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NOTE

From: General Secretariat of the Council
To: Delegations

Subject: La Hulpe Declaration on the Future of the European Pillar of Social Rights
– *Presentation by the Presidency*

Delegations will find attached the draft Declaration on the Future of the European Pillar of Social Rights, to be signed at the La Hulpe high-level conference on 16 April, with a view to the presentation by the Presidency at the Social Questions Working Party of 25 March 2024.

La Hulpe Declaration on
the Future of the European Pillar of Social Rights

A contribution to the Strategic Agenda 2024-2029

Preamble

Commitment to the European Social Model

1. We underline the importance of Europe's unique economic and social model, combining the pursuit of a highly-productive, competitive and innovative economy fostered by a dynamic single market, with goals of sustainable and inclusive growth. Our steadfast resolve lies in the pursuit of a European Social Union, aiming to foster a just transition to climate-neutrality, to eradicate poverty and reduce inequalities and to create opportunities and social progress for all, building on the Charter of Fundamental Rights of the European Union, the European Social Charter and the ILO Centenary Declaration for the Future of Work.

EU welfare states: Resilience in the Face of Adversity

2. In the past years, the European Union has been challenged by an unprecedented series of crises, such as the COVID-19 pandemic, the repercussions of Russia's war of aggression against Ukraine and the occurrence of high inflation. Well-functioning labour markets, robust health systems, affordable services of general interest and inclusive social protection systems played an essential role in mitigating the impact of past crises, by protecting millions of citizens, businesses and jobs, and by reinforcing the resilience of our economy, allowing a fast recovery. Emergency instruments agreed at Union level such as the Recovery and Resilience Facility (RRF) and the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) supported Member States in implementing the Pillar principles via concrete labour market and social policy measures to rapidly recover from the 2020 economic downturn caused by the COVID-19 pandemic.

The Compass: the European Pillar of Social Rights

3. Since 2017, the European Pillar of Social Rights has been the EU policy framework to provide common orientations to Member States on how to shape policy actions and legislation at national level, translating social rights into reality and ensuring a level playing field across the Union. Affirmed by the EU Leaders via the Porto Declaration in 2021, the implementation of the Pillar at Union and Member State level is a shared political commitment and responsibility, with due regard for their respective competences and the principles of subsidiarity and proportionality.

Prioritizing the Pillar Principles

4. We underline that progressing on the implementation of the Pillar should remain a key priority for the Union and the current and future Member States. Its principles continue to represent the cornerstones to navigate the megatrends and shape related policies. Amidst the complexities of the digital and green transitions, the Pillar fosters the preservation of workers' rights, equitable opportunities for reskilling and upskilling, fair working conditions, and robust social protection mechanisms. The Pillar shall serve as a compass, ensuring a just and fair transition, devoid of exclusion. As demographic shifts unfold, the Pillar provides a comprehensive framework for adapting policies, promoting active and healthy aging, and addressing the diverse needs of a changing workforce and an aging population, all while upholding principles of intergenerational fairness and solidarity.
5. In face of such transitions, we reaffirm the importance of guaranteeing the right of everyone to access services of general interest of good quality, including social services and essential services, which are crucial for social and territorial cohesion.

6. We reiterate that economic and social progress are intertwined, and the establishment of a European Pillar of Social Rights is part of wider efforts to build a more inclusive and sustainable growth model by improving Europe's competitiveness and making it a better place for companies, including SMEs, to invest, create jobs and foster social cohesion. In face of the productivity stagnation in the EU and persisting labour and skills shortages, we recall the added value of social investment and its positive impact on economic growth, through its impact on human capital and productivity, including via stronger innovative capacity and absorption of new technologies, and/or labour supply, thereby also supporting fiscal sustainability while promoting upward social convergence.
7. Against all the challenges illustrated above, we invite the European Commission to review the 2020 Pillar Action Plan in 2025, as foreseen, and to subsequently come forward with a new action plan.

Upholding Social Dialogue as a Pillar of Democracy

8. We reaffirm the indispensable nature of effective Social Dialogue at the European Union level. Enshrined in the Treaty on the Functioning of the European Union, European social dialogue at all levels is brought to life via consultations, discussions, negotiations, agreements and joint actions. It is a fundamental component of the European social model and of our European democracy. It improves working conditions and contributes to make the EU the best place to live, work and do business. We call for a reinforcement of the European cross-industry and sectorial social dialogue, continue to support social partners agreements, and to mainstream social dialogue in the EU policy making, including in the implementation of the green transition.

Empowering Social Partners and Collective Bargaining

9. We reiterate our unwavering commitment to fully respect and promote the role of social partners, commit to fostering collective bargaining at all levels and in all relevant policy domains and to working towards a collective bargaining coverage of at least 80 per cent by 2030. We welcome the forthcoming appointment of a dedicated European Social Dialogue Envoy within the European Commission and look forward to the Pact for European Social Dialogue announced by the social partners.
10. We recall the importance of guaranteeing the freedom of assembly and association, workers' right to information and consultation within their workplace and the right of collective bargaining and action.

Acknowledgment of Civil Society's Role

11. We recognize and value the role of civil society, in particular regarding policies affecting the most vulnerable, including persons with disabilities.

Equal opportunities and access to the labour market

12. To accelerate the green and digital transitions and make the most of reallocation to new businesses, sectors and jobs, and in light of the widespread labour shortages and skills mismatches affecting all Member States further actions promoting a mindset of lifelong learning are needed. The right to quality and inclusive education, training and lifelong learning is essential to help all working, unemployed and inactive people and requires action at EU level. We welcome the momentum created by the European Year of Skills and commit to keeping skills as a policy priority and to updating the Skills Agenda that comes to an end in 2025. Furthermore, we commit to giving visibility and value to skills, regardless of the context in which they were acquired, including through individual learning accounts. More specifically, we commit to ambitious implementation of the Net Zero Industry Academies on the ground, thus ensuring that all workers across the Union can have access to innovative and quality training programmes.

13. We underline the importance of fostering labour market access, in particular for vulnerable groups, including persons with disabilities, and we support innovative ways to integrate them. More broadly, Public Employment Services (PES) are essential to meet the needs of jobseekers and employers and offer them effective services that lead to decent work and skilled personnel. We recall the importance of using their knowledge to support EU labour market policies and call for further support of their capacity to use data and digital technology.
14. We are particularly committed to investing in our young people, as their dynamism, talent and creativity will be the key determinators of Europe's future prosperity. We reconfirm the importance of the Youth Guarantee and commit to ensuring that traineeships and apprenticeships are of quality, paid and inclusive.
15. We underline the importance of the fight against discrimination in society and on the labour market. We recommit to strive for a Union of Equality and commit to evaluate anti-discrimination strategies and complete the EU anti-discrimination and anti-racism frameworks, including with regard to age discrimination, and through an intersectional approach. We propose to launch an EU action plan to gradually eradicate marginalised Roma settlements by 2030, with the aim of reinforcing the use of existing policy and financial instruments.
16. We recognize the important progress made to advance gender equality at the EU level, yet the gender employment and pay gaps remain sizeable. We call for a new and ambitious Gender Equality Strategy with renewed action to tackle gender segregation and close the gender gaps on the labour market, including the gender pension gap. We call for necessary measures to ensure that pre-existing gender inequalities are not replicated in emerging industries, by increasing women's participation in male-dominated sectors, as well as by encouraging men to enter sectors with a predominantly female labour force, such as care.

Fair working conditions

17. We are determined to fully exploit the opportunities that new technologies bring for innovation, increased productivity. However, uncertainties persist surrounding the progressive proliferation of platform work, artificial intelligence, and algorithmic management on workplace dynamics. EU legislation, including legislation on working time and on the information and consultation of employees, may require updates to better align their provisions to the digital age, such as telework, the right to disconnect and the working conditions in platform work, incorporating the ‘human in control’ principle for artificial intelligence in the world of work and regulating algorithmic management.
18. Demographic challenges are leading to a shrinking workforce across the EU, leading to labour shortages, putting a strain on the competitiveness of our economy and on the financing of social protection systems. We [welcome the Commission Action Plan on labour market shortages and] commit to bringing more people to the labour market, improve working conditions, including for domestic workers, facilitate the recognition of qualifications and integrate workers coming from abroad, fully respecting the principle of equal treatment while further ensuring their fair working conditions, including through social dialogue and collective bargaining.
19. We will take measures to foster fair and effective labour mobility across the European Union. We recognize the important role of the European Labour Authority and underline that its forthcoming evaluation represents an opportunity to reflect upon its further development and to reinforce its role. Initiatives to improve the ability to detect fraud and abuse, the capacity and the cross-border cooperation of national labour inspectorates, as well as closing gaps in the regulatory framework and improving access to information for individuals, enterprises and social partners, may also contribute to further improving working conditions, and foster fair labour mobility across the Union for EU and third-country nationals, including in the areas of sub-contracting and agency work. In this context, the creation of counselling and support networks for mobile workers should be encouraged, as well as the recognition of skills and qualification of third country nationals and their integration in the labour market.

20. We welcome the proposal for a Talent Pool and recognize the need to for initiatives to attract foreign talent to the EU where needed while ensuring, social partners involvement, fair mobility and safeguarding labour and social rights. We undertake to involve the Public Employment Services in the setting up and implementation of the Talent Pool to ensure it meets needs on the ground and functions in complementarity with existing mobility instruments (such as EURES).
21. While it is a priority to preserve and create new jobs to boost the economic performance of the Union, equal attention should be paid to the quality of these jobs. Decent working conditions and stable contracts are vital to attract and retain workers, while adequate and fair wages, supporting inclusive growth and preventing in-work poverty, are essential to restore the labour share of income.
22. Strengthening employee involvement and workers' right to information, consultation and participation is indispensable to increase the acceptance of the upcoming changes in the European labour market and to enable workers to have an active role in managing the current major transitions.
23. By putting people at the heart of its approach and its way of doing business, the social economy proposes as model of economic development capable of offering high-performance, inclusive and sustainable economic activities that serve the collective interest. We recognise the added value of the Council recommendation on developing social economy framework conditions and subscribe to the Liège Roadmap for Social Economy in the EU.
24. In relation to health and safety, we reconfirm the "vision zero" approach aiming to prevent work related deaths. Further adaptation to the relevant regulations and frameworks may need to better incorporate both the psychosocial risks i.e. those linked to the digital transition, including negative impacts on mental health, and specific hazards stemming from climate change such as heat stress or severe weather events by encouraging their prevention, in addition to speeding up the setting of minimum standards regarding hazardous substances and fostering the evolution towards substituting them.

25. The experience of SURE and its ongoing evaluation may provide lessons for the effectiveness of future EU schemes aiming to mitigate unemployment risks during emergencies, preventing job losses or fostering transitions on the labour market.
26. To increase female labour market participation, we emphasize the importance of fostering an appropriate work-life balance and equal sharing of child care. We recommit to reaching the renewed Barcelona targets on early childhood education and care and recall the importance of investing in accessible, affordable child care as participating in high-quality child care can improve children's cognitive, social and educational development from early age.

Social protection and inclusion

27. The enduring sustainability of EU welfare states faces significant challenges amidst the ongoing demographic megatrends of an ageing society. While there is a need to safeguard the fiscal sustainability of pension systems, continued efforts are needed to improve the adequacy of pensions. At the EU-level, a strengthened coordination between the delivery of the Ageing Report, Pension Adequacy Report and the Long-Term Care Report would ensure complementarity and coherence of monitoring.
28. To address increasing needs in the health and long term care sector and guarantee adequate access, further investment in these sectors is key. While taking into account national contexts and division of competences, action at the EU-level could include the addressing of workforce needs in the care sector, the consideration of territorial inequalities between and within countries, and the exploration of opportunities in digitalisation and efforts for deinstitutionalization.
29. Labour market transformations lead to increased challenges to guarantee adequate social protection for all, calling for a continuous improvement of adequate national social protection systems. It is thus a key priority to intensify mutual learning, monitoring and further the implementation of the Council Recommendation on access to social protection for workers and the self-employed, including with regard to opportunities and challenges of digitalisation, while respecting the diversity of national social protection systems.

30. To improve cross-border cooperation, a modernisation of social security coordination, including in relation to telework, posting of workers, cross-border healthcare and the interaction between social security coordination and labour law, taxation and company law, is key. To make our social protection systems more citizen-friendly, including for mobile workers, we call for a global vision on digitalisation and for continued steps to further implement and complement the EESSI-system, with a vision of moving towards a European Social Security Pass in the future.
31. Services of General Interest are of fundamental importance for the formation of human capital, to promote work-life balance, to support citizens in making the digital and green transitions and to fight social exclusion. We underline the need to give useful effect to the right and freedom of access of all EU citizens and workers and their families to high-quality services of general interest, which are affordable, adaptable to technological and societal developments and which promote social and territorial cohesion.
32. We therefore underline the importance of investing in accessible, affordable and high-quality Services of General Interest, in particular in the health sector, child care, public transport and housing. We also commit to revise the Voluntary European Quality Framework for Social Services to improve its relevance and use, alongside further work on access to essential services.
33. While the green and digital transitions represent an opportunity to improve social protection and social service provision, they also raise risks in labour market participation and social inclusion of people, especially those in vulnerable situations. We propose to come forward with an EU action plan on social protection, taking into account the risk of job transformation and social exclusion. We emphasize the importance of bridging the digital divide and ensuring digital inclusion for all, particularly for the most vulnerable citizens.
34. The fight against poverty and for social inclusion is a core dimension of the social welfare state. To tackle the multidimensional issue of social exclusion, we commit to develop an EU-integrated anti-poverty strategy in order to eradicate poverty in the medium-term.

35. To break the intergenerational transmission of poverty, we commit to invest in children and younger generations. Further implementing and strengthening the European Child Guarantee, including with an increase of funding, is key. Furthermore, the implementation of the Council recommendation on adequate minimum income ensuring active inclusion plays a role in further developing social safety nets, ensuring basic protection of the active population and effective take-up to its entitlements, while facilitating smooth transitions to the labour market of those who can work. Effective and close monitoring and multilateral surveillance of their implementation should be guaranteed.
36. To respect and promote the rights of persons with disabilities, we commit to take steps to mainstream the disability perspective in all EU-policies and to develop an ambitious 2nd phase of the Strategy for the Rights of Persons with Disabilities in accordance with the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD). For people with mental health issues, we could build further on the Comprehensive Approach to Mental Health.
37. Homelessness remains an issue in many Member States, along with challenges related housing affordability, energy poverty and high cost of living impacting a broad range of people, but mostly those on low incomes, calling for integrated strategies and follow-up at EU-level. We call for the development of an EU-action plan for accessible, green and affordable social housing to meet the housing needs of all, to eradicate homelessness by 2030 and to adopt ‘a housing first’ principle to foster access to housing. We call for the strengthening and structurally embedding the European Platform on Combating Homelessness, and increased access to EU-funding in the fight against homelessness.

Governance

38. We recall the importance of a stronger focus on employment and social performance to increase resilience and deepen the Economic and Monetary Union. We reiterate that the European Semester should remain a key framework to monitor the implementation of the Pillar, via the Social Scoreboard and a framework to identify risks of social convergence including in relation to the progress achieved towards the 2030 EU and national targets on employment, skills, and poverty reduction. To maintain the multilateral nature of the Semester and Member States' ownership of the analysis and recommendations therein, the EPSCO Council filière, according to the relevant Treaty provisions, should retain its coordinating role in relation to the relevant content of all documents within the Semester framework. We recall the importance to ensure effective cooperation and joint reflections between the EPSCO and the ECOFIN filières of the Council in the European Semester, to fully exploit the potential of social investment for economic growth as well as to avoid that budgetary policies have adverse effects on household incomes, with unintended consequences of heightened poverty risks and social inequalities.
39. Renewed efforts to improve evidence-based policymaking may be needed to improve the quality of social policy making, against the background of the structural challenges brought about by the green and digital transitions and population ageing. We recall the importance, in addition to enhanced mutual learning opportunities, to develop common guiding principles and standards for voluntary use of Member States to support the administrative capacity of Member States. These should focus on the use of (distributional) impact assessment and evaluation methodologies, including those related to social investment policies.
40. In this light and to improve the quality of social policy making and monitoring, we commit to investing in more timely harmonised and granular EU and national statistics, with better disaggregation, and to facilitating access to microdata for monitoring and enforcement purposes while ensuring compliance with data protection regulations.

41. We call to mainstream the principles of the European Pillar of Social Rights in all policy domains. To make sure that policies in all domains do not exacerbate poverty or existing inequalities, we commit to strengthen the use of distributional impact assessments. We commit to introducing social conditionality for EU funding, including for state aid and call for an optimal use of these funds to protect people in jobs, those facing professional transitions and those at risk of poverty or in poverty and ensure quality jobs. We call for strengthening the social clause in the Directive on public procurement, including to promote collective bargaining.
42. The European Pillar of Social Rights should equally serve as a compass for the external action of the EU. We commit to facilitating the enlargement of the EU through enhanced cooperation with the candidate countries, helping them to implement the acquis and fostering upwards social convergence. We equally commit to further cooperation with the countries neighbouring the EU, including through the Union of the Mediterranean.
43. In promoting social rights, the EU should further enhance the cooperation with the Council of Europe and promote the effective implementation of the (revised) European Social Charter and its protocols.
44. We reconfirm the attachment of the EU to the ILO, including with regards to the definition of global norms, and the values of the International Labour Organisation and confirm the EU participation in the Global Coalition for Social Justice.