

## European social rights need more than a proclamation: Recommendations for an ambitious social summit

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Heads of state and government will endorse the European Pillar of Social Rights – presented by the European Commission as “a guide towards efficient employment and social outcomes”<sup>1</sup> and “a compass for the renewed convergence within the euro area”<sup>2</sup> – at the upcoming social Summit in Gothenburg on 17 November. At the Employment, Social Policy, Health and Consumer Affairs Council of 23 October, member states gave their green light to an interinstitutional proclamation of the Pillar. This is a step in the right direction and a clear victory for the Commission. Much uncertainty lingers, however, over the successful implementation of these social rights for the benefit of all Europeans.

The Pillar’s interinstitutional proclamation will be an unequivocal political recognition of the importance of Social Europe. It will highlight the EU’s caring dimension and its commitment to granting all EU citizens more social rights. The political signal is important in itself and should not be underestimated. The Pillar is also the most comprehensive instrument that can fulfil President Juncker’s wish to reach a “social triple A” for Europe.<sup>3</sup>

That being said, if endorsement is a pre-condition for success, it does not equate delivery. There are political risks looming on the horizon that could limit the Pillar’s impact and prevent it from delivering on its initial objectives. In fact, similar promises have already been made in the past, with limited results. Europe 2020 – the EU’s ten-year strategy for smart, sustainable and inclusive growth – is a case in point. Just about two years before the timeframe of the strategy expires, the EU and some of its member states remain far away from reaching their employment and social targets. In 2016, the EU employment rate stood at 71.1% while the objective was 75%. In the same year, 23.5% of Europeans still suffered from poverty/social exclusion versus 23.7% when the strategy was adopted in 2010.

Against this background, it seems legitimate to raise the following questions: What is new since the adoption of the Europe 2020 Strategy? What can guarantee that the Pillar is more than a mere political exercise and also a useful instrument to foster convergence, mitigate social hardship and address societal challenges? Is there any indication that the Pillar will not share the same fate as the Europe 2020 Strategy?

Looking at the legal nature of the Pillar, there is little optimism that anything will change. The Pillar is a set of 20 principles that do not alter the balance of competences between the national and European level on social policies. In fact, the Commission emphasised that “the European Pillar of Social Rights does not entail an extension of the Union’s powers as defined by the Treaties” and should therefore “be implemented within the limits of those powers”.<sup>4</sup> As for the Europe 2020 targets in 2010, the Pillar is legally non-binding. In other words, its implementation remains discretionary and will depend on member states’ goodwill.

<sup>1</sup> See Commission Recommendation, C(2017) 2600 final.

<sup>2</sup> See the State of the Union Address of President-elect Juncker of 9 September 2015.

<sup>3</sup> Speech of President-elect Juncker before the European Parliament on 22 October 2014: “Setting Europe back in motion”.

<sup>4</sup> See Proposal for a Interinstitutional Proclamation on the European Pillar of Social Rights, COM(2017) 251 final.

Whether there is more of that today than at the time of the Europe 2020 Strategy is an open question. It very much depends on the current political mood across member states. Whereas President Macron has highlighted the need for convergence in Europe, including on social standards, other countries have made it abundantly clear that the existence of a European Pillar of Social Rights does, by no means, equal any sort of harmonisation of social policies and rights across Europe.

The upcoming social summit should consider these legal and political limitations to the enforcement of common social rights for Europeans. At the very least, the Commission should put these issues on the table. While changing the legal nature of the EU's role in employment and social policies as defined in the Treaties is out of the Commission's control and certainly not on the agenda in the immediate future, the Brussels' executive can still do a number of things to ensure the Pillar has a bright future ahead.

First, the Commission should set the summit's agenda in such a manner that discussions on the Pillar are not limited to a political proclamation. A significant amount of work has recently been done to foster a debate on the future of Europe, including a reflection paper<sup>5</sup> that sets out different scenarios for a Social Europe. The Commission should build on the political momentum created by the Pillar to generate a sense of ownership among the heads of state and government on the issues raised in the paper. Such a political discussion would challenge member states to address the obvious discrepancy between the political objectives of a caring and protective Europe and the limited instruments currently available to enforce them.

Second, the Commission should push the heads of state and government to identify and agree on concrete steps to foster social convergence, which will not happen without addressing a number of strategic areas at the EU level. These areas include a skills guarantee with free access to quality education and lifelong training; the establishment of a minimum income scheme in all member states; and the guarantee of a minimum social floor with universal access to social protection (including for workers taking part in new forms of employment and people with no access to unemployment benefits). The Commission should therefore propose the introduction of a clear roadmap at the summit, with more binding standards in these areas, and a commitment to integrate these priorities into the EU budget negotiations.

Third, the Commission should follow through on its promise that the Pillar will shape some of the financing priorities to be agreed in the post-2020 EU financial framework. This is the right approach and EU funds should be increasingly mobilised in the future to boost social convergence. To do so, a new system of allocating funds and monitoring based on a set of social indicators and high-level social standards should be introduced.

If the Pillar's legal nature is insufficient to drive progress towards social convergence, one can at least hope that it will boost political momentum. By looking beyond the interinstitutional proclamation, this week's social summit should prepare the ground for strategic decisions in the months to come, and lay the foundations for a prosperous Social Europe.

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*Disclaimer: The views expressed in this Commentary are the sole responsibility of the author.*

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<sup>5</sup> See Reflection paper on the social dimension of Europe, COM(2017) 206 of 26 April 2017.