

# MAKING SOCIAL EUROPE A REALITY FOR EUROPEAN CITIZENS

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**O**n 26 April 2017, the European Commission published its proposal for a “European pillar of social rights” and presented a reflection paper on the social dimension of Europe. In the “[Rome Declaration](#)”, EU leaders have pledged to work towards a social Europe; it is now time to move on from good intentions to concrete actions.

When celebrating the Treaty of Rome’s 60th anniversary, the heads of state and government decided that the construction of a “social Europe” would be one of their priorities. Whilst there appears to be a consensus on the goal, there are still major differences among national governments about the concrete action that is needed to breathe life into this “social Europe”. The debate, which should involve the social partners, should focus on identifying the priority actions that will make social Europe visible for European citizens. We propose three such actions: fair mobility, which means that freedom of movement is facilitated whilst ensuring fairness; promoting convergence in social standards and performances; and making investment in human capital one of social Europe’s leitmotifs.

## 1. The free movement of people—a key issue, but not the only one

Free movement of people is one of the key issues for Europe’s social dimension; it confronts EU decision-makers with a dual challenge, involving facilitating intra-European mobility while at the same time combating the risk that mobility is a source of unfair competition between national and mobile workers.

A Eurobarometer survey indicates that European citizens consider freedom of movement to be one of the EU’s most positive achievements. Yet while this right is unquestionable *de jure*, there are still *de facto* [curbs on freedom of movement](#) which have to be removed. For example, citizens expect the EU to allow them to cross borders without losing the social security or social rights that they have built up in their country of origin. Portability of rights must concern not only health insurance, pension and unemployment, but also the right to professional training, for instance through the creation of a transnational personal activity account. Citizens also want to see the automatic recognition of their qualifications and diplomas when seeking a job

in another member state. And they want the Erasmus programme, which celebrates its 30th anniversary this year, to be extended to a greater number of young people, including not only more university students but also apprentices (particularly through the implementation of the [Erasmus Pro](#) pilot scheme).

Having said that, the people of Europe do not just want the EU to facilitate mobility, they also want it to guarantee that that mobility does not fuel unfair competition among workers. Mobile and national workers must benefit from the same working conditions and the same salary for the same job. That is why the European Commission has proposed reforming the [posting of workers directive](#); it is urgent for the member states to forge a consensus on this issue. It is also crucial to strengthen monitoring and compliance with the law in order to prevent illegal situations (such as black labour) or abuse and fraud (a major issue with regard to posted workers). Responsibility lies with the national administrations, but in view of the difficulties inherent in cross-border labour situations, the Commission must spark a debate on the creation of a European labour inspectorate.

## 2. Promoting dual convergence: in social standards and in social performance

A social Europe is not synonymous with a single social model throughout the EU. Each country has its preferences and that is not an obstacle to the proper functioning of the single market, as long as those preferences are not a source of unfair social competition among the member states. The EU’s role is thus to ensure that economic liberalisation does not create a race to the bottom in social standards; on the contrary, it must ensure that, despite national differences, there is upward convergence in working conditions for European citizens. The Commission has recently taken a major step in this direction by proposing a

“European pillar of social rights” comprising twenty principles relating to the labour market and to social security which the members of the euro area, at least, should honour. This social pillar is a good starting point, but since it is not legally binding, it now needs to translate into concrete measures bringing tangible benefits for citizens.

In addition to legislation, the EU also has two other instruments at its disposal to encourage convergence in national social performances: financial support, and the coordination of employment and social policies. The complementary nature of these two instruments needs to be optimised. A good recent example is the “Youth Guarantee”, where a common pledge from the member states was matched by EU financial aid for those regions with the highest youth unemployment rates. A financial incentive is probably more effective than recommendations to induce changes in policy at the national level. In order to respond to the increased economic interdependence existing among those countries in the euro area and to the importance of having labour markets and social security systems that function properly in the event of a crisis, fresh funding, conditional upon the adoption of certain reform measures, might be made available in the context of a euro-zone budget. And finally, endowing the euro area with a macro-economic stabilisation mechanism, which might take the shape of a re-insurance of national unemployment benefit schemes, would make it possible to contain the risk of future crises leading to increased social divergence among the member states.

### 3. Making investment in human capital one of the leitmotifs of Europe’s action

The EU has been investing in Europe’s human capital from day one. The European Social Fund set up in 1957 has been joined over the years by new funds and schemes such as, for example, the European Globalisation Adjustment Fund (EGF) and the Erasmus programme. Making investment in human capital one

of the leitmotifs of the EU’s social action will bring numerous benefits: above and beyond its social benefits, it would help to improve countries’ economic performance and it would bring political benefits to the EU. The image of a Europe serving its citizens would be much improved. This was the central idea in the European Commission’s Social Investment Package; however, it needs a tangible follow-up.

This would entail additional EU investment, but not only that. Strengthening the “investments in human capital” component of the Juncker plan and the Erasmus budget are two key measures. Where worker requalification is concerned, while the Commission currently focuses on workers who have fallen victim to the globalisation process or to the economic crisis (EGF), it is necessary to broaden the public target in order to address new challenges such as the challenge raised by energy transition, which creates numerous jobs but causes others to disappear.

The priority afforded to investment in human capital must also be perceptible in the Commission’s country-specific recommendations and the fiscal surveillance procedure. The Commission must insist on measures allowing the development of human capital, such as a boost to pre-primary school education levels or the development of apprenticeships. And to ensure that Europe’s action is consistent and offers incentives to national governments, the Commission should take into account in its fiscal surveillance procedure the measures adopted by each country to respond to these “social” European recommendations, just as it has done with other structural reforms (particularly in consideration of the fact that the countries with the most progress to make in developing their human capital are often those with the least margin in their budgets for doing so).

A social Europe is a Europe that brings tangible benefits for its citizens by improving their living and working conditions. But Europe will only be social if its national leaders want it to be. Be daring! Find the courage to move on from good intentions to concrete actions!