

From the Delors White Paper (1993) to the EU Pillar of Social Rights (2016), what future for the fight against poverty in Europe?

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Workshop 3: Policy Domains and addressing Poverty

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Vice-President Valdis **Dombrovskis**, European Commissioner for the Euro and Social Dialogue



"Europe is still facing problems resulting from the financial and sovereign debt crisis: poverty, social exclusion, inequality and high unemployment. (...) The Pillar of Social Rights is part of our work to strengthen Economic and Monetary Union and is envisaged for the euro area. However, we will make sure that noneuro Member States are fully involved in the consultation process and can join the initiative if they wish to do so."

Is the cause of the problem diagnosed correctly?



- Are poverty, social exclusion, inequality and high unemployment problems 'resulting from the financial and sovereign debt crisis'? Or these problems are consequence of deeper system's failure, TOGETHER with financial and sovereign debt crisis?
- What are the chances of social pillar to be effective and to bring social justice, quality of life and convergence if it is 'part of our work to strengthen Economic and Monetary Union'? What is the purpose of Economic and Monetary Union? Have we confused means for objectives?
- Have we learned from the past? Last decade showed us clearly that Economic and Monetary Union without Social Union is faced with severe problems. Social rights are not only related to labour mobility and labour market integration. They are grounded in our basic understanding of what socially just system is and how responsibilities and benefits should be distributed across different groups, societies and across the European Union. Is it possible to build common market, or protect labour force when we see the crash of solidarity, xenophobia, lack of integration of minorities, segregation in housing, schools, on the labour market?

Composition of social pillar



Equal opportunities and access to the labour market	Fair working conditions	Adequate and sustainable social protection
Skills, education and life-long learning	Conditions of employment	Integrated social benefits and services
Flexible and secure labour contracts	Wages	Health care and sickness benefits
Secure professional transitions	Health and safety at work	Pensions
Active support for employment	Social dialogue and safety of workers	Unemployment benefits
Gender equality and work-life balance		Minimum income
Equal opportunities		Disability benefits
		Long-term care
		Childcare
		Housing
		Access to essential services

Main questions?



- How the interventions within the defined policy domains interact with other relevant policies?
- Is everything there or we are missing some 'building blocks' of social pillar?
- How social pillar policy will be implemented and not fall in the trap that it remains a "shopping list" of principles? Will the implementation of social pillar interventions lead to concrete outcomes in policy and practice?
- How interventions in different policy domains of Social Pillar should be related and coordinated?

Main gaps



1. <u>Skills, education and life-long learning:</u> Nothing is said about inclusive education, combating segregation and discrimination, second chance education, and financial support to ensure these.

2. Flexible and secure labour contracts

'Flexibility in the conditions of employment can offer a gateway to the labour market and maintain employers' ability to swiftly respond to shifts in demand; however, the transition towards open-ended contracts shall be ensured'.

An absence of choice or limited options to choose where to work and under what conditions (i.e. full time or part time) is a core characteristic of precariousness.

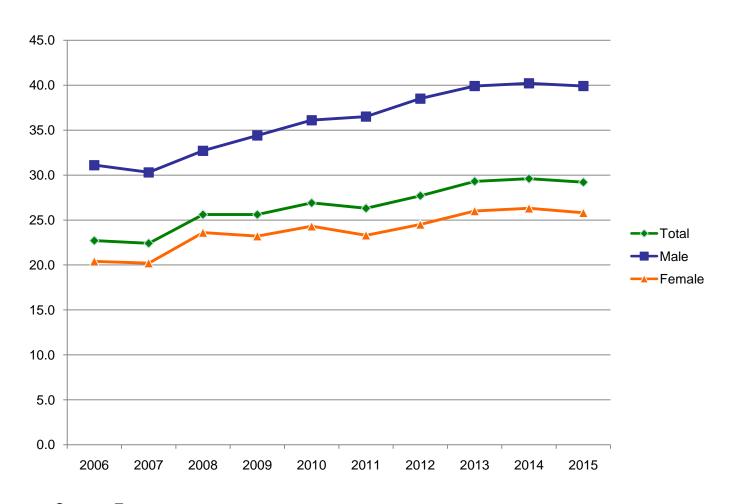
Main gaps



3. <u>Secure professional transitions:</u> It worryingly mentions that some of the entitlements of jobseekers or inactive persons should not become disincentives to re-staring work, which may be used as a gateway for negative activation with sanctions and conditionality. Income support (including unemployment benefits) and access to services are not mentioned. Nothing is said about vulnerable groups, needing specific support, or about holistic, comprehensive approaches.

Involuntary part-time employment as percentage of total part-time employment by sex, %, EU28

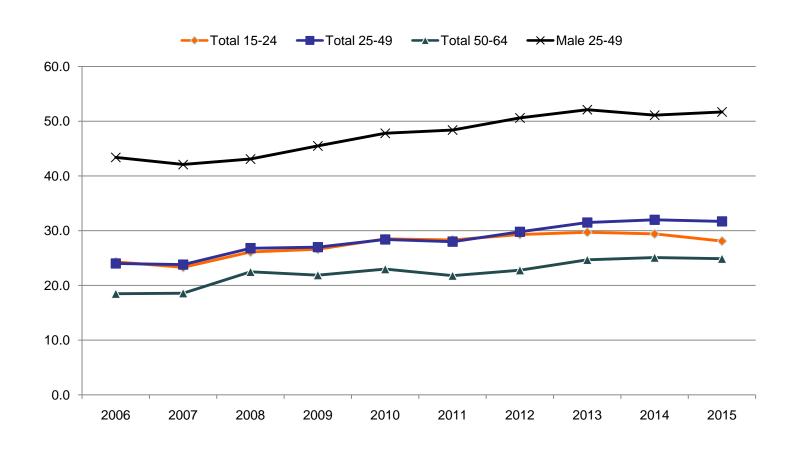




Source: Eurostat

Involuntary part-time employment as percentage of total part-time employment by age categories and for male 25-49, %, EU28





Source: Eurostat

Main gaps



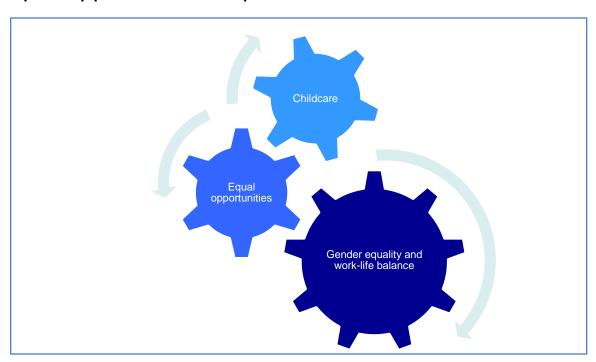
- **4.** <u>Wages:</u> It does not clarify how adequate wages are to be set, and it recommends the evolution of wages in line with productivity, decoupled from inflation.
- Integrated social benefits and services: It is unclear whether the proposed integrated approach will not effectively reduce access to benefits and services, as the text also speaks of aligning eligibility and coverage. It mentions that better integration can improve the cost-effectiveness of social protection, but nothing is said about the quality of the services, the adequacy of the benefits, or how it would improve delivery of both, from the perspective of the beneficiary.
- **6.** Health care and sickness benefits: It is not said how the promised universal access will be ensured and financed.

Implementation concerns



How social pillar domains will be mainstreamed into the main policy drivers and prevent potentially negative macroeconomic policies? Will funding be allocated (i.e. European Structural and Investment Funds)?

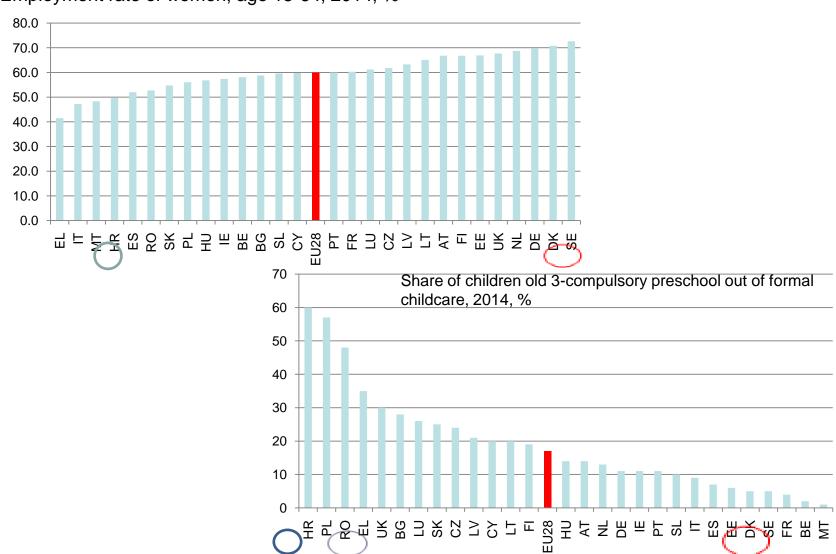
Example: Gender equality and work-life balance are not achievable without full promotion of equal opportunities, improvement of childcare.



Implementation concerns



Employment rate of women, age 15-64, 2014, %



Related policy initiatives



There is an EU Commission's proposal 'New start to address the challenges of work-life balance faced by working families' with comprehensive measures envisaged in legal and policy domains.



Thank you!

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