



BRIEFING
#90

European Conference:

The unsustainable burden of inequalities -
How the implementation of the EPSR can
lead to the achievement of the Agenda 2030





Executive Summary

Marking the first anniversary of the proclamation of the European Pillar of Social Rights, SOLIDAR successfully hosted a conference in the European Parliament on 22 November 2018, attended by more than 120 participants. The aim of this event was to raise the bar in the debate over the implementation of the Pillar by highlighting the necessary connection with objectives of sustainability set out in the Sustainable Development Goals. The conference title “The unsustainable burden of inequalities - How the implementation of the EPSR can lead to the achievement of the Agenda 2030” attracted high-level speakers and was greatly supplemented by an inspiring key note speech by Kate Pickett, Professor of Social Epidemiology and co-author with Richard Wilkinson of several books on the interconnectedness of inequality, well-being and health. In 2013, Pickett and Wilkinson have been also awarded by SOLIDAR with the Silver Rose.

Kate Pickett’s, co-author of the most recent book “Inner Level: How More Equal Societies Reduce Stress, Restore Sanity and Improve Everyone’s Wellbeing”, presented at this conference and impressively outlined the far-reaching effects of inequality on our societies in its multiple dimensions. Furthermore, SOLIDAR was pleased and honoured to welcome Udo Bullmann, MEP and President of the S&D Group; Joost Korte, Director-General of DG EMPL; Nicolas Schmit, Minister for Labour, Employment, Social and Solidarity Economy of Luxembourg; Esther Lynch, Confederal Secretary at ETUC; as well as Kélig Puyet, Director at Social Platform to speak about the severe and unacceptable consequences of inequality in Europe and explore ways to tackle its ramifications.

The discussion at this SOLIDAR conference underlined that despite unemployment rates slightly falling over the last couple of years, figures of inequality are not improving but remain stagnant and are in some cases even exacerbating. This has wide-ranging implications. As Dr. Kate Pickett showcased, inequality must fundamentally be connected with issues of health, well-being and

social well-being. She highlighted that more unequal societies tend to be unhealthier, unhappier, more depressed and simply more unjust. Moreover, income inequality has negative repercussions for feelings of self-worth and strengthens the grip of class and status within a society.

During the panel interventions, it was commonly agreed that the diverse challenges of inequality require multiple strategies to tackle them. This is crucial in times of rising levels of nationalism and neoliberalisation that penetrates the very foundation of our welfare states. In that regard, and to combat social, economic and health inequalities, the European Pillar of Social Rights and the SDGs are considered as strategic tools in providing a comprehensive set of enforceable rights for European citizens, which are decisive in achieving upward social convergence.

European Institutions and Member States must prioritise commitments agreed in the European Pillar of Social Rights and the Sustainable Development Goals. Additionally, they must identify certain synergies as a way to achieve more equal, healthier, more sustainable and inclusive societies. Policy making at all levels must be coherent and positively reinforcing one another to ultimately accomplish a true paradigm shift on issues of social equality, well-being and sustainability. Concluding with Kate Pickett’s research results, it is not the case that inequality is a direct result of human nature. Humans adapt to the societies they live in and, therefore, equality helps us to make cooperation, empathy and solidarity in societies possible.





Unacceptable gaps - data on inequality

The current and longstanding lack of social investments is becoming as unsustainable for European social cohesion as the current production model is for our planet. Today, **income inequalities** are higher in the EU than in the US. As the Social Scoreboard of 2018 highlights, the richest 20% of the EU populations earn around 5 times more than the poorest 20%. This number is even worse for some EU Member States such as Bulgaria, Romania or Lithuania peaking at more than 7.0. This means that in these countries the richest 20% earn 7 times more than the poorest 20% in their respective countries.

In terms of **wealth inequality** the picture looks even more grim, wealth is more unequally distributed than income. The top 5% wealthiest Europeans own almost 40% of total private wealth. In the European Union, Latvia has the highest concentration of wealth followed by Germany, Cyprus and Austria.

The phenomenon of **in-work poverty** affects almost 10% of European workers. This means that despite being in employment, people live below the poverty line threshold. Although unemployment decreased over the last couple of years, in-work poverty has experienced an increase of 15% since 2010. Also, **gender inequality** remains a persistent problem for achieving true equality in Europe. Women in full employment earn, on average, around 20% less than men. There has been no significant improvement over the last years and in certain countries such as Latvia or Estonia, the situation is even worsening.

This data makes the case for immediate, sound and robust social investment in Europe. In this framework, sustainability is the key word for any forward looking agenda aiming at enabling the conditions for a stronger, united and collective Europe at the service of a fairer, cleaner, more just world.

Programme of the European Conference

Welcome by Conny Reuter, SOLIDAR Secretary General

Keynote speech by Kate Pickett, Professor of Social Epidemiology at the University of York, co-founder of the Equality Trust and co-author of "The Inner Level: How More Equal Societies Reduce Stress, Restore Sanity and Improve Everyone's Wellbeing (2018)"

Discussion Panel

Udo Bullmann, MEP, S&D Group President
Joost Korte, DG EMPL, European Commission, Director-General
Esther Lynch, Confederal Secretary, ETUC
Kélig Puyet, Director, Social Platform
Nicolas Schmit, Minister for Labour, Employment, Social and Solidarity Economy of Luxembourg

The debate

Commencing our conference, it was the role of **Conny Reuter**, SOLIDAR Secretary General, to set the scene and chair the discussion ahead. Among the various challenges Europe currently faces, he pointed out that social cohesion and environmental challenges are among the two most paramount ones which we urgently need to confront and solve. He stressed that staying committed to the principles of the Sustainable Development Goals will lead to hard but necessary choices to be made but they are a crucial step towards fighting inequalities in Europe and beyond. Aligned with the European Pillar of Social Rights, political action oriented towards these two strategies will enable progress for a social Europe. He also highlighted that SDGs should be a key focus of the next Commission strategy and work plan.



“Critical thinking is fundamental. Progress has been made and we need to address what are the challenges of inequalities in our societies for the next period.” – Conny Reuter

The keynote speech of the SOLIDAR European Conference was delivered by the British author and Professor of Social Epidemiology **Kate Pickett** presenting her latest co-authored book “The Inner Level: How More Equal Societies Reduce Stress, Restore Sanity and Improve Everyone’s Wellbeing (2018)”. In her insightful presentation, Dr Pickett demonstrated how income inequality is linked to a wide range of topics that go beyond economic issues. Income inequality, on top of a series of other severe problems, affects our health, well-being and social cohesion. The effects of inequality on health and well-being are large and there are big differences to be found between societies. As Dr Pickett highlights, it is not the case that only the poorest fractions of society are affected by the consequences of inequality but the entire population suffers as a whole. Therefore, all parts of society would benefit if we were to strive for more equal societies.

“We’re all impacted by inequalities, so understanding the pathways of incoming inequalities has been at the core of our work.” – Kate Pickett

Inequality affects the rates of life expectancy, homicides, imprisonment rates, mental illness, social mobility, among other indicators. Also, Dr Pickett finds a negative correlation between inequality and child well-being. However, she calls to dig beyond the statistics to identify how

inequality also affects matters of social cohesion and the makeup of our societies. As her research finds, income inequality undermines feelings of self-worth and strengthens the grip of class and status. Therefore, a society that demonstrate high level of inequality penetrates patterns of dominance and submission with negative effects of levels on participation, voluntary work and solidarity.

The question remains what can be done to tackle inequality and make a transition to sustainable well-being? Dr Pickett suggested solutions such as the fight against tax avoidance and tax havens or more progressive taxation schemes on one hand, as well as stronger trade unions and increased company democracy on the other. In conclusion, what made her speech so compelling was the undeniable argument that if we want more social mobility, a more trusting and health society, we must radically address inequality.

As the first panellist and commentator on Pickett’s presentation, we are thankful to **Udo Bullmann** for attending our European Conference on the unsustainable burden of inequalities. Bullmann is Member of European Parliament and President of the Socialists and Democrats (S&D) Group.

“The question of inequalities has to be embedded in a broader discourse, it’s not purely based on an economic system. For instance, we cannot discuss about economy without talking about environmental issues.” – Udo Bullmann

Bullmann started off with a more general approach to the discussion reminding us of the fact that the liberalisation of the financial and labour market has not, as wrongly argued by some, brought benefits to all. Instead, it has created





more disenfranchised and more exclusive societies marked by unequal opportunities, wealth and income disparities. On top of that, Bullmann suggests that this is not the end of the story. The question of inequalities needs to be embedded in a broader discourse that is not purely related to the economic system. This is where the issue of the environmental degradation and sustainability comes in. He raises the point that, as of today, we are not talking enough about this core issue – sustainability – which brings us back to the roots of social movements. In fact, Karl Marx noted himself, as Bullman puts forward, that “capitalism is undermining the workers as much as the land”.

SOLIDAR was pleased to welcome Joost Korte, Director-General of DG Employment, Social Affairs and Inclusion as a second speaker in our debate. His first point underlined his concern that inequalities stir divides in our societies but also affect competitiveness and economic growth. Inequalities, as he demonstrated, have various ramifications for job creation, health and social protection systems and make our economies more vulnerable. More concretely, Mr Korte drew our attention to the fact that we must distinguish between country-to-country inequalities vs inequalities within Member States of the EU. For the former case, he argued that we have made progress with upward convergence between Member States. The challenge from within the countries, according to Korte, remains more persistent.

“The EPSR is not a legally binding document but is a document that should inspire us all, representing our model to the world.”
– Joost Korte

In light of this, Mr Korte reinforced the idea that the European Pillar of Social Rights has done more than ever before in the realm of European social policy. What is crucial now is that advocacy in Member States is just as important as, or perhaps even more, at European Institutions. A big agenda is therefore left for the incoming European Commission and Parliament having the EU Semester, funding such as the European Social Fund+ and legislative procedure at their disposal to support the process of a more equal and sustainable Europe.

As the representative of the European Trade Union Confederation, Esther Lynch valuably contributed to our debate from a trade union perspective. Lynch covered two concrete legislative processes currently in negotiations at the EU level: the European Labour Authority and the directive on transparent and predictable working conditions. These two initiatives are resulting from the Pillar and now need to be constructively debated and in the interinstitutional negotiations. Furthermore, she called for the strengthening of the alliance between trade unions and its allies in civil society to ensure that the Pillar will be implemented and respected. Lynch shared her concern that if the Pillar does not manage to deliver, it will lose all its credibility in the future. Concrete solutions are needed for concrete problems.

“For the next Parliament and Commission, let’s make sure we get rid of discrimination based on class.” – Esther Lynch

As her final point, Lynch underscores that discrimination against people from vulnerable socio-economic background is still a pertinent problem. This needs to be seen regarding the abuse of monitoring and surveillance of workers at their workplace as well as forced zero hour contracts.





For the next Parliament and Commission, she hence urges to address this issue through a directive of fair conditions of employment.

Representing civil society, Kelig Puyét from Social Platform joined us for this debate calling the European Pillar of Social Rights to be linked with the Sustainable Development Goals. She argued that is crucial to identify synergies of the EPSR and SDGs to hopefully attain a reinforcing effect on one another. This concerns social standards, which according to Puyét, is the most important essence of the Pillar as well as the incorporation of ecological issues into EPSR.

“We to call for strong governance, this requires a new governance, co-construction with civil society and stakeholders. The SDGs can also help implementing issues that are not present in the EPSR.” – Kelig Puyét

But how to achieve this paradigm shift that is so urgent? Puyét argued that we need a long-term strategy that advocates for the sincere incorporation of the EPSR and SDGs in the up-coming EU budget, the Multiannual Financial Framework (MFF). There, we continue the discussion and set our priorities in monetary terms. Furthermore, she calls for more policy coherence that would stem from such an approach incorporating and reflected in the European Semester. And lastly, but certainly not least, she also calls for a stakeholder platform with civil society and employers to sit at a table in order to drive the necessary transformation together.

Our conference on the unsustainable burden of inequalities was also prominently concluded by Nicolas Schmit, Minister for Labour, Employment,

Social and Solidarity Economy of Luxembourg. Mr Schmit was clear on the fact that inequality is a political question, one that harms our surroundings, societies and individuals. The way we will handle the issue of inequality, he argued, will determine the survival of our political system. In that way, inequality is not a one-way story. There is not one single solution to tackle it, there are multiple causes so many different approaches and responses are required to solve it.

“Who are the victims of precariousness in the labour market? The young. They are the majority in precarious labour situations from which you cannot set the basis to build your life.” – Nicolas Schmit

It seems clear, however, that some parts of society are more affected by inequality than others. Mr Schmit stated that young people form one of the groups most affected by inequality. Inequality has long-term effects on young people, it shapes their perspective on life and will have a significant impact on issues such as building families. When confronted with flexible labour markets and precarious working conditions, young people come out of this with low-self-esteem and “scars in professional biographies” as Mr Schmit put it. This is why commitments such as the Youth Guarantee are all the more vital to make sure that prosperity and economic recovery truly benefit all fractions of society. Mr Schmit concluded by saying that he is content of having “education, training and life-long learning” as the first principle of the Pillar underlining the vision of social mobility and inclusive societies.





Conclusions

As to achieve the implementation of a transformative agenda to tackle inequalities by combining the implementation of the provisions encompassed by the European Pillar of Social Rights and the Agenda 2030, popular support has to be behind it and bold decisions have to be made. This is why SOLIDAR has been campaigning with all its members for these landmark documents to drive a comprehensive vision, able to inspire large citizens' support as much as concrete solutions for concrete needs. Especially for the vulnerable ones – for as much as inequalities affect everyone's life, in fact, it is them who are hit the hardest by the burden of inequalities. As Conny Reuter put it, rather than a milestone the Pillar and the SDGs have to be a cornerstone. We cannot accept to stare at them in self-satisfaction. SOLIDAR will continue calling on the institutions for these two agendas to be implemented

hand in hand, mobilising for it in the run-up to the European elections and keeping up our strong alliance with the Trade Unions. Because if the way we handle inequalities will determine the future of politics, we certainly won't let it become grim and gloomy.

Thanks to a strong cooperation among all the actors of civil society, democracy can become vibrant again. Together, we advocate for the Agenda 2030 to become the compass for the next Commission work plan and we are committing at the national as much as the European level for a full implementation of the Pillar of Social Rights. To incorporate the SDGs and the EPSR into the European Semester and the MFF and, overall, for a progressive agenda to deliver concrete solutions. Towards a sustainable Europe for all.



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SOLIDAR is a European network of membership based Civil Society Organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors; social affairs, lifelong learning and international cooperation.



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