

2018 Annual Convention for Inclusive Growth

Side Event

The Future of Work and the European Pillar of Social Rights

How to foster inclusive labour markets to reduce poverty and inequality?

Workshop summary

Chair: Conny Reuter (SOLIDAR)

Speakers: Dr. Katherine Duffy (EAPN UK), Kerrie Marie Friel (EAPN Scotland), Judy McKnight (EESC), Marina Monaco (ETUC), Hubertus Arndt (Sec-Gen).

Conny Reuter (SOLIDAR), Chair, welcomed audience and speakers. He highlighted the importance of debating on the future challenges for the labour market, which currently are an important part of the discussion on the future of Europe. The European Pillar of Social Rights will be the main tool to address these challenges, together with other recently adopted instruments such as the Social Fairness Package.

Dr. Katherine Duffy (EAPN UK), presented EAPN and the EMIN project bus journey. She then presented the present issues: the Europe 2020 target won't be met, social protection efficacy is going down, employment has reached the pre-crisis level but quality of employment has dramatically fallen down, with an increase in involuntary part-time and atypical contracts and an overall low productivity. Some people say this is caused by a change in trade, or new trends brought about by automation, but this holds true just for some countries and/or some sectors: this was policy driven, she argued, by ten years of austerity. The rise in self-employment, platform employment and atypical contract is sometimes enabled by technology, but most of it relies on the deregulation of the labour market carried out in the last decade. She argued that the only way to address these issues properly is to have a strong political ambition, to create an even social floor capable of protecting workers from the "modern slavery" of low wages and low-quality jobs. She also advocated for participation of civil society to be more structured and for adequate funding to be provided to CSOs, arguing that the fight against tax evasion could provide more than enough coverage for increased social investments.

Kerrie Marie Friel (EAPN Scotland), presented her condition of person with direct experience of challenges around in-work poverty. She is a mother-of-four, and also carer for one of them who has special needs. She's been working since she was 13, and at 16 she was working three jobs at a time; twenty years later she found herself a single mother without a job, applying for job offers and not being able to accept most of them because the weekly schedule clashed with her children needs. She shared her willingness to act against poverty (especially child poverty) that pushed her into becoming a volunteer and fight for a fairer society. She shared her conviction of society not being founded on equal grounds for everybody, but she also called on the EPSR to be a meaningful instrument in the fight against all inequalities.

Judy McKnight (EESC), highlighted the need for the Pillar to initiate concrete action leading to tangible improvements to people's lives: the proclamation of the Pillar was a crucial moment of shared political commitment, but right now all stakeholders need to work together to ensure this leads to successful improvements. She underlined the increase in self-employment, as well as that of people willing to work longer hours; on the other hand, 60% of people living under the poverty line live in a household where

at least 1 person works. She argued that initiatives carried out under the EPSR umbrella will carry greater benefits than costs in the long run, but she also called on the Pillar to be adequately funded in order to have concrete effects on the ground. She advocated for fight against tax evasion and taxation on digital profits to be sources of additional investments in social policies. She also argued that the challenge posed by European elections may be a chance for the EU to show that its actions are able to positively affect people's lives and help re-establish people's trust in EU institutions, which is now highly deteriorated.

Marina Monaco (ETUC), underlined the necessity to consider the Pillar as a full package of provisions, since all issues are interconnected: we cannot act on work and employment without taking into account the importance and effects of adequate social protection. Adequacy of social protection is crucial to allow people to live their lives in dignity and protect them from poverty now and in the future. The Social Scoreboard featured in the Semester is incomplete and debates, but it does put a spotlight on a number of issues, for instance the discrepancy between the importance attributed to social protection and the public funding allocated for them, highlighting that the interests of people to be protected from the major risks in life are not adequately funded by Member States. It is also true, she argued, that the Social Scoreboard adds more social to the Semester and to internal market monitoring in general, but it's also true that we need to take the necessary legislative steps to have a more equal society. She argued that work needs to be an effective tool to protect people from poverty, but also to ensure protection and maintenance of living standards, pertaining very much to human dignity.

Hubertus Arndt (Sec-Gen), stressed the importance of European Pillar of Social Rights as a milestone in developing the social acquis. Against the backdrop of legal and political situation, the Pillar represented an important achievement, setting out an ambitious list of rights and principles. He underscored the need for strong follow-up and implementation at both the EU and national level. In respect of the question of funding the necessary policies and measures, he recalled the limited size of the EU budget, pointing to the key role of national budgets. The Commission was working towards making good use of the available EU resource to underpin the implementation of the Pillar. In this context, he referred to the link between CSRs and the programming under the European Structural and Investment Funds. About the future of work, he saw a broad consensus about the importance of the issue. Things were developing quickly indeed and may have sweeping consequences for employment and social policies. However, the precise nature and size of these consequences were not yet clear in full. Some would be positive, others negative. The EPSR played a key role in responding to this challenge, as it set out the rights and principles Europe stands for. The Pillar would offer orientation for the policy direction and for preventing and tackling the negative consequences. After the solemn proclamation of the Pillar in November 2017, the focus now needed to be on implementation. This was a shared responsibility. He also underlined the importance of starting to focus on preventive actions to stop the transmission of poverty from one generation to the following, starting from very young children and investing in people to make them more resilient so that they can effectively cope with difficulties in their lives. The Employment guidelines were at the basis of the Semester. The Commission made a proposal to adjust them to the Pillar. This proposal was currently under consideration in the European Parliament and the Council. One aspect was the involvement of civil society in the European Semester. He recalled that the Pillar only had been agreed in November 2017, i.e. a few months ago, and that the current European Semester was the first one to take the Pillar into account.

Discussion with the audience: What are your messages and proposals for the future of work?

- It would be useful for the EC to provide capacity building together with funding, so to try and ensure better management and strategic planning.
- We have to be sure that every kind of worker has access to training and upskilling, with policies done from learners' perspective taking into account their specific interests and needs, and with special attention to disadvantaged groups.
- The EU should push for national legislation frameworks fostering inequality and putting a stop on outrageous wages inequality.
- The EU should devote more attention to workers with disabilities, that are too often the last to be hired and the first to be fired, with higher risks of poverty.
- The Work-Life balance is a very crucial initiative that needs to be widely supported from institutions and NGOs, since it's a crucial investment for all families.

Speakers remarks

Kerrie Marie Friel (EAPN Scotland), highlighted the importance of profiting of the opportunity offered by the EPSR for civil society to engage and make things happen.

Dr. Katherine Duffy (EAPN UK), called on governments to design good legislation frameworks before the social costs of the changing labour market will be too high. Civil society should engage to push for more social policies and of better quality.

Hubertus Arndt (Sec-Gen), acknowledged the importance of capacity building, including through EU support, but recalled subsidiarity and Member States' autonomy. He underlined that the shared proclamation of the Pillar by the EP, the Council and the Commission signalled the fact that the Pillar and its implementation are not exclusively a task for the European Commission. In view of policy-making, he underlined the strategic importance of strengthening basic skills, which are crucial for finding a good job, for preventing poverty, for personal development as well as for engagement in society and democracy.

Judy McKnight (EESC), underlined the importance of civil society campaigns for concrete actions under the Pillar. She also acknowledged the importance of good-quality information, both in daily lives of people and in policy-making, and the importance to advocate for accurate information.

Marina Monaco (ETUC), highlighted the importance of building on the Pillar to deal with changes in the labour market, to mainstream inclusiveness and sustainability. She also underlined the importance of enhancing participation of civil society in EU governance and policymaking processes.

Conny Reuter (SOLIDAR), drew conclusions from speeches and remarks from the audience. Key messages from the side-event are:

1. The future of employment must ensure meaningful, quality employment and adequate social protection.
2. The EU must work to make sure that technology really improves the quality of employment, and that digital services are at the service of people and not the other way around.
3. The European Pillar of Social Rights is an important opportunity to carry out meaningful actions to guarantee adequate social rights to all people across Europe.
4. Social partners and civil society are vital to push for meaningful action under the EPSR and have the right to be adequately funded.

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Key Messages

Background and rationale

New ways of work, and changes brought to labour markets by an increase in atypical, insecure contracts, not least brought about by trends such as digitalisation and robotisation, the platform economy, and globalisation, are a crucial topic for the policy debate around the future of Europe. Key employment initiatives constitute the bulk of the Social Fairness Package, including a proposal for a *Council Recommendation on access to social protection for workers and the self-employed*, and a proposal for a *Council Regulation on establishing a European Labour Authority*.

During the Annual Convention on Inclusive Growth 2018, the European Anti-Poverty Network (EAPN), the European Economic and Social Committee (EESC), the European Trade Union Confederation (ETUC) and SOLIDAR co-organised a side-event, aimed at exploring the key role the European Pillar of Social Rights can play in tackling key challenges, to ensure quality and sustainable work and progress in the fight against poverty and inequality.

Questions

- What are the main trends shaping the present and future labour markets?
- What implications for decent work, poverty, and inequality? What role for social protection?
- How to best use the tools the EPSR (including the Social Fairness Package) provides to respond to these challenges and foster inclusive labour markets?
- What fruitful partnerships can be established, at national and EU level, to meaningfully implement the EPSR in this context?

The event was very well attended by nearly 100 participants, representing civil society organisations, people with direct experience of poverty, social partners, national equality bodies, National Ministries, local authorities, and European institutions. The varied interventions from speakers promoted a wide-ranging debate: analysing opportunities and risks of new trends, including the lived realities of people facing poverty, and concluding with key messages proposing action to ensure quality and sustainable work, progress on social rights and the fight against poverty and inequality. This was a timely and crucial discussion in light of the European Pillar of Social Rights and key employment and social protection initiatives such as the Social Fairness Package, including a proposal for a *Council Recommendation on access to social protection for workers and the self-employed*, and a proposal for a *Council Regulation on establishing a European Labour Authority*. Full information is available [here](#), and on the [Facebook page](#) of the event, as well as in the [Workshop summary](#).

KEY MESSAGES

1. The future of employment must ensure meaningful, quality employment and adequate social protection rights.

In the speaker from the Commission's view the crisis seems to be finally over, as employment has reached its pre-crisis levels. However, Europe is suffering from low quality employment, low productivity, and higher numbers of part-time and atypical contracts, as well as a dramatic increase in self-employment (sometimes bogus) and in people willing to work longer hours¹. This is contributing to sharply increasing levels of in-work poverty (currently 9.6%), and the decreasing impact of employment on poverty. This condition has been essentially policy-driven, with new jobs being held back by ten years of austerity and labour market deregulation that have led to sacrificing a number of good quality jobs during the crisis and the emergence of new business models which threaten worker's rights in the search for higher profit margins. While some argue that job polarisation depends upon trade or automation, this assumption holds true only in some limited cases, in some countries and in some sectors. The real issue is the inadequacy of wages, the increasing precariousness of employment contracts and employment protection and the reduction in the access and coverage of social protection schemes, which must be addressed quickly². The meeting unanimously welcomed the Introduction of the European Pillar of Social Rights, and specifically the 2nd chapter on fair working conditions and the right to adequate social protection in principle 12 of the EPSR, which underpins the recent proposal for a Council Recommendation on access to social protection for workers and the self-employed. However, with nearly 118 million people still at risk of poverty, making up 23,5% of the total EU population, there's a lot more to be done.³

2. The EU must work to make sure that technology really improves the quality of employment, and that digital services are at the service of people and not the other way around.

Technology and labour markets are undeniably more and more connected, and they're both changing so fast that it is often very difficult to see the full impact. However, the risks to employment and social rights are clear, as shown by the large amount of atypical work that has been incentivised by technological developments, such as platform employment. Policy makers at EU and national level have a key role to play to monitor developments, ensure that the reality on the ground is heard and analysed fairly and to work together with all key actors to shape these new developments through policy frameworks and regulation. It cannot be left to the market to decide on the future of social rights. EU institutions and national governments need to act urgently to ensure that technology offers good-quality opportunities to people and poses no threats to their well-being and their employment and social protection rights. On the other hand, we also need to exploit technology to meet people's needs, to sustain and further develop people's access to their rights, for instance by providing inclusive and affordable social services and education through IT.

3. The European Pillar of Social Rights is an important opportunity to carry out meaningful actions to guarantee adequate social rights to all people living in Europe.

The European Pillar of Social Rights is the most important social initiative to have emerged from the Juncker Commission. European institutions: the European Parliament, Commission and European

¹ For more detailed trends on labour markets and their implications on the future of employment, please refer to EAPN publication "[The Future of Work](#)".

² For more information on how to pursue quality of employment, please refer to EAPN publication "[Inclusive Labour Markets](#)".

³ All figures coming from the 2018 Joint Employment Report.

Council representing Member States have committed to a framework of principles to support upward social convergence, serving as ‘a compass’ for future social and economic policy actions in the EU. It is the result of a long negotiation process that was able to find a compromise between divergent opinions, and the shared engagement seen in the proclamation must now be built on to ensure that the Social Pillar stays central in the European elections and continues to be implemented beyond the end of this Commission. The meeting welcomed unanimously the Pillar as a vital instrument for social progress, but also demanded for it to be taken very seriously as a concrete window of opportunity to rebalance the focus of EU economic policy towards the social and to embed concrete progress on employment, social protection and inclusion rights in every Member State. The role of the Commission is now to monitor and support the implementation of the EPSR at the national level, as well as to advance the key legislative initiatives, while also guaranteeing their accountability on all social policies adopted under the Pillar framework. The initiative now relies strongly on actions of Member States and the Council to ensure implementation together with stakeholders. The European Semester needs to be effectively used to implement and monitor all action conducted under the Pillar, also mainstreaming the Social Scoreboard properly for benchmarking and harmonising actions all across Europe.

4. Social partners and civil society are vital to push for meaningful action under the EPSR, and have the right to be adequately funded.

The implementation of the Pillar involves shared responsibilities at all levels. Social partners, particularly trade unions defending workers’ rights and civil society fighting for social inclusion and social justice, together with people directly facing poverty and exclusion, have the right and duty to participate in the process. The crisis has made people aware of the importance of high-level social rights, and there’s now a strong appetite to push for the achievement of adequate and guaranteed social standards across Europe. As much of the responsibility passes to national government level, social partners and civil society have a key role to play in raising awareness, defend rights and mobilize to get effective implementation. Some speakers openly welcomed the recent engagement of the European Commission to set up a more structured dialogue with civil society, similar to the existing one with social partners, whilst recognizing the different treaty bases and roles, and encourage civil society and social partners to engage more in policy processes at all levels, especially in the implementation of the EPSR through the Semester to get results on employment and social rights. Appropriate, timely and effective actions are very difficult to be put in place without adequate and reliable funding; this is a particularly crucial discussion in the context of the proposal for the next Multi-annual Financial Framework. While 77,5 million euros (48,8%) of the 2018 EU budget are committed to actions fostering smart and inclusive growth⁴, the budget threat posed by Brexit casts great uncertainty on future social budgets. After the crisis and the adoption of the Pillar, people in the EU cannot afford for investments in social issues to be reduced; on the contrary, they need to be enhanced and broadened in scope, so as to finally achieve a truly inclusive economic development, which benefits people on the ground and ensures the right to quality jobs, social services and social protection. Speakers called on both European and national institutions to recognize the value of partnerships with, and participation of, civil society organisations, together with social partners and to provide adequate funding for their activities, so as to help sustain a meaningful and fruitful exchange process and enable more effective joined-up actions to get results. Member States should improve fairness and fight inequality by effectively implementing legislation against tax evasion and avoidance, promoting adequate programs to shift to more progressive tax systems moving the tax burden away from the poor, and collect taxes on digital profits, so as to finance social action for fairer societies. Social investments must be considered for what they are, namely investments that will greatly repay society in the long-term, prevent and reduce poverty and provide an essential basis for more sustainable and inclusive economic and societal development.

⁴ Figures coming from the [2018 EU Budget factsheet](#).