

Contribution of the PES activists Brussels Social Europe Working Group to the PES manifesto process

European integration will not be completed before achieving a Social Europe. The European Union must be more than a big market. The Social Democrats will continue to fight for a democratic Europe, where social, environmental and political needs of the Union citizens will be fulfilled. Only when the everyday concerns of the people in Europe will be taken seriously, the EU can reconnect with its citizens.

The social situation in the European Union is unbalanced: while some countries - especially the new member states - are catching up, the situation in many old member states is worsening. The unemployment level remains too high, the quality of work decreases, the number of working poor increases, equality between men and women is still not achieved and the integration of social disadvantaged people remains problematic. Although many efforts were done by the European Social Democrats to improve the social reality for all European citizens, many challenges remain:

Policies in Europe are unbalanced. Whereas economic policy is largely done on the European level, social policy remains a national domain. While social aspects are disregarded by many policy makers on the European level, the member states are overburdened to provide sufficient redistribution of wealth in times of a globalised world. What's more, Europe's response to globalisation has so far been ever more opening of markets, not more social protection. There are already many areas where decisions on the European level are necessary and can help to guarantee social justice in the entire EU, while maintaining sovereignty for the social security systems. Many of these decisions are blocked by individual member states, such as the working time directive.

Social policy is no priority and social aspects are not mainstreamed. Within a largely integrated EU and within a single market, economic competition can undermine social standards. To date, the completion of the internal market and making the EU more competitive seem to be more important than improving the social reality of the Union citizens. Social inclusion, employment, guaranteeing minimum standards and fundamental rights need to be top priorities of the European Union. Guaranteeing social protection is an answer to the challenges of globalisation. Not only more jobs, but more decent work needs to be advocated. Fighting poverty needs to be at the heart of the Union policy. Furthermore, European social policy is left to too few dedicated politicians. Many political actors do not respect social aspects when for example deciding on economic policy, industrial policy, trade and foreign policy. It is problematic that especially in the area of economic and social policy, decisions and legislation become so technical that they are often taken out of the hands of politicians.

The EU has a good record in some fields of social legislation, but has not yet developed strong tools in the area of social policy. In economic policy the EU has a clear competence, decides with majority and has developed numerous tools. In the case of social policy, although a lot has been done as far as legislation in connection with free movement of workers in the single market is concerned, there are no strong tools for a real European social policy. The soft policy tool 'Open Method of Coordination' (for example used in the fields of employment, social protection,

social inclusion, equal opportunities and education) has produced limited results until now. The original idea that those member states which do not deliver good results in the social field are named and have to justify decisions they took, is not implemented properly. Sanctions could be considered, if the objectives are not met. The aim of the 'Lisbon Strategy' to be "the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment by 2010" will not be fulfilled. The strategy should be prolonged, but more focus than in the past ten years should be put on qualitative employment, social cohesion and environmental aspects. All EU institutions as well as the member states should be stronger bound to reach the Lisbon-Objectives.

In order to arrive at a Social Europe, the PES Activists Brussels suggest four priorities for the PES policy:

1. Social inclusion of all citizens

Without interfering into the competence of the member states, the EU can take initiatives in several social policy areas:

Unemployment: Despite progress in the last few years, the unemployment rate in Europe remains very high. Especially young people and long term unemployed have severe difficulties to find access to the labour market. Unemployed should not be parked in training placements, which can be a tool to qualify people for new professions but should not be used as an excuse for establishing proper employment opportunities. Since unemployment and poverty go hand in hand, both challenges should be dealt with in a joint effort.

To solve the problem of unemployment, the topic must be put higher on the EU agenda. Existing tools could be used better to fight unemployment, such as the structural and social funds. Special focus should be put on employment of women. An option is to make it compulsory for companies to reveal information about percentage of employed woman, also in their management positions as well as about the equal pay of men and women. European rules against illegal employment should be established and the employers should be made liable. Further efforts must be made to improve education standards and to provide child care. Special work-programs should be introduced for the vulnerable groups, such as woman, young people and workers with a migration background.

Working poor: There is a growing gap between the rich and the poor in Europe. Many Europeans cannot afford a decent living even though they work full time and often have more than one job. In some EU member states, the majority of newly created jobs are in the low pay sector. The problem of low salaries is especially severe for young people, women and the elderly. Salaries and career opportunities still depend very much on the income of the parents.

Higher wage agreements will result in increased demand on national economies and will contribute to more growth. Raising salaries must be part of the economic strategy of the EU. Quality of work should be monitored in the framework of the open method of coordination. Since women more often than men suffer from low wages, initiatives should be taken to overcome the gender pay gap. Solutions must also be offered to the 'intern-generation' in Europe. A European legislation based on the antidiscrimination principle could be introduced, preventing using young people who have just completed

their education as "free" or "cheap labour". Posted worker must have real protection, ensuring equal pay and working conditions for them in the country where they are working. Too often their salary is well below of the average wage in their host country and they have to endure very poor conditions at the workplace and in housing. The same protection must be granted to migrant workers, who are often exploited as "modern slaves". A contribution to more equality between poor and rich could also be the shift of the tax burden from salaries to other bases such as capital investment or speculative capital.

Economic democracy: We need to establish economic democracy on the European level. Each democracy is built on trust, clear rules and the willingness to take over responsibility. European economic governance will only become reality, if also employers and companies take over more responsibility for improving the social reality in Europe. An important step would be the strengthening and further establishment of European Works Councils. To give more incentives to contribute to the success of the company, employees should have easier access to profit sharing. In the future, managers should be made responsible and liable if they cause losses - managers salaries should be directly linked to their performance. In case a company causes a high numbers of lay-offs without being in an economical crises it should contribute to the social security of the fired people. Furthermore the difference between lower and higher salaries in a company should be decreased, if necessary by binding legislation. Also the work of trade unions, the legitimate representatives of workers, should be better supported, for example by monitoring the implementation of the ILO-standards.

Education: Economic growth as well as social integration and a high level of employment are impossible to achieve, without improvements in the educational systems. Equality in education is not yet achieved. Also the most vulnerable groups in society should have access to education. Therefore the privatisation of education should be limited and the existing minimum standards for the investment of member states in education should be monitored better. Increased support should be given to life long learning programmes on European and national levels. Informal and non-formal competences must be better recognised as additional qualifications next to school and university education. To improve mobility in the EU, more must be done to accept diplomas EU-wide.

2. Social mainstreaming

Completing the internal market and being competitive should no longer be the dominating objectives of the EU. Social inclusion, employment, solidarity and equality should be equal objectives and top priorities for the Union policy. Mainstreaming of social aspects has to be obligatory. All Commission General Directorates, all EP-Committees and all Council of Ministers formations have to pay attention to the social implications of their decisions and programmes. Many of the European and national decision makers still need to be sensitised for social aspects. The horizontal clause of the new Lisbon Treaty - which will commit all institutions to social mainstreaming - have to be implemented quickly and breaches of these rules must be brought before the European Court of Justice. Unemployment and social integration should be integrated as criteria in the stability and growth pact and the European Central Bank should be bound to contribute to sustainable growth, not only to monetary stability.

Social responsibility must be taken more seriously as a European value. Without solidarity between member states and between citizens the European Union would collapse. Therefore the regional and structural funds should be kept and further strengthened. Furthermore it should be considered to introduce a new tax base for a fair European tax, such as pollution-, financial flow or energy-consumption tax. Such a step could better lead to equality than the current system based on VAT and member states contributions. Economic competition between member states should not lead to a lowering of social standards. The European politicians have a responsibility to stop the social downward spiral in the EU. A better macro-economic dialog, a better cohesion between monetary, fiscal, economic, social and employment policy are preconditions for a social Europe. Also in the field of foreign policy and foreign trade, social aspects shall be respected. A possibility is the introduction of special tariffs for imports from countries with extremely low social standards. The EU should advocate more social aspects on the agenda of the WTO.

3. Social minimum standards

An important pillar of a Social Europe are European minimum standards. Common standards can counterbalance the social downward spiral, will serve as a safety net for the European citizens and can safeguard the survival of the national social protection systems. Although some minimum standards have been introduced in recent years, more efforts need to be done.

A big step forward would be the introduction of a European minimum wage. The aim must be the harmonisation of wages in Europe at the highest level and thus fostering growth in the EU. It is not helpful to introduce a common minimum wage for all member states calculated in Euros. But a common European minimum salary could be calculated on the base of the average salaries. The member states could for example agree that until 2015 there should be a minimum wage in all member states - either by binding legislation or through collective agreements - that is equivalent to 50% of the average salary in that member state, until 2020 it should be 60%. The social partners should be directly involved in defining every two years the development of the minimum salary, aiming at reaching the targets of 50% and 60% within the deadline. In the Council of Ministers there should be reports on the minimum salaries introduced and on how far the measures have contributed to more social inclusion as well as to more and better jobs.

Another area, where minimum standards are important, is in working conditions. The existing labour rights should be strengthened and harmonised on a high level of social protection. Furthermore minimum standards for the gender pay gap could be introduced. In the public administration as well as in private businesses, the pay gap should be gradually decreased. Minimum standards for the working time have already been negotiated for many years, but a few member states block progress. Minimum standards should also be introduced for public investment, for example in social systems, health and employment.

4. Making the EU fit for a Social Europe

A democratic and political Europe is a precondition for a Social Europe. The European Social Democrats work on politicising Europe: political actors should have their say,

not bureaucrats and lobbyists. A clear majority of the Union citizens is in favour of a Social Europe. Nevertheless, the current political system does not allow for those majorities to be reflected in Union policies. The European Parliament does not decide in all fields of policies and many veto powers of the member states prevent progress. Once the Lisbon Treaty enters into force and if it is implemented properly, many of those deficits can be overcome. The new Treaty gives more power to the European Parliament. If the European Social Democrats win the elections, they will use this power to take decisive steps towards a social Europe. It is important that Europe moves towards a new understanding of the values and aims of the EU: social inclusion, qualitative employment, solidarity and antidiscrimination are as important as economic growth. Fundamental Rights are more important than Fundamental Freedoms. But the Lisbon Treaty also has weaknesses, which need to be corrected. With the next opportunity for Treaty changes, a social protocol should be added to the European Treaties, stressing the importance of social aspects for the European Union.