Make Social Rights the beating heart of Europe!

EAPN Response to the European Pillar of Social Rights

September 2017
INTRODUCTION

Background

The European Pillar of Social Rights is the flagship social initiative of the European Commission, first announced by President Jean-Claude Juncker in September 2015 in his State of the Union address, as part of a larger effort to guarantee a “Social Triple A” for Europe. Following the public consultation in 2016 on the draft proposal, the European Commission on the 26th April 2017 adopted and launched its package of initiatives on the European Pillar of Social Rights. It was adopted at the same time as a Reflection Paper on the Social Dimension of Europe, as part of the Future of Europe proposals. We consider that the 2 elements (the European Pillar of Social Rights and the Reflection Paper) are fundamentally linked in terms of gaining real impact, and therefore address both in this response.

Overall Framework and Timeline

- The Pillar is a framework of rights and principles developed as a Commission Communication and Recommendation. It aims to get fuller ownership from EU institutions and Member States, through an interinstitutional proclamation adopting/amending the Recommendation (between European Parliament, European Council and European Commission) by the end of the year.
- Policy guidance and recommendations on the proposed 20 policy principles will be pursued through the European Semester and through social dialogue; EU funds will also be used in support, and a Social Scoreboard will monitor progress.
- Although the main responsibility for delivery is seen to be national governments, the package includes four concrete proposals for legislative initiatives on work-life balance, access to social protection, access to information on employment rights, and changes to the working-time directive.
- 2 Staff Working Documents (SWD) are also produced, looking at implementation of the Active Inclusion and Investing in Children Recommendations.
- At the same time, a Reflection Paper on the social dimension of Europe, proposing 3 scenarios was launched, as part of the Future of Europe initiative.
- The Gothenburg Summit for Fair Jobs and Growth on the 17 November was originally seen as a key moment to build consensus and progress agreement on the inter-institutional proclamation, as well as to take stock of reactions to the Reflection Paper. However, the Summit now appears to have a narrower focus with the discussion on the Social Pillar taking place in the Council and Council Formations, with some first results at the end of the year feeding into the European Parliament Elections in 2019.
EAPN ASSESSMENT

Summary

EAPN took an active role with its members in engaging with the public consultation at national and EU level (see here). In our position paper of September 2016 we proposed 4 key steps to make the Pillar a success: 1) Propose a new paradigm: a transformative EU strategy; 2) Invest in concrete measures to guarantee social standards; 3) Use EU Funds to deliver on social rights, and 4) Champion real democracy and participation.

Whilst the Commission’s proposals fall short of a transformative vision which can lead to immediate improvements in social rights and people’s living standards, EAPN welcomes the package as a demonstration of the EU’s commitment to make tangible progress on “a Social Triple A for Europe”, and to support upward social convergence on social standards.

EAPN however remains concerned about the limited scope of the Social Pillar, particularly the omission of ensuring human rights to migrants, and safeguards against human trafficking and modern slavery, as well as the wording of some of the principles. However, our main focus now is to ensure support, real implementation and impact, ensuring policy coherence, and participative governance. The Social Pillar will need strong commitment by Members States and the 3 EU institutions if it is to move beyond a framework of principles to a framework of rights that can make a real difference to people’s living standards and their right to a dignified life free of poverty, and to prevent negative austerity and other policies which undermine these goals.

Overall Assessment

Strengths

- EAPN welcomes the strong rhetoric on the need for social progress by reinforcing social standards, and the recognition of growing poverty and inequality as a key EU challenge.
- We welcome the improvements made from the draft in the 20 policy domains that underpin key principles and rights, including:
  - The rephrasing of the 3rd chapter to reinforce the right to Social Protection, rather than emphasizing the unresolved tensions between promoting adequacy/quality and cost effectiveness;¹
  - A new principle which recognizes that children have a right to protection from poverty;
  - A proposal of a new right to social protection to apply to all workers;
  - The right to adequate unemployment benefits for reasonable duration;
  - The explicit statement of the right to a minimum income that ensures a life in dignity;
  - Access to social housing or housing assistance, and adequate shelter and services to the homeless;
  - Access to essential services of good quality, including financial services;

¹ Change to title in draft proposal on the EPSR from “Ensuring adequate and sustainable and social protection” to Social Protection and Inclusion.
➢ The establishment of a separate principle on gender equality which will make it easier to address equality issues and the feminization of poverty.

- We are pleased to see more clarity on the implementation through the European Semester, with the use of a Social Scoreboard to monitor progress through national reporting mechanisms, and the suggestion that EU funds will be targeted accordingly. However, more clarification is still needed on developing a systematic approach addressing each principle, as well as the links between the scoreboard and existing EU indicator sets.

- The legislative proposals on work-life balance, supporting shared caring responsibilities and parental leave, with particular emphasis on the role of the father, and access to social protection extended to atypical work and self-employment, seem to offer a positive step forward, together with the reaffirmation of employment rights in the Written Statement and Working Time Directive.

- The Staff Working Documents (SWD) on Active Inclusion and Investing in Children provide useful assessments of the implementation of these key strategies, highlighting the importance of the EU actions as agenda-setters, particularly when linked to EU funding.

- The Reflection Paper on the social dimension recognizes the growing inequality and poverty gap, particularly with child poverty, between and within Member States, and the key need for growing convergence. It underlines the importance of ensuring social rights in the new ways of work, particularly through education, employment and effective social protection. The paper makes clear that the implementation of a stronger Social Pillar is fundamentally linked to opting for the 2nd or 3rd scenario – which will allow for “progress together” on raising social standards.

Weaknesses/What’s Missing

- Our main concern is that the Pillar remains fundamentally a framework of voluntary principles, rather than rights as binding obligations, which currently offer few guarantees of social standards for people experiencing poverty and social exclusion.

- The current legislative initiatives proposed are important, but are unlikely to have a major positive impact on living standards for the large amount of people in poverty who are not in work or in low paid/quality jobs, ie there is no proposal on Framework Directive on minimum income, or EU framework on minimum wage.

- Although the EPSR makes clear that it would want to extend the pillar to the whole EU, it is initially focused only on the Euro area, which represents a big risk for social convergence and cohesion between Member States, offering opportunities for social dumping.

- Poverty and social exclusion (beyond children) has a lower profile and no explicit link is made to Europe 2020 and its targets, particularly the poverty target, so how will policy coherence be ensured? Neither is there a link to the 2030 Agenda for Sustainable Development.

- The overall balance between the 3 areas gives more priority to employment (with 2 areas) with only 1 area focused on social protection and services. Although the overall number of principles is equal (ie 10 for chapter 1 and 2 and 10 for 3), an imbalance is reflected in the priority and in the indicators. It will be crucial to rebalance this when agreeing action.

- There is a lack of concrete benchmarks for many of the principles: EAPN members highlight particularly the area of adequate minimum income and social protection.
• The implementation of the principles is still unclear, with the main burden falling on the European Semester, but without clear proposals of how systematic implementation of all the principles will be carried out. The Semester is already struggling to deliver on its current social objectives with reduced number of Country-specific Recommendations and weak implementation.

• The ‘new’ social scoreboard makes no reference to existing sets of indicators and scoreboards currently used in the Social OMC and the European Semester, for example the Social Protection and Employment Performance Monitors.

• There is a worrying lack of detail about how the Social Pillar will intervene to ensure policy coherence and macroeconomic policies that support rather than undermine social rights. A particular risk is that the Stability and Growth Pact will not give Member States the necessary fiscal space to carry out ambitious public investments to guarantee social rights.

• Civil dialogue is not given sufficient profile, nor is it considered on a par with social dialogue – although more mention is made in the Staff Working Document (SWD). This could tend to demotivate and undermine the support from NGOs who were actively encouraged to engage in the consultation and the national reflection meetings. It is also unlikely to incentivize Member State Governments to meaningfully involve NGOs as stakeholders.

• The lack of focus on support to the direct participation of people experiencing poverty and social exclusion is also of concern as the key stakeholders affected by the lack of implementation of social rights.

• There seems to be a worrying disconnect with the Future of Europe reflection process, (for example in the Gothenburg Summit, where the Social Pillar will not now be discussed), despite the obvious connection between the Reflection Paper and the EPSR.

• The dominant goal too often appears to be ‘modernization and restructuring’ of labour markets and social protection to support growth, (pursuing a new version of ‘flexicurity’), rather than making social rights and standards the beating heart of all EU policy.
**KEY RECOMMENDATIONS: 5 KEY STEPS**

The priority on the European Pillar of Social Rights must now be implementation

We urge the European Commission, European Parliament and the Council, with the active support of all Member States, to firmly back the Social Pillar in the inter-institutional proclamation and to work with civil society and stakeholders to take steps to ensure that the Social Pillar gets support and leads to real impact on people’s lives.

| 1) Clarify interpretation of key social standards related to integrated Active Inclusion |
| 2) Ensure policy coherence in the European Semester and a road map for implementation |
| 3) Make the Social Scoreboard effective |
| 4) Propose ambitious legislation to guarantee rights to social protection and minimum income for all |
| 5) Prioritize good governance and participation for people experiencing poverty and NGOs! |

1) **Clarify interpretation of key social standards related to integrated Active Inclusion**

Whilst EAPN recognizes that no further amendments are likely to be made to the proposals of the key principles set out in the Communication and Staff Working Document on the European Pillar of Social Rights, we would like to underline the importance of promoting a *positive interpretation* of the proposed principles in key priority areas, which directly impact on people’s living standards and contribute to poverty reduction. EAPN strongly supports the continued reference to the *Council Recommendation on Active Inclusion* as key references to support implementation, ensuring access to adequate minimum income and social protection, quality jobs and services. EAPN members have also highlighted the following principles as priorities for positive interpretation to guide EU and national institutions in their implementation:

1) **Minimum Income**
2) **Social Protection**
3) **Access to Essential Services**
4) **Fair Wages**
5) **Education, Training, Lifelong Learning**

<table>
<thead>
<tr>
<th>Existing Text from EPSR Staff Working Document</th>
<th>Proposed Text/interpretation</th>
<th>Comment/Justification</th>
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<tr>
<td><strong>Minimum Income:</strong> Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all</td>
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<td>EAPN(^2) underlines our concern with the narrow definition of incentives to reintegrate into the labour market, pointing only at the...</td>
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\(^2\) This specific proposal was developed through the EMIN project, (European Minimum Income Network) coordinated by EAPN; See [https://emin-eu.net/](https://emin-eu.net/)
dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.

<table>
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<th>Social Protection: Regardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed, have the right to adequate social protection.</th>
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<td>Social Protection: Regardless of the type and duration of their employment relationship all workers, including the self-employed, have the right to adequate social protection. Those who cannot work or who have already left the labour market, have an equal right to social protection including social security, social assistance and access to social housing, preventative health care and medical treatment.</td>
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EAPN welcomes the commitment to extend adequate social protection to workers currently facing non-standard and atypical contracts and ensuring adequacy for those who are self-employed. We would underline the importance of ensuring access to all workers, including those currently facing zero hour contracts. This is crucial to combat the growing casualization of employment linked to new ways of work. It is important to refer to the right to social protection for all, including those who are not in work, and in order to prevent as well as tackle poverty. The Treaty base for this is referenced in the Staff Working Document, and individual elements are developed in other

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3 Proposal drawn from [EMIN position on the Pillar](https://eminpositiononthepillar.org) (2017)
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<th>Access to Services: Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.</th>
<th>Access to Services: Everyone has the right to equal access to affordable essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need and at a price that they can afford.</th>
<th>The Staff Working Document (SWD) highlights the importance of public service obligations for Services of General Interest and Economic Interest under Protocol 26 – i.e. quality, safety, affordability, equal treatment, universal access and user’s rights. EAPN underlines the need to give emphasis to the considerations of quality, and particularly affordability and equality of access for all households and groups and in terms of geographical coverage. Key concerns in this regard relate to rising energy poverty, but also access to clean, quality water at affordable prices as examples. The SWD further highlights commitment to ensure that every citizen continues to have access to essential services of high quality at prices that they can afford. This should be included in the interpretation.</th>
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| Fair Wages: Adequate minimum wages shall be ensured, in a way that provide for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives | Fair Wages: Adequate minimum wages shall be ensured, in a way that provide for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions, whilst safeguarding access to employment, a positive hierarchy in relationship to | EAPN welcomes the important reference to decent wage levels, which ensure dignified lives for workers and their dependents, as well as the fight against in-work poverty. We back a methodology that combines 60% of median wages as a benchmark with price index,
to seek work. In-work poverty shall be prevented. All wages shall be set in a transparent and predictable way according to national practices and respecting the autonomy of the social partners.

**adequate minimum income and integrated support as incentives to seek work.** In-work poverty shall be prevented. All wages shall be set in a transparent and predictable way, according to national practices and respecting the autonomy of the social partners.

inflation, and purchasing power, which can be ascertained through the reference budgets methodology. A positive hierarchy means that minimum wages should be higher than social protection such as minimum income, whereas minimum income should be set an adequate level, at the very least at the level of the poverty line. People want to work and to contribute, so it is important they receive the comprehensive, wrap-around support and flanking services they need, combined with adequate financial resources, as part of positive activation strategies.

**Education, Training, and Life-Long Learning:**
Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.

Second-chance education opportunities should be available and accessible, as well as accompanied by income support measures, while segregation and discrimination must be actively combatted.

EAPN warmly welcomes the rephrasing of the principle, which now speaks about education as a right, highlighting quality and inclusiveness, and not linking it exclusively to the labour market. Additionally, we feel that the principle could emphasize and better support the ‘lifelong’ aspect, through explicitly mentioning second chance education, as well as ensuring the necessary access to financial resources to pursue education at a later stage in life. The concept of ‘inclusiveness’ could also be better clarified, by ensuring equal access (i.e. including for disadvantaged groups, e.g. ethnic minorities - Roma children,
migrants etc.), as well as by actively combating segregation and discrimination in educational settings.

2) Ensure policy coherence in the European Semester and a road map for implementation

The main instrument proposed for delivering on the benchmarking of the principles of the Social Pillar is the European Semester. Whilst the Semester is currently the most comprehensive soft (OMC) instrument, priority is given to the Stability and Growth Pact, with little concern about social impact, or who benefits and loses. Economic policies have been largely responsible for the damaging austerity and market-first approach, contributing to the failure of the poverty reduction target of Europe 2020.

A new momentum will be needed to demonstrate that the EU takes Social Rights seriously and to promote overall policy coherence making Social Rights equal to economic policies, and not subordinate to them, as well as effectively mainstreaming social rights in all policies. A coherent link must also be made to the continued implementation of the current social Europe 2020 targets and goals and to the 2030 Agenda for Sustainable Development. Policy coherence needs to be mainstreamed carefully through all stages of the European Semester, through the adoption of a detailed Road Map setting out how each principle will be systematically implemented and monitored through the European Semester – starting with the current driver document – the Annual Growth Survey, and including the National Reform Programmes, Country Reports and, most importantly, the Country Specific Recommendations. Benchmarking and exchange of best practices, as well as monitoring of progress supported by the new social Scoreboard, will all feed into the annual Joint Employment Report. However, this must be made a transparent, clear and understandable process, where the equal focus given to social rights and poverty reduction is clearly seen, if progress is to be made and credibility gained.

KEY RECOMMENDATIONS

European Council and European Parliament

- Back the inter-institutional proclamation and agree a road map with the European Commission setting out in detail how the EU institutions can support implementation.
- Visibly promote a consistent and coherent social/economic vision, and ensure that economic goals deliver on social rights and poverty reduction.
- Insist that Member States are given sufficient fiscal space to make the necessary social investment to guarantee social rights, rather than further cuts.
European Commission

- Rename and refocus the principal document for the European Semester to reflect the new equal focus on social rights i.e. rename/replace the Annual Growth Survey (AGS) with an Annual Social Rights and Economic Progress Survey.
- Embed participative distributional and social impact assessment to prevent potential negative impact and ensure the coherence of macroeconomic policies in the delivery of social rights and poverty reduction, including fiscal flexibility in the Stability and Growth pact to increase social investment to guarantee social rights.
- Develop a transparent Roadmap for implementation through the European Semester, setting out the objectives, key actions, the role of key institutions and stakeholders, with detailed timelines. This should include guidelines detailing how all the principles and Europe 2020 targets are to be monitored and delivered - in the AGS, the delivery of the NRPs, the Country Reports and CSRs, on a par with economic proposals.

3) Make the Social Scoreboard effective

EAPN welcomes the proposal of a more transparent and effective social Scoreboard as a key instrument to underpin coherent monitoring and benchmarking, feeding into the Joint Employment Report. However, we raise some important considerations:

- Firstly, as the Scoreboard is a revised version of the ‘Andors’ Scoreboard, the link between the indicators proposed and the principles/domains of the European Pillar of Social Right often seems weak.
- Secondly, we are missing important indicators for the core EAPN priority areas related to integrated Active Inclusion: e.g. adequacy of minimum income and unemployment benefits, access to services, as well as indicators to measure child poverty, homelessness and gender equality.
- Thirdly, we are concerned about the lack of reference to the current comprehensive indicator frames already developed with the Social OMC and by the Social Protection Committee and Employment Committee, e.g. the Social Protection Performance Monitor (SPPM) and Employment Performance Monitor (EPM), or to the SDG goals and indicators as part of Agenda 2030, or the EIGE Gender Equality index and want to know how this will be coordinated.
- Fourthly, the delay in data collection on social indicators, compared to employment indicators is a major obstacle to effective monitoring and policy delivery. This needs new investment.
- Fifthly, and most importantly, whilst indicators are vital to monitor progress, the test of effectiveness is ultimately whether and how they trigger real policy change.

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4 EC Communication on the social dimension of the EMU (2.10.2013)
KEY RECOMMENDATIONS

European Commission and European Council

- Ensure all social rights/principles are covered by adequate headline indicators, clearly demonstrated in a transparent table as part of the Social Scoreboard.
- Urgently invest in increasing the timeliness of poverty/social exclusion data, on a par with economic and employment data.
- Set out an Action Plan highlighting the existing gaps and proposing participative process and detailed timetable for developing new relevant indicators, involving civil society stakeholders.
- Some core priority areas for EAPN are:
  - Keep the full Europe 2020 indicators on poverty (i.e., the 3 indicators: at risk of poverty, severe material deprivation and low work intensity), but ensure that they are separately monitored, with priority to the first two direct poverty indicators;
  - Consider additional indicators to capture more extreme poverty, e.g. persistence and/or intensity of poverty and homelessness;
  - Include in-work poverty as a headline indicator;
  - As a priority, develop new indicators and a common methodology for benchmarking to measure adequacy of the level of minimum income, in relation to the at risk of poverty indicator of 60% median equivalised income, and material deprivation combined with a common EU wide framework and methodology for reference budgets;\(^5\)
  - Prioritize similar relevant indicators to measure adequacy of social protection and unemployment benefit;
  - Include a child poverty indicator, as well as child care (based on the AROPE for children);
  - In the area of gender equality, use the EIGE gender equality index\(^6\) and take into consideration the gender and age dimensions in all indicators especially the poverty indicators;
- Clarify coordination to ensure coherence with the existing mechanisms, e.g. Social Protection Performance Monitor (SPPM) and Employment Performance Monitor (EPM), i.e. by making the latter the main reference point for secondary indicators.
- Agree a clear mechanism to trigger policy recommendations (including CSRs), such as agreed percentages on shortfalls or inequality gaps, when automatic policy recommendations will be activated.

4) Propose ambitious legislation to guarantee rights to adequate social protection and minimum income for all

Whilst EAPN welcomes the current proposals on the table, it is vital that the EU makes concrete legislative proposals which will impact directly on people’s living standards and contribute actively to the reduction of poverty and inequality. This is crucial not only to

\(^5\) EMIN position paper on European Pillar of Social Rights (June 2017)
progress social rights, but to support better and more inclusive, sustainable economic development. EAPN eagerly awaits the Commission’s proposals on access to social protection, and hopes that this will take firm action to embed common rights to social protection to all workers, including workers in precarious or temporary jobs, or bogus self-employment, currently without rights to adequate employment or social protection. However, this will not be enough to deal with the people who cannot work or find a decent job and who need social protection coverage throughout their lives. We hope that this proposal will be the first step to developing ambitious legal frameworks to guarantee a right to adequate minimum income, and to social protection for all regardless of employment status.

KEY RECOMMENDATIONS

European Commission

- Propose legislation on “access to social protection” which guarantees rights for all, to adequate social protection, regardless of employment status.
- In current proposals, ensure equality of key social security and assistance rights, including housing and health, for people who are unable to work.
- Support the development of a proposal for an EU framework on adequate minimum income, which builds on an agreed common definition, indicators, and methodology for benchmarking adequacy, coverage and take up.
- Progress proposals regarding an EU unemployment benefit, financed through the EU’s own resources.

European Council

- Support the Commission’s proposals for positive EU legal frameworks highlighted above and ensure implementation.

5) Prioritize good governance and a key role for people experiencing poverty and NGOs!

Many EAPN national and European members engaged actively in the consultation and national meetings organized on the European Pillar of Social Rights proposal. They have high expectations that this key role will be continued and further embedded in the implementation. Whilst EAPN is aware of the current limitations of the EU Treaty base regarding the priority role given to social partners, it is clear that the EU cannot gain support from people on the ground if they are not actively engaged in the dialogue processes at national and EU level on an equal basis. The lack of current involvement is only sending a negative message to people that they are not important, or relevant to the EU decision-making processes and is only likely to increase the alienation from the EU and its future project. The European Semester guidelines and Commission proposals already make clear the importance of civil society role. The democratic deficit is the overarching challenge threatening the future of the EU. In EAPN’s view, no progress can be made on poverty reduction, on social rights or indeed the future of Europe project, unless effective participation of civil society is made a key pre-requisite, starting with the people who are experiencing poverty and the negation of their human rights.
KEY RECOMMENDATIONS

European Commission

- **Make NGOs and people experiencing poverty core partners at all stages** of the design, delivery and monitoring process of social rights, standards and poverty reduction in the European Semester, reflected in all guidance documents.
- **Develop concrete guidelines and indicators on quality of participation** and monitor transparently through the Semester providing an annual report on progress.
- **Invest equally in resourcing NGOs, and the engagement of people directly facing poverty** and negation of social rights at national level, to engage effectively in the European Semester process.
- **Promote mutual learning and peer reviews** demonstrating successful participation and results. Give visibility to successes through the Europa site and on-line good practice tools.
- **Create designated officers as participation champions** within the European Commission and other EU institutions, responsible for ensuring active participation of civil society: NGOs and people facing poverty and exclusion.

European Council

- **Actively promote the meaningful engagement of NGOs and people experiencing poverty** at national level in the European Semester and other processes.
- **Agree to regular structured dialogue with antipoverty NGOs at EU level**, regarding delivery on poverty and social rights.
- **Actively support the development of increased quality of participation** from NGOs and people in poverty, including through adoption of guidelines, and active exchange in peer reviews through the Council formations.
The European Anti-Poverty Network (EAPN) is an independent network of nongovernmental organisations (NGOs) and groups involved in the fight against poverty and social exclusion in the Member States of the European Union, established in 1990.