

European Pillar of Social Rights: a new social contract for the future



It is time to translate the principles of the European Pillar of Social Rights (EPSR) into action, and Europe needs a new social contract for the future. This is the key message of the webinar on the Action Plan to implement the European Pillar of Social Rights and the Social Summit. The event was organised by the Workers' Group at the European Economic and Social Committee.

The participatory debate, which took place on 26 January 2021, was moderated by EU specialised journalist Jacki Davis. It saw the participation of European Commissioner **Nicolas Schmit**, S&D Group President at the European Parliament **Iratxe García**, Portuguese Deputy Minister of Labour and Vocational Training **Miguel Cabrita** and Workers' Group President **Oliver Röpke**. The idea of an action plan for the EPSR and the organisation of a Social Summit was born before the current pandemic. All speakers agreed, however, that the COVID-19 crisis creates a window of opportunity for the EU to change its political mindset and reconstruct the European social model.

Nicolas Schmit said *I very much like the expression chosen by the European Economic and Social Committee, that we need a **new social contract**. We need it for the future. Without a new social contract, we will not be able find our way out of this crisis, which is causing everyone to lose out: individuals, businesses and States.*

On 7 May 2021, the **Porto** Summit will therefore be the ideal occasion to launch the work on this new social contract and to face major challenges such as unemployment, inequalities and the digital and green transformations. Miguel Cabrita explained that this would be a two-day event, with a high-level conference involving civil society, the social partners and NGOs before the Heads of State summit. *We need to build the broadest possible consensus*, he said.

What is a new social contract?

It is about the content and about the process, said Oliver Röpke. *On the one hand, we have to implement those 20 principles and transform them into tangible results. On the other hand, we have to reinforce social dialogue and the involvement of the social partners and civil society. Only if we have all stakeholders on board can the EPSR fly.*

Iratxe García emphasised the importance of concrete action: *We need a plan to reintroduce the social European dimension into our lives. For example, we have to think about how to introduce the golden rule for social investment. The new social contract is about understanding that we cannot repeat the same austerity measures that we had after the financial crisis.*

Nicolas Schmit highlighted one main principle: the fair distribution of wealth. *This starts with raising wages, he said. While stock markets are exploding, wages remain stable*". *"We have impoverished our social services, he added. We must focus on education, equal opportunities, democracy and social dialogue: we need to shift from a shareholders' economy to a stakeholders' economy, in which both the social partners and civil society are involved.*

Concrete measures

Panellists agreed that the European Structural and Investment Funds (ESIF) are the key budgetary asset to implement the EPSR. The Commission's proposal [on adequate minimum wages for workers across Member States](#) is only a starting point to achieve onward convergence in the social dimension of Europe.

We also need a legal framework on minimum income, said Oliver Röpke, as well as on common minimum standards for unemployment benefits. The European Semester could also be central in monitoring social indicators in the Member States.

According to Miguel Cabrita, measures should address social cohesion and inclusion, income distribution, the quality of jobs and equal opportunities and should reinforce social dialogue. *At the Porto Summit, we want to establish a link with the plan to implement the Social Pillar. We need an ambitious agenda because this will be a plan for the next few decades.*

Background

In 2020, the Workers' Group at the EESC published a study on [The Macroeconomic Effects of Common Minimum Standards for Unemployment Benefit Schemes in EU member states](#). Another study, published in 2019, focuses on [Integrating the European Pillar of Social Rights into the roadmap for deepening Europe's Economic and Monetary Union](#). The debate on the implementation of the EPSR is available on EESC Twitter account [at this link](#).