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Pillar of society

Will the European Pillar of Social Rights agreed by EU leaders bring us any closer to a truly social Europe?

Trade unions' and left-of-centre parties' support for the European integration process has always been rooted in a hope that it will create a more social Europe. Thus far, this hope has not been borne out. Things have even been moving in the opposite direction recently, not least due to some of the policies that have been implemented in an attempt to save the euro.

These policies represent the greatest threat to the social model in the history of European integration. Member states have been subjected to swingeing reform programmes that have forced them to adopt harsh austerity measures and deregulate their labour markets and collective bargaining systems. These reforms have hit bailed-out countries particularly hard, but their impact has been felt in all eurozone states. Economic and fiscal policy reforms have introduced procedures, backed up by sanctions, that focus on budget consolidation and competitiveness at the expense of social protection. The key problem is not just that the EU has failed to deliver adequate social progress, but that European policies themselves are actively undermining social rights.

The Commission has now responded to the serious and persistent social problems in many EU states by recommending the establishment of a European Pillar of Social Rights (EPSR). This proposal was signed by leaders at the EU Social Summit in Gothenburg in November. The initiative's name suggests a big advance for European social policy, but its practical significance falls short. What can we expect from the EPSR? In a nutshell: it might provide a launchpad for other initiatives, but it won't change much by itself.

Symbolic gesture

As a proclamation by the Council, the Parliament and the Commission, the EPSR is not legally binding. It is a document structured around three categories – equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion – that sets out

20 broad principles for social and labour rights.

For the most part, it simply summarises the EU's existing social rights, though there are a few points that go beyond the status quo, including a right to minimum income benefits and minimum wages. However, it has not been incorporated into European treaties or secondary legislation. Since there is no legal mechanism to enforce the pillar's principles, it will have limited effect in practice. At most, it can be expected to pave the way for new European legislation – provided the Commission follows its principles.

What this means is that, unless and until concrete initiatives follow, the EPSR is a symbolic gesture only. But the Commission's timidity is not the sole reason we are still waiting for a social Europe. Structural causes have also played a key role. European policymakers have very limited formal powers over social policy and collective labour law, and there are considerable differences between the organisation, standards and performance of member states' social security systems. A European social policy would need to be as compatible with the Bulgarian and Portuguese welfare states as with the Swedish and Austrian ones – without reducing social standards in countries with well-developed welfare systems.

Additional hurdles include the high majorities required for European decision-making processes, and national governments' fundamentally different views concerning the 'correct' (European) social policy. Member states are naturally very protective of their powers over social policy and labour law. For the foreseeable future, national welfare states and collective bargaining systems will remain vital components of the European social model.

So both the legal powers and political consensus needed for ambitious social policy initiatives at European level are lacking. This means some of the criticisms that have been levelled at the Commission regarding the pillar are unjustified. The EPSR reflects the legal and political restrictions the Commission currently operates under. However, if the Commission fails to rigorously uphold the pillar's principles, it should not be spared criticism. The EU needs a new direction on economic and social policy – one that respects existing social rights, including national social security and collective bargaining systems, instead of undermining them (this applies especially in the eurozone). And we cannot expect to bring about this change in direction simply through a non-binding recommendation on individual social rights.

A smarter mix

We should not pin our hopes on establishing a European welfare state in place of national systems. That will be a long time coming. Rather, we need to find solutions now for the pressing social problems we are facing. It is also highly uncertain whether a fully harmonised European social policy would be able to bring about the desired results. For evidence of this, we need look no further than the EPSR principles, which are couched in extremely general terms. This illustrates how difficult it is to formulate common European standards that accommodate member states' social systems. Clearly, progressive social standards cannot be reproduced at European level just like that.

This means that, for the foreseeable future, national welfare states and collective bargaining systems will remain vital components of the European social model. To create a more social Europe, these national systems will need to be backed up by European regulations that prevent countries from competitively undercutting each other in a liberalised capitalist marketplace. Essentially, what we need is a smart mix of more Europe in some areas and less Europe in others. European integration needs to be remodelled with a focus on supporting and promoting member states' economic and social development.

This would require a number of steps to be taken. First, European economic and fiscal policy needs to be geared more towards growth. This means a policy that enables member states to invest more, instead of forcing them to adopt austerity policies. Additional EU funding for targeted investment in infrastructure, education and energy would support this aim. Second, changes need to be made to primary and/or secondary European legislation to provide better protection for social rights. This would mean less Europe, insofar as it would not create new European social rights but would instead restrict the scope of single market liberalisation in a way that respects existing social rights. On this approach, social rights would be strengthened not by creating a raft of new European laws, but by better protecting existing rights from European laws.

Third, similar steps are even more urgently needed to protect social rights from the policies that have been taken to save the euro. The illegitimate interference in national social policies and collective bargaining systems needs to end, as the effect it has had on millions of workers' social rights has been nothing short of disastrous.

However, we should not lose sight of the goal of a long-term convergence of social security systems across Europe. One approach would be to

introduce minimum European standards for unemployment, retirement income and minimum wages or income benefits, something that would also require additional EU funding. Again, structural obstacles would need to be overcome to achieve these minimum standards. But the prospects for success are much higher than they would be for a complete harmonisation of social policy – which might never come.



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