

THREE IDEAS FOR A STRONGER SOCIAL EUROPE IN A POST-COVID-19 RECOVERY

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INTRODUCTION

INTRODUCTION

As the world enters the digital and green revolution, the risk of social exclusion increases. The COVID-19 pandemic, which is still very active in many corners of Europe, is showing its social consequences. Understanding the risks, the European Union (EU) has approved an action plan: the European Pillar of Social Rights (EPSR). According to the European Commission, 'the 20 principles of the European Pillar of Social Rights are the beacon guiding us towards a strong Social Europe and set the vision for our new "social rulebook". They express principles and rights essential for fair and well-functioning labour markets and welfare systems in 21st century Europe' (ESPR Action Plan 2021, 6). After the EPSR remained on stand-by for a few years, in March 2021 the Action Plan for the EPSR brought public attention back to it. The plan sets out a long list of actions: i) three headline targets for 2030; ii) a list of more detailed actions which the Commission will take; iii) other points where the member states are encouraged to intervene; as well as iv) a revision of the Social Scoreboard. Despite the optimism, and even though the EPSR Action Plan is an achievement in a long history for better social rights in the EU, many citizens feel at bay. The impact of the financial crisis of 2008 to 2012 and the fragilities of the system exposed by COVID-19 give many citizens a feeling of social stagnation, fuelling new versions of nationalism and illiberalism around the continent.

Through its eclectic 20 principles, the EPSR is an opportunity to break silos and look at social development as the network of challenges that it truly is. Departing from the rather long history of European social rights, the implementation of the EPSR must follow a holistic approach, identifying synergies with discussions it already hints at in its 20 principles. In order to contribute to the identification of such synergies, this paper attempts to shed light on three transversal issues that national governments and the European Commission must bear in mind when

implementing the EPSR: civil rights; labour relations; and gender equality. The analysis departs from the setting of the current model of welfare state in post-World War II Europe and it ends with the Porto Summit 2021, reflecting on the documents approved and what they can mean for a post-COVID-19 Social Europe.

The first section offers a historical and theoretical analysis of the idea of 'Social Europe' in order to frame the discussion. Looking at the many steps and documents that brought Europe to this point, this section looks at the role left-wing parties have played in the evolution of the concept of Social Europe. This section demonstrates the philosophical legitimacy of the welfare state as well as the social pillar. The analysis is based on the idea that the different forces on the left should once again focus on the traditional split line of positive and negative freedom as those are precisely the politics of the left that dominated the times when it drove the direction of European policies.

The second section explores the relation between social and civil rights. The growing number of mobile Europeans poses challenges regarding access to civil and social rights. The EU citizens studying or working temporarily in a country other than their home country see their rights limited, even though they are directly benefiting from the space created by the EU itself. Using access to voting rights as a case study, in this section we explore how the EPSR can be part of the solution.

The EPSR is largely concerned with workers' rights, which is a promising step forward for the European left. In the third section we will address the topic of labour relations, the conditions of workers in the current conditions of the European labour market, and the dominance of financial shareholders within companies.

We will also deal with decent working and living conditions as the cornerstone for a strong social Europe.

The third issue in our analysis, explored in the fourth section, is that of gender equality or equal pay for women and men for equal work. In particular, we look at the role of the main actors and interest groups contributing to the inclusion of 'Gender Equality' as a key EPSR principle. This part of our work points out the fact that 'for those who live in the European Union, gender equality issues are still not perfectly resolved and women are still confronted with a degree of injustice, especially in the sphere of unequal pay for equal work.

The final section places the discussion within the context of the current pandemic. During the spring of 2020, society witnessed many restrictive steps in the field of the economy, which led to a significant restriction on the economy. Various measures which produce a number of questions regarding the preservation of social rights even in times of pandemic are well known. In this section we emphasise the fact that the current epidemiological situation cannot be the reason for the rising inequalities and at the same time point out the need for better preparation for similar situations in the future. On the one hand, the EPSR must be at the heart of the EU's recovery strategy; on the other hand, it must contribute to a swift transition through green and digital transformations. This segment concludes that the assumptions that the pandemic hit Europe in times of prosperity is erroneous, because, as the chapter shows, the 'run-up' of the economic crisis does not automatically calm with the economic growth. In fact, this means that the overall economic recovery may not have taken place in all EU countries, and thus the consequences of the pandemic risk being all the stronger. Hence, this section underlines how the synergies promoted by the EPSR lie at the heart of the solution.

This paper was written between 2020 and 2021 during the COVID-19 pandemic. All work was done remotely and none of the authors ever met each other in person.

The paper is grounded on desk research and is the reflection of the many events that took place during its writing. The release of the EPSR Action Plan, the Porto Declaration, and the Social Scoreboard were all important events that continuously led us to re-evaluate our arguments and proposals, pushing us to be more ambitious. The feedback of our academic mentor, Professor Matjaz Nahtigal, of our political mentor, Member of the European Parliament Alicia Homs, and of the FEPS YAN team, Anja Skrzypek, Angelika Striedinger, and Elena Gil, were fundamental for the achievement of this research. We are very thankful for their comments. With this paper we hope to contribute to the debate on Social Europe, most certainly the most important of this decade.

THE IDEA OF SOCIAL EUROPE

1. THE IDEA OF SOCIAL EUROPE

On the philosophical background of the concept of Social Europe

The human rights scheme is currently extremely broad and complex. The formation process of social rights was complicated and always related to the current political, economic, social but also ecological conditions in the country. Social rights in the Europe area arose as a concept responding to the indecent conditions of 'Manchester capitalism'. On the one hand, the abolition of slavery meant the liberation of individuals from the will of authority; on the other hand, this process posed new challenges for citizens. We are talking above all about the conflict between negative and positive freedom. By abolishing slavery, Europeans gained negative freedom, but in the process of industrialisation and an unregulated market, they were exposed to a lack of positive freedom. Europe was confronted with the constant expansion of the poorest class of the population – the working class. Otto Von Bismarck also understood that if he did not introduce a system of social empowerment (against his convictions), he would not achieve social reconciliation in the country.

In addition to the Socialists, right-wing political entities are currently declaring a form of social policy. However, it must be said that the approval or acceptance of social measures by right-wing entities is rather alibi, given that, under the influence of left-wing movements, many social gains have entered the legislation of individual EU states. They are also accepted by right-wing entities with a view to a higher business goal and are therefore seen as a necessary evil that must be overcome on the path to profit. Social rights are an integral part of the second generation of human rights, which is firmly linked to so-called red rights, and therefore rights of a social nature. In the same way, we can name them philosophically as positive rights – the right to something.

The conflict between negative and positive freedom is questioned today, as many critics point to the lack of a clear line between the two concepts. The main problem is "freedom of choice", which is contained in both concepts of freedom. In our opinion, this criticism is purposeful and follows precisely from neoliberal arguments which are intended to call into question the very essence of this division. The reason for questioning in this case is clear: to intellectually weaken the concept of positive freedom, which was built in Europe primarily by socialist but also conservative political forces. The basic function of dividing freedom into negative and positive allows us to better understand the fundamental difference between a socialist and a (neo) liberal approach.

Brief development of the post-war welfare state in Europe

When the political leaders of Belgium, France, the Federal Republic of Germany (West Germany), Italy, Luxembourg, and the Netherlands signed the Treaty of Rome they made sure to address some social issues, such as employment, labour law and working conditions, and the recognition of the right to social security and safety at work (Dřízová 2000, 190.). The European Community worked with this premise and set themselves the goal of creating a stable social space. The European Economic Community (EEC) also had to convince political representatives of the need to find a compromise between the economically liberal direction and states with strong social security. Post-war Europe committed itself to building a welfare state and these kinds of 'welfare state' at the national level had their own specificities, such as, for example, the Scandinavian, continental, or liberal models. Building the European social model had two sources of legitimacy in post-war Europe. The first source of welfare state development was the popularity of the Soviet Union because of its crucial role in World War II.

The second source was an effort to eliminate radical movements and political parties in Western Europe: the Communist parties enjoyed massive support even in countries that were considered at the core of the 'Western World' during the Cold War – Italy, France, and later Spain (Heywood 2002, 282.).

The 'European Social Charter' is undoubtedly at the beginning of the era of the post-war welfare state. Its origin at the beginning of the era of Social Europe was the Convention for the Protection of Human Rights and Fundamental Freedoms, which was signed on 4 November 1950 in Rome. The Convention for the Protection of Human Rights and Fundamental Freedoms contains a number of points important from the point of view of the welfare state, but we would like to draw attention to articles 4 – the prohibition of slavery and forced labour – and 14 – the prohibition of discrimination in any form (Council of Europe 1950). Another important treaty was the European Social Charter signed on 18 October 1961 in Turin. On the basis of these agreements, the member states of the Council of Europe have agreed to guarantee their citizens the social rights precisely defined in these documents in order to improve their standard of social rights. Following these treaties, the Ministerial Conference on Human Rights of 5 November 1990 declared the urgent need to preserve the indivisible nature of all human rights – civil, political, economic, social, and cultural. It also talks about the need to update the substance of the European Social Charter, taking into account in particular the fundamental social changes that have taken place since its adoption (geopolitical, social, economic). This intention was adopted during the Turin Ministerial Conference on 21 and 22 October 1991.

The dark clouds over the European social model in the late 1960s and early 1970s

The European social model found itself in a difficult situation for the first time in the late 1960s. According to Ľuboš Blaha, this was also related to the fact that 'The generation of people who experienced the economic crisis and World

War II gradually left. The emerging process of economic globalisation has gradually begun to erode the policy of the Welfare state' (Blaha 2010, 155). The populist nationalist responses to this trend are dangerous to the social model of Europe. From a leftist point of view, the growing level of individualisation and globalisation is also a danger. It is the radical conservative movements that are gaining extraordinary support from the electorate in the context of Euroscepticism, because left-wing movements are either unable to respond adequately to this crisis and offer an alternative, or are, in fact, involved in these processes (Dubnička, 2010). The BBC mentioned this problem in 2019 in the article 'Europe and right-wing nationalism: A country-by-country guide': 'In part, voters are frustrated with the political establishment, but they also have concerns about globalisation, immigration, a dilution of national identity and the European Union. In the European Parliament, nine far-right parties have formed a new bloc, called Identity and Democracy (ID)' (BBC, 2019).

It should be added that globalisation is defined as the complex dependence of the world in all areas of human existence. Due to the increasingly complicated relations in the system of functioning of the world, globalisation presupposes the emergence of international structures that would regulate it. Globalisation is thus understood as a large-scale system of international institutions that are closely interconnected and form an international organisational structure (Tóth 2005). First of all, cultural and economic globalisation has liquidating consequences for the European left and for the 'European social model' in general. The necessary result of this process is the weakening of the European left, the questioning of the legitimacy of co-operation and solidarity and, on the contrary, the strengthening of Euroscepticism and the ideas of economic, social, and cultural progress in its own direction outside the unit of European structure.

The answer to this challenge is the European Pillar of Social Rights. Its main task is to strengthen the social dimension of Europe, as confirmed by the Rome Declaration adopted by EU leaders on 25 March 2017.

The European Pillar of Social Rights is an update of the European Community's previous social treaties to take into account the new circumstances in which Europe finds itself: the influence of globalisation; migration; the growing influence of new world powers; climate change and environmental challenges; digitalisation; negative demographic trends and, of course, the COVID-19 pandemic. This pillar sets out 20 key principles and rights to promote fair and well-functioning labour markets and social security systems and more particularly, to achieve more effective and stronger welfare states, leading to a path to sustainable growth, quality jobs and robust social welfare systems for all Europeans. It includes several specific legislative and non-legislative initiatives. The main points of the European Pillar of Social Rights include, for example, agreements on equal treatment regardless of racial or ethnic origin, employment policies of EU countries, guidelines on fair labour mobility, non-discrimination and equal opportunities in the European Union, the eradication of poverty and sustainable development, the organisation of working time and the fight against the gender gap. The Treaty is committed to protecting, strengthening, and defending the achievements of the European Social Model. The treaty is a unique opportunity for the European progressive family to regain decisive influence in the formulation and determination of public policies in individual EU countries. In the aforementioned process of globalisation and the growing impact of competition from third countries and the new world powers, the role of the European left is to provide a policy of social security, equality and economic security. The European Pillar of Social Rights has strengthened with an Action Plan presented by the European Commission in 2021, just before the organisation of a Social Summit in Porto, Portugal.

MOBILE EUROPEANS AND THE UNFINISHED CONCEPT OF EU CITIZENSHIP

2. MOBILE EUROPEANS AND THE UNFINISHED CONCEPT OF EU CITIZENSHIP

The EPSR and its Action Plan intend to strengthen social rights both at the national and European levels and, when doing so, they are concerned as well with the portability of one's rights from a member state to another. If fully implemented, thanks to the EPSR, EU citizens will find their move to another member state smoother and this is because from its inception the EPSR is meant to be another tool in the construction of EU citizenship. This relationship between EPSR and EU citizenship has not yet deserved enough attention from the literature and therefore remains somewhat underexplored. Most texts tend to look at the national implementation or European management of the EPSR and often overlook adjacent areas, such as its impact in the deepening of EU citizenship. In this paper we argue that this should be, precisely, one of the overarching concerns of the EPSR – an issue transversal to all of its principles. First, because the implementation of the EPSR can contribute to the development of other components of EU citizenship. That is the case with civil rights, such as the right to vote from or at another member state other than one's own. Second, because the development of those other components can enable better access to social rights. The case we will be looking at is that of access to the right to vote by mobile citizens, that is, citizens who reside, study, or work in another member state. In particular, we will discuss the voting behaviour of Erasmus students at the European Parliament elections 2019. The pertinence of this group lies in a paradox: they are a by-product of European integration but remain, while abroad, one of the least protected EU citizens when it comes to social and civil rights.

In May 2019, EU citizens were called to elect their new representatives in the European Parliament. A total of 50.66 percent of eligible voters turned out on their election day, reversing 20 years of increasing abstention in EU elections (European Commission 2020a). Younger generations had a record turnout (European Parliament 2019a, 2019b), confirming their growing political activism and interest in the EU, as shown by studies such as the Flash Eurobarometer 455 (2017) and 478 (2019). According to the European Commission (2020a), 'of the youngest age category, 42% indicated they voted, compared to only 28% in 2014: a large increase. The increase was also notable for the 25-39 age group (up from 35% in 2014 to 47% in 2019).' Their motivations are first and foremost a 'strong sense of civic duty', alongside concerns with climate change, the promotion of human rights and democratic values, and the economy (European Commission 2020a, 4).

Among this wide and very diverse group, and as presented by the Erasmus Impact Study (2019), one stands out for its consistent belief in the European project: the alumni of the Erasmus+ Programme. After participating in an Erasmus+ exchange, over 90 percent of Erasmus+ students consider the EU as an important part of their lives and wish to protect it. The more Eurosceptic a student is before their participation in the programme or the longer the period spent abroad, the bigger their leap into supporting the EU (Erasmus Impact Study, 2019). Upon their return home, according to the ESNsurvey 2019 (Mourato Pinto and Banet et al 2019), higher education Erasmus students are the group with the highest participation in EU elections.

Paradoxically, that same ESNsurvey 2019 has concluded that even though current higher education Erasmus+ participants showed a higher intention to vote in the EU elections 2019 than their non-mobile peers, they ended up having the lowest turnout. On the one hand, this data supported the results of a 2014 study which showed that Erasmus students were three times more likely to vote than the average young European (Erasmus Student Network et al 2014). On the other hand, it came as a surprise that on the voting day they did not cast their vote. A post-election ESNsurvey 2019 presented the reasons: current Erasmus students vote less mostly due to technical barriers, such as not being allowed to vote from abroad by their country or the costs of needing to go to another city to vote at a consulate or embassy. Despite freedom of movement, there are financial and legal barriers that limit the exercise of EU citizenship.

More students are expected to participate in Erasmus+ exchanges in the coming years. With the European Council and the European Parliament reaching an agreement of €26.2 billion, the goal is to reach 12 million participants during the framework programme 2021-2027 (European Council 2020). This means that more people will be faced with voting challenges in the coming seven years than the previous 10 million Erasmus participants of over 30 years. As the number of those faced with voting obstacles will more than double over the next few years, the paradox for European democracy will continue to increase. Those who are statistically more supportive of the European project cannot vote due to logistical constraints related to their participation in an EU-funded programme.

With an estimated 17 million mobile Europeans (Alemanno 2019), the example of Erasmus students is far from unique. These are the citizens who embody the practical results of European integration but whose rights tend to have weaker coverage by European and national laws (European Commission 2020b). They are not the permanent residents, who are the subject of specific regulations and protections, but are the students and workers who spend short periods studying or doing business in another EU country.

They are the citizens who 'fall in the cracks' of the law and whose rights are consequently less protected in many domains. It is not about having access to everyday benefits of EU citizenship, such as freedom of movement, but about deeper European-wide democratic foundations, such as having the opportunity to vote in EU elections from another EU country where one lives temporarily. It is about eliminating restrictions of fundamental rights of citizens living temporarily in a country other than where they reside.

Because these citizens do not have a residency status (and for some nationals not even this status will be enough), access to voting rights depends almost entirely on their nationality, leading to important imbalances in the exercise of EU citizenship. While Estonians can vote digitally, Czech citizens are forced to go back home whenever an election is called, with all known environmental and financial consequences. While in the 2019 elections 15 countries allowed their citizens to vote by mail, four forced their citizens to travel home to vote (European Parliament 2021). Nationally based voting laws, even for EU elections, led to the emergence of important imbalances in the exercise of a key dimension in EU citizenship. As a 2015 European Parliament study puts it, 'the loss of electoral rights for citizens who move to another EU Member State could be seen as an infringement upon the freedom of movement under EU law, since it could potentially stop EU citizens from exercising their free movement rights' (1). The Europeanisation of society has not yet been followed by appropriate political and academic attention, leaving these citizens unprotected.

As further integration in this field will be hard to achieve by itself, especially given the need to tackle other more pressing priorities in the aftermath of the COVID-19 pandemic, to make it advance in the foreseeable future one can look into the relationship between social and civil rights. Free movement is built on the idea that Europeans should not be faced with physical borders when studying and working in the EU. To the elimination of those borders, other regulations were added to Europeanise professional and personal life, such as, for example, the right to get married or to divorce.

Raising inequality among member states, alongside predatory tax break programmes and unfair wealth redistribution within the EU, made clear that free movement was not enough and could even lead to damaging migratory dynamics within the EU. After successive crises, these challenges had to be faced by deepening EU citizenship, alongside the many economic measures. This process is at the base of the creation of the European Pillar of Social Rights. Now, in addition to the right to study and work in another EU country, in 2017 member states proclaimed a 'new generation of social rights on the basis of an advanced concept of EU citizenship', as recently put by Maria João Rodrigues (2021). In 2021, the Portuguese presidency pushed this agenda one step further with the organisation of the Porto Summit and proclamation of the Porto Declaration. This 13-principled document places the EPSR as 'a fundamental element of the recovery' and now member states affirm to be 'determined to continue deepening the implementation of the European Pillar of Social Rights at EU and national level'. The same concern of 'turning principles into action', as summed up by some analysts, was the reason for the introduction of the EPSR Action Plan by the European Commission earlier the same year.

It is not far-fetched to think that further integration in other realms of citizenship, alongside the biggest investments ever in programmes such as Erasmus+ or Horizon Europe, can contribute to further increase the number of mobile Europeans and, consequently, the number of citizens excluded from certain dimensions of their EU citizenship because of national legislation. Such exclusion is inevitably worse for those living outside of large urban centres and with fewer resources, and even more so for young people, as shown by the ESNsurvey 2019. By creating a clear link between the implementation of the EPSR and the debate on EU citizenship, legislators will find that these are discussions that go hand-in-hand. By shedding light on the multifaceted nature of citizenship, the recent focus on the EPSR can contribute to pushing forward other dimensions of EU citizenship, including better access to voting rights for mobile Europeans.

By enriching our understanding of what it means to be an EU citizen, it can also contribute to expanding EU civil society at large and to reducing the legitimacy gap the EU is faced with.

The case of access to voting rights by Erasmus students is an example of how EU citizenship is an unfinished concept. They are one case among many, but a symbolic one because they are a by-product of European integration and are among the most pro-EU citizens. Their votes are, statistically speaking, important for stronger support for the EPSR and for the EU in general. The last decade has seen an increase in the number of mobile Europeans but not necessarily an expansion of the European dimension of their citizenship. As the debate on the EPSR demands member states and the European institutions take action on the social dimension of citizenship, a window of opportunity opens to push forward other related agendas. Further streamlining of voting legislation is the cause of several organisations and activists and could be the political measure with more impact. While this does not happen, the solutions for voting from abroad are known and are already applied by some member states, including electronic voting, online voting, and mail voting. Hence, the European Commission and EU member states are recommended to identify the links between these two realms and reduce unnecessary administrative burdens, extend registration deadlines, and generally improve the whole process by implementing, for example, electronic voting. If the first approaches to EU citizenship have largely ignored its social dimension, the implementation of the EPSR must not forget what remains to be done in other realms. The full achievement of the EPSR can only be achieved if citizens are granted full access to their civil rights.

TRANSFORMING EMPLOYMENT RELATIONS IN EUROPEAN COUNTRIES UNDER FINANCIALISATION

3. TRANSFORMING EMPLOYMENT RELATIONS IN EUROPEAN COUNTRIES UNDER FINANCIALISATION

A key concern of EPRS is to set essential conditions for fair and sustainable employment relations. Over the past three decades, transformation of the dominant resource-allocation model under the principles of shareholder value (SV) endangered the success of EPRS. According to Lazonick (2009), labour was at the centre of this transformation and it is characterised as a transition in the resource-allocation regime as one moving from 'retain-and-reinvest' to 'downsize-and-distribute'. Under retain-and-reinvest, the corporation retains earnings and reinvests them in the productive capabilities embodied in its labour force. Under downsize and distribute, the corporation lays off experienced, and often more expensive, workers, and distributes corporate cash to shareholders in the form of dividend and share repurchase. Furthermore, short-term stock market measurements, such as earning per share (EPS), became the main criteria for corporate performance, rather than the products they produce and employees they hire.

Emanating from the United States, SV gained momentum in the UK with the election of Margaret Thatcher in 1978 and in continental Europe at the beginning of the 2000s. According to Vitol (2013), the key decision was the appointment of a pro-shareholder value expert group by the European Commission for legislative action in company law and corporate governance in 2001. Following this appointment, most recommendations from this group were endorsed by the European Commission in the 2003 Action Plan on Company Law and Corporate Governance, leading to an increasing number of pro-shareholder value directives being passed.

Although the legislation issued by the European Commission was criticised by non-governmental organisations and trade unions in the wake of the 2007/8 crisis, the European Commission maintained its pro-shareholder value agenda with an action plan published in December 2012 prioritising a further strengthening of minority shareholder rights.

Correspondingly, member states started to deregulate their financial systems and companies' financial means were enhanced. For example, mutual funds and hedge funds were introduced and the role of the traditional banking system started to lose its importance for companies. At the same time, payout mechanisms were also enhanced. An addition to reformation of dividend payment with tax reductions, a new regulation (2003 EC Directive 2003/6/EC and EC Regulation 2273/2003) regarding share repurchase as a useful instrument for stabilising the market was initiated by the European Commission. Following the EU-level regulation, member countries legalised and relaxed share repurchase regulations from 5 percent to 10 percent. Thus, according to Sakinç (2017), pay-out ratios of member states prior to the 2007/8 crisis reached the US level, but dividend payment is the major pay-out instrument in Europe, while buyback is the major one in the US.

One of the most important reasons for worsening employment conditions and lowering wages, and the result of the financialisation process, is the worsening of collective bargaining of labour in order to grant firms more flexibility in wages and employment.

According to Peters (2008), the implementation of sectoral collective bargaining, decreasing union density and effectiveness, and the erosion of employment and income protection systems were factors diminishing the bargaining power of employees in Europe.

According to data from the Organisation for Economic Co-operation and Development (OECD), other than in Nordic countries, union membership rates decreased considerably in the EU member states. Although attempts like the European Works Council (EWC) were initiated by the European Commission, a survey by Branth et al (2005) shows EU member states implemented a very intense policy agenda in order to decentralise and weaken the bargaining power of employees.

In addition to the transformation of economic structure, European labour market structure has experienced a massive transformation in the last few decades. Eurofound (2018a) identifies this transformation around four trends: digitalisation; globalisation; demographic changes; and global warming. Three vectors of digitalisation – the automation of work, the digitisation of processes and digital platforms – lead to transforming some jobs and to the creation of new jobs. Globalisation enabled companies and workers to relocate easily. Aging and a decreasing rate of birth transformed the demography of the labour market and caused a shortening of labour supply. Lastly, climate change transformed many sectors as some industries, such as the oil industry, started to lose importance and some new industries appeared. This transformation required a different set of skills for employees. Thus these trends may improve employment conditions by eliminating and securing risky working environments and diminishing workload, or disrupt by offering more flexible working conditions. In addition to these trends, the European Union enlarged in 2004, 2007 and 2013, mostly to eastern European countries whose industrial institutions are weaker than pre-existing members (EU-15) and this led to a fragmented industrial structure which affected capital and labour movement (Marginson 2017).

Following these trends and industrial relations in the European Union, one of the most significant signs of the erosion of employment conditions in Europe is the rising rate of non-standard employment. The International Labour Organization (ILO) defines non-standard employment as temporary, part-time, and on-call work which is associated with low-paid and precarious work conditions. Even though the European Commission (2020d) reports that almost all member states reached the EU2020 employment target, data of Eurostat shows the main sources of employment following the 2007/8 economic crisis were temporary and part-time jobs, instead of jobs with long-term permanent contracts. According to Eurostat, the share of temporary employees increased from 11 percent in 2002 to 13 percent in 2017. The share of part-time employees followed the same pattern and reached 19 percent in 2017 from 15 percent in 2002. So, 32 percent of the European Union's population works with non-standard work contracts. Furthermore, Peters (2008) states low-paid permanent and full-time jobs are also increasing in European countries. For example, in Germany, one of the highest income countries, the rate of low-paid permanent jobs increased from 11 percent in 1994 to 15.8 percent in 2005.

Apart from being in a lower-income job, these employees are not provided with employment benefits, such as occupational pension, training opportunities and skills development. They are also more likely to be fired compared to employees with permanent contracts and often lack social protection. Women, young workers and migrants in particular choose these contracts due to lack of alternatives, which results in higher involuntary temporary and non-standard employment (Degryse 2016; Ness 2005). Furthermore, Eurofound (2018a) points out the accelerating number of new employment models with the advantage of new technologies, such as employee sharing, job sharing, ICT-based mobile work, teleworking, platform work, and so on, which are a fit with non-standard employment. Most of them bring social and professional isolation which intensify workload, stress, and diminish well-being and health.

Another signal showing disruption in work conditions, reflecting the rising rate of non-standard jobs, is the wage share. The ESPR is concerned with fair earnings of workers, but the wage trend shows this mission is likely to fail. Although nominal wages were in a rising trend prior to the 2007/8 crisis, real wages growth was steady. Similarly, wage share increased in the crisis years because profits diminished faster than employment and wages following the crisis years, therefore overall real wage did not increase (Vermeullen 2007). Thus, lower wages with the impacts of rising rates of non-standard jobs, the financial crisis as well as the Eurozone crisis led to the share of wages diminished in income. According to the AMECO database (O'Farell 2010), the wage share of income in the EU dropped from 60 percent in 1995 to 55 percent in 2011. Furthermore, the research of Bogliacino and Maestri (2014) investigating EU member countries separately shows that the wage inequality increased in the majority of EU countries (18 out of 25). While stability or moderate-income inequality drop in the Nordic countries, countries hit by the Eurozone crisis, such as Ireland, experienced severe pay cuts, surpassing the increase in wage rise in other European countries.

‘GENDER EQUALITY’ AS KEY PRINCIPLE OF THE EUROPEAN PILLAR OF SOCIAL RIGHTS

4. 'GENDER EQUALITY' AS KEY PRINCIPLE OF THE EUROPEAN PILLAR OF SOCIAL RIGHTS

The topic of equal rights to men and women, and to all genders in general, is not a new field of study, but like everything in life it is continuing to develop, change and progress. Nowadays, women could say that their life has changed in comparison to previous decades – they are able to vote, work, and make their own decisions for their own lives. Indeed, women today have all these rights, but all these rights have been achieved with a lot of effort by different interest groups. Nevertheless, women face on an everyday basis a lot of challenges to their equality rights when it comes to inclusion in the labour market, equal payment, the equal distribution of domestic unpaid work, the equal distribution of caregiving to family members, equal presentation in high-profile positions in business and political organisations, and last but not at least the fight against violence against women.

Today women can benefit from the same education as men, yet alongside this progress women lost the right to a position in the workplace equal to that of men. Factors such as work experience, working hours, and child care start to influence women's representation in prominent positions in the labour market, and also influence the wage gap. Women's fight is not just for education, which can give them skills and knowledge to be equal in the labour market, or even just to be present in it, but to be equally represented. Gender equality rights must be guaranteed in all spheres of public and private life.

The EPSR marks the proclamation of European social policy. On 17 November 2017, the European Commission announced that it had agreed on the EPSR after a long process of negotiations at different levels. Social policy is the result of various

state policies and it has traditionally been defined in the field of national policies. The European Pillar of Social Rights has 20 key principles, the second of which is Gender Equality: 'Equality of treatment and opportunities between women and men must be ensured and fostered in all areas, including regarding participation in the labour market, terms and conditions of employment and career progression. Women and men have the right to equal pay for work of equal value.' The proclamation of EPSR as a political act has created a lot of expectations that the goals for gender equality in different areas are going to be one of the main priorities for the European social policy framework. Gender equality is a basic right which is a key condition to achieving social equality at all levels. However, for almost four years, the EPSR has remained little more than a political declaration, with no calls for changes in policy or legislation.

Such a key social policy pillar has the capacity to create a framework for achieving gender equality in the European member states. But very often such milestone political acts only leave room for gender equality politics to be mainstreamed among other social issues instead of being the main issue to be tackled. In this case, the European Pillar of Social Rights makes a difference by making gender equality key principle number two, but sometimes such important statements remain on paper without being implemented. On 4 March 2021, the European Commission presented the European Pillar of Social Rights Action Plan where it stated concrete directives which have to be implemented in order to build 'a Union of equality'. In this respect, relevant legislative and non-legislative work should be taken forward at EU and member states level.

The implementation of gender equality as a key priority for European politics is crucial, especially in times of crisis such as the COVID-19 pandemic. Recent research shows that women, as one of the most vulnerable groups in society, are being hit harder by the pandemic. In September 2020, the European Parliament published a study on the gendered impact of the COVID-19 crisis and post-crisis period. The study's conclusions show 'feminised sectors of the economy have been particularly acutely hit by COVID-19 restrictions. This can be seen primarily amid healthcare workers, 76% of whom in the EU are women. Women are not only exposing themselves to risk of infection (and indeed death), but have seen increased workloads, mental health concerns, and some have distanced from their families causing emotional harm. Beyond healthcare settings, those industries which have been most disrupted by stay at home orders are those of hospitality, tourism, education and recreation; sectors which employ more women than men. This means that women have been at greatest risk of unemployment and/or being placed on furlough or equivalent employment protection schemes.'

For years women have been engaged as informal caregivers for family members, but the COVID-19 pandemic increased the burden of long-term care on women in families. In 2018 the European Commission published a study of national policies through the lens of how the EPSR can overcome the 'Challenges in long-term care in Europe' and as Principle 18 of the European Pillar of Social Rights on long-term care. Nevertheless, in the study by the European Parliament regarding the pandemic effects on gender equality, it is stressed that 'women's employment may also suffer given the additional domestic load that women are performing during lockdown. Data from across the EU has shown that women have absorbed more of the unpaid care during months of lockdown, both limiting their ability to continue with paid work, and causing considerable stress and mental health concerns. These are even more acute amongst single parents.'

The European Pillar of Social Rights since its proclamation in 2017 until the beginning of 2021 has been simply a political document – left as a statement and without any action and implementation plan to show how the policies it contains can be adopted by the member states. During the COVID-19 pandemic, leaders of the European Union referred to the Pillar as the solution framework which will help the EU to overcome the social consequences of the COVID-19 pandemic. More than ever Europe needs a European social policy to guarantee gender equality in the labour market, especially in conditions where most often women now have to combine online work with taking care of the online education of their children, taking care of their elderly parents, and taking care of the domestic work. In March 2021, the European Parliament published some conclusions on COVID-19's impact on women based on Eurostat's data showing 'more than 30% of women in the EU work part-time and occupy a large share of jobs in the informal economy, which tend to have fewer labour rights as well as less health protection and other fundamental benefits. They are also much more likely to take time off to care for children and relatives and during lockdowns often had to combine teleworking and child care.'

The European Pillar of Social Rights Action Plan's implementation has to make sure that it guarantees gender equality at all levels – education, transition to the labour market, inclusion in the labour market, and dismantling gender stereotypes and ideas about traditional gender roles could encourage more men to pick up their fair share of unpaid work at home, preventing domestic violence and creating a reliable support system for victims of it. Especially at the time of the COVID-19 pandemic when the majority of frontline jobs are occupied by women, of the 49 million care workers in the EU, who have been most exposed to the virus, around 76 percent are women. Research by the European Institute for Gender Studies shows that women are over-represented in essential services ranging from sales to childcare places, which remained open during the pandemic.

In the EU, women account for 82 percent of all cashiers and represent 95 percent of workers in domestic cleaning and home help. The EPSR Action Plan has to show results in overcoming the gender inequality in all Social Scoreboard indicators if it is willing to prove that it introduces policy measures which will support the key principle Gender Equality.

**SOCIAL UPWARD
CONVERGENCE IN
COVID-19 TIMES:
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5. SOCIAL UPWARD CONVERGENCE IN COVID-19 TIMES: A LOST OPPORTUNITY FOR THE EU?

After years of stagnation, in 2021, social rights policies in Europe have seen an important advancement, both on the European Pillar of Social Rights (EPSR) and on its Social Scoreboard. The EPSR found a concrete implementation with the EPSR Action Plan, and the Social Scoreboard accompanying EPSR has been updated with a newer set of indicators. The Social Scoreboard, which tracks trends and performances of the three main areas of the EPSR, saw the headline indicators passing from 14 to 22, including new topics: adult learning; child poverty; disability employment gap; and housing cost overburden. The three areas of actions have remained the same, but 'social protection and inclusion' has now a broader coverage of headline indicators, compared to 'equal opportunities' and 'fair working conditions' in which only the sub-indicators have changed.

In the new framework, the EPSR Action Plan mentions the new tool of 'upward convergence'. For the first time, it was not only used as a statistical measure looking at a country's performance, but also as an alarm for a call to action. 'All Member States join in a common effort and take action to fulfil them with a view to fostering upward convergence and well-being' (EPSR Action Plan).

Eurofound (2018b) defines upward convergence as the improvement of performance of EU member states, combined with a reduction of disparities among them. It is possible to measure upward convergence in the EPSR by looking at the Social Scoreboard indicators, in particular at the headline ones. This means that the country rates of the Social Scoreboard indicators should get closer, and at the same time these should improve in all countries.

For instance, Spain and Sweden should move towards employment rates closer between each other, and at the same time the employment rate should increase in both countries. One might ask why convergence has only now become a relevant point of view.

Upward convergence has not been a problem: since the early days of the Union, the 27 European member states have made substantial progress regarding upward convergence, both in economic and social terms. According to the World Bank, before the economic crisis, the EU was the modern world's greatest 'convergence machine'. Quite a descriptive name to define the European Union ability to bring poorer and newer member states towards becoming high-income economies (Gill and Riser 2012). This economic capability was accompanied also by the highest living standards and lowest income inequality in the world (Ridao-Cano and Bodewig 2018).

However, with the global financial crisis in 2008, the socioeconomic heterogeneity of member states increased. Diverging trends inside the EU were seen not only in economic and financial terms, but also on the social side including in relation to poverty and labour market conditions (Bongardt et al 2013). While the economic crisis reached the bottom in 2010, its worst social consequences have continued to have an effect for some more years. It is possible to see how social conditions, using the headline indicators of the Social Scoreboard, reached the lowest level only a few years later, between 2013 and 2014, after the economic ones (Eurofound 2019a).

The European convergence process restarted after the crisis. Looking at the period 2009-19, upward convergence in the EU27 member states has taken place in most of the social and economic indicators. On the economic side, for instance, the real GDP per capita showed upward convergence. On the social field, nominal wages, employment rate and at risk of poverty and exclusion rate also had positive trends. Only three measures on the old 14 indicators showed downward divergence: unemployment, real gross income and income inequality. It followed that at the end of the financial crisis, social upward convergence was almost restored, and EU countries were moving back on track.

This positive trend was brutally ended by the COVID-19 pandemic, from February 2020. The European economy was heavily damaged by the health and economic crisis, as shown by some of the indicators of the Scoreboard, which performed even worse than for the Great Recession of 2008/9. Although some of the effects of the COVID-19 crisis are interconnected with those of the Great Recession, a completely different pressure on not only on supply and demand, but also on overall production and trade within and across countries took place during the most recent crisis. Its effects can be seen in the first line of the summer 2020 forecast: 'In the first semester of the crisis Europe had the worst output contraction since World War II' (European Commission 2020a).

In an attempt to reduce the spread of the coronavirus pandemic, many European Union member states implemented in April 2020 several emergency measures imposing restrictions on economic activity and personal freedoms. In a matter of only a few weeks, most Europeans had to quickly adapt to an unprecedented situation and learn how to cope with new ways of living and working. This brought an incredible shock to the economy and to the social conditions, such as a strong and uneven wage loss together with a rise in poverty and wage inequality in all European countries (Palomino et al 2020).

As some of the trends in several economic and social indicators largely follow the economic cycle, with upward convergence in good times and downward divergence in bad times (Eurofound 2020a), given the unstable equilibrium reached following the Great Recession, it is easy to imagine the downturn effect of restrictions imposed during the pandemic. For instance, unemployment, which unlike other indicators was not showing upward convergence for the period 2009-19, in 2020 shows the most worrying trend. Even if the difference among countries over the past 10 years in unemployment has not diminished enough to speak about upward convergence, the trend looked positive, with a regular decrease in the unweighted average from 2012 (11.4 percent) to 2019 (6.4 percent), while with the arrival of the COVID-19 crisis it moved back again to 7 percent in 2020. Unfortunately, unemployment is not an isolated case: an inversion especially in the average due to the crisis can be seen in most of the employment-related indicators for 2020, such as employment, the youth employment rate and young people not in employment, education or training (NEET).

The strong cyclical component, especially marked in the indicators of the 'fair and working condition' area, suggests that the upward convergence of member states is not only unstable, but also not sustainable over time and needs to be corrected with long-term policies. The 27 EU countries therefore need to strengthen their resilience in the economic and social policy domains to be more stable in the future. The improvement of member states' performance economically and socially combined with a reduction of disparities among them is central. Citizens are aware of the disparities and reducing these differences is a key element for the cohesion of the EU. Even though convergence towards better social conditions has always been an EU political promise, a failure to deliver it will drive political discontent against the European project (Eurofound 2020b).

What has the EU promised so far on convergence?

Just before the beginning of the COVID-19 crisis, the Commission launched its long-term policy for Europe, a 'European green deal' and a 'Europe fit for the digital age' (Von der Leyen 2019). However, the ecological and digital transformation brings social change, which needs to be taken into account. For instance, not all new green and digital jobs will offer the same remuneration or bring better working conditions as previous roles (Fischer 2021). Moreover, the change relates to multiple targets of the European Pillar of Social Rights, such as education and training, since not every worker has the right skills for the new job market. Last but not least, not all states, regions and cities will face transformation at the same pace and have the same opportunity to become greener and more digitalised. The different adjustments will need to be made in such a way that all countries will improve and the disparity between them decrease, therefore upward convergence, even if not specifically mentioned, is very relevant for the success of the von der Leyen programme.

To the green and digital change, planned before the crisis, the pandemic adds new challenges for the policymakers. The COVID-19 effects are and will continue to be very heterogeneous across different parts of the population. COVID-19 affected the categories that were already the most vulnerable, in particular young (Bell et al 2020; Eurofound 2020), women (Alon et al. 2020), low educated (Adams-Prassl et al 2020), and gig economy workers (Stabile et al 2020). As the impact of the current emergency affected unevenly individuals and some socioeconomic groups, the discussion on upward convergence to reduce these disparities in social rights becomes even more pressing.

An intervention in this context, anyway, seems not to be simple. The EU institutions do not dispose of strong instruments to act in relation to social convergence.

Unlike the procedures established for macroeconomics issues after the economic crisis of 2008/9, which are binding and monitor and correct member states processes, the employment and social fields consist of 'softer' mechanisms. Therefore, a solution to break this cyclicity can rely only on targeted long-term planning policies.

To this aim, the new EPSR Action Plan looks promising, having a very detailed action plan and setting it as a tool for upward convergence seems the first true act to really change European social rights. Nevertheless, a timespan of 10 years for trying to improve three main long-term headline targets looks reductive compared to the number of topics the EPSR covers. Most of the legislative initiatives were already planned or under discussion and most of the actions mentioned are recommendations to national member states (ETUC 2021). However, EPSR is in a difficult grey area since the social pillar topics remain mostly under national authority competences and so the target can only be partially and indirectly influenced by the willingness of the EU institutions.

To conclude, there is much more that can be done and sometimes the solution is not as far away as it seems. A strong change to achieve social upward convergence, due to the current complex social effects, is needed from the EU, as well as strong action from the national governments. However, it could be also better monitored and driven in an even more binding way by the EU and looking at it from the upward convergence lenses with the new indicators might help further action in the future.

CONCLUSION

CONCLUSION

This paper is concerned with the potential synergies between the EPSR and three key topics: civil rights, particularly those related to EU citizenship; labour relations, company design and how they limit access to rights; and the persisting lack of gender equality. The analysis is framed by a historical and philosophical approach to the role played by the left in the construction of the concept of Social Europe and by a macroeconomic analysis of the impact of the COVID-19 pandemic on the implementation of the EPSR and generation of the suggested synergies. Overall, it is argued that the EPSR needs to support the development of EU citizenship in order to be fully inclusive, which means it needs to enter into a dialogue with the discussion on EU civil rights. The neoliberal company design needs to change into a model where workers have a say in the company's management in order to grant them full access to their social rights. Without gender equality, there will be no equal pay for equal work and, consequently, access to social rights will continue to be unequal. These synergies are fundamental, particularly in post-COVID Europe.

As stated in the EPSR Action Plan (41), 'achieving a full enjoyment of the rights and principles of the Pillar by EU citizens requires, for the most part, national, regional and local level action'. None of the challenges identified in this paper can be dealt with by the EU alone. Multiple actions should be considered, since the EPSR domains (equal opportunities and access to the labour market; dynamic labour market and fair working conditions; public support/social protection and inclusion) are highly interconnected. All these pieces of the puzzle will also be essential to have upward convergence and therefore to become a stronger social Europe.

We call on national and regional governments to take ownership of the EPSR and assume the responsibility of its implementation. We ask them to be ambitious and study the advancement of the synergies we identified in this paper.

The European Union started as a project of peace. As war is an increasingly distant memory in European history, the EU must evolve to address the demands of today's Europeans. After a decade of inequality, with serious consequences for European integration, the EPSR is the key instrument to solve social unrest. In the end, a successful EPSR will also be about peace.

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- generating a forum for political discussion and thus helping to introduce social democratic positions into the public discussion;
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- fostering the organizational development of the Austrian Social Democratic Party in order to open up and modernize party structures.

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