

Position Paper**Towards a European Pillar of Social Rights for more social justice and equality in Europe**

“When my children are not there, I don’t heat my apartment. As for the food, when they are not here, I eat less. I don’t want them to feel that I miss money. I tighten my belt. The hardest part is that I cannot give them what I would like to.”

Source: Fabrice, father of 3, to a social assistant of Caritas France -Secours Catholique.

Introduction: Europe’s social challenges

Caritas Europa’s report [End Poverty in Europe – our Solutions to make it Happen](#) (April 2016) identified long-term unemployed people, working poor, single parents, children and migrants and refugees as the groups of people most at risk of poverty. Rights most at risk are access to decent jobs, decent housing and healthcare. Children and youth are disproportionately affected: children because of the precarious working conditions, labour market exclusion and income of their parents; youth because of their difficulties to access the labour market and in particular decent jobs.

Caritas Europa stresses the aggravated consequences for children of single parents in the absence of, or limited social protection, as confirmed by recent research showing that single parents and their children are less likely to experience poverty and social exclusion, if available social protection systems including different types of benefits related to childcare, housing, education, health, etc. allow all members of the household to access quality services and cover basic needs, a condition further improved by enabling an easier access to employment for the parent.

Labour activation policies are important yet only part of the solution. The design of a complementary social protection system including various types of benefits and services is essential. Increasing dualisation on the labour market and impact of austerity measures on social protection systems, both in terms of access to services and social benefits have led to increasing inequalities. This trend needs to be reversed in order for the EU and its Member States to achieve the Europe 2020 targets and the 2030 SDG targets.

Inequalities feed social tensions, are a threat to social cohesion and undermine the European Project. It is of utmost importance that Social Europe be strengthened and its positive impact be tangible for people living in or at risk of poverty. If the EU Social Pillar initiative does not succeed in achieving this, the future of the EU as such is at risk.

A European answer

The EU and its Member States need a new way of looking at social and societal challenges facing our societies today. Caritas Europa’s latest publication [Social Justice and Equality in Europe is possible](#) (November 2016) advocates for fair and sustainable social models based on three pillars: family and community solidarity, inclusive labour markets and adequate social protection systems. Well-functioning social protection systems, reaching out to the most affected and compatible with social protection systems of other EU Member States, should be the solid basis for reducing inequalities and thus enhancing economic

growth; in a social investment approach reinforcing social cohesion and convergence within and between EU Member States. A crucial precondition is that the system covers all residing in the EU.

Potential added value of a European Pillar of Social Rights

Based on its research on welfare state models, [The future of the welfare state](#) (2012), Caritas Europa promotes the idea of a social market economy as it links the instruments of a market economy with the principle of solidarity and the common good. With that goal in mind, the EU should fully exercise its competences and focus on the following actions:

- (1) **Ensure a dignified life to all:** Caritas Europa welcomed in 2010 the inclusion of poverty reduction targets into the Europe 2020 strategy, but regrets its unsatisfactory implementation so far. The EU and its MS should approve and fully implement more CSRs in the field of social policy. Moreover, an *adequate minimum income scheme* directive should set minimum standards ensuring that everybody can participate in society.
- (2) **Work for dignified working conditions in a changing labour market:** Seeing that non-standard jobs and in-work poverty are on the rise, the EU should cooperate with MS to ensure that each person receives a decent wage and that quality employment is promoted. Moreover, EU labour law needs to be updated and strengthened with regard to new forms of employment and the reconciliation of family and work life.
- (3) **Build a solid foundation for the EMU:** the crisis has affected the euro area countries differently and monetary policy has come to its limit. A European unemployment benefit scheme, instead, is able to provide more targeted solutions. As a complement to national unemployment benefits schemes, a common fund at EU level could stabilise national systems and limit the impact of future crises.

Making the Pillar a flagship of European added value

The Pillar needs to be implemented through regular monitoring at EU and national level on basis of timely indicators and involving all stakeholders.

The second chapter should, together with international standards, the European Social Charter and the Fundamental Rights Charter, form the basis for a revision of EU labour law in order to account for changes in the world of work, especially with regard to new forms of employment.

The provisions laid down in the other two chapters could be enforced through the European Semester and the Country-Specific Recommendations (CSRs). This would revive the Europe 2020 strategy and underpin efforts to strike a better balance between fiscal consolidation and social investment in the Semester. Based on the Pillar, the EU should draft a strategic framework for 2030 which, linked to the SDGs, focuses on convergence through sustainable development.

Benchmarks and minimum standards can help to attain upwards convergence. Minimum standards should monitor the principles on fair working conditions and the provision on minimum income. As income levels across MS differ significantly, the EU should agree on a European set of relative minimum standards, measured against the GNI per capita. Monitoring through quantifiable benchmarks, on the other hand, should drive reforms in those policy fields where the EU has no or very limited competences.

The Gini-coefficient could be another important benchmark. Member States could be asked to ensure that the coefficient for income and for wealth stays within a margin of e.g. 0.3 to 0.4.

Apart from the choice of the right indicators, their timeliness and accuracy is also key to ensuring swift policy responses. All stakeholders should be involved in monitoring, and the EU should envisage setting clear sanctioning rules when minimum standards are not met or MS show no effort to implement Pillar-based CSRs.

Recommendations: Making the Pillar operational

- Recommendations to all European Institutions and Member States
 - Introduce a **Child Guarantee** with a specific fund so that every child in poverty can access free healthcare, free education, free childcare, decent housing and adequate nutrition.
 - Use the European Structural and Investment Funds and the Juncker Plan to introduce an **EU-level “long-term unemployed guarantee”** that includes a comprehensive, dynamic and easily updatable mapping of skills as well as targeted training and lifelong learning opportunities linked to labour market demands.
 - Adjust the amount of minimum wage to a level that, in combination with other benefits available to the individual, allows an individual’s household to cover basic needs and to live in dignity.
 - Implement **minimum income schemes** that efficiently reduce the levels of “at risk of poverty” and eliminate extreme poverty. The schemes should be rights based and not linked to any other requirement than income level.
 - Ensure that **those affected participate in this evaluation process** and that the evaluation is carried out continuously.
- Recommendations to the European Commission
 - **Monitor** the poverty reduction efficiency of current social protection systems and benefit schemes, including in the areas of housing, health care and taxation.
 - Provide **tailored guidelines** and support for each EU Member State to improve the poverty reduction efficiency in the social protection system, including through mutual learning, technical assistance and economic means/support.
 - **Improve working conditions** in Europe by ensuring the smooth implementation of the EP Resolution on effective labour inspections, systematically evaluating and monitoring national labour inspection offices’ capacities to reduce and/or prevent precarious employment, sanctioning unlawful employment practices (e.g. tax and insurance evasion, safety) and/or infringements of contracts/collective agreements.
 - Establish **EU-wide standard definitions of “precarious employment”** and introduce indicators in the EU-SILC survey to assess the creation of quality employment within the

EU Semester process.

- Support EU Member States in conducting a **needs assessment of quality services** (affordability, availability, accessibility, especially of healthcare, housing, childcare, and education) by taking into account current supply and demand (including waiting lists) of services to establish unmet needs. Based on the findings, urge EU Member States to ensure sustainable funding and universal access to quality services (e.g. by combining a variety of adequately means-tested benefits).

Background material

Caritas Europa contribution to the European Commission's consultation on the European Pillar of Social Rights: <https://ec.europa.eu/eusurvey/pdf/answer/da2f42e1-9497-4210-9a5d-2d7b38c7da84/>

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Caritas Europa is a network of 49 member organisations in 46 European countries and one of the 7 regions of Caritas Internationalis. Our members assist and provide services to millions of people in need. Caritas Europa aims at lifting people out of poverty by empowering them and by influencing unjust structures and unfair policies that keep people trapped in positions of disempowerment.