

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?

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](#).