

The European Pillar of Social Rights: Too Little, Too Late?

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Abstract: *The paper analyses the opportunity, importance, implications and chances of success of one of the leading initiatives of the European Union, namely the European Pillar of Social Rights (EPSR). The conclusion is that, because of a number of economic, political and social phenomena manifested in the European Union among 2007 – 2018, such an initiative is highly opportune and may even represent the key factor in relaunching the European project. The analysis reveals that, due to the legal and financial limitations of the current format of the EPSR, this initiative may represent too little for achieving substantial and sustainable results. At the same time, due to reduced chances of securing tangible results in a reasonably short time, the initiative may come too late for re-connecting the European citizens to the European Union project and for counter-acting the trends towards national and local approaches that have already manifested in some of the member countries.*

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2007 – 2017: European Union in search of itself

In March 2007, a significant moment had been celebrated in the European Union, namely the 50th anniversary of the Treaty of Rome, that historical landmark that truly opened the way for the European integration process, first in the Western part of the continent and after 1990 also in the Central and Eastern parts.

At that moment some achievements had been proudly presented, such as the success in conflict avoidance among member states, the existence of the internal market (which was still a work in progress), the Schengen area (for some of the member states) and the Euro (again for some of the member states), as well as the two waves of enlargement in 2004 and 2007.

The celebration of 2007 had been somehow shadowed by a number of existential questions resulting from the rejection by referendum in 2005 by the French and Dutch electorates of the proposed Constitutional Treaty, a fact that determined Jean-Claude Juncker, then prime minister of Luxembourg to say that “Europe is in deep crisis” (The Economist, 2005). On the same note, Jacques Delors complained in 2007 that the European citizens lacked a dream

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or a vision to mobilize them in further supporting the European integration process (The Economist, 2007).

From our perspective, these existential questions about European Union were not a manifestation of scepticism or pessimism; they were in fact a normal attitude for those interested in the prosperity and progress of the European project, because the achievement of prosperity and progress could not be attained without continuous adaptation to an ever changing internal and external environment.

From the perspective of the year 2007 one could see that the world economy had changed in the 50 years that passed since 1957; in the meantime globalization became a global reality (that is a fact of daily life). One year later, in 2008, a financial and then economic crisis started, initially in the United States, and heavily affected European Union and particularly the euro zone.

In this context of change and crisis, a report to the European Council by the Reflection Group on the Future of the EU 2030 mentioned in 2010: “Europe is currently at a turning point in its history. We will only overcome the challenges which lie ahead **if all of us** - politicians, citizens, employers and employees – **are able to pull together with a new common purpose defined by the needs of the current age**”. The same document stated without any equivocation: “**The choice for the EU is clear: reform or decline**”, while mentioning that “For the EU to become an effective and dynamic global player, **it will also need to shift solidarity to the heart of the European project**” (Project Europe 2030, 2010).

There are two reasons in the context of this paper for mentioning these quotations from the 2010 document:

- the first is that we want to underline that beyond the statements of Jean-Claude Juncker in 2005 and Jacques Delors in 2007 there were serious preoccupations related to the redesign of the European Union project in accordance with the changes that took place in the world economy. The seriousness of the situation has been encapsulated in the formula “reform or decline”; such statements are not used except in very serious circumstances.

- the second is that the importance of solidarity was explicitly mentioned as a confirmation of the fact that the European Union project cannot be conceived without solidarity between European citizens, between European regions and countries and, above all, between the European Union institutions and the citizens of the European Union member states.

These existential questions of 2005, 2007 and 2010 remained as silent companions of the European Union in the following years, while their number and scope have been amplified in several ways.

Ten years from the 2007 anniversary moment and a crisis later, on March 25, 2017, the European Union celebrated 60 years since the signing of the Treaty of Rome. This time the moment passed largely unremarked as in 2017 European Union was confronted with numerous internal and external challenges, from Brexit to the independence movement in Catalonia and from the impact of the Trump administration decisions (among which the scrap of the Transatlantic Trade and Investment Partnership) to the rather general feeling of

insecurity and uneasiness generated in many member countries by the migrant crisis and the related implications.

One year later, in March 2018, one can note on the positive side that encouraging economic results were recorded in 2017 which gave hopes that the decade long implications of the 2008 crisis were finally behind.

Anyway, from the perspective of March 2018, the challenges facing European Union were even more complex and profound than some years ago. Some examples may substantiate this statement. For the first time after the Second World War, Germany could not form a government for almost six months after the elections of October 2017, while the solution found with considerable difficulty in March 2018 (the so-called Grand Coalition between the Christian Democrats and the Social Democrats) seemed far from being effective. At the same time, the Italian elections of March 4, 2018 were won by Eurosceptic, anti-establishment and anti-immigration parties reflecting the dissatisfaction of the Italian population due mainly to the massive unemployment (with about 35% youth employment), slow growth economy and huge inflow of migrants (Squires, N.; Foster, P., 2018).

On a different topic, also in March 2018, the finance ministers from eight European Union member states (Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, the Netherlands and Sweden) rejected the idea of a joint Eurozone budget proposed by the French President and the German Chancellor (Parfitt, T., 2018).

And in Central Europe the group of Visegrad countries (Hungary, Poland, Czech Republic, Slovakia) repeatedly confronted Brussels by supporting the idea of a European Union represented by a free alliance of sovereign nations in contrast to the idea of a centralized federation supported in different formats by some Western states (Than, K.; Baczynska, G., 2018).

A comment seems to be necessary at this point. **In our view the main problem with the European Union of today is not the fact that there are different opinions. On the contrary, the main problem with the European Union of today is that different opinions are regarded as a problem.**

Elementary logic states that, because so many things changed since the end of the Second World War, it is just normal to discuss about new institutions, new rules, and a new world economic order. In fact everything changed since 1945: the world order is no longer bi-polar, but multipolar; the economic centre of weight of the world economy has moved from the Atlantic to the Pacific area; the colonial empires disappeared and new (economic) powers emerged, among them China and India; new technologies brought by the fourth industrial revolution are going to change in less than a decade everything we know by means of artificial intelligence and robots. Therefore change is normal and therefore it is high time for change in all areas of human existence.

At the same time, European Union has been characterized from the very beginning by diversity. After successive waves of enlargement diversity increased tremendously and became, in our opinion, the key characteristic of the European Union. In this context we proposed with another occasion to change the motto of the European Union from “Unity in Diversity” to “Diversity in Unity” (Bonciu, F., 2015).

The implications of such a change of the European Union motto could be momentous. The European Union can capitalize its diversity by redefining its institutions and mechanisms based on **diversity and synergy**. A new blueprint of the European Union, maybe as revolutionary as that of Jean Monnet, could start from thinking about **a European Union that becomes stronger as it becomes more flexible and diverse in response to shocks and uncertainty**. Such a blueprint could in fact capitalize on the “antifragility” concept developed by Nassim Nicholas Taleb (Taleb, 2012).

Anyway, from the perspective of a large part of the general public European Union may often seem preoccupied by more administrative or abstract issues like: potential GDP, European Semester, banking union, linking the access to European funds by the acceptance of migrants, and so on. All these subjects are legitimate and commendable but they seem to be rather remote from the hurdles of daily life that confront at the very least one in four European citizens who face poverty and social exclusion (Eurostat, 2016).

In our opinion, instead of the potential GDP of the member states, the European Union institutions could better discuss about the economic and social potential of the European Union and its citizens. Representing the citizens means to answer their preoccupations related to inequality, unemployment (particularly for the young, old and disabled), underemployment and the rise of temporary jobs, the social security and social protection, the risks related to the future of pension funds, the financing of the health care systems or the necessary improvement of the education system according to the requirements of the 21st century and the fourth industrial revolution. Putting solidarity at the heart of the European project could mean to put the European citizens first, to see European Union as an instrument for achieving the well-being of European citizens, to look for reasonable results in improving the quality of life of as many European citizens as possible in a reasonable time.

It is for these reasons presented above that we consider the concept of European Pillar of Social Rights as a step in the right direction and as a hope for reforming the European Union in manner that is closer to the European citizens and their needs and aspirations.

But, while the concept is generous and well connected to reality, the envisaged mechanisms for implementing it are, in our opinion, rather weak and insufficient. With so much at stake we consider in the following parts of the paper that the European Pillar of Social Rights needs much more legal power and attention, dimensions that can be achieved by incorporating this pillar in the Treaty on the Functioning of the European Union.

European Pillar of Social Rights: an overview of the concept

The ideal of a European Union more oriented towards the social dimension has been presented by Jean-Claude Juncker in a speech to the European Parliament in October 22, 2014 when he mentioned the objective of bringing European Union to a “social triple A rating” (Lecerf, M., 2016). More details on the content of a “social triple A” were provided by the Five Presidents Report which was made public in June 2015 (European Commission, 2015).

One important aspect is that these references have in view specifically the necessity to add a social dimension to the economic and financial dimensions of the Economic and Monetary Union (EMU). This reference to EMU limits seriously the scope of application as not all European Union member states are at present also members of the euro zone. And although all European Union member states are in principle bound to adopt the euro and thus to become members of the euro zone, there is no clear estimation as to if and when such a situation would happen.

In the aftermath of the crisis that started in 2008 a number of initiatives have been started and/or adopted by the European Union institutions with a view to improve the social dimension, among which: the Youth Employment Initiative (2013), the New Skills Agenda for Europe (2016), the European Accessibility Act (2017), the New Start initiative that aims to improve the work-life balance for working parents (2017), the European Union labour mobility package (under discussion since 2015), the European Labour Authority (proposed in March 2018).

Given the persistence of the effects of the crisis that started in 2008 as well as other difficulties that confront many citizens of the European Union member states, on November 17, 2017 the representatives of the three main community institutions, the Council of the European Union, the European Parliament and the European Commission signed in Gothenburg, during a social summit for fair growth and jobs, an important document, **the European Pillar of Social Rights** (Council of the European Union, 2017). It is to be noted that the European Union reunion in Gothenburg was the first EU summit in 20 years on the topics of social issues and the labour market.

From a historical perspective, the European Pillar of Social Rights (EPSR) has been announced by Jean-Claude Juncker in his first state of the union statement in September 2015 as a response to the changing realities manifested in the European Union member states and in the various labour markets (Juncker, 2015), but also as an instrument for achieving convergence in the euro area.

The European Pillar of Social Rights may be regarded as a visionary and programmatic document that aims to solving most if not all of the acute challenges of the present: unemployment, poverty, discrimination. Special attention is given to the specific problems of the young and older people, as well as the disabled. In view of the document these problems can be tackled by securing well-functioning labour markets and welfare systems.

This rather late reaction from the part of the European Union main institutions has come in response to the fact that the social dimension of the European Union has been largely omitted during the crisis period when the austerity measures imposed in many member countries as well as the changes in the national labour laws improved the monetary and economic governance at the cost of social governance and social security (Rasnača, Z., 2017).

From a legal point of view the European Pillar of Social Rights is at the same time a **recommendation and a proclamation**, a fact that has several limiting implications that will be discussed later on.

From a structural point of view the European Pillar of Social Rights contains 20 key rights that are organized into three categories (EPSR, 2017):

- equal opportunities and access to labour market;
- fair working conditions;
- social protection and inclusion.

The document is to be praised first of all for its **generous objectives** mentioned in the Preamble: "well-being of its peoples ... the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, ... full employment and social progress, and a high level of protection and improvement of the quality of the environment" (EPSR, 2017).

Another reason for which the European Pillar of Social Rights is to be appreciated is the fact that **the 20 key rights and principles are well chosen** and provide for: rights to education and long-life-learning, gender equality, equal opportunities, active support for employment and good employment conditions, social dialogue, work-life balance, work environment, childcare, social protection, unemployment benefits, minimum income, old age income and pensions, health care, inclusion of people with disabilities, long term care, housing and assistance for homeless, access to essential services (water, sanitation, energy, transport, financial services and digital communications).

The long list mentioned above is worth reading because, if all these rights were delivered (even partially) to the citizens of the European Union member states, all the existential questions about the European Union, all the tensions, all the trends towards nationalism, populism, Euroscepticism and so on would disappear instantly.

At the same time, in our opinion, by choosing these specific rights and principles to be included in the European Pillar of Social Rights the European Union institutions proved that they know where the difficulties and sensible issues are and what really matters for the citizens of the European Union member states.

European Pillar of Social Rights: too little?

The objective of the EPSR as well as the measures proposed are all highly commendable and if fully implemented in a reasonable timeframe would not only alleviate many of the tensions existing nowadays within the European Union, but also dramatically increase the support of the largest part of the citizens for the European project. And yet after a closer look at the way the EPSR is conceived and at its contents the feeling remains that it is far too little to generate any consistent results.

The main shortcoming of the European Pillar of Social Rights arises from its legal status. Both the recommendation and the proclamation sides of the document are not legally binding. According to Article 288 TFEU the recommendation part expresses the views of the community institutions and suggests a line of action to the member states, but with no legal obligation attached (European Parliament, 2018).

As for the proclamation part, this is a solemn statement made by community institutions and reflect their position and support for certain domains and approaches. A proclamation has no direct legal effect on the member states but given its origin (the European Parliament,

the Council of the European Union and the European Commission) it is supposed to be taken into account by the member states. It is also to be noted that there is a precedent when a proclamation (The Charter of Fundamental Rights of the European Union) was made (in 2000 and then, in an amended format, in 2007) then was later incorporated in the Treaty of Lisbon in 2009 and thus becoming mandatory.

Another shortcoming is related to the primary concern of the European Pillar of Social Rights with the achieving of social and working convergence in the euro area with only an indirect reference to the rest of the member states. The social dimension is fundamental to all citizens from all member states and therefore any reference related to the social dimension which is limited only to the euro zone increases and not decreases the division between the two groups of member states.

At the same time, from the wording of the text the European Pillar of Social Rights document results that there will be no extension of the Union powers in the field of social rights therefore any decisions are to be made and implemented by the member states. At the same time, the European Union budget allocate only about 25% to social measures, which represent about 0.3% of the member states budgets (Nordic Labour Journal, 2017).

Under these circumstances, it is clear that the European Union lacks both legislative and financial power to directly implement the provisions of the EPSR. Leaving almost all of the burden of securing social protection and social security on the shoulders of the member states and having as monitoring instruments from the part of the European Union institutions only an EU Social Justice Index to be published every year and some social indicators to be included in the European Semester (the activity rate, long term and youth unemployment rate) appears to be less than ideal and definitely not enough.

It is exactly for these limits that some commentators required that the European Pillar of Social Rights with its 20 principles to be incorporated as an annex into the Treaty on the Functioning of the European Union (TFEU), in a similar manner with the Charter of Fundamental Rights (Steinruck, J., 2017). Such a decision, which is not foreseeable in the near future, would create for the first time a balance between the economic freedoms and the social rights. One can even say that a truly social market economy (which is mentioned in the TFEU) can be attained only by including some fundamental social rights related to social security and social protection in the Treaty.

European Pillar of Social Rights: too late?

Taking into consideration the results of different electoral processes that took place in the European Union member states between 2016 – early 2018 period, one can note that in a significant number of cases political forces that support local or national views, that reject massive migration and/or are Euro sceptical succeeded to access more political power than in the previous periods (Algan, Y. et al, 2017).

Such changes of the political options do not appear overnight and they should be treated with all attention. It would be a great mistake, in our opinion, to label them being related only to the poor, uneducated citizens from rural areas (much in a similar way in which Hillary

Clinton defined as “a basket of deplorables” half of those who did not support her) or to dismiss them as being only the expression of foreign, unfriendly interference from other non-EU states.

Such changes in the political options have appeared due to: the consequences of the crisis that started in 2008 (and particularly the austerity measures which were imposed without taking into consideration the social costs), the deepening of inequality in many countries, the high level of youth unemployment, the unsecure future of pension funds, and because the European Union institutions seemed preoccupied by the economic and financial governance and much less by the social security and social protection.

When the European Union institutions seem abstract and remote, people tend to look around and search for security with closer entities, like families, local communities, local/national authorities.

The seriousness of this situation has been stressed in March 2018 by the World Bank which stated in a report that **populism in the European Union is generated by poverty and that economic pessimism is rational in areas where large parts of population are left behind.** Beyond other figures and arguments enough is to quote from the World Bank Report that between 1990 and 2015 the earnings of the lowest 10% of the European population declined by 7% while the earnings of the highest 10% increased by 66% (World Bank, 2018). At the same time Eurostat data for 2015 indicated that 23.7% of the population of EU-28 were at risk of poverty and social exclusion, that is almost one in four people (Eurostat, 2016).

What is to be mentioned is the fact that while the risk of poverty and social exclusion is in no way the result of European Union existence and activity, at the same time it is the European Union with its comprehensive network of institutions and instruments that can make a difference and improve significantly and in a sustainable manner the current situation.

As we presented above, the 20 principles and rights which define the European Pillar of Social Rights are perfect, they are exactly what is needed today. But, at the same time, leaving almost all concrete actions with the governments of the member states, there are few hopes of immediate and significant results.

We have to also take into account the inertia of implementation which is determined by the Project-cycle-management. Even if sufficient authority and funds would be provided today to the European Commission, the implementation would require at least a seven-year period (a multi-annual financial framework) for obtaining visible results.

And even in this best case scenario the results would be too late to counter-act the trends which are already underway. Even with the best programming, projects and PR and Communication techniques from the initial moment to a change of perception and attitude at a scale that include more than 500 million people some years are necessary.

The fact is that we are not in the best case scenario and we do not have that kind of time and resources. Even in this case, in our opinion the mere understanding of the situation represents a great step forward towards a positive and feasible solution.

Conclusions

In the past 60 years the European integration process and the European Union have evolved and achieved undisputed results, including the securing of peace of the European continent, the internal market, the waves of enlargement, the euro and the international presence as a significant actor.

The complexity of the institutional and legislative framework of the European integration process has led in time to a higher concentration on technical and administrative issues and to the allocation of higher importance to the economic and financial governance to the detriment of social issues. There were many occasions when certain actions (like the adoption of the euro) were explained as necessities resulting from obligations assumed once with the accession to the European Union and not as instruments for a better and more fulfilling life for the European citizens.

The crisis that started in 2008 and the austerity measures, as well as the migrant crisis made inequality more acute. Uncertainties related to the banking and financial sectors in many countries of the world, including those that are part of the European Union, as well as the demographic trends further accentuated the division between those who have and those who have not, between young and old, between Western and Eastern Europe, but also between North and South of Europe. Such trends started several years ago to have a political replica manifested in the access to power of parties and social movements that support regional or national approaches, that are anti-immigration, anti-establishment and, sometimes, anti-European Union.

In this context, the main institutions of the European Union (the Council of the European Union, the European Parliament and the European Commission) have launched a very important initiative, the European Pillar of Social Rights, that advocates in a very comprehensive manner the addressing of the main, if not all, social issues confronting the citizens of the European Union member states.

In this paper we highly appreciate both the initiative and its content and regard it as crucial for the relaunching of the European Union project. In the same context, the European Anti-Poverty Network called the European Pillar of Social Rights the “last chance for social Europe”, meaning by “social Europe” a paradigm that puts people before markets (EAPN, 2016).

In our opinion, the European Pillar of Social Rights seems to be the right answer to the preoccupations and fears of many European citizens related to poverty and social exclusion. If the European Pillar of Social Rights can generate tangible results in a reasonable time, it can successfully counteract movements and political trends that try to find solutions in a more localized manner, with focus on regional or national means and objectives.

In our view the solution to the current situation is not to be found in confrontation between those in favour or a more federalist and centralized approach at the European Union level and those against such an approach, but rather in providing concrete solutions to the European citizens most affected by various disequilibria and uncertainties.

It is exactly because of this belief that we consider appropriate to start a comprehensive and democratic discussion at the level of the whole European Union on the opportunity to include the principles and rights that form the essence of the European Pillar of Social Rights into the Treaty on the Functioning of the European Union, in a similar way with the Charter of Fundamental Rights of the European Union.

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