

A social Europe

A position paper by the SPD parliamentary group

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When he took office as President of the European Commission in 2014, Jean-Claude Juncker promised that social rights in Europe would be enforced. Along the lines of the evaluations they receive from rating agencies, EU member states, he argued, should also aspire to be awarded a 'social triple A', in other words an excellent social rating. Little progress has been made since then, and this is due in no small part to resistance encountered from the member states. A window of opportunity is now opening for new initiatives following the UK's decision to leave the European Union. The European Commission and the member states have for too long had a one-sided focus on competitiveness and competition, and have neglected efforts to develop the Union in socio-political terms. Even the IMF has now acknowledged that growing inequality of wages and wealth is not only a social problem, but also represents a genuine obstacle to economic development.

With the continued development of the single market, the barriers to cross-border forms of cooperation and collaborative production have been lowered. Products and capital stand to benefit – employees only to a limited degree. The wrangling over 'fair mobility' and 'decent work' reflects this dilemma. Models such as corporate postings with chains of subcontractors, pseudo-postings and illegal employment are extremely difficult to monitor and are the order of the day. These phenomena exist both at the national level and across borders, which makes combating them much more difficult as instruments employed solely at the national level cease to be effective.

Such massive excesses at the European level can only be effectively addressed with a European-wide approach. The loopholes at national level are too large.

Astonishingly, this targeted exploitation of employees is not as prominent in the public debate as the alleged mass abuse of freedom of movement, specifically the fear of immigration toward national social-security systems. Even though responsibility for social policy continues to lie with the member states, benefits systems need to be better coordinated with each other. This does not mean that national systems should be harmonised with one another, but rather that joint principles should be created to protect people and prohibit social dumping.

Common rules for the common market

Fiscal-policy objectives were agreed upon with binding effect and are subject to constant monitoring by the Stability and Growth Pact and the European Semester. While the extent to which the failure to meet these targets should be sanctioned is currently an issue of debate once again, it is generally agreed that growth is required and debt reduction necessary. Without

binding social targets such as investment in education, research and social affairs, as well as an employment rate, economic objectives play too prominent a role. Too many people have the impression that private, corporate and market interests are the predominant focus and that social effects are being accorded insufficient attention. As a result, we are witnessing a delegitimisation of the idea of Europe and the process of people turning their backs on it.

The Treaty of Lisbon strengthens the social dimension of the European Union. Its specific implementation is still insufficient, however. What is needed here are further obligatory legal instruments and a new approach with a Social Progress Protocol, which would ensure that the European Court of Justice and European fiscal rules must respect both the objective to constantly improve living and working conditions and the goal of the social market economy. Unfair competition at the expense of wages and working conditions could then be prevented.

Moreover, a balance could be created between economic freedoms and competition rules on the one hand and fundamental social freedoms on the other. Economic freedoms must not be used to circumvent national social and labour laws, and must be interpreted in such a way that they do not obstruct the enjoyment of social rights as they are enshrined in the member states and in European Union law.

The EU needs a wealth strategy

Progress must not be reduced to economic growth. Social, environmental and economic progress must be equally important principles of such a strategy, whose objectives are sustainable growth and fair employment in all the Union's regions. The EU therefore needs a wealth strategy to accompany its competition strategy.

If acceptance of the idea of Europe is to survive, then the European Union's structural shortcomings – the precedence of economic freedoms over social rights – must be addressed. A common market requires common rules.

Europe must offer prospects for everyone

We consider deepening the integration of the EU to be right and proper. In order to safeguard economic prosperity in Europe and to create a social Europe, people in all member states must have the prospect of enjoying a decent standard of living and social rights. In a community, it is not acceptable in the long run for some to do very well while others do badly. In times of globalisation, prosperity must be ensured at European level and no longer within national borders. As an exporting nation, Germany is particularly dependent upon the well-being and economic prosperity of its neighbours. We need further EU integration. Europe has offered, and continues to offer, the promise of peace, social rights and prosperity.

A European minimum wage and social investments

While a number of social indicators have finally been incorporated into the European Semester, no binding targets have been laid down. This has to change. We want binding social

targets to be derived from these indicators. It is vitally important in this regard that the country-specific recommendations take the potential social consequences of the recommended policy more comprehensively into account.

Open borders in the European internal market necessitate common rules for safeguarding the rights of employees. Responsibility for the social domain lies predominantly with the member states. However, the common market does not stop at national borders. We therefore need common principles and criteria for fighting both wage and social dumping, as well as for social security and citizens' education opportunities.

Social security and opportunities for advancement are essential for people and therefore also important for the EU's economic output. Consequently, we not only need a stability and growth pact for the economy, but also a social stability pact. This would include common standards for setting national minimum wages that are geared to the relative levels of prosperity and income, improved regulations for the posting of workers, and measures to combat social and wage dumping, as well as safeguarding trade union rights and free collective bargaining. Wherever these measures were suspended in the course of aid programmes for countries in crisis, they must be re-established as quickly as possible.

Moreover, we need, as proposed by the European Trade Union Confederation, a new European framework for greater democracy and co-determination in the workplace, in companies, business and public administration – one that attaches greater importance to the basic right of employee participation. A key element of this sort of framework should be a new directive to introduce an integrated architecture to enable employees to hold stakes in European companies. A directive of this nature must be rooted in the *acquis communautaire*, set high standards for briefings and consultations of employees and their stakeholders, and define additional standards for corporate co-determination.

Alongside debt reduction objectives, binding targets for social investments – including investment in education, particularly in vocational training and the Youth Guarantee, high-quality childcare, healthcare, further training, job-search assistance and reintegration – are required. Social harmony can only be safeguarded through functioning social security systems in the member states.

Fair employment in a common market

The European Union's economic success is based on four fundamental freedoms: the free movement of goods, persons, services and capital. Capital and goods, in particular, enjoy an almost unfettered single market. However, what we need are effective tools for implementing the rights of employees in the single market. This applies to those who take up work in a member state other than their country of origin, as well as to the local workforce. Clear and robust regulations are required to uphold these workers' employee rights and protect them against social dumping.

Recognising professions and accessing the European labour market

An obstacle to employee mobility in the EU is the often-laborious process to achieve, or indeed the total lack of, recognition of certificates of education, training or other qualifications. While an important step has been taken in the form of the EU Directive on the recognition of professional qualifications, the process of having qualifications and certificates recognised is often expensive and onerous, which sometimes only yields partial recognition. Thus, it is still the case that many people cannot work in jobs for which they are qualified.

An important step here is the efforts to continue to open up and optimise the configuration of a common European employment market. The expansion of the European Employment Services network, EURES, is helping to bring together employers and employees in a targeted manner and to support them with specially trained advisers. This can help to mitigate the impact of different economic climates on people in the respective member states in the short term. However, this should not have the effect of cementing regional economic differences. We therefore believe that harmonising living conditions and improving economic balance should be at the heart of European policy.

We intend to open the excellent Erasmus+ programme to young people who still do not have apprenticeship positions, university places or employment and who want to take up an apprenticeship or employment in another member state.

Equal pay for equal work in the same country

Thanks to the freedom to provide services across borders, companies can post employees to another member state for a limited period of time. The number of these postings is constantly rising. In 2014, almost two million employees were posted to work in another EU country. There have been major problems in a number of sectors with regard to compliance with wage standards and granting of leave, as well as the observance of working hours, occupational safety standards and other employee rights.

Effective monitoring and implementation of employee rights and employer obligations is often time-consuming and difficult. Freedom of movement must not result in exploitation and poor working conditions. Avoiding this is a social-democratic priority. Unfortunately, employee postings still offer a great deal of scope for social dumping. We therefore expressly welcome the fact that the European Commission is remaining true to the proposal to improve regulations in accordance with the principle of equal pay for equal work in the same country. As a result, we are committed to reforming the Posted Workers Directive in order to guarantee effective rights for posted employees as well. It must be made clear that the standards agreed in the directive constitute minimum standards and do not represent maximum standards.

The practice of posting is problematic at present. The Commission's current proposal must be extended in order to achieve effective wage equality for posted employees. We want the scope of the Posted Workers Directive to also include collective wage agreements in the future. Considerably more posted employees than has been the case to date would therefore benefit

from working conditions guaranteed by wage agreements and thus experience a tangible benefit of a genuinely social Europe first-hand.

Should it transpire that cross-border postings remain beyond control and open to abuse, then this form of service provision should be rethought.

New instruments are required

Investments, targets and improved monitoring will not be sufficient to harmonise the relative economic strength, and thus the living conditions of the citizens, of the EU member states. National social and education systems must also continue to function because of their stabilising role and need, therefore, to be protected against cutbacks in the European Semester and programme requirements during the crisis.

If a member state experiences difficulties with respect to financing its social spending in times of economic downturn, then new European instruments are required to help in a targeted manner in this situation to safeguard social security and to help overcome the crisis. Such instruments or a mechanism for economic stimuli are intended to mitigate cyclical shocks within the eurozone. This can help to strengthen purchasing power in individual member states.

Educational opportunities for all

Guaranteeing equal opportunities in education within and between the member states and promoting access to and success in education is also part and parcel of a social Europe. We need state financing instruments for vocational qualifications in all EU member states that facilitate the right to education and further training for people with low incomes. The training of young people, or Youth Guarantee, must continue to be implemented. Educational institutions in Europe must improve their cooperation throughout all levels of education, especially in the qualification of specialist staff and professional exchange programmes. There must be no divide between education-rich and education-poor countries within Europe. Member states' budget policies must not make any compromises with respect to education.

The fight against youth unemployment

The biggest problem associated with the persistent high level of youth unemployment is the risk of a lost generation. Average youth unemployment in Europe stands at a worrying 20 per cent, and is even higher in a number of European countries. While Germany has the lowest youth unemployment rate at seven per cent, the level exceeds 40 per cent in some member states. Structural weaknesses are often the reason for this problem and must doubtless be addressed at the national level. However, rescue programmes, and their measures calling for unilateral reforms on the part of the EU and the other member states, have greatly limited these countries' ability to act against this problem, and have in fact aggravated it. Consequently, we are calling for an enhanced, supportive role for Europe in a spirit of solidarity. We supported the creation of the Youth Guarantee in 2013 and consider this to be a measure for combating youth unemployment. The Youth Guarantee recommends that

states offer all young adults aged 15 to 24 a high-quality job, further education course or an appropriate apprenticeship or work experience placement within four months of becoming unemployed or leaving school.

Surveys have shown that the Youth Guarantee is beginning to have an impact and has delivered initial successes. However, the level of success is not keeping pace with expectations. We are therefore calling for intensified monitoring by the European Commission and rectifications in line with country-specific recommendations within the European Semester. The Youth Guarantee seeks to prevent an entire generation from being excluded from the employment market.

Reforms to build up training capacities and employment programmes cost money, which is in short supply, particularly in the most severely affected member states. We therefore wish to reaffirm our support for the Youth Employment Initiative, which provides special funding from the EU budget and the European Social Fund to regions with a youth unemployment rate of over 25 per cent. The evaluation that has now been presented by the European Commission shows that the initiative has yielded improvements. The pressing problem of youth unemployment must be tackled effectively, and so we strongly advocate the continuation and further financing of the Youth Employment Initiative beyond 2016.

Social standards as opposed to social dumping

The harmonisation of living conditions in the member states must not equate to an adjustment downwards, however. Instead, the race to the bottom for the cheapest conditions of production must be stopped in its tracks.

We welcome the public consultation regarding the Pillar of Social Rights. While this pillar will initially only apply to the eurozone, it will also be open to the other member states. We believe that it is essential to expand its scope of application to countries that have not yet joined the currency union. Only by flagging up misguided social policy can subsequent upheavals be opposed. This is about more than a declaration of social rights. A Pillar of Social Rights can be effective, particularly if these social rights are a firm part of EU policy in terms of a strategy for prosperity.

Moreover, the negotiations on reforming the coordination of social security, which are currently on hold, must be continued as soon as possible. The two existing regulations must, as announced, be revised in order to close legal loopholes that have emerged, among other things, as a result of the most recent decision. A uniform set of rules is also required to protect social systems from abuse. In the future, it will be more the rule than the exception that people will have worked in different member states and have earned entitlements there, including state and private pensions. We are therefore calling for a sustainable and transparent system to administer and enforce these people's claims from different countries.

It is also important to ensure that basic social security systems are established in all member states.

An open and inclusive European society

We respect and defend the fundamental values of the EU, such as the protection of human rights, respect for human dignity, freedom, democracy, equality and the rule of law, as well as the right to asylum and protection from persecution. Thanks to the European Union, we have enjoyed over 70 years of peaceful coexistence. We are continuing to develop the European model for society, one that is rooted in the concept of social justice. We are thereby ensuring that European citizens more strongly perceive the advantages of the Union and that they also advocate for them. We stand for a society in which each and every person is able to live independently and as equals, free from violence and discrimination. We promote the right to sexual self-determination and reproductive health and are committed to dismantling traditional gender roles and gender-specific inequality.

Protecting minorities

We are committed to the protection of minorities and are calling on the member states to take proactive steps to enforce their laws against discrimination, racism and xenophobia. The national strategies for integrating the Roma in the member states must be supplemented by a plan for fighting discrimination to tackle the problem of anti-Gypsyism. The German Federal Government must cease its opposition to the adoption of the fifth anti-discrimination directive (the Equal Treatment Directive) at EU level.

Equality of men and women and a social family policy are part of a strategy for prosperity and quality of life

The goal of equality and the obligation to pursue proactive policies to promote equality are enshrined in the EU's primary law. However, the EU's policy on equality has experienced an appreciable decline in both visibility and political relevance in recent years. In its 2014 report on equality between women and men, the European Commission concluded that, at the current rate of change, it would take another 70 years to achieve actual gender equality between women and men. The list of examples of structural discrimination is long and includes a lack of quotas for women, insufficient maternity leave, human trafficking, prostitution, wage and pension inequality and gender-based violence. Poverty, especially in old age, predominantly affects women also in the EU. Pensions reflect their recipients' employment history. Low labour-market participation, a high part-time employment rate, low wages, frequent and prolonged career breaks for looking after children, for instance, all lead to low old-age pensions for women. On average, women receive little more than a third of the pension income level enjoyed by men.

Childhood poverty has grave impacts on children's prospects and has, unfortunately, risen in many European countries. Single parents and families with multiple children are particularly at risk of poverty. We are working to prevent social circumstances from being passed on from one generation to the next.

We are promoting the equal participation of women in the labour market and leadership positions, and are committed to ensuring the greatest possible wage transparency. We want childcare and nursing to receive the acknowledgement that it deserves and will also promote efforts to develop these fields nationwide. A good work-life balance must be ensured in order to achieve genuine equality.

We consider gender and family policy issues to be part of a more comprehensive strategy for a modern, open and forward-looking society, and are opposed to backward-looking and aggressive anti-gender rhetoric, which has been on the rise throughout Europe and has become mainstream.

No lowering of standards

We are calling for a continuation of the EU's equality strategy, which expired in 2015. Recent decisions reached at European level in the area of equality were disappointing. The current Europe 2020 Strategy no longer includes a separate gender equality goal for employment, and there has been no fixed funding framework for the equality of women and men since the 2000s. Despite vehement calls from international women's rights organisations, the European Parliament and the majority of the member states for a new strategy, the Commission only submitted an internal working document at the end of 2015. Almost exactly at the same time, (new) conservative and right-wing populist forces became established in Germany in addition to many other member states that have opposed forward-looking gender and family policies.

Gender equality is a goal anchored in primary law. We must prevent this goal from gradually disappearing from the EU agenda and its funding activities.

Social policy is not an optional extra and subordinate to economic policy, or indeed expendable. Good social policies lay the foundations for open and just societies and must help to reduce poverty and boost the opportunities of each and every individual for personal self-advancement.

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