



Implementation of the European Pillar of Social Rights

Two years after its proclamation, and with the start of a new European Commission, it is time to see how the implementation of the European Pillar of Social Rights has progressed and what measures are still in the pipeline. The new Commission President Von der Leyen has pledged in her political guidelines to strengthen Europe's social dimension and to keep the implementation of the European Pillar of Social Rights as a priority. Giving the task to Commissioner for Jobs and Social Rights Nicolas Schmit and Valdis Dombrovskis, Vice-President for An Economy that Works for People, respectively, to develop and to coordinate the work on an action plan to implement the European Pillar of Social Rights that will be presented in 2020.

In the meantime, there are already a number of proposals and initiatives that are awaiting further elaboration and shaping. Some aim for the introduction of new legislation, others intend to integrate the principles of the pillar into existing policymaking processes.

This briefing paper gives an overview of the steps that have been taken to implement the 20 principles of the European Pillar of Social Rights as well as the most promising proposals for future legislation.











Introduction

On 17 November 2017, European political leaders solemnly proclaimed the European Pillar of Social Rights (EPSR) at the Social Summit in Gothenburg. The Pillar sets out 20 principles and rights that are essential for fair and well-functioning labour markets and welfare systems in 21st century Europe. The principles cover equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion.

Whereas the Social Pillar was proclaimed jointly by the European Parliament, the Council and the European Commission, its principles are not a legally binding by themselves. They should rather be seen as a political guideline for policy makers on which to base legislative measures. Two years after the proclamation, and with the start of a new European Commission, it is therefore time to see how the implementation of the Social Pillar has progressed and what measures are still in the pipeline. This briefing paper gives an overview of the steps that have been taken to implement the 20 principles of the European Pillar of Social Rights as well as the most promising proposals for future legislation.

The 20 Principles of the European Pillar of Social Rights

Chapter I: Equal opportunities and access to the labour market

- 1. Education, training and life-long learning
- 2. Gender equality
- 3. Equal opportunities
- 4. Active support to employment

Chapter II: Fair working conditions

- 5. Secure and adaptable employment
- 6. Wages
- 7. Information about employment conditions and protection in case of dismissals
- 8. Social dialogue and involvement of workers
- 9. Work-life balance
- 10. Healthy, safe and well-adapted work environment and data protection

Chapter III: Social protection and inclusion

- 11. Childcare and support to children
- 12. Social protection
- 13. Unemployment benefits
- 14. Minimum income
- 15. Old age income and pensions
- 16. Health care
- 17. Inclusion of people with disabilities
- 18. Long-term care
- 19. Housing and assistance for the homeless
- 20. Access to essential services

What has been achieved so far?

Since the proclamation of the Social Pillar, a number of legislative and non-legislative measures have been adopted. The main initiatives contributing to the implementation of the European Pillar of Social Rights at the European level are outlined below.

Work-life Balance Directive

In April 2019, the European Parliament adopted the Work-life Balance Directive¹. This directive aims to support a work-life balance for parents and carers, encourage a more equal sharing of parental leave between men and women, and address women's underrepresentation in the labour market. Entering into force on 1 August 2019, Member States have three years to implement all the necessary national legislation to comply with the directive. Measures under the directive include:

- A minimum of 10 working days of paternity leave around the time of birth of a child, compensated at least at the level of sick pay.
- Making 2 out of the 4 months of parental leave non-transferable from a parent to another, to encourage the equal sharing of care tasks between parents. Parents will also have the right to request to take the leave in a flexible way.
- Carers' leave (minimum 5 days per year) for workers providing care to a relative or person living in the same household.
- Extending the right to request flexible working arrangements (reduced working hours, flexible working hours and flexibility in place of work) to all working parents and carers of children up to at least 8 years old.



Directive on transparent and predictable working conditions

The goal of the directive on transparent and predictable working conditions is to ensure that workers know their working conditions right from the start of the employment relationship and that some minimum conditions are met. Member states have until August 2022 to implement the provisions of the directive, which include giving all workers in the EU the right to:

- More complete information on the essential aspects of the work, to be received early by the worker, in writing.
- A limit to the length of probationary periods at the beginning of the job.
- Seek additional employment.
- Know a reasonable period in advance when work will take place.
- Anti-abuse legislation for zero-hour contract work.
- Receive a written reply to a request to transfer to another more secure job.
- Receive the training that the employer has a duty to provide, cost-free².

European Labour Authority

The European Labour Authority (ELA) was announced in 2017 to ensure that EU rules on labour mobility are enforced in a fair, simple and effective way³. With increasingly more European citizens making use of their freedom of movement to work in another Member State, it has become difficult for national labour authorities to ensure that both national and European labour regulations are respected. Starting in 2019, the ELA is expected to reach its full operational capacity by 2024. This new authority will:

- Contribute to ensuring that EU rules on labour mobility and social security coordination are enforced.
- Assist national authorities in cooperating for the effective enforcement of the rules.
- Make it easier for citizens and businesses to reap the benefits of the internal market.

Coordination of social security

To make it easier for EU citizens to move through Europe and work in another EU country, and to protect their social security rights while they do so, Member States of the EU coordinate their social security systems⁴.

Currently, the EU provides common rules on social security rights through the Regulation on the Coordination of Social Security Systems, which was established in 2010⁵. However, the rules on social security coordination do not replace national systems with a single European one as all Member States can decide the functioning of their social security systems at national level.

This Regulation covers sickness, maternity and equivalent paternity benefits, old-age pensions, pre-retirement and invalidity benefits, survivors' benefits and death grants, unemployment benefits, family benefits, and benefits in respect of accidents at work and occupational diseases. In practice, this means that:

- Citizens are covered by the legislation of one country at a time so they only pay contributions in one country.
- Citizens have the same rights and obligations as the nationals of the country where they are covered.
- When citizens claim a benefit, their previous periods of insurance, work or residence in other countries are taken into account if necessary.
- Citizens entitled to a cash benefit from one country, may generally receive it even if they are living in a different country.

On 13 December 2016, the European Commission proposed a revision of the EU legislation on social security coordination⁶. The European Parliament and the Council of the EU reached a provisional agreement on the proposal in March 2019 after the trilogue meeting, but this was then rejected at the Coreper meeting. Subsequently the Parliament voted in Plenary not to close the first reading procedure and leave the procedure in the hands of the next parliamentary term.



Access to social protection

On the 8th of November 2019 the Council formally adopted Council Recommendation⁷ on Access to Social Protection in which Member States commit to ensure that as many people as possible, including the self-employed, have access to social protection and the possibility to build up rights through contributions. The Council recommendations, considering the changes in the labour market, recommend the European Commission to inform and support the member States to extend access to social security schemes to non-standard workers and the self-employed and facilitate the transfer of social security benefits between schemes.

The proposal covers social security schemes for unemployment, sickness and healthcare, maternity or paternity, accidents at work and occupational diseases, disability and old age.

Following these recommendations, the European Commission will over the next year, support Member States and stakeholders in achieving the objectives set, through dialogue and mutual learning but also improving statistics and proposing a monitoring framework. The European Commission will also analyse the plans submitted by the Member States guiding the measures taken at national level.

Youth Guarantee

With the Youth Guarantee, EU Member States have pledged to ensure that all young people under the age of 25, receive a good offer of employment, continued education, apprenticeship or traineeship within a period of four months of becoming unemployed or leaving formal education8.

The Youth Employment Initiative as well as investments from the European Social Fund have been key in the implementation of the Youth Guarantee. Since 2014, the Youth Employment Initiative has provided direct support to over 2.4 million young people across the EU.

Social Scoreboard

To monitor the progress of the principles of the Social Pillar, the European Commission introduced a Social Scoreboard to the European Semester process⁹. It compiles data such as the percentage of early school-leavers, unemployment rates, the share of the population at risk of poverty, the gender employment gap and the impact of social transfers. Based on these data, Member states are classified in categories ranging from 'best performers' to 'critical situations'.





Pending proposals

In her political guidelines for the new European Commission, Commission president Von der Leyen has pledged to "put forward an action plan to fully implement the European Pillar of Social Rights" ¹¹. This action plan in expected to be presented early 2020.

This has been widely welcomed by Civil Society organisations who have long called for concrete proposals on how legislation, policy and funding can be used to ensure that the principles of the European Pillar of Social Rights are met. In the meantime, there are already a number of proposals and initiatives that are awaiting further elaboration and shaping. Some aim for the introduction of new legislation, others intend to integrate the principles of the pillar into existing policymaking processes.

Minimum standards

One of the tasks of Nicolas Schmit, Commissioner for Jobs & Social Rights, will be to "put forward a legal instrument to ensure that every worker in our Union has a fair minimum wage." 12 He announced, following his first Council meeting as a member of the new European Commission, that he will unveil his proposal for an EU minimum wage framework on the 14th January 2020.

This could take many shapes, but will likely entail some type of minimum standard for minimum wages. Mr Schmit has emphasised that this does not mean that there will be one uniform European minimum wage, nor that the EU will decide on national minimum wages, but rather that all Member States will be obliged to have some kind of system in place to ensure a fair minimum wage for all workers in their country. In Member States where a strong collective bargaining system is in place, Schmit considers this the most appropriate way to set these standards, in other countries, binding legislation might be necessary¹³.

Another type of minimum standard that has been proposed, has been a minimum standard for minimum income schemes. With the introduction

of social safety nets in Greece and Italy - in 2017 and 2019 respectively – all EU Member States now have a minimum income scheme in place that intends to prevent people from falling into poverty. However, the adequacy and coverage of these schemes varies considerably between Member States and even regions, leaving citizens in some areas with insufficient protection against poverty and social exclusion and posing the risk of social dumping for others. For several years, there have been advocates for European minimum standards for minimum income schemes, similar to the minimum standards for minimum wages. However, as of yet there is no concrete legislative proposal.

Unemployment benefit reinsurance scheme

Another task for the new Commissioner of Jobs & Social Rights is "the design of a European Unemployment Benefit Reinsurance Scheme". After long discussions about a European minimum unemployment allowance, Commission President Von der Leyen has decided to explore the option of introducing a EU reinsurance mechanism for national unemployment benefit schemes. Such a scheme should safeguard the ability of national unemployment schemes to pay out sufficient unemployment benefits also in times of unexpected economic shocks and in that way serve as an automatic stabilising mechanism. The exact design of such a system and how it should be financed remains to be discussed, but a first proposal is expected in 2020¹⁴.

Child Guarantee

With more than a quarter of all children in the EU living at risk of poverty or social exclusion, in 2015, the European Parliament called for a Child Guarantee that would ensure children have access to free healthcare, free education, free early childhood education and care, decent housing and adequate nutrition¹⁵. Commission President Von der Leyen has expressed her commitment to further elaborating the Child Guarantee and making it a reality¹⁶.



Mainstreaming

Besides the introduction of new legislative proposals, to fully implement the European Pillar of Social Rights, its principles also need to be mainstreamed in other policy areas. Von der Leyen has pledged to ensure that the EUs economic policies go hand-in-hand with social rights¹⁷. How exactly this will be implemented remains to be seen, but SOLIDAR insists that the social impacts of new legislation in all policy areas need to be carefully considered. Furthermore, since social policy remains largely a competence of the Member States, it is crucial that national policies are not in conflict with its 20 principles and contribute to the goal of a more social Europe. Von der Leyen's plans to reform the European Semester - the framework through which EU Member States coordinate their economic policies to be in line with the United Nation's Sustainable Development Goals (SDGs) - could be a step in that direction.

SOLIDAR's position

Having the principles of the European Pillar of Social Rights as a political guideline has resulted in a number of valuable initiatives that contribute to the socialising of the European Union. Although most of these proposals are still in very early stages and their full effect will only be visible in a couple of years or even decades, SOLIDAR welcomes these much-needed improvements.

However, as social policy is predominantly a national competence, we should not forget that progressive and inclusive national policies are indispensable for achieving the goals of the Social Pillar. We believe that the implementation of the work-life balance directive and the directive on transparent and predictable working conditions will be positives steps in this direction. We also count on the ELA once it is fully functioning to ensure fair working conditions for all workers in the EU.

Despite the intentions of mainstreaming the European Pillar of Social Rights, SOLIDAR is concerned that the European Semester process still does not give sufficient priority to social realities. The indicators of the Social Scoreboard are quantitative and have a strong focus on employment and have a focus on average values. As a result, they lack attention for social and economic inequalities. If the Scoreboard is to truly guide Member States to take into account the social impact of their economic policies, its indicators need to reflect the full social reality, with sufficient attention for quality social services for example. We also see a dire need for mainstreaming the principles of the European Pillar of Social Rights into all other policy areas. So far economic, budgetary and trade policies still commonly contradict the social objectives of the EU¹⁸.

Finally, the involvement of civil society is essential for the successful implementation of the Social Pillar, as Civil Society Organisations are key actors in providing care and lifelong learning opportunities, assisting people to find housing, and championing equality. They must therefore be involved in all levels of the decision-making process, as well as in the implementation and evaluation of social policies at both national and European level.

Further reading

- For the first anniversary of the European Pillar of Social Rights, the European Commission published a list detailing the initiatives from 2014 to 2019 for each of the 20 principles of the Pillar
- The yearly evaluation of social priorities under the Juncker Commission gives an <u>overview of</u> the status of proposals in the social field
- SOLIDAR's Social Rights Monitor provides an insight into the state of social rights in 16 European countries and compares the European Semester's Country Specific Recommendations to the observations of Civil Society Organisations working on the ground



Footnotes

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solidar

Rue de Pascale 4-6 1040 Brussels Belgium T +32 2 500 10 20 F +32 2 500 10 30

Twitter: @SOLIDAR_EU Facebook: SOLIDAR www.solidar.org solidar@solidar.org



Authors:

Laura de Bonfils Jedde Hollewijn 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.

