the Eurozone and those working in countries which will have the possibility to ‘opt in’) to:

- a) Read the Communication and the preliminary outline of the Social Pillar.
- b) Contribute to Eurodiaconia’s response to the consultation on the Social Pillar; a draft version will be circulated for comments among all members in June.
- c) Consider responding to the consultation on the Social Pillar as individual organisations.
- d) Participate in any relevant national events on the Social Pillar. Stakeholder dialogues are being organised in EU Member States between June and September. The dates have not yet been made public. To find out more, please contact the Eurodiaconia secretariat or your own contacts within the Social Affairs Ministry of the government.



## Further reading

Preliminary outline of the Pillar [here](#)

Communication on the consultation launch [here](#)

Link to the consultation [here](#)

Five Presidents' Report [here](#)

More information on the EU social acquis [here](#)

If you have any questions about this briefing, please don't hesitate to contact Giacomo at [giacomo.manca@eurodiaconia.org](mailto:giacomo.manca@eurodiaconia.org).