

Contribution to the Consultation on the Future “EU 2020” Strategy

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From: Social Justice Ireland

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Background Information

Social Justice Ireland is a recognised Social Partner in the Community and Voluntary Pillar of Social Partnership in Ireland. It is an organisation of individuals and groups, lay and religious, throughout Ireland who are committed to working to build a just society where human rights are respected, human dignity is protected, human development is facilitated and the environment is respected and protected. *Social Justice Ireland* is carrying forward the programmes and projects formerly done by CORI Justice. Further material is available on the *Social Justice Ireland* website: <http://www.socialjustice.ie/>

Introduction

Social Justice Ireland welcomes the consultation launched by the European Commission. The need for a vision to guide policy-making and shape the future cannot be over-stated. This vision needs to take into account the effects of the current recession, particularly on the most deprived, as well as the failure of the previous EU Strategy (Lisbon Strategy) especially on the social priorities identified when it was first promulgated in 2000.

The European Union needs a vision that clearly identifies the need to give priority to people and the planet as identified by the Spring Alliance¹. Such a vision should have a real and clearly stated commitment towards **the common good which includes social cohesion, social protection, social inclusion and solidarity**. *Social Justice Ireland* is seriously concerned that the document produced by the Commission is deeply flawed and would not be acceptable under any circumstances as a meaningful basis on which to proceed to articulate a vision to guide the EU in the coming decade.

Social Justice Ireland feels compelled to draw attention to the shortcomings in the Commission’s consultation document and to point out some of the key elements that should be at the core of such a guiding vision.

Core Issues

We believe that the short time allowed for this process does not augur well for a meaningful discussion on the issues presented and suggests that the process is not being taken seriously either by the Commission or by the Council of Ministers.

The vision outlined in the Commission’s working document only contains a very superficial “social” content. Considering the EU as a social market **economy**, however smarter and greener it may be, leads to a fundamental change in the original meaning of concepts linked to human development, like “empowering people” and “inclusive societies”. The meaning of these concepts is being narrowed down to refer only to a narrower employment-oriented and consumer-based approach. Social Justice Ireland points to the wide-ranging evidence

¹The **Spring Alliance**, is a coalition of trade unions, environmentalist and social NGOs for a new EU strategy that puts the economy at the service of people and the planet. Cf. www.springalliance.eu

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that, while having a job is a good protection against poverty and social exclusion, **employment alone is insufficient to guarantee social inclusion**. An active employment policy can be only one element of an overarching 'sustainable development' strategy for 2020. Furthermore, employment cannot represent the solution for all cases².

The three priorities presented in the Consultation document (a. *Creating value by basing growth on knowledge*, b. *Empowering people in inclusive societies* and c. *Creating a competitive, connected and greener economy*) are focused only on the labour market. It might be of help here to recall that the European Union was built as a response to the threat of continuous war and competing blocks on our continent, to secure peace. It was grounded on sharing national resources to achieve prosperity and societal well-being. Peace and well-being go hand in hand in a fair society based on equality. Today, there is a major threat arising within the Union because of its failure to respond to the just aspirations of millions of people to build a new society where economic development serves the common good in Europe and in the World, where economic development, social development and environmental protection are seen as different sides of the same reality. The EU must return to being a Community of peoples working together to find solutions to common problems and undertaking positive actions in solidarity with one another. If the EU strategy 2020 is to promote "growth for all"³, it must begin understanding growth within a wider framework of *well-being* and measuring and promoting this well-being differently from just its economic dimension alone.

The consultation document does not make a thorough diagnosis of the crisis, nor does it analyse comprehensive or accurately the challenges ahead. The reasons why Europe's economy went so deeply into recession are not explained. We do not have confidence in a political framework that has failed over the past ten years to deliver on the Lisbon Strategy and yet has not seen it as necessary to identify the causes of this failure.

The consultation document only considers the effects of the crisis, but ignores the fact that before the crisis began 15% of European people were below the poverty threshold, 10% were working poor, 9% of children were living in poverty, with migrants overrepresented in these figures etc.

A strategy to exit the crisis must address the root causes (including the ethical and anthropological ones) of the crisis itself. Behind the economic downturn there is a crisis of values and of the political institutions themselves. The EU 2020 Strategy should therefore speak about **values**; it must address how the EU proposes to deliver solidarity and a just distribution of resources and well-being; how it proposes to contribute to the development of the impoverished parts of the world as well as fostering a people-centred and green economy. In this **value-driven Europe**, human development and social development are the reasons for promoting economic growth - not the other way round. To our surprise, the consultation document does not enumerate **combating poverty and social exclusion among the future priorities of the EU**. How can social cohesion and intrinsic freedom be achieved without combating exclusion? Flexicurity is presented as the way to accelerate employment. This approach is totally inadequate for a society hit by a crisis that has deepened still further the already-existing divisions in society. We also believe that a strategy based on flexicurity is likely to fail. Institutional actions on **solidarity**⁴, **social**

² As also expressed by the report of the Social Protection Committee, "Growth, Jobs and Social Progress in the EU – A contribution to the evaluation of the social dimension of the Lisbon Strategy", September 2009.

³ Commission's working document, page 4.

⁴ The "Active Inclusion" strategy, culminated in October 2008 with the adoption of the Commission's *Recommendation on the active inclusion of people excluded from the labour market*, foresees an integrated mix of three policy strands: 1) maintaining

inclusion⁵, **non-discrimination**, **equality** and the provision of **quality jobs** are essential if we are to achieve more social cohesion in the EU.

If the EU is to be an open and forward-looking society it also needs, as part of its inner cohesion, a new European migration model where people can move freely and where an enriching cultural interaction of people of different origins is achieved. The tenth Common Basic Principle on Integration of third country nationals⁶ recognizes that *"Mainstreaming integration policies and measures in all relevant policy portfolios and levels of government and public services is an important consideration in public policy formation and implementation"*. We therefore advocate that the inclusion of **migration as a cross-cutting issue in all solidarity strategies** be undertaken at all levels by the EU and its Member States.

All this can be fruitful only in a political and societal environment which is respectful of all people and their communities. The importance of intermediary bodies in the process of building more democratic societies must be recognised by duly implementing the principle of **subsidiarity** and ensuring **participation**, whereby everyone, either as an individual or in association with others, whether directly or through representation, is empowered to contribute to the economic, political, cultural and social life of her/his community. Therefore, measures have to be adopted at all levels to promote a culture of **effective participation**.

Likewise, in the consultation document there are no recommendations to national governments on how to involve **civil society** in the various phases of drafting, implementing, monitoring and evaluating both European and national strategies.

Social Justice Ireland proposes that the fundamental principles underpinning the EU Strategy for the next decade should be:

- 1) An ever more **serious commitment** to making the EU a genuinely **inclusive and cohesive society**: a social Union, taking responsibility for the people living in its territory, is ever more important and must become a priority objective;
- 2) **Real interaction and mutual reinforcement** between and effective OMC process and EU2020 strategy;
- 3) **Increased legitimacy** through the full involvement of the European Parliament and other representative bodies like the European Economic and Social Committee and the Committee of Regions, as well as through the effective and democratic participation of people and civil society associations **throughout the EU2020 strategy**, not only in the OMC process;
- 4) Rather than insisting on individual responsibility, the EU should ensure that it's Institutions, the Member States, local governments and the whole collectivity, promote **solidarity** and recognise that these all have **co-responsibility** in delivering on an inclusive and cohesive European Union.

the contact with the labour market through opportunities for employment or occupational training, 2) the provision of income support sufficient to live in dignity and 3) access to services to help remove the obstacles hindering certain persons and their families from integrating into mainstream society and promote their reintegration into employment. There is no reference to Active Inclusion in the Commission's consultation document.

⁵ The Social Inclusion process, under the "**Social OMC**" is also not mentioned in the working document.

⁶ Common Basic Principles on Integration, adopted by Justice and Home Affairs Council of the European Union on 19 November 2004.

Specific issues in the EU2020 Strategy

Education: the working document recognizes that “strengthening education is one of the most effective ways of fighting inequality and poverty” and that “preventing early school leaving reduces future exclusion from the labor market and the threat of future social exclusion”⁷. *Social Justice Ireland* agrees that early school leaving severely reduces employment opportunities and active citizenship, and that early interventions in education are necessary to avoid a situation where many people are trained at levels below their capacities and cannot adapt to a fast-changing labour market. This, even more than re-skilling, appears to be the most appropriate measure to ensure that people escape the poverty trap. However, we disagree with the labour market-oriented approach proposed for a future European education strategy. We disagree with the statement “Knowledge is the engine for sustainable growth”⁸. Such a depiction of knowledge misses most of what knowledge is about. We also do not accept the proposed concept of “5th freedom”, whereby the objective of a European Knowledge Area is seen as a free market of education, research and, ultimately, ideas. As stated before, for *Social Justice Ireland* **economic development and social development are complementary**; as they represent two sides of the same coin, each of them has its own *raison d’être*. In this vision, **education serves first of all the scope of personal development within society**, and then it only secondarily serves economic purposes. The proposed EU 2020 strategy does not recognize this. Education should be recognised as a conveyor of values such as justice, equality and solidarity and it should ensure the development of a commitment to the common good. Equal and free access to education should be concretely ensured for all in the view of building truly fair and inclusive societies.

Employment: recognition of the **importance in human development of meaningful work** must be re-stated. Human work is central to the whole social question and necessary for the cultural, social, mental and physical development of every person, of the family and the society. Work contributes to the expressing and enhancing of the human dignity of every worker. But it is a fact that the EU since its establishment more than half a century ago has never produced full employment. Consequently, there are two key issues that must be addressed if everyone’s right to have meaningful work is to be respected and made a reality. Firstly, it is crucial that job-creation be promoted. Secondly, it is also essential that unpaid work be recognized and supported.

On job-creation there should be a strong emphasis on producing **decent job opportunities**, which pay **adequate wages** and have **fair working conditions**⁹ as a fundamental right of every worker, for a dignified life through employment. There should be specific measure to ensure **decent jobs** for the most disadvantaged; for example, there should be guarantees of **equal access to vocational training, life-long learning** and other pathways to employment, as well as **social employment** for those who need special protection. We reject the notion outlined in the consultation document that the reliable options to create more jobs among those who are experiencing unemployment are self-employment and entrepreneurship. Instead, *Social Justice Ireland* points to the **social economy and social enterprise**, as well as to **social services**, as promising and more realistic reservoirs for job creation. Especially in this time of crisis, the potential of these sectors must be fully used to respond to the new

⁷ Commission’s working document, page 5.

⁸ *ibid.*

⁹ Such as employment stability, health safety, non-harassment, the right to rest, participation in and control over management and profits.

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societal needs, which include finding new opportunities to return to a dignified life through paid and decent employment. They should also be used to address the very high levels of youth unemployment across the Union.

On the issue of unpaid work, *Social Justice Ireland* believes that this issue must be addressed if all of the EU's people are to have access to meaningful work during the coming decade. No matter what the EU does there will not be full employment in the EU by 2020. At the same time everyone in the EU has the right to meaningful work. If this right is to be honoured then an effective pathway would be to recognise unpaid work and to ensure that a minimum income guarantee system is put in place so that every person in the EU has sufficient to live life with dignity. *Social Justice Ireland* supports the introduction of a Basic Income system across the Union and proposes that this be studied in detail immediately. Without a move along these lines then all the talk concerning social solidarity, social inclusion and social cohesion will be mere rhetoric!

Social protection: A **minimum level of social protection** must be guaranteed **to everyone**, regardless of the person's employment situation, and especially to disadvantaged people who do not enjoy other forms of primary protection. **Strong, sustainable and efficient** social protection systems are not just functional to employment and economic growth¹⁰ but are especially important in securing human rights, protecting human dignity and fostering social cohesion. Sustainable social systems are possible and a democratic debate should be held on the future financing of the welfare state. It is also important, given the points made in the preceding paragraph, that priority be given to integrating tax and welfare systems and to developing fool-proof mechanisms that ensure that every person has an income sufficient to live life with dignity. The target should be that the minimum welfare payment for a single person should be at or above the poverty line in every country in the EU.

Social services: social services are a core and essential element of modern society. Yet, their **important contribution to generally well functioning societies as well as social cohesion** seems completely overlooked in this consultation. Person-oriented, high quality social services are very important instruments to combat poverty and social exclusion. They provide assistance in emergency and crisis situations. They are essential for every person if social inclusion and social cohesion are to be delivered across the European Union.

We take this opportunity to draw attention to the potential conflict between the current EU Services directive and EU competition law. In this regard, *Social Justice Ireland* advocates that in case of doubt priority should be given to the rules applying to social services, given their prominent function of ensuring a cohesive society. We also recall here the immense contribution of **volunteerism** in creating social capital, thereby social cohesion. In the wake of 2011, and in line with a concrete commitment to solidarity, the EU 2020 should also promote volunteerism in our societies.

Migration: the Commission's document mentions migration in connection with its "substantial contribution to growth"¹¹ and with the employment rate of migrants. *Social Justice Ireland* argues that the EU must abandon a migration model that is based principally on the relationship between the labour market and economic needs, and move instead to a model which fully respects the **Human Rights** of migrants. Long term migration policies that offer inclusive welcoming societies for migrants and grant second and third generations untainted citizenship, as well as equal opportunities of self-development, are crucial for

¹⁰ in terms of investment in human capital, see COM(2007)726, p.7.

¹¹ At bottom of page 6,

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cohesive societies and must be developed. A human-rights-based approach includes granting basic rights and minimum living conditions to the (around 8 million) migrants who are in an irregular administrative situation in the EU.

Non-discrimination: in line with the above, a just EU 2020 Strategy must help build a society rejecting discrimination, racism and xenophobia in order to encourage inclusion, create equal opportunities for all and achieve social cohesion. There is evidence of increased nationalism and intolerant attitudes in some countries, sometimes made acute by the economic and social pressures in which they find themselves. The EU 2020 Strategy should also take into account these social aspects of the crisis and should promote a discourse of tolerance and solidarity so that these situations are not worsened.

Financial governance: when stating that “financial resources have come under pressure as a result of the crisis” and that “the remaining problems in the financial system therefore need to be solved swiftly in order to support the recovery”, the working document overlooks that the abnormalities of the financial system have been the basic cause of the crisis. Starting from a genuine recognition of this fundamental failure, the establishment of **new and fair financial rules** should be a strong element of the EU 2020 Strategy.

Enlargement and Eastern Partnership: the current crisis must not jeopardize or slow down the various forms of relations the EU maintains with the rest of the European continent. The “global dimension” of the EU 2020 strategy starts at the very borders of the EU. Especially now, the EU must show itself as a real actor of solidarity and help alleviate the social challenges experienced by its neighbours. In particular, the disastrous consequences of the lack of transparent channels for labour migration should be addressed in a coordinated way.

Poverty in the world, development and the MDGs: The reality of poverty across the world remains as one of the great challenges facing the global community. The EU should play a strong and active role in promoting the implementation of the Millennium Development Goals. The decade to 2020 will be crucial if the reality of global poverty is to be addressed in any meaningful way. This issue should also be included in the EU2020 Strategy.

Conclusion

All in all the consultation is a deeply disappointing document that fails to learn the lessons of the past ten years and fails to grasp the significance of the present moment. Much more is required if this the Commission’s Strategy for 2020 is to be accepted, let alone be effective.

Social Justice Ireland recommends:

- That due account is given of results of this consultation. We also expect a **public debate** to take place, also among the EU Institutions, so that decisions can be taken legitimately and truly democratically.
- The new European economy must be based on a **shared model of a just European society**, in interaction with other societies and economies in the world.
- The EU 2020 strategy should decisively **reinforce the feeding/in-feeding/out** mechanism, which did not work under the Lisbon Strategy. The establishment, implementation, monitoring and evaluation of the NSR/spsi should receive **equal prominence** as the other processes, include the same decision-makers and stakeholders, regularly involve the European and national parliaments and ensure a steady two-way communication between the different responsible departments.

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- A fair and effective strategy of social (re-)integration through employment cannot do without a **guaranteed income** sufficient for a dignified living. The flexicurity approach – as misinterpreted and misused as it is now - should be replaced by institutionalized solidarity and co-responsibility of political actors.
- To ensure equal access (availability and affordability) for all to **quality social and healthcare services**, for example through considerably increasing the availability of social housing in Europe.
- In applying Community rules to SSGI, to pay specific attention to the important role of **non-profit providers** (first of all with regard to state aid rules) and think about possible alternatives to public procurement procedures, such as licensing models.
- Well-developed **vocational training** systems should be adopted for young people in the Member States as an appropriate response to the actual unemployment trends. **Social employment** should be an option for those who need special protection.
- The EU 2020 Strategy and the OMC/spsi should enhance the role of **social security systems**, so as to ensure a decent living standard to all, including decent pensions, allowances for ill people and a basic income for disabled people who do not have sufficient resources for dignified living conditions.
- In the frame of the OMC/spsi, the exchange of best practices on **family policies** among the Member States should be fostered and the “Alliance for families” should be revitalized. In the next decade, the number of **children** living in poverty must be halved, among others by ensuring child allowance to every child, regardless of the status of their parents.
- The EU 2020 Strategy must include the adoption of the **International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families**. The EU shall adopt a **directive** on the rights of migrants, ensuring equal rights as a necessary basis for equal opportunities, in accordance with the said Convention.
- Full participation and **integration of migrants** in receiving societies must be **mainstreamed** in all relevant policy areas; coherence between the different policies and financial instruments must be ensured.
- Educational systems shall guarantee **non-discrimination**, e.g. when detecting capacities of pupils and directing them to the level corresponding to their capacities.
- The EU 2020 Strategy should make sure that the **structural funds** (ESF, ERDF) really complement national budget allocations to clear social targets, through effective promotion and monitoring.
- The EU 2020 Strategy should refer to the EU Treaty obligation of **Policy Coherence for Development** and envisage appropriate institutional mechanisms in the Commission and in the Member States to implement it.
- The **global dimension** of the EU 2020 Strategy **should be reinforced** in order to enhance the EU’s leverage on the international scene in development, trade, climate negotiations etc., where the EU has the opportunity to promote the model of sustainable development.