



A Strong Social Europe for a Just Transition

By Tony Brown



Future of the **EU27**



Introduction: The European Commission Communication

On 14 January 2020, the European Commission published a Communication addressed to the EU Institutions, entitled *A Strong Social Europe for Just Transitions*. This Communication describes the multiple challenges facing Europe: climate action, digitalisation and demographic change, and puts forward relevant initiatives. Commission President, Ursula von der Leyen, prefaced the document with the comment that “People care about the future of our children and our society, and about fairness and equality in every sense of the word”. The Communication aims to prepare the way for an Action Plan to implement the European Pillar of Social Rights. Given the need for an ambitious social policy, the Commission plans to launch a broad discussion with all EU countries, regions and partners on how to deliver progress at EU, national, regional and local level.

Background

The European Pillar of Social Rights, proclaimed by all EU institutions in 2017, sets out 20 key principles and rights seen as essential for fair and well-functioning labour markets and welfare systems in 21st century Europe. The Pillar constitutes a reference framework to drive reforms at national level and serves as a guide for a renewed and refocused process of progress towards better working and living conditions in Europe. The 20 principles and rights enshrined in the Pillar are structured around three categories:

- (i) Equal opportunities and access to the labour market;
- (ii) Fair working conditions;
- (iii) Social protection and inclusion.

The European Pillar of Social Rights forms the backdrop for EU initiatives in the area of employment and social affairs. EU Heads of State and Government have called for the implementation of the Pillar at EU and Member State level, with due regard for the respective competences. The European Parliament, in turn, has underlined the importance of pursuing the implementation of the 20 principles. Furthermore, Commission President von der Leyen has affirmed a strong determination to present an Action Plan to deliver it. It is clear that success will depend on action by actors at all levels: European, national, regional and local. The Commission’s Communication points out that, since 2017, a range of concrete initiatives have been taken to put into practice the 20 rights principles to support fair and well-functioning labour markets at European level. The specific initiatives outlined in the Communication are intended to take these achievements further.

A Social Policy to Adapt to the Key Transitions in Europe

It is argued that Europe enjoys some of the highest standards of living, best working conditions and most effective social protection in the world. The Communication states that Europeans today have the opportunity to succeed and the right to a decent living and that social justice is both the foundation of the European social market economy and is at the heart of the EU. However, it notes that Europe today is in a moment of change.

Three key transitions are highlighted in the Commission’s Communication:

- First, that **climate change** and environmental degradation demand action to adapt the economy and industry, and to change people’s behaviour: how they travel and work, and their consumption patterns. Furthermore, the just transition mechanism is the social mechanism in the European Green Deal.



- Another factor influencing change is the evolving **digital economy** and the EU advocates a people-centred approach. It argues that although it is expected that artificial intelligence (AI) and robotics will create some 60 million new jobs worldwide in the coming years, many jobs will change or even disappear. It acknowledges that significant inequalities persist across the EU Member States and that many people are not benefitting from positive developments.
- Add to this the reality of **demographic change**, with people living longer and healthier lives thanks to advantages in medicine and public health, new needs and opportunities have emerged. The Communication concludes that these changes, opportunities and challenges affect all countries and all Europeans. It calls on all EU Member States to face them together and to seek common policy responses.

A Joint Response requires a Coherent EU Social Strategy

The European Pillar of Social Rights is designed to be a joint response, in terms of a coherent EU social strategy to ensure that the inevitable three transitions of climate neutrality, digitalisation and demographic change are dealt with in a manner which is socially fair and just, and designed to build on the work done in the past. The Communication has set out the roadmap towards an Action Plan, presenting EU level initiatives that support the implementation of the Pillar. The EU is also launching a broad discussion with all EU countries and regions, and with the Commission's partners: the European Parliament and national parliaments; the European Council; the Council and national governments; the social partners, representing employers and employees; and Civil Society, which it describes as the crucial voices that amplify citizens' concerns. In early 2021, the Commission will present an Action Plan, based on contributions from all stakeholders, that will seek to turn the rights and principles enshrined in the Pillar into reality.

Changes to Economic Governance also Required

The current Multiannual Financial Framework (MFF) is due to expire on 31 December 2020, during the German Presidency of the EU. On the economic side, the European Semester of economic policy coordination will integrate the United Nations' Sustainable Development Goals, so that sustainability and citizens' well-being will be at the centre of economic policy and governance. Furthermore, the Annual Sustainable Growth Strategy will be developed in line with the priorities enshrined in the European Green Deal, combining macroeconomic stability, productivity, fairness and environmental sustainability.

Details of the Action Plan

The overall objective of all of these actions is to upgrade Europe's social market economy to fit the challenges facing the EU and to ensure just transitions for all. The Action Plan will be set out under a number of headings: (i) Equal Opportunities and Jobs for All; (ii) Fair Working Conditions; (iii) Social Protection and Inclusion; (iv) Promoting European Values in the World; and (v) Working Together. Detailed timetables (set out below) will follow.

It is interesting to note that already in January 2020, the first phase of consultations on the introduction of fair minimum wages in the EU was launched alongside the Communication. Then, on 5 March 2020, the Commission presented its Gender Equality Strategy for 2020-25 to ensure that the Commission will also include an equality perspective in all EU policy areas.

Timelines for the Action Plan

First Quarter 2020: First Stage Consultation with Social Partners on Minimum Wages; Sustainable Europe Investment

Plan – European Green Deal Investment Plan; Just Transition Fund; European Gender Equality Strategy, Followed by Binding Pay Transparency Measures; Updated Skills Agenda for Europe; Industrial Strategy; SMEs Strategy; Demography Report.

Second Quarter 2020: Reinforced Youth Guarantee; Updated Digital Education Action Plan.

Third Quarter 2020: Platform Work Summit; European Education Area.

Fourth Quarter 2020: Digital Services Act; Green Paper on Ageing; Europe’s Beating Cancer Plan; Initiative on Roma Equality and Inclusion; European Unemployment Re-Insurance Scheme.

Year 2021: Action Plan to Implement the European Pillar of Social Rights; Child Guarantee; Action Plan for the Social Economy; Strategy for Disability; Long Term Vision for Rural Areas.

Citizens to Have their Say on Reinforcing Social Europe

The Commission’s proposed discussion with all EU countries and their regions and with all relevant partners, involves inviting all stakeholders to present their views by November 2020. A programme of events and debates related to all issues covered by the principles and policy elements of the Pillar will be held at national, regional and local level and the Commission encourages active engagement and the full participation of all partners. Questions to be addressed include: Where do they see room for further action? Which concrete commitments to implement the Pillar can they make? The Commission then proposes to collect the feedback through a dedicated webpage. Based on the contributions received by the end of November 2020, the Commission will present in early 2021 an Action Plan that reflects contributions received throughout the consultation period and will seek its endorsement at the highest political level.

Implications for Ireland

Ireland’s 2019 National Statement on the European Union contains a substantial chapter on the theme of *A Union that is Socially Responsible*. It states that “Delivering on the principles and objectives defined under the new European Pillar of Social Rights is the joint responsibility of the institutions of the European Union, the Member States, the social partners and other stakeholders, with due regard to the principles of subsidiarity and proportionality. The principles outlined in the Social Pillar, together with the Sustainable Development Goals, can sustain and protect the Union’s legacy for the next generation”.

It goes on to highlight that Member States will be required to focus resources from the European Social Fund on the challenges identified in the European Semester. It notes that Ireland will promote labour market participation by women and a better work-life balance; improve access to employment for all jobseekers, including the inactive, under-represented groups and people with disabilities; promote the social integration of people at risk of poverty or social exclusion and address material deprivation, including housing exclusion.

The Statement details aspects of overall Social Policy which are to have priority in the period ahead. These include the EU new Youth Strategy, policies for Early Learning and Care, the forthcoming EU Work-Life Balance Directive, the European Health Insurance Card, the European Centre for Disease Prevention and Control and policies on Inter-Generational Fairness.

Implementation: The Irish and the European Views

These significant political statements outline the contours of the concept of Social Europe. While the EU's new Strategic Agenda argued for 'keen attention' to social issues, the Irish Government refers to an EU that is 'socially responsible'. A key element in both statements is the focus on implementation of the European Pillar of Social Rights, with the EU arguing for action on inequalities 'which pose a major political, social and economic risk' and the Irish Government arguing that the principles underlying the Pillar – together with the those of the Sustainable Development Goals – are critical in sustaining and protecting the Union's legacy. Building on the Pillar requires joint commitment and action involving the EU institutions, the Member States and the social partners, having regard to the principle of subsidiarity and the competences of the various parties.

Conclusion

It is clear that the new EU Strategic Agenda for 2019 to 2024 has become the fundamental text for the evolution of Union policies over the forthcoming five-year period and the strong commitment of the new Commission President is a crucial element in this, while the relevant chapter of the Irish Government's National Statement 2019 can be seen as a point of reference for the Irish debate. Social Europe will be at the heart of discussions and decisions on economic, employment, trade and environmental policies at EU and national level over the next few years. Both Ireland and the EU institutions recognise the importance of helping communities and individuals adjust to the challenges presented by the three transitions mentioned earlier in this briefing.

Inequalities, which affect young people in particular, are signalled as a major political, social and economic risk and attention is drawn to emerging generational, territorial and educational divides and new emerging forms of exclusion. Probably the most alarming of these are the almost 25 million children under the age of 18, who are at risk of poverty or social exclusion. Making a commitment to create a European Child Guarantee and helping to ensure that every child at risk of poverty or social exclusion has access to the most basic rights like healthcare and education are identified amongst the most immediate challenges for the EU. The Strategic Agenda sums up the need for the implementation of social rights in a bold statement: "It is our duty to provide opportunities for all. We need to do more to ensure equality between women and men, as well as rights and equal opportunities for all. This is both a societal imperative and an economic asset."

This is part of the Future of the EU27 Project, supported by the Department of Foreign Affairs and Trade.

The Institute of International and European Affairs (IIEA) is Ireland's leading international affairs think tank. Founded in 1991, its mission is to foster and shape political, policy and public discourse in order to broaden awareness of international and European issues in Ireland and contribute to more informed strategic decisions by political, business and civil society leaders.

The IIEA is independent of government and all political parties and is a not-for profit organisation with charitable status. In January 2017, the Global Go To Think Tank Index ranked the IIEA as Ireland's top think tank.

© Institute of International and European Affairs, April 2020.

Creative Commons License

This is a human-readable summary of (and not a substitute for) the license.

[https://creativecommons.org/licenses/Attribution-NonCommercial-ShareAlike 4.0 International \(CC BY-NC-SA 4.0\)](https://creativecommons.org/licenses/Attribution-NonCommercial-ShareAlike 4.0 International (CC BY-NC-SA 4.0))

You are free to:

- Share - copy and redistribute the material in any medium or format
- Adapt - remix, transform, and build upon the material
- The licensor cannot revoke these freedoms as long as you follow the license terms.

Under the following terms:

Attribution — You must give appropriate credit, provide a link to the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.

NonCommercial — You may not use the material for commercial purposes.

ShareAlike — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original.

No additional restrictions — You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits.

As an independent forum, the Institute does not express opinions of its own. The views expressed in this publication are those of the author.



The Institute of International and European Affairs,

8 North Great Georges Street, Dublin 1, Ireland

T: +353-1-8746756 F: +353-1-8786880

E: reception@iiea.com W: www.iiea.com