

THE GOTHENBURG SUMMIT AND THE EUROPEAN PILLAR OF SOCIAL RIGHTS: TOWARDS A SOCIAL “TRIPLE A” ?

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Twenty years after the last European Social Summit, European leaders and social partners will gather in Gothenburg on 17 November 2017 for a “social summit for fair jobs and growth”. This meeting, attended by the heads of state or government of the EU countries, will furnish the occasion for a joint proclamation by the Presidents of the European Commission, the European Parliament and the Council on a “European Pillar of Social Rights”.

The European Pillar of Social Rights (EPSR) constitutes the key element of Jean-Claude Juncker’s push to rebalance the economic and social dimensions of the European project. It defines twenty principles with a view to ensuring the proper functioning of the labour markets and social security systems in the member states. This initiative is undeniably a positive step in the right direction. Its foremost virtue has been to place at the heart of the debate the imperative of strengthening the social dimension of the EU. However, this Pillar, which is legally non-binding, is a starting point rather than an endpoint. The Commission must now embark on an action plan to translate these principles into concrete results for Europeans. For the EU to have a triple A rating in the social sphere, as envisioned by Jean-Claude Juncker, we must go further: the social dimension of the EU must be mainstreamed into all European initiatives. The Pillar, in other words, must entail a change in the economic and social *software* of the EU.

The European Pillar of Social Rights: what is the objective?

The European Pillar of Social Rights has been designed in particular for the Eurozone countries on the basis of a functional argument, according to which the success of the common currency area depends, to a considerable extent, on the efficiency of the labour markets and social security systems. The initiative was nonetheless open to all EU countries wishing to participate. Despite the different views of the various EU countries on the social dimension of the European project, the Pillar has won the support of the 28 member states. This is good news, for while the need for this Pillar is partly justified by arguments relating to the functioning of the euro area, it also addresses larger concerns. Today, whether due to the grave social consequences of the financial crisis or the fears of social and wage dumping

in Europe, the European project does not appear to be able to ensure better living conditions for a large part of European citizens. In fact, European initiatives are often perceived as undermining national social standards. This breeds mistrust of the European project and foments Euroscepticism.

The Europeans legitimately expect the European project to improve their living and working conditions, a promise held out since the beginning of European integration in 1950. The Pillar is supposed to indicate the direction to follow to achieve this end. The Pillar aims to support the adaptation of national welfare states to emerging social challenges and changes in the world of work, especially in response to the emergence of new types of employment arising from new technologies and the digital transition. Hence the crucial importance of including all EU countries – and therefore all EU citizens – in the initiative and not only those in the euro area.

A real breakthrough for a social Europe? Translating principles into concrete measures

Divided into three chapters, the EPSR identifies a set of rights required to guarantee (i) equal opportunities and access to the labour market (ii) fair working conditions and (iii) access to social security and social inclusion. These rights include the right to education and lifelong learning, the right to a minimum wage and social dialogue as well as the protection of children, unemployment benefits and a basic income.

Part of the twenty principles and rights provided for in the EPSR are already covered by the European and international legal acquis. The benefit of bringing together these principles and rights, which have been defined at different times and in different forms, is to make them more visible, more comprehensible and more explicit for citizens, while contributing

to their effective implementation. But the EPSR also comprises new rights, linked to new technological and social developments. One example would be the right to adequate social protection for the self-employed and all workers, regardless of the type and duration of the employment.

The fact that the EPSR is not legally binding may well dampen enthusiasm for this initiative. In fact, the Social Pillar by itself will be insufficient to bring tangible benefits to Europeans. Nevertheless, almost thirty years ago, in 1989, the EEC countries adopted the "European Charter of Fundamental Social Rights of Workers", an instrument which was also non-binding. Despite this, the Charter paved the way for the adoption of an important set of European social legislation in the 1990s, which derived from the "Social Action Plan" adopted by the Commission a few months after the Charter was signed. The same procedure is needed today.

As early as April 2017, when the EPSR was presented, the Commission has taken the lead by tabling a proposal for a Directive on Work-Life Balance and committing to a clarification of the Working Time Directive. The Commission also launches two social partner consultations, one on the modernisation of the rules for employment contracts and the other on access to social security. However, the adoption of an action plan would provide a broad and coherent vision of existing, currently discussed and future initiatives, which would facilitate the translation of the principles of the EPSR into concrete results. A closer link must also be established between the Social Pillar and the financial instruments of the EU, in particular with a view to negotiating the next multiannual financial framework.

Beyond the Social Pillar: Making European governance more social

For Europe to be awarded what Jean-Claude Juncker called a social "triple A", it is necessary that the Social Pillar, the protection of citizens' social rights, the creation of quality jobs or the valorisation of human

capital become horizontal priorities that are taken into account in all EU initiatives. In other words, the Social Pillar will only represent a turning point in the social history of Europe if it succeeds in changing the EU's economic and social *software*.

If, despite the adoption of the twenty principles and social rights listed in the EPSR, social standards across Europe are sacrificed on the altar of competitiveness and budgetary imperatives, no amount of social directives will change the perception and feelings about a Europe widely seen today by citizens as too liberal. In practical terms, this means, for example, taking into account the principles of the Social Pillar when drawing up the country-specific recommendations the Commission presents to member states each spring as part of the "European semester". It also implies the efforts demanded of EU states to comply with European fiscal rules do not come at the expense of government spending on education, training and healthcare.

This impetus of the Commission is necessary but not sufficient: the commitment of member states is equally required. It is a well-known fact that EU countries have diverging positions on the social dimension of the EU. Nevertheless, they all have adopted the Social Pillar and committed themselves to the Rome Declaration (signed last March on the occasion of the sixtieth anniversary of the Treaty of Rome) aiming to build a social Europe. This by no means leads to the imposition of a single social model across the EU. But European leaders must ensure that the advance of the European project (such as the deepening of the single market, the monetary union, but also enlargement of the EU) will not have a negative impact on national welfare states. They must promote the measures necessary for economic and social cohesion within and between states and bolster national welfare regimes in the face of the numerous challenges they face, in particular by pursuing a genuine human capital investment strategy. By doing this, they will demonstrate, including to the rest of the world, that Europe continues to strive to be a "social market economy", as defined in the European treaties.

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