



Eurodiaconia's Social Pillar Breakfast Event

27 September 2016

Introduction

On 27 September 2016, Eurodiaconia organised a breakfast debate on a proposed 'European Pillar of Social Rights'¹ at the Thon Hotel EU, in collaboration with the office of Dennis de Jong, Member of the European Parliament. The aim was to discuss the third axis of the proposed Pillar, focusing on 'adequate and sustainable social protection', and its potential to address existing gaps in social protection systems across Europe, by combining perspectives from the local/regional, national and EU level. Two representatives from Eurodiaconia's membership, **Annette von Pogrell** and **Lena Kumlin**, as well as the European Parliament's rapporteur on the Social Pillar, **Maria Joao Rodrigues MEP**, would be given an opportunity to outline their views in response to a presentation by **Allan Larsson**, Special Adviser on the Social Pillar within the Secretariat-General of the European Commission.

In his introductory remarks, the host of the event, **Dennis de Jong MEP**, emphasised the importance of an inclusive approach to promoting social cohesion. In the past, the focus had often been on labour market activation as the main means to combat poverty. However, some persons are unable to work; furthermore, in its current form, the labour market cannot provide decent jobs for everyone. A genuinely inclusive approach needs to underpin the Social Pillar if it is to ensure that all members of society can benefit from it.

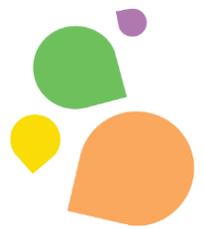
Heather Roy, Secretary General of Eurodiaconia, presented the vision and mission of Eurodiaconia and explained the organisation's involvement in the ongoing discussions around the Social Pillar. She indicated that Eurodiaconia and its members welcome the proposal on a Social Pillar, particularly given the continuing implementation gap concerning social rights. She stressed the need to ensure that the Social Pillar is not restricted to Eurozone members and further deepens the divide between its Member States. Furthermore, she emphasised the need to ensure greater coherence between social and economic priorities, and to reflect on aspects which might still be missing from the current Pillar outline, such as financial inclusion.

Allan Larsson, Secretariat-General of the European Commission

As a foundation for the main part of the discussion, Allan Larsson, Special Adviser for the European Pillar of Social Rights, presented the current outline of the Pillar. He pointed out the far-reaching consequences of the economic and financial crisis on unemployment, poverty and social exclusion, as well as the impact of a changing labour market and an ageing European population. To ensure upward social convergence, he stated

¹ On 8 March, the European Commission presented a preliminary outline of a 'European Pillar of Social Rights' and launched a public consultation to gather views and feedback from a broad range of stakeholders. The consultation process, to which Eurodiaconia has also contributed, will last until the end of the year. The Pillar is meant to stimulate the reduction of poverty and social exclusion through adequate social protection, and to support labour market access and well-functioning welfare systems, in an age of globalisation, digitalisation and decreasing job security. In its current (draft) form, the Pillar sets out essential principles around three main axes: 1) equal opportunities and access to the labour market; 2) Fair working conditions; 3) Adequate and sustainable social protection. Following up on the 2015 [Five Presidents' Report](#), the European Pillar of Social Rights is primarily aimed at strengthening the Economic and Monetary Union; as such, its principles will apply to the Euro Area, whilst non-EU Member States are invited to contribute to the consultation process and to join the initiative if they wish to do so.





Heather Roy, Secretary General of Eurodiaconia, describing the organisation's vision on the Social Pillar and Allan Larsson, Special Adviser for the European Pillar of Social Rights, presenting the Commission's preliminary outline of the Social Pillar.

that we need to find an answer to an 'inconvenient question': how come poverty and inequalities are so widespread, given the fact that Europe has the most effective social systems in the world and a market of 500 million people? Are existing rights not being sufficiently implemented, do existing social safety nets contain significant gaps?

Allan Larsson emphasised that 'business as usual' will not work. 'Piecemeal reform' will not be enough – instead, and a new European model for inclusive growth and employment is needed. In this regard, the European Pillar of Social Rights constitutes a key means to ensure a more social Europe. Whereas the EU's social acquis has evolved gradually by addressing specific societal challenges, the European Pillar of Social Rights represents an approach to address Europe's challenges holistically. The current outline consists of 20 domains divided into three axes: equal access to employment, better working conditions, and adequate and sustainable social protection and services. Allan Larsson pointed out that the legal nature of a European Pillar remains to be defined. The ongoing consultation process will generate important input for the European Commission's March 2017 White Paper on Deepening the EMU.

Importantly, Allan Larsson portrayed social policies as a productive factor, emphasising that they should be an integral part of Member States' growth models and that growing inequality not only constitutes a social, but also an economic problem. However, if social and economic policy are to meaningfully complement each other as 'two sides of the same coin', we need to reflect on ways of integrating them more effectively, and to reflect on the particular role of institutions and governments, social partners and civil society.

Annette von Pogrell, Diakonie Niedersachsen

Responding to Allan Larsson's presentation from a local/regional perspective, Annette von Pogrell shared some key comments on behalf of Diakonie Niedersachsen, which represents the largest welfare organisation in the region of Niedersachsen, employing more than 7000 staff members and engaging more than 7000 volunteers. Diakonie Niedersachsen is involved in a diverse range of areas, including long-term care and education, and provides support to vulnerable individuals such as refugees, homeless persons and persons with disabilities.

Von Pogrell pointed out that the Social Pillar is a welcome initiative in a time of increasing inequality and social discontent. However, whilst there is certainly room for improvement in the German context, the country's social system has been shaped by particular historical processes and national realities. The Social Pillar should not lead to any downgrading of existing provisions; particularly, it needs to respect the diversity of social systems



and leave space for national solutions to social challenges whilst promoting convergence in terms of shared aims and goals. Von Pogrell supported Larsson's view that economic policy can be construed in a way which simultaneously stimulates productivity and social inclusion, and that social and economic priorities constitute two sides of one coin.

According to Von Pogrell, ensuring decent employment for individuals accessing the labour market constitutes a key pathway towards social inclusion. For example, Diakonie Niedersachsen aims to empower young persons by helping them (re)gain confidence in their own skillset and by expanding vocational skills through courses ranging from gardening to carpentry. The inclusion of refugees is also of key importance. Diakonie Niedersachsen has established a programme which links refugees to volunteers, helping them to build social connections, improve language skills and also develop a better understanding of labour market requirements. Von Pogrell further emphasised the need to operationalise principles by formulating cross-national benchmarks, particularly in the area of supporting persons with disabilities, where persons continue to be treated very differently across Member States.

Lena Kumlin, Evangelical Lutheran Church of Finland

Lena Kumlin, legal advisor for European Affairs within the Evangelical Lutheran Church of Finland, responded to Larsson's presentation from a national perspective. Like Annette von Pogrell, she welcomed the intention behind the Social Pillar and recognised its importance. Indeed, she stated that the Church is planning to respond to the Commission consultation and already involved in national stakeholder dialogues around the Pillar. Lena Kumlin also stressed that the Church of Finland considers all 20 principles contained in the preliminary outline of the Pillar to be relevant – but the question is whether it can really make a difference in practice, given the EU's restricted competence in the areas of education and social policy, and the socially harmful consequences of continuing austerity measures.

According to Kumlin, the Social Pillar lacks a close connection to fundamental values concerning dignity and well-being, being tied instead to a narrative which portrays social investment as an important vehicle for economic growth. Also, a clear connection to existing initiatives such as Europe2020 and the European Semester is still lacking yet very much needed. Furthermore, in order to safeguard effective operationalisation at the national level, the Pillar needs to outline mechanisms for implementation and monitoring.

From a Finnish point of view, Kumlin supported Annette von Pogrell's call for clear benchmarks to ensure quality service provision, and emphasised the need to better integrate social services and benefits as a means to boost both the adequacy and sustainability of social protection. To provide vulnerable individuals with the means to participate fully in society, particularly in the light of public budget cuts, she welcomed the Pillar's principles on unemployment benefits and adequate minimum income. At the same time, she questioned the Pillar's narrow emphasis on social dialogue, stressing the importance of structural dialogue with civil society organisations and churches, which represent both providers and users of social and healthcare services, and have developed high levels of expertise when it comes to supporting and empowering individuals at the margins of society.



Maria Joao Rodrigues, European Parliament



Lastly, Maria Joao Rodrigues MEP, rapporteur on the European Pillar of Social Rights on behalf of the S&D Group, presented her vision on the social protection dimension of the Pillar from a European perspective. In her view, the European social model marked a key achievement and an essential precondition for both social and economic performance; with the increasing fragmentation of Europe's political landscape, the Pillar was a welcome step to ensure upward convergence across national boundaries, to create a more positive synergy between social and economic policy and to reconnect citizens to the

European project. For this reason, Rodrigues emphasised that the Pillar should apply to the EU as a whole, whilst acknowledging the particular challenges pertaining to the Eurozone.

In the context of the Pillar's third axis, Rodrigues emphasised the importance of reducing poverty and inequality, of taking a lifecycle approach, and of fighting child poverty in particular. According to Rodrigues, increasing the employment rate is crucial in order to ensure the adequacy and sustainability of pension systems in particular, and of social protection in general. Apart from social contributions, a fair and effective tax system and a stronger approach to tax evasion should also play a key role. Furthermore, Rodrigues stressed that the care sector needs to be recognised as a strategic sector which can both create a lot of jobs and boost social inclusion.

With regards to the operationalisation of the Pillar and its third axis, Rodrigues emphasised the importance of aligning the initiative with Europe 2020 and the European Semester, of introducing concrete targets and indicators to make outcomes more measurable and comparable, and of introducing a formal procedure to address excessive social imbalances and not just macroeconomic imbalances in Member States. To create the necessary fiscal space for social investment, Rodrigues stated that the recently created European Fund for Strategic Investment (EFSI) needs to effectively encourage public social investment. She also underlined her support for the introduction of a 'silver rule', which would make public investments into key areas such as childcare, education and training eligible for exemption from the deficit measures set out in the Stability and Growth Pact and the Fiscal Compact.

Discussion points

Responding to the presentations of the four speakers, various participants raised questions and shared comments, including representatives of several Brussels-based NGOs.

- **Mike Stannett, Salvation Army EU Affairs office:** Whilst the Social Pillar constitutes an important initiative, more reflection is needed on what difference it can make in the lives of those living at the bottom of society. How can we make the Pillar relevant to those experiencing extreme poverty, or to those who don't have EU citizenship and lack any perspective of escaping a cycle of hardship and persistent disadvantage?
- **Olivier Jérusalmy, European Financial Inclusion Network:** Tackling over-indebtedness represents a key aspect of the broader fight against poverty and social exclusion. How can the Social Pillar



address this issue? Within the EFIN, we have learned that there is no one-size-fits-all solution, and that it is important to involve all relevant stakeholders in the development of next steps.

- **Emma Grindulis, Eurochild:** The Alliance for Investing in Children has recently published a statement on supporting children and young persons in the context of the Social Pillar. How will the Commission follow up and effectively ensure the social inclusion of children and young persons?
- **Maria Joao Rodrigues MEP:** Collective bargaining, social insurance and progressive taxation systems are essential tools to facilitate income redistribution among citizens and comprehensive social protection. However, with tax evasion becoming an increasing problem, new tools are needed to finance 21st century welfare systems. As such, tax reform constitutes an integral element of ensuring a positive impact of the Social Pillar.
- **Alan Larsson, Special Adviser on the Pillar:** There is fortunately a growing realisation of the interconnection of social and economic policies: well-designed social policies represent an investment which can have a positive impact on public finance. There is a clear need to address growing rates of poverty, to ensure equal access to education for children, and to support older persons trying to (re)access the labour market without possessing the skills necessary for today's digital economy.

Conclusion

In his concluding remarks, **Dennis de Jong MEP** linked Rodrigues' diagnosis of increasing political fragmentation to the rise of nationalism across the continent. He emphasised that many persons cannot see the added value of the EU. Greek citizens have even witnessed the breakdown of their social protection systems and pensions as a result of Troika measures, in spite of the fact that the European Committee for Social Rights, a supervisory body monitoring compliance with the European Social Charter, condemned these.

According to De Jong, social benchmarks are an essential precondition for achieving a more social Europe. There is a persistent tendency to lower existing social standards in the context of austerity measures and for the sake of increasing competitiveness; to pursue upward social convergence effectively, the Pillar needs to address the central challenges around precarious work and community cohesion. Furthermore, tax reform is needed to increase fiscal space for social investment, whilst civil society needs to be meaningfully involved not just in the monitoring but also in the implementation of the Pillar, to ensure that its principles connect to local and regional realities.

Background information

Preliminary outline of the Pillar: please click [here](#)

Draft EMPL report on a European Pillar of Social Rights (Rapporteur: Maria Joao Rodrigues): please click [here](#)

Eurodiaconia briefings on a European Pillar of Social Rights: please click [here](#)

Eurodiaconia policy paper on Upward Social Convergence: please click [here](#)