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EU SOCIAL STANDARDS

Ensuring every person's fundamental right to live a life in dignity and fully participate in society

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Social Platform is the largest civil society alliance fighting for social justice and participatory democracy in Europe. Consisting of 47 pan-European networks of NGOs, we campaign to ensure that EU policies are developed in partnership with the people they affect, respecting fundamental rights, promoting solidarity and improving lives.

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KEY MESSAGES

I. **Social standards are needed to ensure a life in dignity and full participation in society for all, and to promote social and economic progression and cohesion in the EU.** Social, economic and political arguments support the introduction of rights-based social standards at EU level to reverse worrying trends of growing poverty, inequalities, precariousness and underemployment and persistent high levels of unemployment.

II. **Important social standards are quality and sustainable employment, adequate income support throughout the life cycle and universal access to quality and affordable care, social, health, housing, education and life-long learning services.**

III. **Social investment, including adequate resources for social protection and services at all levels of government, is key for the implementation of social standards and should be prioritised over other kinds of public expenditure**.

IV. **Legislation, benchmarking, and the use of existing governance frameworks that promote the exchange of best practices and provide guidance to Member States – particularly the European Semester - are vital tools for implementing social standards.** The meaningful and structured involvement of rights-holders and organised civil society should be ensured at all stages and levels of these policy processes.

Introduction

The European Union has committed to fighting poverty and social exclusion and to promoting equality and solidarity – both at the EU level in the EU treaties[1] with instruments such as the Europe 2020 strategy,[2] and at international level with the 2030 Agenda for Sustainable Development.[3]

However, despite these commitments we have seen trends of widening gaps between and within Member States in social and economic terms. Around a quarter of the population in the EU – 122 million people – is at risk of poverty or social exclusion.[4] Wealth and income are increasingly concentrated among a small percentage of the population, dramatically increasing inequality and impacting negatively and substantially on both social cohesion and economic growth.

In the labour market, job precariousness and underemployment in the form of involuntary part-time, temporary work, forced self-employment, non-standard forms of employment such as zero-hours contracts or employment in the emerging "collaborative economy" and/or skills mismatches, are growing. This often prevents workers who do not have full access to employment and social protection provisions and contributions from accessing their social rights. Increasing in-work poverty demonstrates that while employment remains an important vehicle of social inclusion, it is not the panacea to social problems, nor it is enough to protect people from hardship. On the one hand, there are people in our societies that cannot work or cannot work for part of their lives. On the other, earning a wage is not always sufficient to protect employed people from experiencing poverty and social exclusion.[5]

While these trends pre-date the financial crisis, their aggravation has not been accidental; it is largely the result of policy decisions made in recent years, with reforms of social protection systems increasingly leading to cuts in the social sector, and austerity measures aimed at boosting competitiveness taking precedence over social objectives.

Despite the fact that the EU and its Member States have committed to taking into consideration employment levels, adequate social protection, fighting poverty and social exclusion, and to promoting quality education and health when defining and implementing their policies,[6] measures taken to tackle the crisis have caused a downward spiralling of social standards that in turn further fuels the economic and social crisis.

I. Why do we need social standards?

Current trends are socially, economically and politically unsustainable and existing policy frameworks are insufficient to reverse the breakdown of social Europe. We need ambitious rules and guidelines set at EU level to foster upward social and economic convergence; this is where social standards have a key role to play. Social standards set at EU level – while fully respecting the principles of subsidiarity and proportionality – are necessary to tackle the spillover effects and interdependence between Member States. There are three key arguments supporting the establishment of EU level social standards:

- **The rights-based case for social standards**: social standards are needed to ensure a life in dignity and full participation in society for all. There is a clear need to provide access to all social rights included in the EU treaties, the EU Charter of Fundamental Rights, EU secondary law and case law, as well as in all relevant regional and international provisions, such as the European Social Charter, the International Covenant of Economic, Social and Cultural Rights and the ILO Recommendation no. 202.

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1 Article 3 TEU.
2 See Commission's 2010 Communication launching Europe 2020.
3 See the UN General Assembly's Resolution of 25 September 2015 on Transforming our world: the 2030 Agenda for Sustainable Development.
4 See Commission's Draft Joint Employment Report 2016.
5 See the Commission's Staff Working Documents on Key economic, employment and social trends behind a European Pillar of Social Rights.
6 Art. 9 TFEU, the so-called social clause.

- **The economic case for social standards**: social standards will ensure more resilient and better-performing economic systems. As global growth is slowing down, especially in emerging economies, and external factors supporting Europe's moderate recovery are fading, the limits of an economic model based on exports and competitiveness are increasingly evident. To tackle this, domestic sources of growth should gain in importance; there is growing evidence that reducing inequalities and increasing spending in social policies and services is positive for the economy, both through its demand side effects – such as by strengthening domestic demand and counterweighting economic crises – and through the supply side, by improving the skills of the labour force and increasing productivity and long-term potential growth.[7] Social investment also has a positive preventive impact on people's health and wellbeing, ensuring long-term savings for public budgets.

- **The political case for social standards**: social standards can help people to regain faith in politics and in the EU. European citizens are increasingly frustrated by economic issues constantly prevailing over their social security and wellbeing and are lacking faith in the EU project. The May 2014 EU elections saw the lowest voter turnout on record – just 42.61%, with young people particularly absent. At the same time, the extreme right is advancing all over the continent, with growing consensus obtained at every national and local poll. Only ambitious actions for a real social Europe can divert this trend.

II. What social standards do we need?

a. Key criteria for adequate and inclusive employment and social protection systems

Social standards should not represent a floor of minimum provisions which risk lowering existing standards and triggering a race to the bottom within and between Member States. Instead, they should drive a process of upward social and economic convergence which ensures progressively higher levels of social security and social protection for all people in all Member States.

Adequacy and **quality** should be the guiding principles underpinning these standards. This implies adopting an integrated and life-cycle approach, ensuring equal opportunities and equal treatment and rethinking some of the mainstream assumptions concerning the best way to design employment and social protection systems, such as certain activation policies and ways of establishing the hierarchy between social benefits.

- **Integrated and life cycle approaches**: there is no such thing as an effective one-size-fits-all mix of monetary and in-kind benefits and services; the right one depends on various aspects, most notably the personal characteristics and needs of the person concerned. However, it is necessary to ensure integrated support across areas and throughout the life cycle for all.

- **Equal opportunities and equal treatment**: although the EU and its Member States have committed to supporting a range of social rights, some groups and individuals are prevented from enjoying such rights due to procedural reasons, lack of information or discriminatory barriers. These barriers should be removed and access to these rights ensured for all.

- **Adequate level of benefits and a positive hierarchy between them**: a hierarchy between wage levels and different forms of income support, such as unemployment benefits and minimum income schemes, exists in social protection systems to avoid creating so-called poverty and inactivity traps. This hierarchy is normally built taking wages as a starting point. As a consequence of the crisis, high unemployment, austerity policies and structural reforms aimed at reducing labour costs, wages have decreased and so have other benefits linked to their amount. This means that our social protection

[7] See for instance note on Income inequality and labour income share in G20 countries, jointly prepared by ILO, IMF, OECD and World Bank for the G20 Labour and Employment Ministers Meeting and Joint Meeting with the G20 Finance Ministers, Ankara, Turkey, 3-4 September 2015.

systems are less effective at fighting poverty and social exclusion when needed most. An alternative positive hierarchy of benefits should be established, starting by setting social benefits at an adequate level, including by establishing adequate minimum income schemes.

- **Adequate length and coverage of benefits and positive incentives**: personalized pathway support in accessing quality jobs is needed to strengthen decent employment perspectives and reduce benefit dependency for people who can work. In recent years activation policies widened their scope beyond active labour market programmes to include changes in benefit requirements, including restrictive conditions, reinforced job search obligations and sanctions. This has resulted in reduced take-up, also due to the stigma effect, and widespread reduction of length and coverage of benefits, especially unemployment benefits, thereby diminishing the capacity of welfare systems to effectively support people. Adequate levels and coverage of benefits should be ensured and, for people who can work, positive incentives and integrated pathways should be developed taking into account each individual's personal circumstances. Employment services should be adequately funded and staffed to allow them to provide quality support to jobseekers.

b. Necessary elements of adequate and inclusive employment and social protection systems

Building on the criteria above, social standards should be established to promote active inclusion approaches which ensure quality employment, adequate income support throughout the life cycle and universal access to quality, affordable and available services.

- **Quality employment**: fair remuneration and adequate minimum wages are essential components of quality jobs and are key to protecting people in employment, preventing labour market discrimination on any grounds and addressing the growing phenomenon of in-work poverty, which was experienced by 9.6% of the working population in 2014.[8] Besides adequate wages, other crucial elements for ensuring quality employment include:

    - Security of contracts and protection of employment rights.
    - Access to social security (e.g. health insurance and sick leave, maternity and care leave, unemployment benefits and redundancy pay, pension rights and other in work benefits).
    - Arrangements for balancing professional and private lives, especially supporting employees with children or those with care obligations, and reasonable accommodation and adjustment to the workplace for people with disabilities and chronic illnesses.
    - Progression in employment (career prospects and investment in training and life-long learning).

  Incorporating all these aspects into employment policies is crucial to fight in-work poverty, precariousness and underemployment, especially in light of the emergence of new forms of work in the "collaborative economy".

- **Adequate income support**: adequate income support should be ensured throughout the entire life cycle, and most crucially in transition phases, both for the working population in the form of adequate minimum wages and for the non-working population, through for instance adequate unemployment benefits, minimum income schemes, pensions, child and disability benefits. Adequate levels, coverage and take-up and the establishment of a positive hierarchy between benefits and wages, all set above the poverty line, are fundamental aspects.

- **Universal access to quality, affordable and accessible services**: rights-based and non-discriminatory universal access to quality and affordable care, social, health, housing, education and life-long learning services, as well as adequate funding to allow free choice of care options, peers support and home schooling, should be ensured. This

8 See the publication concerning Employment and Social Developments in Europe 2015.

is in line with the principles enshrined in Protocol 26 of the Lisbon Treaty (universal access, a high level of quality, safety and affordability, equal treatment and the promotion of users' rights).

III. How can social standards be implemented effectively?

To ensure every person's fundamental right to live a life in dignity and fully participate in society, social standards should be implemented effectively and deliver tangible, measurable results.

- **Policy coherence**: the adoption of social standards by the EU should promote a true policy change, and "transversality" is key in this sense – i.e. ensuring that social standards are taken into consideration in every policy area. In recent years, economic and budgetary policies have often been detrimental to social objectives; recommendations made by the EU institutions and measures adopted by Member States to consolidate public finances and boost competitiveness took precedence over any other policy and exacerbated the economic and social crisis. A new, cross-cutting approach is necessary to properly implement social standards and ensure coherence and complementarity between economic and social policies, and more broadly across the whole policy spectrum. When making decisions in relevant policy fields (taxation, trade, competition, education, etc.), social standards should be safeguarded and promoted.

- **Invest in social policies and services**: providing adequate funding for social policies, including social security and protection, and services is vital to effectively implement social standards. After years of cuts and austerity measures, welfare systems have come under strain in many countries; this trend must be reversed to ensure the quality and adequacy of social protection systems and services.

- **Involvement of rights-holders and organised civil society**: the participation and empowerment of rights-holders and civil society is vital not only in the design of policies, but also in their implementation and monitoring. When adopting and implementing social standards, a framework for structured, meaningful and sustainable involvement of these parties should be established.

In their respective capacities, both the EU institutions and Member States have a clear role to play in setting up and effectively implementing adequate social standards. The EU institutions should primarily create a policy framework to support and provide guidance to Member States, which in turn should commit to effective implementation of social standards.

At the same time, it is important to take into account the principle of subsidiarity and the division of competences stated in the EU treaties.

We call on the EU institutions, and the European Commission in particular to:

1. **Propose and adopt relevant legislation**. Whenever it is possible and a legal basis exists to act, binding instruments should be used, such as legislation in the field of employment and equal treatment, as well as in that of social security coordination.
2. **Make full use of existing relevant policy frameworks,** such as the Europe 2020 Strategy and its targets, the Social Investment Package and the Recommendations on Active Inclusion and on Investing in Children, and implement and operationalise the proposed European Pillar of Social Rights, in line with the recommendations included in this paper.[9]

[9] See the 2008 Commission Recommendation on Active Inclusion, the 2013 Commission Communication "Towards Social Investment for Growth and Cohesion" and the 2016 Commission Communication launching a consultation on a European Pillar of Social Rights, including its first preliminary outline.

3. **Develop benchmarks and integrate them into existing governance frameworks – particularly the European Semester**. Parameters of comparison and points of reference to measure the quality and performance of Member States' welfare systems should be used to guide and monitor the implementation of social standards and promote social and economic progression. To be effective, these benchmarks should rely on measurable and comparable indicators, under the control of policy-makers and be incorporated into existing governance frameworks. Benchmarking should be introduced in existing processes and surveillance mechanisms – particularly the European semester – to facilitate the exchange of best practices and provide guidance and support to Member State policies.
4. **Allow budgetary flexibility for investment in relevant social policies and services**. Social protection and services are investments that make our societies and economies more resilient and bring long-term economic and social returns; as such, they should be prioritised over other public expenditures. In its Communication of January 2015 the Commission displayed its willingness to allow budgetary flexibility to encourage the effective implementation of structural reforms, promote investment and take better account of economic cycles in individual Member States.[10] Drawing on this precedent, the EU should allow the necessary budgetary flexibility for this kind of public expenditure, giving Member States the much needed fiscal space and providing strong incentives to invest in social policies and services.

We call on Member States to:

1. **Increase the quality, adequacy and effectiveness of their employment and social protection systems and services**, in line with the recommendations included in this paper, when designing and implementing their policies.

2. **Invest in social policies and services and ensure adequate resources for local government bodies responsible for the implementation of policies and the provision of social benefits and services**. As a result of austerity measures, social protection systems and services have suffered drastic cuts at a time when they are needed the most. This is also true for local levels of government, which are often charged with providing social assistance and services.

3. **Reform tax systems to prevent tax avoidance and evasion and ensure adequate funding for social policies and services**. Disadvantaged and vulnerable people who were the worst hit by the crisis have been most affected by spending cuts to social policies and services. In addition, they have been contributing disproportionately to the system through taxation and social security contributions, following the increase of regressive forms of taxation such as Value Added Tax (VAT). Tackling tax avoidance and evasion is crucial in ensuring adequate funding for social policies and services. When presenting its package of measures on taxation, the Commission provided evidence that estimates corporate tax avoidance at about €50-70 billion a year in the EU.[11] These numbers raise doubt about the necessity of austerity, which is largely unjustified if so much money can be collected through ending policies that allow tax avoidance and evasion by multinational companies and billionaires. Linking the two trends concerning tax avoidance and evasion and underfinancing of social policies and services is fundamental.

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[10] See the 2015 Commission Communication on Making the Best Use of the Flexibility within the Existing Rules of the Stability and Growth Pact.
[11] See the 2016 Commission Staff Working Document accompanying the Anti-Tax Avoidance Package.

Annex

This annex provides a compilation of concepts, positions and the specific expertise of Social Platform and our member organisations. It should be used as a compass to concretely define provisions when setting benchmarks and adopting policies in the framework of social standards, as presented in this paper.

Quality employment

- Social Platform position on Quality Employment
- Social Platform position on Adequate Minimum Wage
- European Disability Forum position on Active Inclusion of People Furthest from the Labour Market
- European Disability Forum position on State Aid
- European Anti-Poverty Network (EAPN) explainer on Quality Work and Employment
- European Anti-Poverty Network (EAPN) explainer on Quality Work
- Age Platform position on Carer's Leave and Reconciling Work and Family Life for Older Workers

Adequate income support

- Social Platform position on Adequate Minimum Income
- Social Platform position on EU Unemployment Benefit Scheme
- Solidar position on Social Safeguards in Europe
- Eurodiaconia position on Adequate Minimum Income
- European Anti-Poverty Network (EAPN) explainer on Adequacy of Minimum Income in the EU
- European Anti-Poverty Network (EAPN) results of the European Minimum Income Network (EMIN) project
- European Youth Forum position on Social Inclusion and Young People
- European Youth Forum resolution on Youth Autonomy and Inclusion
- Age Platform Europe statement on Adequate Pensions

Universal access to quality services

- Social Platform position on Investing in Services
- Social Platform position on Financing Social Services
- Eurochild position on a Child-Centred Investment Strategy
- Eurochild position on a Child-Rights Integrated Approach to Fight Child Poverty and Promote Children's Well-Being
- Eurodiaconia Position on Financing and Quality Aspects of Social Services
- Eurodiaconia position on Principles for Quality Social Services
- European Public Health Alliance (EPHA) position on Universal Access to Health Care
- European Public Health Alliance (EPHA) position on Tackling Health Inequalities
- Age Platform Europe European Quality Framework for Long-Term Care Services [part of the Wellbeing and Dignity in Old Age (WeDO) project]