



The European Pillar of Social Rights : **a guarantee for sociale protection ?**

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SUMMARY



Opening speech



Jean-Claude Fluhr
President of Ipse,
President of AG2R Prévoyance

Ipse is delighted to welcome you to its 46th European Meeting dedicated to the European Pillar of Social Rights.

I would like to thank the European Economic and Social Committee for its active assistance in organizing this conference, as well as Mr Jean Lapeyre, who cannot be with us today, but whose help has been invaluable in enabling us to bring together a high-quality panel today.

«*Social Europe: myth or reality?*» It would be easy to answer the question, deeming such a designation an oxymoron. First, for legal and regulatory reasons – the legislation on social matters, while respecting the principle of subsidiarity enshrined in the European treaties, remains the prerogative of Member States. Then, in terms of achievements. Very active under the Delors Commission, the European social dialogue subsequently experienced a sharp decline. Finally, the dramatic effects of the economic crisis of 2008, the austerity policies observed in southern Europe, eventually persuaded many minds that the European Union lacks in social matters.

However, on closer inspection, all European treaties since the Treaty of Rome display strong ambitions in promoting social progress. Adopted in 2009, the Lisbon Treaty and its article 3 indicate in particular that «*the objectives of the Union are to combat social exclusion and discrimination, to promote social justice and protection, equality between women and men, solidarity between generations and the protection of children's rights*».

When the Juncker Commission took office in 2014, it showed real political will in social matters. In his first speech before the Parliament, Jean-Claude Juncker notably stated that he wanted the European Union to benefit from the «social triple A». Significant progress has been observed in recent years, in particular with the revision of the directive on posted work – an eternal source of discord between Europeans – the creation of a European Labour Authority or the adoption of a directive guaranteeing a better balance between private and professional life.

At the end of 2017, the European Pillar of Social Rights was proclaimed by the European Parliament, the Council and the European Commission at the Social Summit in Gothenburg, which on November 17, 2017 brought together the Heads of State and Government of the European Union. Containing twenty principles, this Pillar is, nevertheless, more of a template framework than a binding text which could lead to a genuine European social convergence. It is nevertheless a first step which should be welcomed while considering the means to make it more concrete.

It is in particular for this reason that we are gathered here today, social partners, social protection operators, experts and parliamentarians.

Europe remains an avant-garde space in the world in terms of legislation and social protection. The Pillar is a very important tool, and IPSE, its members, its network, in their capacity as actors of the organized civil society, fully intend to mobilize so that Europe can claim its social Triple A.

I wish you all excellent work and quality debates. ■



Introduction

Presentation of the European Pillar of Social Rights



Alain Coheur

president of the social economy group at the European Economic and Social Committee.

I've been familiar with the Ipse Meetings for several years and I must admit that these conferences are the place for exchanges and debates of high quality.

The European Pillar of Social Rights constitutes a first-rate opportunity, in the words of Jean-Claude Juncker, for Europe to make its "triple A social" prevail.

It is also an opportunity to mobilize our organizations and the driving forces that act on social dynamics.

Before going into detail on the principles enshrined in the Pillar, I would like to come back to a scourge which constitutes an attack on the cohesion of European societies: the rise in social inequalities.

The Belgian mutual insurance company Solidaris, that I represent today, has published for three years, in partnership with MGEN and the VYV group, the Confidence and Well-being Barometer. The 2018 edition of the Barometer was devoted to the perceptions of French and Belgians of social inequalities. This comparative study is a state of great concern in our societies on this subject. Some data can easily illustrate the great concerns of citizens. 80% of French and 65% of Belgians respondents consider access to the job market to be very unequal. 78% of French and 68% of Belgians respondents are concerned about the inequalities between women and men; 72% of French and 61% of Belgians respondents are concerned about inequalities regarding access to quality care. We have also measured the degree of belonging or the trust placed in European institutes. Only 12% of French and 13% of Belgian respondents are to consider

themselves fully represented by their MEPs. European institutions are seen as instruments in the service of finance for 68% of French and Belgian respondents. Only 18% of French and 29% of Belgians respondents believe that Europe protects them from the most deleterious effects of globalization. To the question «Does the European Union promote social rights, pensions and social security?», Only 26% of French and 25% of Belgians respond positively. 50% of French and Belgian respondents consider that the European Union acts against social rights and solidarity systems. In the light of these data, we can see that the perception of the EU on the social aspect is very negative.

The only institutions that concentrate the favours of the French and Belgians surveyed, according to sometimes important variables, are Social Security (60% favourable opinions for Belgians and French), education systems (up to 50% in both countries) and mutuals (60% in France versus 73% in Belgium). Political parties are very negatively perceived in France as in Belgium with only 10% of positive opinions in the two countries.

“*Today, 120 million Europeans live below the poverty line, or 1/5 of the European population,*”

At the beginning of November, the mutual Solidaris published a study on health inequalities and more specifically access to care. This study illustrates the gap which separates the least privileged populations from the richest on the possibility of resorting to accessible and quality care. Unequal access to care, a very perceptible scourge in France as in Belgium, threatens the cohesion of all European societies. Today, 120 million Europeans live below the poverty line, or 1/5 of the European population. The Lisbon strategy, developed by the European Union in 2010,



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which set itself the objective of reducing poverty by 2020, will therefore not have met its objectives.

Despite its shortcomings, the European social model remains the most developed on a global scale. Great disparities exist between Member States and social groups in the European Union. However, we must not give up, and our efforts must focus on those States whose social model has significant weaknesses to allow them to achieve greater convergence with countries with more inclusive systems.

It is important to underline the important role of services of general interest in the European Union. We must defend with the institutions this notion of general interest which concerns social services, housing and public services. Services of general interest are a hallmark of the common good.

Europe is not necessarily the only institution to invest in the concept of general interest, since the International Labour Organization, on the occasion of its centenary, defended in its declaration the role and importance public services. The United Nations Sustainable Development Strategy is also a source of inspiration for defending this notion of general interest. We can thus see that the European Pillar of Social Rights intervenes in a global sequence of actions and reflections on this notion of common good.

The European Pillar of Social Rights is therefore an important legacy of the European Commission. Without saying that nothing has been done until today to give a social dimension to the European Union, the results have not lived up to the challenges and expectations expressed by European citizens. Article

“*Within the European Economic and Social Committee, we have long defended the establishment of a golden rule concerning public investments with a social objective,*”

9 of the Treaty of Functioning of the European Union understands a sense of horizontality clause e support convergence through the top social policies, but it has rarely been activated in recent years.

Within the European Economic and Social Committee, we have long defended the establishment of a golden rule concerning public investments with a social objective. The idea that we advocate is that these investments must be taken out of the calculation of public deficits by supporting the fact that they are markers of social development for European countries. The recent questioning of the 3% public deficit rule by several European heads of state including Emmanuel Macron is a positive signal for us to support the creation of this golden rule.

Every European citizen should feel concerned by the Pillar and be associated with the application of its principles. We expect the European Commission and the Parliament to set up adequate mechanisms in this direction and to allow representative social actors (trade unions, NGOs, civil society) by being associated with the monitoring of the European Semester. European Commission officials too often have a macroeconomic and quantitative approach to social investment. Our role, as mutualists or representatives of the civil society, is to demonstrate to them the qualitative nature of these social investments.

On financial policies, we defend a balance between debt control, budgetary aspects and social objectives. 2021 will see the entry into force of the European Commission's new multi-annual plan. Beforehand, it is important that civil society has mobilized to defend the importance and role of social investments in order to better meet the expectations and needs of European citizens.

The European Semester, in operation since 2010 and which is the system for



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coordinating economic and budgetary policies of the Member States of the European Union, has hardly taken social considerations into account since its creation. Over the past year, a timid but real change has been observed since the Semester is now also based on the principles enshrined in the Pillar with regard to the evaluation of national policies, in particular for policies in favor of employment. Social markers have thus been included in the evaluation of public policies, which is a completely new element. We can however deplore the insufficiency of these markers and work for the integration of new indicators such as real access to social services, enforceable social rights, professional and social integration of migrants or even the coverage of collective agreements.

“ Social markers have thus been included in the evaluation of public policies, which is a completely new element ”

Since October 16, the European Union has had a new public agency with the entry into operation of the European Labour Authority. This entity, in charge in particular of the fight against posted work fraud, can play an important role in order to strengthen social cohesion in Europe. Its creation is in line with the proclamation of the European Pillar of Social Rights.

The forthcoming entry into force of the work-life balance directive is also a positive step for Europeans. A recent study published by the European Trade Union Confederation shows the positive effects of this directive. Thus Italian, Croatian and Slovak fathers will have the right to paternity leave to take care of their

children. The duration of this leave will be doubled in the Czech Republic, the Netherlands, Portugal and Romania.

Several elements inscribed in the Pillar will thus be transcribed in future directives and regulations of the European Union. The adoption of a framework directive on minimum income, a rather sensitive issue, should thus soon be on the agenda of the Commission. Social actors must also advocate with institutions the establishment of standards on the integration of disabled people, introduce the concept of aging with dignity, access to housing for people in precarious situations or the creation of childcare structures for couples with serious material difficulties.

Driven by the Finnish Presidency of the European Union, the Council of Ministers of Social Affairs of the European Union adopted a declaration on the economy of well-being on October 24. This declaration proposes a paradigm shift in the priorities of the European Union, in particular by emphasizing that «the well-being of European citizens must take priority over the objectives of economic growth». The declaration also mentions the importance of the social economy. One can thus have the naivety to believe that a very gradual paradigm shift is taking place on the scale of European institutions.

These various initiatives, to which I will add the forthcoming outcome of negotiations on the coordination of social security systems, demonstrate that the solidarity actors must fully mobilize in a context which is rather favourable to them in order to defend their specificity and the importance of their role with the European institutions. ■



FIRST SESSION

TOOLS FOR THE IMPLEMENTATION OF THE EUROPEAN PILLAR OF SOCIAL RIGHTS



François Charpentier
Journalist social protection specialist

Social models in Europe as a whole are very weakened by the development of the platform economy. Many workers are little or very poorly protected in the digital economy. Ken Loach's

latest film fully illustrated this reality. Therefore, it may seem difficult to envisage a convergence from above of social standards in Europe. The European Pillar is however an efficient path, which needs yet to be translated into reality. Our next interlocutors will bring us some points of clarification on the means of ensuring that the principles of the Gothenburg Declaration are effectively applied both at Community and national level. ■

The importance of integrating the implementation of the European Pillar of Social Rights in the monetary policies



Sofia Fernandes
Senior Research Fellow for Economic and Social Affairs at the Jacques Delors Institute

The European Pillar of Social Rights is an achievement to be credited to the Juncker Commission. More than a culmination, but rather a starting point, especially because of its non-binding on the Member States of the U E.

The challenge now is to see what initiatives can be taken at European and national level to translate the principles contained in the Pillar into reality and thereby improve the daily lives of EU citizens.

At European level, several concrete initiatives have been observed, notably with the recent adoption of the Directive on work-life balance or the Directive on transparent and fair working conditions. The European

Union has also drawn up a recommendation to guarantee access for all to social security. Beyond the legislative aspect, the European Union can financially support member states with tools such as the European Social Fund, the Globalization Adaptation Fund, or even Erasmus.

The new Commission is expected to establish a plan for the concrete translation into reality of the twenty principles enshrined in the Pillar. In 2020, the European Union should launch a public consultation and then adopt its social action plan in early 2021.

In the social area, the EU has a supporting role in national policies towards more social progress but treaties, under the principle of subsidiarity, deem that social policies are the competence of member states. The primary responsibility therefore lies more at the national level. Through the European



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Semester, the Union can, however, invite the Member States to take initiatives in social matters.

One of the criticisms that is most often made against the functioning of the European Union lies in its budgetary aspect. The treaties indeed provide for a very restrictive framework and even financial sanctions for States which would be freed from European budgetary rules. The Commission regularly intervenes with the Member States to encourage them to comply with the 3% public deficit rule or to reduce public debt to 60% of GDP.

Though the Pillar is an interesting tool, in particular with regard to the evaluation of social policies conducted in member states, it does not contain any binding mechanism for member states that do not respect its principles.

This obvious imbalance poses several problems. A study published two years ago by the European Social Observatory was devoted to the «socialization of the European semester». The study concluded that the Semester now displayed better consideration of social issues. The recommendations made by the European Commission to the member states demonstrate greater consideration of social realities. DG Employment, in charge of social affairs, has taken on a more important role within the Commission, in particular in defining the recommendations to be addressed to the Member States in social matters.

“Due to its binding nature, the budgetary recommendation will always have more weight than that in social matters.”



Despite these progresses, the imbalance between fiscal issues and social issues remains. For example, in

its recommendations addressed to France last June, the Commission insisted above all on reducing or controlling the French public deficit with quantified objectives. In social matters, the recommendations were much vaguer, sometimes even contradicting the objective of controlling public spending. Due to its binding nature, the budgetary recommendation will always have more weight than that in social matters.

How to change the situation? In the report drawn up by the parliamentary mission of the National Assembly on the social matters, there is a proposal for the creation of a «Social Maastricht». The Maastricht Treaty in fact provides for several budgetary sanction mechanisms. The report indicates that one could draw inspiration from this treaty to create binding mechanisms for states that do not respect the rules contained in the Pillar.

As far as I'm concerned, I think that we cannot function on such a model of sanctions, threatening not being the best tool to allow a real application of rules in social matters. Moreover, the financial sanctions provided for by the Maastricht Treaty in the event of non-application of budgetary rules have never been imposed on an EU member state. It is indeed difficult to punish States which are already encountering significant financial or budgetary difficulties.

It seems to me more judicious to go towards a system of incentives, in particular financial ones. Where to get the money in such a case? The next EU multiannual financial framework for the 2021-2027 deadline provides for technical and financial support mechanisms for the reforms carried out in the Member States. If its envelope may appear thin (25 billion euros over 7 years), it is however a positive start. We could therefore draw inspiration from this tool for social and employment support reforms. However, we should be vigilant about the policies to be supported as a priority, and support, as the European Commission

wishes, the development of vocational training in the face of digital and energy transitions. In this area, the European Commission has notably delivered financial and technical support to Portugal for 2021.

During a recent meeting with the Portuguese Minister of Labour, he explained to me the merits of such a scheme. This type of tool therefore appears to be relevant, particularly with regard to its financial aspect, to translate the principles of the European Pillar into reality.

“the EU could adopt a golden rule for social investment,”

As mentioned earlier by Alain Coheur, the EU could adopt a golden rule for social investment. Under discussion for many years, this golden rule appears difficult to implement, in particular on its scope of action. It could therefore be envisaged that certain public expenditure (education, health) would be excluded from the calculation of the public deficit when the Commission addresses its recommendations in budgetary matters to the Member States. We could

even consider seeing this rule applied on a case-by-case basis according to the difficulties encountered by a Member State in order to give it the opportunity and the time to settle a major social problem.

Another tool, presented by the President of the European Commission during her hearing in the European Parliament, may interest us: the creation of a European unemployment insurance. It is not a question of replacing the existing national systems with a European system, but of creating a mechanism of solidarity between the Member States in the event of significant increase in unemployment or to face a situation of recession.

Today, as they acceded the Euro Zone, some member states have lost the tools to cope with a negative economic situation. The establishment of such a European unemployment insurance scheme could therefore enable States facing a recession to protect themselves from too drastic cuts in social budgets.

This Commission project appears rather modest in its current form but constitutes a good start.■

Concrete measures to implement the European Pillar of Social Rights



Ferre Wyckmans

Membre of the EESC's workers group

To the question which serves as the title of today's Meeting, «The European Pillar of Social Rights, a Guarantee for Social Protection?», I would answer in the affirmative.

The Gothenburg Declaration contains strong ambitions, commitments whose follow-up will be guaranteed over time. The Pillar is an effective opportunity to better defend the European ideal.

Social Europe is a fairly broad concept. Despite experiencing a certain dynamism in the past, it has often been perceived by European leaders as a threat to the competitiveness of the economy. Social Europe is now better perceived, especially in its fundamental contribution to the establishment of democratic societies.

I am convinced that the European Union must distinguish itself by the strength of its social model. The members of the European Economic and Social Committee are fully mobilized, like IPSE, to defend this objective.

European citizens are today won by resignation or a strong distrust of European institutions. It is true that the wait in social matters is very strong and that Europe is far from having fulfilled its expectations.

The European Pillar of Social Rights can help build new consensus on the major challenges facing Europe.

We must now look for ways to go beyond the theoretical framework of the Pillar. This is why the EESC has already taken initiatives for several years to move towards improving living and working

conditions. We maintain that the Pillar is not just a declaration of political intent; it contains real progress and tools for monitoring social policies. There is also a need for better mobilization of civil society so that the Member States are fully involved in the promotion of the Pillar.

Mobilization must also take place at the national level to push for the adoption of the principles of the Pillar in the laws of the member states. I stress once again the importance of actively mobilizing citizens for an effective application of the rules contained in the Pillar.

The European social model is based on a major foundation: social security. There are great disparities between member states in terms of social security, but it is important to defend this foundation, an essential cement to guarantee social cohesion.

The golden rule in public investment that Alain Coheur defends is a tool also defended by several member groups of the EESC.

The dashboard is a key element of the Pillar. The monitoring of social policies by the European Semester is a concrete measure which will help the Union to better measure the needs of European citizens.

I will end by evoking the points for improvement taking into account the expectations in social matters. In an open labour market, we must defend greater worker mobility and stronger protection guarantees. To this end, education and training appear to be key points.

Our group at the EESC defends respect for the national competences of the member states in social matters while supporting the creation at European level of a «non-regression» when the social situation becomes detrimental to workers.

With the EESC, we also defend convergence from the top of the European social models, stronger



recognition of the European social partners, defence of negotiation and collective agreements. Today, in many European countries, we are witnessing a challenge of the role of the social partners in the development of the social standards.

The EESC has proposed to set up a «European Social Policy Forum». This Forum, open to citizens, experts

and the organized civil society, would allow the exchange of good practices between Europeans.

The European Labour Agency, a recent creation but a decisive step in the fight against social dumping and better protection of employees in Europe, will also have to be fully involved in helping to apply the principles of the European Pillar. ■

SECOND SESSION

Impediments to the implementation of the European Pillar of social Rights



Gabrielle Clotuche
Former head of social protection at the European Commission

By way of introduction, I would like to discuss with you the intervention that I carried out at the end of 2016 on behalf of Ipse on the subject of the

European Pillar of Social Rights, at the Economic and Social Environmental Committee in Paris. The realization of fundamental social rights involves two prerequisites: the European competition policy must lose its dominance and be subordinated to objectives of general interest; recognition of an economic sphere outside the market including public services accessible to all and a non-profit solidarity economy, developing social and environmental objectives.

During this presentation, I stressed the importance of

the political will that guided the development of the Pillar. Jean-Claude Juncker is a man with a strong social penchant. Having known him for many years, I was able to assess during certain negotiations that it was in a very generous way that he put forward his ideas.

The Pillar is a tool for measuring social inclusion in the European Union. It is also an instrument to move towards greater convergence in the Euro zone. We may still deplore the fact that the Union always puts the economic before the social, but the Pillar is an important step.

The implementation of the Pillar can give hope to Europeans. It defends strong ideas in terms of individual and collective emancipation. The IPSE has a role to play to support the progress of this Pillar. ■



The case of Portugal : an example of exiting the crisis without austerity



Joao Proença

President of pension funds

Thank you for inviting me to speak at this 46th European Meeting of IPSE.

As a trade unionist, I participated in all the negotiations which involved the social partners during the intervention of the Troika in Portugal, in the aftermath of the 2008 financial crisis.

The tripartite social dialogue has identified solutions to better prevent negative social impacts caused by the crisis.

The integration of this debate in the European Pillar of Social Rights underlines the importance of social dialogue which, as noted in an article of the Pillar, “plays a central role in strengthening the rights and sustainable and inclusive growth” and “plays at all levels a crucial role in the further implementation of the pillar”.

In Portugal, the tripartite social dialogue, known as Social Concertation, was institutionalized in 1984, during the country’s pre-accession negotiations to the European Union. Previously, the dialogue between employers’ and social organizations was almost non-existent on an inter-professional scale. There was, however, a certain dynamism in collective bargaining in certain branches.

“*In this tripartite social dialogue, governments, whatever their political orientation, are most often the least willing to negotiate,*”

The institutionalization of the social dialogue has generated numerous agreements concerning the management of social security, minimum wages or the right to work. These agreements are obligatorily tripartite, i.e. subscribed by the government, at least one trade union confederation and an employers’ confederation.

All the agreements signed to date have involved the UGT (a trade union central) and all or most of the employers’ confederations. On the other hand, it has rarely been possible to create a consensus between the unions, the CGTP remaining on a protest and claimant line.

In this tripartite social dialogue, governments, whatever their political orientation, are most often the least willing to negotiate.

In recent weeks, the government and the social partners have been in the process of negotiating the revision of the minimum wage, wages in general, the redistribution of wealth and the employment of young people. In Portugal, the social dialogue is respected and recognized by the society.

When we talk about the crisis in Portugal, we associate it with the Troika’s intervention period, from 2011 to 2014. Faced with the difficulties experienced after the financial crisis, the country requested aid from the European Union. In 2009, Portugal experienced a period of recession, a sharp increase in its public debt and an explosion in the unemployment rate.

The support of the European Union has been accompanied by austerity measures in the framework of the European Union’s stability and growth programs. These austerity measures have had a very negative impact on social policies and public investment.

The worsening social situation and the lack of tripartite dialogue by the government at the time led the two



union centrals, together and for the first time, to call a general strike in 2011, the largest strike ever observed in the history of Portugal.

In response to this strike, the government has taken action on the minimum wage and initiatives to boost competitiveness. In March 2011, the tripartite social dialogue was relaunched, leading to the conclusion of an agreement containing important social measures.

In April of the same year, the government, put in the minority by the Parliament, was content to request an immediate negotiation with the IMF, the European Commission and the European Central Bank which ended in May, by the signature of memoranda:

- Memorandum of understanding with the Troika on the conditions of economic policy
- Memorandum of economic and financial policy with the IMF

These memoranda were approved in Parliament by the government majority and by the main centre-right opposition party, the Social Democratic Party, which was incorporated into the negotiation process. The social partners were not consulted during this negotiation phase.

The Troika memorandum, similar to those signed by other EU countries, imposed particularly harsh measures on workers and the disadvantaged while weakening the welfare state.

Thus, in the name of the fight against the budget deficit, a sharp reduction in pensions and salaries of public sector workers and drastic cuts to education and health spending was thus observed. The signing of this memorandum even led to a rampant privatization of social security and public services as well as a massive deregulation of the labour law.

In June 2011, the legislative elections saw the victory

of a centre-right coalition, which then proposed to the social partners the negotiation of a pact to revive the country's economy.

Several choices were then available to the union movement, between a massive protest or agreeing to negotiate with employers and the government. The trade union central that I represent chose to participate in the negotiations, considering that it had the possibility of defending certain economic and social measures. The Troika memorandum left the government with relatively little leeway, but we considered that we were able to defend certain achievements and open up new rights for employees.

If the employers clearly played the game of negotiations, the government sometimes took measures without consulting the social partners. A measure providing for a reduction in employers' social security contributions even sparked a nation-wide general strike in November.

The dread of a new general strike led the government to show a better will and a greater listening to the social partners. In January 2012, a tripartite agreement on competitiveness and employment was thus concluded. This compromise poses some amendments to the Troika memorandum, notably in the defence of collective bargaining between employers and employees.

After the signing of this agreement, a process of permanent dialogue between the social partners on the measures contained in the memorandum was established, in particular with the IMF. The social partners were consulted on several occasions on the evaluation of the measures provided for in the memorandum. Bilateral meetings were held both in Lisbon and at the IMF headquarters in Washington. On the other hand, it should be noted that there were practically no meetings between the social partners and the



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delegations of the European Commission and the European Central Bank.

In May 2014, the Troika's intervention ended, with a «clean exit», without a precautionary program.

The austerity policy was maintained by the government until the end of the legislature. In October 2014, however, the government agreed to raise the minimum wage.

All of these austerity measures led to a sharp increase in unemployment, contained only at the end of 2014. Pensions for employees, especially in the public sector, dropped significantly. Social inequalities exploded, as well as the poverty rate, exclusion and precarious jobs. Drastic cuts were observed in the education and health sectors.

Although austerity made it possible to restore public accounts, a revival of growth, a positive balance of payments or the possibility for Portugal to be able to borrow again on the financial markets, the sacrifice was very heavy for the population.

Regarding the tripartite social dialogue, agreements were reached, sometimes after lengthy negotiations, such as on the reduction of the redundancy pay compensated by the creation of a Work Compensation Fund.

However, collective bargaining experienced a significant setback, due to government ill will and certain provisions contained in the memorandum.

Although the government was sometimes able to be more «Troikist» than the Troika, it did not succeed in imposing certain measures, such as increasing the legal working time or overhauling the pension system.

The year 2015 saw the arrival of a new government, this time led by the Socialist Party and supported in Parliament by the Communist Party and several formations of the radical left.

António Costa's government has called into question several austerity measures, such as cutting wages and pensions. It also endeavoured for the revival of collective bargaining. The most emblematic measure of the left government has been the annual increase in the national minimum wage, following agreements with the social partners.

The improvement in income has had a very positive impact on economic growth and employment. Certain structural measures (privatizations, liberalization) imposed by the Troika remained, but on the whole the country experienced an economic improvement.

This upturn is reflected in the presence of new industries in the technological sector and an increase in foreign investment. However, the lack of attractiveness of wages despite their relative increase leads certain skilled workers to emigrate.

This exit from the crisis that Portugal is experiencing today was partly made possible by social dialogue. The social partners have shown a strong sense of responsibility, placing the country's interest above partisan interests.

In an increasingly unpredictable world, tripartite social dialogue contributes to strengthening the confidence of citizens and businesses, on the basis of winning commitments for all: workers, employers and society in general.

Strengthening the European social dialogue is essential for the implementation of the European Pillar of Social Rights. ■



A statement with limited ambition



Denis Stokkink
President, Pour la Solidarité

For my part, I prefer to see in the adoption of the Pillar as a «half-full» rather than a «half-empty glass».

The so-called European Pillar of Social Rights has both elements looking to the past and others looking to the future.

Looking to the past, because these are principles that have historically founded the European social model. These are the twenty principles which now appear in the Pillar.

During a recent meeting at the European Commission, a Commission official pointed out to me the opportunity we had in the French language to have a more appropriate term by evoking the base (socle) than in English, where we speak of a «pillar». It is a founding text, in the sense of foundation, as it could be used to speak of the foundation of a house.

Looking to the future, because it allows us to understand the transitions that will soon change the lives of Europeans.

The socio-economic situation in Europe is characterized by one element, the increase in inequality. It is a key element which we do not discuss enough and which concerns all European countries.

“Bear in mind that with the Pillar, Europe is the only region in the World which benefits from a base of social rights for 500 million inhabitants,,

Amartya Sen, Nobel Prize winner in economics, stated something important during the 2008 crisis: “Economic

and social inequalities are not the consequences of the crisis, but its source.”

Having significant inequalities in Europe but less pronounced than in the rest of the World leads some to think that the present situation is not so dramatic as it stands. However, if we follow Amartya Sen’s analysis, we realise that with the increase in social inequalities and the poverty rate, the socio-economic crisis that we are experiencing is bound to take hold over time.

The European Pillar of Social Rights represents the common solution of the European Union to the crisis. Bear in mind that with the Pillar, Europe is the only region in the World which benefits from a base of social rights for 500 million inhabitants.

Compared to other major powers (United States, China, Japan), Europe is at the forefront when it comes to social legislation. Therein lies, in my opinion, the strength of the Pillar.

It is, to use a formula that will amuse my French friends, La Force Tranquille of Europe. Social shock absorbers allow victims of economic crises to protect themselves from its most harmful effects. These shock absorbers are at the heart of the principles of the Pillar. Thanks to these precious tools, Europe experienced less violent shocks during the 2008 crisis than other regions of the world.

A common and strong foundation for Europe, this text could serve as an illustration of the European motto «United in diversity». I think that we insisted too much during our discussions this morning on the great divergence of European social models. However, there are strong similarities between them, which demonstrate the cohesion of our model.

In terms of improving social rights, the EU has highlighted some progress that remains to be made, in particular in the



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area of parental leave or the work-life balance.

Despite the reluctance displayed by some Central European countries, it does not weaken us and now point us towards greater convergence in social matters.

I will end by exposing you to several proposals in order to better enhance the achievements contained in the Pillar. With Jean-Claude Fluhr, I would allow myself to make several proposals to give an important place to IPSE in this sense, in particular by defending the non-consideration of social investments in the calculations of public deficits.

IPSE could, drawing inspiration from its European social protection charter, promote a European declaration by those involved in social protection on the importance of social investments that can help resolve the crisis.

When the President of the French Republic questions the relevance of this 3% deficit rule, we could also submit to him the proposal of social actors to remove social investments from the calculation of deficits. IPSE could also engage reflection on the nature of these social investments.

The European Pillar of Social Rights engages the future of Europeans. It displays interesting objectives in terms of convergence and evaluation of social policies.

When I worked with the Belgian Presidency of the European Union in 2000, I could see the opposition of German trade unionists to the proposals to extend the minimum wage to all European countries, not in opposition to the measure itself, but because the proposal called into question the autonomy of social dialogue in their country. The minimum wage is defended in the Pillar, and from now on also by Germany, it is in my opinion a good point to move forward on the subject.

IPSE should put the link between sustainable development and the European Pillar of Social Rights on its discussion agenda. The fight against global warming is indeed one of the priorities of the Von Der Leyen Commission. It would be an opportunity for IPSE to be at the heart of European news.

The digital is also a priority for the Commission. IPSE could draw inspiration from the exchanges at the 2016 Hague Meeting devoted to digital, and mobilize its members to defend the vision of social actors on the development of the digital economy. ■



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Initiative that enable the implementation of the pillar



Camille Boucher

Project manager Ipse

What initiatives should be envisaged for the widest possible application of the principles contained in the European Pillar of Social Rights? The debates in the morning highlighted the importance of a strong mobilization of the European civil society to bring about a social and fully inclusive Europe. Europe remains today an avant-garde space in

social matters. A recent ILO study indicated that 50-60% of the world's population was completely without social protection. To contextualize the principles of the Pillar with the reality, we will now discuss a few initiatives at the national level, with MP Marguerite Deprez Audebert, co-author of a parliamentary report on the Pillar and adopted last March by the European Affairs Committee of the National Assembly. Our friend Wolfgang Schulz Weidner will discuss the point of view of social security institutions in Europe. ■

Parliamentary report on the European Pillar of Social Rights



Marguerite Deprez-Audebert

Deputy Modem of the ninth district of Pas de Calais

I have the honour to present to you today the information report devoted to the European Pillar of Social Rights, co-written with my colleague, the MP Carole Grandjean and presented to the Foreign Affairs Committee of the National Assembly last March.

This report is the result of work carried out over several months. Carole Grandjean and I also went to Finland and Italy to interview experts as well as the social partners. This report was accompanied by a European motion for a resolution.

On the strength of its twenty proposals, I will now

present to you the most striking findings that we noted during the writing of this report.

The general idea of the report was to measure the contributions of the European Pillar of Social Rights in relation to what is called «the European social acquis», i.e. all the actions already undertaken by the European Union for the promotion of social rights.

Social rights as defined in treaties and European Union legislation cover a fairly broad definition, including rights which relate in particular to employment, inclusion and social protection, and the fight against discrimination.

In our report, we wanted to convey three messages.

Firstly, to assert that this Pillar is not the first initiative to bring about a social Europe, although convergence in social matters has experienced a serious slowdown in the Union in recent years.



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Secondly, the European Pillar appears to us as a new decisive impulse to relaunch social Europe. Concrete translations of the principles of the Gothenburg declaration have already been laid down in European standards over the past year.

Finally, and this is the whole point of our motion for a European resolution voted by the Assembly's European Affairs Committee, we have formulated recommendations to encourage both to complete the tools of the Pillar in the short term and to reflect in the longer term to what the future of social Europe could be.

It would be totally wrong to think that the Pillar constitutes the first initiative for the advent of a social Europe. The European social legislation in effect includes two hundred texts which mainly concern the right to work, the free movement of workers, equality between women and men, health and the fight against all discrimination. This foundation, important as it is, was not necessarily guaranteed when the European project was launched. It has been slowly built up, from the Schuman Declaration to today through the Treaty of Rome – very ambitious in its objectives – the protocol on social policy annexed to the Treaty of Maastricht in 1997 or the Treaty of Lisbon entered into force in 2019 and which defines social policies as a competence shared between the Union and its member states.

Despite its powers limited by the Treaties, the Union has always acted in social matters. Among its many achievements, the health and safety of workers have been regulated since 1989; information and consultation of workers have been guaranteed since 1975; equal treatment between men and women has been the subject of standards since 1976; coordination of social security systems has been effective since 1971; public health now includes 10% of community legislation and 80% of social

legislation ; posted workers has been redesigned since October 2018. European structural funds that support social projects, such as the European Social Fund, now amount to 100 billion euros. Since 1997, there have been several open methods of coordination in employment, education or vocational training policies. Finally, social dialogue, enshrined in the treaties, resulted in the signing of framework agreements on parental leave, part-time work or fixed-term employment contracts.

The European social acquis is therefore much more substantial than one might think at first glance. All this legislative edifice made it possible to go in the direction of a social convergence, even if this still remains insufficient today. The Union still suffers from too little social convergence.

“The Union still suffers from too little social convergence,,”

It was in this context that the European Pillar of Social Rights was proclaimed in November 2017 at the social summit in Gothenburg. Its long preamble recalls its main objectives, including inclusive growth, taking into account changes in the labour market, reducing inequalities and increasing untapped job potential. We are delighted that the text has been taken up by the European Council in the strategic program of the European Union for the 2019-2024 deadline and that it is fully integrated into the guidelines of the new President of the Commission, Ursula Von der Leyden. Likewise, the designation of the European Lifestyle and Social Rights Promotion Commissions alongside that of Employment is a good omen.

Our report proposes, however, to go further by giving real operationality to the rights of the Pillar and to reflect on a longer term on what could be the future of social Europe.

First, certain tools are lacking for the effective



implementation of these rights. We therefore propose to think about the creation of a minimum unemployment insurance base in connection with article 4 of the Pillar. In view of the major difficulties which have appeared in European negotiations on this subject, it would be more realistic to think of cooperation between border Member States on a minimum unemployment insurance base. Indeed, some states have fairly similar unemployment insurance systems with comparable net replacement rates. We can think in particular of France, Germany, Belgium and the Netherlands. Cooperation between these states could then encourage others to join this movement. On the same model, we propose the introduction of a minimum wage taking into account the different median wages. We also propose that the newly created European Labour Authority encompass the other four labour-related authorities and provide it with a mission followed by sanctions and checks carried out in each member state. On this point, unfortunately, the Commission has not given encouraging signals. This Authority should also be responsible for monitoring the rules on the posting of workers, in particular those resulting from the 2018 reform. 17% million workers are currently affected by posting, which is twice as many as there were ten years ago. This European Authority must be an instrument which supports the professional mobility of EU employees while ensuring respect for the fundamental social rights.

The report also contains proposals for education and enhancing skills in the Union by supporting the creation of a European referent in every secondary school and increasing the number of apprentices benefiting from the Erasmus+ program. The French government has notably set itself the objective of increasing apprentices from 7,000 to 42,000 by 2022. We believe this objective is attainable provided that it mobilizes substantial and adequate funds. As co-rapporteur of a report which will soon be submitted

to the French National Assembly on the extension of the Erasmus+ program, I think that this objective is entirely achievable if supported by real political will. The creation of an Erasmus program of European skills, aimed at people with low qualifications can be an opportunity to develop vocational training and employment for young people in Europe. 11.5% of young people without qualifications currently benefit from the Erasmus+ program. We must therefore move towards an incentive system to encourage greater mobility of these young people and their better integration into the labour market.

Finally, we are proposing better coordination on student accommodation by closely associating the voluntary municipalities. Mobility could also be favoured on the banking level by making the opening of bank accounts abroad for student populations more functional.

“We also support greater recognition of companies in the Social and Solidarity Economy at the level of European institutions,”

We also support greater recognition of companies in the Social and Solidarity Economy at the level of European institutions. These companies are now absent from EU law. We propose to remedy this by introducing the concept of profitability limited to Article 54 of the Treaty on the Functioning of the European Union.

Equality between women and men also deserves wide-ranging initiatives to become effective. Today, the pay gap between men and women is 16.1% in the European Union and the employment rate gap is 15.1%. We therefore propose a European



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investment plan for childcare facilities. We also support the creation of a mediator, primarily for the euro zone, with skills relating to situations of family separation with children for binational couples. And finally, the increase in guarantees of transparency of remuneration, a major tool in the fight against wage inequality.

The report also defends the revision of the directive adopted in 2000 on the social inclusion of people with disabilities in order to guarantee greater inclusion of these people in education and business.

Concerning the European social funds, we were struck to see that no significant impact study had been done to date to measure their contribution to the economy of the European Union. We do not know how much these investments have an impact in the fight against poverty or the social inclusion of people in very precarious situations. It therefore seems essential to us that the European Commission produce assessments at Community level and that the Member States also issue studies on their respective territories.

The report presents two avenues for long-term reflection in order to reflect in the longer term on the future of social Europe. The first partly corresponds to the proposals of the Presidency of the French Republic submitted in the wake of the adoption of the Gothenburg declaration. The idea would be to condition the payment of European funds to the meeting of several social criteria. The European Commission set up a monitoring table for social policies in the European Union the day after the Declaration of the Pillar, with a very precise statistical monitoring table. This table is a great tool for assessing compliance with the fourteen social criteria used in this Commission assessment mission. The conditionality of the

payment of European funds should not however be to the detriment of the populations of which the countries are beneficiaries today. Therein lies the main difficulty.

In its conclusions, the report calls for the gradual establishment of a «social Maastricht». Our idea is therefore to include several binding criteria in the monitoring of the social policies of the member countries of the European Union with a system of sanctions for States which are freed from compliance with these criteria. The Eurozone operates only on compliance with economic criteria. Adding a social component to monitoring national policies would certainly strengthen its cohesion.

The practical arrangements for implementing this social Maastricht have yet to be defined. With my colleague Carole Grandjean, we especially wanted to bring social issues to the fore in the European Union. It must be said that the European Union and the Euro zone in particular can no longer be content to remain at the laudable stage of principles, action plans and specific measures. Social policies must become a central issue for the European continent. The European Pillar is a great opportunity to move towards this goal.

The report wanted to point out that despite limited competences, the Union has always sought to define and reinforce this European social acquis. The European Pillar is therefore an opportunity which, to become major, must now be accompanied by strong political will. The social rights enshrined in the Pillar engage the member states and the European Union for the coming years. It allows us to see what has been done and especially what remains to be done. Our European motion for a resolution was meant to demonstrate the importance of the European Pillar of Social Rights for the years to come. It challenges the European institutions on possible new concrete



advances to advance social rights in Europe. It also received a favourable opinion from the European Commission. This resolution demonstrates the full mobilization of French parliamentarians to move towards a rebalancing of macro-economic policies in favour of compliance with social criteria. We hope that

the other national parliaments will in turn take up the social question. We have sent our resolution to each parliament member of the European Union. Tomorrow we would like to be able to defend a joint resolution of the various parliaments to complete and boost the Pillar of Social Rights in the European Union. ■

The social protection of self-employed workers



Wolfgang Schulz-Weidner
*Expert auprès de la
représentation de la sécurité
sociale allemande à Bruxelles*

I will discuss with you the principles of the European Pillar as an expert and an actor in social security.

The second principle of the Pillar contains a strong commitment to guarantee equality between women and men, in terms of equal pay or access to the labour market. The next Commissioner responsible for these matters, Héléna Dali, has announced several initiatives towards that direction. If there is clear progress in Europe on this subject, it could only be beneficial for our social security systems. In the European Union, there are very large disparities between the pensions received by men and women. In some countries, the differences between male and female pensioners reach 40%. Differences in wages or careers largely explain these inequalities.

The fifteenth principle of the Pillar states that «women and men must have the same rights to obtain a pension». Since pensions depend mainly on wages,

the latter, which are very unequal between men and women, are in fact very unequally perceived according to gender. So, can we still speak of equal opportunities? The realities of the labour market make it difficult to apply certain provisions of the Pillar.

Consequently, should social security systems compensate for these inequalities? Should we get out of the logic «every euro paid to social security gives the same rights» and deeply review the functioning of our systems? Within the ESIP, the body which coordinates all the social security entities of the European Union and in which I participate, the debate is still far from settled.

On the side of the European Commission, Katarina Ivankovic Knezevic, director of the Directorate-General for Employment and Social Affairs, recently indicated that Europe would now commit to more equality between retired women and men. It is a project that the director intends to open for the next five years and which will mobilize many experts.

Principle 6 of the Pillar states that “workers have the right to fair wages that provide for a decent standard of



living; adequate minimum wages shall be ensured; in-work poverty shall be prevented". The Commission has recently announced some initiatives in this direction, such as the introduction of a minimum wage in Europe. This idea is not entirely new and was already the subject of a vote in the European Parliament in 2008. For your information, in Germany, the minimum wage corresponds to 50% of the median wage. If a minimum European wage were introduced, the situation would be changed in many countries, including the most economically advanced. But on what criteria should this minimum wage be defined? Here again, we are to await clarifications from the Commission.

Principle 12 states that both employees and self-employed workers have the right to social protection. Transposing this principle at community and national level will require a lot of work. On 8 October, the European Council, after tough negotiations, adopted a recommendation along these lines which should then serve as a working basis for the Commission. To translate this principle into reality, the Council indicated that it wanted to establish common indicators which are not yet known today. This question of access to accessible and quality social protection is now on the agenda of the European Semester. On the social protection of the self-employed, many European countries have put pressure on the Commission's ambitious plans. The European executive defended the same rights of access to social protection for employees and self-employed workers. The European Council recommendation only mentions a "voluntary right" for self-employed workers.

The principle of equal treatment of all forms of work was ultimately not retained by the European authorities, which we deplore as actors in social security.



Principle 13 speaks of the right to unemployment benefits. The European

Commission is now defending an unemployment reinsurance project to deal with the systemic shocks that will affect Europeans. The contours of this project still need to be clarified.

It is however regrettable that the Union, within the framework of the European Semester, makes recommendations to the States only in economic or fiscal matters without taking more consideration of social criteria. The aging of the population in Europe is likely to have a strong impact on pension systems. In this context, the European pension model is moving more and more towards universal basic social protection, the level of which is fixed according to the poverty rate.

The Commission is now in charge of drawing up a Green Paper on aging. This will not be under the Commissioner for Social Affairs, the Luxembourgish Nicolas Schmitt, but under the Vice-President in charge of democracy and demography, the Croatian Dubrava Suika.

Katarina Ivankovic Knezevic recently declared that by 2060, there will be in Europe "one retired person for every person in employment". As a result, we should abandon the idea of pension systems with pre-defined replacement rates and thoroughly restructure national budgets. Such statements do not, in my view, augur well for the application of Principle 15.

Thus, the Pillar contains notable advances but their application will necessarily be limited. This is a salutary step to advance the Europe of social rights, but unfortunately it seems to me to be insufficient. ■