

## Step up a gear: the Pillar as the compass for a stronger Social Europe

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*At the Porto Summit, we renewed our commitment to the European Pillar of Social Rights as our joint compass and we equipped it with an ambitious Action Plan 2021-2025 and clear targets. While the Plan's implementation is well under way, a lot remains to be done – at all political levels – for a fully-fledged implementation of the Pillar's principles, in a context characterized by multiple challenges, from the ecological and technological transitions to the long-standing demographic ageing concerns up to the most recent geopolitical turmoil.*

*As we return to Porto, the time is ripe to start developing a new and stronger social agenda for 2024-2029 period. As future EU Council Presidencies we look forward to contributing to shaping this agenda.*

### **The Pillar as an integral part of the economic governance framework**

More than ever, **policy coherence** is a precondition for making sure the challenges we are facing become opportunities for a better future. Economic, fiscal, environmental, employment, social and formation and training policies need to go hand in hand, from the local to the European and even the **global level**, where the EU should play a leading role in the debate on the ILO proposal for a Global Coalition for Social Justice.

Within the EU, as we are reviewing our **economic governance** arrangements and our budgetary framework, we must use the coming months to equip all its strands, including the employment and social fields with the Pillar principles as its ultimate guide, with the **right instruments** to focus on the main challenges, to foster upward social convergence, with the final endorsement of a new mechanism promoted by our countries to tackle social imbalances within the European Semester. Subsequently, we need to make the different policy fields come together on an equal basis within **an effective European Semester**, based on increased capacities to monitor and correct social imbalances, a multilateral approach and on dialogue with key stakeholders, in particular the **social partners**.

The need to strengthen debt sustainability cannot be separated from the necessity to enhance long-term inclusive growth through reforms and investment, including **social investment**. This requires a discussion on **tax/benefit systems** that foster employment and reinforce social protection and on the use of European financing instruments, including through building on the experience of the successful **SURE** programme that will also help approaching the green and digital transitions. It further requires a reflection on a qualified treatment for social spending under the revisited **fiscal framework** to enable Member States to invest in their welfare system and public services and prevent them from having to scale down their welfare systems when they are hit by shocks. The main challenge in this regard consists in defining the returns of social (physical) public investments in a tangible way and identify those that may have a multiplier effect on future economic savings.

The European Union makes progress when Social Europe moves forward. In the future, we should also consider including a **Social Progress Protocol** in the Treaties, as suggested by the Conference on the Future of Europe 2022.

### **The Pillar as the basis for resilience and a level-playing field of minimum rights**

We have seen major steps forward over the past years to increase social individual rights enhancing the level-playing field in the Single Market. We should discuss how to build on these, looking among others at ways to secure **fair and voluntary mobility**, to guarantee access to **adequate minimum income** schemes that provide a safety net people can rely on and to foster **gender equality, co-responsibility in the care** and reinforce **LGBTIQ+** rights as well as the rights for people with disabilities and **children**.

Building on the recently adopted recommendation, a further strengthening of **minimum income schemes** as the last safety net could be envisaged. In particular, an effective inclusion policy encompassing minimum income schemes could have two additional pieces: i) specific and effective actions to enhance take-up and

ii) well-designed labour market integration pathways such as *inclusion itineraries*, with a permanent evaluation devoted to scale-up best practices.

Formal and effective access to adequate **social security benefits** for all workers and the self-employed is a pre-condition to prevent in-work poverty and labour market segmentation and to foster a level-playing field. Measures to reduce social protection asymmetries between salaried workers and the self-employed can play a central role in addressing the challenges that the changing nature of work is creating for social protection policies. We need to discuss possible action at the EU level to guarantee common minimum standards for our social protection systems, including for **job retention schemes**.

We need also to find ways to further reinforce the EU's framework on **occupational safety and health**. We should think about a more comprehensive approach to mental health that includes **stress, burn-out** and **job instability** aspects, prevents and reduces risks at the workplace and supports return to work after illness.

Our labour markets have shown remarkable resilience over the past years. To preserve this, we will have to discuss the growing shortages and mismatches, look at the role and strengthen financing of active labour market policies and use the European Year of Skills to develop ambitious and innovative **upskilling and lifelong learning policies** that translate into improved wages and working conditions with a special focus on early childhood, care economy and education policies.

We also need to continue the debate on **decent work and better working conditions**, for example by establishing a European framework of minimum standards for the protection of workers in case of individual dismissals, guaranteeing the right to a prior hearing and the right of appeal.

At the same time, we must find ways to make sure that a strong labour market goes together with a reduction in poverty and inequality, with particular attention for the long-term unemployed, the long-term sick and the working poor, in particular the homeless – and we should discuss how the establishment of “**zero long-term unemployment territories**” can contribute to these aims.

### **The Pillar as the basis for a new Charter of workers' rights**

Social dialogue occupies a central place within the Social Pillar, and we welcome the proposal for a Council Recommendation. Looking forward, we should consider ways to build on it and consider a **Charter of rights** to reinforce **democracy at work** mechanisms (in terms of information, consultation and participation) together with the framework for **collective bargaining** at all levels. More democracy at work can contribute to the sustainable development of the EU and to a highly competitive social market economy, leading to full employment and social progress.

In order to better anticipate the social-ecological and digital transition, innovation within social dialogue, making it more inclusive and efficient should be encouraged by developing green collective bargaining and raising new topics such as a person-centred use of artificial intelligence and algorithms, corporate sustainability due diligence policies, as well as reinforced cooperation with civil society. At the European level, the role of the **Tripartite Social Summit** should be strengthened, setting a program for the Trio of Presidencies, which allows continuity of the work and monitoring of what has been agreed.

Finally, we need to discuss how the **social economy** in all its diversity and the circular economy can reach their full potential. In particular, we believe that the approval of the incoming Council Recommendation on social economy could be the basis of a much-needed common legal EU framework for the entities of the social economy, which would uniform legal structures and approach funding difficulties.