

European Pillar of Social Rights Action Plan, the Future of Social Protection

ETUC Resolution adopted at the Executive Committee Meeting of 22-23 June 2022

Summary of the Resolution

- a. The Resolution summarises the ETUC's main messages delivered in the social partner's dedicated hearings on welfare and social protection policy, organised by the European Commission. - The topics ranged from the future of the welfare state in the EU to the initiatives to be undertaken in the provision of essential services.
- b. The ETUC believes that a comprehensive approach to building strong welfare states reforms requires more work in order to reach the aims of the EPSR, in particular of the Council Recommendation on access to Social Protection, and the headline targets of its Action Plan - in particular the one concerning the reduction of poverty, through substantial policy and financial coordination, including intermediate and national targets.
- c. All rights contained in the Pillar principles must be pursued in an integrated and consistent manner, as they enhance each other.
- d. A rights- and needs-based assessment must be further developed through better indicators, capable of mirroring the composite realities of social protection demands; indicators must also be able to demonstrate the effectiveness of any measure undertaken and the response of policy drivers to the EPSR.
- e. Public authorities must have a greater role in delivering public services and on their duty to meet people's needs in vulnerable situations and in providing high quality services to the communities. They need to pursue a holistic, life-cycle approach to social protection, welfare and public services. ETUC opposes the further commercialisation of public services such as health and social care.
- f. Social partners need to be involved in all stages, this would facilitate solutions that are multifaceted and targeted.
- g. Both the social and economic dimension need to be given the same attention. Therefore, achieving the objectives of the EPSR and the Action Plan requires consistent financial engagement at all levels, starting with the EU.

Background

The ETUC has constantly worked for policy that has a coherent, efficient and comprehensive approach to welfare, implemented consistently at all possible levels, and able to reduce the plague of poverty and social exclusion in the EU¹.

In times of war, and in the aftermath of the works of the Conference of the Future of Europe, it is crucial to acknowledge how workers, citizens and residents look at the European Union to be reassured and protected in their most basic rights, especially in situations of outmost vulnerability - such as unemployment, illness, old-age, disability, lack of income, social exclusion, and individual situations that hinder living in dignity.

¹ See the vast ongoing work on the ETUC SociAll web portal <https://spa1.etuc.org/>

Citizens in the Conference underlined that public funding should first and foremost support public, not-for profit health and social care.

Trade unions must demand the EU to confirm and prolong its unprecedented efforts to overcome the impact of the pandemic and the war in Ukraine, in order to tackle - finally in an effective way - the long-time challenges that have magnified in the past decade, but that are not new. Austerity, neo-liberalism, privatisation must be stopped and trends reversed.

The constant rise of poverty and inequality, over the past decade, confirms that these trending lines have failed in developing a social Europe that embodies the principles of the EPSR and that needs to be re-worked to include strict monitoring of the Action Plan progress.

Demographic changes and other “megatrends” are resulting in a “shrinking workforce” and an ageing population. Furthermore, changes in the labour market, and the digital and green transitions, as well as the emergence of new risks, are accelerating. These trends are not new, however, despite the threats and negative social impact they present, and warnings from trade unions, they have not been sufficiently addressed.

Aim and scope of the Resolution

In spring 2022, the European Commission has launched a series of dedicated hearings, for social partners, to discuss welfare and social protection-related initiatives announced in the EPSR Action Plan. The hearings covered wide political debates on the future of welfare in a fast changing EU, as well as more specific initiatives, targeting defined needs of the European population.

The hearings covered: an exchange of views on the High-Level Group on the future of social protection and of the welfare state in the EU; the upcoming Council Recommendation on minimum income; a European Care Strategy; the implementation of the 2019 Council Recommendation on access to social protection for workers and the self-employed; and access to essential services.

The ETUC delegation to the hearings included members of the ETUC permanent Social Protection Committee, the ETUFs and other EU level social dialogue partners, so as to encompass both the EU and the national experience. The hearings on an EU Care Strategy and on the Essential Services required a stronger involvement with ETUFs that are particularly involved on the subject matter. This was done through tasks forces set up to assist in the preparatory meetings with the members of the trade union delegations.

Whereas the ETUC has responded to each specific topic, we have stressed from the beginning the **importance of an integrated and truly sustainable approach to welfare and social protection policy and public services**. ETUC reiterates the need for the fundamental right to care to be integrated in national social protection systems. **This involves both social and financial commitment of the EU and the MS, in compliance with the principles of a just transition in pursuing recovery and resilience, as well as the targets of the EPSR Action Plan.**

This resolution aims at outlining both the overarching and the specific messages put forward by the ETUC during the hearings, to provide a foundation for the upcoming lobby activity and the actions foreseen in the ETUC EPSR-SociAll2 project. This will be used into the EU level debate and provide evidence that a different approach to a solidarity-based social protection in the EU is possible and urgently needed.

The resolution contains the main policy demands that ETUC has repeatedly made in relation to welfare and social protection policy as a whole. A series of annexes covers the ETUC demands on each initiative that we shall be expected to give input on..

Overarching ETUC principles for welfare and social protection policy

The ETUC calls for a new, effective, collective and solidarity-based approach to welfare, developed coherently with the commitments undertaken by all EU institutions and social partners, in Porto in May 2021. **This entails:**

A rights-driven vision of welfare/social protection, embedded in Chapter III of the EPSR, integrated with the implementation of equal opportunities and quality working conditions of Chapter I and II:

Such an approach is crucial to develop intergenerational solidarity, adequate and sustainable social protection systems, and effective responses to people's needs across all ages.

The upcoming initiatives must be coherent with the major policy objectives already set by the Council Recommendation on Access to Social Protection for workers and the self-employed, as well as the Council Conclusions of October 2020 on the need to strengthen minimum income protection during the COVID-19 pandemic and beyond. Moreover, if social protection rights must be guaranteed by Member States wherever people struggle, the need to re-connect welfare states with equal opportunities for all and quality working conditions should ensure greater sustainability and efficacy to provisions, financing plans, and social inclusion goals².

Active ageing must be adopted as a life-long approach to *voluntarily* longer healthy working lives, linked to the change of work and demography as much as to the commitment from both companies and workers to use it as a drive to solidarity.

The next ETUC SociAll action will allow 1. to make a trade union assessment of developments along these lines, that will generate new, more targeted evidence of the need for specific policy drivers; 2. to make a case for the social and economic potential deriving from the improvement of care structures; 3. to focus on the potential of improved access to quality and affordable care structures to increase women participation in the labour market to reduce the gender pension gap³; 4. to reflect on the potential impact of more inclusive migration policies on sustainability of adequate social protection systems; 5. to assess the potential of higher quality jobs; and 6. to evaluate experiences of active ageing in a wider perspective.

A needs-based and comprehensive assessment across all ages and among all social protection/welfare institutions, features and provisions, responding to composite demands and including minimum safety-nets⁴:

The pandemic⁵, as well as the war in Ukraine, will have a broad and long-lasting impact that threatens the already weak protection of people in need across all ages. The consequences on all generations of workers can be very serious if not swiftly addressed. A full spectrum of policy fields must be addressed and revised in coherence with the aims of the EPSR, to guarantee full security across all stages of life, both now and in the future.

The development of indicators and targets that are able to truly assess the needs for social protection, as well as the effectiveness of the measures undertaken:

² ETUC SociAll website: <https://spa1.etuc.org/labour-market-and-old-age-rights-%e2%80%8b/>

ETUC position in reply to the public consultation on Green Paper on Ageing: <https://www.etuc.org/en/document/etuc-position-reply-public-consultation-green-paper-ageing>

³ <https://www.etuc.org/en/document/european-social-partners-joint-statement-childcare-provisions-eu>

⁴ <https://spa1.etuc.org/guaranteed-adequate-minimum-standards-for-all/>

⁵ <https://spa1.etuc.org/2021/08/24/access-to-social-protection-for-all-at-the-time-of-covid-19-the-role-of-the-epsr-and-the-ngeu/>

The need to revise and integrate social indicators is recalled by both academics⁶ and policy makers at all levels⁷: the social protection dimension is as complex and diverse as the needs of people throughout their lives. `Capturing such complexity must lead to the selection of indicators that analyse people's experience, as well as the policies to be enacted. A more detailed and concrete approach to indicators on , for example, poverty, would provide a focus on the emergencies that need to be tackled and the specific policies to undertake. It also allows for a more efficient monitoring of the progress made at national level, as well as in relation to a specific need – which is crucial to understand the progression through concrete milestones towards the 2030 headline target.

A more coordinated and consistent alignment among the different EU policies, legislative and financial frameworks - Cohesion funds, the RRF, the EU Semester – with the social objectives of the EPSR and interventions to meet them.

Reinforcing the efforts to increase resilience of sustainable growth calls for a better coordination of the EU financial potential. Member states must also be allowed to use their own budget to respond to social needs whenever necessary, and not only when these entail a major detriment for the economic growth. This would be in line with the principle of democracy and strengthen the trust between people and their governments. The EPSR and the Recommendation on access to Social Protection should provide guidelines to assess whether investments, or actions, are undertaken to further develop coherent and integrated social progress.

The relaunch of the role of public authorities and institutions, at all levels. One that provides welfare services for all and fulfils the public duty to protect and enhance people's right to dignity.

Welfare must be recognised as a primary responsibility of public authorities. They should operate in the most effective and rights-driven way when providing social protection services, and where appropriate, in cooperation with social partners. This must revert the privatisation trends and rely on partnerships that truly ensure and privilege the best quality and dignifying welfare for people, serving the public interest and not private profit.

The substantial consultation and participation of social partners at all levels, ensuring that policy design and destination of resources are coherent with the needs and the rights-based demands of the population;

The consultations with Social Partners at all levels within the EU policy and financial framework must be enhanced and carried out in a timely, substantial and regular manner. The ETUC will, with the help of its member organisations, provide an assessment of the plans to implement the Recommendation on Access to Social Protection, which will complement the ETUC overviews of trade union involvement in the different areas where this is foreseen.

⁶ Just as an example, see the 2022 ETUI/ETUC research on Minimum Income across all ages, available at the link: <https://www.etui.org/events/minimum-income-across-all-ages-focus-elderly-people> and more in particular the proposal of new indicators to assess the need of income support by T. Goedeme, https://www.etui.org/sites/default/files/2022-05/ETUC_2022-05-19_TG_print.pdf

⁷ <https://spa1.etuc.org/needs-and-rights-based-monitoring-tools-%e2%80%8b/>

ANNEXES: The ETUC principles and demands related to the upcoming EU initiatives

I. ETUC demands to the High-Level Group on the future of social protection and welfare state in the EU

The message of the ETUC delegation at the hearing, outlined hereunder, will lead the further action with respect to the debate on the future of welfare both at an EU and a global level.

The megatrends to contrast and “tame” uncontrolled change must be brought in line with the vision of welfare envisioned by the EPSR and the 2030 Agenda:

- a. “Megatrends” proposed for reflection have called for a socially-oriented anticipation since long time;
- b. The success of the future of welfare in the EU will have to be assessed on the capacity to build on comprehensive and rights-based foundations; concrete improvement in people's lives; effectiveness across all stages of life - before, during and after their working age and involvement into the labour market, as per a long-time demanded life-cycle approach that EU Social Partners have clearly adopted negotiating about Active Ageing and intergenerational solidarity (before that).

This achievement entails:

- a. **Ensuring universal access** to effective and adequate social protection for everyone, across all ages, against all risks of life;
- b. Redesigning the approach to **old-age rights**: pensions Long-Term Care and Health Care should be mainly viewed as instruments for economic and civil development, then the foundations of a democratic society, and, finally, as costs.
- c. **Ambitiously implementing the Council Recommendation on access to social protection for workers and the self-employed**, aiming at effective and adequacy benefits for all working people irrespective of their status or contract, *far beyond poverty prevention*;
- d. **Embedding minimum standards and safety-nets** that ensure adequate non-contributory arrangements (i.e., social protection floors, SDG 1.3);
- e. **Allowing MS to invest in social protection** and fostering their commitment to achieve a high level of social protection in all circumstance

The ETUC calls for

- a. **A stronger role of public institutions** at national, regional and local levels, since welfare services are public services. Social protection reforms must also take stock of, and address, the **fragmentation of the private and public institutions in that provide welfare**. It has been proven that public structures better exploit the economy of scale, are more efficient in terms of risk pooling, and enhance cost-effectiveness.
- b. More and better employment across all ages, skills development throughout the working life – assessed especially with respect to improved economic dependency ratio

- c. Less flexibility in the sense of precarisation and liberalisation of working arrangements, but rather more support for a *just transition*, education since the earliest stages of life; lifelong learning; coherent coordination among formal and informal education; and digital education that is integrated in a wider educational path;
- d. Fairer migration policies and investment in people as a response to a shrinking work force;
- e. Careful consideration of opportunities that new technologies may bring, for example in terms of improved working conditions and public services;
- f. Recognition that welfare is a driver for social rights for all, as well as a powerful feature of economic development and quality job creation; there is a potential in the silver economy, in the requalification of care workers, in the education of new ones, in the recognition of their skills or through their emersion from the undeclared economy (see above point 17 of the resolution);
- g. More inclusive and fairer contributory social security systems: a huge margin of improvement exists in fairness and effectiveness of contributory obligations between employee and employers and among workers with different contractual status⁸;
- h. Fairer taxation, shared productivity revenues, fight to illegality⁹; formalisation of undeclared economy;
- i. An upgrade of public resources for social protection against all austerity principles;
- j. The revision of the European Economic Governance rules, coherent with the rights and needs-based approach.

⁸ <https://spa1.etuc.org/2021/08/23/contribution-rates-fairness-and-social-sustainability-of-european-pensions/>

⁹ https://est.etuc.org/?tribe_events=exploring-the-nexus-between-legality-decent-work-and-recovery

II. ETUC demands with respect to the upcoming Council Recommendation on Adequate Minimum Income Schemes (MIS) in the EU

For many years the ETUC, together with a large network of organisations and political parties, has been advocating for a **framework directive on minimum income**¹⁰.

The ETUC demands that the proposal for a Council Recommendation includes all the **features and demands advanced in the ‘ETUC Input on the right to adequate, accessible and effective minimum income schemes’**¹¹.

The ETUC demands that the **adequacy of minimum income to protect people from poverty and social inclusion cover people of all ages**, including after they retire. Scientific evidence shows there is an urgency to analyse the needs of the population *across all ages*¹². Adequacy should also be contextualised in the post-pandemic scenario.

The **gender and youth** dimensions need to be addressed with respect to the provision for income support, on the basis of good practices across MS.

When assessing the adequacy of MI¹³, not only money transfers but also service accessibility and affordability (especially care) must be considered

If the aim is social inclusion, there is a case for the importance of *individual guidance* to make the most of money transfer and public services for inclusion purposes.

The non-take-up rate across MS is embarrassing. However, the ETUC warns that the recalled *simplification of access to MIS* cannot lead to the fusion of minimum benefits (housing, money transfer for disabled people, minimum pensions for old age people etc...) with the minimum income for a lower amount that would undermine its effectiveness and adequacy to prevent poverty and social exclusion. As these minimum benefits may respond to different needs and situation, mixing them may finally overcomplicate the take up of the minimum income or undermine the enjoyment of the right with more restrictive eligible criteria.

The ETUC, while sharing the means-tested approach, also warns against attempts of MS of reducing benefits and introducing *work-fare* practices. While these aspects are not present in the background documents for the Social Partners’ hearing, terminology such as *“tapering” of benefits* and *“social integration”* is referred to in online public call for evidence launched by the EC for the civil dialogue. It is thus urgent to clarify some crucial points:

- a. **Benefits ceiling must be carefully considered.** Clear scientific evidence proves that reduction of benefits is counterproductive for labour market integration.

¹⁰ See 2020 Discussion paper: <https://www.etuc.org/en/document/european-tools-minimum-income-schemes-cornerstone-european-anti-poverty-and-social>

¹¹ Resolution adopted in September 2020: <https://www.etuc.org/en/document/etuc-input-right-adequate-accessible-and-effective-minimum-income-schemes-resolution>

¹² <https://www.etui.org/events/minimum-income-across-all-ages-focus-elderly-people>

¹³ Minimum income schemes as a part of comprehensive social protection systems and Welfare States have a stand-alone logic and importance. However, income inequalities have grown, as well as services inequalities. It is thus crucial that other actions with a stand-alone logic take place in parallel, such as to enhance the effectiveness of access to goods and services and incentives for labour market integration.

Principle 14 clarifies the need to combine - and not make conditional to - minimum income with public (better expression than ‘enabling’) services and goods, based on universal access, affordability, equality and non-discrimination. The recent EC report on access to healthcare services by homeless children and families is a case in point, highlighting the need for more resources in health and care services are needed to ensure that an individual, person-centred approach is possible for everyone. It also shows that other issues that force people into poverty need to be tackled alongside (lack of affordable housing, energy poverty etc), or cuts in universal and generous child benefits.

Moreover, in most countries, the benefits are already far below the European poverty line. The impact of any policy decision must be undertaken only if compatible with the EPSR principle.

- b. If **top-up solutions** are envisaged for temporarily support income in case of **in-work poverty**. MI should not be a means for employers to lower working conditions, compensate low or zero-hour contracts, amend to minimum wages, and not to value the productivity of even low skilled workers.
- c. *Social activation* is an expression that is not rooted in EU law and policy in the field of the fight against poverty and might be misleading. **Social inclusion must be distinguished from labour market integration**. Social inclusion is wider than labour market integration and can be a stepping stone for the latter. Any confusion should be erased to avoid paving the way to *work-fare* programmes¹⁴. We strongly oppose such policy development, at the limit of forced labour, and detrimental to any real integration both in society and in decent jobs. It risks to distort the level playing field for employers, especially SMEs, that offer jobs at decent conditions.

The ETUC believes that there is still a strong need for a meaningful and binding initiative to combat poverty and social exclusion, as the already existing measures and instruments did not bring significant progress¹⁵. Facing the EC initiative, **the ETUC urges to build strong guarantees that another Recommendation can bring significant progress and that the initiative puts enough pressure or creates incentive to the MS to undertake necessary measures on national level**. On the basis of experience with previous recommendations, **the ETUC calls for:**

- a. **specific targets and milestones** in the measures targeting poverty of the EPSR Action Plan;
- b. the **contextualisation in the post-covid of MI needs and the relative revision of the benchmarking on adequacy**;
- c. a **strong role for social partners** at all levels to strengthen the setting and the updating of the level of benefits adequacy;
- d. **more refined indicators** unveiling the reality more effectively, as the current ones are not sufficiently effective to show reality;¹⁶
- e. **strict monitoring tools** to measuring progress towards effective implementation,
- f. **a regular follow-up reporting process** similar to the one integrated in the Recommendation on access to social protection, which includes an action plan for each country, within a strict deadline,
- g. **an evaluation process** that includes social partners, the European Commission (via the EU Semester), and the Council's Social Protection Committee;
- h. **An incentive mechanism** that can enhance MS to improve their performances in poverty reduction.

¹⁴ based on the principle that poor people have to work for their benefit, leading to mandatory community service for the unemployed

¹⁵ Despite whole "toolkit" of existing non-binding instruments (2 recommendations, CSRs within EU Semester, EU2020/EU2030 goals, Council conclusions, MINET,...), EU missed EU2020 goals, there are still more than 90 million people at risk of poverty

¹⁶ See Goedeme https://www.etui.org/sites/default/files/2022-05/ETUC_2022-05-19_TG_print.pdf

III. ETUC demands on the European Care Strategy

The ETUC believes that the upcoming EC Communication must clarify how the EU intends to design the post-covid care systems – in the context of investments; the EU semester; and quality and number of jobs. Any political intervention must pursue consistently the objectives of the EPSR, including the right to *age in dignity*.

The ETUC strongly advocates for **an integrated European approach to public care**, with a EU action in support of national governments, to work more closely together and tackle challenges for effective solutions.

Capping pension and care-related expenditure by Governments, in spite of the increasing needs of the population, would only open the doors to a huge private market that won't guarantee any standard neither in terms of access, affordability and quality of care nor in terms of working conditions in the sectors at stake.

From a gender perspective it is fundamental to remove the approach to care services as a commodity, preventing and limiting profit-making, privatisation and commercialisation of care. The profit motive in care provision has so far led to a weak rights-based approach to care,. In addition, the maximisation of profit is also responsible for shrinking working conditions for women, mostly occupied in this sector.

The ETUC thus demands

- a. **A European offensive for public investments**, in order to ensure the multidimensional right-based approach of the SGD 3 and the EPSR principles 16 and 18.
- b. Well financed and properly functioning public care services integrated into national social protection systems to ensure the right to care, as enshrined in the European Pillar of Social Rights
- c. **an economic and social governance that invests and boosts public and individual health protection and care** in all MS:
 - **via multidimensional preventive policies**, encompassing education, healthcare and occupational health and safety, in a life cycle approach;
 - **in the crucial health and long-term care sectors**, that can represent an opportunity to create more and high-quality jobs, and thus drivers for overall societal return;
 - **via more numerous, more qualified and skilled staff** (since these workers was already incapable of meeting pre-crisis demands); via improving the attractiveness of the care sector, for example through ending precariousness, respecting collective bargaining and wage levels;
 - **via a planned strategy** for qualifying staff and investments efficiently and in a forward-looking perspective based on current and future care needs;
 - **via addressing and tackling the socio-economic inequalities** that affect access to healthcare;
 - **via strengthening the coordination between care and social services**; developing socio-sanitary structures able to prevent and serve dependency situations;
 - **via public funded research and development**, to increase preparedness, coherently with the needs of long-term care structures;

Such demands are even more urgent in light of the COVID-19 pandemic and the war in Ukraine, which have put an extra strain on care services.

Moreover, such a strategy is crucial to address the concerns that emerged from the CoFoE working group on the cross-border healthcare directive. While the report on such directive seems to be unrealistically positive towards the relative low-take-up of people, the reality is that it is poorly implemented, barriers to access to cross-border healthcare persist, and, above all, people are not keen to travel across Europe to access healthcare and prefer to be treated near(er) to home, if at all possible. While cross-border cooperation is very useful and should be supported for people living near a border or in need for specific treatments, affordability and accessibility of quality healthcare must represent an element of proximity and a duty for each government.

Such a context represents a further element to consider as an argument against the marketisation and commercialisation of care services, which has proved to be inefficient in providing quality services for all and when mostly needed. Privatisation of such crucial services must be subject to social conditionalities (including, for example, respect of collective bargaining, workers' rights, etc).

In such a delicate matter as care, people must be put first. Thus, the European Care Strategy must entail

- a. Full inclusion of workers in the PHS (Personal and Household Services) sectors-homecare workers;
- b. Access to home care and ensuring affordability of home care services for individuals and families, taking into account their needs and their choice to receive services at home rather than in institutions or other settings.

PHS workers/HomeCare workers must be recognised, valued, professionalised and enjoy the same rights and protections as all workers in the care sectors, by:

- a. Putting having collective bargaining in this sector;
- b. Calling on Member States to Ratify and Implement of ILO C189 on Domestic Workers;
- c. Calling for a targeted revision of the OSHA framework Directive 89 / 391 /EEC to ensure the inclusion of domestic workers within its scope;
- d. Opposing undeclared employment, thus ensuring insurance and social protection coverage.

A **specific focus** should be put on **domestic workers** providing **home care activities**:

- a. Avoiding any trade-offs between access to home care, the cost to families and individuals and the professionalisation of home care;
- b. Recognising that domestic workers (ref. ILO definition) provide care and non-care services in an intertwined manner, especially in countries where formal social care and services are underdeveloped;
- c. Acknowledging that these home care workers are poorly recognised, valued and professionalised and do not enjoy the necessary equal rights and protections as other care workers.

Along these lines it is thus crucial to recognise the essential role and contribution of both intra-EU mobile workers and non-EU workers, including undocumented workers, in providing care in the European Union and thus:

- a. Commit and set concrete actions to promote formal care services and decent work for all care workers, regardless of their migration or residence status, including through targeted measures;
- b. Facilitate declared employment and ensure insurance and social protection coverage.

The ETUC calls both institutions and social partners at all levels to pay attention to:

- a. Misuse of public funds, that should put people and public interest above profit and be conditional to the respect of workers' rights and collective bargaining. Social and environmental clauses in public procurement need to be strengthened as this would be conducive to upward convergence;
- b. Low collective bargaining coverage: trade union access could be facilitated by contact points advertised also in Care structures and institutions;
- c. The need to introduce a minimum standard of services and minimum needs-based staffing standards, incl. quality control & monitoring mechanisms;
- d. The European Commission and the Member States ought to recognise Covid-19 and other endemic/pandemic diseases as occupational diseases, including all future sickness or disability from Covid-19 exposure.

IV. ETUC demands on the implementation of the Recommendation on access to social protection

The ETUC reiterates the demands advanced in all the past Resolutions and Positions covering this subject¹⁷.

In this phase of the implementation of the Recommendation, and especially in the aftermath of the Covid pandemic, specific attention must be paid to the implementation process and its monitoring.

The Recommendation states that an implementation report is due to the Council by November 2022.

The ETUC calls on the Commission to remove the issues raised in this respect and in particular:

- a. Many trade unions have denounced the lack of meaningful consultation processes; it is anachronistic that many MS have decided not to opt for the involvement of social partners in the design of social protection reforms;
- b. When exchanges occur they are more often targeting individual fields for reforms;
- c. Reforms at national level are taking place, however the Covid pandemic has contributed to overcome them and led to unstructured and incoherent reforms with respect to the previous ones;
- d. These two last issues determine, in some countries, a complete lack of comprehensive overview of the impact of changes; such lack of comprehensive vision sometimes results in people receiving less money than in previous regimes;
- e. Also, such circumstances reveal the unaddressed public funding issue for social protection: the trend in many situations is that the formal coverage is stretched in order to increase the coverage rate. However, the problem is that resources have remained the same, whereas the effectiveness and adequacy of benefits remains unaddressed when not reduced;
- f. The long-term unemployment remains the greater issue for granting social protection; while the impact of any resilience and just transition plan is yet to be seen, the urgency for more and better jobs is increasing in importance as compared to formal reforms, which do not appear to be efficient solutions;

The ETUC will also develop a trade union assessment of the national plans and of the degree of involvement in the process of designing them.

The trade union assessment will also concern qualitative aspects of the ongoing reforms, coherently with the monitoring of the progress in the overall social protection chapter of the EPSR.

The trade union report will be submitted to the EC in time, so that it will be considered for the November 2022 review.

The ETUC will also conduct a proper assessment of the EU Semester package 2022, and will reiterate the demand that the CSRs will duly take into account the social goals of the Recommendation, coherently addressing inputs for reforms to Member states that lack behind in adequacy coverage and effectiveness of social protection

¹⁷ 2019

V. ETUC demands on Essential Services

For the first time since 2011, a broad initiative on essential services has been initiated, as a follow-up to the EPSR. The hearing was an opportunity to exchange views on the scope and content of an upcoming Commission report planned for the Autumn that will 'map' access to essential services throughout the EU.

The list of 'essential' services remains open under Principle 20, the EPSR mentions elsewhere other services that can also be considered as essential, not least healthcare, social care, education, postal services or public transport. While the upcoming report may focus on a selected number of services, it is important to be coherent and take account of the interlinkages between these *all essential* services.

The ETUC points out that the overall EC approach must be not only methodological, but substantially related to the efforts required towards **social progress as it is intertwined with economic and societal sustainable development**:

- a. The political commitment undertaken via the EPSR grants a series of rights, irrespective of a narrow limited list, which is mostly arbitrary;
- b. No link has been made by the EC between the issues at stake and the whole debate concerning innovation, just transition, and the full range of rights to services the EPSR guarantees;
- c. there is no link with any approach to comprehensive policy frameworks, including to labour market and social issues, nor is there a sign of coordination with other Commission services implied in the regulation and the provision of such services.

The EC report will cover some of services that have been subject to the EU liberalisation Directives (so-called /network industries such as electricity, gas, telecoms, postal services, transport).

While the EC adopted a **minimalistic view**, aimed at monitoring the access to essential services to poor people, the ETUC recalls that **the EPSR entails high qualitative standards**: we must avoid the risk that "looking only at public services for the poor, these become just poor public services".

Most, if not all, Member States have made cuts in essential services during the last decades and this has had an impact, in particular, on low-income households and vulnerable groups (see e.g., Eurofound Quality of Life surveys).

The ETUC finds it anachronistic to discuss about essential services such as transports, digital infrastructures, housing and many others without making any **reference to a just, digital and environmental transition and to economic frameworks that are supposed to fuel and coordinate them** - as well as to bind them to the political objectives of the Agenda 2030 and EPSR AP.

All the more important there should be a link with the EU financial resources expressively devoted to make the transition possible, green and just. The governance of financial and economic initiatives and frameworks already provide several elements that we can assess, measure and tackle, whereas the list of Principle 20 is narrow and not helpful, as investments for the future cannot be done in "silos".

The upcoming report should not only look at **measures to improve the access of vulnerable groups to essential services** (as proposed in the background note for the hearing) but **also take into account the overall design, financing and organisation of the service**.

Just in line with Protocol 26, a 2020 study carried out by the European Social Policy Network (ESPN) concludes that, however defined, facilitating access to what are deemed essential services "is a public responsibility which entails public obligations."

The report should therefore **include the issue of accountability in the provision of essential services**, which lays with governments of MS, and cannot be discharged in the light of liberalisation and privatisation. Governments should be responsible for such service provision: they should be accountable, in a transparent way, for the achievement of the right to essential services; assess the effectiveness of the right for people and respond to the use of resources (national own ones and even more so of the EU level funds) if this is not achieved for whatever reason (being it poor investment, or badly-functioning PPP, privatisation of services that the for-profit units cannot have interest to develop as much as the public authority).

The ETUC demands that **the upcoming report clarifies the above-mentioned aspects, as well as conditionality requirements to be linked to EU funding**, and systems that link and monitor needs, investments, achievements and responsibility

Just like any right in the Pillar and the Action Plan, **a monitoring process on progress in the right for essential services should involve trade unions.**

The ETUC also expect that clear **coordinated territorial and social perspectives** are properly developed for the drafting of the report and any follow-up.

One of these social dimensions should include the wage levels, working conditions, safe staffing levels, competences and skills of the workers in essential/public services as these are an intrinsic part of the overall design and quality of the service.

The ETUC also demands these features be included in **a strong sectoral strategy/action plans** to accompany a broader, deeper and more comprehensive approach. Whereas energy poverty exacerbates existing inequalities, not only among low-wage workers but also those with good jobs, the Green Deal sees 'access to essential services' as a key element to making a just transition. The sectoral strategies must also include other aspects such as funding, corporate governance issues as well service inclusiveness.

Not only low-income households are struggling to access essential services. Rocketing energy prices and poor internet provision in many areas are evidence that the overall regulatory framework is not 'fit for the future'. **Essential services are a matter of democracy.** France is one of the few countries where energy prices have been controlled (which is basically not allowed under the EU Directives). Affordable and stable prices are not only important for consumers, the whole French economy is benefiting from lower inflation.

The ETUC recalls the importance that human rights underpin the EU and Member States policy approach towards essential services.