

ETUC Position on the European Pillar of Social Rights Working for a Better Deal for All Workers

ETUC Priorities for the current phase of the European Commission Consultation on the European Pillar of Social Rights, adopted at the ETUC Extraordinary Executive Committee Meeting on 6 September 2016

Working for a Better Deal for All Workers

This Position Paper sets out the ETUC's observations and recommendations on the European Pillar of Social Rights at the halfway point of the consultation process and summarises the ETUC demands under seven priority areas. These are:

1. A fairer economy for quality job creation
2. A pay rise for fairness at work and economic justice
3. Improved enforcement of existing rights and establishing new rights
4. Fair mobility
5. Secure labour market transitions
6. Social protection and strong public services
7. Institutional change to ensure equal emphasis on promoting Social Europe

Introduction

Now, at the halfway point of the European Commission's consultation on the European Pillar of Social Rights. The ETUC sets out the observations and recommendations of workers and their unions in Europe.

The EU as a whole now faces a very difficult challenge. The anger and disillusionment felt by working people towards the EU is not confined to the UK. This crisis in confidence comes as working people struggle with falling living standards, declining purchasing power and the rise of precarious work. Quality jobs are being hollowed out and many workers have seen their pay and conditions deteriorate; real wages have not kept up with productivity increases or profits and poverty wages and mistreatment are the norm for too many workers in the EU. Anxiety over the free movement of workers at the same time as cut-backs in benefits and services, combined with high levels of unemployment, risk making Europeans more inward-looking.

But erecting barriers, scapegoating migrant workers and playing on workers' fears must not be the way forward. Instead the Pillar of Social Rights should address workers' concerns by proposing better rules to address shortcomings in the legal framework along with strong recommendations and action to improve the living and working conditions of workers across Europe.

In addition, the link between the Better Regulation Agenda and its impact on social rights gives rise to much concern, in particular because of the deregulatory nature of the agenda and the approach to social rights in the REFIT exercises carried out thus far. These economic approaches must not be allowed to undermine social rights. The European Semester has proved particularly damaging to workers' rights by implementing reforms via Country Specific Recommendations that deregulate work and dismantle collective bargaining. We emphasise that workers and their unions will not support the initiative if it serves merely to impose yet more economic governance constraints on workers' rights, pay and conditions.

It is time to move beyond mere economic governance and build a shared vision of a Social Europe that delivers improvements in the economic and social conditions demanded by EU citizens and mandated by the EU Treaties.

The ETUC believes that the European Pillar of Social Rights must be ambitious. Expectations are high and there are many problems to be addressed. The EU has to show that it serves its citizens and workers and is able to put in place new policies that match their practical needs. This can be done by bringing forward and delivering concrete proposals in seven priority areas that have been identified by the ETUC:

- 1. A fairer economy for quality job creation**
- 2. A pay rise for fairness at work and economic justice**
- 3. Improved enforcement of existing rights and establishing new rights**
- 4. Fair mobility**
- 5. Secure labour market transitions**
- 6. Social protection and strong public services**
- 7. Institutional change to ensure equal emphasis on promoting Social Europe**

Engaging workers and their unions as partners in building Social Europe

The ETUC stresses the importance of the European Commission using the consultation process on the European Pillar of Social Rights (EPSR) to engage with workers and their unions. The tripartite consultations at Member State level should have provided an ideal opportunity for workers and their representative trade unions to be involved. However, to date these meetings have been disappointing, as there has been insufficient emphasis on involving trade unions or other social partners in the national consultations. Too little preparation and the lack of time given to the meetings have created the impression that this is only a 'box ticking' exercise. This is regrettable, because missing this opportunity could undermine the credibility of the whole project.

It is essential that the real experience of workers and the obstacles they encounter when accessing their EU employment and social rights are properly understood. There are significant differences at national level, for example, and problems may be due to inadequate national implementation or enforcement of EU rules. In other cases, problems can occur as a result of various EU Court rulings or a conflict between EU rules. In other circumstances, the cause may be the impact of EU economic governance recommendations and the Semester process.

It is essential that the national picture and the views of workers and their unions are properly taken into account, otherwise the EPSR will not be capable of formulating or delivering effective solutions. The EPSR will be seriously weakened if it is not fully focused on concrete proposals, which can be realistically achieved, well understood by citizens and workers, and seen to have a positive effect on their daily lives and working conditions.

Principles needed to underpin the approach

- a. *Put social rights first:* The first and most fundamental principle has been set out in the ETUC Paris Congress Action Plan: namely, that fundamental social rights must take precedence over economic freedoms. This requires recognition that the status quo is not acceptable. Social rights must be promoted and defended with the same institutional urgency and commitment as economic and fiscal rules.
- b. *Convergence must lead to improvements for all workers:* The European Pillar of Social Rights must be designed with the overriding aim of positively improving social protection across Europe. This means that the stated objective of 'convergence' should be clarified as meaning 'upward convergence', resulting in progressive and measurable improvements in social rights. Furthermore, the objective of 'convergence' must not be used to reduce standards nor to hold back better-performing Member States.
- c. *Protect quality employment not just minimum standards:* The EPSR will not be effective and sustainable if it is based solely on the lowest common denominator. While minimum standards are needed to counter in-work poverty, precariousness, poor working conditions and labour market segmentation, the EPSR needs to put forward a programme for Decent Work and Quality Jobs.

- d. *Guarantee non-regression*: The principle of 'non-regression' in the level of protection afforded to workers should be legally guaranteed. It would be unacceptable for the EPSR to threaten the existing framework of rights. In particular, permanent, open-ended contracts should remain the standard form of employment promoted by the Pillar of Social Rights.
- e. *Prevent unintended consequences*: a legal principle of 'most favourable conditions' should be adopted. This would mean that whenever a choice of interpretation or a conflict between laws arose, the relevant adjudication body or court would be obliged to adopt the interpretation most favourable to the worker.
- f. *Extend beyond the Eurozone*: The universal application of labour and social rights is vital. Rights cannot be restricted to the Eurozone. Some reinforced coordination in the Eurozone can be considered, where necessary, to promote upward convergence of social protection systems and address EU economic governance impacts that adversely affect social and employment policies in the Eurozone countries.
- g. *Rights and benchmarks*: The title of the initiative explicitly refers to 'social rights', and the European Pillar of Social Rights should therefore enforce the rights elaborated in the EU Charter of Fundamental Rights (CFREU), the European Social Charter (ESC) and the European Convention of Human Rights (ECHR). Promoting 'Decent Work' in Europe means ensuring that the EU and its Member States fully respect and promote (ILO) international labour standards including pursuing their ratification by Member States.
- h. *The rights afforded must be real and not based solely on individual rights, but also collective rights*: Benchmarks are helpful for tracking progress on the implementation of rights and agreed objectives, but on their own are not sufficient to address workplace realities.
- i. *Embed social dialogue and collective bargaining*: The Pillar of Social Rights should promote social dialogue and collective bargaining as the right way to design and implement the policies and rights within it. These should also include the right for trade unions to organise in workplaces. It should acknowledge the need to rebuild social dialogue and collective bargaining where these have been eroded by the policies adopted in response to the crisis, or where they are dysfunctional due to the absence of fundamental freedoms and rights or the lack of commitment or the stance adopted by employers.
- j. *Gender equality on European labour markets must be guaranteed*: Female participation in the labour market must improve and the scandal of lower wages as well as lower pension entitlements for women must be addressed.
- k. *The EPSR must commit all participating parties*: including the EU institutions, to fully respecting the autonomy of social partners at national level, national collective bargaining systems and national labour market models and traditions, including the right to negotiate, conclude and enforce collective agreements and to take collective action in accordance with national law and practices.

In summary the European Pillar of Social Rights must

- **Put social rights first;**
- **Guarantee UPWARD convergence and improvements for all workers;**
- **Promote quality employment not just minimum standards;**
- **Guarantee non-regression and ensure that legal interpretations benefit the worker;**
- **Extend beyond the Eurozone;**
- **Be based on both rights and benchmarks;**
- **Embed social dialogue, promote collective bargaining and protect collective agreements.**

Seven priorities to make the EU more social

The aim of the EPSR should be to improve the quality of working life and the living standards of all workers and to bring about a fairer and more inclusive Europe. In this respect, to make sure that people can assess the improvements in their daily lives brought about by the EPSR, it is essential that it focuses on some concrete and deliverable priorities.

The ETUC calls on the Commission to bring forward proposals to promote the following seven priorities:

Priority 1 – A fairer economy for quality job creation

Building a strong social dimension in Europe means ending the unacceptable levels of unemployment Europe is facing, especially among young workers and women. Long-term unemployment of over 12 months is a particular problem. Reversing the austerity measures that created recession and deflation, particularly in the Eurozone, is therefore essential.

Boosting aggregate demand (typically based on demand- and wage-led growth) is essential, while the neoliberal rhetoric has to be changed if we want to prevent a worst-case scenario in the short term.

Private and public investment has collapsed in Europe during recent years, and must be restored. In times of crisis or ‘modest’ recovery and low aggregate demand, it is up to the public sector to trigger a sustainable recovery, especially in a low-interest-rate environment.

Public investment for quality job creation and higher wages for sustainable and more equal growth are the fundamental pillars of a new economic strategy. This means a general pay rise (see next priority).

Public investment has to be included in the top priorities for the Pillar of Social Rights as an overarching approach supporting all the other social measures. A number of macroeconomic analyses (see the OECD Economic Outlook 2016) show that public investment promotes a GDP increase, while decreasing public debt stock.

Public investment has to be targeted on hard and soft infrastructure, networks, innovation and research, quality public services, education and training, social investment, etc. Reformed and

fairer taxation systems can help to pay for public investment. Large multinational corporations in particular must pay their way.

A European industrial policy is needed, as a policy for Just Transition in sectors like the green economy, digitalisation and automation.

The Investment Plan proposed by President Juncker has to be continued, but available public funding has to be increased and the impact of the plan on quality job creation has to be enhanced and monitored.

Moreover, efforts need to be prioritised and care must be taken to channel investment into those economies that are most in need of support and where the gap between economic activity and potential is the largest.

The Stability and Growth Pact has to be reformed and loosened, in order to allow public investment at all levels.

European economic governance and the European Semester have to be reformed, by the inclusion of a strong social dimension and giving social rights, freedoms and recommendations the same importance as economic ones.

Priority 2 – A pay rise for fairness at work and economic justice

The European economy is wage-led. Austerity measures, public budget cuts and wage depression have deepened recession and deflation, instead of generating economic recovery. In addition, companies are not sharing the profits of increased productivity with the workforce. Companies have seen a sizeable increase in income but are paying the workers proportionally the lowest wages in decades.

Basing EU economic governance mainly on budget consolidation and exports has led to huge macroeconomic imbalances between countries and between sectors within countries, including surplus countries like Germany. This has increased inequalities and social exclusion, without boosting productivity and competitiveness in most countries and sectors. Real wage developments have been lagging behind productivity developments in a vast majority of EU countries (and other OECD countries) for years.

It is notable that the countries that performed better in terms of productivity and competitiveness through the crisis were the ones with the strongest social dialogue and collective bargaining, and with the highest wages.

However, too many companies are favouring employment models of individual and insecure job contracts over collective agreements, driving down wages and conditions for all workers, and contributing to the growing gap between rich and poor. But insecure employment and reduced wages will not lead us to a stable Europe. A wage rise as well as substantive protection from unfair dismissal is the only fair way out of the crisis.

Europe therefore needs a general pay rise and progressive upward convergence of wages, in order to restore the economy, boost demand and productivity, and tackle inequality and divergences. A pay rise should be aimed at aligning real wage developments with past and current productivity developments, ensuring that workers receive a fair share of the profits they

create and recognising that, for many EU workers, poverty wages are still a stark reality, meaning that additional increases are necessary. In this context, it must be remembered that poverty wages are not only a social problem, but also hugely damaging for the economy, since they suppress demand and increase inequality.

The objective of a pay rise can be achieved through:

1. Ending the dismantling of systems and coverage of collective bargaining, as well as ending wage cuts or wage freezes;
2. Increasing the number of workers covered by collective agreements: this means reversing the negative impact of fiscal rules by restoring the legal framework and by adopting targets (and benchmarks to assess progress) to increase the number of workers covered by collective agreements. Targets should be agreed with social partners at Member State level, along with the mechanisms to be used to achieve them, for example through capacity building and measures to extend collective agreements, and improving protection for workers who organise in trade unions;
3. Setting targets, with social partners, to raise the level of minimum wages – where these exist – for example to no less than the ILO recommended level of 60% of the median wage in each country, while taking steps to move progressively towards higher living wages;
4. Promoting upward wage convergence (particularly between Eastern and Western Europe). This is essential to combat wage exploitation and unfair competition between workers and between companies;
5. Multi-employer bargaining and more effective extension mechanisms could be major instruments to achieve this end, and should therefore be supported at EU level through the EPSR. Measures could include capacity building and addressing the conflicting requirements of the EU fiscal, free movement, freedom to provide services and completion rules;
6. The legal protection and extension of collective bargaining coverage, including wages, for vulnerable workers including self-employed workers and workers in precarious situations;
7. Reinforcing all public procurement rules to ensure that they respect collective agreements when awarding public contracts, including rigorous and ongoing contract compliance. This means that no public contract should be awarded when the workers are not covered by a collective agreement with the representative trade union(s);
8. Prohibiting unfair discriminatory minimum wage rates, for example for young people on the basis of age;
9. Speeding up progress towards closing the gender pay gap (EU = 16%). It is time for action to introduce a mandatory obligation for companies to undertake equal pay audits.

Priority 3 – Improved enforcement of existing workers’ rights and establishing new rights

A key goal of the EPSR must be to tackle the range of problems that workers experience when they try to exercise their already existing EU employment rights. In addition, new rights are needed to address new problems.

The EPSR needs to reverse the legal trends at EU and Member State level that allow employers to distance themselves from their responsibilities under the *social acquis*, in particular the EU employment Directives.

A critical area is the rejection of the employment relationship. This fundamentally denies workers the opportunity to effectively exercise their EU employment rights. Workers in disguised employment relationships such as bogus self-employment, online platform workers, undeclared workers, au-pairs, interns, and fake posted workers face so many burdens of proof that they are left with virtually no means of protecting their rights. Likewise, triangular and subcontracting arrangements all serve to deny workers the effective enforcement of their EU rights. And all too often, in conflicts of law situations the rights of workers are placed one or two steps behind the rights of the employer.

There is inadequate protection for workers who report abuses. Costly proceedings and the absence of a clear right for workers to be represented by their trade unions combine with ineffective enforcement mechanisms at Member State level to undermine workers' confidence that their rights are taken seriously.

The damage caused by the absence of effective protection is felt not only by workers, their families and communities, but also by responsible businesses, and by the EU and its Member States. Meanwhile, the benefits, profits and competitive advantage accrue solely to the employers who are allowed to play the system. The wellbeing of the EU depends on our ability to hold those who employ workers and enjoy the fruits of their labour fully accountable. This means putting forward legislative proposals under the EPSR to provide:

1. *The **right** to effective enforcement*: an EU Directive to secure the effective enforcement of legal provisions in line with ILO Convention No 81, and to include provisions for the right to be represented by a trade union, along with guaranteeing the right to reinstatement and prevention of dismissal and protection from other reprisals, class actions, joint and several liability, no fees for workers taking a case, maximum time limits before a case is heard, shifting the burden of proof and ensuring the right to an effective remedy in insolvency situations and measures to ensure that online platforms live up to their obligations.
2. *The **right** to presumption of an employment relationship*: including the right to know the identity of the employer in advance of beginning work and sanctions on employers who disguise an employment relationship (e.g. bogus self-employment, au-pairs, interns, undeclared work, online platform workers etc).
3. *Improving the definition of 'worker'*: widening the scope of the definition of a worker so that it is not restricted or interpreted to apply to the more limited category of 'employee', and removing unfair exemptions that leave some workers outside the scope of protection.
4. *Establishing a definition of 'self-employed worker'*, distinguishing them from the bogus self-employed (i.e. employees wrongly categorised as self-employed) and from the self-employed 'undertaking' to ensure they are covered by employment rights, the **right** to adequate remuneration, fair terms and working conditions, education and training, unemployment protection, social protection, and pension rights. These definitions must never, however, diminish the rights of national social partners to make their own agreements on self-employment.
5. *The **right** to the most favourable conditions*: for workers in conflict of law situations, fully respecting the autonomy of social partners at national level, national collective bargaining systems as well as national labour market models and traditions, including

- the right to negotiate, conclude and enforce collective agreements and to take collective action in accordance with national law and practices.
6. *The **right to protection against insecurity in employment***: by placing limits on the practices that create insecurity at work, including prohibiting exploitative zero-hour contracts, if-and-when contracts and on-call arrangements, along with providing proactive protection such as the right to full-time work, adequate notice of working arrangements and support in restructuring situations; as well as protection in case of dismissal.
 7. *The **right to reasonable working time***: promoting work-life balance and including sufficient notice of working schedules, restrictions on on-call work and after-hours calls and emails.
 8. *The **right to dignity at work***: including the right to privacy, protection from unnecessary invasive monitoring and surveillance or physical searches of property and workers, and improved protection of personal data in the employment relationship.
 9. *The **right to representation at work and in the board room***: including a general EU framework on information, consultation and board-level representation with a Directive introducing a new and integrated architecture for workers' involvement in European company forms and providing for industrial democracy. This must include measures to ensure gender equality. Introduction of workers' board-level representation with a lower proportion for small enterprises and increasing to higher proportions depending on the size of the company (in monistic as well as in dualistic structures): small companies with 50 to 250 employees should have a low proportion of WBLR (2 or 3 representatives); companies with 250 to 1000 employees one-third participation, and big companies with more than 1000 employees should have parity (half of the seats).
 10. *The **right to collective bargaining***: including protection for workers (including self-employed workers) to organise in a trade union and to bargain collectively and take collective action, including strike action. Also adequate and effective protection against acts of anti-union discrimination.
 11. *The **right to freedom of expression***: including protection from victimisation and dismissal for 'whistle-blowers', outlawing 'blacklisting' and offering redress and compensation to victims.
 12. *The **right to protection during probation***: including the right to equal pay for equal work and prohibition of unpaid 'internships', protection from overly invasive and unnecessary background checks and discrimination on the basis of social origin and socio-economic grounds.
 13. *The **right to protection against arbitrary treatment and unfair dismissal***: employers should not be able to make changes to the terms and conditions or employment of the worker without restriction, contingent solely upon the employer's decision.
 14. *The **right to safe and healthy work***: including the next steps in the EU's Health, Safety and Welfare at Work Strategy. The focus must be on prevention along with greater recognition of and support for workplace safety reps, promoting health supervision, and the development of systems to ensure that realistic and equitable mechanisms exist to deal with personal injury claims and occupational accident and illness benefits in an efficient and effective manner.
 15. *The **right to modern and relevant provisions***: for example, to improve the functioning of European Works Councils, the relevant legislation should urgently be reinforced and modernised.

Priority 4 – Fair mobility

Erecting barriers, scapegoating migrant workers and playing on workers' fears must not be the way forward. Instead, the EPSR should address workers' concerns by proposing better rules to address shortcomings in the EU legal framework so that workers are no longer vulnerable to exploitation because they are coming from a country where wages are lower. This requires a better EU legal framework and tools. Unfair obstacles to free movement of workers must be removed while at the same time competition on labour costs must not be allowed or encouraged, and equal treatment must mean equal treatment, regardless of the immigration status or type of employment contract given to the worker.

Managing migration better in the EU means cracking down on exploitation as well as investing in communities that are feeling increased pressures from population change, by providing schools, hospitals and extra housing for a growing population. It means enabling everyone to learn the local language as a necessary first step to integration. It also means tackling the lack of jobs and opportunities that forces workers to emigrate.

The position of workers who are posted to another Member State in the framework of the provision of services has been a particular concern for workers and their unions for a considerable period of time. Furthermore, it has become increasingly difficult for trade unions in Member States to protect collective bargaining arrangements and to stop collective agreements from being undercut by contractors posting workers from countries with lower wages. Despite the revision of the Public Procurement Directive, many Member States continue to insist that they cannot make contractors comply with collective agreements, pay the going rate or provide the usual conditions of employment. Stronger rules and better enforcement are needed.

In this context, the revision of the Posting of Workers Directive (fully supported by the ETUC) is a very good opportunity to improve the situation, although some amendments have to be brought forward during the legislative process.

Measures to ensure fair and sustainable mobility within the EU are needed (e.g. through a new proposal for a Mobility Package and the revision of the Posting of Workers Directive) to:

1. Guarantee the **right** to equal treatment regardless of employment status;
2. Tackle misuse of posting aimed at circumventing host country labour law, and in particular the use of letterbox companies;
3. Reduce the duration of posting and make employers throughout the value chain comply with national employment rights and standards and with applicable collective agreements;
4. Better enforce existing rules, to ensure that mobile workers are fairly treated;
5. Tackle possible abuses regarding social benefits in the context of mobility;
6. Ensure that fighting abuses avoids any infringement/modification to the principles of free movement of workers and of the country of work. No indexation on the basis of the country of origin can be introduced, when mobile workers have paid for the social benefits they get (via taxation or social contributions);
7. Guarantee the principle of free movement of workers, via concrete actions, also removing existing obstacles such as double taxation and non-compliance with existing rules on social rights and benefits in the cross-border dimension;
8. Properly enforce portability of social rights and benefits at EU level.

Priority 5 – Secure labour market transitions

EU social rights must be substantially strengthened in order to formulate the fair handling of corporate restructuring and reinforce the capacity to anticipate change – particularly as digitalisation transforms the world of work. This is best delivered via robust social dialogue enshrined in the Pillar of Social Rights.

The EPSR must support secure transitions between education and work, between work and periods of unemployment and career advancement in work by providing appropriate social security support so that workers remain secure during periods of unemployment, along with steps to increase worker employability. This is delivered by promoting work-based learning in all its forms, with special attention to apprenticeships, and by involving social partners, companies, chambers and Vocational Education Providers, as well as by stimulating innovation and entrepreneurship. This means investment in education and training, in particular Vocational Education and Training, as a means to develop all levels of skills to adapt to the changing needs of the labour market, as well as workers' own ambitions. We must also recognise that increasing opportunities for skills development further up the labour market can create knock-on opportunities further down. Education and training is not a zero-sum game. Employers have a major responsibility to invest in their workforce, and provide progression routes and career development opportunities.

The EPSR should provide for a '*European **right to paid educational leave***': for training and education throughout life and to ensure workers can adapt, start a new stage in their careers, and gain qualifications not related to their current job. The following proposals can achieve this:

1. The **right** to free and public guidance and placement services for all workers and unemployed people. Specific measures must be aimed at low-skilled workers and workers in vulnerable sectors, whilst also recognising that workers with higher skill sets must have access to a wide range of re-education and skills development schemes;
2. The **right** to measures to avoid precariousness, including paid education, skills and training leave;
3. Bringing forward proposals for quality of apprenticeships based on a European quality framework on apprenticeships;
4. Increasing the proportion of workers participating in workplace learning and adults participating in Continuous VET (CVET) and lifelong learning (at Member State level at least 15% of adults by 2020);
5. Skills guarantee: reducing the proportion of the working age population with low skills from 20% to 10%;
6. Increasing the numbers and categories of workers covered by collective agreements on CVET;
7. Increasing funding and investment in education and training over a prolonged period;
8. Setting a target in agreement with the social partners for the minimum share of companies' budget to be allocated to training provisions.

Youth unemployment deserves particular attention and the Pillar of Social Rights should provide for continuation and full implementation of the European Youth Guarantee, including:

1. A guaranteed offer and intervention within four months after leaving the education system and/or unemployment; implemented, in the long term, as a universal guarantee;

2. Guaranteed high quality standards of job offers, trainings, traineeships and apprenticeships, particularly in sectors where job creation will be important in the future;
3. Measures to improve trust in institutions and increase the institutional capacity for delivering services. Crucial aspects are adequate financing and human resources ensuring a high quality guidance service for young people;
4. Carefully designed interventions to meet the needs of the target population in order to respond to the heterogeneity of the youth population;
5. Investing in more ambitious and long-term funding so as to guarantee effective outcomes from the implementation of measures. The ETUC calls for the continuation of the budgetary lines beyond 2016. Our benchmark in terms of appropriate funding of the Youth Guarantee is the estimate of €21bn per year made by the ILO.

Priority 6 – Social protection and strong public services

The European Pillar of Social Rights must bring about tangible improvements in living standards, not just in terms of income but also issues affecting the quality of people's lives and their ability to work, such as public services including access to child and elderly care, transport, health and housing. It must also improve incomes for those who rely on social protection. Social welfare needs to be increased in real terms and substantial progress achieved towards targets for decent living standards for people who rely on welfare for tackling social exclusion and inadequate income, whether due to under-employment, unemployment, old age or disability, along with the **right** to occupational benefits. Social protection must cover people in and out of work, regardless of the employment contract and, in particular, be extended to the self-employed.

This means opening the discussion on establishing mechanisms/standards for unemployment insurance/benefits at EU/EMU level, to face macroeconomic shocks in the labour market. Such mechanisms should be additional to and integrated with national systems, while respecting the subsidiarity principle and the autonomy of social partners. Such mechanisms could be funded via the EU budget, or independent budget/insurance systems within the EMU.

Welfare systems need to be about rights, not just assistance. The Pillar of Social Rights should therefore bring forward recommendations to secure a number of key rights including:

1. The **right** to good quality social protection benefits, in all branches of social security, including disability and social assistance systems and minimum income;
2. The **right** to provision of good quality, affordable and accessible social services adequately financed and provided by qualified professionals, including long-term care and childcare, good quality preventive and curative healthcare and a right to quality, safe and affordable social housing for those who need it;
3. The **right** to an adequate pension, indexed to protect purchasing power. The upward convergence of standards at EU level for national pension reforms should be considered;
4. A European Directive on adequate minimum income schemes to establish common principles, definitions and methods to grant rights throughout the EU;
5. A common European standard on the **right** to quality and professional long-term care, to include provision of care, leave entitlements for carers and compensation in respect of care leave;
6. The removal of the requirement on Member States to link statutory retirement age to life expectancy, and recognition of the impact of arduous work.

Priority 7 – Institutional change to ensure equal emphasis on promoting Social Europe

In setting concrete priorities to make the Pillar of Social Rights more effective and its objectives more achievable, it is necessary to assess the legal and governance tools that are most appropriate for implementation:

1. *Legislation:* In all matters that involve social rights, legislative processes are needed, both to improve existing legal frameworks and to introduce new legal instruments. Legal rights should be addressed to the whole EU, not to the EMU only.
2. *Other legal instruments:* Other legal tools, for instance Commission Decisions, Opinions or Council Recommendations, Communications or the annual Employment Guidelines, should be used in circumstances where these can achieve the agreed objective bearing in mind the binding/non-binding nature of the act.
3. *European Semester:* Institutional change is also needed to ensure equal emphasis on promoting Social Europe through the Country Specific Recommendations (CSRs) of the European Semester. The ETUC has long been concerned that trade unions' involvement in decision-making within the Europe 2020 strategy has been totally inadequate, with outcomes that demonstrate this. A truly inclusive and collaborative approach is needed throughout the whole process of governance, in particular during the EU Semester. The ETUC also supports national affiliates' participation in the European Semester process and continues to push for their involvement in policy proposals, independent of the EPSR. At the same time, introducing a new social dimension through a social scorecard mechanism in the EU Semester and in the Country Specific Recommendations could achieve some of the objectives set out in the Pillar of Social Rights.
4. *Checks and balances:* The democratic accountability of the Commission and the Council should be improved. In particular, the role of the European Parliament should be rethought. A major change is needed to ensure that all Commission departments work towards the achievement of social objectives. The rights embodied in the CFREU must be recognised, promoted and enforced by the European institutions when issuing any proposal and by the Member States when implementing EU law, whether or not it is directly related to social issues.
5. *Rebalancing social rights with economic rights:* Urgent action is needed to complete accession to the European Convention on Human Rights along with the adoption of a Social Progress Protocol/clauses otherwise the EU social rights brought forward under the EPSR will be vulnerable to attack from EU economic freedoms.

Conclusion

In conclusion, the integral components of the ETUC vision for the Pillar of Social Rights are familiar. We are calling for wages that represent a fair share of the profits workers create and that enable them to support their households. Decent levels of social security protection, contractual working hours and income stability, protection from unjustified termination of employment, and effective access to freedom of association and collective bargaining are also

needed. Yet these are precisely the rights and protections that workers are losing at an alarming speed in Europe. Social rights are crucial to fairness in an increasingly unfair Europe and the Pillar of Social Rights provides the catalyst to achieve them.