

2. Delivering the European Pillar of Social Rights: Challenges and Opportunities¹

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Introduction

“As we overcome the pandemic, as we prepare necessary reforms and as we speed up the twin green and digital transitions, I believe it is time to also adapt the social rulebook. A rulebook which ensures solidarity between generations. A rulebook that rewards entrepreneurs who take care of their employees. Which focuses on jobs and opens up opportunities. Which puts skills, innovation and social protection on an equal footing” President Ursula von der Leyen, 20 January 2021.²

The European Pillar of Social Rights (European Commission, 2017) is the social rulebook of the European Union (EU). But can it truly deliver social rights across all Member States? This paper will give an overview of trends in the three key target areas set out in the European Pillar of Social Rights since 2010. It will examine some alternatives for deliberation by policy-makers considering the trends outlined and will conclude by outlining some proposals at a European level that would assist delivery on these targets.

The European Pillar of Social Rights sets out 20 key principles and rights which the European Commission deem essential for fair and well-functioning labour markets and social protection systems. The aim of the European Pillar of Social Rights is to take account of the changing realities of Europe’s societies and the world of work. Failure to deliver a balanced policy approach between economic and social policy across the European Union for several decades has contributed to the crisis that Europe finds itself in today.

Three 2030 headline targets are set out in the Commission’s European Pillar of Social Rights Action Plan (European Commission, 2021):

¹ This paper is informed by *Social Justice Ireland* (2021): From the Crash to Covid and Beyond – a review of the social situation in Europe. <https://www.socialjustice.ie/publication/crash-covid-and-beyond-review-social-situation-europe>

² https://ec.europa.eu/commission/presscorner/detail/it/speech_21_168

- at least 78% of the population aged 20 to 64 should be in employment by 2030;
- at least 60% of all adults should be participating in training every year by 2030;
- a reduction of at least 15 million in the number of people at risk of poverty or social exclusion.

The delivery of the European Pillar of Social Rights will be challenging. Europe is not on track to meet the targets set out in the Europe 2020 Strategy, and now it must deliver on the targets set out in the European Pillar of Social Rights whilst simultaneously supporting a fair recovery from the Covid-19 pandemic and meeting the ambitious climate targets it has set itself to 2030 in the European Green Deal.

Context

The Europe 2020 Strategy introduced in 2010 focused on achieving high levels of employment, productivity and social cohesion. The European Council adopted the Europe 2020 Strategy in 2010 as a key response to the economic crisis. It set out to develop a more balanced and sustainable approach for the future (European Commission 2010). The strategy was seen as a step forward in the development of EU policymaking, because it recognised the importance of social issues. It committed European states to work towards targets in a range of areas including on poverty and social exclusion, employment and education and established an agreed set of indicators designed to measure progress toward meeting those targets.

Even prior to the arrival of Covid-19 in spring 2020, it has been clear that uneven recovery over the previous decade has meant that the benefits of growth have not been equally felt. Despite some positive developments in recent years, the EU has thus failed to meet its Europe 2020 target of lifting at least 20 million people from the risk of poverty and social exclusion and still remained ‘far from the original objective’ by 2019 (Employment Committee and Social Protection Committee, 2019). There are also concerns about the way that the employment picture is evolving – especially as regards growth in temporary, part-time and precarious work and falling or stagnating wages.

Twelve years on from the last major shock, and after seven years of continuous growth, the first year of Covid-19 has seen the European Union confront:

- 14.9 million people unemployed;

- 5.8 million people long-term unemployed (representing over 37 per cent of total unemployment across the EU, a cause for concern);
- 2.9 million young people aged under 25 unemployed (the highest rates are in Spain, Greece and Italy);
- 84.5 million people living in poverty (over 3.5 million more people than in 2008) - of whom over 18.7 million are children (one fifth of Europe's children are living in poverty).

The European Union never fully recovered from the financial crisis and without substantial and coordinated action now, the current social and economic crisis could destroy it. A strong response based on the European Social Model is required. This response must be based on investment in a sustainable future, in our social and human capital. The European response must be focused on protecting people across the lifecycle, young and old, men and women, those with an income and those with no incomes. Those people who were already in a difficult situation before the Covid-19 crisis have been hit the hardest, and unlike in 2008, they must be protected as part of any recovery. The European Pillar of Social Rights absolutely must deliver for them.

Challenging trends in social rights

This section will give an overview of trends in the three key target areas set out in the European Pillar of Social Rights since 2010.

i) Employment

The European Pillar of Social Rights employment target is 'at least 78% of the population aged 20 to 64 should be in employment by 2030'. In order to reach this target, there are specific sub targets for progress, including:

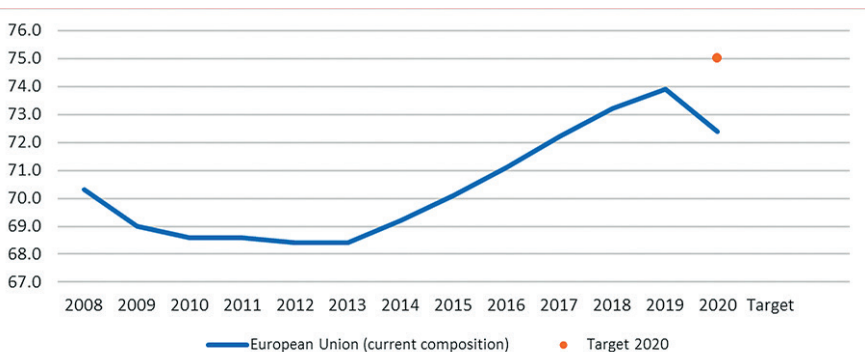
- at least halve the gender employment gap compared to 2019;
- increase the provision of formal early childhood education and care (ECEC);
- decrease the rate of young people neither in employment, nor in education or training (NEETs) aged 15—29 from 12.6% (2019) to 9%;
- ensure other under-represented groups – e.g. older people, low skilled people, persons with disabilities, those living in rural and remote areas, LGBTIQ people, Roma people and other ethnic or racial minorities particularly at risk of exclusion or discrimination as well as those with a migrant background – participate in the labour market to the maximum of their capacity. (European Commission, 2021:10)

This target will be challenging to reach by 2030 as the EU was already on course to miss its Europe 2020 employment target in 2019.

The Europe 2020 strategy set a headline target that 75 per cent of 20-64 year-olds would be employed by 2020. Following the 2008 crisis there were drastic job losses in Europe as a whole. There have been very significant improvements since 2013 and in 2020 the average EU employment rate was 72.4 per cent (down from 73.9 in 2019). The latest data for the final quarter of 2020 indicates that employment across the EU remains 1.7 per cent below the pre-pandemic levels recorded during the final quarter of 2019, with a total of 3.9 million less people employed. Emergency job-retention measures have unquestionably cushioned the impact of the economic contraction caused by Covid-19 and the public health measures introduced to curb it.

While a recovery in employment has been underway throughout the second half of 2020 (increasing by 0.5 million between the third and fourth quarters), the outlook for job retention remains contingent on the future of existing supports. The pandemic has thus resulted in a severe shock to the labour market and called forth unprecedented levels of public support, yet it is important to note that the EU was already on course to miss its Europe 2020 employment target of 75 per cent prior to the Covid crisis.

Figure 1 Employment in Europe (%), Ages 20-64, EU-28, 2008-2020



Source: Eurostat online database, code t2020_10

There are significant variations in the employment rates in different countries. In many Member States, employment rates have still some way to go to recover

from the crisis. As was the case prior to the pandemic in 2019, Sweden continues to have the highest rate (80.8 per cent in 2020), while Greece continues to have lowest (61.1 per cent in 2020), a 19.7 percentage point difference between the two countries. Even more challenging is that some countries still have rates of employment that are a good deal lower than in 2008 – this is very notable in Greece (where the 2020 rate is still 6.8 percentage points lower than the 2008 rate) and Cyprus.

A trend of growing concern is the increasing levels of part-time and temporary employment across the EU. One-fifth of the EU labour force works part-time, and three-quarters of these are women. It is notable that around a quarter of those working part-time want to work full-time (Eurofound, 2019a). Alongside the growth in part-time employment, increasing rates of temporary employment are also a concerning trend. Rates of temporary employment have risen from 10.9 per cent of all employment in 2014 to 11.2 per cent in 2018 (among 20–64-year-olds) (Eurofound 2019a). Temporary employees are generally paid less than their permanent counterparts in the same company, and their prospects for career advancement, including opportunities for training, are poorer. Younger people are often temporarily employed with 43.5 per cent of employees aged 15-24 on a temporary contract in 2018.

The way that the employment picture has been evolving over recent years prior to the shock of the pandemic is of concern and reflects structural changes in labour markets – especially regarding growth in temporary, part-time and precarious work and falling or stagnating wages. These wider employment trends form a central part of the context in which the Covid crisis has come to impact European labour markets and this is the challenging context in which the European Pillar of Social Rights must operate in.

Young people remain one of the most vulnerable groups in the labour market, and there is a specific target in the European Pillar of Social Rights focused on young people. In April 2021, youth unemployment stood at 17.1 per cent in the EU-27, 1.1 percentage points higher than in the same month of the previous year and 1.8 per cent higher than prior to the pandemic in April 2019. (**Eurostat, une_rt_m**). This represents 211,000 thousand more unemployed people aged 15-24 over the past 12 months. In 2020, Spain was the country with the highest level of youth unemployment (38.3 per cent) followed by Greece (35.0 per cent) and Italy (29.4 per cent). It is of major concern that the three countries who had some of the highest youth unemployment rates during the financial crisis, continue to have the highest rates of youth unemployment in the EU.

A related area of concern involves young people who are neither in education nor employment (known as NEETS) – also a specific sub target in the European Pillar of Social Rights. There are many reasons why the NEET rate is one of the most concerning indicators relative to young people – it indicates detachment and discouragement in relation to both work and education. Low educational attainment is one of the key determinants of young people entering the NEET category with other important factors including having a disability or coming from a migrant background (Eurostat 2018a). Young people with lower education levels face a three times greater risk than those with tertiary education (European Commission 2017). The EU-27 average NEET rate (ages 15-24) was 11.1 per cent in 2020, which was higher than in 2019 (10.1 per cent), but down from a high of 13.2 per cent in 2012 (Eurostat edat_lfse_20). The 2020 NEET rate (ages 15-24) was highest in Italy at 19.0 per cent followed by Romania (14.8 per cent), Cyprus and Bulgaria (both 14.4 per cent). This means that in Italy, for example, almost one in 5 young people is in this situation.

Furthermore, when we look at the NEETs rate for slightly older age groups the picture is even more concerning. The EU-27 average NEETs rate for those aged 20-24, in 2020 was 15.7 per cent (greater than the 2008 rate of 15 per cent) (EU-28) (Eurostat edat_lfse_20). Looking at an even older group (ages 20-34), the 2018 rate was even higher - 17.6 per cent (an increase in the 2008 level of 16.6 per cent). The fact that the rate is high, and is remaining relatively high, for these 'older' NEETs is a trend that should be of concern.

Overall, while there have been welcome improvements in youth unemployment within recent years, the pandemic has markedly worsened the position of the young in labour markets in the short run and is likely to aggravate existing trends affecting certain groups which will make reaching the targets set out in the European Pillar of Social Rights by 2030 challenging without a strong focus on investment in social policies to reach these targets.

ii) **Training**

The European Pillar of Social Rights (principle 1) states that:

Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market (European Commission, 2017).

The headline target for training in the European Pillar of Social Rights is that 'at least 60% of all adults should be participating in training every year by 2030'.

There are also two sub targets set out in the Action Plan to deal with the issues outlined in the Action Plan (European Commission, 2021:11):

- at least 80% of those aged 16-74 should have basic digital skills, a precondition for inclusion; and participation in the labour market and society in a digitally transformed Europe;
- early school leaving should be further reduced and participation in upper secondary education increased.

The Europe 2020 Strategy set out the following targets on education and training:

- Reducing early school leaving rate to below 10 per cent;
- Completion of third level education by at least 40 per cent of 30-34 year-olds;
- An average of at least 15 per cent of adults (age group 25-64) should participate in lifelong learning.

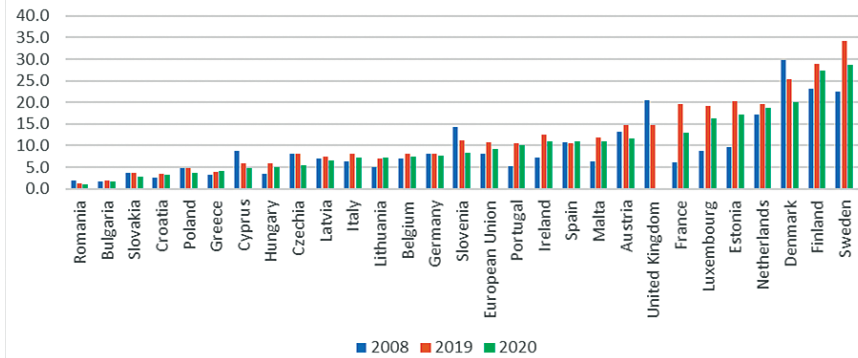
Reducing early school-leaving was seen as a ‘gateway’ to achieving other Europe 2020 Strategy targets. The average early school leaving rate across Europe in 2020 was 9.9 per cent. The 2020 rate was down marginally from the 2019 level of 10.2 per cent. Thus, while the average rate is now just marginally below the <10 per cent target set in the Europe 2020 strategy, improvement rates have, unfortunately, levelled off. As a report from Eurostat (2020a) states, a renewed effort will be needed to meet the target by 2020.

As ever, there are wide disparities between European countries when it comes to the rate of early school leaving. In 2020 the highest rates of early school leaving were to be found in Malta (16.7 per cent), Spain (16 per cent), Romania (15.6 per cent) and Italy (13.1 per cent). Some groups such as disabled people are particularly vulnerable - the proportion of early school leavers among young disabled people is 23.6 per cent, which is much higher than the rate for non-disabled younger people (European Commission 2019a). Another group who are vulnerable to early school leaving are people who live in a country different from the one they were born in. Across the EU, rates of early leaving from education and training are generally higher for this cohort (Eurostat 2020a). Overall, while improvements in the rate of early school leaving are welcome, it requires ongoing attention from policy-makers because its consequences for individuals and for society.

The tertiary education target set out in the Europe 2020 Strategy has been reached. In 2020, the EU-27 average for completion of third-level education was 41 per cent. This is an area which has shown large improvements in the past decade. Many countries exceed the target, with Luxembourg, Cyprus, Lithuania, Ireland, the Netherlands and Sweden at the top of the league (all with rates at or over 50 per cent), and Romania (26.4 per cent), Italy (27.8) and Hungary (33.2) at the bottom.

The lifelong learning target of an average of at least 15 per cent of adults (age group 25-64) should participate in lifelong learning in the Europe 2020 Strategy has not been met. In 2020 the average rate of participation in lifelong learning was 9.2 per cent. There is great variation across Europe in terms of the rates of participation. Nordic countries tend to top the table; in 2020 the top three countries were Sweden (28.6 per cent), Finland (27.3 per cent) and Denmark (20 per cent). At the other end of the scale, the rate was lowest in Romania (1 per cent), Bulgaria and Slovakia.

Figure 2: Lifelong Learning, (%) EU-28, 2008, 2019 and 2020



Source: Eurostat online database, trng_lfse_01

The European Commission notes in the European Pillar of Social Rights Action Plan that in the context of the climate and digital transitions, and the recovery from the pandemic increasing adult participation in training to 60% is paramount to improve employability, boost innovation, ensure social fairness and close the digital skills gap (European Commission, 2021:11). The trends over the past decade, particularly in relation to early school leaving, the

number of young people categorised as NEETS, and low participation rates in lifelong learning show how challenging it will be to reach the 2030 targets. The importance of public investment in education across the lifecycle, and a particular focus on lifelong learning and skills cannot be overstated. The latest OECD Skills Outlook 2021 (OECD, 2021) states that lifelong learning is key if individuals are to succeed in labour markets and societies shaped by trends including environmental changes and digitalisation, as well as sudden shocks like the Covid-19 pandemic (OECD, 2021).

iii) Poverty and Social Exclusion

The European Pillar of Social Rights Action Plan sets a target to lift 15 million people out of poverty or social exclusion³, of which at least 5 million should be children (European Commission, 2021:11). The Action Plan states that the focus on children will contribute to break the intergenerational cycle of poverty.

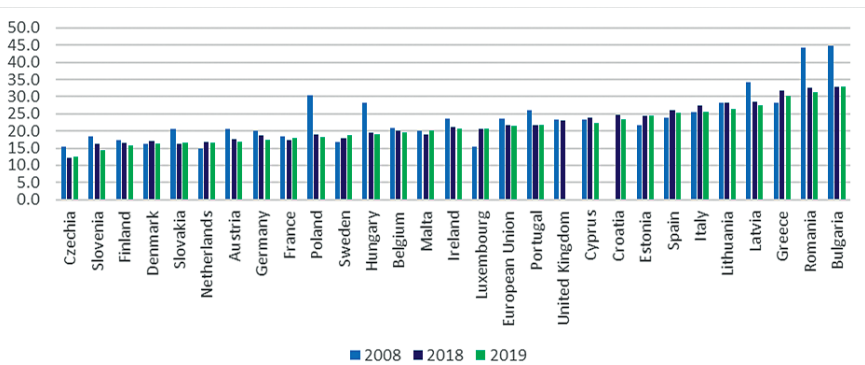
In 2010, the EU set a target in the 2020 Strategy to reduce the number of Europeans living in or at risk of poverty or social exclusion by 20 million by 2020. This target is likely to be missed by a very wide margin. While the risk of poverty or social exclusion rate has improved each year since 2012, the average rate still stands at 21.4 per cent in 2019 (EU-28) (that is, more than one in 5 Europeans) amounting to over 107.5 million people. The picture that emerges suggests that despite recent improvements, there is reason for concern about a range of issues and the length of time that high levels of poverty or social exclusion have persisted is unacceptable in human and societal terms. Eurostat (2020a) highlights how some groups face a higher risk of poverty and social exclusion; these include single households, migrants and people with lower education as well as their children. Even though there have been welcome improvements in the most recent year in some countries with typically high rates, there continues to be great divergence between countries.

As the most recent report from the Social Protection Committee notes, even prior to the deteriorating social and economic situation created by the Covid-19 crisis since spring 2020, the fruits of several years of growth in the EU have been ‘offset ... by uneven developments in the income distribution, including increasing depth of poverty, the rising risk of poverty for people living in (quasi-) jobless households and the limited progress towards the Europe 2020 target

³ The combined ‘poverty or social exclusion’ indicator corresponds to the sum of persons who are at risk of poverty or severely materially deprived or living in households with very low work intensity. Persons are only counted once even if they are present in several sub-indicators

to reduce poverty and social exclusion’ (Social Protection Committee, 2020). Overall trends have therefore masked persistent difficulties amongst some groups as well as divergence between member states including persistently high levels of poverty in several countries dating back to the fallout from the 2008-09 economic crisis. Aggravating these social and economic fissures, the Covid-19 crisis has widened and deepened inequalities between social groups in income, employment, housing and health (Eurofound, forthcoming 2022).

Figure 3: People at Risk of Poverty or Social Exclusion (%), EU-28, 2008, 2018 and 2019

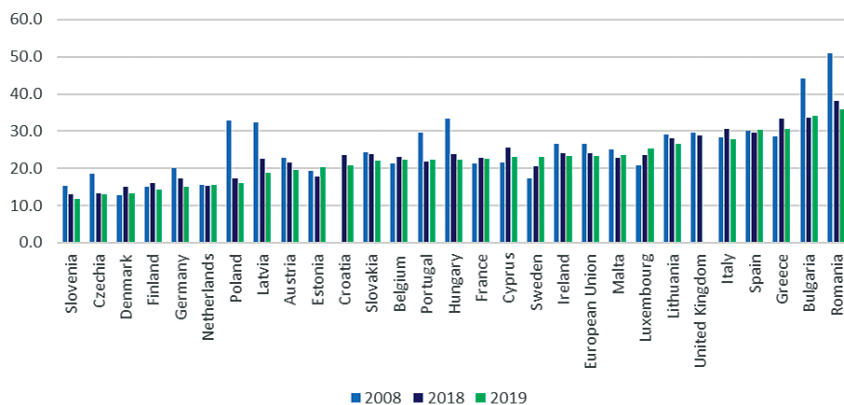


Source: Eurostat online database code: t2020_50.

Note: EU average rate for 2008 relates to EU27 (as this was prior to the accession of Croatia).

A particular area of concern in the European Pillar of Social Rights is the area of child poverty. Looking at the position of children (under 18) in the EU, those who are at risk of poverty or social exclusion numbered nearly 22.2 million in 2019 or 23.4 per cent (EU-28 average) (Eurostat online database, code ilc_peps01). Despite improvements in recent years, in some countries the percentage of children affected is very high indeed at over 30 per cent in Romania, Bulgaria, Spain and Greece followed by Italy (27.8 percent) and Lithuania (26.5 per cent).

Figure 4: Children (u 18): Poverty or Social Exclusion Rate (%), EU28, 2008, 2018 and 2019



Source: Eurostat Online Database *ilc_peps01*.

Note: EU average rate for 2008 relates to EU27 (as this was prior to the accession of Croatia).

The fact that such very high numbers of children continue year on year to experience poverty or social exclusion is a major concern and has long-term consequences for the people and families concerned as well as for the EU as a whole. It also makes the specific focus on children and child poverty all the more important to meeting the 2030 target.

The rates of poverty and social exclusion among other cohorts are also concerning. Looking at older people, aged 65 and over, the European average rate for poverty or social exclusion was 18.9 per cent in 2019 (representing 18.7 million people). Poverty or social exclusion affects nearly twice as many women as men in older age. For those aged 65+, the rate in 2019 for women was 21.1 per cent (representing 11.6 million people), whereas for men it was 16.1 per cent (representing 7 million people). This issue is significant for policy-makers (as well as for the individuals concerned) given that populations are ageing at an unprecedented rate.

Another worrying trend is the rate of poverty among those who are in work. In 2019, 9.2 per cent of employed people (aged 18+) were living under the poverty threshold (EU-28) and it has been at similar levels since 2014. The average rate has increased since 2008, when it had been 8.6 per cent. This means that about

10 per cent of employed people in the EU live in poverty on an ongoing basis and, obviously, that getting people into work is not always sufficient to lift them out of poverty. The EU Social Protection Committee (2020) argues that income from employment often needs to be complemented by adequate benefits and notes that the working poor represent around a third of working-age adults who are at-risk-of-poverty. Delivery on principles 6 and 14 of the European Pillar of Social Rights relating to minimum wages and minimum income benefits are essential to assist this cohort.

Overall, while there have been some improvements in the latest years (2018-2021) in several indicators and for key groups, Europe is still far off-track in relation to meeting its poverty reduction targets. The social indicators suggest little improvement for very many people living in Europe, with dis-improvements for some groups in several countries. These include older people in some countries, an issue that particularly affects older women. Those working who still live in poverty is another group to be concerned about and this issue now affects a greater proportion of people than it did in 2008. The position of children, while improved somewhat continues to be strikingly negative for very many children with potentially very serious long-term consequences. Meeting the 2030 target, to lift 15 million people out of poverty and social exclusion, of which at least 5 million should be children will be challenging and will require a concerted focus by the European Commission, in areas such as Country Specific Recommendations and linking social investment to improved outcomes for people at risk of poverty and social exclusion.

An opportunity to deliver social rights

This section will consider two specific areas. The first is the need for policy-makers to consider alternatives – in particular in relation to income and to work. The second area is the types of policies and proposals which could be implemented at a European Level to ensure the ambition set out in the European Pillar of Social Rights are reached by 2030. These policies strengthen the European Social Model and ensure that it becomes the foundation for a Europe that is sustainable, and that delivers social rights for all.

Alternatives for consideration

For much of the period between the financial crash and the Covid crisis, political discourse at European level focused on fiscal consolidation and economic recovery as well as on protecting the euro. People in many countries affected by the financial crisis followed by harsh austerity policies that followed associate this with the European Union. Meanwhile talk of an economic recovery,

dramatically punctured by the present public health crisis, has yet to be experienced amongst many groups in Europe and the EU's efforts to create a more socially just Europe have not been as comprehensive, visible or as effective. This is the context in which the future of the EU must be decided and in which viable alternatives to the current situation must be considered and deliberated on.

Wellbeing is a fundamental objective of EU policies: Article 3 of the Treaty on the Functioning of the European Union states that the Union's aim is to promote 'the well-being of its peoples'. Good social protection systems and the right to meaningful work are vital not only to social wellbeing but also to economic development. It is within this context that the following alternatives are put forward as proposals that should form part of the thinking and deliberation among policy-makers in the EU over the coming decade.

The right to sufficient income

Debates about how to achieve adequate income often involve discussions of minimum wage, and, increasingly, the living wage, minimum income schemes, and basic income schemes. In the context of emergency measures introduced to combat the impact of Covid-19, including income and employment support schemes on an unprecedented scale, policy-making and analysis relating to these areas has clearly advanced in significant ways since 2020. Against the backdrop of a potential winding-down of emergency income support measures as pandemic-related restrictions ease, pressure is continuing to mount at a European level as to how income supports, and the right to sufficient income can be delivered in the EU as it meets the challenges of the digital and green transition, and the recovery from Covid-19.

Minimum wage

The European Pillar of Social Rights now asserts the right of workers 'to fair wages that provide for a decent living standard' and suggests that 'adequate minimum wages shall be ensured in a way that provide for the satisfaction of the needs of the worker and his / her family in the light of national economic and social conditions' (principle 6). Proposals launched by the European Commission in October 2020 for an EU Directive on Adequate Minimum Wages (2020/682) aims to give legislative force to the latter. It will do this by establishing an overarching legal framework relating to minimum thresholds, wage growth and purchasing power to govern national minimum wages (Wixforth and Hochscheidt, 2021). Although its eventual provisions could fall shy of expectations, it does represent

an important step forward in terms of effective action at the European level (European Trade Union Congress, 2020).

Living wage

The Living Wage assumes that work should provide an adequate income to enable people to afford a socially acceptable minimum standard of living. It differs from the minimum wage approach, in being an evidence-based rate grounded in consensual budget standards based on research to establish the cost of a minimum essential standard of living. It provides an income floor, representing a figure that allows employees to pay for the essentials of life. The concept is derived from the United Nations Convention on Human Rights which defined the minimum as ‘things which are necessary for a person’s physical, mental, spiritual, moral and social well-being’. The Living Wage idea is not a new one. However, support is growing for it and research on it is expanding.

Minimum income schemes

Adequate and effective social protection systems are the bedrock of a truly Social Europe, within which minimum income schemes are a safety net of last resort to ensure that no one falls below an adequate minimum income (Frazer and Marlier 2016). Minimum income schemes are protection schemes of last resort aimed at ensuring a minimum standard of living for people of working age and their families when they have no other means of support. They vary in coverage, comprehensiveness (that is, their availability generally to low-income people) and effectiveness. The European Pillar of Social Rights (European Commission, 2017) enshrines the right to a minimum income as one of its 20 core principles:

Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services (principle 14).

This is welcome, but this requires political will and involvement of a range of stakeholders to make it effective. The lack of adequate minimum income schemes in several countries was highlighted following the 2008 crisis in Europe and has again become a salient feature of debates surrounding the future of emergency income and employment supports in the aftermath of the pandemic (Social Platform, 2020).

Basic Income

Basic Income has the potential to play a key role in supporting people’s rights to meaningful work, sufficient income to live life with dignity and real

participation in shaping the world and the decisions that impact on them. The concept of a Basic Income has gathered momentum. For example, in 2018 the Council of Europe passed a resolution which acknowledges the benefits of a ‘basic citizenship income’, ‘introducing a basic income could guarantee equal opportunities for all more effectively than the existing patchwork of social benefits, services and programmes’ (Council of Europe Parliamentary Assembly 2018). In the wake of the Covid-19 pandemic, emergency income and employment support measures have come to be seen by many as de facto ‘experiments’ in Basic Income provision (UNESCO, 2021). The debate on the potential future of such schemes has been further enriched following the broadly positive report of Finland’s 2017-18 pilot scheme – to date the most comprehensive carried out in the developed world – which was released against the backdrop of the pandemic in May 2020 (Kangas et al. 2020).

A basic income is very different to a minimum income. A minimum income seeks to ensure a minimum standard of living for people of working age and their families with no other means of support. By contrast, a basic income involves giving everyone a modest, yet unconditional income, and letting them top it up at will with income from other sources (Van Parijs, 2000).

The right to meaningful work

The dominant policy framework in Europe and elsewhere in response to persistent high unemployment focuses on the notion of full-employability and understands unemployment in terms of skills shortages, bad attitudes of individuals and/or disincentives to work that exist in welfare systems or other alleged rigidities like minimum wages or employment legislation (Mitchell and Flanagan 2014). It is a supply-side understanding, which can be considered to ignore other causes – such as lack of jobs and spatial spill-overs (Mitchell and Flanagan 2014). In the wake of the financial crisis, and now during an unprecedented global health emergency, this interpretation continues to face mounting criticism in both political and intellectual terms. In the context of both past failures and the current public health emergency, basic questions are now being asked about whether the market economy can deliver what is needed, particularly considering the move away from industry and manufacturing towards a knowledge economy. Increasing developments in artificial intelligence also evoke anxiety about potential job losses.

Valuing all work

One of the debates that arises in this context is the need to recognise and value all work. Another relates to government guaranteeing work as a response to

widespread unemployment, particularly long-term unemployment which has damaging consequences for individuals and for the wellbeing of society. A further approach relates to reductions in hours worked by everyone. Finally, the need for investment by government will be considered.

The impact of ‘social distancing’ throughout the pandemic, alongside the suspension of many vital public services including education and childcare, have served to highlight the enormous economic and social contribution of traditionally unpaid and voluntary workers. Now more than ever, there is a need to recognise all work including work in the home, work done by voluntary carers and by volunteers in the community and voluntary sector. Their contribution to society is significant in terms of social and individual well-being as well as in economic terms.

Job guarantee schemes

Many job guarantee proponents see employment as a right. Unemployed people cannot find jobs that are not there, notwithstanding activation measures. Thus, thinking has been developed around the idea of jobs guarantee schemes. High levels of unemployment co-exist with significant potential employment opportunities, especially in areas such as conservation, community and social care. A jobs guarantee scheme involves government promising to make a job available to any qualifying individual who is ready and willing to work. The concept involves government absorbing workers displaced from private sector employment. It involves payment at the minimum wage, which sets a wage floor for the economy. Government employment and spending – providing a ‘public option’ and baseline wages – automatically increases as jobs are lost in the private sector (Wray et al. 2018). Such schemes are not intended to subsidise private sector jobs or to threaten to undercut unionised public sector jobs. Any jobs with a set rate of pay or in the private sector should not be considered. Only those jobs that directly benefit the public and do not impinge on other workers should be considered. Neither is a Job Guarantee Scheme intended to replace other social programmes. However, Job Guarantee Schemes could complement a social support system such as a Basic Income scheme.

Shorter working week

The starting point for debates about shortening the working week is that there is nothing ‘normal’ or inevitable about what is considered a typical working day today, and that what we consider normal in terms of time spent working is a legacy of industrial capitalism that is out of step with today’s conditions. Several proposals exist. The New Economics Foundation (NEF) proposed a rebalancing of

work and time involving a new industrial and labour market strategy to achieve high-quality and sustainable jobs for all, with a stronger role for employees in decision-making and a gradual move towards shorter and more flexible hours of paid work for all, aiming for 30 hours (4 days) as the new standard working week (Coote et al 2010). Active support for ‘short time working’ throughout the present crisis – supported through EU mechanisms such as the SURE fund – have combined with the sudden turn to digital homeworking on a mass scale to transform perceptions and expectations around traditional work-time norms. Addressing the issue in this context, NEF has urged states to accept that the ‘time has come’ for a shorter work week (Coote et al. 2020).

As recently as 2019 Eurofound estimated that at least one in ten EU workers spent more than 48 hours per week at work (Brandsma, 2019). These proposals are intended to address problems of overwork, unemployment, over-consumption, high carbon emissions, low well-being, entrenched inequalities and lack of time to live sustainably, to care for each other or to enjoy life. Crucial to this kind of proposal is that made above about moving toward valuing both paid work and unpaid work; it is intended to spread paid work more evenly across the population, reducing unemployment and its associated problems, long working hours and too little control over time. It is also intended to allow for unpaid work to be distributed more evenly between men and women, and for people to spend more time with their children and in contributing to community activities.

Increasingly, discussion surrounding what a post-pandemic future should look like among policy analysts and international agencies is taking cognisance of these issues rather than insisting, as in the past, on the panacea of ‘trickle down’ growth to eradicate poverty, protect the environment and promote social inclusion (Social Justice Ireland, 2021). The current public health crisis, combined with the climate emergency, rising inequality, social insecurity and political instability, is finally putting pay to the old mantra that ‘there is no alternative’ to market fundamentalism. Put simply, a departure from the failed orthodoxies of the past now looks not only possible, but more vital than ever for Europe.

Policy proposals

The European institutions must work together to ensure the ambition of the principles and targets of the European Pillar of Social Rights are reached by 2030, and that the European Social Model is strengthened, and becomes the foundation for the future of Europe that is sustainable, and that delivers social rights for all.

In the wake of a devastating global pandemic, it is now clearer than ever that alternatives are needed. We make the following recommendations aimed at EU Leaders and EU Institutions:

- 1) Ensure Greater Coherence of European Policy by acting on the von der Leyen Commission's recent decision to integrate the UN Sustainable Development Goals and the European Pillar of Social Rights into the economic processes of the European Semester. For example, the priorities of Annual Growth Surveys should provide greater focus on long-term social objectives, and on building adequate, effective social systems that include both investment and protection dimensions and are better aligned to the EU Social Investment Package and the new European Recovery Fund. This could be facilitated by:
 - Making the European Pillar of Social Rights enforceable through legislative initiatives and turning it into a strategic tool to influence EU macroeconomic governance.
 - Supporting efforts to promote growth and jobs while meeting deficit reduction targets in the medium rather than the short term.
 - Taking greater account of social impacts when making Country Specific Recommendations, especially those requiring fiscal consolidation measures.
 - Making Country Specific Recommendations that seek to achieve reductions in poverty and unemployment where rates are high or rising.
- 2) Address inappropriate EU governance structures that prohibit or inhibit legitimate investment by national governments.
- 3) Advance proposals for a guarantee of an adequate minimum income or social floor in the EU under a framework directive, and for minimum standards on other social protection measures building upon the Directive on Adequate Minimum Wages. This should include access to childcare, access to education and healthcare across member states and other measures supportive of the implementation of the European Pillar of Social Rights.
- 4) Monitor and Address poverty amongst sub-groups such as children, young people, older people and working poor. Child poverty is such a serious issue that it requires further action as does the issue of young people neither in employed nor in education (NEETS). Monitor implementation of the Commission's Recommendation on Investing

in Children through a strengthened process and work with member states with high levels of child poverty to help them access and deploy structural funds to address the issue. The ageing of Europe's population, the fact that there are many more women than men in this group, and the very great differentials between countries make poverty amongst older people (especially in some countries) an issue that requires more attention now and in the future. The situation of those who work and still live in poverty needs to be tackled as a matter of urgency.

- 5) Focus on Youth Unemployment: Youth unemployment continues to be a serious problem despite Youth Guarantee schemes and there is a need to recognise that young people experiencing multiple disadvantages are likely to need support over a lengthy period.
- 6) Support Developments in the Social Economy: Leadership and support from the EU for social initiatives would benefit both people in need of support (through health and social care programmes) and societies generally. This would be consistent with the Social Investment Package and could provide valuable employment opportunities for people who are long-term unemployed.
- 7) Improve Representation: EU policy-making must engage meaningfully with stakeholders representing poorer people and those most at risk of exclusion.
- 8) Structural Funds: Structural funds must be of a sufficient scale to make an impact and should be given greater priority so as to ensure significant progress is made in bridging the gap between the economic and social dimensions of policy and in promoting a social investment approach to public policies where this is absent or insufficient.
- 9) Adopt a Human Rights Strategy to prevent the violation of the human rights of Europe's population.

For *Social Justice Ireland* economic development, social development and environmental protection are complementary and interdependent – three sides of the same reality - and we have long argued that all three must be given attention rather than allowing economic considerations to dominate. Unfortunately, in Europe, economic issues are still allowed to dominate social issues, officials are perceived as at a distance from poor people, and this, unfortunately, is corrosive of trust in the whole European project and is capable of being exploited by certain politicians. Leadership at EU level in relation to vulnerable groups is critical not just to the future economic and social outlook but also to the democratic future of Europe. The proposals outlined above, if fully implemented, would support

the achievement of the targets set out in the European Pillar of Social Rights. Indeed, they are essential to realising the ambition of President Von der Leyen, for a social rulebook which ensures solidarity between generations. A rulebook that rewards entrepreneurs who take care of their employees. Which focuses on jobs and opens opportunities. Which puts skills, innovation and social protection on an equal footing (European Commission 2021:2).

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