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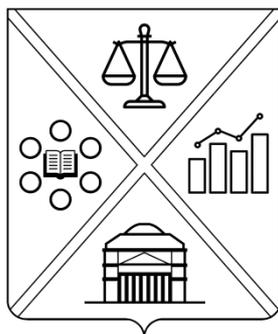
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Crisis and the impact of automation in Europe

EU Law and Social Policy

ARNAU GUIX SANTANDREU



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Dedicated to the parents and godparents of the author.

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The author thanks Dr. Antoni Roig, for the always interesting conversations with him.

Crisis and the impact of automation in Europe

EU Law and Social Policy

ARNAU GUIX SANTANDREU

ABSTRACT

[ENG] What is the future of European workers? Current evidence indicates that approximately half of the existing jobs are in danger of being automated, and this trend could put considerable pressure over the social public policies. According to the Treaty on European Union, the organisation shall work for achieving «a highly competitive social market economy, aiming at full employment and social progress», whilst shall promote «scientific and technological advance» (Art. 3 TEU). Since the very beginning, the Union has articulated a social policy and at the same time has liberalised the economy in the global scenery. This process has experienced several crises or shocks, which have intensified during the last two decades and have affected the original European social model.

By analysing accurately documents produced by official sources, the report is articulated into three distinct fronts: first of all, it is structured a general overview of the EU's social policy, covering its evolution over time and present framework; secondly, focusing on employment and education policies, the inquiry evaluates the «Europe 2020» Strategy and the «European Pillar of Social Rights», which have taken an important fraction of the social agenda during the last ten years; and finally, the study depicts possible public policies to attend the challenges of automation, with their legal implications in the context of the Union. The coronavirus crisis can accelerate the deployment of reforms.

Keywords: automation, employment, European Union, public policies, social policy, Europe 2020, European Pillar of Social Rights (EPSR), basic income, coronavirus.

[CAT] Quin és el futur dels treballadors europeus? Les recerques actuals indiquen que aproximadament la meitat de les ocupacions actuals estan en perill de ser automatitzades, i aquesta tendència pot crear una pressió considerable sobre les polítiques públiques de tipus social. Segons el Tractat de la Unió Europea, l'organització ha d'obrar per assolir «una economia social de mercat altament competitiva, tendent a la plena ocupació i al progrés social», i a la vegada ha de promoure «el progrés científic i tècnic» (Art. 3 TUE). Des de bon principi, la Unió ha articulat una política social i al mateix temps ha liberalitzat l'economia en l'escenari global. Aquest procés ha experimentat diverses crisis o xocs, que s'han intensificat durant les dues últimes dècades i han afectat al model social europeu original.

A través d'un anàlisi acurat de documents produïts per fonts oficials, l'informe s'articula en tres fronts diferenciats: en primer lloc, s'estructura una visió general de la política social de la UE, cobrint la seva evolució al llarg del temps i el marc actual; en segon lloc, focalitzant en les polítiques de treball i educació, la recerca avalua l'estratègia «Europa 2020» i el «Pilar Europeu de Drets Socials», que han ocupat una fracció important de l'agenda social dels últims deu anys; i finalment, l'estudi il·lustra possibles polítiques públiques per atendre els reptes de l'automatització, amb les seves implicacions jurídiques en el context de la Unió. La crisi del coronavirus pot accelerar el desplaçament de reformes.

Paraules clau: automatització, ocupació, Unió Europea, polítiques públiques, política social, Europa 2020, Pilar Europeu de Drets Socials, renda bàsica, coronavirus.

[CAS] ¿Cuál es el futuro de los trabajadores europeos? Las investigaciones actuales indican que aproximadamente la mitad de los empleos actuales están en peligro de ser automatizadas, y que esta tendencia puede crear una presión considerable sobre las políticas públicas de tipo social. Según el Tratado de la Unión Europea, la organización debe obrar para alcanzar «una economía social de mercado altamente competitiva, tendente al pleno empleo y al progreso social», y tiene que promover a la vez «el progreso científico y técnico» (Art. 3 TUE). Desde el principio, la Unión ha articulado una política social y al mismo tiempo ha liberalizado la economía en el escenario global. Este proceso ha experimentado varias crisis o choques, que se han intensificado durante las dos últimas décadas y han afectado al modelo social europeo original.

Mediante un análisis cuidadoso de documentos producidos por fuentes oficiales, el informe se articula en tres frentes diferenciados: en primer lugar, se estructura una visión general de la política social de la UE, cubriendo su evolución a lo largo del tiempo y el marco actual; en segundo lugar, focalizando en las políticas de empleo y educación, la investigación evalúa la estrategia «Europa 2020» y el «Pilar Europeo de Derechos Sociales», que han ocupado una fracción importante de la agenda social de los últimos diez años; y finalmente, el estudio ilustra posibles políticas públicas para atender los retos de la automatización, con sus implicaciones jurídicas en el contexto de la Unión. La crisis del coronavirus puede acelerar las reformas.

Palabras clave: automatización, empleo, Unión Europea, políticas públicas, política social, Europa 2020, Pilar Europeo de Derechos Sociales, renta básica, coronavirus.

[FRA] Quel est l'avenir des travailleurs européens? Les données actuelles indiquent qu'environ la moitié des emplois existants risquent d'être automatisés, et cette tendance pourrait exercer une pression considérable sur les politiques publiques sociales. Selon le Traité sur l'Union Européenne, l'organisation doit œuvrer pour la réalisation «d'une économie sociale de marché hautement compétitive, qui tend au plein emploi et au progrès social», tout en promouvant «le progrès scientifique et technique» (Art. 3 TUE). Depuis de son commencement, l'Union a articulé une politique sociale et en même temps a libéralisé l'économie dans la scène mondiale. Ce processus a connu plusieurs crises ou chocs, qui se sont intensifiés au cours des deux dernières décennies et ont affecté le modèle social européen originel.

En analysant avec précision les documents produits par des sources officielles, le rapport s'articule autour de trois fronts singuliers: tout d'abord, il est structuré par un sommaire général de la politique sociale de l'UE, couvrant son évolution dans le temps et le cadre actuel; deuxièmement, en se concentrant sur les politiques d'emploi et d'éducation, l'enquête évalue la stratégie «Europe 2020» et le «Socle Européen des Droits Sociaux», qui ont occupé une partie importante de l'agenda social au cours des dix dernières années; et enfin, l'étude décrit les politiques publiques possibles pour accueillir les défis de l'automatisation, avec leurs implications juridiques dans le contexte de l'Union. La crise des coronavirus peut accélérer le déploiement des réformes.

Mots clés: automatisation, emploi, Union européenne, politiques publiques, politique sociale, Europe 2020, Socle Européen des Droits Sociaux, revenu de base, coronavirus.

[ITA] Qual è il futuro dei lavoratori europei? Le prove attuali indicano che circa la metà dei posti di lavoro esistenti rischiano di essere automatizzati e questa tendenza potrebbe esercitare una notevole pressione sulle politiche pubbliche sociali. Secondo il Trattato sull'Unione europea, l'organizzazione deve lavorare per raggiungere «un'economia sociale di mercato fortemente competitiva, che mira alla piena occupazione e al progresso sociale», mentre promuove il «progresso scientifico e tecnologico» (Art. 3 TUE). Dall'inizio, l'Unione ha articolato una politica sociale e allo stesso tempo ha liberalizzato l'economia nel scenario globale. Questo processo ha subito diverse crisi o scontri, che si sono intensificati negli ultimi due decenni e hanno influenzato il modello sociale europeo originale.

Analizzando accuratamente i documenti prodotti da fonti ufficiali, il rapporto si articola in tre fronti distinti: innanzitutto, è strutturata una visione generale della politica sociale dell'UE, che ne copre l'evoluzione nel tempo e il quadro attuale; in secondo luogo, concentrandosi sulle politiche dell'occupazione e dell'istruzione, l'indagine valuta la strategia «Europa 2020» e il «Pilastro Europeo dei Diritti Sociali», che hanno assunto una parte importante dell'agenda sociale negli ultimi dieci anni; e infine, lo studio descrive possibili politiche pubbliche per accogliere le sfide dell'automazione, con le loro implicazioni legali nel contesto dell'Unione. La crisi del coronavirus può accelerare lo spiegamento delle riforme.

Parole chiave: automazione, occupazione, Unione Europea, politiche pubbliche, politica sociale, Europa 2020, Pilastro Europeo dei Diritti Sociali, reddito di base, coronavirus.

[OCC] Quin ei eth futur des treballadors europeus? Es recèrces actuaus indiquen qu'apuprètz era mitat des aucupacions actuaus son en perill d'èster automatizades, e aguesta tendència pòt crear ua pression considerabla sobre es politiquas publicas de tipe social. Segontes eth Tractat dera Union Europèa, era organizacion a d'obrar entà desvolopar «ua economia social de mercat extrèmament competitiva, que tendís ara plea aucupacion e ath progrès social», e ath madeish viatge li cau promòir «eth progrès científic e tecnic» (Art. 3 TUE). Dempús de bon principi, era Union a articulat ua politica social e ath madeish temps a liberalizat era economia en un scenari globau. Aguest procès a experimentat diuèrses crisis o descargues, que s'an intensificat pendent es dus darrèri decènnis e an afectat ath modèl social europèu originau.

A trauès d'ua analisi suenhada de documents produsidi per hònts oficiaus, er informe s'articule en tres fronts diferenciadi: en primèr lòc, s'estructure ua vision generau dera politica social dera UE, en tot corbir era sua evolucion ath long deth temps e eth marc actua; en dusau lòc, focalizant enes politiquas de trabalh e educacion, era recèrca avalore era estrategia «Euròpa 2020» e eth «Pilar Europèu de Drets Socials», qu'an aucupat ua fraccion importanta dera agenda social des darrèri dètz ans; e fin finau, er estudi illustre possibles politiquas publicas entà atier es rèptes dera automatizacion, damb es sues implicacions en eth contèxte dera Union. Era crisi deth coronavirus pòt accelerar eth desplegament de reformes.

Paraules clau: automatizacion, aucupacion, Union Europèa, politiquas publicas, politica social, Euròpa 2020, Pilar Europèu de Drets Socials, renda basica, coronavirus.

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ABBREVIATIONS

AI	Artificial Intelligence
CFSRW	Community Charter of Fundamental Social Rights of Workers
CFREU	Charter of Fundamental Rights of the European Union
CoE	Council of Europe
DSM	Digital Single Market
EaSI	Programme for Employment and Social Innovation
ECB	European Central Bank
ECSC	European Coal and Steel Community
EEC	European Economic Community
EESC	European Economic and Social Committee
EGF	European Globalisation Adjustment Fund
EMU	Economic and Monetary Union
EPSR	European Pillar of Social Rights
EQF	European Qualifications Framework
ESC	European Social Charter
ESF	European Social Fund
ET 2020	Education and Training 2020
EU	European Union
Euratom	European Atomic Energy Community
EURES	European Employment Service
FEAD	Fund for European Aid to the Most Deprived
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation: Regulation (EU) 2016/679
H2020	Horizon 2020
ICTs	Information and Communication Technologies
ILO	International Labour Office
IoT	Internet of Things
ISO	International Organisation for Standardisation
LFS	Labour Force Survey
MaSE	Microfinance and Social Entrepreneurship
MOOCs	Massive Open Online Courses
NEETs	Young people not in employment, education or training.
OECD	Organisation for Economic Co-Operation and Development
OMC	Open Method of Coordination
OJ	Official Journal of the European Communities / European Union
PIAAC	Programme for the International Assessment of Adult Competencies
PISA	Programme for International Student Assessment
PPS	Purchasing Power Standard
R&D	Research and Development
SGP	Stability and Growth Pact

SMEs	Small and Medium Enterprises
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union
UBI	Universal Basic Income
UN	United Nations
VET	Vocational Education and Training
WEF	World Economic Forum
WHO	World Health Organisation
YEI	Youth Employment Initiative

*Thou aimest high, Master Lee.
Consider thou what the invention could do to my poor subjects.
It would assuredly bring to them ruin by depriving them of employment,
thus making them beggars.*

Queen Elizabeth I ¹

¹ William Lee, inventor of the stocking frame knitting machine in 1589, solicited a patent to protect his design, but the Queen Elizabeth I (1558-1603) refused to grant it. Later on, W. Lee tried to attain success in France, but he failed too. Then, he returned to England and asked James I (1603-1625), Elizabeth's successor, who also refused. The British textile artisans were thus protected until two hundred years afterwards the Industrial Revolution definitively arrived. Citation extracted from: ACEMOGLU, Daron; ROBINSON, James (2012): *Why Nations Fail. The origins of power, prosperity and poverty*. London, Profile Books, pp. 182-183.

Chapter I / Introduction



1. INTRODUCTION

1.1. PREDICTING THE IMPACT OF AUTOMATION IN EUROPE

In 2017, the European Parliament issued a Resolution with recommendations to the Commission on Civil Law Rules on Robotics². The text stressed the benefits of technological developments, but also admitted the perils of increasingly automated tasks: «the widespread use of robots might not automatically lead to job replacement, but lower skilled jobs in labour-intensive sectors are likely to be more vulnerable to automation»³. Besides, the Resolution acknowledged remarkable socioeconomic present and future trends: «in the face of increasing divisions in society, with a shrinking middle class, it is important to bear in mind that developing robotics may lead to a high concentration of wealth and influence in the hands of a minority»⁴.

The Resolution called on the European Commission «to start analysing and monitoring medium and long-term job trends more closely, with a special focus on the creation, displacement and loss of jobs in the different fields/areas of qualification in order to know in which fields jobs are being created and those in which jobs are being lost as a result of the increased use of robots»⁵. Furthermore, the ruling asked the Commission «to analyse different possible scenarios and their consequences on the viability of the social security systems of the Member States»⁶.

Predicting the impact of automation has always been an arduous task. Concerns about the topic tend to expand in periods of economic downturn. In fact, the economic and social crisis that started in 2008 has coincided with an unprecedented epoch of increased robotisation and digitalisation. In this context, Carl Benedikt FREY and Michael OSBORNE, both Professors at Oxford University, published a seminal paper in 2013⁷. They predicted a high risk of computerisation of 47% of the United States' jobs in a period going from ten to twenty years.

Both researchers also referred to the specific occupations that could be automated, establishing a ranking covering 702 of them based on the most recent American Dictionary of Occupational Titles (O*NET), and detecting important risks in transportation and logistics, administrative support and manufacturing employments. On the other side, the authors studied specific engineering bottlenecks to computerisation. They identified in seventy hand-labelled occupations three broad categories related to O*NET variables: perception and manipulation⁸, creative intelligence⁹ and social intelligence¹⁰.

The study discovered a strong negative relationship comparing wages and educational attainment with probability of computerisation. Finally, C. B. FREY and M. OSBORNE predicted that as robots costs decrease and technological capabilities in mobility and dexterity expand, robots will substitute labour gradually in a wide range of low-wage service occupations, precisely the areas where most job growth has occurred in the United States over the present century.

² EUROPEAN PARLIAMENT (2017): *Resolution of 16 February 2017, with recommendations to the Commission on Civil Law Rules on Robotics*. Texts adopted, 2015/2103(INL). P8_TA(2017)0051.

³ EUROPEAN PARLIAMENT (2017): *Resolution of 16 February 2017 (...)* (*op. cit.*), Par. J.

⁴ EUROPEAN PARLIAMENT (2017): *Resolution of 16 February 2017 (...)* (*op. cit.*), Par. K.

⁵ EUROPEAN PARLIAMENT (2017): *Resolution of 16 February 2017 (...)* (*op. cit.*), Par. 43rd.

⁶ EUROPEAN PARLIAMENT (2017): *Resolution of 16 February 2017 (...)* (*op. cit.*), Par. 44th.

⁷ FREY, Carl Benedikt; OSBORNE, Michael (2013): "The future of employment: how susceptible are jobs to computerisation?". *Technological Forecasting and Social Change*, Vol. 114 (text re-issued in 2017), pp. 254-280.

⁸ Including: Finger Dexterity, Manual Dexterity and Cramped Work Space / Awkward Positions.

⁹ Including: Originality and Fine Arts.

¹⁰ Including: Social Perceptiveness, Negotiation, Persuasion and Assisting / Caring for Others.

Most of the homes have unstructured spaces, thus inhibiting the mobility of wheeled objects, but supermarkets, factories, warehouses, airports and hospitals have the appropriate design for wheeled robots to move easily and perform non-routine manual tasks¹¹. In this new economic scenery, researchers recommend that low-skilled workers reallocate themselves to tasks that are not susceptible to become computerised, like occupations requiring creative and social intelligence. However, redundant workers will have to acquire the appropriate skills before.

In 2017, considering the polemic generated by the mentioned piece of research and the will of the European Parliament to investigate the future impact of automation, the European Commission entrusted Professor Grace LORDAN to elaborate a study¹² on the automatable employment shares in Europe. The result is an analysis that compares a previous research of Professors David AUTOR and David DORN (2013)¹³ with another inquiry of G. LORDAN herself, in collaboration with Professor Cecily JOSTEN (2017)¹⁴. The final document was published in 2018 and covers 24 countries. Later on, results were issued at the «Employment and Social Developments in Europe. Annual Review» of 2018, elaborated by the European Commission¹⁵.

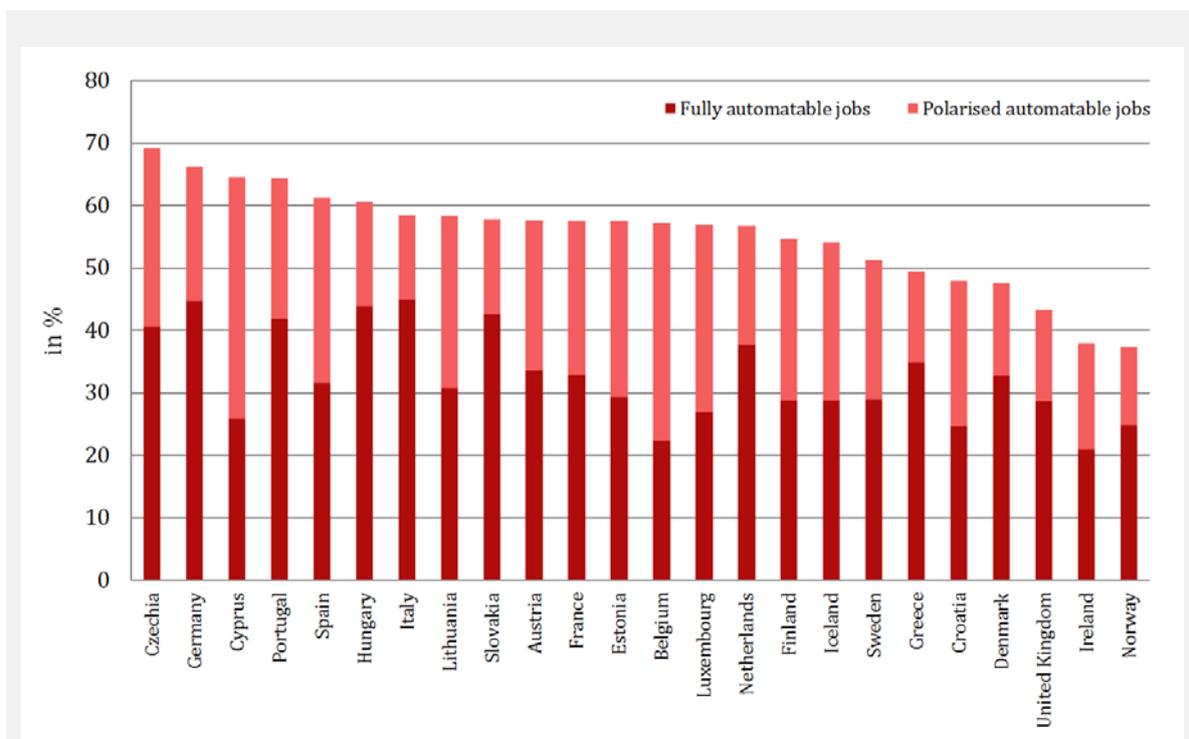


Figure 1. Estimated fully and polarised automatable jobs, according to G. LORDAN and C. JOSTEN (2017) and reproduced by G. LORDAN in 2018¹⁶.

¹¹ FREY, Carl Benedikt; OSBORNE, Michael (2013): “The future of employment: how susceptible (...) (op. cit.), p. 25.

¹² LORDAN, Grace (2018): *Robots at work. A report on automatable and non-automatable employment shares in Europe*. Brussels, European Commission, Directorate-General for Employment, Social Affairs and Inclusion.

¹³ The document misses the reference details of such piece of research.

¹⁴ LORDAN, Grace; JOSTEN, Cecily (2017): “Technology at Work: Occupations and Skills that may be replaced by technology in the next decade”. London, London School of Economics.

¹⁵ EUROPEAN COMMISSION (2018): *Employment and Social Developments in Europe. Annual Review 2018*. Brussels, Directorate-General for Employment, Social Affairs and Inclusion, pp. 65-66.

¹⁶ Graph created by the author. Source of data:

LORDAN, Grace (2018): *Robots at work. A report on automatable and non-automatable (...) (op. cit.), p. 23.*

The study distinguishes among three distinct categories of jobs: non-automatable, «polarised» automatable and «fully» automatable. The last two groups compound together the «recently» automatable share. In the category of non-automatable employment, authors have included aerospace engineers, mathematicians, hairdressers, nurses, teachers, economists and psychologists, estimating that such occupations are unlikely to become automated.

In the group of «polarised» automatable occupations have been identified jobs that require interpersonal interaction but are characterised by several predictable tasks that nowadays can be automated. For example, machines can substitute certain activities deployed by lawyers, like synthesising jurisprudence or filling forms, but cannot intervene during a trial¹⁷. Other jobs that fall inside this category are sales demonstrators and library assistants. Finally, «fully» automatable jobs may disappear by technological substitution effects and most of the customers could not be unconcerned about it, for example: power plant operators, vehicle drivers, packers, mail carriers and bank tellers¹⁸.

The graph presented above summarises the results for the European countries, distinguishing among «fully» and «polarised» automatable jobs. Czech Republic attains the highest share of automatable employment, at 69.2% of the total. The ranking is followed by Germany (66.3%) and Cyprus (64.5%). Nevertheless, Italy is the country with the highest share of fully automatable jobs, at 44.9% of the total. By uniting both categories, Spain surpasses the barrier of 60%, but attains a relative balance between those. Norway and Ireland are located the bottom of the classification, expecting an overall possibilities for automation above 37%.

There is no doubt that Avant-garde legislation will play a key role to mitigate the resulting impacts of automation, with three important possible fronts studied by academics: public policies directed to the unemployed citizens, for example, a guaranteed basic income for the citizens in a context of a rising «precariat»¹⁹, and/or the implementation of other measures to attend conveniently the constitutional right (and duty) to work; the deployment of taxes to the owners of robots to maintain Social Security schemes and the sustainability of public finances; and civil and military legislation that attends new occurrences, requiring high coordination efforts at the international scene. The 21st Century appears very complex, and the European continent is a very interesting social laboratory to experiment with new policies, as combines advanced economies with strong social protection systems. The success or failure of the European project could be a global indicator of the capacity of Humanity to answer appropriately to the new challenges²⁰.

1.2. EUROPEAN UNION AND SOCIAL POLICY

Automation is a challenge for economic and social stability and appears in a moment where multiple crises take place simultaneously in Europe: the impact of the climate crisis, the exhaustion of natural resources, an ageing society, the medical emergency of «Covid-19»²¹, the expansion of extremist political movements and important migration flows.

¹⁷ At least, it is curious that G. LORDAN and C. JOSTEN have opted to consider lawyers to be partly automatable, but instead economists (their own profession) are placed in the category of non-automatable jobs.

¹⁸ LORDAN, Grace (2018): *Robots at work. A report on automatable and non-automatable (...) (op. cit.)*, pp. 6-7.

¹⁹ STANDING, Guy (2011): *The Precariat. The New Dangerous Class*. London and Oxford, Bloomsbury Academic. For the Castilian Edition: *El Precariado. Una nueva clase social*. Barcelona, Ediciones de Pasado y Presente.

²⁰ HARARI, Yuval Noah (2018): *21 Lessons for the 21st Century*. London, Jonathan Cape (Penguin Random House). For the Catalan Edition: *21 lliçons per al segle XXI*. Barcelona, Edicions 62, p. 224.

²¹ Part of the present document is written during the strike in Europe of the «Covid-19» virus. The circumstances of lockdown and the certainty of a radical change in the economic scenery had spurred the development of the work.

The rise of China as a consolidated global superpower is becoming evident, while the United States maintain their leadership in information and communication technologies. In 2017, Uber, the start-up with the highest valuation worldwide, had a value twice as high as all EU «unicorns»²² combined. Furthermore, at the global arena, only 10% of «unicorns» were European and more than a half of them were owned by large American corporations²³.

In a Century with fast changes, the dominant rhetoric has centred over the concept of «creativity» and differentiation. Formal education has been considered to be obsolete in front of the rapid technological advancements. Thus, «creative» cities and urban agglomerations had been presented as vibrant and multicultural atmospheres, where young professionals can develop their careers, looking for their next success with global repercussions. In practice, this discourse has uncovered the speculative agenda of large companies and the weakening of labour rights. Even the artistic manifestations that previously were used to protest against gentrification had been turned against their initial goal²⁴. Many European cities have become a worldwide reference in this economic model, converting the continent into an «outdoor museum».

According to Article 153 TFEU, competence for social policy is shared by the EU and the Member States, but the Union's action is limited to «support and complement» the activities of Member States in certain fields. Thus, most of labour law falls under the competences of Member States and the Union can only adopt minimum standards in the social policy field. Based on the principle of subsidiarity, Member States are primarily competent to define their own social and employment systems, including labour law and welfare systems.

The general goal for social policy is synthesised on Article 3 TEU, which establishes that the Union shall «work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment». The exposed multilevel governance has the added complexity that in 19 States is used the same common currency, the Euro. This characteristic reduces drastically the ability of nations to regulate their own commercial balance, thus creating more dependency of the countries that are placed at the «periphery» of the Eurozone, notably indebted²⁵.

Historically, Europeans have possessed a «Eurocentric» perspective. But the future of the planet, at least in terms of the technological frontier, does not seem to be Europe's hands unfortunately. China, Japan, the Republic of Korea and the United States are increasing their precision industry and software potential at giant leaps, while in Europe factories are closing and the value added activities are poured inside the consulting and financial sector, by nature more volatile. Divergences among richer regions and States are increasing in the Eurozone. Since the approval of the single currency and the entry of the Eastern States at the beginning of the millennium, Southern countries have observed their transformation into «periphery». This phenomenon has been expanded during the crisis and will continue with the deployment of the automation processes. The euro impedes the systemic practice of devaluating the national currency that in the past was remarkably extended in Italy, Spain and Greece.

²² A «unicorn» is a start-up or technological company with a valuation equal or superior to 1 billion dollars.

²³ ENDERLEIN, Henrik; DITTRICH, Paul-Jasper; RINALDI, David (2017): "A Franco-German Axis to Drive Digital Growth and Integration". Berlin, Jacques Delors Institute, *Policy Papers*, No. 187, p. 3.

²⁴ MOULD, Oli (2018): *Against Creativity*. London and New York, Verso. For the Castilian edition (2019): *Contra la creatividad. Capitalismo y domesticación del talento*. Madrid, Alfabeto Editorial, pp. 195-208.

²⁵ STIGLITZ, Joseph (2016): *The Euro. How a Common Currency Threatens the Future of Europe*. New York, W. W. Norton & Company. For the Castilian edition (2016): *El Euro. Cómo la moneda común amenaza el futuro de Europa*. Barcelona, Penguin Random House Grupo Editorial, p. 119.

Germany, the European «locomotive» with an ageing labour force, is accumulating an important stock of operational robots in its factories, contrasting with the other European States like France and the United Kingdom, and this means that the terms of trade will not be favourable to the «periphery», that could be enlarged. Manufactured goods could be traded from the central and rich regions to the surrounding markets, concentrating the production at the «hi-tech» nucleus for more efficiency. The comparative advantage theory also assesses that processes that generate more pollution would continue to be placed out of the dominant core.

Therefore, the technological fracture is the «fourth» crevasse that can be identified in the EU. According to the sociologist Ulrich BECK, the Union had three different divisions in 2012, which currently persist: first, the currency distinction between the Euro and another; secondly, the internal division of the Eurozone in creditors and debtors; and third, the European integration at two-speeds. Nevertheless, in this complex framework the telephone at the German chancellery is still the dominant one and will continue to be²⁶. The international policies of the «Bundesrepublik» had gone in the direction of creating a «large Switzerland» for the EU. This fact raises concerns about the inadaptability of the current political structures of the Union to articulate a reference model for the world in the 21st Century²⁷.

1.3. OBJECTIVES

The present analysis aims at understanding if the European Union has the appropriate legal framework in the EU social policy to address the future challenges of robots and automation successfully²⁸. This report is thus structured into three differentiated phases: first of all, the document describes the evolution of the EU social policy before and after the Lisbon Treaty, illustrating the current legal framework; secondly, the analysis covers the «Europe 2020» Strategy and the «European Pillar of Social Rights» (EPSR), which have been the greatest initiatives of the social agenda of the EU during the last decade, characterised by various shocks; finally, the inquiry presents possible public policies that could be adequate to mitigate the negative effects of automation over employment and their suitability with the current EU's law and social policy, and also considering other sources from international and national law.

1.4. METHODOLOGY

The methodology used in the present research is characterised by a systematic literature review of official publications issued by the EU institutions, among other sources. Qualitative content analysis and close reading has allowed identifying the orientation of the EU social policy related to the fields of employment and education, also using the perspective of the future challenges of robots and automation over labour. By implementing the exposed methodology, it is possible to identify variations in the way EU institutions address the issue, while understanding deeply rooted institutional trends. Overall, I have accurately consulted 72 documents emitted by the European Commission, 33 documents produced by the Council of the European Union and 12 documents generated by the European Parliament, among other publications. Data from Eurostat has allowed the elaboration of detailed maps, which allow a better understanding of the policies.

²⁶ BECK, Ulrich (2012): *Das deutsche Europa*. Berlin, Suhrkamp Verlag. For the Castilian edition (2012): *Una Europa alemana*. Barcelona, Editorial Paidós – Espasa Libros, pp. 57-59.

²⁷ QUATREMER, Jean (2020): *L'Union européenne, un projet du siècle dernier?* «Libération» newspaper, «Coulisses de Bruxelles» blog. [Online](#) [Last consultation on 07.06.2020].

²⁸ In other words, the research question is as follows: *Has the EU the appropriate legal framework in the social policy to address the future challenges of robots and automation successfully?*

Chapter II / European Union's Social Policy until 2007



2. EUROPEAN UNION'S SOCIAL POLICY UNTIL 2007

The present Chapter will analyse the evolution of the Social Policy in the European Union, from its origins, with the European Coal and Steel Community and the European Economic Community, to the European Union before the approval of the Lisbon Treaty in 2007. Employment policies will be observed in detail, introducing the «Flexicurity» approach that has characterised the EU during the previous two decades.

2.1. FROM THE CONSTITUTIVE TREATIES TO THE COMMUNITY CHARTER OF FUNDAMENTAL SOCIAL RIGHTS OF WORKERS (1951-1989)

2.1.1. THE CONSTITUTIVE TREATIES OF THE EUROPEAN COMMUNITIES

Initially, in the constitutive treaties of the European Communities, the social policy had a strong dependence to the economic policy. With only six Member States, the main goal then was the establishment of a common market, while assuring its future development. The **Treaty of the European Coal and Steel Community** indicated that the organisation had as a mission «to contribute, in harmony of the general economy of the Member States and through the establishment of a common market (...), to economic expansion, growth of employment and a rising standard of living in the Member States. The Community shall progressively bring about conditions which will of themselves ensure the most rational distribution of production at the highest possible level of productivity, while safeguarding continuity of employment and taking care not to provoke fundamental and persistent disturbances in the economies of Member States»²⁹.

The ECSC Treaty indicated in the Preamble that «Europe can be built only through practical achievements which will first of all create real solidarity, and through the establishment of common bases for economic development». The text mentions the objective of «expanding their basic production, to raise the standard of living and further the works of peace». Moreover, the Treaty sets that the international organisation will promote «improved working conditions and an improved standard of living for the workers in each of the industries for which it is responsible, so as to make possible their harmonisation while the improvement is being maintained»³⁰.

Six years later, the **Treaty of Rome**, on the European Economic Community, shed more light to the issue. Title III was dedicated exclusively to the social policy, preserving the previous commitment to improve the working conditions and living standards of workers. According to Article 118, the Commission «shall have the task of promoting close co-operation between Member States in the social field», particularly attending the fields of employment, labour law and working conditions, basic and advanced vocational training, social security, prevention of occupational accidents and diseases and the rights of association and collective bargaining between employers and workers. The capacity of the Commission was more oriented to provide specialised guidance to Member States, after consulting a specialised entity created for the purpose: the Economic and Social Committee. The Treaty of Rome introduced the principle of equal pay for equal work (Article 119), thus promoting the gender equality among men and women, and established the European Social Fund (Article 123), a fundamental instrument of the social policy of the European Communities, administered by the Commission.

²⁹ Treaty establishing the European Coal and Steel Community (ECSC). Paris, 18th April 1951. Article 2.

³⁰ *Ibid.*, Article 3.

2.1.2. THE FIRST SOCIAL ACTION PROGRAMME (1974)

The economic growth that experimented Europe after the Second World War suffered important inconveniences during the first half of the 1970s. A rise in oil prices was translated into greater unemployment levels, as the Continent was (and still is) an importer of the commodity. Economic growth was no longer the mechanism of redistribution of wealth among the population, and the European Communities had to answer to the difficulties appropriately³¹. In such circumstances the Council approved the first «**Social Action Programme**»³².

At the introduction of the Programme, the resolution indicates that «economic expansion is not an end in itself but should result in an improvement of the quality of life as well as of the standard of living», adding that «a vigorous action must be undertaken in successive stages with a view to realising the social aims of the European union»³³. It is important to acknowledge that with the Programme the social issue is put at the same level as economic matters. However, Member States continue to have the main responsibility in attending to the social needs, whilst the intervention of the Community has a subsidiary nature³⁴.

The Programme establishes three broad categories of objectives. First of all, it pretends the «attainment of full and better employment in the Community». In this aspect, the Programme wants to protect workers hired through temporary employment agencies and to regulate the activities of such firms with a view of eliminating abuses therein, among other goals. Secondly, the Council expresses the will of improving the «living and working conditions so as to allow their harmonisation with continuous progress», implementing specific measures to combat poverty. And finally, the Programme aims at increasing the «involvement of social actors in the economic and social decisions of the Community and of workers in the life of the companies»³⁵.

2.1.3. THE SINGLE EUROPEAN ACT (1986) AND THE COMMUNITY CHARTER OF THE FUNDAMENTAL SOCIAL RIGHTS OF WORKERS (1989)

On 17 February 1986, the **Single European Act** was signed in Luxembourg³⁶. At the introduction, the text mentions the principles of the European Convention for the Protection of Human Rights and the European Social Charter³⁷, while considering that Europe has to respond with cohesion and solidarity criteria, aiming to improve of the economic and social situation. The European Single Act modifies the constitutive treaties, introducing a new Title, called «Economic and social cohesion». This is the departing point of important investments in less developed regions, benefiting especially Spain and Portugal, countries which had just entered to the Community in January of the same year. In Article 22, the Single European Act introduces a supplement to the EEC Treaty, indicating that «[t]he Commission shall endeavour to develop the dialogue between management and labour at European level which could, if the two sides consider it desirable, lead to relations based on agreement» (Art. 118b).

³¹ ALONSO SECO, José María (2013): *Política social europea*. Madrid, Universidad Nacional de Educación a Distancia, p. 27.

³² COUNCIL OF THE EUROPEAN COMMUNITIES (1974): *Resolution of 21 January 1974, concerning a social action programme*. OJ C 13, 12.02.1974, pp. 1-4.

³³ COUNCIL OF THE EUROPEAN COMMUNITIES (1974): *Resolution of 21 January 1974 (...)* (*op. cit.*), p. 1.

³⁴ The Social Action Programme of 1974 was followed by three other initiatives in 1984, 1995 and 1998.

³⁵ COUNCIL OF THE EUROPEAN COMMUNITIES (1974): *Resolution of 21 January 1974 (...)* (*op. cit.*), pp. 1-2.

³⁶ Text published at the Official Journal of the European Communities: L 169, 29.06.1987, pp. 1-28.

³⁷ The European Social Charter was opened for signature in Turin on 18 October 1961, under the auspices of the Council of Europe. The Revised European Social Charter was approved in Strasbourg on 3 May 1996. In spite of the importance of the European Social Charter in the continental context, it will not be assessed in the present analysis.

Three years later, with the **Community Charter of Fundamental Social Rights of Workers**³⁸, a greater distinction among economic and social matters was attained successfully. The Charter contains «moral obligations» with the aim to assure the respect of social rights at the Member States³⁹.

The first Title of the text is divided into twelve distinct sections, ensuring a better coverage of certain collectives and needs, which are as follows:

1. Freedom of movement.
2. Employment and remuneration.
3. Improvement of living and working conditions.
4. Social protection.
5. Freedom of association and collective bargaining.
6. Vocational training.
7. Equal treatment for men and women.
8. Information, consultation and participation for workers.
9. Health protection and safety at the workplace.
10. Protection of children and adolescents.
11. Protection of elderly persons.
12. Protection of disabled persons.

Two precepts of the Charter show greater interest, as they are the founding of «social protection». Article 10 states: «Every worker of the European Community shall have a right to adequate social protection and shall, whatever his status and whatever the size of the undertaking in which he is employed, enjoy an adequate level of social security benefits. Persons who have been unable either to enter or re-enter the labour market and have no means of subsistence must be able to receive sufficient resources and social assistance in keeping with their particular situation». Article 25 has also a relevant nature: «Any person who has reached retirement age but who is not entitled to a pension or who does not have other means of subsistence, must be entitled to sufficient resources and to medical and social assistance specifically suited to his needs».

The Title II of the Charter addresses the implementation process. The language used has an ambiguous character: «It is more particularly the responsibility of the Member States, in accordance with national practices, notably through legislative measures or collective agreements, to guarantee the fundamental social rights in this Charter and to implement the social measures indispensable to the smooth operation of the internal market as part of a strategy of economic and social cohesion» (Article 27).

The next precept introduces the need of «legal instruments for the effective implementation» within the framework and competences that the Treaties provide the Communities, and invites the Commission to deploy its initiative. On June 1987, the Council issued a **Decision**⁴⁰ that represented the departing point of the «Erasmus»⁴¹ academic mobility programme for students and teaching staff. Besides, «Erasmus» has objectives in university cooperation and at strengthening «the interaction between citizens in different Member States with a view to consolidating the concept of a People's Europe»⁴².

³⁸ Community Charter of Fundamental Social Rights of Workers, approved at the European Council of Strasbourg the 9th of December of 1989 by eleven Member States, with the notable exception of the United Kingdom.

³⁹ ALONSO SECO, José María (2013): *Política social europea (op. cit.)*, p. 31.

⁴⁰ COUNCIL OF THE EUROPEAN COMMUNITIES (1987): *Decision of 15 June 1987, adopting the European Community Action Scheme for the Mobility of University Students (ERASMUS)*. OJ L 166, 25.06.1987, pp. 20-24.

⁴¹ European Community Action Scheme for the Mobility of University Students (ERASMUS).

⁴² COUNCIL OF THE EUROPEAN COMM. (1987): *Decision of 15 June 1987 (...) (op. cit.)*, p. 22, Art. 2.4.

2.2. FROM THE MAASTRICHT TREATY TO THE WHITE BOOK OF EUROPEAN SOCIAL POLICY (1992-1994)

2.2.1. THE MAASTRICHT TREATY (1992)

A short time before the Maastricht Treaty entered in force, the Council of the European Communities emitted a **Recommendation**⁴³ on June 1992, with interesting aspects that shall be contemplated here. The Council considers that social exclusion has grown during the previous decade, and particularly long-term unemployment and social isolation of families. As a consequence, recommends Member States «to recognise the basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity»⁴⁴. More specifically, proposes the creation of minimum income guarantee systems, accompanied by support measures that foster the social and economic integration of citizens⁴⁵.

The **Maastricht Treaty** of 1992⁴⁶ establishes the European Union. As a novelty, the distribution of competences among Member States and the European Union is settled in the principle of subsidiarity. The Union will operate within the areas of competence established by the Treaties, and in the fields that scape to her exclusive competences, the Union will intervene «in accordance with the principle of subsidiarity, only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community»⁴⁷. Therefore, competences in social policy will be organised respecting the principle of subsidiarity.

In a general sense, as a broad declaration of objectives, Article 2 is modified indicating that the Union will promote throughout her territory «a high degree of convergence of economic performance, a high level of employment and of social protection, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States». The new Article 3 mentions specifically the European Social Fund.

When studying the social policy, the most relevant text of the Treaty is found in two separate Protocols. The Protocol on Social Policy was concluded by eleven Member States, with the rejection of the United Kingdom. This is the reason why the social policy in the Union had to wait for some years to achieve a total unification⁴⁸. The Protocol was incorporated at the articulate of the Amsterdam Treaty later in 1997, and contains an Agreement on social policy, that aims «the promotion of employment, improved living and working conditions, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and combatting of exclusion».

The Protocol on Social Policy creates a new distribution of competences, allowing the Council to adopt «minimum requirements for gradual implementation» by means of Directives, in the following fields (Article 2.1):

1. Improvement, in particular, of the working environment to protect workers' health and safety.
2. Working conditions.

⁴³ COUNCIL OF THE EUROPEAN COMMUNITIES (1992): *Recommendation 92/441/CEE, of 12 June 1992, on common criteria concerning sufficient resources and social assistance in social protection systems*. OJ L 245, 26.8.1992, pp. 46-48.

⁴⁴ COUNCIL OF THE EUROPEAN COMMUNITIES (1992): *Recommendation 92/441/CEE (...) (op. cit.)*, p. 47, Par. A.

⁴⁵ Three decades after, the debate about the implementation of a minimum income guarantee still remains.

⁴⁶ Treaty on European Union. OJ C 191/1, 29.07.1992.

⁴⁷ New text inserted in Article 3b.

⁴⁸ ALONSO SECO, José María (2013): *Política social europea (op. cit.)*, p. 33.

3. Information and consultation of workers.
4. Equality between men and women with regard to labour market opportunities and treatment at work.
5. The integration of persons excluded from the labour market.

However, the Council has the capability to act unanimously, based on a proposal from the Commission and after consulting the European Parliament and the Economic and Social Committee, in the following matters (Article 2.3):

1. Social security and protection of workers.
2. Protection of workers that have their employment contract ended.
3. Representation and collective defence of the interests of workers and employers.
4. Conditions of employment for third-country nationals legally residing in the territory of the Community.
5. Financial contributions for promotion of employment and job creation.
6. Naturally, the measures that would be adopted by the Council do not represent an excuse to lower the existent standards, if such are more protective (Article 2.5).

The Protocol on Economic and Social Cohesion reaffirms the need to continue encouraging the economic and social cohesion, concretely by the contributions of the Structural Funds and the European Investment Bank. The Protocol also creates the founding of a new «Cohesion Fund», centred in the subjects of environment and trans-European networks, oriented towards Member States with a per capita gross national product of less than 90% of the Community average.

2.2.2. THE «GREEN PAPER» ON THE EUROPEAN SOCIAL POLICY (1993)

The «Green Papers» elaborated by the European Commission pretend to create a debate around a specific issue. Stakeholders are invited to participate in a consulting process that can derive into greater developments, called «White Papers». The «**Green Paper**» of 1993 recognised that «economic and social progress go hand in hand» and that «much of Europe's influence and power has come precisely from its capacity to combine wealth creation with enhanced benefits and freedoms for its people»⁴⁹. The main policy objectives cover the employment situation, the social dialogue and labour standards, the transition to a monetary union, the stimulus on solidarity and convergence of social policies, the reinforcement of the social dialogue, and the economic and social cohesion (with special mention of the European Social Fund).

It is quite surprising to observe that most of the debate presented in this «Green Paper» remains open, sometimes attended with ambiguous answers. For example, regarding minimum international labour standards and trade agreements, the organization admits the controversy of the issue and indicates that «whereas there is widespread agreement that the exploitation of children and the use of forced labour are practices which the international community must condemn, situations involving relative views about health and safety or working hours give rise to a different debate. Concern about the plight of workers in less developed countries, while often genuinely motivated, can disguise a self-interested tendency towards protectionism. The promotion of basic workers' rights through agreed international labour standards is actively pursued through existing international institutions such as the International Labour Organisation and the Community will continue to play a constructive role in this process»⁵⁰.

⁴⁹ COMMISSION OF THE EUROPEAN COMMUNITIES (1993): *Green Paper. European Social Policy. Options for the Union*. Brussels, COM(93) 551 final, 17.11.1993, p. 6.

⁵⁰ COMMISSION OF THE EUROPEAN COMMUNITIES (1993): *Green Paper (...)* (op. cit.), pp. 81-82.

The Annex I of the «Green Paper» contains a summary of the relevant contributions of the document, accompanied by succinct references to the original proponents. First of all, it is recognised the need for closer coordination between economic and social policies. Social policy is not viewed as a mere tool to provide compensatory payments; it has a relevant role in promoting economic development and competitiveness. The document highlighted the need to protect disadvantaged collectives⁵¹ and improve their access to the labour market. Participants remark that poverty and social exclusion have to be addressed, by developing a social policy to maintain and reinforce social cohesion. Among the possible measures to be applied, the «Green Paper» proposes a guaranteed minimum income, rights to health care and education, housing and social integration. However, the competences of the Member States shall be respected.

2.2.3. THE «WHITE PAPER» ON THE EUROPEAN SOCIAL POLICY (1994)

As a result of the previous «Green Paper», the next year was published the «**White Paper of European Social Policy – A way forward for the Union**». The Preamble indicates that the objective for the future «must be to preserve and develop the European social model as we move towards the 21st century, to give to the people of Europe the unique blend of economic well-being, social cohesiveness and high overall quality of life which was achieved in the post-war period»⁵².

The «White Paper» is composed by ten chapters, covering a wide range of aspects of the social policy: employment, labour standards, a European labour market, equality of opportunities between women and men, actions in public health, Social Partners and international cooperation in social policy, among others. It is remarkable the Sixth Chapter, dedicated to social policy and social protection⁵³. The Commission acknowledged the technological transition and admitted that «contemporary economic and social conditions tend to exclude some groups from the cycle of opportunities»⁵⁴. Among them, there are people excluded from social and economic life, young people unable to find a foothold in the economy, long-term unemployed, older people and disabled persons.

The institution sentenced that «the Union simply cannot afford to lose the contributions of marginalised groups to society as a whole»⁵⁵. As the basic responsibility of social integration depends on Member States, the Commission expressed the compromise of the Union to play a role at supporting and complementing their activities, notably through the Structural Funds. The institution highlighted the importance of creating more jobs in order to counteract the effects of social exclusion⁵⁶, expressing the will to move from passive to active labour market policies, «combining the guarantee of a minimum level of resources with an active policy which would maintain financial incentives to get a job»⁵⁷. The «White Paper» considered that «[h]ousing is also a key issue in combating social exclusion and may also be an important source of new jobs»⁵⁸, thus favouring investments in real estate.

⁵¹ Among them, women, young people, long term unemployed, older citizens and other collectives.

⁵² COMMISSION OF THE EUROPEAN COMMUNITIES (1994): *White Paper. European Social Policy. A way forward for the Union*. Brussels, COM(94) 333 final, 27.07.1994, p. 1.

⁵³ COMMISSION OF THE EUROPEAN COMMUNITIES (1994): *White Paper (...)* (*op. cit.*), pp. 35-40.

⁵⁴ COMMISSION OF THE EUROPEAN COMMUNITIES (1994): *White Paper (...)* (*op. cit.*), p. 36.

⁵⁵ COMMISSION OF THE EUROPEAN COMMUNITIES (1994): *White Paper (...)* (*op. cit.*), p. 37.

⁵⁶ According to the «White Paper», in 1994 there were more than 52 million people in the Union living below the poverty line.

⁵⁷ COMMISSION OF THE EUROPEAN COMMUNITIES (1994): *White Paper (...)* (*op. cit.*), p. 38.

⁵⁸ COMMISSION OF THE EUROPEAN COMMUNITIES (1994): *White Paper (...)* (*op. cit.*), p. 38.

2.3. FROM THE AMSTERDAM TREATY TO THE PREVIOUS YEARS OF THE LISBON TREATY (1997-2005)

2.3.1. THE AMSTERDAM TREATY AND THE EUROPEAN EMPLOYMENT STRATEGY (1997)

The **Amsterdam Treaty** was signed on 2 October 1997 and entered in force on 1 May 1999. The novelty supposed an amendment to the Treaty of the European Union (the Maastricht Treaty), the Treaties establishing the European Communities and certain related acts, thus becoming an impulse to social policy in the European Union. Article 2 of the Treaty establishing the European Community was replaced by the following recital: «The Community shall have as its task, (...) to promote (...) a high level of employment and of social protection, equality between men and women, sustainable and non-inflationary growth, a high degree of competitiveness and convergence of economic performance, a high level of protection and improvement of the quality of the environment, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States».

Regarding the social policy of the Union, here are exposed some of the main novelties that emerged from the Amsterdam reforms⁵⁹:

1. The two main foundations of the EU social policy, which previously were separated in the constitutive Treaty of the European Communities and the Agreement in Social Policy (synthesised in an Additional Protocol of the Maastricht Treaty), are combined in the same text. Thus, the two-speeds social Europe vanishes definitely. Concrete distribution of competences is also integrated.
2. Article 117, after reforms, mentions the European Social Chart (adopted in the framework of the Council of Europe in 1961) and the Community Charter of Fundamental Social Rights of Workers of 1989, which has been exposed previously⁶⁰.
3. The new text presents the possibility that the Council, «acting unanimously on a proposal from the Commission and after consulting the European Parliament, may take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation» (Article 6a).
4. A new Title regarding employment is introduced (specifically, Title VIa, placed after Title VI). By these means, employment and social policy are distributed in two distinct Titles, in spite of the strong connections between the exposed matters.
 - a. Here is established that «Member States and the Community shall (...) work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce and labour markets responsive to economic change» (Article 109n).
 - b. Promoting employment becomes «a matter of common concern» that requires the coordination of the actions of Member States within the Council (Article 109o).
 - c. The Community intervenes respecting the principle of subsidiarity, complementing and respecting the action of Member States (Article 109p).

⁵⁹ ALONSO SECO, José María (2013): *Política social europea (op. cit.)*, pp. 40-42.

⁶⁰ The new Article 117, in the first paragraph, states: «The Community and the Member States, having in mind fundamental social rights such as those set out in the European Charter signed at Turin on 18 October 1961 and in the 1989 Community Charter of the Fundamental Social Rights of Workers, shall have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion». Notwithstanding this fact, the next paragraph turns more pragmatic: «To this end the Community and the Member States shall implement measures which take account of the diverse forms of national practices, in particular in the field of contractual relations, and the need to maintain the competitiveness of the Community economy».

- d. In order to structure the mentioned cooperation in employment and labour market policies, a Committee of Employment will be established by the Council. The body will have advisory status, and will monitor the employment situation and policies across Member States. It will also formulate opinions and contribute to the preparation of the Council proceedings (Article 109s).
5. The Treaty contains a Declaration annexed to the Final Act, relative to voluntary service activities. In this section, it is recognised «the important contribution made by voluntary service activities to developing social solidarity», and the will that the Community encourages «the European dimension of voluntary organisations with particular emphasis on the exchange of information and experiences as well as on the participation of the young and the elderly in voluntary work»⁶¹.

In the same year, took place the so-called «Luxembourg Process» (November 1997), that began in the Jobs Summit that was organised in the homonymous city. Here was launched the **European Employment Strategy (EES)**, with the aim to coordinate employment policies among Member States, covering four distinct fronts: employability, entrepreneurship, adaptability and equality of opportunities. The EES establishes a multilateral surveillance framework that is translated into a joint annual report on employment and employment guidelines, aiming at the economic convergence and the effective accomplishment of specific targets. The exposed documents would be incorporated into the national employment action plans, elaborated by Member States in a multiannual perspective⁶². In general, we can affirm that this framework is the early introduction of the «Open Method of Coordination» (OMC), which would be consolidated during the «Lisbon Strategy» in 2000.

In terms of improving «employability», the EES aims at fighting long-term unemployment and youth unemployment, by offering to young jobless citizens «a new start» before reaching six months of unemployment, in the form of «training, retraining, work practice, a job or other employability measure»⁶³. Similar policies are applied to unemployed adults, but the time frame is settled at twelve months of joblessness. The European Council aims that transitions from school to work are smooth, and for this reason promotes apprenticeship training.

When assessing «entrepreneurship», the main objective of the EES is to make it easier to start up and run businesses in Europe, by providing clear, stable and predictable rules. Member States should also simplify and reduce the administrative and tax burdens directed on small and medium-sized companies, and particularly when hiring additional employees. The Strategy will «encourage the development of self-employment by examining, with the aim of reducing, any obstacles which may exist, especially those within tax and social security regimes, to moving to self-employment and the setting up of small businesses, in particular for employed persons»⁶⁴. In some aspects, it can be interpreted as an invitation to precarious work.

In terms of «adaptability», the European Council promotes «agreements to modernize the organization of work, including flexible working arrangements, with the aim undertakings productive and competitive and achieving the required balance between flexibility and security»⁶⁵. Here is presented the «Flexicurity» approach in the broad sense, a concept which will be a source of numerous policy recommendations.

⁶¹ Declaration No. 38 of the Final Act annexed at the Treaty of Amsterdam, p. 139 in the original text.

⁶² EUROPEAN COUNCIL (1997): *Presidency Conclusions of the Extraordinary European Council Meeting on Employment*. Luxembourg, 20 and 21 November 1997, Par. 13.

⁶³ EUROPEAN COUNCIL (1997): *Presidency Conclusions of the Extraordinary (...) (op. cit.)*, Par. 50.

⁶⁴ EUROPEAN COUNCIL (1997): *Presidency Conclusions (...) (op. cit.)*, Par. 63.

⁶⁵ EUROPEAN COUNCIL (1997): *Presidency Conclusions (...) (op. cit.)*, Par. 70.

As an example, the EES proposes to establish the working time as an annual figure, so as to distribute labour hours more easily over weeks, without constraints. Moreover, with certain ambiguity the Strategy adds up that each Member State will examine the possibility of incorporating in its legislation «more adaptable types of contract, taking into account the fact that forms of employment are increasingly diverse. Those working under contracts of this kind should at the same time enjoy adequate security and higher occupational status, compatible with the needs of business»⁶⁶.

Finally, regarding policies for «equal opportunities», the EES supports the fight against the gender gap and stands for the increased employment of women, by implementing policies on career breaks, parental leave and part-time work. Moreover, the text stresses the importance of structuring adequate provision of good quality care for children and other dependent persons to facilitate employment participation of men and women at the labour market. The EES' time framework for its implementation was limited to five years on most of the Member States, or even more time in countries with particularly high unemployment levels⁶⁷. The proposed measures would continue in further actions of the Union. For the first time the Strategy represents a greater differentiation of employment from other social policies⁶⁸.

On 19 June 1999 was issued the Joint Declaration of the European Ministers of Education that initiated the «**Bologna Process**», which aimed to deploy a European system of higher education by introducing more comparable, compatible and coherent policies among Member States. Since then, progress is verified every three years in ministerial conferences. The Declaration focused on creating comparable degrees, also through the implementation of the «Diploma Supplement»; it promoted a system of two main cycles, undergraduate and graduate; and finally, it called on the establishment of the ECTS and the increased mobility for students, teachers, researchers and administrative staff. Interestingly, the Declaration proclaimed that the «Europe of Knowledge» shall be «capable of giving its citizens the necessary competences to face the challenges of the new millennium, together with an awareness of shared values and belonging to a common social and cultural space» (Par. 2).

2.3.2. THE «LISBON STRATEGY» (2000) AND THE «SOCIAL POLICY AGENDA» (2000-2005)

Two months before the «Lisbon Strategy» was officially launched, the Council approved a **Decision**⁶⁹ establishing the «Employment Committee»⁷⁰. The Treaty establishing the European Community provided in Article 130 the creation of this institution with advisory status. The tasks of the Committee were defined at monitoring the employment situation and employment policies in the Member States and the Community, and formulating opinions at the request of the Council, the Commission or on its own initiative. Each Member State and the Commission appoint two members, «selected from among senior officials or experts possessing outstanding competence in the field of employment and labour market policy in the Member States»⁷¹. The Committee must establish consultations with management and labour representatives to operate properly, cooperating with other relevant bodies that address economic policy matters.

⁶⁶ EUROPEAN COUNCIL (1997): *Presidency Conclusions (...)* (op. cit.), Par. 71.

⁶⁷ EUROPEAN COUNCIL (1997): *Presidency Conclusions (...)* (op. cit.), Par. 49.

⁶⁸ ALONSO SECO, José María (2013): *Política social europea* (op. cit.), p. 44.

⁶⁹ COUNCIL OF THE EUROPEAN UNION (2000): *Decision 2000/98/EC, of 24 January 2000, establishing the Employment Committee*. OJ L 29, 04.02.2000, pp. 21-22.

⁷⁰ At the moment, the exposed Decision remains in force.

⁷¹ COUNCIL OF THE EUROPEAN UNION (2000): *Decision 2000/98/EC (...)* (op. cit.), p. 22, Art. 2.2.

The European Council celebrated in Lisbon on 23 and 24 March 2000 agreed new strategic goals for the Union, with the objective to reinforce employment, economic reforms and social cohesion. The main aim for the next decade was «to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion»⁷². This is the so-called «**Lisbon Strategy**» (LS), a fundamental text to understand the policies of the European Union in the new Millennium. The too ambitious and abstract objective was never attained due to the harsh economic and social crisis that began in 2008, the regional imbalances, the long-term unemployment rate, and the increasing technological dependence from other countries.

Liberal reforms in the European Union expected greater social cohesion thanks to economic growth. In this sense, it is highly illustrative the following paragraph of the Presidency Conclusions: «[t]his strategy is designed to enable the Union to regain the conditions for full employment, and to strengthen regional cohesion in the European Union. The European Council needs to set a goal for full employment in an emerging new society which is more adapted to personal choices of women and men. If the measures set out below are implemented against a sound macro-economic background, an average economic growth rate of around 3% should be a realistic prospect for the coming years»⁷³. Nowadays, the mentioned growth estimation seems unrealistic. But the rhetoric of «the rising tide lifts all boats» was accepted.

Reforms broadly consisted in creating an inclusive information society, establishing a «European Area for Research and Innovation», creating a friendly environment for developing innovative new businesses, promoting «efficient and integrated financial markets», coordinating macro-economic policies, and producing «economic reforms for a complete and fully operational internal market»⁷⁴. This last chapter has a strong significance in two key aspects: at first place, exacts «to speed up liberalisation in areas such as gas, electricity, postal services and transport», a policy to privatise natural monopolies, with important consequences in labour conditions and job stability; and secondly, the organisation solicits Member States «to further their efforts to promote competition and reduce the general level of State aids, shifting the emphasis from supporting individual companies or sectors towards tackling horizontal objectives of Community interest (...)», an orientation that unfortunately would accelerate the deindustrialisation trend.

The «Lisbon Strategy» defended the «modernisation of the European social model». In this sense, education and training has to play a crucial role. A dynamic knowledge-based economy needs rapid diffusion of new skills, in particular in the information technologies. The LS fosters the development of digital literacy by proposing a European diploma for basic IT skills, with decentralised certification procedures⁷⁵. The Union also promoted the mobility of students, teachers, and training and research staff. For this reason, introduces the common Curriculum Vitae European format⁷⁶.

The European Council admitted that «the number of people living below the poverty line and in social exclusion (...) is unacceptable». Thus, steps had to be taken to eradicate poverty. In this sense, «the new knowledge-based society offers tremendous potential for reducing social exclusion, both by creating the economic conditions for greater prosperity through higher levels of growth and employment, and by opening up new ways of participating in society».

⁷² EUROPEAN COUNCIL (2000): *Presidency Conclusions of the European Council*. Lisbon, 23 and 24 March, «Lisbon Strategy», Par. 5.

⁷³ EUROPEAN COUNCIL (2000): *Presidency Conclusions of the European Council (...) (op. cit.)*, Par. 6.

⁷⁴ EUROPEAN COUNCIL (2000): *Presidency Conclusions of the European Council (...) (op. cit.)*, Pars. 16-19.

⁷⁵ However, despite the notable interest of such idea, most of the globally respected IT certifications are currently emitted by the same companies that produce the software.

⁷⁶ EUROPEAN COUNCIL (2000): *Presidency Conclusions of the European Council (...) (op. cit.)*, Par. 26.

Such conclusions now look over-confident, but finally the European Council committed to contribute to social inclusion by the mechanisms of Structural Funds and priority actions addressed to specific groups (minorities, children, the elderly and the disabled)⁷⁷. Liberal reforms were accompanied by resources, addressed to compensate the most vulnerable in the shift.

The «Lisbon Strategy» presents the introduction of «a new open method of coordination» (OMC) as the instrument «of spreading best practice and achieving greater convergence towards the main EU goals». The OMC is coherent with the Treaties, as the Community plays a role of support and complementarity of the social protection activities of the Member States. This method comprehends⁷⁸:

1. Fixing guidelines for the Union combined with specific timetables for achieving the goals which they set in the short, medium and long terms.
2. Establishing, if appropriate, qualitative and quantitative indicators and benchmarks compared to the existent best values. Also, adapt to the measures to the needs of different Member States and sectors, so as to compare best practice.
3. Translating the European guidelines into State and regional policies, by setting concrete targets and adopting the right steps, also considering territorial differences.
4. Organising periodic controls, evaluations and peer reviews as mutual learning processes.

The European Council considered that achieving the exposed ambitious goal for the European society required an important contribution of the private sector and public-private partnerships, stating that the Union would develop a catalyst role, by creating an effective institutional framework and «mobilising all available resources for the transition to the knowledge-based economy»⁷⁹.

The LS was followed by the «Social Policy Agenda», proposed by the European Commission in a concrete **Communication**⁸⁰, at the end of June 2000, and adopted at the Nice's European Council of December of the same year. The Agenda covers the period from 2000 to 2005, and specifies concrete measures to attain the ambitious objective of creating an advanced knowledge society. Also, the exposed programme coincides with the enlargement of the Union in 2004. The document tries to offer an attractive vision of the European Union to candidate States, most of them with a socialist and communist past, by presenting a more «social» perspective, compared with the European Council conclusions of the Lisbon Meeting (LS) that were described before.

The social policy is presented here as a productive factor. Thus, a majority of social expenditure on health and education represents an investment in human resources, with positive economic effects. In this sense, there can be a positive correlation between the scale of such expenditure and the level of productivity, and social transfers like pensions and social security schemes contribute to balance and redistribute incomes, while supporting better quality in employment. The Commission admitted that «Fiscal co-ordination at European level is an important aspect of the completion of the internal market and plays a key role in preventing the erosion of tax revenues through harmful tax competition»⁸¹. Nowadays, in spite of the timid improvements, the mentioned dynamics still persists.

⁷⁷ EUROPEAN COUNCIL (2000): *Presidency Conclusions of the European Council (...)* (op. cit.), Par. 32.

⁷⁸ EUROPEAN COUNCIL (2000): *Presidency Conclusions of the European Council (...)* (op. cit.), Par. 37.

⁷⁹ EUROPEAN COUNCIL (2000): *Presidency Conclusions of the European Council (...)* (op. cit.), Par. 41.

⁸⁰ COMMISSION OF THE EUROPEAN COMMUNITIES (2000): *Social Policy Agenda*. Brussels, Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions. COM(2000) 379 final, 28.06.2000.

⁸¹ COMMISSION OF THE EUROPEAN COMMUNITIES (2000): *Social Policy Agenda (...)* (op. cit.), pp. 5-6.

The «Social Policy Agenda» of 2000 does not pretend a harmonisation of the social policies of the Member States. It seeks to work on common European objectives and increment the coordination of the existent social policies, in the framework of the single currency and the internal market. The Agenda does not call for additional funding, as prefers to redirect public expenditure in an increased efficiency context.

When analysing the social situation, the Commission identifies the common challenges of Member States: the need to adapt to the changing world of work, new family structures, gender inequalities, demographic changes (mainly, an aging population that will put «heavy pressure on pension and health systems»⁸²) and the requirements of the knowledge-based economy. The text proposes a reflection over the role of immigration as a strategy for the future, and considers that «[f]ailure to adapt and modernise social protection systems would increase the risk of more unemployment, poverty and social exclusion»⁸³.

Unemployment is considered to be the single most important cause of poverty. When the Commission exposed the Agenda for the next five years, unemployment levels in the Union were at 9% approximately, and the average employment rate was at 62% in 1999. For such reasons, the Commission promotes a reduction on the first rate, and an increase of the second magnitude, by fostering the integration of women and aged workers to the active labour force, with the interest to approach at the referential levels of the United States.

The scope presents three axes: full employment (promoting more jobs), quality of social policy (guarantee the social rights) and quality in industrial relations (build consensus among stakeholders to restructure corporations). According to the Commission, policies are oriented at «adapting working conditions and contractual relations to the new economy with a view to fostering a renewed balance between flexibility and security»⁸⁴.

The means to achieve the priorities of the Social Agenda are based, among other instruments, in the OMC, described before, that was initially exposed at the Luxembourg Jobs Summit and developed by the Lisbon and Feira European Councils. Also, in this aspect are of crucial importance new legislation, the Social Dialogue, Structural Funds, and policy analysis and research. The Commission projected the willingness of «strengthen the employment and social dimension of globalisation, through the respect of core labour standards and the promotion of an integrated economic and social agenda in a global economy»⁸⁵.

On November 2000, the Council approved a **Directive**⁸⁶ promoting equal treatment in the fields of employment and occupation and addressed to the Member States. In this sense, the text aims «to lay down a general framework for combatting discrimination on the grounds of religion or belief, disability, age or sexual orientation as regards employment and occupation»⁸⁷. The Directive covers the direct and indirect types of discrimination and shows extra consideration for positive actions. Moreover, the burden of proof is inverted from the traditional logic: «it shall be for the respondent to prove that there has been no breach of the principle of equal treatment»⁸⁸.

⁸² COMMISSION OF THE EUROPEAN COMMUNITIES (2000): *Social Policy Agenda (...)* (op. cit.), p. 11.

⁸³ COMMISSION OF THE EUROPEAN COMMUNITIES (2000): *Social Policy Agenda (...)* (op. cit.), p. 11.

⁸⁴ COMMISSION OF THE EUROPEAN COMMUNITIES (2000): *Social Policy Agenda (...)* (op. cit.), p. 17.

⁸⁵ COMMISSION OF THE EUROPEAN COMMUNITIES (2000): *Social Policy Agenda (...)* (op. cit.), p. 24.

⁸⁶ COUNCIL OF THE EUROPEAN UNION (2000): *Directive 2000/78/EC, of 27 November 2000, establishing a general framework for equal treatment in employment and occupation*. OJ L 303, 02.12.2000, pp. 16-22.

⁸⁷ COUNCIL OF THE EUROPEAN UNION (2000): *Directive 2000/78/EC (...)* (op. cit.), p. 18, Art. 1.

⁸⁸ COUNCIL OF THE EUROPEAN UNION (2000): *Directive 2000/78/EC (...)* (op. cit.), p. 20, Art. 10.

At the beginning of 2001, the Commission issued a **Report**⁸⁹ centred in the future objectives of education systems. The document commits to the achievement of the «Lisbon Strategy» by these goals: raising the standard of learning in Europe; making access to learning easier and more widespread at all times of life; updating the definition of basic skills for the knowledge society; opening education and training to the local environment, to Europe and the world; making the best use of resources; and developing a new partnership with schools. Interestingly, the Commission recognised that «no single Member State can now accomplish all this alone. Our societies, like our economies, are now too interdependent for this to be realistic. While we must preserve the differences of structure and system which reflect the identities of the countries and regions of Europe, we must also recognise that our main objectives, and the results we all seek, are strikingly similar»⁹⁰.

2.3.3. THE NICE TREATY (2001)

The **Nice Treaty** was signed on 26 February 2001 and is centred in preparing the entry at the Union of new Member States, situated mainly at the Eastern *limes*⁹¹. Notwithstanding this fact, the text has several provisions about social policy that shall be commented. The competences among the Community and the Member States are slightly modified, but still the subsidiarity principle continues to play an important role⁹². The Union will support and complement the action of the States in the following fields, synthesised at the newly-amended Article 137.1:

1. Improvement of the working environment to protect workers' health and safety.
2. Working conditions.
3. Social security and social protection of workers.
4. Protection of workers where their employment contract is terminated.
5. Information and consultation of workers.
6. Representation and collective defence of the interests of workers and employers.
7. Conditions of employment for third-country nationals legally residing in the territory of the Community.
8. Integration of persons excluded from the labour market.
9. Equality between men and women on labour market opportunities and treatment at work.
10. The fight against social exclusion.
11. Modernisation of social protection systems.

Thus, the Council has the capability to encourage the cooperation among Member States, by initiatives of improving knowledge, developing exchanges of information and best practices, promoting other innovative approaches... but it cannot enter at harmonising the existent legal *acquis* and regulations of the States. For the aspects 1 to 9 mentioned above, the Council can adopt Directives of minimum requirements for gradual implementation, but they cannot constrain the development of small and medium-sized enterprises. The Nice Treaty continues to encourage the liberalisation of the common market. Nevertheless, agreements with third countries in matters of cultural and audio-visual services, educational services, and social and human health services, will fall inside the shared competence category of the Community and its Member States. Thus, the negotiation of such agreements will require the common acquiescence of the Member States, added up to the decision of the Community⁹³.

⁸⁹ COMMISSION OF THE EUROPEAN COMMUNITIES (2001): *The concrete future objectives of education systems*. Brussels, Report from the Commission. COM(2001) 59 final, 31.01.2001.

⁹⁰ COMMISSION OF THE EUROPEAN COMM. (2001): *The concrete future objectives (...) (op. cit.)*, p. 15.

⁹¹ Treaty of Nice, amending the Treaty of the European Union, the Treaties establishing the European Communities and certain related acts. OJ C 80/1, 10.03.2001.

⁹² ALONSO SECO, José María (2013): *Política social europea (op. cit.)*, p. 48.

⁹³ Article 133.6, after the modification conducted by the Nice Treaty in 2001.

The Treaty creates a Social Protection Committee with advisory status, to promote cooperation on social protection policies between Member States and the Commission. This body will have a role at developing the social policy of the European Union in the following years. Its composition is structured by two members nominated for each Member State and the Commission, a pattern that is also attained at the mentioned Employment Committee. Its tasks are, basically⁹⁴:

1. To monitor the social situation and the development of social protection policies in the Member States and the Community.
2. To promote exchanges of information, experience and good practice between Member States and with the Commission.
3. To prepare reports, formulate opinions or develop other works inside the subjects of competence, after soliciting either the Council or the Commission, or on its own initiative.

In the middle of March 2002, the European Council met in Barcelona to analyse the economic, social and environmental situation in the Union. According to the **Conclusions** of the meeting, the European Council considers «the Social Agenda agreed at Nice to be an important vehicle for reinforcing the European social model»⁹⁵. Besides, the institution highlighted the importance of fighting against poverty and social exclusion, inviting Member States to set targets in their National Action Plans «for significantly reducing the number of people at risk of poverty and social exclusion by 2010»⁹⁶.

For the European Council, «full employment is the essential goal of economic and social policies, which requires the creation of more and better jobs. It is therefore necessary to continue paying particular attention to the reforms of employment and labour market policies»⁹⁷. The text stressed the importance of reforming the pension systems of Member States and proposed introducing gradual retirement and active aging policies.

In 2003, the European Commission issued a **Communication**⁹⁸ to promote the «social dimension» of the «Lisbon Strategy». The document defines concrete proposals to improve the effectiveness of the coordination in Member States' policies on social protection. Specifically, the Commission proposes a simplification of the OMC and introduces a new «Joint Report» on social protection. Open coordination in social protection will cover three main areas for the next three years: social inclusion, healthcare and pensions. Regarding this last aspect, new Member States have to present by the middle of 2005 national strategy reports on pensions, «documenting the state of reform of their pension systems and setting out their strategies in the light of the common objectives agreed for the Open Method of Coordination on pensions»⁹⁹. Member States will inform about their developments on implementing reforms.

2.3.4. THE SOCIAL POLICY AGENDA (2006-2010)

In 2004, the «Treaty establishing a Constitution for Europe» was signed in Rome on 29 October and published in the Official Journal of the European Union on 16 December of the same year.

⁹⁴ Article 144, after the modification conducted by the Nice Treaty in 2001.

⁹⁵ EUROPEAN COUNCIL (2002): *Presidency Conclusions of the European Council*. Barcelona, 15 and 16 March, C/02/930, Part I, Par. 22.

⁹⁶ EUROPEAN COUNCIL (2002): *Presidency Conclusions of the European Council (...)* (*op. cit.*), Part I, Par. 24.

⁹⁷ EUROPEAN COUNCIL (2002): *Presidency Conclusions of the European Council (...)* (*op. cit.*), Part III, p. 14.

⁹⁸ COMMISSION OF THE EUROPEAN COMMUNITIES (2003): *Strengthening the social dimension of the Lisbon strategy: Streamlining open coordination in the field of social protection*. Brussels, Communication from the Commission to the Council, de European Parliament, the Economic and Social Committee and the Committee of the Regions. COM(2003) 261 final, 27.05.2003.

⁹⁹ COMMISSION OF THE EUROPEAN COMMUNITIES (2003): *Strengthening the social (...)* (*op. cit.*), p. 15.

Despite the interest put by European institutions to deploy the text, European citizens did not accept the reforms, via two important referendums that were held in France and the Netherlands in 2005. The proposed Constitutional Treaty reinforced the supranational integration in Europe, but in social policy terms the text maintained most of the amendments of the aforementioned Amsterdam Treaty, signed on 2 October 1997.

After this failed initiative, the Commission tried to «relaunch» the Lisbon Strategy in a **Communication**¹⁰⁰ of 2005, by planning the developments needed to attain the ambitious objective of becoming the world's top dynamic and competitive knowledge-based economy in 2010. In this mid-term review, the Commission modestly admitted that «there is general consensus that Europe is far from achieving the potential for change that the Lisbon strategy offers. While both the diagnosis and the remedies are not contested, the reality is that not enough progress has been made»¹⁰¹.

Growth was considered to be stagnant¹⁰² and not enough jobs at the time were being created. Moreover, the document describes specifically the aging demographic trend and proposes an approach to legal migration. Also, the Commission asserts the importance to reform the State aid policy, particularly regarding research and innovation, as briefly considers an increasing technological gap of the Union compared to the United States and Asian countries. To monitor better the advancements in the «Lisbon Strategy», the Commission simplifies the reporting process, and since this Communication every Member State will send a single report, instead of an array of sectorial reports that only contributed to generate more confusion.

Regarding employment policies, the Commission continues to back the «adaptability» and «flexibility» discourse, and here shows less willingness to refer to «security»¹⁰³. The document defends free trade agreements with emerging countries: «[t]he opening of international markets and the strong growth of newly industrialising economies will make a significant contribution to growth and jobs. However, this will only happen if we can ensure a deeper and more rapid process of structural adjustment of our economy to reallocate resources to sectors where Europe has a comparative advantage. Facilitating change to more competitive sectors and better quality jobs is therefore critical to the success of the renewed Lisbon strategy»¹⁰⁴. Education, training and advanced research («knowledge and innovation for growth») are placed as the instruments to achieve the ambitious aims.

The Commission referred to the tax rate on enterprises, and affirmed that was «taking work forward to try to achieve an agreement on a common consolidated corporate tax base and its implementation. This will reduce a significant overhead to doing business in different countries, while leaving Member States free to set the corporate tax rate»¹⁰⁵. Nowadays, fifteen years after, such an agreement does not exist yet and this fact supposes a persistent erosion of the tax revenue of certain Member States.

¹⁰⁰ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *Working together for growth and jobs. A new start for the Lisbon Strategy*. Brussels, Communication to the Spring European Council from President Barroso in agreement with Vice-President Verheugen. COM(2005) 24 final, 02.02.2005.

¹⁰¹ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *Working together for growth (...)* (op. cit.), p. 7.

¹⁰² The Commission admits that in the next decades growth prospects would be of only 1% annually, instead of the optimistic 3% rate that presented in 2000. The causes of such an anaemic growth are found in the «demographic transition» of the aging population scenery.

¹⁰³ Also, the document indicates that wages' increment shall not exceed productivity growth, instead of proposing their adjustment to inflation variations.

¹⁰⁴ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *Working together for growth (...)* (op. cit.), p. 13.

¹⁰⁵ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *Working together for growth (...)* (op. cit.), p. 17.

The «**Social Policy Agenda**» for the period 2006-2010 was published seven days after the «relaunch» of the «Lisbon Strategy» in a concrete Communication¹⁰⁶. The general objectives of the «Social Policy Agenda» are traced in the following terms¹⁰⁷:

1. Pursue an integrated European approach guaranteeing positive interplay between economic, social and employment policies.
2. Promote quality (regarding employment, social policy and industrial relations), which, in turn, shall make it possible to improve the human and social capital.
3. Modernise the systems of social protection, «by adapting them to the current requirements of our societies», based on solidarity and reinforcing their role as a productive factor.
4. Take account of the «cost of the lack of social policy».

Considering that the partnership between civil society, social actors and authorities is a necessity to ensure the success of EU policies, the Commission will propose an annual meeting of the participant stakeholders to evaluate regularly the implementation of the Agenda. The document describes two priority areas of intervention: first of all, achieving full employment; and secondly, in a complementary perspective, creating a more cohesive society that furnishes equal opportunities for all. The Commission committed to make proposals to remove obstacles on labour mobility. Thus, transnational collective bargaining will be encouraged, but its use will continue to be optional, depending exclusively on the will of social partners. Besides, in this Communication is introduced the OMC for health and long-term care, to be implemented in 2006. The OMC was applied from 2002 onwards only to combating exclusion and poverty. The Commission will propose the rationalisation and simplification of the OMC, by establishing a unitary list of objectives that covers the three matters, including interdisciplinary goals¹⁰⁸.

In terms of combating poverty and social exclusion, the institution will intervene in the debate of the national minimum income schemes, an aspect at which committed when establishing the precedent Agenda (2000-2005). The organisation recognises that «many people are still in considerable difficulties and are obtaining neither employment nor the national minimum income protection»¹⁰⁹. About the social services of general interest, the Commission expresses the willingness to inform about what kind of policies are included in the exposed broad category and can contribute to their «modernisation and quality». This is a very delicate issue, as Community rules can limit the public financing of such services, considering it to be «State aid» and contrary to the principles of free market. This Communication specifies that the Commission will adopt a Decision to provide further specifications later on.

The European Council met in Brussels on March 2005 and evaluated positively the Communication of the Commission to «relaunch» the «Lisbon Strategy»¹¹⁰. Moreover, the text of the **Conclusions** stressed the importance of attaining high levels of investments in Research and Development to surpass the threshold of 3%. It proposed founding the European Research Council and the European Institute of Technology to counteract the increasing «technology gap» with other global partners (the United States and Japan)¹¹¹. The European Council emphasised the reduction of State aid to improve the «active competition policy» whilst asked to re-deploy the financial support to «research and innovation and the optimisation of human capital»¹¹².

¹⁰⁶ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *The Social Agenda*. Brussels, Communication from the Commission. COM(2005) 33 final, 09.02.2005.

¹⁰⁷ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *The Social Agenda (...)* (op. cit.), p. 2.

¹⁰⁸ This aspect will be studied in detail at the next section.

¹⁰⁹ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *The Social Agenda (...)* (op. cit.), p. 10.

¹¹⁰ EUROPEAN COUNCIL (2005): *Presidency Conclusions of the European Council*. Brussels, 22 and 23 March, 7619/1/05, Par. 8.

¹¹¹ EUROPEAN COUNCIL (2005): *Presidency Conclusions of the European Council (...)* (op. cit.), Pars. 11-15.

¹¹² EUROPEAN COUNCIL (2005): *Presidency Conclusions of the European Council (...)* (op. cit.), Par. 23.

Regarding the social policy, the European Council pronounced in rather contradictory terms: «[r]aising employment rates and extending working life, coupled with reform of social protection systems, provide the best way of maintaining the present level of social protection»¹¹³. The objective of full employment adopts a central placement in the discourse, promoting the «adaptability» of workers by using «Flexicurity» policies. The Commission encourages «new forms of work organisation and greater diversity of contractual arrangements»¹¹⁴.

The Conclusions of the Presidency have two interesting Annexes that shall be mentioned. First of all, there is a «European Youth Pact» that proposes several objectives related to three broad lines of action: employment, integration and social advancement; education, training and mobility; and reconciliation of working and family life. The second Annex is a Council Report to the European Council: «Improving the implementation of the Stability and Growth Pact», which upholds the «golden rule» of public finances: 3% of the GDP reference value for the deficit ratio and 60% of the GDP reference value for the debt ratio.

The excessive deficit procedure would have important implications during the crisis of the sovereign debt at the beginning of the decade of the 2010s, as would constrain Member States' own social policies with a strong impact in the welfare of the population. The Council manifested in that time that its purpose was «to assist rather than to punish, and therefore to provide incentives for Member States to pursue budgetary discipline, through enhanced surveillance, peer support and peer pressure. (...) If nevertheless a Member State fails to comply with the recommendations addressed to it under the excessive deficit procedure, the Council has the power to apply the available sanctions»¹¹⁵. The document also addresses the reforms pensions systems.

2.3.5. THE «OPEN METHOD OF SOCIAL COORDINATION SIMPLIFIED» (2005)

As commented previously, the «Social Policy Agenda» for the period 2006-2010 introduced the Open Method of Coordination (OMC) in the fields of health and long-term care. Since 2005, to the cited areas are added social inclusion and pensions, thus creating an integrated single OMC, where the process of coordination is simplified. According to a **Communication**¹¹⁶ from the Commission, the three main objectives are displayed as follows: first of all, «making a decisive impact on the eradication of poverty and social exclusion»; secondly, «providing adequate and sustainable pensions»; and finally, «ensuring accessible, high-quality and sustainable healthcare and long-term care»¹¹⁷.

The Commission aims at guaranteeing access for all to the basic resources, rights and social services needed to participate in society, while addressing extreme forms of exclusion and combating all types of discrimination that derive into exclusion. In similar terms are announced the pensions' objectives, searching to guarantee adequate retirement incomes for all and access to pensions «which allow people to maintain, to a reasonable degree, their living standard after retirement», in the «spirit of solidarity and fairness between and within generations»¹¹⁸. The Commission encouraged the sustainability and affordability of funded and private pension plans.

¹¹³ EUROPEAN COUNCIL (2005): *Presidency Conclusions of the European Council (...)* (op. cit.), Par. 30.

¹¹⁴ EUROPEAN COUNCIL (2005): *Presidency Conclusions of the European Council (...)* (op. cit.), Par. 33.

¹¹⁵ EUROPEAN COUNCIL (2005): *Presidency Conclusions of the European Council (...)* (op. cit.), p. 31 (in Annex II).

¹¹⁶ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *Working together, working better: A new framework for the open coordination of social protection and inclusion policies in the European Union*. Brussels, Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions. COM(2005) 706 final, 22.12.2005.

¹¹⁷ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *Working together, working better (...)* (op. cit.), pp. 5-6.

¹¹⁸ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *Working together, working better (...)* (op. cit.), p. 6.

Member States will elaborate the «national strategies for social protection and social inclusion», based on the previous general objectives and considering the concrete challenges of each category. Such strategies will be composed by an assessment of the social situation, accompanied by «[a] presentation of the overall strategic approach for modernising social protection and social inclusion policies»¹¹⁹. The Commission considers the importance of involving stakeholders in the process, to enhance the visibility and implementation of the reforms.

The **European Council** met in Brussels in March 2006, and pursued the maintenance of the objectives of Research and Development established in the previous spring meeting, by promoting the partnership of universities with companies: «The European Council calls on the Member States to facilitate, in line with national practices, universities' access to complementary sources of funding, including private ones, and to remove barriers to public-private partnerships with businesses. Furthermore, it underlines the crucial role of universities and their research staff in the dissemination and transfer of research results to the business community and hence the need of developing managerial skills and competencies for the people involved»¹²⁰.

Regarding social policies, the institution continues to put employment as the top priority to counteract social exclusion, and promotes «Flexicurity» in the following terms: «Member States are invited to pursue, in accordance with their individual labour market situations, reforms in labour market and social policies under an integrated flexicurity-approach, adequately adapted to specific institutional environments and taking into account labour-market segmentation»¹²¹. To compensate the effects of such policies over certain collectives, the European Council approves the proposal made by the Commission to establish a European Globalisation Adjustment Fund, accessible to all Member States, «to provide additional support for workers made redundant as a result of major structural changes in world trade patterns and to assist them with their re-training and job search efforts»¹²². The document is complemented with several annexes, including the «European Pact for Gender Equality» (Annex II).

On November 2006, the European Parliament and the Council issued a remarkable **Decision**¹²³ about the «Lifelong Learning Programme»¹²⁴. The main objective is «to contribute through lifelong learning to the development of the Community as an advanced knowledge-based society, with sustainable economic development, more and better jobs and greater social cohesion, while ensuring good protection of the environment for future generations»¹²⁵. The cited Decision covers the following sectorial sub-programmes¹²⁶:

1. *Comenius Programme*. Addresses the teaching and learning needs of pre-school and school education up to the ending level of upper secondary education.
2. *Erasmus Programme*. Addresses the teaching and learning needs of formal higher education and vocational education and training at tertiary level.
3. *Leonardo da Vinci Programme*. Addresses the teaching and learning needs of vocational education and training, other than tertiary level.
4. *Grundtvig Programme*. Addresses the teaching and learning needs of adult education.

¹¹⁹ COMMISSION OF THE EUROPEAN COMMUNITIES (2005): *Working together, working better (...)* (op. cit.), p. 7.

¹²⁰ EUROPEAN COUNCIL (2006): *Presidency Conclusions of the European Council*. Brussels, 23 and 24 March, 7775/1/06, Par. 24.

¹²¹ EUROPEAN COUNCIL (2006): *Presidency Conclusions of the European Council (...)* (op. cit.), Par. 41.

¹²² EUROPEAN COUNCIL (2006): *Presidency Conclusions of the European Council (...)* (op. cit.), Par. 42.

¹²³ EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION (2006): *Decision No. 1720/2006/EC, of 15 November 2006, establishing an action programme in the field of lifelong learning*. OJ L 327, 24.11.2006, pp. 45-68.

¹²⁴ Decision repealed by the Regulation No. 1288/2013, of 11 December 2013, of the European Parliament and of the Council, establishing the «Erasmus+» programme.

¹²⁵ EUROPEAN PARL. AND COUNCIL OF THE EU (2006): *Decision No. 1720/2006/EC (...)* (op. cit.), p. 48, Art. 1.

¹²⁶ EUROPEAN PARL. AND COUNCIL OF THE EU (2006): *Decision No. 1720/2006/EC (...)* (op. cit.), pp. 55-60, Arts. 16-31.

Besides, the Decision includes a «transversal programme», which includes: policy cooperation and innovation; promotion of language learning; development of digitalised contents, services and practice for life-long learning; and dissemination and exploitation of results of actions, including exchange of good practice. Finally, the «Jean Monnet programme» aims at supporting institutions and activities in the European integration perspective, fundamentally in the research and education fields.

Also in November 2006, the Commission issued a «**Green Paper**»¹²⁷ requesting the modernisation of labour law to adjust to the present and future needs of the European society. The document adopted an ambiguous character deliberately. Instead of providing accurate answers, it posed more broad questions in order to prepare an open public consultation. The «Green Paper» acknowledged that «[r]apid technological progress, increased competition stemming from globalisation, changing consumer demand and significant growth of the services sector have shown the need for increased flexibility. The emergence of just-in-time management, the shortening of the investment horizon for companies, the spread of information and communication technologies, the increasing occurrence of demand shifts, have led businesses to organise themselves on a more flexible basis. (...) These changes have created a demand for a wider variety of employment contracts»¹²⁸.

The Commission has put the Danish «Flexicurity» model in a favourable light, considering that it is adequate to combine soft employment protection legislation with intensive active labour market measures and social support, providing a substantial investment in education and training while are offered high unemployment benefits related to strong conditionality. Besides, the «Green Paper» noticed the temporary agency work, the difficulties in distinguishing the self-employed from the employees, the cross-border mobility and the transformation of undeclared work into regular work.

¹²⁷ COMMISSION OF THE EUROPEAN COMMUNITIES (2006): *Modernising labour law to meet the challenges of the 21st century*. Brussels, «Green Paper». COM(2006) 708 final, 22.11.2006.

¹²⁸ COMMISSION OF THE EUROPEAN COMMUNITIES (2006): *Modernising labour law (...) (op. cit.)*, p. 5.

Chapter III / The Social Policy in the Lisbon Treaty



3. THE SOCIAL POLICY IN THE LISBON TREATY

In this Chapter will be deployed an analysis of the Lisbon Treaty, signed on December 2007. It is the main legal source of the current EU social policy and deserves a separate outlook. Besides, the present Chapter will contemplate the contemporary policies of the Lisbon Treaty and will introduce the Charter of Fundamental Rights of the European Union.

3.1. THE LISBON TREATY (2007)

In November 2007, one month before the signature of the Lisbon Treaty, the Commission issued a **Communication**¹²⁹ evaluating the social perspective of the Union for the next years. The document shows a greater orientation towards the «excluded» collectives, compared to precedent releases. It recognised openly that Europeans express anxiety and concern about the future, and particularly the coming generation.

Furthermore, the Commission affirmed that «[w]orking patterns and working conditions are becoming more diverse and irregular ending the prospect of a “job-for-life” career pattern, with new forms of contracts, a spread of part-time, greater geographical mobility and more changes throughout a life time in both jobs and working status». Moreover, the institution indicated that «[t]his increases the risk of labour market polarisation, with evidence of rising wage inequalities and people with low skills trapped in low quality jobs with few prospects of advancement»¹³⁰.

Notwithstanding this fact, the Commission was reluctant to stop the «Flexicurity» agenda. For obvious reasons, the global competition exerts a remarkable pressure over the European social standards. The institution considered that security and flexibility «can be mutually reinforcing» and can help workers progress professionally and increment their productivity. More flexibility is viewed as the key to attain a more diversified working life, where does not matter having a «job-for-life»: the new concept is moving towards an «employment-for-life» (in general). To compensate the imbalances and the transitions to one occupation to another, are designed «modern and effective social protection mechanisms»¹³¹.

The Commission explained the importance of setting policy frameworks for action, and considers that the approach taken into «Flexicurity», based in «common principles», «could be for example applied to promote the active inclusion of those furthest away from the labour market, in full respect of national contexts and Member States’ competencies»¹³². Needless to say, this is only a mere possibility. The Mediterranean precarious low standards in labour continue to be very far away from the advanced protection policies applied in Scandinavian countries (the «security» aspect), and this gap has not ceased to exist even with the deployment of the single currency.

Overall, the Communication summarises seven fundamental areas for action, where the agenda has to arrange the main investments: youth, fulfilling careers, longer and healthier lives, gender equality, active inclusion and non-discrimination, mobility and successful integration, and civic participation, culture and dialogue.

¹²⁹ COMMISSION OF THE EUROPEAN COMMUNITIES (2007): *Opportunities, access and solidarity: towards a new social vision for the 21st century Europe*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions. COM(2007) 726 final, 20.11.2007.

¹³⁰ COMMISSION OF THE EUROPEAN COMMUNITIES (2007): *Opportunities, access and solidarity (...)* (op. cit.), p. 5.

¹³¹ COMMISSION OF THE EUROPEAN COMMUNITIES (2007): *Opportunities, access and solidarity (...)* (op. cit.), p. 7.

¹³² COMMISSION OF THE EUROPEAN COMMUNITIES (2007): *Opportunities, access and solidarity (...)* (op. cit.), p. 10.

Such investments demand the participation of citizens, families, local communities, social and business institutions, non-governmental organisations and different government levels. The Commission acknowledged that «[i]t is not simply spending to subsidise the consequences of societal failure (...) [t]his is the way to reconcile equity and efficiency»¹³³.

The **Lisbon Treaty** was signed on 13 December 2007, and entered into force on 1 December 2009. The text constitutes an amendment of the Treaty on European Union (TEU) and the Constitutive Treaty of the European Communities, which will be called since then Treaty on the Functioning of the European Union (TFEU). The modifications introduced represent important novelties in the fields of the distribution of competences and institutional practices. In general, we can identify the following aspects¹³⁴:

1. The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. The exposed values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail (Art. 2 TEU).
2. Among the aims of the Union we can identify: promote peace, its values and the well-being of its peoples; establish an internal market, which shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the environment; the Union shall promote scientific and technological advance; the organisation shall combat social exclusion and discrimination, and has to promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child; the Union shall promote economic, social and territorial cohesion, and solidarity among Member States (Art. 3 TEU).
3. The social policy and the economic, social and territorial cohesion are shared competences of the Union with the Member States¹³⁵. The Union «shall take measures to ensure coordination of the employment policies of the Member States, in particular by defining guidelines for these policies». Also, the organisation «may take initiatives to ensure coordination of Member States' social policies»¹³⁶. In the fields of protection and improvement of human health, education, vocational training, youth and sport, the Union has competences to carry out actions to support, coordinate or supplement the actions of the Member States¹³⁷. In this sense, the OMC indirectly emerges in the text of the Treaty.
4. In defining and implementing its policies and activities, the Union has to take into account requirements related to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health (Art. 9 TFEU).
5. In defining and implementing its policies and activities, the Union has to aim to combat discrimination based on the grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation (Art. 10 TFEU). In all its activities, the organisation has to promote equality between men and women (Art. 8 TFEU).

¹³³ COMMISSION OF THE EUROPEAN COMMUNITIES (2007): *Opportunities, access and solidarity (...)* (op. cit.), pp. 7-9.

¹³⁴ ALONSO SECO, José María (2013): *Política social europea*. Madrid, Universidad Nacional de Educación a Distancia, pp. 53-55.

¹³⁵ Article 4.2 b) and c) TFEU.

¹³⁶ Article 5.2 and 3 TFEU.

¹³⁷ Article 6 a) and e) TFEU.

But not everything is fine, at least in the «traditional» scope of social rights, as the Treaty of Lisbon structures a liberal economic approach. Regarding services of general economic interest, the Union and the Member States, each within their respective powers and within the scope of application of the Treaties, «shall take care that such services operate on the basis of principles and conditions, particularly economic and financial conditions, which enable them to fulfil their missions. The European Parliament and the Council, acting by means of regulations in accordance with the ordinary legislative procedure, shall establish these principles and set these conditions without prejudice to the competence of Member states, in compliance with the Treaties, to provide, to commission and to fund such services»¹³⁸.

Thus, this precept would allow the liberalisation of a non-negligible fraction of public services. In this aspect, it is more clear another precept of the text that previously has obliged Member States to become detached of their public companies, as this is incompatible with the Treaties¹³⁹: «[u]ndertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly shall be subject to the rules contained in the Treaties, in particular to the rules on competition, in so far as the application of such rules does not obstruct the performance, in law or in fact, of the particular tasks assigned to them. The development of trade must not be affected to such an extent as would be contrary to the interests of the Union. The Commission shall ensure the application of the provisions of this article and shall, where necessary, address appropriate directive or decisions to Member States»¹⁴⁰.

The principle of «primacy» of EU Law would enforce the applicability of the Commissions' criteria over Member States. It is important to remember that «the establishing of the competition rules necessary for the functioning of the internal market» is an area of exclusive competence of the Union¹⁴¹. Putting the arguments on the extreme point, the Commission could uphold that a majority presence of the public sector in health care and education services are «distortions of competition within the internal market»¹⁴² that have to be corrected, not susceptible to be covered by the State-aid exceptions of article 107.3 TFEU.

But there is still a defence for the countries who want to preserve their basic social services in the public sphere. The Protocol No. 26 of the Lisbon Treaty, on Services of General Interest, indicates that the shared values of the Union include particularly «the essential role and the wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest as closely as possible to the needs of the users; the diversity between various services of general economic interest and the differences in the needs and preferences of users that may result from different geographical, social or cultural situations; a high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights»¹⁴³. The cited Protocol introduces a second precept, which refers that «[t]he provisions of the Treaties do not affect in any way the competence of Member States to provide, commission and organise non-economic services of general interest»¹⁴⁴. These services are, for example, the police, the administration of justice and statutory social security schemes. Therefore, they are not affected neither by specific European legislation nor internal market and competition regulations.

¹³⁸ Article 14 TFEU.

¹³⁹ «In the case of public undertakings and undertakings to which Member States grant special or exclusive rights, Member States shall neither enact nor maintain in force any measure contrary to the rules contained in the Treaties, in particular to those rules provided for in Article 18 and Articles 101 to 109» (Article 106.1 TFEU).

¹⁴⁰ Article 106.2 and 3 TFEU.

¹⁴¹ Article 3.1 b) TFEU.

¹⁴² Article 101.1 TFEU.

¹⁴³ Article 1 of the Protocol No. 26 of the Lisbon Treaty, on Services of General Interest.

¹⁴⁴ Article 2 of the Protocol No. 26 of the Lisbon Treaty, on Services of General Interest.

When addressing the issue of the common commercial policy, this is also an exclusive competence of the European Union¹⁴⁵, and here remains a clause that can protect several social services to be affected by global competition. The Council shall act unanimously to negotiate and conclude agreements «in the field of trade in social, education and health services, where these agreements risk seriously disturbing the national organisation of such services and prejudicing the responsibility of Member States to deliver them»¹⁴⁶. However, the fact that dominant Member States may exert pressure among the weak ones to liberalise social services is a possibility that cannot be set aside, especially in a context of economic and social crises.

The European Union has promoted during the last three decades a worldwide movement for the liberalisation of trade, which has not contemplated the appropriate instruments for verifying the so-called «offshore» operations. According to the French economist Thomas PIKETTY, this scenery does not provide sufficient mechanisms for Member States to prevent tax evasion and encourages their downwards tax competition. For this reason, it is paramount to organise globalisation in another way. Possible changes would include strong social and environmental clauses in commercial agreements and structuring transnational assemblies to ensure that democratically elected representatives participate in such complex processes¹⁴⁷. However, this last measure looks somewhat utopic and difficult to operate.

The Lisbon Treaty includes the recognition of the European Charter of Fundamental Rights. The failed constitutional Treaty included such precepts inside the same text, but the strong resemblance with the format of continental constitutions motivated the separate presentation in the Lisbon framework, as a third document, having «the same legal value as the Treaties»¹⁴⁸. The Charter will be evaluated in more detail in a specific section. Also, the Lisbon Treaty indicates that the Union «shall accede to the European Convention for the Protection of Human Rights and Fundamental Freedoms»¹⁴⁹, a fact that has not been reached at the present moment due to the inherent complexity of the overlapping framework of the Member States, the European Union and the Council of Europe.

3.2. CONTEMPORARY POLICIES OF THE LISBON TREATY

3.2.1. THE «RENEWED SOCIAL AGENDA» (2008-2010) AND THE «REINFORCED OPEN METHOD OF COORDINATION»

On July 2008, the Commission published a remarkable **Communication**¹⁵⁰ covering the «Renewed Social Agenda» for the period 2008-2010. The cited document was issued in the beginning of the so-called «Great Recession» and mentions the initial consequences of the crisis, remaining overconfident about European strength.

¹⁴⁵ Article 3.1 e) TFEU.

¹⁴⁶ Article 207.4 b) TFEU. Also, another sector that requires the unanimity of the Council is cultural and audio-visual services, where these agreements risk prejudicing the Unions' cultural and linguistic diversity.

¹⁴⁷ PIKETTY, Thomas (2019): *Capital et idéologie*. Paris, Éditions du Seuil. For the Catalan edition (2019): *Capital i ideologia*. Barcelona, Edicions 62, pp. 1180-1181.

¹⁴⁸ Article 6.1 TEU. The precept indicates that the Union «recognises the rights, freedoms and principles set out in the Charter of Fundamental Rights of the European Union of 7 December 2000, as adapted at Strasbourg, on 12 December 2007».

¹⁴⁹ Article 6.2 TEU.

¹⁵⁰ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *Renewed social agenda: Opportunities, access and solidarity in 21st century Europe*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2008) 412 final, 02.07.2008.

According to the Commission, «2008 is witnessing a global economic slowdown, with increased competition for scarce resources, including food and energy and continuing turbulence in the financial markets. Whilst the EU economy should hold up well in the face of these external shocks, due to sound fundamentals, such recent developments including dramatic increases in food and oil prices generate concern. The poor are disproportionately affected by these developments. In addition, while opinion polls show that Europeans are generally satisfied with their quality of life, they are worried about the future and fear that their children will be less well off in years to come»¹⁵¹.

The proposed renewal of the European Social Agenda is pursued by the challenges of the present moment. The Commission indicates the need to empower and enable individuals to realise their potential, whilst helping the ones that cannot arrive there. The document expresses satisfaction for the achievement of a progressive «social convergence» in Europe during the previous years, consolidating democracy and human rights while boosting prosperity among Member States.

Remarkably, the Communication also considers the combined role of globalisation and fast technological change, which increases the gap between skilled and unskilled workers. Education is put at the front line: «[t]he overriding social issue for the longer term is to how best to equip individuals with the right skills to give them a better chance in the modern economy as workers, entrepreneurs and consumers. This is more than an issue of industrial training in the conventional sense. It is about what types of skills and competences are needed for a new type of economy and how citizens can be equipped to succeed»¹⁵². The Commission explains the commitment of the European Union in investment in skills and social systems, inside the «Flexicurity» perspective.

The «Renewed Social Agenda» expressed solidarity in terms of helping those who are in a disadvantaged position, that is, those «who cannot reap the benefits of an open, rapidly changing society. It means fostering social inclusion and integration, participation and dialogue and combating poverty. It means giving support to those who are exposed to temporary, transitional problems of globalisation and technological change»¹⁵³.

The Commission expressed commitment for growth and better jobs. The institution continues with the line or reasoning deployed in other documents, expressing that the best mechanism to escape poverty is a job. By then, 16% of the total population of the Union was at risk of poverty¹⁵⁴. The «Renewed Social Agenda» established that the organisation will help to coordinate efforts and promote active inclusion, comprising labour market integration and life-long learning. After explaining the strengths of the «Lisbon Strategy» and the Economic and Monetary Union, the Commission assesses the importance of anticipating changes and restructuring, by the «Flexicurity» agenda. In other words, «common principles and pathways based on flexible and secure contractual arrangements, life-long learning, active labour market policies and modern social security systems to ease labour market transitions»¹⁵⁵. Immigration is mentioned as a way to fill labour market gaps and skills shortages. Entrepreneurship and the use of ICTs are matters to be enhanced.

¹⁵¹ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *Renewed social agenda (...)* (op. cit.), p. 3.

¹⁵² COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *Renewed social agenda (...)* (op. cit.), p. 5.

¹⁵³ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *Renewed social agenda (...)* (op. cit.), p. 6.

¹⁵⁴ According to EUROSTAT, ten years after the exposed Communication the population of the European Union at risk of poverty was of 16.9% (EU-28, 2017). In this sense, social progress remains stagnant. If in such a magnitude are included the share of total population with severe material deprivation (other than risk of poverty) and very low work intensity (without being included the previous categories), then the «total population at risk of poverty or social exclusion» reaches 22.5% (EU-28), with extremely high rates in Bulgaria (38.8%), Romania (35.7%) and Greece (34.8%). Source of data: EUROSTAT (2020): *Population at risk of poverty or social exclusion, 2017*. Code: ilc_pees01.

¹⁵⁵ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *Renewed social agenda (...)* (op. cit.), p. 8.

The Commission showed worldwide compromise towards social rights, by indicating that the institution would «contribute to the international efforts aimed at promoting the social dimension of globalisation» and «will ensure that its external relations, trade and development policies in the broadest sense help promote opportunities, access and solidarity beyond EU borders»¹⁵⁶.

The instruments to attain the Renewed Social Agenda are characterised by strong synergies between them, implementing a comprehensive approach. EU legislation is fundamental, but also the social dialogue and the OMC. EU funding, via the European Social Fund and the Employment and Social Solidarity Programme 2007-2013 (called «Progress»), was necessary to tackle the territorial imbalances and foster competitiveness and general cohesion. The exposed Agenda was revised together with the LS after 2010, comprising both actions and instruments.

On July 2008, the Commission issued another **Communication**¹⁵⁷ attached to the mentioned «Renewed Social Agenda», in which proclaimed a renewed interest to reinforce the Open Method of Coordination (OMC) regarding the fields of social protection and social inclusion. As commented before, in 2008 year 16% of EU citizens were at risk of poverty, and among them, children were facing a greater risk, at 19%. Compared to the previous years, the Commission recognised that there were «no signs of an overall reduction in poverty rates in the EU», «pension reforms have not removed the risk of inadequate pension provisions for future generations», and «health inequalities (...) persist»¹⁵⁸. The «objectives of the OMC for social protection and social inclusion» settled in the first Annex¹⁵⁹ of the document were almost identical to the objectives presented in 2005, at the social and simplified OMC. Overall, the main contribution of the Communication could be identified in the «overarching indicators for monitoring the social OMC»¹⁶⁰, which pretends to increase the transparency and participation in the EU's social policy.

3.2.2. EU SPECIFIC POLICIES IN EMPLOYMENT (2007-2010)

On June 2007 the Commission issued a **Communication**¹⁶¹ synthesising the «common principles of Flexicurity». It is defined as «an integrated strategy to enhance, at the same time, flexibility and security in the labour market»¹⁶². The Commission considers that both aspects can reinforce each other, thus originating the possibility to find a job without problems at every stage of the active life, and have good prospects for professional development in a fast-moving economic setting. This policy would allow employers and employees to reap the benefits furnished by globalisation better. When assessing the flexibility aspect of «Flexicurity», the Commission emphasises that «[i]t is not limited to more freedom for companies to recruit or dismiss, and it does not imply that open-ended contracts are obsolete. It is about progress of workers into better jobs, “upward mobility” and optimal development of talent»¹⁶³.

¹⁵⁶ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *Renewed social agenda (...)* (op. cit.), p. 14.

¹⁵⁷ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *A renewed commitment to social Europe: Reinforcing the Open Method of Coordination for Social Protection and Social Inclusion*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2008) 418 final, 02.07.2008.

¹⁵⁸ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *A renewed commitment (...)* (op. cit.), p. 3.

¹⁵⁹ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *A renewed commitment (...)* (op. cit.), pp. 9-10.

¹⁶⁰ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *A renewed commitment (...)* (op. cit.), pp. 11-12.

¹⁶¹ COMMISSION OF THE EUROPEAN COMMUNITIES (2007): *Towards Common Principles of Flexicurity: More and better jobs through flexibility and security*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2007) 359 final, 27.06.2007.

¹⁶² COMMISSION OF THE EUROPEAN COMM. (2007): *Towards Common Principles (...)* (op. cit.), p. 4.

¹⁶³ COMMISSION OF THE EUROPEAN COMM. (2007): *Towards Common Principles (...)* (op. cit.), pp. 4-5.

The Communication explains that «Flexicurity» requires combinations of flexible and reliable contractual arrangements, comprehensive life-long learning strategies, effective active labour market policies and modern social security systems. Furthermore, the Commission proposes several «common principles», which were approved by the Council later on with only stylistic modifications. The institution supported the social dialogue and aimed at the avoidance of segmented labour markets, with «insiders» and «outsiders». Finally, the document evaluated positively the «Flexicurity» employment policies deployed by Austria, Denmark and the Netherlands. In the case of Spain, the Commission celebrated the reduction of fixed-term contracts after a comprehensive agreement signed on May 2006.

Soon after, the Council published the «common principles of Flexicurity» in a set of **Conclusions**¹⁶⁴ by the end of 2007, and send the text to the European Council for its approval. There were eight principles, characterised by an ambiguous language and emphasising the desirable outcomes of the recently implemented policies, in the line of the «Lisbon Strategy». The Council expressed that «Flexicurity» supposes a balance of rights and responsibilities among stakeholders, requiring «a climate of trust and broadly-based dialogue»¹⁶⁵. Besides, the institution distinguished among «internal» and «external» «Flexicurity», that is, if such policy is applied within the undertaking or in the general employment market. The Council admitted that every Member State had specificities in employment and public policies, and thus would develop its own policies and arrangements on «Flexicurity».

While maintaining the perspective adopted in the previous releases, the Commission issued on October 2008 a **Recommendation**¹⁶⁶ for promoting the employment and social inclusion of «excluded» workers. According to the Commission, Member States should combine «adequate income support, inclusive labour markets and access to quality services. Active inclusion policies should facilitate the integration into sustainable, quality employment of those who can work and provide resources which are sufficient to live in dignity, together with support for social participation, for those who cannot»¹⁶⁷. The institution highlighted the importance of adapting education and training systems to adapt to the new competences' requirements and provide digital skills. Besides, the text expressed the need to review the incentives (and disincentives) that derive from tax and benefit systems, while ensuring adequate levels of social protection and the financial stability of the public budget. The Commission remembered the available EU funds.

By the end of 2008, the Commission published a **Communication**¹⁶⁸ encouraging the appropriate matching of the future employment supply and demand, in a context of rapid evolving skills. The text acknowledged a polarisation of employment, with a bias favourable to high-skilled jobs. According the Commission, «[n]ew technologies and developments in work organisation seem to result in an important job expansion at the ends of the job spectrum (especially at the higher level)». ICTs cannot substitute either the “non-routine” tasks typical of high-skilled occupations or low skilled jobs, especially in the service sector. «However, medium-skilled routine tasks and repetitive work can be replaced by automation and computerization, or outsourced»¹⁶⁹.

¹⁶⁴ COUNCIL OF THE EUROPEAN UNION (2007): *Towards Common Principles of Flexicurity*. Brussels, Conclusions of the Council (Employment, Social Policy, Health and Consumer Affairs) directed to the European Council. No. 16201/07, 06.12.2007.

¹⁶⁵ COUNCIL OF THE EUROPEAN UNION (2007): *Towards Common Principles (...)* (op. cit.), p. 6, Principle 7.

¹⁶⁶ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *Recommendation 2008/867/EC, of 3 October 2008, on the active inclusion of people excluded from the labour market*. OJ L 307, 18.11.2008, pp. 11-14.

¹⁶⁷ COMMISSION OF THE EUROPEAN COMM. (2008): *Recommendation of 3 October (...)* (op. cit.), p. 12.

¹⁶⁸ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *New Skills for New Jobs. Anticipating and matching labour market and skills needs*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2008) 868 final, 16.12.2008.

¹⁶⁹ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *New Skills for New Jobs (...)* (op. cit.), p. 8.

It is clear that the mentioned Communication was published in a time where the expectations for automation were lower than nowadays, with expanding AI and autonomous vehicles. Besides, the Commission favours the vision that the high-skilled individuals obtain an increasing share of the labour income because of their education, compared to the low and medium-skilled, and that Europe requires for the future a general «skills upgrading». The document commits the Union institutions to develop foresight studies analysing the skills and labour market needs of key sectors, whilst increasing the international cooperation and mobilising the EU resources.

On June 2009, the Commission issued a **Communication**¹⁷⁰ promoting the general creation of employment and the skills improvement. The financial storm had transmuted into a social and economic crisis. Its consequences were aggravating progressively, especially over «peripheral» Member States. Interestingly, the Commission pointed out to «temporary short-time working arrangements» (STWAs), as an important factor to maintain employment and with implications over the current technological challenges that cannot be neglected: «such systems are often considered less costly for companies than making workers redundant, and then re-hiring them after a period of unemployment, as well as assisting in the prevention of redundancies, the maintenance of purchasing power, the preservation of functioning plants, and the bolstering the morale of staff, and indeed the overall population, during economically difficult times»¹⁷¹.

However, the text highlighted that STWAs are basically designed as short-term measures: with prolonged crises the capacity for adjustment may be limited and would create «perverse incentives». The Commission encouraged the combination of STWAs with specific training, furnished during the hours that are not worked, thus facilitating a more skilled workforce and greater competitiveness for undertakings. According to the document, «[c]lear rules should specify whether the public authorities, the company, or the individual pay for training, and whether there should be training incentives»¹⁷².

3.2.3. EU POLICIES IN EDUCATION AND TRAINING (2008-2010)

On April 2008, the European Parliament and the Council emitted a **Recommendation**¹⁷³ on the «European Qualifications Framework» (EQF) for life-long learning¹⁷⁴. Despite the non-binding nature of the text, it aims at creating «a common reference framework which should serve as a translation device between different qualifications systems and their levels, whether for general and higher education or for vocational education and training. This will improve the transparency, comparability and portability of citizens' qualifications issued in accordance with the practice in the different Member States»¹⁷⁵. The EQF is a fundamental instrument for developing a single employment market and increasing the mobility of students and workers outside their own countries. It is structured in eight distinct reference levels, from 1 (basic general knowledge) to 8 (most advanced knowledge, Doctorate), considering the learning outcomes rather than the studies' duration. The EQF respects the education systems of Member States and does not replace or define their existing qualifications. Cooperation among countries is ensured by a «national coordination point» in every State and an «EQF advisory group» at Union level.

¹⁷⁰ COMMISSION OF THE EUROPEAN COMMUNITIES (2009): *A Shared Commitment for Employment*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions. COM(2009) 257 final, 03.06.2009.

¹⁷¹ COMMISSION OF THE EUROPEAN COMM. (2009): *A Shared Commitment (...)* (*op. cit.*), Vol. 2 (Annexes), p. 12.

¹⁷² COMMISSION OF THE EUROPEAN COMM. (2009): *A Shared Commitment (...)* (*op. cit.*), Vol. 2 (Annexes), p. 13.

¹⁷³ EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION (2008): *Recommendation of 23 April 2008, on the establishment of the European Qualifications Framework for lifelong learning*. OJ C 111, 06.05.2008, pp. 1-7.

¹⁷⁴ At the moment of issuing the present Report this Recommendation remains in force.

¹⁷⁵ EUROPEAN PARL. AND COUNCIL OF THE EU (2008): *Recommendation of 23 April (...)* (*op. cit.*), p. 2, Par. 12.

The spirit of the mentioned EQF Recommendation was maintained by the Council in a set of **Conclusions**¹⁷⁶ on May 2008. This publication recognised the need to «raise the skills levels of a still significant number of low-skilled workers, with a view to enabling all citizens to adapt to technological change and future skills needs and thereby contributing to improving overall economic performance»¹⁷⁷. Adult learning is viewed as an important source of economic and social benefits, whilst it reinforces self-fulfilment, improves the health and individual well-being, and enhances self-esteem. The Council establishes specific measures for the period 2008-2010, inviting Member States to cooperate at deploying an effective culture of life-long learning.

At the end of 2008, the European Parliament and the Council approved a **Decision**¹⁷⁸ establishing the «Erasmus Mundus» action programme for the period 2009-2013. The academic offer continues with the same orientation of the initial «Erasmus Mundus»¹⁷⁹ for the time lapse 2004-2008: «attract the best students from third countries due to the quality of the studies on offer, the quality of the reception arrangements and a scholarship scheme that can compete with any in the world»¹⁸⁰. The Programme is characterised by joint Masters and Doctoral programmes of academic excellence, including a scholarship scheme addressed to third-country and European academically outstanding students. Moreover, «Erasmus Mundus» fosters the cooperation among higher education institutions and aims at «enhancing the attractiveness of Europe as an educational destination and a centre of excellence at world level»¹⁸¹.

At the beginning of 2009, the Council published a set of **Conclusions**¹⁸² about the new priorities at developing the European cooperation in vocational education and training (VET). The text had relevance later on, in defining the general goals for the «Education and Training 2020» framework. The document acknowledged that «[a]nticipating skills needs, gaps and shortages – in addition to identifying new and emerging job requirements at European and national levels – are necessary conditions for implementing VET policies which respond to the needs of individuals, society and the economy»¹⁸³.

The Conclusions identified four priority areas to be covered, in addition to the guidelines and priorities previously defined at the Copenhagen meeting of November 2002 (better known as the «Copenhagen process»)¹⁸⁴:

1. Implementing the tools and schemes for promoting cooperation in VET at national and European level.
2. Heightening the quality and attractiveness of vocational education and training systems.
3. Improving the links between VET and the labour market.
4. Strengthening European cooperation arrangements.

¹⁷⁶ COUNCIL OF THE EUROPEAN UNION (2008): *Conclusions of 22 May 2008, on adult learning*. OJ C 140, 06.06.2008, pp. 10-13.

¹⁷⁷ COUNCIL OF THE EUROPEAN UNION (2008): *Conclusions of 22 May 2008 (...)* (op. cit.), p. 11.

¹⁷⁸ EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION (2008): *Decision No. 1298/2008/EC, of 16 December 2008, establishing the Erasmus Mundus 2009-2013 action programme for the enhancement of quality in higher education and the promotion of intercultural understanding through cooperation with third countries*. OJ L 340, 19.12.2008, pp. 83-98.

¹⁷⁹ Approved by the Decision No. 2317/2003/EC, of the European Parliament and the Council.

¹⁸⁰ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2008): *Decision No. 1298 (...)* (op. cit.), p. 83, Par. 3.

¹⁸¹ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2008): *Decision No. 1298 (...)* (op. cit.), p. 87, Article 4.1.

¹⁸² COUNCIL OF THE EUROPEAN UNION (2009): *Conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on the future priorities for enhanced European cooperation in vocational education and training (VET)*. OJ C 18, 24.01.2009, pp. 6-10.

¹⁸³ COUNCIL OF THE EUROPEAN UNION (2009): *Conclusions of the Council (...)* (op. cit.), p. 7.

¹⁸⁴ COUNCIL OF THE EUROPEAN UNION (2009): *Conclusions of the Council (...)* (op. cit.), pp. 8-9.

On May 2010, the Council and the Commission issued a joint **Report**¹⁸⁵ evaluating the «Education and Training 2010» work programme for the period 2007-2009. By then, the goals for the next decade were specifically defined with the «Education and Training 2020» framework («ET 2020»), published on May 2009. The document recognised the effects of the economic and social crisis, expressing that «[p]ublic and private budgets are under strong pressure, existing jobs are disappearing, and new ones often require different and higher level skills. Education and training systems should therefore become much more open and relevant to the needs of citizens, and to those of the labour market and society at large»¹⁸⁶.

The report highlights the importance of life-long learning in the knowledge economy, literally «from cradle to grave»¹⁸⁷, becoming a source for growth, jobs and social inclusion. Inadequate literacy levels, in particular among migrants and boys, represent a burden that shall be appropriately addressed by Member States. During the 2000s, the percentage of low-achieving 15-year olds in reading literacy increased, thus being a cause for concern.

3.3. THE CHARTER OF FUNDAMENTAL RIGHTS OF THE EUROPEAN UNION

The **Charter of Fundamental Rights of the European Union**¹⁸⁸ was solemnly proclaimed at Strasbourg on 12 December 2007 by the Commission, the Council and the European Parliament. This is a re-adaptation of the Charter proclaimed on 7 December 2000, replacing the original text with effects from 1 December 2009, coinciding with the date of entry into force of the Treaty of Lisbon. According to Article 6.1 TEU, the Charter proclaimed in 2007 has the same legal value as the Treaties.

The rule is addressed to the institutions and bodies of the EU and national authorities only in the case they are applying EU law. For example, the Charter would be applied when a Member State adopts a national law that implements an EU Directive, or when their authorities apply an EU Regulation in a direct way. This very limited scope, contrasting with the solemn proclamation of the text, raised legal concerns in the United Kingdom, Poland and Czech Republic.

Such countries decided to introduce a Protocol, which is limited to clarify the applicability better. In the cases where the Charter does not apply, the protection of Fundamental Rights depends on the guarantees established by the constitutions of the Member States and the international conventions that they have ratified, being the European Convention for the Protection of Human Rights (ECHR) the most remarkable one¹⁸⁹. Similarly, Article 6.3 TEU integrates the Fundamental Rights of the Convention and the constitutional traditions common to the Member States inside the EU Law framework, as «general principles of the Union's law». However, under the framework of the Council of Europe too, the European Social Charter is not comparable to the ECHR, mainly because the European Committee of Social Rights is not equivalent to an international jurisdiction and the Court of Justice of the EU hardly ever cites its resolutions¹⁹⁰.

¹⁸⁵ COUNCIL OF THE EUROPEAN UNION AND EUROPEAN COMMISSION (2010): *2010 Joint progress report on the implementation of the 'Education and Training 2010 work programme'*. OJ C 117, 06.05.2010, pp. 1-7.

¹⁸⁶ COUNCIL OF THE EU AND EUROPEAN COMMISSION (2010): *2010 Joint progress (...)* (op. cit.), p. 2.

¹⁸⁷ COUNCIL OF THE EU AND EUROPEAN COMMISSION (2010): *2010 Joint progress (...)* (op. cit.), p. 4.

¹⁸⁸ Text accessible at the Official Journal of the European Union: C 202, 07.06.2016, pp. 389-405.

¹⁸⁹ GARCÍA SAN JOSÉ, Daniel (2018): *La Europa de los derechos ante los avances científicos y tecnológicos*. València, Ed. Tirant lo Blanch, p. 33

¹⁹⁰ SARMIENTO RAMÍREZ-ESCUDERO, Daniel (2019): *El Derecho de la Unión Europea*. Madrid, Ed. Marcial Pons, p. 187 (2nd Edition).

The Title II of the Charter, called «Freedoms» addresses two rights that shall be mentioned here and have importance in this unprecedented technological transition. First of all, Article 14 indicates that «[e]veryone has the right to education and to have access to vocational and continuing training». The next precept, Article 15, establishes that «[e]veryone has the right to engage in work and to pursue a freely chosen or accepted occupation». Quite similarly, constitutions of the previous century cover this right by using analogous structures, thinking of labour as a single profession. The 21st Century will assess that this vision has turned outdated.

The Title IV of the Charter, called «Solidarity», covers the most of the social rights. Article 31 states that «[e]very worker has the right to working conditions which respect his or her health, safety and dignity» and «[e]very worker has the right to limitation of maximum working hours, to daily and weekly rest periods and to an annual period of paid leave». For obvious reasons, this precept contrasts with the practices that are currently deployed and permitted in the context of the «platform economy».

When addressing the perils of automation over employment, Article 34 is paramount: «[t]he Union recognises and respects the entitlement to social security benefits and social services providing protection in cases such as maternity, illness, industrial accidents, dependency or old age, and in the case of loss of employment, in accordance with the rules laid down by Union law and national laws and practices».

Furthermore, the Charter mentions that «[i]n order to combat social exclusion and poverty, the Union recognises and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources, in accordance with the rules laid down by Union law and national laws and practices» (Article 34.3). It can be well inferred that Europeans have social rights in front of the digital challenges, but such rights are constrained by the moderately undetermined rules of the EU and Member States.

Chapter IV / The Strategy for a decade: «Europe 2020»



4. THE STRATEGY FOR A DECADE: «EUROPE 2020»

The present Chapter will evaluate the success (or eventual failure) of the «Europe 2020» Strategy, by reviewing official texts and statistical data issued by Eurostat. The initiative is the legitimate and improved inheritor of the previous «Lisbon Strategy» of the 2000s.

4.1. «EUROPE 2020»: A POST-LISBON STRATEGY

The «Europe 2020» Strategy is a reaction to the deep impact of the financial, economic and social crises that exploded in 2008. The main guidelines are gathered in a **Communication**¹⁹¹ from the Commission published on March 2010. The main goal is to achieve a «reset» of the European economy and establish a horizon to be accomplished at the end of the decade, by 2020. This time, the objective is not written in the excessive terms of the «Lisbon Strategy»: here the Commission has opted by analysing concrete variables that can be statistically verified and monitored.

It is important to consider that the «Europe 2020» Strategy was written before the sovereign debt crisis exploded and the single currency faced its toughest time. The worst was yet to come, especially for Southern States. For this reason, there is still an overconfident language in the Communication's preface that nowadays will surprise the reader: «Europe has many strengths. We have a talented workforce, we have a powerful technological and industrial base¹⁹². We have an internal market and a single currency that have successfully helped us resist the worst. We have a tried and tested social market economy. We must have confidence in our ability to set an ambitious agenda for ourselves and then gear our efforts to delivering it»¹⁹³.

The Strategy for the decade of 2010 has three priorities that are mutually reinforced¹⁹⁴:

1. *Smart growth*. That is, developing an economy based on knowledge and innovation, in line with the previous «Lisbon Strategy».
2. *Sustainable growth*. It is based in promoting a «greener» and more competitive economy, with greater efficiency in terms of resources.
3. *Inclusive growth*. It is structured in fostering a high-employment economy, by furnishing economic, social and territorial cohesion.

The objectives that proposed the Commission for the 2020 year, which can be quantitatively measured, are the following ones¹⁹⁵:

1. The employment rate of the population aged between 20 and 64 years old should increase from 69% in 2010 to at least 75% in 2020. The aim is to increase the participation of women, older workers and migrants in the work force.
2. The EU shall maintain its target of investing the 3% of the gross domestic product (GDP) in research and development. The goal pretends to increment the involvement of the private sector and translate the success of the investments in profitable businesses and greater productivity. Just then, the European Union average was below 2%, while the United States were at 2.6% of the GDP and Japan at an outstanding 3.4%.

¹⁹¹ EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable and inclusive growth*. Brussels, Communication from the Commission. COM(2010) 2020 final, 03.03.2010.

¹⁹² Very sadly, during the crisis of the coronavirus the European industrial capabilities in producing medical equipment had become unveiled. This is another reason to be concerned, as China has been the main source of gloves and facemasks, a kind of «soft power» strategy that has succeeded worldwide.

¹⁹³ EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable (...) (op. cit.)*, p. 2.

¹⁹⁴ EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable (...) (op. cit.)*, p. 10.

¹⁹⁵ EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable (...) (op. cit.)*, pp. 10-12.

3. Greenhouse gas emissions shall be reduced by at least 20% compared to 1990 levels or by 30% if the conditions to reach an international binding agreement are favourable. Renewable energy sources have to increase their quota over the final total energy consumption to 20%, and energy efficiency shall increment in 20%.
4. Early school leavers have to be reduced, from the 15% of 2010 to the expected 10% in 2020. The fraction of the population aged between 30 and 34 years old having completed tertiary education shall increase from 31% in 2010 to at least 40% in 2020. At that time, the ratio was near 40% in the United States and 50% in Japan, and only two European universities were in the world's top 20 of the Shanghai index (Oxford and Cambridge, now evidently out of the EU).
5. The number of Europeans living below the national poverty line has to be reduced by 25%, that is, 20 million people have to abandon poverty by 2020. Fighting poverty successfully would signify that the European economy has come back again.

The exposed targets are interrelated. For example, the fact that citizens raise their educational attainment can foster their employability, while such progress could be translated in less incidence of poverty. More R&D, combined with resource efficiency, would increment the general competitiveness of the economy. The Commission established seven «flagship initiatives» to attain the objectives, one for every specific field of action¹⁹⁶:

1. Innovation: «Innovation Union». To improve the framework conditions and access to finance for research and innovation.
2. Education: «Youth on the move». To enhance the performance of education systems and to reinforce the international attractiveness of Europe's superior education institutions.
3. Digital society: «A digital agenda for Europe». To ensure the deployment of high-speed internet and collect the benefits of a digital single market for households and firms.
4. Climate, energy and mobility: «Resource efficient Europe». To attain economic growth by reducing carbon emissions, increasing the use of renewable energy sources and modernising the transport sector.
5. Competitiveness: «An industrial policy for the globalisation era». To improve the business environment and support the development of a robust and sustainable industrial base, capable to compete at the global scene.
6. Employment and skills: «An agenda for new skills and jobs». To modernise labour markets by enhancing the labour mobility and the development of skills, increasing labour participation and obtaining a better match of labour supply and demand.
7. Fighting poverty: «European platform against poverty». Maintain social and territorial cohesion, so as the benefits of jobs and growth are shared broadly and people experiencing poverty and social exclusion can live in dignity and participate in society.

Regarding this last initiative, the «European platform against poverty», at the level of the European Union the Commission worked¹⁹⁷:

1. To transform the OMC on social exclusion and social protection into a platform for cooperation, peer-review and exchange of good practice. Also, transformed it into an instrument to encourage commitment by public and private actors.
2. To design and implement programmes to promote «social innovation» for the most vulnerable, particularly by furnishing «innovative» education, training, and employment opportunities for deprived communities, combating discrimination and developing a new agenda for integrating migrants, enabling them «to take full advantage of their potential».
3. To assess the adequacy and sustainability of social protection and pension systems, and identify ways to ensure better access to health care systems.

¹⁹⁶ EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable (...)* (op. cit.), p. 32.

¹⁹⁷ EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable (...)* (op. cit.), p. 19.

At the national level, Member States had¹⁹⁸:

1. To promote a shared collective and individual responsibility in fighting poverty and social exclusion.
2. To define and implement measures which address the specific cases of groups that have concrete risks (like one-parent families, elderly, disabled persons, minorities, etc.).
3. To fully deploy the social security and pension systems to ensure adequate income support and access to health care.

Notwithstanding this fact, the Commission dedicates part of the text to explain the reforms needed to recover the economy, comprehending the financial sector, the Economic and Monetary Union and the budget consolidation. In this last aspect, the organisation continues its commitment in maintaining the Stability and Growth Pact (SGP), establishing a 3% deficit level over the GDP by 2013 as a «golden rule». The Commission proposes to make tax systems more «growth-friendly», by shifting the tax burden from labour to energy and environmental taxes.

Moreover, the institution indicates: «[f]iscal consolidation and long-term financial sustainability will need to go hand in hand with important structural reforms, in particular of pension, health care, social protection and education systems. Public administration should use the situation as an opportunity to enhance efficiency and the quality of the service. Public procurement policy must ensure the most efficient use of public funds and procurement markets must be kept open EU-wide»¹⁹⁹. The interpretation of the previous statement remains ambiguous, as opens the door to foster private participation in traditionally public competences, if we consider previous texts.

The «Europe 2020» Strategy has two pillars of periodic analysis²⁰⁰. First of all, a «thematic approach» would focus on the five targets to be achieved at the whole level of the Union. This dimension will require the involvement of both the EU and Member States, considering the high interdependence among economies. The second pillar is represented by «country reporting», centred in returning the economic stability to Member States in a context economic growth and competitiveness. An integrated approach would be necessary, as the Commission acknowledged constraints in their public finances and the necessary focus over the single currency area.

The European Council celebrated in March 2010 approved the «Europe 2020» Strategy presented by the Commission²⁰¹. Member States committed to accomplish the five targets of the Strategy by the end of the decade, elaborating National Reform Programmes setting out the specific actions. The European Council recognised that all common policies of the European Union, from agriculture to cohesion, would play an important role in supporting the Strategy, and also the EU foreign policy projected at the global level²⁰².

On June 2010, the European Council met in Brussels and issued another set of **Conclusions**²⁰³, repeating the same commitment to the «Europe 2020» Strategy and including the specific targets in an Annex. The European Council affirmed that the Strategy would «promote the delivery of structural reforms»²⁰⁴. The Presidency Conclusions contain a proposal «to set a global approach for introducing systems for levies and taxes on financial institutions».

¹⁹⁸ EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable (...)* (op. cit.), p. 19.

¹⁹⁹ EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable (...)* (op. cit.), p. 26.

²⁰⁰ EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable (...)* (op. cit.), p. 26.

²⁰¹ EUROPEAN COUNCIL (2010): *Presidency Conclusions of the European Council*. Brussels, 25 and 26 March, EUCO 7/10.

²⁰² EUROPEAN COUNCIL (2010): *Presidency Conclusions (...)* (March 2010, op. cit.), Paragraph 5th.

²⁰³ EUROPEAN COUNCIL (2010): *Presidency Conclusions of the European Council*. Brussels, 17 June, EUCO 13/10.

²⁰⁴ EUROPEAN COUNCIL (2010): *Presidency Conclusions of the European Council (...)* (17 June 2010, op. cit.), p. 1.

Also, they present that «[t]he introduction of a global financial transaction tax should be explored and developed further in that context»²⁰⁵. The initiative has not achieved any progress yet. Both in the Communication and in the two Presidency Conclusions of the European Council appeared references to the G20 framework, a sort of «selective» multilateralism enhanced by the financial crisis and the need to coordinate public policies worldwide.

On July, the Council emitted a first **Recommendation**²⁰⁶ on broad guidelines for the economic policies, directed to the Union and Member States and inspired on the 24 guidelines adopted by the Council in 2005, during the deployment of the «Lisbon Strategy». The text was expected to last without modifications until 2014 and was composed by six broad guidelines: ensuring the quality and sustainability of public finances; addressing macroeconomic imbalances; reducing imbalances within the euro area; optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy; improving resource efficiency and reducing greenhouse gases; improving the business and consumer environment; and modernising and developing the industrial base in order to ensure the full functioning of the internal market²⁰⁷.

Maintaining the perspective of the «Europe 2020» Strategy, the Commission issued on November a **Communication**²⁰⁸ dedicated to the «European Disability Strategy» for the period 2010-2020. The text promotes the use of assistive devices for people with disabilities. Besides, the Communication remarks that the employment rate of this collective remains very low, needing EU action to support Member States' efforts to «fight those disability benefit cultures and traps that discourage them from entering the labour market»²⁰⁹. This factor has remarkable consequences when designing policies that address the impact of robots and automation²¹⁰. Regarding education, the Commission reinforced the need of inclusive policies and life-long learning for students with disabilities. In the field of social protection, the institution committed to promote decent living conditions for the collective. Overall, the Communication maintains the perspective of the United Nations Convention on the Rights of Persons with Disabilities, adopted by the European Community on November 2009²¹¹.

On March 2014, the Commission emitted a **Communication**²¹² evaluating the deployment of the «Europe 2020» Strategy since its approval in 2010. According to the institution, «it is also important to bear in mind that seeking to return to the growth “model” of the previous decade would be both illusory and harmful»²¹³. The Commission depicted an analysis of the state of affairs on every indicator of the Strategy, revealing that there was room for improvement in all of them, especially regarding employment, R&D and poverty reduction.

²⁰⁵ EUROPEAN COUNCIL (2010): *Presidency Conclusions of the European Council (...)* (17 June 2010, *op. cit.*), p. 7.

²⁰⁶ COUNCIL OF THE EUROPEAN UNION (2010): *Recommendation 2010/410, of 13 July, on broad guidelines for the economic policies of the Member States and of the Union*. OJ L 191, 23.07.2010, pp. 28-34.

²⁰⁷ COUNCIL OF THE EUROPEAN UNION (2010): *Recommendation 2010/410, of 13 July (...)* (*op. cit.*), pp. 31-34.

²⁰⁸ EUROPEAN COMMISSION (2010): *European Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2010) 636 final, 15.11.2010.

²⁰⁹ EUROPEAN COMMISSION (2010): *European Disability Strategy 2010-2020 (...)* (*op. cit.*), p. 7.

²¹⁰ Furthermore, in a context of powerful artificial intelligence and rapid human enhancement by new technologies, would current human beings be qualified as «disabled»? This matter brings about numerous ethical concerns.

²¹¹ COUNCIL OF THE EUROPEAN UNION (2010): *Decision of 26 November 2009, concerning the conclusion, by the European Community, of the United Nations Convention on the Rights of Persons with Disabilities*. OJ L 23, 27.01.2010, pp. 35-61.

²¹² EUROPEAN COMMISSION (2014): *Taking stock of the Europe 2020 strategy for smart, sustainable and inclusive growth*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2014) 130 final, 05.03.2014.

²¹³ EUROPEAN COMMISSION (2014): *Taking stock of the Europe 2020 strategy (...)* (*op. cit.*), p. 6.

On July 2015, the Council issued a second **Recommendation**²¹⁴ on broad guidelines for economic policies, oriented to the Union and Member States and becoming the first part of the «Europe 2020 integrated guidelines», amended from the initial text of 2010²¹⁵. It expressed a strong commitment with the Strategy and the SGP, leading to subsequent country-specific recommendations elaborated by the Council. The text consists of four guidelines, which are described in detail: promoting investment; enhancing growth through Member States' implementation of structural reforms; removing key barriers to sustainable growth and jobs at Union level; and improving the sustainability and growth-friendliness of public finances²¹⁶.

4.2. OVERVIEW OF THE RESULTS OF THE «EUROPE 2020» STRATEGY BEFORE THE GLOBAL «COVID-19» CRISIS

In the following table are illustrated the main results related to the achievement of the «Europe 2020» targets. However, data is missing in several years and had been included the latest values available. The coronavirus pandemic will have important effects in most of the variables here studied, with lasting consequences for the coming decade (for example, in the tertiary educational attainment of the persons aged 30-34). The targets were designed before Croatia joined the Union in 2013, and adapted afterwards for the EU-28 framework. The table below respects this last perspective, showing also the EU-27 framework after the United Kingdom's withdrawal in 2020.

Europe 2020 Target	2000	2010	2019	Achievement (in 2019 or most recent)
Employment				
<i>The employment rate of the population aged between 20 and 64 years old should increase from 69% in 2010 to at least 75% in 2020</i> ²¹⁷ .	66.5% (EU-28)	68.5% (EU-28)	73.9% (EU-28)	☒ -1.1% (differential below the target)
	65.5% (EU-27)	67.8% (EU-27)	73.1% (EU-27)	
Research and Development				
<i>The EU shall maintain its target of investing the 3% of the GDP in research and development</i> ²¹⁸ .	1.77% (EU-28)	1.92% (EU-28)	2.12% (EU-28) (2018)	☒ -0.88% (differential below the target)
	1.81% (EU-27)	1.97% (EU-27)	2.19% (EU-27) (2018)	
Climate change				
<i>Greenhouse gas emissions shall be reduced by at least 20% compared to 1990 levels or by 30% if the conditions to reach an international binding agreement are favourable</i> ²¹⁹ . (Base year: 1990 = 100)	92.39 (EU-28)	85.93 (EU-28)	78.34 (EU-28) (2017)	☑ (but the EU externalises pollution by more imports of goods)
	92.52 (EU-27)	87.02 (EU-27)	80.96 (EU-27) (2017)	

²¹⁴ COUNCIL OF THE EUROPEAN UNION (2015): *Recommendation 2015/1184, of 14 July, on broad guidelines for the economic policies of the Member States and of the European Union*. OJ L 192, 18.07.2015, pp. 27-31.

²¹⁵ COUNCIL OF THE EUROPEAN UNION (2010): *Recommendation 2010/410, of 13 July (...)* (op. cit.).

²¹⁶ COUNCIL OF THE EUROPEAN UNION (2015): *Recommendation 2015/1184 (...)* (op. cit.), pp. 30-31.

²¹⁷ Source of data: EUROSTAT (2020): *Employment rate by sex, age group 20-64*. Code: T2020_10.

²¹⁸ Source of data: EUROSTAT (2020): *Gross domestic expenditure on R&D (GERD)*. Code: T2020_20.

²¹⁹ Source of data: EUROSTAT (2020): *Greenhouse gas emissions, base year 1990*. Code: T2020_30.

<i>Renewable energy sources have to increase their quota over the final overall energy consumption to 20%</i> ²²⁰ .	8.524% (EU-28) (2004)	13.158% (EU-28)	17.977% (EU-28) (2018)	☒ -2.023% (differential below the target)
	9.62% (EU-27) (2004)	14.428% (EU-27)	18.881% (EU-27) (2018)	
<i>Energy efficiency shall increment in 20%: primary energy consumption shall attain 1,483 million tonnes of oil equivalent (MTOE)</i> ²²¹ .	1,619.41 (EU-28)	1,663.86 (EU-28)	1,551.92 (EU-28) (2018)	☒ +68.92 MTOE (differential above the target)
	1,397.45 (EU-27)	1,458.77 (EU-27)	1,375.66 (EU-27) (2018)	
<i>Energy efficiency shall increment in 20%: final energy consumption shall attain 1,086 million tonnes of oil equivalent (MTOE)</i> ²²² .	1,133.27 (EU-28)	1,166.71 (EU-28)	1,124.14 (EU-28) (2018)	☒ +38.14 MTOE (differential above the target)
	980.02 (EU-27)	1,023.6 (EU-27)	989.46 (EU-27) (2018)	
Education				
<i>Early school leavers have to be reduced from 15% in 2010 to 10% in 2020</i> ²²³ .	17% (EU-28) (2002)	13.9% (EU-28)	10.3% (EU-28)	☒ +0.3% (differential above the target)
	16.9% (EU-27) (2002)	13.8% (EU-27)	10.2% (EU-27)	
<i>The fraction of the population aged between 30 and 34 years old having completed tertiary education shall increase from 31% in 2010 to at least 40% in 2020</i> ²²⁴ .	23.6% (EU-28) (2002)	33.8% (EU-28)	41.6% (EU-28)	☑ (but shorter study plans and online universities had helped)
	22.5% (EU-27) (2002)	32.6% (EU-27)	40.3% (EU-27)	
Poverty				
<i>Europeans living below the national poverty line has to be reduced by 25%, that is, 20 million people compared to the 2008 levels</i> ²²⁵ . (Cumulative difference from 2008. In millions, thus expecting -20)	Not available	+0.516 (EU-28)	-7.497 (EU-28) (2018)	☒ +12.503 (differential above the target)
		+0.373 (EU-27)	- 8.551 ²²⁶ (EU-27) (2018)	

Overall, we can affirm that the «Strategy 2020» has not achieved most of the objectives in 2019 or in the latest years with data availability. In some cases, indicators approach to the expected values following a sustained progressive trend, and this fact encouraged thinking that in 2020 the goals would be attained, at least without the colossal shock of the coronavirus pandemic.

²²⁰ Source of data: EUROSTAT (2020): *Share of renewable energy in gross final energy consumption*. Code: T2020_31.

²²¹ Source of data: EUROSTAT (2020): *Primary energy consumption*. Code: T2020_33.

²²² Source of data: EUROSTAT (2020): *Final energy consumption*. Code: T2020_34.

²²³ Source of data: EUROSTAT (2020): *Early leavers from education and training by sex*. Code: T2020_40.

²²⁴ Source of data: EUROSTAT (2020): *Tertiary educational attainment by sex, age group 30-34*. Code: T2020_41.

²²⁵ Source of data: EUROSTAT (2020): *People at risk of poverty or social exclusion*. Code: T2020_50.

²²⁶ Estimated values by Eurostat.

This is the situation of the employment rate, slightly below the 2020 objective (in only 1.1%, in spite of the great consequences that the «Covid-19» will produce in crumbling the ratio), and the early school leavers magnitude, which was in 2019 at only 0.3% above the expected target of 2020. However, it is quite alarming that the employment rate is the single indicator of «employment», when the unemployment rate has strong social implications and greater importance when assessing the economic performance of a country, or there exist indicators that measure the quality of occupations. This fact highlights a notable bias in selecting magnitudes.

In 2019, the only objective that has been attained is the fraction of the population aged between 30 and 34 years old having completed tertiary education, in a level superior of 40%. It was quite predictable that the goal would be attained when it was formulated in 2010: since the beginning of the millennium, the rate has grown following a stable path, encouraged by the greater competitiveness in the labour market and shorter university study plans. Bachelor studies of three years are substituting progressively the previous degrees of four to five years, and Masters have expanded notably. Besides, ICTs allow the deployment of online universities and more flexible arrangements to reconcile better work with personal life.

Greenhouse gas emissions, moreover, attain favourable results compared to the 1990 levels (at base 100). Unfortunately, the last data available is of 2017 year, and this does not allow being confident about the continuity of advancements. When observing the evolution since 2010, it is clear that the target was set very unambitiously: in this year, the EU-28 was only at 85.93 points, and since 2014 values had remained below the 80 points line, which was the initial objective. In this sense, the presumed success of the Strategy in this field does not deserve great satisfactions. Also, it is important to acknowledge that the Union imports large quantities of oil and manufactured products which generate important levels of pollution in developing countries, externalising by these means an important fraction of the environmental costs.

Regarding research in development, the «Lisbon Strategy» expected to make Europe the most advanced «economy of knowledge» in the world by 2010. When observing the investments in R&D over the last two decades, it is possible to identify a positive trend, but still very far from the 3% benchmark. The economic and social crisis affected remarkably to such investments from 2012 to 2016, with an average anaemic increment of 0.01% per year at the EU-28. There exist strong disparities among Member States, with only four of them surpassing the 3% level: Sweden, Germany, Austria and Denmark. Since 2015, Finland has abandoned the «podium» of R&D. The Eurozone crisis has impacted notably to «peripheral» countries, with reductions since 2012 by the effects of the financial adjustment, only beginning the recovery in 2017. It is striking to observe that while France invested 1.5 billion euros in R&D over AI in 2018, the Chinese city of Tianjin alone plans to invest 13.5 billion euros in the industry²²⁷.

Probably, the magnitude of the «2020 Strategy» that illustrates better the social targets of the European Union is the number of persons at risk of poverty or social exclusion. This indicator aggregates three distinct variables: the citizens at risk of poverty, severely materially deprived and living in households with very low work intensity. The risk of poverty threshold is established at 60% of the national median equivalised disposable income, after social transfers. The attribute of «severely material deprivation» is inferred to persons that experience, at minimum, four out of nine deprivation aspects; they cannot afford: 1) to pay rent or utility bills; 2) keep home adequately warm; 3) face unexpected expenses; 4) eat meat, fish or a protein equivalent every second day; 5) a week holiday away from home; 6) a car; 7) a washing machine; 8) a colour television; or 9) a telephone.

²²⁷ EUROPEAN POLITICAL STRATEGY CENTRE (2019): “Rethinking Strategy Autonomy in the Digital Age”. *EPSC Strategic Notes*, Issue 30, p. 10.

In 2018, the Commission modified the exposed indicator to include several social aspects²²⁸, reaching to thirteen different items and qualifying it as «social and material deprivation indicator»²²⁹. Regarding people living in households with very low work intensity, the count covers citizens aged 0-59 years old living in households where adults (persons aged 18-59) work 20% or less of their total work potential during the previous year.

The indicator of «people at risk of poverty or social exclusion» illustrates very low progress. With an objective to lift at least 20 million people out of the risk of poverty and social exclusion compared to the 2008 levels, in the EU-28 only approximately 7.5 million had been able to attain such an improvement (2017 data). When observing the evolution during the last decade, the worst levels were achieved in 2012, with 6.37 million Europeans above the preceding poverty levels of 2008. The «pre-crisis» threshold²³⁰ was only surpassed after 2016, but the long-term convergence from the 1960s had been destabilised by the effects of the crisis, technological change and globalisation²³¹. The coronavirus crisis dismantled, in half a year, the advancements made in the second period of the last decade.

4.3. «EUROPE 2020» MAIN POLICIES IN EMPLOYMENT

Regarding employment, the Strategy for 2020 settled the initiative: «An Agenda for new skills and jobs», aiming to provide the conditions for «modernising labour markets with a view to raising employment levels and ensuring the sustainability of our social models». Overall, the Strategy pretended to empower citizens «through the acquisition of new skills and enable our current and future workforce to adapt to new conditions and potential career shifts, reduce unemployment and raise labour productivity»²³².

On October 2010, the Council issued a **Decision**²³³ about guidelines of employment policies, oriented to Member States. The text is fully integrated in the «Europe 2020» Strategy and represents an addition to the existing guidelines for the economic policies of the Member States and the Union, issued in a previous Council Recommendation²³⁴ of July 2010. Together, the combined document forms the «Europe 2020 integrated guidelines»²³⁵. Overall, the document is structured in four new guidelines²³⁶, which have essentially the same contents of the «Europe 2020» Strategy launched in the previous months. Thus, the importance of the Decision is found in the merge of the economic and social policies into an integrated text. The exposed legal framework remains in force until the end of 2020 and also when another employment programme is defined.

²²⁸ For example, have regular leisure activities, get together with friends or family for a drink or meal at least once in a month, or have small quantities of money to spend on himself/herself («pocket money»).

²²⁹ EUROPEAN COMMISSION (2018): *Employment and Social Developments in Europe. Annual Review 2018*. Brussels, Directorate-General for Employment, Social Affairs and Inclusion, pp. 43-44.

²³⁰ In reality, 2008 is not an optimal year to assess the a pre-crisis scenery, as the financial instability was yet present at the end of 2007 and the unemployment levels commenced rose in 2008.

²³¹ EUROPEAN COMMISSION (2018): *Employment and Social Developments (...) (op. cit.)*, p. 45.

²³² EUROPEAN COMMISSION (2010): *EUROPE 2020. A strategy for smart, sustainable (...) (op. cit.)*, p. 18.

²³³ COUNCIL OF THE EUROPEAN UNION (2010): *Decision 2010/707/EU, of 21 October 2010, on guidelines for the employment policies of the Member States*. OJ L 308, 24.11.2010, pp. 46-51.

²³⁴ COUNCIL OF THE EUROPEAN UNION (2010): *Recommendation 2010/410, of 13 July (...) (op. cit.)*.

²³⁵ COUNCIL OF THE EUROPEAN UNION (2010): *Decision 2010/707/EU (...) (op. cit.)*, p. 48, Par. 47th.

²³⁶ The «new» guidelines are: 7) Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality; 8) Developing a skilled workforce responding to labour market needs and promoting lifelong learning; 9) Improving the quality and performance of education and training systems at all levels and increasing participation in tertiary or equivalent education; 10) Promoting social inclusion and combating poverty.

A **Communication** by the Commission²³⁷ on November 2010 concretised better the employment initiative, when the economic and social crisis turned to be harsher in the Union compared to the United States, where a progressive recovery was yet identifiable. The text puts strong emphasis over «Flexicurity» policies, considering that suppose an increase in adaptability, employment and social cohesion. According to the Commission, «the crisis has put national reform strategies and flexicurity to the text; the lessons of the last two years are both encouraging and challenging (...) evidence shows that flexicurity policies have helped weather the crisis»²³⁸. The document congratulates that besides the greater internal flexibility, «Member States have strengthened unemployment insurance systems»²³⁹ and the services offered by public employment agencies. Moreover, the Commission calls to reinforce the four components of «Flexicurity»: «flexible and reliable contractual arrangements, active labour market policies, life-long learning and modern social security systems», indicating key policy priorities²⁴⁰.

For the first time, the Communication acknowledged the psychological effects of the crisis over employees: «more jobs have been exposed to competitive pressures and deteriorating working conditions. In many instances, new forms of work and a higher number of job transitions have not been accompanied with appropriate working conditions, increasing psychological stress and psychosocial disorders»²⁴¹. The Commission expressed concerns about the affectation to Europe's competitiveness. The text highlighted the value of entrepreneurship as an important mean to create jobs, as well as combatting social exclusion. In this sense, the organisation calls Member States to deploy the subject «in school curricula to create a critical mass of entrepreneurship teachers»²⁴², as a source to stimulate the advent of new entrepreneurs and proportionate them the appropriate skills to start and manage a small or medium enterprise.

On April 2012, coinciding with one of the toughest moments for the Eurozone future continuity, the Commission elaborated a **Communication**²⁴³ to explain an anticipated «job-rich recovery»²⁴⁴. Among other aspects, the document promoted the reduction of the tax wedge on labour, by shifting towards other sources of revenues, like environmental, consumption or property taxes. According to the Commission: «[t]argeting a reduction at the most vulnerable groups – especially low wage earners – is expected to have positive impacts on their employment in the longer term too, making it a preferred tool for enhancing labour demand»²⁴⁵.

The Commission committed to mobilise European Union's funds to increase job creation (ESF, ERDF, Progress, EGF, EAFRD and EMFF), identifying three important employment deposits in the green economy, the health and social care sectors, and ICTs. The Communication expressed the necessary transition towards «a green, low carbon and resource efficient economy, the demographic ageing of our society and rapid technological advances». Thus, «[t]o tackle these challenges and convert them into opportunities, our economy will require a fundamental transformation over the next decade»²⁴⁶.

²³⁷ EUROPEAN COMMISSION (2010): *An Agenda for new skills and jobs: A European contribution towards full employment*. Strasbourg, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2010) 682 final, 23.11.2010.

²³⁸ EUROPEAN COMMISSION (2010): *An Agenda for new skills and jobs: A European (...) (op. cit.)*, p. 3.

²³⁹ EUROPEAN COMMISSION (2010): *An Agenda for new skills and jobs: A European (...) (op. cit.)*, p. 4.

²⁴⁰ EUROPEAN COMMISSION (2010): *An Agenda for new skills and jobs: A European (...) (op. cit.)*, p. 4.

²⁴¹ EUROPEAN COMMISSION (2010): *An Agenda for new skills and jobs: A European (...) (op. cit.)*, p. 14.

²⁴² EUROPEAN COMMISSION (2010): *An Agenda for new skills and jobs: A European (...) (op. cit.)*, p. 18.

²⁴³ EUROPEAN COMMISSION (2012): *Towards a job-rich recovery*. Strasbourg, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2012) 173 final, 18.04.2012.

²⁴⁴ Unfortunately, the document has several typographic errors, showing a possible too-rapid publication.

²⁴⁵ EUROPEAN COMMISSION (2012): *Towards a job-rich recovery (...) (op. cit.)*, p. 4.

²⁴⁶ EUROPEAN COMMISSION (2012): *Towards a job-rich recovery (...) (op. cit.)*, p. 5.

The Commission aimed at the development of life-long learning, as a key to foster security in employment. In this sense, the institution acknowledged that «new technologies combined with globalisation have also increasingly reduced medium-skilled tasks, necessitating important re-skilling policies for medium skilled workers»²⁴⁷. The text expressed concerns about the job-polarisation process that has been accelerated due to the economic and social crisis, admitting the risks of segregation between low-quality and high-quality jobs.

One of the most important points of the Communication is the importance conferred to the labour market integration. According to the Commission, the Union is characterised by «a coexistence of persistent high levels of unemployment in many areas and bottleneck vacancies in high growing regions or sectors»²⁴⁸. The goal shall be at deepening the European labour market to ensure an effective matching between labour demand and supply. The institution mentioned several restrictions that affect mobility: this is the case of access to certain public service posts, the lack of recognition of professional qualifications, the fear of losing pensions and social security rights and cultural barriers (pointing at language, housing or discrimination).

On July 2012 was emitted a Council **Recommendation**²⁴⁹ centred at the economic and social conditions of Spain. The text calls on the Stability Programme and requests the fiscal consolidation by increasing consumption and environmental taxation. About employment, the document urges the implementation of labour market reforms and «take additional measures to increase the effectiveness of active labour market policies by improving their targeting, by increasing the use of training, advisory and job matching services, by strengthening their links with passive policies, and by strengthening coordination between the national and regional public employment services, including sharing information about job vacancies»²⁵⁰.

The Council «**Declaration** on the European Year for Active Ageing and Solidarity between Generations»²⁵¹ was issued in December 2012 and remarked the work potential of older people, by indicating that «should be fully utilised through lifelong learning systems, active ageing policies which enable both women and men to remain in employment for longer, health and safety at work policies and the promotion of healthy ageing as a continuous process across the lifecycle»²⁵². This measure was basic to attend the employment rate of 75% by 2020. Moreover, the document highlighted the importance of knowledge transmission across generations and the contributions of aged citizens to the social economy by voluntary work.

During the economic and social crisis period, the Commission understood the harsh impact on labour by «restructuring» processes of industries in decay, issuing a **Communication**²⁵³ to promote a «quality framework for anticipation of change and restructuring». The text stressed the importance of increasing «the weight of tradable industries (...) which implies a shift of resources away from the non-tradable sector»²⁵⁴, and to increment the export sector, especially in countries with large external imbalances before the crisis.

²⁴⁷ EUROPEAN COMMISSION (2012): *Towards a job-rich recovery (...)* (op. cit.), p. 11.

²⁴⁸ EUROPEAN COMMISSION (2012): *Towards a job-rich recovery (...)* (op. cit.), p. 15.

²⁴⁹ COUNCIL OF THE EUROPEAN UNION (2012): *Recommendation of 10 July 2012, on the National Reform Programme 2012 of Spain and delivering a Council opinion on the Stability Programme for Spain, 2012-2015*. OJ C 219, 24.07.2012, pp. 81-84.

²⁵⁰ COUNCIL OF THE EUROPEAN UNION (2012): *Recommendation of 10 July 2012 (...)* (op. cit.), p. 84.

²⁵¹ COUNCIL OF THE EUROPEAN UNION (2012): *Declaration on the European Year for Active Ageing and Solidarity between Generations (2012): The Way Forward*. Brussels, 07.12.2012, EPSCO 17468/12.

²⁵² COUNCIL OF THE EUROPEAN UNION (2012): *Declaration on the European Year (...)* (op. cit.), p. 5.

²⁵³ EUROPEAN COMMISSION (2013): *EU Quality Framework for anticipation of change and restructuring*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2013) 882 final, 13.12.2013.

²⁵⁴ EUROPEAN COMMISSION (2013): *EU Quality Framework for anticipation (...)* (op. cit.), p. 9.

The Communication relied on technological innovation so as to boost employment: «[s]tructural change and innovation are a force of both job destruction and of job creation. Proactive strategies can only, notably through innovation, facilitate socially inclusive transitions and allow us to better address the issues of growing unemployment and social exclusion»²⁵⁵. The ambiguity in the discourse, without indicating the precise sectors where innovation has to flourish and where Europe possesses a competitive advantage, is a remaining reef nowadays.

During 2015, the general economic situation experienced a moderate recovery, and the Commission published the «**Annual Growth Survey**»²⁵⁶ to evaluate the achievements and aspects to be improved to reach the objectives of the «Europe 2020» Strategy. Regarding this last aspect, the Commission recognised the negative effects of the economic and social crisis over certain indicators: «[w]hile we are on track for reaching the targets on climate change, energy and education, the crisis has derailed progress on the other targets, in particular for poverty and social exclusion where the situation has worsened»²⁵⁷.

The Communication highlighted the necessary investments in human capital, returning to the extended discourse of the decade of the LS: «[e]quipping people with relevant skills drives innovation and competitiveness; it is the basis for high productivity and it is the best way to prevent individuals becoming unemployed, as well as to reduce the risk of poverty and social exclusion»²⁵⁸. The Commission admitted that the performance of education and training systems is lower than the expectations in the international arena. Long-term unemployment is viewed as one of the factors that have derived into an increase of poverty in the Union, since the start of the economic and social crisis²⁵⁹.

The Commission continued to defend the «Flexicurity» approach in labour markets, maintaining the same policy orientation of the precedent years. This view has important outcomes in the coordination of the European Semester²⁶⁰. However, in this case the Communication adopts a more social perspective, expressing that: «[s]table and predictable work relationships and in particular more permanent types of contracts induce employers and employees to invest more in skills and life-long learning. They allow individuals to plan for their future by providing sustainable prospects of career and earnings progression»²⁶¹. The Commission expected that more flexible labour markets would increase the creation of labour posts and facilitate transitions towards more permanent contracts.

Regarding international trade and services provision, the organisation adopted the traditional perspective of open markets and regretted the conservative policies of many Member States. According to the Commission, «[m]ore flexible regulation of services markets would lead to higher productivity and could ease the market entry of new players, reduce the price for services and ensure wider choices for consumers»²⁶². Retail is viewed as an inefficient sector, where the «lack of dynamism» gives rise to higher retail prices and less consumers' purchasing power.

²⁵⁵ EUROPEAN COMMISSION (2013): *EU Quality Framework for anticipation (...)* (op. cit.), p. 10.

²⁵⁶ EUROPEAN COMMISSION (2015): *Annual Growth Survey 2016. Strengthening the recovery and fostering convergence*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank. COM(2015) 690 final, 26.11.2015.

²⁵⁷ EUROPEAN COMMISSION (2015): *Annual Growth Survey 2016 (...)* (op. cit.), p. 5.

²⁵⁸ EUROPEAN COMMISSION (2015): *Annual Growth Survey 2016 (...)* (op. cit.), p. 8.

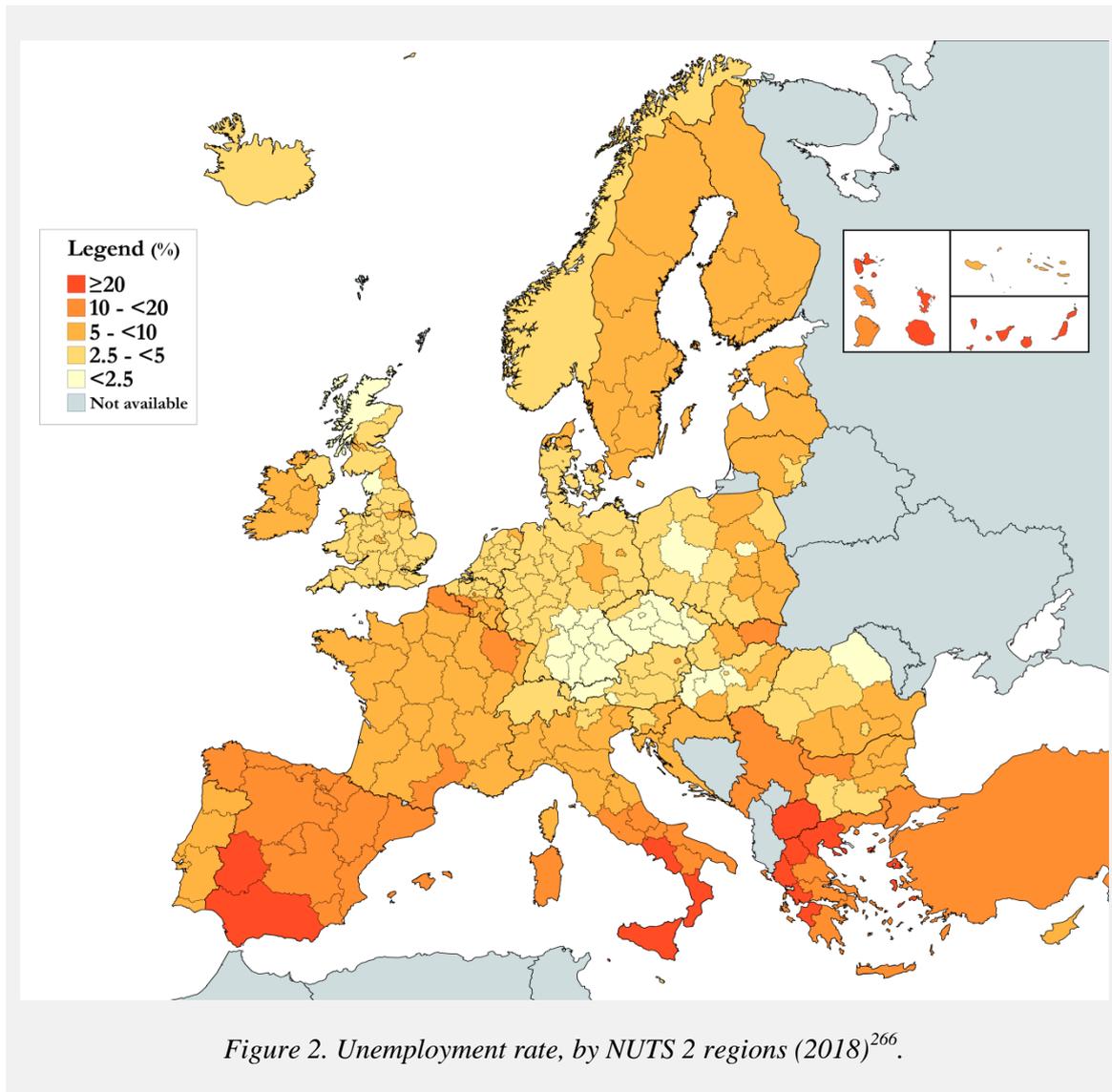
²⁵⁹ EUROPEAN COMMISSION (2015): *Annual Growth Survey 2016 (...)* (op. cit.), p. 10.

²⁶⁰ BEKKER, Sonja (2018): "Flexicurity in the European Semester: still a relevant policy concept?". *Journal of European Public Policy*, Vol. 25, No. 2, pp. 175-192.

²⁶¹ EUROPEAN COMMISSION (2015): *Annual Growth Survey 2016 (...)* (op. cit.), p. 11.

²⁶² EUROPEAN COMMISSION (2015): *Annual Growth Survey 2016 (...)* (op. cit.), p. 12.

Coinciding with the exposed **Communication**, the Commission presented a second document with a proposal for a Council Recommendation²⁶³ about the economic policy in the Eurozone. The Commission's stance was finally approved by the Council on March 2016²⁶⁴. In employment matters, the Communication stressed the need of implementing reforms by combining: «(i) flexible and reliable labour contracts that promote labour market transitions and avoid a two-tier labour market; (ii) comprehensive lifelong learning strategies; (iii) effective policies to help the unemployed re-enter the labour market; (iv) modern social protection systems that support those in need and provide incentives for labour market integration and, (v) open and competitive product and services markets»²⁶⁵. All the exposed measures shall be blended with the SGP and the reduction of public debt levels by 2017, incompatible policies for certain Member States.



²⁶³ EUROPEAN COMMISSION (2015): *Council Recommendation on the economic policy of the euro area*. Brussels, Recommendation for a Council Recommendation. COM(2015) 692 final, 26.11.2015.

²⁶⁴ COUNCIL OF THE EUROPEAN UNION (2016): *Recommendation of 8 March 2016, on the economic policy of the euro area*. OJ C 96, 11.03.2016, pp. 1-3.

²⁶⁵ EUROPEAN COMMISSION (2015): *Council Recommendation on the economic (...) (op. cit.)*, p. 4.

²⁶⁶ Graph created by the author using the software *mapchart.net*. Source of data: EUROSTAT (2020): *Unemployment statistics at regional level*. Code: lfst_r_lfu3rt (*Unemployment rates by sex, age and NUTS 2 regions*). [Online](#) [Last consultation on 12.04.2020].

When observing the situation of unemployment levels using a regional perspective, and also analysing a period of relative stability (2018), it is important to acknowledge that the change in statistical definitions over years affects the comparability of analysis during large periods. For example, in some cases individuals that are enrolled in studies are set out from the unemployment count, and in previous analysis they were included. Moreover, the diffusion of part-time jobs is a way to redistribute labour hours among citizens. It is clear that those cannot be compared as full-time occupations, in terms of professional dedication and earnings, but individuals are equally qualified as «employed». In the context of automation, the coronavirus multi-crisis supposes an important shock to the European economy, the toughest since the Second World War, and puts more pressure to the regions that were suffering high levels of unemployment and poverty. In spite of the pandemic, EU economies showed in 2019 multiple signs of a progressive slowdown, as was informed by the IMF on October²⁶⁷. Therefore, the new crisis was inevitable.

In 2018, there were 16.9 million unemployed persons in the EU-28, which is equivalent to 6.9% of the total workforce. The peak was attained in 2013, reaching an unemployment rate of 10.9%. In this sense, 2018 was the first year in a decade that the unemployment levels attained the similar magnitudes of 2008, the year that began the international financial and socioeconomic crisis. When studying the regional characteristics, the lowest unemployment rate was recorded at the Czech capital territory, Praha, at only 1.3%. The map clearly depicts a multinational area with a very good performance, which covers many of the Lander located in Southern Germany and Austria, most of the Czech regions and several parts of Hungary. Besides, Poland, the United Kingdom and Romania have territories with excellent employment levels.

Contrasting with the previous statement, the highest unemployment rates were located at the Southern and ultra-peripheral regions of the European Union: the archipelago of Mayotte has the highest rate, at 35.1%, followed by Guadeloupe in the Caribbean (22.4%). Then, the Italian regions of Calabria (21.6%), Sicily (21.5%) and Campania (20.4%) attain the next places in the ranking, very affected by serious institutional problems and insecurity. In Spain, the autonomous cities of Ceuta (29.0%) and Melilla (25.8%) had the worst values, followed by Extremadura (23.7%) and Andalusia (23.0%). In the Iberian Peninsula, the Basque Country and Navarra were well placed (10.0%), but even Portuguese regions were better (7.1% in the overall country). Overall, the map depicts clear a North-South divide, with a limited «core» area with greater employment opportunities in Southern Germany and Central European States.

4.4. «EUROPE 2020» MAIN POLICIES IN EDUCATION

4.4.1. «EDUCATION AND TRAINING 2020» PERFORMANCE

The «Education and Training 2020» («ET 2020») Programme is a strategic framework for European cooperation in the fields of education and training that represents the continuity of the «ET 2010» programme. The departing point was a set of **Conclusions**²⁶⁸ elaborated by the Council on May 2009 and aiming at four strategic objectives:

1. *Making life-long learning and mobility a reality.*
2. *Improving the quality and efficiency of education and training.*
3. *Promoting equity, social cohesion and active citizenship.*
4. *Enhancing creativity and innovation, including entrepreneurship, at all levels of education and training.*

²⁶⁷ INTERNATIONAL MONETARY FUND (2019): *World Economic Outlook. Global Manufacturing Downturn, Rising Trade Barriers*. Washington D.C., October, pp. 12-13.

²⁶⁸ COUNCIL OF THE EUROPEAN UNION (2009): *Conclusions of 12 May 2009, on a strategic framework for European cooperation in education and training ('ET 2020')*. OJ C 119, 28.05.2009, pp. 2-10.

Later on, in 2012 the Council and the Commission issued a «**Joint Report**»²⁶⁹ concretising several of the exposed strategic targets and identifying many priority areas over them. At the present moment, the ET 2020 programme is composed by eight distinct benchmarks²⁷⁰, two of them integrated in the general «Europe 2020» Strategy (in the table below, highlighted at the end in grey colour).

Here are shown the indicators in 2019 or the most recent year, covering the EU-28 (the original setting for the programme) and the EU-27 (the Union without the United Kingdom):

«Education and Training 2020» Target	2000	2010	2019	Achievement (in 2019 or most recent)
<i>An average of at least 15% of adults²⁷¹ should participate in life-long learning²⁷².</i>	7.1% (EU-28) (2002)	9.3% (EU-28)	11.3% (EU-28)	☒ -3.7% (differential below the target)
	5.3% (EU-27) (2002)	7.8% (EU-27)	10.8% (EU-27)	
<i>The share of low-achieving 15-year olds in reading, mathematics and science should be less than 15%²⁷³.</i>	Not available	Not available (EU-28) (2009)	21.7% (EU-28) (2018)	☒ +6.7% (differential above the target)
		19.7% (EU-27) (2009)	22.5% (EU-27) (2018)	
<i>At least 95% of children between 4 years old and the age of starting compulsory primary education should participate in early childhood education²⁷⁴.</i>	85.5% (EU-28)	93% (EU-28)	95.3% (EU-28) (2018)	☑ (but it was not an ambitious target)
	84.4% (EU-27)	92.8% (EU-27)	94.8% (EU-27) (2018)	
<i>The share of employed graduates (20-34 year-olds) having left education and training 1-3 years before the reference year should be at least 82%²⁷⁵.</i>	Not available	77.3% (EU-28)	81.5% (EU-28)	☒ -0.5% (differential below the target)
		76.8% (EU-27)	80.9% (EU-27)	
<i>An EU average of at least 20% of higher education graduates should have had a period of higher education-related study or training (including work placements) abroad, representing a minimum of 15 ECTS credits or lasting a minimum of three months. (Indicator not available²⁷⁶)</i>				

²⁶⁹ COUNCIL OF THE EUROPEAN UNION AND EUROPEAN COMMISSION (2012): *Joint Report on the implementation of the Strategic Framework for European cooperation in education and training (ET 2020). Education and Training in a smart, sustainable and inclusive Europe*. OJ C 70, 08.03.2012, pp. 9-18.

²⁷⁰ EUROSTAT (2020): *Education and Training 2020*. [Online](#) [Last consultation on 27.04.2020].

²⁷¹ In this case, the category covers the percentage of population aged 25 to 64 years old.

²⁷² Source of data: EUROSTAT (2020): *Adult participation in learning by sex*. Code: sdg_04_60.

²⁷³ Source of data: EUROSTAT (2020): *Underachievement in reading, maths or science* (data originally extracted from OECD in PISA programme). Code: sdg_04_40.

²⁷⁴ Source of data: EUROSTAT (2020): *Participation in early childhood education by sex. % of the age group between 4-years-old and the starting age of compulsory education*. Code: sdg_04_30.

²⁷⁵ Source of data: EUROSTAT (2020): *Employment rates of recent graduates*. Code: tps00053.

²⁷⁶ Unfortunately, data is very limited regarding this issue. Only first estimates by the Joint Research Centre are available, but do not cover all the aspects.

<i>An EU average of at least 6% of 18-34 year-olds with an initial vocational education and training (IVET) qualification should have had an IVET-related study or training period (including work placements) abroad lasting a minimum of two weeks, or less if documented by Europass.</i>				
<i>(Indicator not available²⁷⁷)</i>				
<i>The share of early leavers from education and training should be less than 10%²⁷⁸.</i>	17% (EU-28) (2002)	13.9% (EU-28)	10.3% (EU-28)	❌ +0.3% (differential above the target)
	16.9% (EU-27) (2002)	13.8% (EU-27)	10.2% (EU-27)	
<i>The share of 30-34 year olds with tertiary educational attainment should be at least 40%²⁷⁹.</i>	23.6% (EU-28) (2002)	33.8% (EU-28)	41.6% (EU-28)	✅ (but shorter study plans and online universities had helped)
	22.5% (EU-27) (2002)	32.6% (EU-27)	40.3% (EU-27)	

Overall, we can affirm that the majority of indicators were not attained in 2019 or at least in the last year with data available. Quite surprisingly, none of the magnitudes has focused on educational excellence, contrasting with the statements of the «Lisbon Strategy» to put Europe at the top of the «knowledge economies». Besides, there are two indicators with missing information a decade after the creation of the «ET 2020» Strategy, which demonstrates a moderate lack of interest in the programme.

However, such magnitudes were not present at the Council Conclusions of May 2009, as the benchmarking was composed of only five indicators²⁸⁰, and have been added later on. Such recent indicators appear in mobility matters; they are important in terms of studying the integration process, but in terms of academic performance are not significant. For example, the fact that a university student has attended classes in another Member State, «representing a minimum of 15 ECTS credits or lasting a minimum of three months», does not assess that he/she has made good use of the stay in academic terms.

Life-long learning levels remain 3.7 points below the target. This indicator covers the share of people aged 25 to 64 years old who indicated that they received formal or non-formal education and training in the four weeks preceding the survey. There has been a sustained progression over years, in spite of a brief reduction in the period 2009-2010, at the beginning of the economic and social crisis. Unfortunately, the growth path (the EU-27 is at 10.8% in 2019) is too slow to qualify the Union as a «knowledge economy», where skills acquisition and maintenance should attain high intensity levels.

In such aspect, Sweden (at 34.3%) and Denmark (at 25.3%) are at the top in the EU, while Switzerland (at 32.3%) and Iceland (at 22.2%) are also in a good position. At the beginning of the 2000s, the United Kingdom was over the 20% benchmark and increased considerably its investment in life-long learning until 2006, when attained 27.4%. However, since the «Great Recession» the country has suffered a remarkable fall and in 2019 was only at 14.8%. Spain is close to the EU average, at 10.6% of the labour force.

²⁷⁷ Unfortunately, there is no data available for the benchmark on learning mobility in IVET.

²⁷⁸ Source of data: EUROSTAT (2020): *Early leavers from education and training by sex*. Code: T2020_40.

²⁷⁹ Source of data: EUROSTAT (2020): *Tertiary educational attainment by sex, age group 30-34*. Code: T2020_41.

²⁸⁰ COUNCIL OF THE EUROPEAN UNION (2009): *Council Conclusions of 12 May (...)* (op. cit.), pp. 7-8.

When observing the share of «low achievers» in the three core subjects of reading, mathematics and science, here has been used data of 15-year-old students that answered the PISA survey²⁸¹. In 2012 is recorded the lowest level of underachievement in the Union, at 18% of the surveyed students (EU-27). Since then, the ratio has increased and in 2018 attained 22.5%, a remarkable value above the 15% target. Indicators diverge notably through Member States: while in Bulgaria the underachievement rate is at 47.1% of students, in Estonia and Finland is only at 11.1% and 13.5%, respectively. In the global level, South Korea shows a good performance at 15.1%, and Japan is also well placed at 16.8%, becoming the leading «knowledge economies».

One of the indicators that accomplish the «ET 2020» objectives is the share of children between the age of four and the starting age of compulsory primary education who participated in early childhood education. Member States with large populations tend to surpass the 95% benchmark and thus increase the Union average, a magnitude that has experienced a sustained growth during the last two decades. Without the United Kingdom, where the ratio is at 100%, the Union would remain 0.2 points below the target in 2018. Quite surprisingly, Switzerland is a country internationally recognised for the quality of its educational institutions and the rate is only at 73.6%, thus meaning that this indicator is not a relevant measure of adult academic excellence.

The «ET 2020» framework also analyses the employment rates of recent graduates. The indicator shows the employment rates of persons aged 20 to 34 years old that fulfil several conditions²⁸². The indicator was at 0.5 points below the target in 2019, reaching 81.5% (EU-28), while in the «post-Brexit» framework the indicator is lower and attains 80.9%. However, in 2008 the EU-28 accomplished the benchmark of 82%, and since the economic and social crisis this magnitude has decreased notably, arriving at the bottom in 2013 at the rate of 74.3% (EU-27). In this sense, the indicator's performance is mostly linked to the economic prosperity, and the coronavirus crisis means a sharp downturn of the value. When observing Member States, Greece (at 59.4%) and Spain (at 73%) are at the queue of the Union. This fact explains the migratory flows of qualified young professionals to the «core» of the Eurozone. Instead, Malta, Germany and the Netherlands offer the best employment perspectives, at levels over 90%.

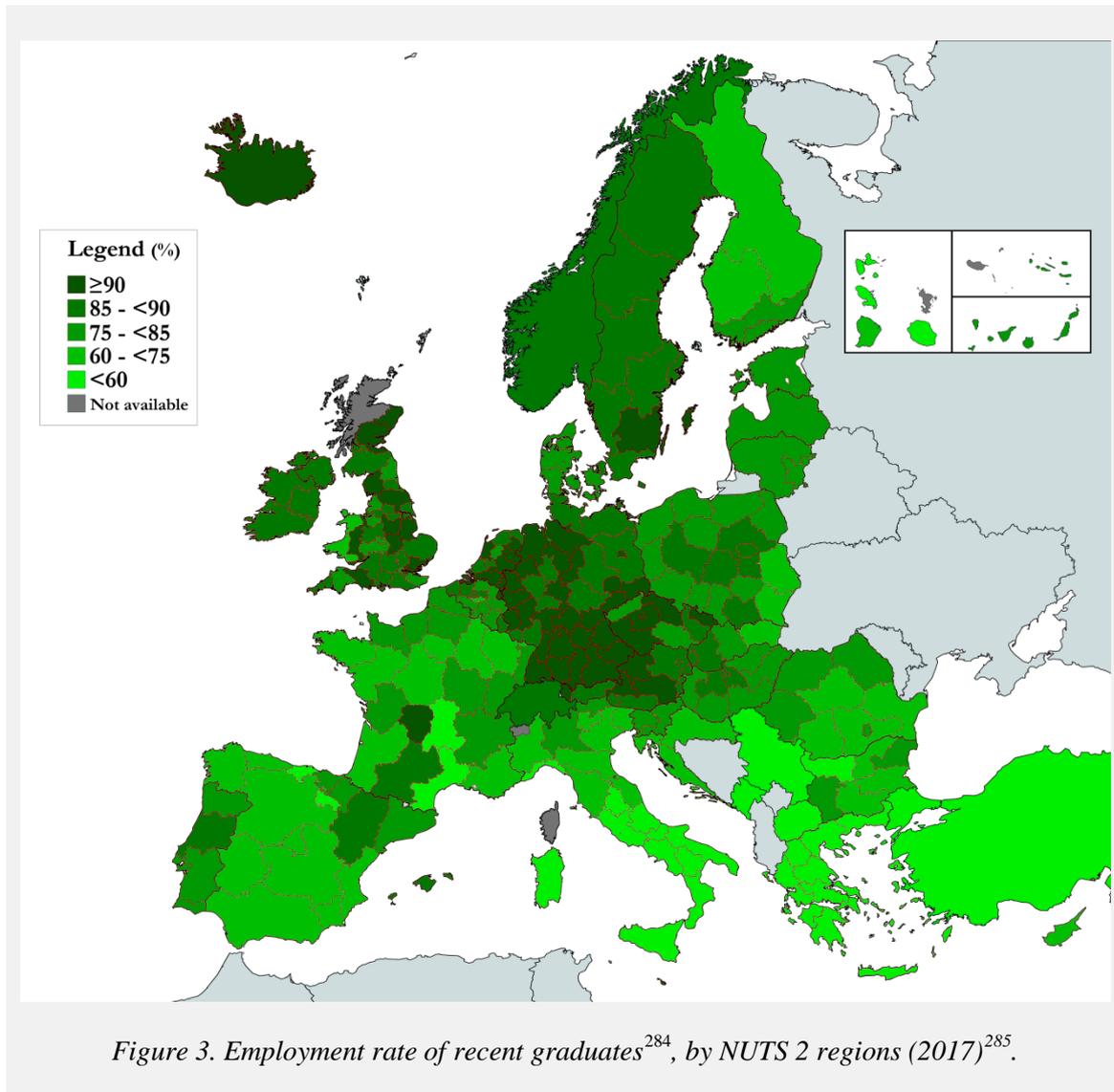
Here will not be commented the indicators of early leavers and tertiary education attainment, as have been covered in the «Strategy 2020» section. Overall, the «ET 2020» has not accomplished the majority of the objectives in 2019 and the «Covid-19» multi-crisis supposes an important shock over the advancements achieved during the last decade. The fast digital transformations and the lack of appropriate educational resources for students with impoverished backgrounds are important circumstances to be addressed by public authorities during the pandemic. It is quite reasonable to think that a greater employability of university or professional graduates will foster the interest of young students to pursuit their education at the tertiary levels or vocational specialisations. This could be like a «virtuous cycle» of education and employment. The EU has established the goal that 82% of recent young graduates should be in employment by 2020, having reached in 2019 the level of 80.9%, the same as 2018²⁸³. Before the economic and social crisis began, in 2008 was attained the peak of recent graduate employment rates, with 81.8%, even superior than the current levels.

²⁸¹ The Programme for International Student Assessment (PISA) is a triennial international survey elaborated by the Organisation for Economic Co-Operation and Development (OECD) that aims to evaluate education systems, by analysing the skills and knowledge of 15-year-old students.

²⁸² At first, they have to be employed according to the ILO rules; Secondly, they shall attain at least upper secondary education (as the highest level of education, which is equivalent to ISCED 3); Thirdly, they shall not receive any education or training during the four weeks preceding the survey; And finally, they have to complete their highest educational attainment one, two or three years before the survey is filled.

²⁸³ EUROSTAT (2020): *Employment rates of young people not in education and training by sex, educational attainment level and years since completion of highest level of education*. Code: edat_ifse_24.

The map presented below shows the rates employment rates of graduates in 2017. The highest levels were concentrated in most of the regions of Germany, the Netherlands, Sweden, Austria, the Czech Republic and the United Kingdom (where North Eastern Scotland and Cumbria reached the 100% level). In contrast, the lowest rates were situated in Southern Italy: Campania (36.4%), Sicily (32.2%) and Calabria (28.3%). Certain regions in Greece attain also very low levels of employability. In the case of the Iberian Peninsula, the territories that have more favourable ratios are located in Portugal and at the Southern slope of Pyrenees. Catalonia has the same level of the Basque Country, at 75.4%, but the best ratios are located in Aragon (87.7%) and the Balearic Islands (89.0%), where tourism is an important economic activity. As the map illustrates clearly, there are important centre-periphery dynamics across regions.



²⁸⁴ In percentage of share of population aged 20-34 years old, with at least an upper secondary level of education attainment (ISCED 2011 levels from 3 to 8) and not in any further education or training, having successfully completed their education within the previous 1 to 3 years.

²⁸⁵ Graph created by the author using the software *mapchart.net*. Source of data: EUROSTAT (2019): *Education and training statistics at regional level*. Code: edat_lfse_33 (*Employment rates of recent graduates*).

4.4.2. GENERAL ADVANCEMENTS IN EDUCATION AND TRAINING

The «Europe 2020» Strategy for education and training developed by the European Union has operated in four great fronts, among others: university studies, vocational education and training (VET), tackling early leavers and life-long learning. Specifically, the Commission and the Council have implemented specific policies addressed to the youth collective, which combine educational and employment aspects and that will be assessed in a separate section because of their notable interrelatedness.

In the previously exposed **Communication** «An Agenda for new skills and jobs», the Commission emphasised the increasingly important role of life-long learning and indicated that «Member States' actions to raise skills levels must be complemented by EU action, with a strong emphasis on geographical mobility as an adjustment mechanism to ease regional pockets of unemployment, and respond to market needs»²⁸⁶. The organisation claimed that the EU was experiencing deficits in qualified professionals, thus representing shortages in areas which are relevant for innovation, concretely in STEM subjects²⁸⁷. The Commission evaluated the lack of competitiveness of the European automotive and shipbuilding sectors by pointing at the insufficient skills levels in cutting-edge technology of the corresponding workers.

An excellent education for children is the best beginning to assure an appropriate continuity of studies and achieve more responsible citizens. The Commission issued a **Communication**²⁸⁸ on February 2011 to stimulate such aims, which are compatible with the «Europe 2020» headline targets of reducing early school leavers and fighting the risk of poverty and social exclusion. According to the organisation, universally available high quality early childhood education and care «can close the gap in social development and numeracy and literacy achievement between children from socially advantaged and disadvantaged backgrounds, and so break the cycle of low achievement and disengagement that often leads to school drop-out and so the transmission of poverty from one generation to the next»²⁸⁹.

At the end of 2012 was published a **Communication**²⁹⁰ by the Commission to emphasise the role of skills in the coming socioeconomic paradigm. The text acknowledged that in 2020, 20% more jobs will require high level skills. Thus, education «needs to drive up both standards and levels of achievement to match this demand, as well as encourage the transversal skills needed to ensure young people are able to be entrepreneurial and adapt to the increasingly inevitable changes in the labour market during their career»²⁹¹. In fact, the Communication highlighted the importance of entrepreneurial skills, indicating that «[r]eal world experience, through problem-based learning and enterprise links, should be embedded across all disciplines and tailored to all levels of education. All young people should benefit from at least one practical entrepreneurial experience before leaving compulsory education»²⁹². This emphasis is unusual in previous documents, and shall be noted that the Communication was issued during the toughest year of the sovereign debt crisis, with harsh economic and social conditions in «peripheral» Member States.

²⁸⁶ EUROPEAN COMMISSION (2010): *An Agenda for new skills and jobs: A European (...) (op. cit.)*, p. 9.

²⁸⁷ That is, the fields of Science, Technology, Engineering and Mathematics.

²⁸⁸ EUROPEAN COMMISSION (2011): *Early Childhood Education and Care: Providing all our children with the best start for the world of tomorrow*. Brussels, Communication from the Commission. COM(2011) 66 final, 17.02.2011.

²⁸⁹ EUROPEAN COMMISSION (2011): *Early Childhood Education and Care: Providing (...) (op. cit.)*, p. 4.

²⁹⁰ EUROPEAN COMMISSION (2012): *Rethinking Education: Investing in skills for better socio-economic outcomes*. Strasbourg, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2012) 669 final, 20.11.2012.

²⁹¹ EUROPEAN COMMISSION (2012): *Rethinking Education: Investing in skills (...) (op. cit.)*, p. 2.

²⁹² EUROPEAN COMMISSION (2012): *Rethinking Education: Investing in skills (...) (op. cit.)*, p. 4.

Besides, the Commission continued to remark the importance of basic skills and language learning. In a quite novel manner, the institution encouraged the public-private partnerships to increment education funding and increase mutual learning, joint policy deployment and implementation. Teachers deserve also a remarkable attention, specifying that the attractiveness of the profession has to be fostered, and that they need specific skills «in the use of new technologies; to improve learning to learn competencies; how to cater for diversity and inclusion; and to meet the needs of disadvantaged learners (...) The ultimate focus of all these activities should be to improve learning outcomes»²⁹³. The Commission aims that the generation and use of Open Educational Resources (OER) exploits significantly its potential, in a context of teachers emerging as digital learning contents creators.

In December 2012 was issued a Council **Resolution**²⁹⁴ centred on adult learning, that is, the entire range of formal, non-formal and informal learning activities undertaken by adults after leaving initial education and training. The document explains that it provides «a means of up-skilling or reskilling those affected by unemployment, restructuring and career transitions, as well as makes an important contribution to social inclusion, active citizenship and personal development»²⁹⁵.

Adult learning plays a fundamental role in achieving the «ET 2020» goals. The Resolution establishes several priority areas for the period 2012-14²⁹⁶, inviting Member States to concentrate their efforts in stimulating life-long learning and mobility; improving the quality and efficiency of adult education and training; promoting equity, social cohesion and active citizenship; enhancing the creativity and innovation of adults; and improving the existing knowledge on adult learning by surveys and studies and monitoring the evolution of the sector.

On December 2013, the European Parliament and the Council approved a **Regulation**²⁹⁷ establishing the «Erasmus+» programme for the period 2014-2020. Despite the strong association of the name with the university programme of European academic mobility, the «Erasmus+» mergers education and training at all levels in a life-long learning perspective: school education («Comenius»), higher education («Erasmus»), international higher education («Erasmus Mundus»), vocational education and training («Leonardo da Vinci») and adult learning («Grundtvig»).

Moreover, the Programme includes specific policies dedicated to the youth («Youth in Action») and sport²⁹⁸. Overall, the programme aims at developing the actions in the fields of learning mobility of individuals, cooperation for innovation and exchange of good practices, and support for policy reform²⁹⁹. During the period of seven years (2014-2020), the Programme is expected to invest more than 14,542 million Euros of 2014³⁰⁰.

²⁹³ EUROPEAN COMMISSION (2012): *Rethinking Education: Investing in skills (...)* (op. cit.), p. 9.

²⁹⁴ COUNCIL OF THE EUROPEAN UNION (2011): *Resolution on a renewed European agenda for adult learning*. OJ C 372, 20.12.2011, pp. 1-6.

²⁹⁵ COUNCIL OF THE EUROPEAN UNION (2011): *Resolution on a renewed European (...)* (op. cit.), p. 1.

²⁹⁶ COUNCIL OF THE EUROPEAN UNION (2011): *Resolution on a renewed European (...)* (op. cit.), pp. 5-6.

²⁹⁷ EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION (2013): *Regulation No. 1288/2013, of 11 December 2013, establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No. 1719/2006/EC, No. 1.720/2006/EC and No. 1.298/2008/EC*. OJ L 347, 20.12.2013, pp. 50-73.

²⁹⁸ EUROPEAN PARL. AND COUNCIL OF THE EU (2013): *Regulation No. 1288/2013 (...)* (op. cit), Art. 1.

²⁹⁹ EUROPEAN PARL. AND COUNCIL OF THE EU (2013): *Regulation No. 1288/2013 (...)* (op. cit), Art. 12.

³⁰⁰ EUROPEAN PARL. AND COUNCIL OF THE EU (2013): *Regulation No. 1288/2013 (...)* (op. cit), Art. 18.

By the end of 2015, the Council and the Commission emitted a «**Joint Report**»³⁰¹ about the implementation of the «ET 2020» framework, and thus covering in general terms most of the educational categories of interest, from early childhood learning to adult learning. The document emphasises the role of higher education systems to foster the knowledge economy. According to the organisations, there is a need to ensure that «all forms of higher education provide students with relevant high-level knowledge, skills and competences that prepare them for their future careers»³⁰².

Regarding adult learning, the Council and the Commission evaluated the impacts of globalisation on skills needs and the high unemployment levels, and assessed the need of a «Renewed European Agenda» for adult learning. In the case of migrants, such education and training «provides recently arrived migrants and people with a migrant background with an opportunity for further education or re-training and increases the opportunities for these individuals to establish themselves in the labour market and integrate into society»³⁰³. It shall be noticed that the publication of the document coincided with the important «refugee crisis» of 2015 and the text introduces distinct perspectives to facilitate integration.

Besides, the text encourages the use of innovative pedagogies and instruments to deploy digital competences, acknowledging that «[s]ocieties are becoming increasingly digital, thus boosting demand for digital competences. Education and training must address this need, which requires investment in infrastructure, organisational change, digital devices and digital competences of teachers, trainers, school leaders and other members of educational staff, as well as the creation of digital (and open) educational resources and high-quality educational software»³⁰⁴. The Council and the Commission encouraged the use of information and communication technologies and active pedagogies, based on project-designed and participatory mechanisms.

Later on, the Commission issued a **Communication**³⁰⁵ on June 2016 to highlight the importance of new skills in the arriving economic paradigm. According to the Commission, «[t]he goal is to reach shared vision and commitment to work together on improving the quality and relevance of skills formation in order to keep step with the rapidly changing skills requirements of the labour market, equip everyone with a minimum set of basic skills and make qualifications easier to understand, helping workers and learners to move around more easily within the EU»³⁰⁶. The Commission explained that Artificial intelligence and web crawling would be an interesting tool for the institution to analyse «big data» sources and identify the skills needs and trends of the Union, offering real-time information to the general public.

The Commission observed in a favourable perspective the «collaborative economy» and technological challenges, mentioning that it «is changing business models, opening up opportunities and new routes into work, demanding different skills sets, and bringing challenges such as accessing upskilling opportunities. Robotisation and artificial intelligence are replacing routine jobs, not only on the factory floor, but in the office»³⁰⁷.

³⁰¹ COUNCIL OF THE EUROPEAN UNION AND EUROPEAN COMMISSION (2015): *Joint Report on the implementation of the strategic framework for European cooperation in education and training (ET 2020). New priorities for European cooperation in education and training*. OJ C 417, 15.12.2015, pp. 25-35.

³⁰² COUNCIL OF THE EU AND EUROPEAN COMMISSION (2015): *Joint Report (...)* (op. cit.), p. 27.

³⁰³ COUNCIL OF THE EU AND EUROPEAN COMMISSION (2015): *Joint Report (...)* (op. cit.), p. 28.

³⁰⁴ COUNCIL OF THE EU AND EUROPEAN COMMISSION (2015): *Joint Report (...)* (op. cit.), p. 29.

³⁰⁵ EUROPEAN COMMISSION (2016): *A new skills agenda for Europe. Working together to strengthen human capital, employability and competitiveness*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2016) 381 final, 10.06.2016.

³⁰⁶ EUROPEAN COMMISSION (2016): *A new skills agenda for Europe (...)* (op. cit.), p. 16.

³⁰⁷ EUROPEAN COMMISSION (2016): *A new skills agenda for Europe (...)* (op. cit.), p. 7.

In this rapid evolving technological transformation, the focus on digital skills is presented as the main solution. In this aspect, the institution realised that «Europe needs digitally smart people who are not only able to use but also to innovate and lead in using these technologies. Without it Europe will not succeed in embracing this digital transformation. The acquisition of new skills is vital to keep pace with technological developments and industry is already introducing innovative training methods»³⁰⁸.

However, later on in the document, the Commission presented the project of the «Blueprint for Sectoral Cooperation on Skills», and quite shockingly, ICTs were not included in the industrial framework, only: «automotive, maritime technology, space, defence, textile and tourism»³⁰⁹ (with a possible extend of EU funds to construction, steel, health, green technologies and renewable energies during the next period). It is clear that one fact is the desirable discourse, and the other the real competitive advantage of the European industry. Until 2019, we could think that tourism, aerospace and health were the sectors at which the Union was able to presume of global strength, but the coronavirus pandemic is illustrating a different panorama for the opening decade.

By the end of 2016, the Council issued a **Recommendation**³¹⁰ about adult learning. The text centred most of the message over low-qualified adults, considering that Member States shall promote among them a minimum level of literacy, numeracy and digital competences, while strengthening a wider combination of skills and knowledge. The document highlighted the importance of coordination between public and private actors in education and training, including regional and international cooperation.

The Recommendation covers also the motivational sphere, indicating that Member States would «[i]mplement motivation and outreach measures that include raising awareness on the benefits of upskilling, making available information on existing guidance, support measures upskilling opportunities and responsible bodies, and providing incentives to those least motivated to take advantage of these»³¹¹.

On May 2017, the Council issued a **Recommendation**³¹² on the European Qualifications Framework (EQF) for life-long learning, repealing a previous Recommendation of 2008. The document defines eight distinct educational levels, by considering the learning outcomes related to the fields of knowledge, skills, and responsibility and autonomy. Regarding higher education levels, the Recommendation searches the comparability with the framework of the Bologna process and respects the classification of three cycles (EQF levels from 6 to 8)³¹³. The Council considered qualifications to be «an expression of personal achievement» and highlighted their importance «in raising employability, easing mobility and access to further education»³¹⁴.

³⁰⁸ EUROPEAN COMMISSION (2016): *A new skills agenda for Europe (...)* (op. cit.), pp. 7-8.

³⁰⁹ EUROPEAN COMMISSION (2016): *A new skills agenda for Europe (...)* (op. cit.), p. 12.

³¹⁰ COUNCIL OF THE EUROPEAN UNION (2016): *Recommendation of 19 December 2016, on Upskilling Pathways: New Opportunities for Adults*. OJ C 484, 24.12.2016, pp. 1-6.

³¹¹ COUNCIL OF THE EUROPEAN UNION (2016): *Recommendation of 19 December 2016 (...)* (op. cit.), p. 5.

³¹² COUNCIL OF THE EUROPEAN UNION (2017): *Recommendation of 27 May 2017, on the European Qualifications Framework for lifelong learning and repealing the recommendation of the European Parliament and of the Council of 23 April 2008*. OJ C 189, 15.06.2017, pp. 15-28.

³¹³ COUNCIL OF THE EUROPEAN UNION (2017): *Recommendation of 27 May 2017 (...)* (op. cit.), pp. 22-23.

³¹⁴ COUNCIL OF THE EUROPEAN UNION (2017): *Recommendation of 27 May 2017 (...)* (op. cit.), p. 15.

After the «Brexit» referendum, raising radicalisation and governmental difficulties in Poland in Hungary, the Council emitted a **Recommendation**³¹⁵ on May 2018 to improve the sense of European cohesion and democratic values in the educational systems.

Member States should «increase the sharing of the common values set out in Article 2 of the Treaty on European Union from an early age and at all levels and types of education and training in a lifelong perspective to strengthen social cohesion and a positive and inclusive common sense of belonging at local, regional, national and Union level»³¹⁶. The text aims at promoting tolerant and democratic attitudes in an intercultural environment, while «enhancing critical thinking and media literacy, particularly in the use of the internet and social media»³¹⁷. Racism and radicalisation, and the diffusion of non-reliable contents online, are growing problems that are going to increase in contexts of scarce resources and fast robotisation trends, and the exposed Recommendation seems to be appropriate.

The next day, the Council issued a second **Recommendation**³¹⁸, about «key competences» for life-long learning with the objective to update a previous text of 2006. The institution admitted that currently «competence requirements have changed with more jobs being subject to automation, technologies playing a bigger role in all areas of work and life, and entrepreneurial, social and civic competences becoming more relevant in order to ensure resilience and ability to adapt to change»³¹⁹.

The Recommendation defined «competences» as a combination of knowledge, skills and attitudes, and established eight «key competences»³²⁰ in: literacy; multilingualism; STEM; digital competences; personal, social and «learning to learn» competences; citizenship; entrepreneurship; and cultural awareness and expression competence. Interestingly, when referring to the digital competence, the Council expressed that they involve «the confident, critical and responsible use of, and engagement with, digital technologies for learning, at work, and for participation in society»³²¹. Besides, the Recommendation acknowledged the growing interaction with new technologies, indicating that individuals «should be able to manage and protect information, content, data, and digital identities, as well as recognise and effectively engage with software, devices, artificial intelligence or robots»³²².

Finally, on June 2019, the Council evaluated in a set of **Conclusions**³²³ the implementation of the Recommendation on «upskilling pathways», emitted on December 2016 and commented previously. The document considered that the adult learning benchmark has been «stagnant» in the EU during the previous decade, in spite of the progress that has been made in several fields. The Council requested Member States to establish «sustainable long-term measures for adult upskilling and reskilling as part of a broader strategic approach to lifelong skills development», while promoting «partnerships to take a holistic approach, engaging relevant actors»³²⁴. The text maintained the original emphasis on low-skilled and low-qualified adults.

³¹⁵ COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation of 22 May 2018, on promoting common values, inclusive education, and the European dimension of teaching*. OJ C 195, 07.06.2018, pp. 1-5.

³¹⁶ COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation of 22 May 2018 (...)* (op. cit.), p. 3.

³¹⁷ COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation of 22 May 2018 (...)* (op. cit.), p. 3.

³¹⁸ COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation on key competences for lifelong learning*. Brussels, Annex of the Interinstitutional File No. 2018/0008 (NLE), 23.05.2018, 9009/18.

³¹⁹ COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation on key competences (...)* (op. cit.), p. 3.

³²⁰ COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation on key competences (...)* (op. cit.), p. 15.

³²¹ COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation on key competences (...)* (op. cit.), p. 20.

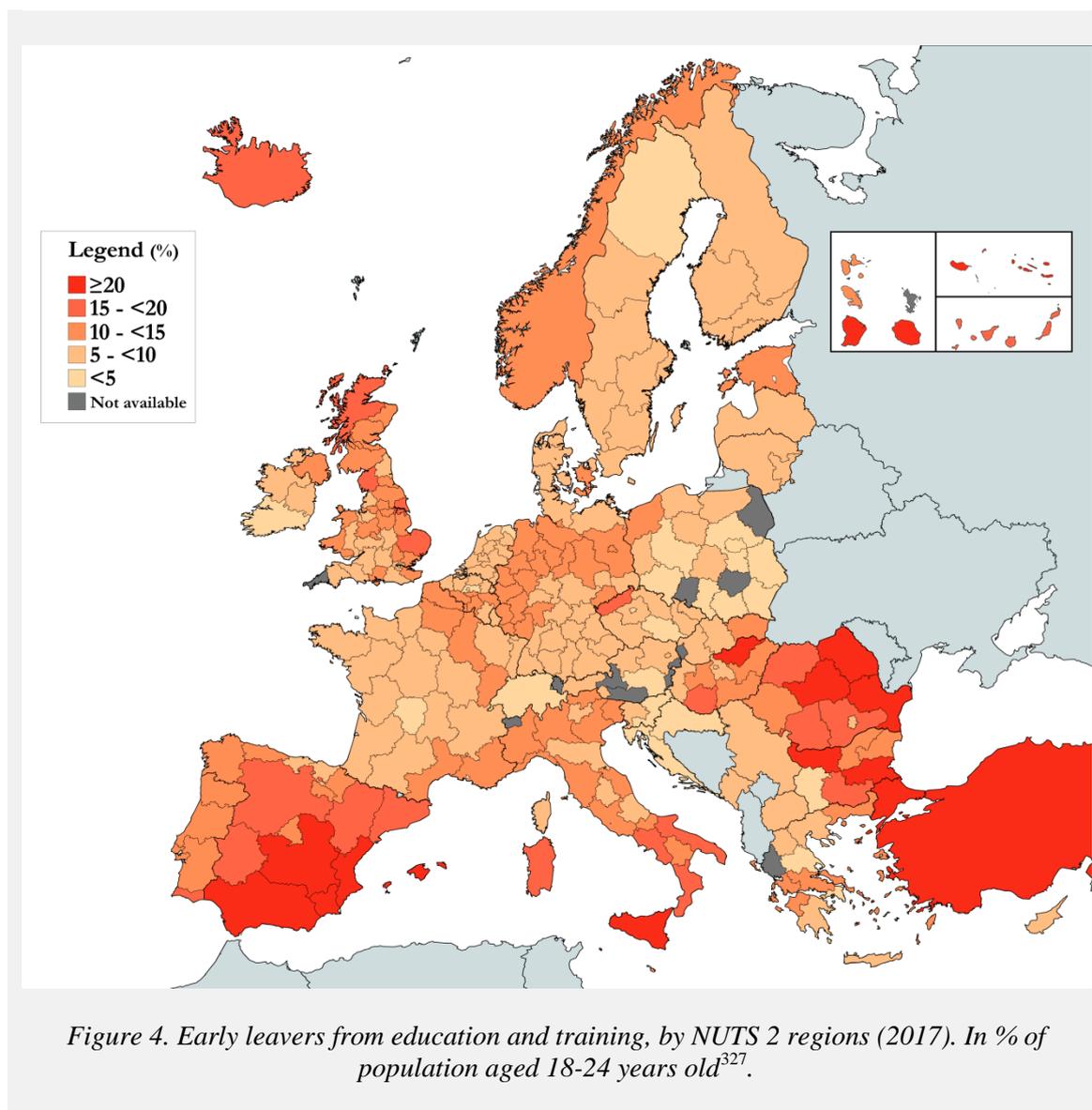
³²² COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation on key competences (...)* (op. cit.), p. 20.

³²³ COUNCIL OF THE EUROPEAN UNION (2019): *Conclusions on the implementation of the Council Recommendation on Upskilling Pathways: New Opportunities for Adults*. OJ C 189, 05.06.2019, pp. 23-27.

³²⁴ COUNCIL OF THE EUROPEAN UNION (2019): *Conclusions on the implementation (...)* (op. cit.), p. 25.

4.4.3. TACKLING EARLY SCHOOL LEAVING

On January 2011, the Commission issued a **Communication**³²⁵ to attend the fast concerning issue of early school leavers. With a weighty economic and social crisis at the «periphery» of the Eurozone and saturated educational systems incapable to provide personalised guidance and academic support, many students felt demotivated and abandoned lessons, with lasting consequences for their employment possibilities and the socioeconomic future of their country. Also, in 2009 young people with migrant origin had an average rate of early school leaving that doubled that of indigenous youth³²⁶. The Commission stressed the importance of applying comprehensive policies, focusing on prevention, intervention and compensation, starting by a deep analysis of national, regional and local specificities.



³²⁵ EUROPEAN COMMISSION (2011): *Tackling early school leaving: A key contribution to the Europe 2020 Agenda*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2011) 18 final, 31.01.2011.

³²⁶ EUROPEAN COMMISSION (2011): *Tackling early school leaving: A key contribution (...) (op. cit.)*, p. 4.

³²⁷ Graph created by the author using the software *mapchart.net*. Source of data: EUROSTAT (2019): *Education and training statistics at regional level*. Code: edat_lfse_16 (*Early leavers from education and training*).

On June 2011, the Council emitted a **Recommendation**³²⁸ on policies to reduce early school leaving. The text admits that «[i]n some Member States, students who have encountered difficulties in general education often go into vocational education and training (...). In such cases, vocational schools face a particular responsibility and challenge with respect to the reduction of early school leaving»³²⁹. This reflection has strong implications in the design of educational systems for the near future. The document offered a wide range of measures to be applied in the phases of prevention, intervention and compensation, requesting a horizontal coordination among different actors and a vertical integration across different governance levels.

The context of automation represents an important threat over non-qualified individuals. Early school leaving is statistically linked to unemployment, poverty and poor health, and this situation will cause social unrest at the territories where it is more extended. On average across the EU, the percentage of early leavers descended from 13.4% in 2011 to 10.6% in 2017. The target is to attain the 10% level by 2020, a relatively plausible goal. But there are countries with extremely high rates, which are set very far from the objective: Malta (18.6%), Spain (18.3%) and Romania (18.1%). The former two have done remarkable progresses since 2011, but the latter remains stagnant³³⁰. Southern Italy has also important difficulties in this issue, and non-educated youth is highly vulnerable to join mafias and criminal organisations.

Overall in Europe, the lowest level of early leavers is located in the Czech capital city region of Praha (only 1.6%). In the Iberian Peninsula, the lowest rate of early leavers is in the Basque Country, at 7.0%. Catalonia is slightly below the Spanish average, at 17.0%, and the highest rates are encountered in the Balearic Islands (26.5%) and Melilla (27.5%). Living in peripheral regions increases in most of the cases the ratio. The coronavirus supposes a major shock to the advancements achieved. The lockdown of the second quarter of 2020 has supposed an overwhelming obstacle for educators to interact with their students and track them appropriately, especially those coming from impoverished social backgrounds and migrant origin.

4.4.4. VOCATIONAL EDUCATION AND TRAINING (VET) POLICIES

Vocational studies experienced increased support on June 2010 with a **Communication**³³¹ aimed at fostering the international cooperation over this matter. The text acknowledged the importance of VET to increase labour market possibilities, also linked to life-long learning. Moreover, mobility is presented in a positive light: it «can help to overcome language barriers as well as to develop self-confidence, adaptability, a sense of responsibility, employability and intercultural competence»³³². The Commission aimed at potentiating the quality and efficiency of vocational education and training. Furthermore, the institution considered that VET «goes beyond the pure labour market aspect, the more it will promote equity. VET can support both development of people's professional and social identities and their sense of belonging to communities of practice»³³³.

³²⁸ COUNCIL OF THE EUROPEAN UNION (2011): *Recommendation of 28 June 2011, on policies to reduce early school leaving*. OJ C 191, 01.07.2011, pp. 1-6.

³²⁹ COUNCIL OF THE EUROPEAN UNION (2011): *Recommendation of 28 June 2011 (...)* (op. cit.), p. 4.

³³⁰ EUROPEAN COMMISSION (2018): *Education and Training Monitor 2018*. Luxembourg, Publications Office of the European Union. DOI: 10.2766/28521, pp. 28-32.

³³¹ EUROPEAN COMMISSION (2010): *A new impetus for European cooperation in Vocational Education and Training to support the Europe 2020 strategy*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2010) 296 final, 09.06.2010.

³³² EUROPEAN COMMISSION (2010): *A new impetus for European cooperation (...)* (op. cit.), p. 5.

³³³ EUROPEAN COMMISSION (2010): *A new impetus for European cooperation (...)* (op. cit.), p. 9.

The Commission highlighted the value of «education for entrepreneurship», encouraging the VET's offer of «experience-based and active learning to promote the acquisition of e-skills, a risk-taking culture, initiative, curiosity, intrinsic motivation and the critical thinking of individuals»³³⁴. Risk aversion may be detrimental to innovation, but it should be considered that entrepreneurs that lack the basic skills or suffer from a general economic crisis face strong probabilities of dangerous debt traps, and the institution does not offer this perspective. Besides, certain Member States do not have the appropriate legal mechanisms to allow an easy and safe recovery for entrepreneurs that end closing their own businesses.

The Council and the representatives of Member States' governments approved a set of **Conclusions** at the end of 2010, including a list of priorities for enhanced European cooperation in the VET field covering the period until 2020³³⁵. The text aimed at improving the quality and efficiency of vocational education and training, differentiating among initial VET (I-VET) and continuing VET (C-VET). Regarding the latter, life-long learning and mobility are crucial aspects to be empowered. The Council affirmed that VET «increases people's employability (in both short and long term), which allows them to develop quality careers, satisfactory work experience, self-confidence, professional pride and integrity and which opens up opportunities for growth in their professional and personal lives»³³⁶. Vocational educational and training is thus considered a useful tool to reduce the percentage of early school leavers and improve the general employment indicator of the «Europe 2020» Strategy.

A substantial part of the contents of the Council's conclusions was later reproduced in the «**Bruges Communiqué**»³³⁷, published on 7 December 2010. In this case, participating countries were the EU Member States plus the EU candidate countries and EFTA/EEA nations, in order to attain a better continental coverage and coordination. It is interesting to observe how educational and employment positive outcomes related to VET are highlighted: «[w]ork-based learning is a way for people to develop their potential. The work-based component contributes substantially to developing a professional identity and can boost the self-esteem of those who might otherwise see themselves as failures. Learning on the job enables those in employment to develop their potential while maintaining their earnings»³³⁸. Naturally, this commentary about self-perception is not exempted of criticism by the way it was presented.

As a short-term review of the success of the mentioned «Bruges Communiqué», the Ministers in charge of VET emitted a declaration on June 2015, widely known as the «**Riga Conclusions**»³³⁹. The document maintained the previous orientations for the period 2015-2020 and introduced the practices of «medium-term deliverables» and country-specific recommendations in the context of the European Semester.

³³⁴ EUROPEAN COMMISSION (2010): *A new impetus for European cooperation (...)* (op. cit.), p. 10.

³³⁵ COUNCIL OF THE EUROPEAN UNION (2010): *Conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on the priorities for enhanced European cooperation in vocational education and training for the period 2011-2020*. OJ C 324, 01.01.2010, pp. 5-15.

³³⁶ COUNCIL OF THE EUROPEAN UNION (2010): *Conclusions of the Council (...)* (op. cit.), p. 10.

³³⁷ BELGIAN PRESIDENCY OF THE COUNCIL (2010): *Communiqué of the European Ministers for Vocational Education and Training, the European and Social Partners and the European Commission, meeting in Bruges on 7 December 2010 to review the strategic approach and priorities of the Copenhagen process for 2011-2020*. 07.12.2010.

³³⁸ BELGIAN PRESIDENCY OF THE COUNCIL (2010): *Communiqué (...)* (op. cit.), p. 3.

³³⁹ LATVIAN PRESIDENCY OF THE COUNCIL (2015): *Riga Conclusions 2015, on a new set of medium-term deliverables in the field of VET for the period 2015-2020, as a result of the review of short-term deliverables defined in the 2010 Bruges Communiqué*. 22.06.2015.

4.4.5. TERTIARY EDUCATION POLICIES

On September 2011, the Commission expressed the will of establishing an agenda for the modernisation of higher education systems in a specific **Communication**³⁴⁰. The institution admitted that «Europe is no longer setting the pace in the global race for knowledge and talent, while emerging economies are rapidly increasing their investment in higher education. While 35% of all jobs in the EU will require high-level qualifications by 2020, only 26% of the workforce currently has a higher education qualification»³⁴¹. It is fundamental to proportionate citizens with the adequate skills in the knowledge economy. In this sense, the Commission considered that reforms were necessary so as to increase the quantity of higher education graduates and the quality and relevance of the acquired intellectual capital, for which are responsible Member States and the educational institutions themselves.

Among other aspects, the Commission encouraged the development of «clear progression routes from vocational and other education types into higher education»³⁴². This is an interesting path to ensure that the appropriate skills are facilitated through time and various needs. Besides, the organisation emphasised the operability of the «knowledge triangle»: the link between higher education, research and business. The Commission defended the consolidation of the European Credit Transfer and Accumulation System (ECTS) and more mobility possibilities for students, teachers and researchers. The main funding instruments for the period 2014-2020 were set on the European Regional Development Fund, the European Social Fund, the Horizon 2020 programme and the expected «Education Europe Fund», not launched by the Commission by then.

In an annexed «**Commission Staff Working Document**»³⁴³, the institution recognised that Europe is experiencing important changes in skills requirements. Primary and manufacturing sectors have suffered a remarkable decrease in employment, spurred also by the Asian competition. However, knowledge-intensive activities provide labour opportunities, like «research and development, marketing and sales, value chain management and financial services, which generate high added value – and require highly skilled labour»³⁴⁴.

Besides, the «green economy» requires new skills and can be a source of occupation. Overall, the Commission expected that the share of highly-qualified jobs will increment from 29% in 2010 to about 35% in 2020 (that is, in 16 million labour posts). Educational institutions have to provide them the specialised skills and also furnish «transversal core skills»³⁴⁵, with important implications in the knowledge society³⁴⁶.

³⁴⁰ EUROPEAN COMMISSION (2011): *Supporting growth and jobs – an agenda for the modernisation of Europe’s higher education systems*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2011) 567 final, 20.09.2011.

³⁴¹ EUROPEAN COMMISSION (2011): *Supporting growth and jobs – an agenda (...) (op. cit.)*, p. 2.

³⁴² EUROPEAN COMMISSION (2011): *Supporting growth and jobs – an agenda (...) (op. cit.)*, p. 4.

³⁴³ EUROPEAN COMMISSION (2011): *Commission working document on recent developments in European high educations systems*. Brussels, text accompanying the Communication COM(2011) 567 final. SEC(2011) 1063 final, 20.09.2011.

³⁴⁴ EUROPEAN COMMISSION (2011): *Commission working document on recent (...) (op. cit.)*, p. 30.

³⁴⁵ EUROPEAN COMMISSION (2011): *Commission working document on recent (...) (op. cit.)*, p. 30.

³⁴⁶ The «European Key Competences Reference Framework», elaborated by the European Commission, defines eight core competences: (1) Communication in the mother tongue; (2) Communication in foreign languages; (3) Mathematical competence and basic competences in science and technology; (4) Digital competences; (5) Learning to learn; (6) Social and civic competences; (7) Sense of initiative and entrepreneurship; and (8) Cultural awareness and expression.

The «**Bucharest Communiqué**»³⁴⁷ of April 2012 was issued during the harshest moment of the economic and social crisis in Europe. The text was approved by the Ministers responsible for higher education of 47 countries integrated in the European Higher Education Area, and acknowledged the uncertain labour perspectives of graduates. The Communiqué showed commitment for funding higher education, expressing that «[w]e will support our institutions in the education of creative, innovative, critically thinking and responsible graduates needed for economic growth and the sustainable development of our democracies. We are dedicated to working together in this way to reduce youth unemployment»³⁴⁸. Overall, in the framework of higher education, the document prioritised the issues of accessibility, quality, employability, mobility and transparency, mentioning also the main goals for the period 2012-2015.

The Council issued a set of **Conclusions**³⁴⁹ on January 2014. The text addressed the global perspective in higher education institutions, aiming that they would attain high levels of internationalisation, by student and staff mobility, the internationalisation of curricula and digital learning, and strategic cooperation and partnerships. Digital learning is viewed as a mechanism «to ensure that the large majority of European students who do not participate in physical mobility actions are also able to develop international skills»³⁵⁰. In this sense, the Council encouraged the use of ICTs and Open Educational Resources. Among other aspects, the text aimed that Member States offered curricula that stimulated entrepreneurship and innovation, also by a close collaboration with employers from the EU and overseas.

On May 2017, the Commission issued a **Communication**³⁵¹ with the aim to bring up to date the existing higher education agenda. The text put strong emphasis on the «mismatch» between the current skills and the requirements of the labour market, explaining that there were shortages in certain high-skill professions (ICT professionals; medical doctors, nurses and midwives; and STEM professionals). Overall, the document presented a set of twenty Commission's initiatives.

The institution acknowledged that «people from disadvantaged socio-economic and with a migrant background remain far less likely to enter and complete higher education; academics and graduates are too often perceived as detached from the rest of society; and gender segregation by field of study is still pervasive»³⁵². Moreover, the organisation regretted an innovation gap, stressing that «higher education institutions are often not contributing as much as they should to innovation in the wider economy, particularly in their regions. The performance of higher education in innovation varies strongly between EU regions»³⁵³.

In order to tackle such difficulties, among other initiatives the Commission proposed to develop and test flexible and modular courses, including two-year degrees, and supported the recognition of qualifications held by refugees to facilitate their access to higher education. The institution committed to offer opportunities via the Marie Skłodowska-Curie actions, the European Structural and Investment Funds and «Erasmus+» resources, and «[I]aunch a review of funding, incentive and reward structures for higher education systems, in cooperation with the OECD»³⁵⁴.

³⁴⁷ EUROPEAN HIGHER EDUCATION AREA (2012): *Making the Most of Our Potential: Consolidating the European Higher Education Area. Bucharest Communiqué*. 27.04.2012.

³⁴⁸ EUROPEAN HIGHER EDUCATION AREA (2012): *Making the Most of Our Potential (...)* (op. cit.), p. 1.

³⁴⁹ COUNCIL OF THE EUROPEAN UNION (2014): *Conclusions on the global dimension of European higher education*. OJ C 28, 31.01.2014, pp. 2-5.

³⁵⁰ COUNCIL OF THE EUROPEAN UNION (2014): *Conclusions on the global dimension (...)* (op. cit.), p. 4.

³⁵¹ EUROPEAN COMMISSION (2017): *On a renewed EU agenda for higher education*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Region. COM(2017) 247 final, 30.05.2017.

³⁵² EUROPEAN COMMISSION (2017): *On a renewed EU agenda for higher education (...)* (op. cit.), p. 3.

³⁵³ EUROPEAN COMMISSION (2017): *On a renewed EU agenda for higher education (...)* (op. cit.), p. 4.

³⁵⁴ EUROPEAN COMMISSION (2017): *On a renewed EU agenda for higher education (...)* (op. cit.), p. 11.

The exposed Communication was accompanied by a «**Staff Working Document**»³⁵⁵ with interesting observations that complement the commented issues. Among other aspects, the text highlighted the benefits of promoting entrepreneurship, creativity and innovation skills in the university context. It introduced in the language of the Commission the concept of «entrepreneurial university» and encourages the reinforcement of innovative capabilities in weaker regions, by the development of «smart specialisation strategies»³⁵⁶.

By the end of 2017, the Council emitted a **Recommendation**³⁵⁷ about tracking graduates. The text recommended Member States to collect data of tertiary education graduates, concretely: socio-biographical and socioeconomic information, information on education and training, information on employment or further education and training, relevance of education and training to employment or life-long learning, and career progression³⁵⁸. With the initial objective of improving the comparability of data, the Council pretended to increment the quality of education and the appropriate match of skills and employability, contributing to policy development at both Member States and Union levels.

On November 2018, the Council issued a **Recommendation**³⁵⁹ on promoting a better recognition of higher and upper secondary education academic diplomas. The text aimed that by 2025 Member States will provide the necessary steps to «achieve automatic mutual recognition for the purpose of further learning without having to go through a separate recognition procedure»³⁶⁰. Moreover, the text expected that the outcomes of learning periods abroad would be thereby recognised. Both measures played an important role in an increasingly digitalised society and integrated economy, where qualifications and up-to-date skills certifications are basic.

Tertiary education covers the ISCED levels 5 to 8, from short-cycle tertiary education to doctoral or equivalent levels³⁶¹, offered by universities, institutes of technology and vocational organisations, among others. In 2018, 40.7% of the EU-28 population aged 30 to 34 years old possessed a tertiary level of education, which represents the attainment of the «Europe 2020» goal two years before the term, fixed at 40%. This indicator is also part of the scoreboard used to monitor the development of the «European Pillar of Social Rights». During the decade from 2008 to 2018, the ratio rose by 9.6%, which can be interpreted as a signal of hope for the future.

Comparing Member States, the lowest levels of 2018 were encountered at Romania (24.6%) and Italy (27.8%), while the highest rates were located in Cyprus (57.1%) and Lithuania (57.6%). It is important to acknowledge that capital cities tend to attract tertiary graduates, by more varied employment opportunities and a broader supply of educational programmes. The region of Inner London (West) had the highest level of educational attainment of the EU, at 80.4%, followed by three other British areas. In the continent, the capital city territories in Denmark, Lithuania, Poland and Sweden followed the ranking. The lowest levels, quite logically, are found in rural regions and less developed areas.

³⁵⁵ EUROPEAN COMMISSION (2017): *Commission staff working document*. Brussels, text accompanying the Communication COM(2017) 247 final. SWD(2017) 164 final, 30.05.2017.

³⁵⁶ EUROPEAN COMMISSION (2017): *Commission staff working document (...)* (op. cit.), p. 33.

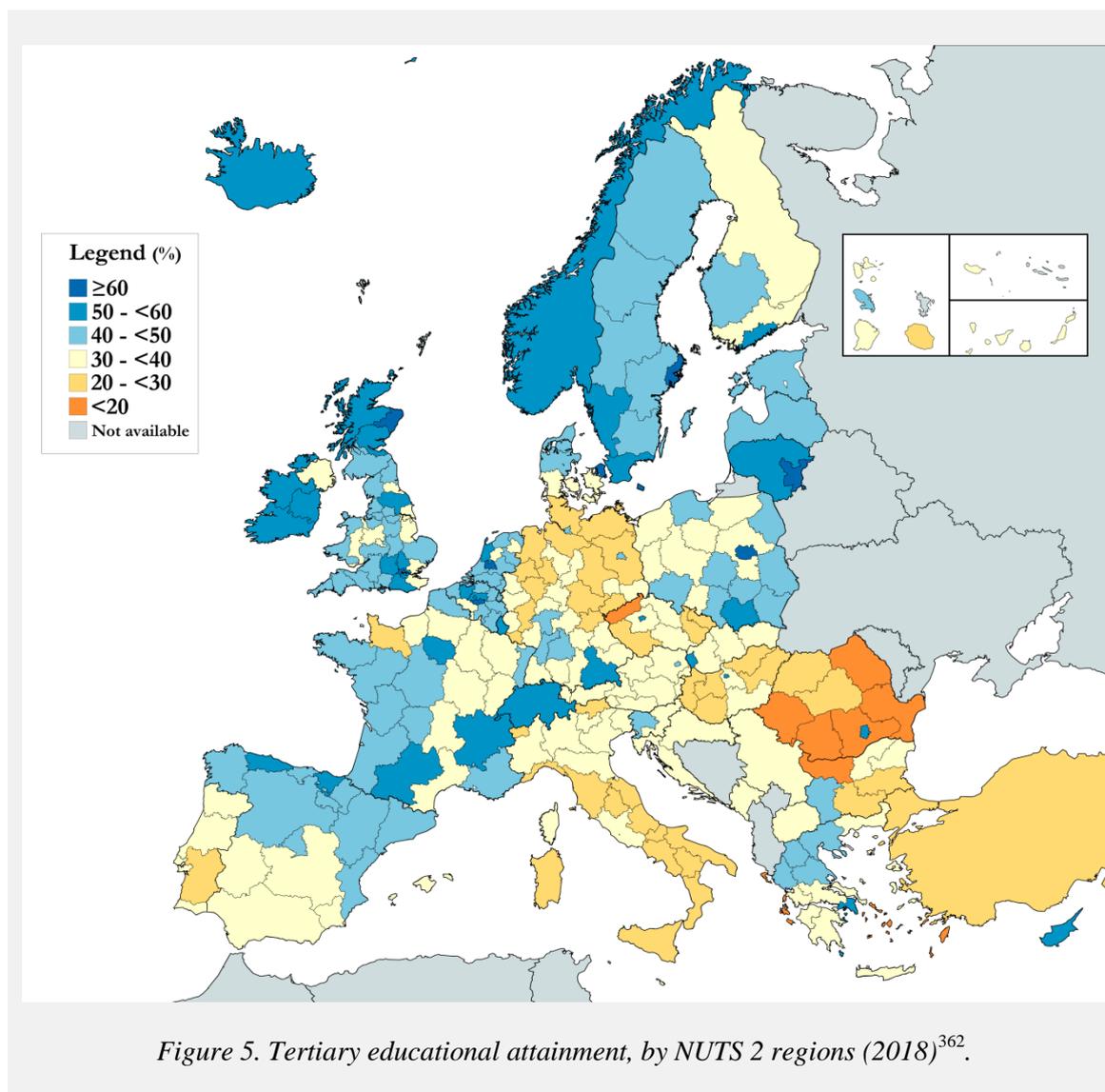
³⁵⁷ COUNCIL OF THE EUROPEAN UNION (2017): *Recommendation of 20 November 2017, on tracking graduates*. OJ C 423, 09.12.2017, pp. 1-4.

³⁵⁸ COUNCIL OF THE EUROPEAN UNION (2017): *Recommendation of 20 November 2017 (...)* (op. cit.), p. 3.

³⁵⁹ COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation of 26 November 2018, on promoting automatic mutual recognition of higher education and upper secondary education and training qualifications and the outcomes of learning periods abroad*. OJ C 444, 10.12.2018, pp. 1-8.

³⁶⁰ COUNCIL OF THE EUROPEAN UNION (2018): *Recommendation of 26 November 2018 (...)* (op. cit.), p. 2.

³⁶¹ The ISCED classification was adopted by the UNESCO General Conference in November 2011, in its most recent version. It has nine distinct levels of formal education, aiming a greater comparability among countries.



4.5. «EUROPE 2020» AND SPECIFIC POLICIES DIRECTED TO THE YOUTH

The economic and social crisis post-2008 has affected notably the employment opportunities of younger workers. The Commission and the Council launched several policies to cover better this vulnerable collective, and for this reason such are studied into the present separate section. The departing point was the **Communication** «Youth on the Move»³⁶³, which settled important guidelines that have been followed during the decade in representing the «flagship initiative» in the field of education at «Europe 2020». Consequently, as such policies are abundantly commented in the present and previous sections, here are going to be remarked a few aspects.

³⁶² Graph created by the author using the software *mapchart.net*. Source of data: EUROSTAT (2019): *Education and training statistics at regional level*. Code: edat_lfse_12 (*Population aged 30-34 by educational attainment level, sex and NUTS 2 regions*).

³⁶³ EUROPEAN COMMISSION (2010): *Youth on the Move: An initiative to unleash the potential of young people to achieve smart, sustainable and inclusive growth in the European Union*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2010) 477 final, 15.09.2010.

The Commission expressed concerns about the increasing unemployment levels among graduates, admitting that «European systems have been slow to respond to the requirements of the knowledge society, failing to adapt curricula and programmes to the changing needs of the labour market»³⁶⁴. However, quite contradictorily, the institution affirmed afterwards that «[w]ith an increasing number of jobs requiring high-level skills, more young people will need to enter and complete higher education»³⁶⁵. The Commission proposed to establish «an alternative multi-dimensional global university ranking system»³⁶⁶, as international rankings did not cover aspects that European universities may offer, like teaching quality, innovation, regional involvement and internationalisation. However, the project has reached very limited results³⁶⁷.

The Communication emphasised the positive outcomes of educational and employment mobility among the youth, placing the European coordinated «Flexicurity» policies as the means that «can make a real difference for young people»³⁶⁸. However, the Commission recognised that temporary contracts produce a negative labour market segmentation: «many young workers experience a sequence of temporary jobs alternating with unemployment, with little chance of moving to a more stable, open-ended contract and incomplete contributions to pension provisions. Young women are particularly at risk of falling into this segmentation trap»³⁶⁹.

The Commission proposed then to introduce fiscal incentives to firms using permanent contracts or converting temporary contracts into permanent ones, after admitting that «[t]he successive use of such contracts should be limited, since its [*sic.*] is bad for growth, productivity and competitiveness: it has long-lasting negative effects on human capital accumulation and earnings capacity, as young temporary workers tend to receive lower wages and less training»³⁷⁰.

By the end of 2011 was issued a **Communication**³⁷¹ of the «Youth Opportunities Initiative». After analysing the relevant indicators of youth unemployment and discovering high disparities among countries, the Commission recognised that «[a]lthough temporary contracts can be a stepping stone towards more stable forms of employment, in those Member States in which the share of temporary contracts is higher it is also more difficult to move from temporary to permanent contracts». The institution stated that such situations drive into «segmented labour markets, with young people trapped in the lower end of the labour market, with less on-the-job training, lower wage levels and weaker long-term employment and career prospects»³⁷².

The Communication stressed the importance of the role of Member States to tackle youth unemployment, including regional and local levels of governance. The institution committed to review national policies and performances, while providing financial support to the actions of the Member States and cross-border policies, mainly by the European Social Fund. The Commission highlighted the value of traineeships to acquire new skills and international mobility, via EURES and Erasmus for entrepreneurs. Besides, the text announced a reinforcement of the European Voluntary Service's budgets allocation and advanced the creation of a new «European Voluntary Humanitarian Aid Corps».

³⁶⁴ EUROPEAN COMMISSION (2010): *Youth on the Move: An initiative to unleash (...)* (op. cit.), p. 5.

³⁶⁵ EUROPEAN COMMISSION (2010): *Youth on the Move: An initiative to unleash (...)* (op. cit.), p. 6.

³⁶⁶ EUROPEAN COMMISSION (2010): *Youth on the Move: An initiative to unleash (...)* (op. cit.), p. 7.

³⁶⁷ The «U-Map» and «U-Multirank» had been the two main indicators, but none of them has achieved a successful international recognition outside Europe.

³⁶⁸ EUROPEAN COMMISSION (2010): *Youth on the Move: An initiative to unleash (...)* (op. cit.), p. 12.

³⁶⁹ EUROPEAN COMMISSION (2010): *Youth on the Move: An initiative to unleash (...)* (op. cit.), p. 13.

³⁷⁰ EUROPEAN COMMISSION (2010): *Youth on the Move: An initiative to unleash (...)* (op. cit.), p. 13.

³⁷¹ EUROPEAN COMMISSION (2011): *Youth Opportunities Initiative*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2011) 933 final, 20.12.2011.

³⁷² EUROPEAN COMMISSION (2011): *Youth Opportunities Initiative (...)* (op. cit.), p. 5.

On April 2013 was issued a **Recommendation**³⁷³ by the Council to establish a «Youth Guarantee»³⁷⁴. The main objective of the text is to ensure «that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education»³⁷⁵. This measure is not that innovative, as the Commission had proposed such initiative extensively in a Communication of November 2012³⁷⁶ and also mentioned it in the «Youth on the Move» Communication of 2010³⁷⁷. In this sense, it is fundamental that partnerships between employers and institutions are adequately strengthened, making an optimal use of all relevant information channels. The focus is placed over young vulnerable people with multiple barriers and NEETs («not in employment, education or training»).

The Recommendation emphasised providing personalised guidance and enhancing the skills of early school leavers and low-skilled young people, by centring the measures to foster the competences in existing mismatches with labour-demand needs. Moreover, digital skills and entrepreneurial education have to be promoted. The Council encouraged a «full and optimal use of the Cohesion Policy funding instruments»³⁷⁸, covering the period 2014-20 (that is, the European Social Fund and the Youth Employment Initiative).

A second **Recommendation**³⁷⁹ regarding traineeships was emitted by the Council on March 2014. In spite of recognising that traineeships have become a remarkable entry point inside the labour market, the text admitted that «[s]ocio-economic costs arise if traineeships, particularly repeated ones, replace regular employment, notably entry-level positions usually offered to trainees. Moreover, low-quality traineeships, especially those with little learning content, do not lead to significant productivity gains nor do they entail positive signalling effects. Social costs can also arise in connection with unpaid traineeships that may limit the career opportunities of those from disadvantaged backgrounds»³⁸⁰. The massive use of unpaid traineeships in labour posts that have to be minimally remunerated raised important concerns, the Council had to react.

The document aimed at improving the quality of traineeships. As a consequence, the text recommended that Member States applied several measures³⁸¹, among them, the following ones:

1. Require that traineeships are based on a written agreement;
2. Require that such agreement indicates the educational objectives, the working conditions, if an allowance or compensation is provided, and the rights and obligations of the parties;
3. Ensure the rights and working conditions of trainees under the applicable law;
4. Ensure a reasonable duration of traineeships that, in principle, does not surpass the six months, with the exception of justified cases.
5. Promote the recognition and validation of the knowledge, skills and competences acquired during traineeships.
6. Facilitate the cross-border mobility of trainees in the European Union territory.
7. Use the European Structural and Investment Funds for increasing the number and quality of traineeships.

³⁷³ COUNCIL OF THE EUROPEAN UNION (2013): *Recommendation of 22 April 2013, on establishing a Youth Guarantee*. OJ C 120, 26.04.2013, pp. 1-6.

³⁷⁴ Legal text currently in force.

³⁷⁵ COUNCIL OF THE EUROPEAN UNION (2013): *Recommendation of 22 April (...) (op. cit.)*, p. 3, Par. 1.

³⁷⁶ EUROPEAN COMMISSION (2012): *Annual Growth Survey 2013*. Brussels, Communication from the Commission. COM(2012) 750 final, 28.11.2012, p. 11.

³⁷⁷ EUROPEAN COMMISSION (2010): *Youth on the Move: An initiative to unleash (...) (op. cit.)*, pp. 14-15.

³⁷⁸ COUNCIL OF THE EUROPEAN UNION (2013): *Recommendation of 22 April (...) (op. cit.)*, p. 5, Par. 21.

³⁷⁹ COUNCIL OF THE EUROPEAN UNION (2014): *Recommendation of 10 March 2014, on a Quality Framework for Traineeships*. OJ C 88, 27.03.2014, pp. 1-4.

³⁸⁰ COUNCIL OF THE EUROPEAN UNION (2014): *Recommendation of 10 March (...) (op. cit.)*, p. 1, Par. 4.

³⁸¹ COUNCIL OF THE EUROPEAN UNION (2014): *Recommendation of 10 March (...) (op. cit.)*, pp. 3-4.

When a young professional begins his/her career, works at the positions where tasks are simpler and have an important degree of routine. For example, the apprentice that works in a law firm or public administration investigates legislation and case law to resolve the cases³⁸². Artificial intelligence and automation could become a barrier for the youth, especially over the less qualified individuals. The incapability to be hired and gain labour experience could stimulate abusive practices in apprenticeships and traineeships. Moreover, the tolerance of educational institutions with the aim to maintain the programmes and private funding would promote fraud and resignation of students, expecting to fill their own *curriculum vitae*. Families usually pay the cost of such initial working experiences, from food and transport tickets to the tuition costs of traineeship educational credits.

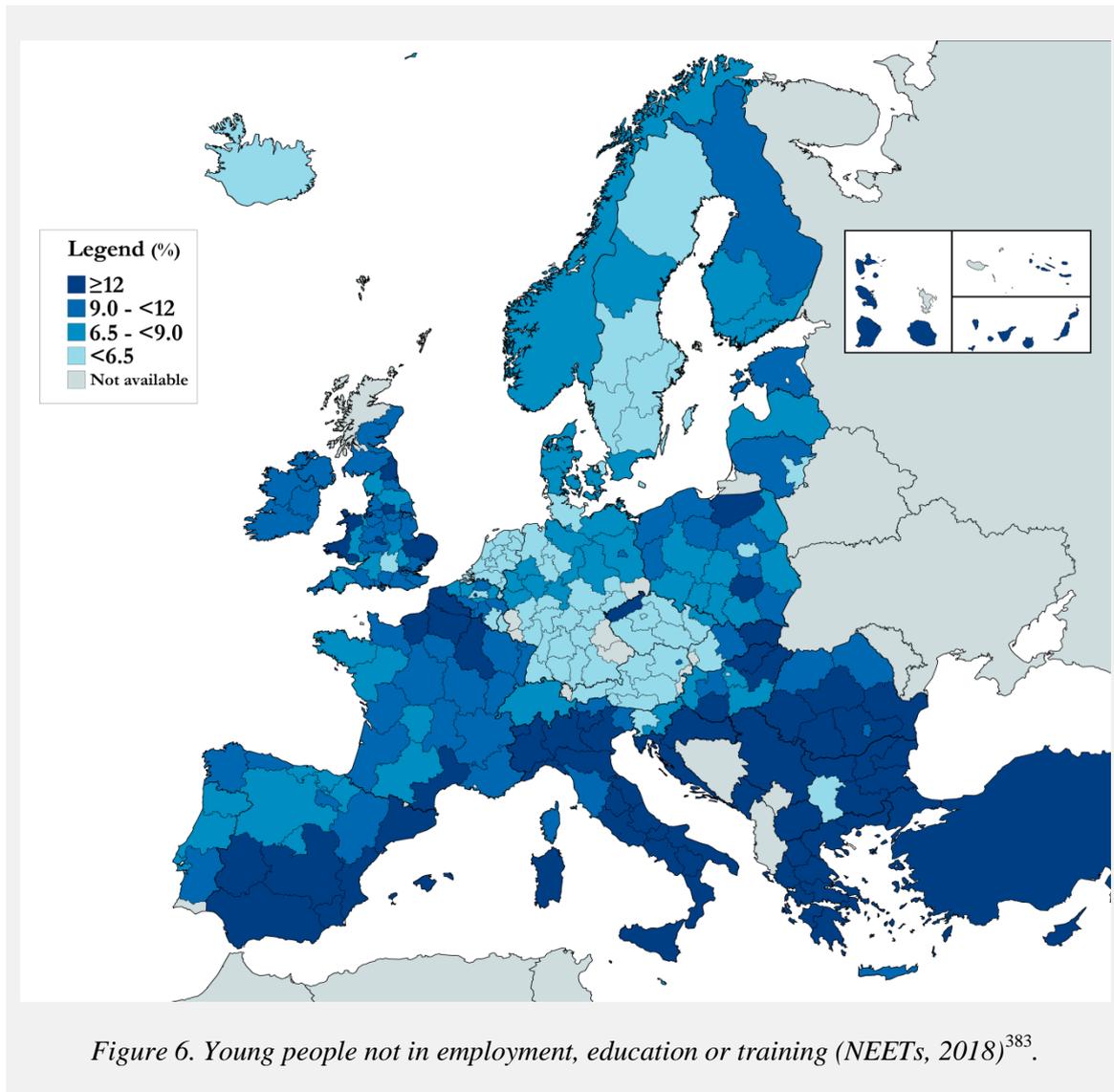


Figure 6. Young people not in employment, education or training (NEETs, 2018)³⁸³.

The indicator of «NEETs» integrates young people neither in employment nor in education and training. Specifically, refers to young people aged 15 to 24 who are not employed or inactive, and have not received any education and training in the four weeks preceding the survey.

³⁸² NEDELKOSKA, Ljubica; QUINTINI, Glenda (2018): “Automation, skills use and training”. *OECD Social, Employment and Migration Working Papers*, No. 202. Paris, OECD Publishing, pp. 8-9.

³⁸³ Graph created by the author using the software *mapchart.net*. Source of data: EUROSTAT (2020): *Education and training statistics at regional level*. Code: edat_lfse_22 (Young people neither in employment nor in education or training by sex and NUTS 2 regions).

The map shows the estimates of NEETs as a percentage of the total population being in the same age group. The rates oscillate between 3.2% in Utrecht, in the Netherlands, and 33.1% in the French territory of Guyane. When observing the countries that have more regions with rates that exceed 12% of the young age group, Italy reaches 18, and is followed by Greece (12 regions) and Spain (10 regions). In contrast, Germany and the Netherlands have 20 and 12 regions with rates of NEETs under 6.5%. This map illustrates an important loss of human potential with lasting socioeconomic consequences, a negative trend that will be exacerbated in the present decade and especially in countries where the «Covid-19» pandemic has been affronted with low social protection standards.

Chapter V / The European Pillar of Social Rights



5. THE EUROPEAN PILLAR OF SOCIAL RIGHTS

The European Pillar of Social Rights is the second largest social initiative of the EU agenda. Initially designed for the Eurozone, the Pillar searches to improve the living conditions of citizens in front of the technological challenges. However, the text was issued only in a form of a Recommendation and without furnishing the necessary EU financial support. Is it effective?

5.1. PROPOSAL AND FIRST REACTIONS

5.1.1. THE COMMISSION PROPOSES A NEW HOPE FOR THE EUROZONE

In the State of the Union Address on 9 September 2015, the President of the European Commission, Jean-Claude Juncker, proposed the establishment of a «European Pillar of Social Rights» (EPSR), so as to cover the new labour paradigm better. According to him: «[w]e have to step up the work for a fair and truly pan-European labour market. As part of these efforts, I will want to develop a European Pillar of Social Rights, which takes account of the changing realities of Europe's societies and the world of work. And which can serve as a compass for the renewed convergence within the euro area (...) I believe we do well to start with this initiative within the euro area, while allowing other EU Member States to join in if they want to do so»³⁸⁴. This indicates a clear will of President Juncker to re-establish the confidence in the Union of «peripheral» Member States, severely affected by the economic and social crisis.

On March 2016, the Commission issued in a specific **Communication**³⁸⁵ the official release of a public consultation about the EPSR. According to the institution, «[t]he purpose of the Pillar is to express a number of essential principles to support well-functioning and fair labour markets and welfare systems. (...) Once established, the Pillar should become a reference framework to screen the employment and social performance of participating Member States, to drive reforms at national level and, more specifically, to serve as a compass for renewed convergence within the euro area»³⁸⁶. Interestingly, the Commission acknowledged that the logic of the Pillar was in confronting the differences and tensions in social matters. So, «the Pillar should help to modernise, broaden and deepen social rights, at work and in society, by facilitating their actual take-up and by promoting practices that can be beneficial from an individual, firms and societal point of view»³⁸⁷. The institution launched a 10-questions survey and invited «all interested parties», that is, the Economic and Monetary Union (EMU) stakeholders, to send their answers up until the end of the year.

The next page depicts the average unemployment rate, considering the regional (NUTS-2) overview and assessing the changes between 2007 and 2018, as two distinct «photographs». The pre-crisis scenery shows an area with greater activity inside and around the Alps mountain range. Norway and Iceland also possessed good employment health. The picture has experienced an important change a decade after: Germany and the Eastern countries incorporated at the EU in 2004 are grazing the full employability, while the «Latin» Europe remains more jobless.

³⁸⁴ EUROPEAN COMMISSION (2017): *Establishing a European Pillar of Social Rights*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2017) 250 final, 26.04.2017, p. 2.

³⁸⁵ EUROPEAN COMMISSION (2016): *Launching a consultation on a European Pillar of Social Rights*. Strasbourg, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2016) 127 final, 08.03.2016.

³⁸⁶ EUROPEAN COMMISSION (2016): *Launching a consultation on a European Pillar (...) (op. cit.)*, p. 7.

³⁸⁷ EUROPEAN COMMISSION (2016): *Launching a consultation on a European Pillar (...) (op. cit.)*, p. 8.

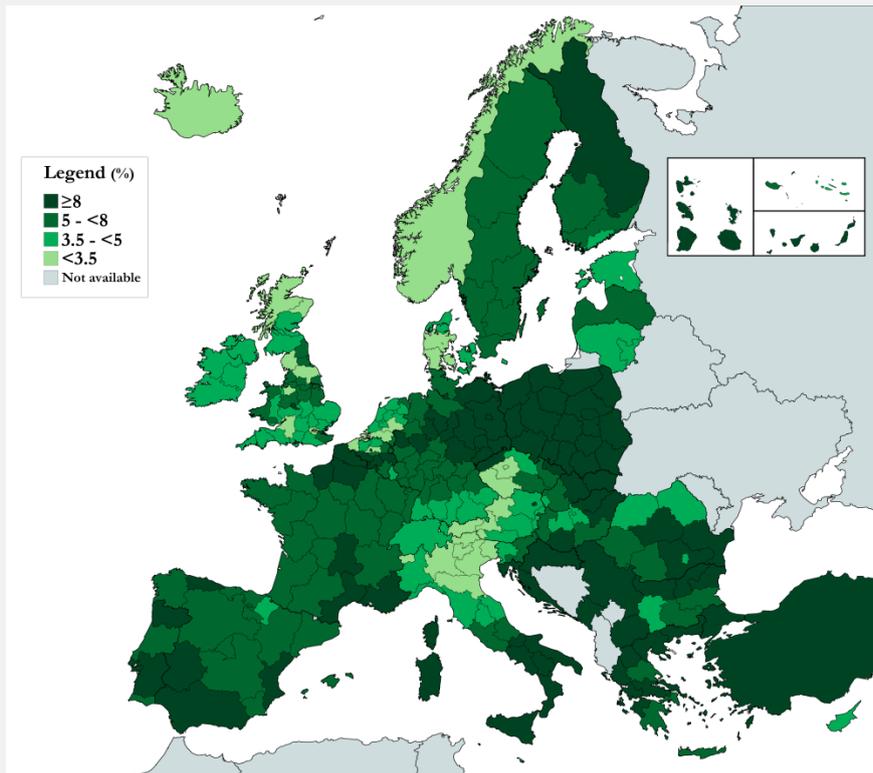


Figure 7. Unemployment rate, by NUTS 2 regions (2007)³⁸⁸.

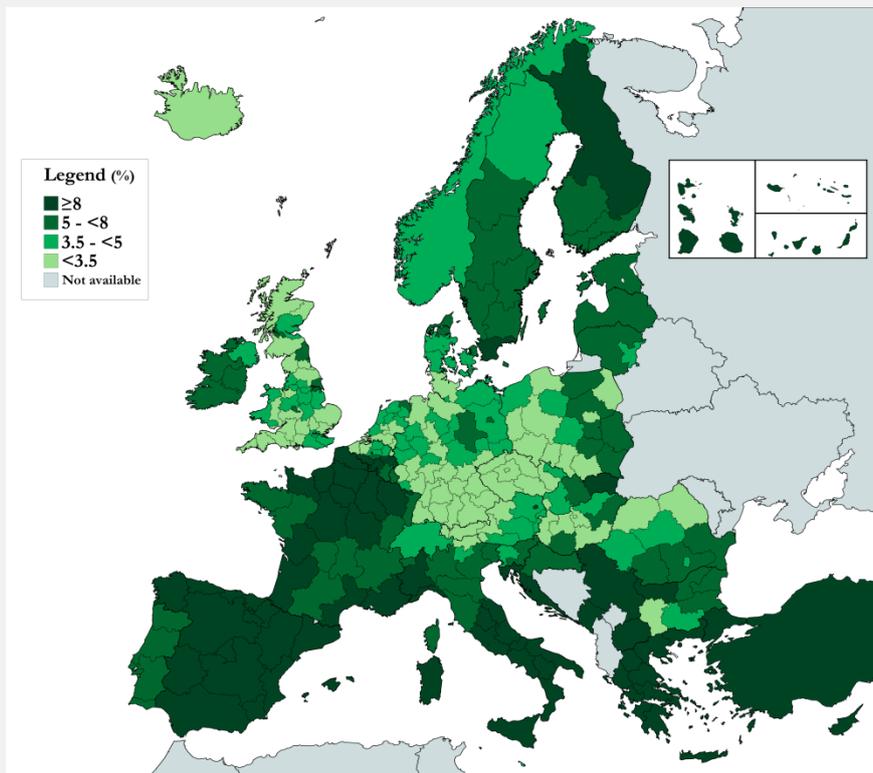


Figure 8. Unemployment rate, by NUTS 2 regions (2018)³⁸⁹.

³⁸⁸ Graph created by the author using the software *mapchart.net*. Estimations for Serbia and Montenegro have low reliability. Source of data: SCHOLAERT, Frederik; SABBATI, Giulio; IONESCU, Sorina Silvia (2019): *Snapshot of the EU regions with a view to selected Europe 2020 targets*. Brussels and Strasbourg, European Parliamentary Research Service, PE 640.148, p. 3.

³⁸⁹ *Ibid.* In this case, data for Serbia and Montenegro appears to be reliable.

In the line of the Pillar, on June 2016 the Commission emitted a **Communication**³⁹⁰ centred on the so-called «collaborative economy», but in practice referred also to the «platform economy» by using an expanded conceptualisation. In this sense, the institution defined the «collaborative economy» as «business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals (...) Collaborative economy transactions generally do not involve a change of ownership and can be carried out for profit or not-for-profit»³⁹¹. The treatment of this issue is fundamental to assess the predisposition of the Commission towards the effective deployment of the EPSR.

The Commission admitted that more flexible work arrangements may not be as stable as traditional employment relationships, thus creating uncertainty over the applicable rights and the level of social protection. Therefore, after informing about the public consultation on the EPSR, the institution examined the definition of «worker» originated by the EU labour law and case law, and identified three fundamental criteria: the existence of a subordination link; the nature of work; and the presence of remuneration. However, later on the Commission refused to qualify certain companies to be contrary to the European social standards, and derived the issue to Member States. They should «assess the adequacy of their national employment rules considering the different needs of workers and self-employed people in the digital world as well as the innovative nature of collaborative business models»³⁹².

It is important to acknowledge that the Czech Republic, Poland and Hungary maintain their own currency and at the moment do not pretend to enter inside the EMU. Instead, the Eurozone countries, and specially Italy, France and Spain, have experienced a remarkable rise in unemployment. At the previous decades of the introduction of the euro, these countries regularly devaluated its currency to increase their competitiveness, a possibility that vanished in 2002³⁹³. Quite exceptionally, Portugal deviated from the so-called «austerity» measures and has attained better results. The single currency and the economic and social crisis of the last decade had shaped a divergent Europe, with accentuated differences.

5.1.2. REACTIONS BY THE COMMITTEE OF REGIONS AND THE EU PARLIAMENT

The European Committee of the Regions issued an **Opinion**³⁹⁴ on October 2016 referring to the Communication of the Commission that launched the consultation process on the «European Pillar of Social Rights». In this document, the Committee recognised the fast advancements of digitalisation and regretted that the Commission's proposal «does not put further emphasis on tackling the challenges accompanying the changing world of work». Besides, the Committee admitted that «the emergence of non-standard forms of work leads to new risks of 'grey zones' in terms of labour rights and access to welfare: therefore calls on the Commission to properly define flexibility in working conditions, so as to strike a balance between flexibility and security»³⁹⁵. The Committee claimed that regional specificities have to be properly addressed in public actions to attend the new social challenges, as there is no «on-size fits all» policy solution.

³⁹⁰ EUROPEAN COMMISSION (2016): *A European agenda for the collaborative economy*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2016) 356 final, 02.06.2016.

³⁹¹ EUROPEAN COMMISSION (2016): *A European agenda for the collaborative economy (...) (op. cit.)*, p. 3.

³⁹² EUROPEAN COMMISSION (2016): *A European agenda for the collaborative economy (...) (op. cit.)*, p. 13.

³⁹³ GASPAROTTI, Alessandro; KULLAS, Matthias (2019): *20 Years of the Euro: Winners and Losers*. Freiburg, Centre for European Policy (CEP), p. 10.

³⁹⁴ EUROPEAN COMMITTEE OF THE REGIONS (2016): *The European pillar of social rights*. Opinion and policy recommendations (Reference document: COM(2016) 127 final). OJ C 88, 21.3.2017, pp. 59-63.

³⁹⁵ EUROPEAN COMMITTEE OF THE REGIONS (2016): *The European (...) (op. cit.)*, p. 60, Par. 18.

The initial Communication of March 2016, launching the public consultation on the EPSR, motivated a **Resolution**³⁹⁶ of the EU Parliament on January 2017. The text has several aspects that have to be analysed accurately. First of all, the European Parliament calls the Commission to make «a solid European Pillar of Social Rights (EPSR) that is not limited to a declaration of principles or good intentions but reinforces social rights through concrete and specific tools (legislation, policy-making mechanisms and financial instruments), delivering a positive impact on people's lives in the short and medium term and enabling support for European construction in the 21st century by effectively upholding the Treaties' social objectives, supporting national welfare states, strengthening cohesion (...)»³⁹⁷. Hence, the Parliament expresses the need to maintain high social standards, that is, a «social AAA rating» for the EU³⁹⁸ (repeating the exact words used by the Commission³⁹⁹).

The Resolution addressed the practices of digital platforms and the related precarious self-employment. In this case, it required that a clear distinction was made to identify those persons who are «genuinely self-employed and those in an employment relationship», and the status and basic responsibilities of the platforms. The Parliament assessed that in both cases of employment the persons engaged «should have analogous rights as in the rest of the economy and be protected through participation in social security and health insurance schemes». Also, indicated that Member States shall prevent «abuses of dominant positions» by the platforms⁴⁰⁰. Such companies should have an obligation to report all work undertaken through them to the authorities, ensuring «adequate contributions and protection through social and health insurance for all workers»⁴⁰¹.

Regarding a minimum income, the EU Parliament considered it to be an important instrument to maintain human dignity and fighting poverty and social exclusion, and invited the Commission and Member States «to assess minimum income schemes in the European Union, including whether the schemes enable households to meet their needs; (...) to evaluate on this basis the manner and the means of providing an adequate minimum income in all Member States and to consider further steps in support of social convergence across the European Union, taking into account the economic and social circumstances of each Member State, as well as national practices and traditions»⁴⁰².

Education played also an important role in the Resolution, as the Parliament supports a «Skills Guarantee» as a new right for all⁴⁰³, without age discrimination, to adapt citizens to an increasingly digitalised world. To respond against child poverty, the Resolution used similar terms: a «child guarantee» (in this case without capital letters) so as to provide free education, childcare, decent housing and proper nutrition⁴⁰⁴. The Parliament highlighted the fundamental right of the free movement of workers, considering that it enhances the convergence and integration among Member States.

³⁹⁶ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017, on a European Pillar of Social Rights*. Texts adopted, P8_TA(2017)0010. OJ C 242, 10.07.2018, pp. 24-40.

³⁹⁷ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 31, Par. 1.

³⁹⁸ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 28, Par. C.

³⁹⁹ Ironically, the Commission and the Parliament use the terminological standards of the rating agencies to qualify the social level of protection. The fact that such agencies downgrade the evaluation of public debt of States can cause financial turbulences and increased expenditure when assuming debt's interests.

⁴⁰⁰ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 33, Par. 5b).

⁴⁰¹ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 37, Par. 22 c).

⁴⁰² EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 34, Par. 15.

⁴⁰³ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 36, Par. 21.

⁴⁰⁴ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 35, Par. 18.

The Resolution indicated that «mobility should not be the result of inadequate employment opportunities or inadequate social protection in workers' home regions as prolonged workforce outflows may hinder economic convergence», and stated that «labour mobility should not be abused to undermine host countries' social standards through fraud or circumvention of law»⁴⁰⁵.

The matter of housing has been highly controversial in countries severely impacted by the crisis. The Parliament expected to reduce homelessness gradually, until its successful eradication. More specifically, the Resolution urged the enactment of legislation and/or other measures with the aim «to ensure that access to social housing or adequate housing benefits are provided for those in need, obviously including homeless people and families, and that vulnerable people and poor households are protected against eviction or that adequate alternative housing is provided to them»⁴⁰⁶.

The Parliament referred to the reinforcement of the «European Employment Strategy» and the social OMC. Also, stressed the importance of «macro-social surveillance», with the objective to ensure that «economic imbalances are not reduced at the expense of the employment and social situation and preventing a race to the bottom in terms of social standards in the EU»⁴⁰⁷. Moreover, the Resolution included a timid mention to a future «European system of labour inspectorates»⁴⁰⁸. To complete the analysis of the Resolution is mandatory to formulate the following question: *How can be financed all the measures proposed?* The Parliament considered that the financial base for welfare systems shall be broadened, by «shifting towards other sources of tax revenue» and «combating tax evasion and avoidance»⁴⁰⁹.

5.1.3. THE COMMISSION RE-DEFINES THE PILLAR

On April 2017, the Commission published a **Communication**⁴¹⁰ regarding the results of the public consultation about the «European Pillar of Social Rights». The organisation indicated that the EPSR is an essential contribution to build more resilient economic structures in the Economic and Monetary Union. As the Commission pointed out, «[t]he Pillar is therefore primarily conceived for the Member States of the euro area but applicable to all Member States that wish to be part of it»⁴¹¹. The primary text of the Pillar was accompanied by a «staff working document»⁴¹², which provided more detailed explanations about the results of the public consultation. Also, there was presented a «social scoreboard»⁴¹³ to help monitor the evolution of the Pillar and thus inform at every European Semester of economic policy coordination.

The Commission admitted that Member States (and in some cases social partners), have primary or even exclusive competences in matters covered by the EPSR. For example, labour law, minimum wage, education, healthcare and the organisation of social protection systems. In most of the cases, Member States support the financial burden of such domains.

⁴⁰⁵ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 38, Par. 27.

⁴⁰⁶ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 35, Par. 19.

⁴⁰⁷ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 39, Par. 35.

⁴⁰⁸ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 40, Par. 42.

⁴⁰⁹ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), p. 40, Par. 40.

⁴¹⁰ EUROPEAN COMMISSION (2017): *Establishing a European Pillar of Social Rights*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2017) 250 final, 26.04.2017.

⁴¹¹ EUROPEAN COMMISSION (2017): *Establishing a European Pillar of Social Rights (...)* (op. cit.), p. 5.

⁴¹² EUROPEAN COMMISSION (2017): *Commission staff working document*. Brussels, text accompanying the Communication COM(2017) 250 final. SWD(2017) 206 final, 26.04.2017.

⁴¹³ EUROPEAN COMMISSION (2017): *Social Scoreboard. Commission staff working document*. Brussels, text accompanying the Communication COM(2017)250 final. SWD(2017) 200 final, 26.04.2017.

In this sense, the Commission recognised that «[t]he principles and rights set by the Pillar will need to be implemented at Union and Member State level in full respect of their respective competences. This is also in line with the principles of subsidiarity and proportionality (...) [t]hese principles ensure that decisions are taken as closely as possible to the citizens of the Union and that measures proposed at EU level will be based on proven added value»⁴¹⁴.

As the Commission stated, the future success of the Eurozone depends «on the effectiveness of national labour markets and welfare systems and on the capacity of the economy to swiftly absorb and adjust to shocks and to effectively tackle their social implications»⁴¹⁵. The Communication informed that the European Union will support the implementation of the Pillar by EU funds, in particular the European Social Fund. As the operational programmes of the time were elaborated for the period 2014-2020, after 2020 the principles of the Pillar will be fully integrated in the design⁴¹⁶. The Pillar should be implemented in accordance to the available resources and respecting the limits of «sound budgetary management and Treaty obligations governing public finances», respecting the «financial equilibrium»⁴¹⁷.

The EPSR is a framework for guiding future action by the participating Member States. For this reason, the text is presented initially as a Recommendation from the Commission (on the basis of Article 292 TFEU), together with a proposal for an inter-institutional proclamation, jointly with the EU Parliament and the Council, once the amendments had been integrated. In spite of the initial satisfaction, the Commission recognised that «[g]iven the legal nature of the Pillar, these principles and rights are not directly enforceable: they require a translation into dedicated action and/or separate legislation, at the appropriate level»⁴¹⁸. In the «staff working document» of April 2017, the Commission explained better in what is founded this exclusion of direct enforceability, by depicting at each principle or right a short description of the current EU legislation and recommending Member States to put in practice distinct actions⁴¹⁹.

The «social scoreboard»⁴²⁰ has three main dimensions of societal progress, which are subdivided in primary and secondary indicators, adding up to 35 in total. This information is very useful to assess comparisons between the EU and other international actors, at least for several matters. In general, the classification is structured in the following categories and subcategories⁴²¹:

1. Equal opportunities and access to the labour market:
 - a. Education, skills and life-long learning.
 - b. Gender equality in the labour market.
 - c. Inequality and upward mobility.
 - d. Living conditions and poverty.
 - e. Youth.

2. Dynamic labour markets and fair working conditions:
 - a. Labour force structure.
 - b. Labour market dynamics.
 - c. Income, including employment-related.

⁴¹⁴ EUROPEAN COMMISSION (2017): *Establishing a European Pillar of Social Rights (...)* (op. cit.), p. 6.

⁴¹⁵ EUROPEAN COMMISSION (2017): *Establishing a European Pillar of Social Rights (...)* (op. cit.), p. 9.

⁴¹⁶ EUROPEAN COMMISSION (2017): *Establishing a European Pillar of Social Rights (...)* (op. cit.), p. 10.

⁴¹⁷ EUROPEAN COMMISSION (2017): *Commission staff working document (...)* (op. cit.), p. 4.

⁴¹⁸ EUROPEAN COMMISSION (2017): *Establishing a European Pillar of Social Rights (...)* (op. cit.), p. 7.

⁴¹⁹ EUROPEAN COMMISSION (2017): *Commission staff working document (...)* (op. cit.), pp. 5-78.

⁴²⁰ The indicators integrating the «social scoreboard» are accessible [Online](#) [Last consultation on 15.07.2020].

⁴²¹ EUROPEAN COMMISSION (2017): *Social Scoreboard. Commission staff (...)* (op. cit.), pp. 4-6.

3. Public support / Social protection and inclusion:

- a. Impact of public policies on reducing poverty.
- b. Early childhood care.
- c. Healthcare.
- d. Digital access.

On April 2017, furthermore, the Commission issued a fourth document in the form of a **Communication**⁴²², with notable outcomes that have to be commented here. In this «Reflection Paper» are presented international comparisons that show the greater protection of social rights that the EU achieves. Moreover, the text evaluated the educational and demographic challenges, while admitting that the future of work will require flexible contracts, life-long learning and no work-life separations («[w]ork anytime, anywhere and work-life intertwined»⁴²³).

The «Reflection Paper» also contemplated the five distinct sceneries presented in the «White Paper on the Future of Europe»⁴²⁴, and extracted three different options for the social future of the European Union⁴²⁵:

1. Limit the «social dimension» to free movement.
2. Those who want to do more could do more in the social field.
3. A deepening of the social dimension together.

The exposed choices show a very limited scope of alternatives. The surprise is greater if we observe the pros and cons of every possibility. For example, in the first option (going back to the strict freedoms of movement), the Commission indicated that as a consequence there would be «no coordination and preparedness in response to common health threats, for example in case of the spread of contagious diseases like Ebola and the Zika virus»⁴²⁶.

During the coronavirus pandemic the lack of coordination among Member States has been evident and would be overoptimistic to affirm that the current social policies in medical issues are satisfactory. Overall, the hypothetical sceneries presented in the document use limited and biased assumptions, which foster the vision that the EU necessarily has to expand its social dimension. Here, options like abandoning the single currency, which would have strong social implications, are not covered.

On 13 September 2017, President Juncker confirmed the Commission's commitment over the Pillar of Social Rights in the State of the Union address: «[i]f we want to avoid social fragmentation and social dumping in Europe, then Member States should agree on the European Pillar of Social Rights as soon as possible and at the latest at the Gothenburg summit in November. National social systems will still remain diverse and separate for a long time. But at the very least, we should work for a European Social Standards Union in which we have a common understanding of what is socially fair. Europe cannot work if it shuns workers»⁴²⁷. The exposed rhetoric invites to consider that once the Pillar is proclaimed then workers will attain an important level of social protection and the Union will become the global reference in the issue.

⁴²² EUROPEAN COMMISSION (2017): *Reflection Paper on the Social Dimension of Europe*. Brussels, Communication of the European Commission. COM(2017) 206 final, 26.04.2017.

⁴²³ EUROPEAN COMMISSION (2017): *Reflection Paper on the Social Dimension (...) (op. cit.)*, p. 18.

⁴²⁴ EUROPEAN COMMISSION (2017): *White Paper on the Future of Europe. Reflections and scenarios for the EU27 by 2025*. Brussels, COM(2017) 2025, 01.03.2017.

⁴²⁵ EUROPEAN COMMISSION (2017): *Reflection Paper on the Social Dimension (...) (op. cit.)*, p. 26.

⁴²⁶ EUROPEAN COMMISSION (2017): *Reflection Paper on the Social Dimension (...) (op. cit.)*, p. 27.

⁴²⁷ EUROPEAN COMMISSION (2017): *President Jean-Claude Juncker's State of the Union Address 2017*. Code: SPEECH/17/3165. 13.09.2017. Accessible [Online](#) [Last consultation on 15.07.2020].

5.1.4. INITIAL REACTION BY THE ECONOMIC AND SOCIAL COMMITTEE

On October 2017, the European Economic and Social Committee (EESC) emitted an **Opinion**⁴²⁸ about the «European Pillar of Social Rights», comprehending also the aforementioned «Reflection Paper». The EESC is convinced that the Pillar can be an important contribution to the European unity, as «the EU needs to deliver a positive project for all to counter the rise in populism, nationalism and scepticism among European citizens and to prove that the EU is still capable of delivering on the promise to create economic growth and jobs and improve their living and working conditions. (...) this should be the guiding principle in determining the future orientation of Europe's social dimension»⁴²⁹.

About the «Reflection Paper», the EESC highlighted the lack of exhaustiveness of the five sceneries presented by the Commission and indicates that the social possibilities described in the document are not «the only possible options or (...) isolated pathways»⁴³⁰. For this reason, the Committee proposes a fourth social scenery in an Annex of the Opinion. Regarding the Pillar, the EESC evaluates in a positive manner the suitability of using the form of a Recommendation by the Commission, pointing out that Article 292 TFEU provides immediate effectiveness⁴³¹.

But when referring to the proposed joint Proclamation, the EESC is more pragmatic and assesses that the Treaties do not cover such form, and that according to the legal assessment of the Council, the proclamation «constitutes an atypical act, which is not legally binding and does not create directly enforceable rights»⁴³². The only precedent available is the proclamation of the Charter of Fundamental Rights of the European Union at the Nice European Council on 7 December 2000. In this sense, the Committee appreciates that the EPSR «is intended as a political declaration of intent and, in itself, does not create new actionable legal rights»⁴³³. Thus, the Proclamation would only suppose a «political commitment» by EU institutions and Member States, to furnish the Pillar while respecting the distribution of competences and the principle of subsidiarity. The EESC predicted by then that the agenda of elections and a new Commission on Office by 2019 would lead to delays in the deployment of the Pillar⁴³⁴.

5.2. PROCLAMATION OF THE PILLAR

The European Pillar of Social Rights was solemnly proclaimed by the European Parliament, the Council and the Commission during the Gothenburg Social Summit for Fair Jobs and Growth in 17 November 2017. The final text⁴³⁵ responds to a tripartite structure with a Preamble and twenty key rights and principles, and has strong similarities with the «social scoreboard»⁴³⁶ presented on April 2017 by the Commission.

⁴²⁸ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2017): *Opinion on the «Reflection Paper of the social dimension of Europe», the «Communication establishing a European Pillar of Social Rights» and the «Proposal for an Interinstitutional Proclamation on the European Pillar of Social Rights»*. OJ C 81, 02.03.2018, pp. 145-159.

⁴²⁹ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2017): *Opinion (...)* (*op. cit.*), p. 148, Par. 2.14.

⁴³⁰ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2017): *Opinion (...)* (*op. cit.*), pp. 148-149, Par. 3.1.

⁴³¹ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2017): *Opinion (...)* (*op. cit.*), p. 150, Par. 4.6.

⁴³² EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2017): *Opinion (...)* (*op. cit.*), p. 150, Par. 4.7.

⁴³³ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2017): *Opinion (...)* (*op. cit.*), p. 151, Par. 4.10.

⁴³⁴ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2017): *Opinion (...)* (*op. cit.*), p. 154, Par. 8.1.

⁴³⁵ EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018): *European Pillar of Social Rights* (Booklet). Luxembourg, Publications Office of the European Union. DOI: 10.2792/95934. Accessible [Online](#) [Last consultation on 15.07.2020].

⁴³⁶ EUROPEAN COMMISSION (2017): *Social Scoreboard. Commission staff (...)* (*op. cit.*), pp. 4-6.

In the Preamble, the text recognises that «[l]abour markets and societies are evolving quickly, with new opportunities and new challenges arising from globalisation, the digital revolution, changing work patterns and societal and demographic developments»⁴³⁷. The Pillar continues to be destined to the Eurozone, but all Member States can join to it. Nevertheless, the initial enthusiasm is affected by the provision which expresses that the rights and principles require, in order to be legally enforceable, «dedicated measures or legislation to be adopted at the appropriate level»⁴³⁸.

However, in Member States where social standards are set higher, the European Pillar does not represent a downwards restriction over them. The Preamble also indicates that implementation will take place in both the EU and Member States levels within their respective competences, by «taking due account of different socio-economic environments and the diversity of national systems, including the role of social partners, and in accordance with the principles of subsidiarity and proportionality»⁴³⁹. After the Preamble, the Pillar shows the following structure:

Chapter I. <i>Equal opportunities and access to the labour market</i>
<ol style="list-style-type: none"> 1. Education, training and life-long learning. 2. Gender equality. 3. Equal opportunities. 4. Active support to employment.
Chapter II. <i>Fair working conditions</i>
<ol style="list-style-type: none"> 5. Secure and adaptable employment. 6. Wages. 7. Information about employment conditions and protection in case of dismissals. 8. Social dialogue and involvement of workers. 9. Work-life balance. 10. Healthy, safe and well-adapted work environment and data protection.
Chapter III. <i>Social protection and inclusion</i>
<ol style="list-style-type: none"> 11. Childcare and support to children. 12. Social protection. 13. Unemployment benefits. 14. Minimum income. 15. Old age income and pensions. 16. Health care. 17. Inclusion of people with disabilities. 18. Long-term care. 19. Housing and assistance for the homeless. 20. Access to essential services.

Most of the rights and principles covered in the Pillar can be addressed considering the technological challenges that face European societies. Notwithstanding this fact, here will be commented several of them to acquire a better understanding of the framework. First of all, «Education, training and life-long learning» is the first right to be mentioned in the Pillar, thus putting individuals in an active role, bearing the initial responsibility to adapt to the forthcoming changes. The text indicates that «[e]veryone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market»⁴⁴⁰.

⁴³⁷ EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018) (...) (*op. cit.*), p. 7, Par. 9.

⁴³⁸ EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018) (...) (*op. cit.*), p. 8, Par. 14.

⁴³⁹ EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018) (...) (*op. cit.*), p. 9, Par. 17.

⁴⁴⁰ EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018) (...) (*op. cit.*), p. 11.

«Adaptability» has been a very important concept for the EU Social Policy, even before the proclamation of the «Lisbon Strategy». In this sense, the Fifth principle of the Pillar states that «[i]n accordance with legislation and collective agreements, the necessary flexibility for employers to adapt swiftly to changes in the economic context shall be ensured». Besides, the same precept introduces the rising «precariat» work and platform services by stating that «[e]mployment relationships that lead to precarious working conditions shall be prevented, including by prohibiting abuse of atypical contracts. Any probation period should be of reasonable duration»⁴⁴¹ (5th Principle).

Overall, the Pillar does not establish a specific «right to work», but contemplates the rights of social protection and inclusion at the Third Chapter. More concretely, the right of «social protection» is provided to workers, regardless of the type and duration of their employment relationship, «and, under comparable conditions, the self-employed»⁴⁴² (12th Principle).

However, a minimum income may cover «everyone lacking sufficient resources», so as to ensure «a life in dignity at all stages of life, and effective access to enabling goods and services»⁴⁴³. In a similar direction are oriented the rights of «housing and assistance for the homeless» (19th Principle) and «access to essential services» (20th Principle), where provisions are designed «for those in need»⁴⁴⁴. Regarding this last concept, the text covers water, energy, transport, financial services and digital communications.

5.3. IS THE SOCIAL PILLAR AN EFFECTIVE INSTRUMENT?

In the next year, the Commission announced the need to monitor appropriately the deployment of the Pillar in a concrete **Communication**⁴⁴⁵. The text established an agenda of social priorities to implement the pillar at the EU, combining new or improved legislation, coordination policies and funding programmes. However, the premise of the document is that the Pillar is currently inoperable: «[d]elivering on the European Pillar of Social Rights and making it a reality is a shared responsibility. Governments, social partners and non-governmental organisations, local, regional and European Institutions are ready and committed to contribute to this endeavour»⁴⁴⁶.

The Communication states that the Commission has deployed several initiatives «aimed at restoring the fairness of the EU tax system by ensuring that all companies pay their fair share of taxes where profits are generated»⁴⁴⁷, which comprise three new Directives⁴⁴⁸ and the proposal to re-launch the «Common Consolidated Corporate Tax Base»⁴⁴⁹.

⁴⁴¹ EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018) (...) (*op. cit.*), p. 14.

⁴⁴² EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018) (...) (*op. cit.*), p. 19.

⁴⁴³ EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018) (...) (*op. cit.*), p. 20.

⁴⁴⁴ EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018) (...) (*op. cit.*), p. 22.

⁴⁴⁵ EUROPEAN COMMISSION (2018): *Monitoring the implementation of the European Pillar of Social Rights*. Strasbourg, Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee. COM(2018) 130 final, 13.03.2018.

⁴⁴⁶ EUROPEAN COMMISSION (2018): *Monitoring the implementation of the European (...) (op. cit.)*, p. 14.

⁴⁴⁷ EUROPEAN COMMISSION (2018): *Monitoring the implementation of the European (...) (op. cit.)*, p. 5.

⁴⁴⁸ Like the Anti-Tax Avoidance Directive, the Directive on the automatic exchange of information on tax rulings and advance pricing arrangements and the Directive on country-by-country reporting concerning multinationals.

⁴⁴⁹ The initiative to consolidate corporate taxes in the EU framework has suffered a remarkable shock with the judgement of 15 July 2020 of the General Court (Seventh Chamber) in Cases T-778/16 and T-892/16, about the selective tax advantages provided by Ireland to the subsidiaries of Apple Corporation. According to the resolution, the Decision of the European Commission 2017/1283, of 30 August 2016, on State aid, is annulled.

Besides, deserves special attention the «Social Fairness Package» presented by the Commission on 13 March 2018, which includes the following initiatives⁴⁵⁰:

1. *The proposal of the establishment of a European Labour Authority.* Considering that free movement of workers is one of the main reasons of existence of the European Union, it is logic to ensure fair mobility and that EU rules are appropriately applied in all the territory. The future Authority will facilitate to individuals and employers information about their rights and obligations, will support cooperation between Member States (which includes facilitating joint inspections) and will mediate in cross-border disputes.
2. *The proposal of a Council Recommendation on access to social protection for workers and self-employed.* The Commission recognised that the share of people who work on non-standard contracts is increasing, and that this fact «may give rise to inequalities and social risks if these workers do not have sufficient access to social protection»⁴⁵¹. The Commission explained that a Directive would not be the optimal instrument to address the issue, as Member States have distinct legislations and the EU legal framework is partially limited. Thus, the organisation considered that the emission of a Council Recommendation would be the best instrument available to encourage progress.
3. *The development of a European Social Security Number.* A digital identifier would facilitate the interoperability of the systems and simplify the administrative tasks. The applications of such an improvement are various, from tourism to labour mobility.

The Communication is accompanied by an interesting «**Commission Staff Working Document**»⁴⁵² that describes in detail each principle or right enshrined in the Pillar. The text contains key legislative and non-legislative measures in force, considering the most relevant instruments, including Council and Commission recommendations and specific precepts of the Charter of Fundamental Rights of the European Union. Moreover, the document assesses the new elements introduced by the approval of the Pillar to the existing social *acquis*.

One month after the Communication of the Commission, the European Economic and Social Committee issued on its own initiative an **Opinion**⁴⁵³ about the funding possibilities of the Pillar. Despite the efforts of the Commission to depict a positive view on the implementation of the Pillar, the EESC overwhelmingly affirms that «the Social Pillar is a political declaration of intent as there is no clear roadmap for its implementation. In this regard, the Pillar remains incomplete and the recognition of new rights and obligations is lacking.

In the context of a strong economy and fair taxation, adequate financial resources have to be made available at Member State level with the support of the European Union. It will be a crucial aspect for the implementation of the Social Pillar»⁴⁵⁴. The Committee unveils some of the large divergences among Member States in social issues, and consequently evaluates the implementation of the Social Pillar as «an enormous challenge» that will require support by the Union and social partners⁴⁵⁵.

⁴⁵⁰ EUROPEAN COMMISSION (2018): *Monitoring the implementation of the European (...) (op. cit.)*, p. 7.

⁴⁵¹ EUROPEAN COMMISSION (2018): *Monitoring the implementation of the European (...) (op. cit.)*, p. 7.

⁴⁵² EUROPEAN COMMISSION (2018): *Commission staff working document*. Strasbourg, text accompanying the Communication COM(2018)130 final. SWD(2018) 67 final, 13.03.2018.

⁴⁵³ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2018): *Opinion on Funding the European Pillar of Social Rights*. OJ C 262, 25.07.2018, pp. 1-7.

⁴⁵⁴ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2018): *Opinion on Funding (...) (op. cit.)*, p. 2.

⁴⁵⁵ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2018): *Opinion on Funding (...) (op. cit.)*, p. 4.

The EESC considered that instruments to finance the Pillar already exist, like the European Structural and Investment Funds. In this case, the institution expressed the need that in such means appear explicit references to the Pillar and costs associated. Moreover, the Committee stressed the need to combat tax fraud, tax havens, «aggressive tax planning», and the reduction of unfair tax competition among Member States. The EESC indicated that measures enforced by the European Commission to promote a fair taxation shall be strengthened⁴⁵⁶.

5.4. THE PILLAR AND THE IMMEDIATE DIGITAL CHALLENGES

On July 2017, the European Parliament issued a **Resolution**⁴⁵⁷ on working conditions and precarious employment. After calling on Member States to adopt the ILO standards to determine the existence of an employment relationship, the text expresses the will of a balanced view between flexibility and social rights: «flexibility in the labour market is not about eroding workers' rights in exchange for productivity and competitiveness, but is about successfully balancing workers' protection with the opportunity for individuals and employers to agree ways of working that suit the needs of both»⁴⁵⁸. The European Parliament supported the ILO definition of «decent work»⁴⁵⁹ and encouraged Member States and the Commission to adhere to it.

On September 2017, the Commission emitted a «**fact sheet**»⁴⁶⁰ explaining that was studying a revision of the «Written Statement Directive»⁴⁶¹, adopted on October 1991, because it did not cover most of the new precarious labour relationships (for example, zero-hour contracts and on-call work) and was thus incompatible with the «European Pillar of Social Rights».

The initiative began with an initial consultation to the social partners, which did not attain the expected agreement and could not proceed using the instrument provided in Article 155 TFEU. The worker's organisations supported the enhancement of the working conditions for vulnerable workers, improving the mentioned Directive, whilst the employer's organisations rejected the exposed modifications. The Commission committed to launch a second phase of the consultation to evaluate the continuity of the initiative.

Coinciding with the mentioned press release, the indicated second phase of the consultation was concretised into a separate «**Consultation Document**»⁴⁶². The text depicted the causes that originated the failure of the negotiations among social partners during the first phase, while in the framework of the Pillar the Commission showed a strong interest to maintain the European high levels in welfare.

⁴⁵⁶ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2018): *Opinion on Funding (...) (op. cit.)*, p. 6.

⁴⁵⁷ EUROPEAN PARLIAMENT (2017): *Resolution of 4 July 2017, on working conditions and precarious employment*. Texts adopted, 2016/2221(INI). P8_TA(2017)0290.

⁴⁵⁸ EUROPEAN PARLIAMENT (2017): *Resolution of 4 July 2017, on working conditions (...) (op. cit.)*, Par. 5.

⁴⁵⁹ According to ILO, «Decent work is work that is productive and delivers a fair income, with a safe workplace and social protection, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men». Cited by EUROPEAN PARLIAMENT (2017): *Resolution of 4 July 2017, on working conditions (...) (op. cit.)*, Par. 7.

⁴⁶⁰ EUROPEAN COMMISSION (2017): *Commission continues work on fair and predictable employment contracts – Questions and Answers*. Brussels, 25.09.2017, MEMO/17/3366. Accessible [Online](#) [Last consultation on 15.07.2020].

⁴⁶¹ COUNCIL OF THE EUROPEAN COMMUNITIES (1991): Directive 91/553/EC, of 14 October 1991, on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship. OJ L 288, 18.10.1991, pp. 32-35.

⁴⁶² EUROPEAN COMMISSION (2017): *Second phase consultation of Social Partners under Article 154 TFEU on a possible revision of the Written Statement Directive (Directive 91/533/EEC) in the framework of the European Pillar of Social Rights*. Brussels, Consultation document. C(2017) 6121 final, 21.09.2017.

The institution acknowledged in it that «[m]ost of the new and non-standard forms of employment contribute to labour market innovation, making this market more attractive to both employers and a wider range of potential workers. However, some types of non-standard forms of employment relationship, expected to grow in the future, might be worrying from the point of view of increased insecurity (...): casual work, (involuntary) marginal part-time, voucher-based work and crowd employment/platform work»⁴⁶³.

In a separate «**Staff Working Paper**»⁴⁶⁴, the Commission adopted a precise analysis and identified the problem to be addressed by EU legislation as «the risk of insufficient protection of working conditions of a growing number of workers, including those in new and non-standard forms of employment, with a specific focus on the provision of information on their working conditions»⁴⁶⁵. According to the organisation, after analysing the characteristics of different Member States «there is no evidence that non-regular workers are compensated for their lower job security through higher wages. On the contrary, the majority of them experience worse conditions in terms of both job security and wages, even though the situation differs across countries and contracts»⁴⁶⁶. The Commission identified the multiple biases of non-standard jobs, which fall upon women, young workers, less-educated and migrant workers.

The «Consultation Document» proposed clarifying the concept of «worker» by following the parameters set out by the Court of Justice of the EU⁴⁶⁷, thus limiting the Member State's own criteria. The enhanced definition then would be: «every type of person that for a certain period of time performs services for and under the direction of another person in return of remuneration, including domestic workers, temporary agency workers, on-demand workers, intermittent workers, voucher based-workers, and platform workers»⁴⁶⁸. Besides, the Commission proposed an amendment of Article 2 of the Directive to introduce more features in the written information provided to the worker at the start of the employment relationship.

The institution introduced in the proposal a sort of «right to predictability of work», an aspect that is not covered in the current legislation: «employers and workers in such casual or on-demand situations could be required to agree before the employment relationship starts on reference hours and reference days in which work may be performed. A minimum advance notice period could also be required to be given to workers»⁴⁶⁹.

Besides, the Commission contemplated the addition into the «Written Statement Directive» of a maximum duration on the probation period, while enabling the transition of workers to more permanent labour contracts, thus avoiding a trap in non-standard forms of employment. The Commission consulted the exposed measures to social partners, but nowadays reforms remain stagnant. In the case that social partners did not reach an agreement nor do not start negotiations, the Commission can bring forward a proposal.

⁴⁶³ EUROPEAN COMMISSION (2017): *Second phase consultation of Social Partners (...)* (op. cit.), p. 7.

⁴⁶⁴ EUROPEAN COMMISSION (2017): *Commission Staff Working Document*. Brussels, Analytical document accompanying the Consultation Document C(2017) 6121 final. SWD(2017) 301 final, 21.09.2017.

⁴⁶⁵ EUROPEAN COMMISSION (2017): *Commission Staff Working Document (...)* (op. cit.), p. 10.

⁴⁶⁶ EUROPEAN COMMISSION (2017): *Commission Staff Working Document (...)* (op. cit.), p. 57.

⁴⁶⁷ For example, in the Case C-61/11 «PPU El Dridi» (Par. 55), the Case C-393/10 «O'Brien» (Pars. 33 and 34) and the Case C-216/15 «Ruhrlandklinik» (Pars. 25 to 43).

⁴⁶⁸ EUROPEAN COMMISSION (2017): *Second phase consultation of Social Partners (...)* (op. cit.), pp. 10-11.

⁴⁶⁹ EUROPEAN COMMISSION (2017): *Second phase consultation of Social Partners (...)* (op. cit.), p. 12.

In a **press release**⁴⁷⁰ of September 2017, Valdis Dombrovskis, Commission's Vice-President responsible for the Euro, Social Dialogue, Financial Stability, Financial Services and Capital Markets Union, expressed: «[t]he role of the social partners is central for moving forward with the European Pillar of Social Rights. This is particularly the case when it comes to addressing challenges related to new forms of employment and providing adequate working conditions in atypical forms of employments. Clear rules and common fair employment standards can ultimately protect companies that provide workers with adequate information on their working conditions. The Commission is mindful of the need to balance essential protection of workers with companies' scope for job creation and labour market innovation»⁴⁷¹.

The same perspective was defended by Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, who expressed: «[w]orkers have the right to be informed in writing at the start of employment about their rights and obligations. But millions of Europeans working in non-standard contracts are uncertain about their rights. I want all workers across the EU to be clearly covered by the basic rules, independent of their employment status, be them IT platform workers or delivery people. Ensuring fairer and more predictable employment contracts is a basis for fair working conditions across the EU. This is what we strive for with the European Pillar of Social Rights, which I hope will be proclaimed at the highest political level during the Summit for Fair Jobs and Growth in Gothenburg on 17 November»⁴⁷². However, after the official proclamation of the Pillar, changes are still not perceivable.

On 1 April 2019 entered in force a **Decision**⁴⁷³ by the European Commission, which limited to «register» the citizens' initiative entitled «#NewRightsNow – Strengthening the rights of “uberised” workers». The proposal aimed that digital platforms paid a guaranteed minimum income to the self-employed persons who regularly work for them. According to the promoters, «[t]his social justice measure would safeguard and stabilise their income, and would specifically tackle job insecurity»⁴⁷⁴. However, at the moment the initiative has not reached any progress.

On January 2020, before the coronavirus gravely affected the European Union, was issued a **Communication**⁴⁷⁵ to present the new President Von der Leyen's social project for her new mandate at the head of the Commission. The text highlighted new job opportunities and flexible work: «[i]t is expected that artificial intelligence and robotics alone will create almost 60 million new jobs worldwide in the next 5 years, while many jobs will change or even disappear»⁴⁷⁶. However, the document omitted any mention to the estimates of labour substitutability in the Union, an important aspect that the Commission knows by previous studies. Furthermore, according to the institution: «[t]he digital economy cannot rely on 20th century legal and social rulebooks; the time has come to adjust and guarantee social protection in the new world of work and adapt tax rules to ensure that everyone contributes their fair share»⁴⁷⁷.

⁴⁷⁰ EUROPEAN COMMISSION (2017): *Moving forward on the European Pillar of Social Rights: Commission continues work on fair and predictable employment contracts*. Brussels, 25.09.2017, IP/17/3367. Accessible [Online](#) [Last consultation on 15.07.2020].

⁴⁷¹ EUROPEAN COMMISSION (2017): *Moving forward on the European Pillar of Social (...) (op. cit.)*.

⁴⁷² EUROPEAN COMMISSION (2017): *Moving forward on the European Pillar of Social (...) (op. cit.)*.

⁴⁷³ EUROPEAN COMMISSION (2019): *Decision 2019/540 of 26 March 2019, on the proposed citizens' initiative entitled '#NewRightsNow – Strengthening the rights of “uberised” workers'*. OJ L 93, 02.04.2019, pp. 16-17.

⁴⁷⁴ EUROPEAN COMMISSION (2019): *Decision 2019/540 of 26 March 2019 (...) (op. cit.)*, p. 16.

⁴⁷⁵ EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2020) 14 final, 14.01.2020.

⁴⁷⁶ EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions (...) (op. cit.)*, p. 1.

⁴⁷⁷ EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions (...) (op. cit.)*, p. 1.

In the text, the Commission affirmed that the Social Pillar is the European social answer to the transition to climate-neutrality (expected to be achieved by 2050), the digitalisation process and the demographic change. The Communication settled an agenda of EU level initiatives to support the deployment of the Pillar, and quite astonishingly specified that «[w]ith contributions from all, in early 2021 we will present an Action Plan that turns the rights and principles enshrined in the Pillar into reality»⁴⁷⁸.

It is clear that concerns about the ineffectiveness of the Pillar, emitted since the very beginning by the Economic and Social Committee⁴⁷⁹ and the European Parliament⁴⁸⁰, were right. At the moment, the EPSR is only a declaration of principles or good intentions, with a collection of indicators that helps to understand better the divergences among Member States. The coronavirus crisis, instead of reinforcing the leadership of the European Union in the protection of social rights, supposes a halt to their effective recognition by putting all the plans exposed in the Communication in a cul-de-sac.

What is more, such plans were designed in a context of economic growth expectations during 2020 and 2021⁴⁸¹, not a burdensome combination of medical, economic and social crises. The Commission delayed the implementation of the Pillar in the Communication, by setting another public consultation to be finished by November 2020 in the «pre-Covid-19» calendar⁴⁸². It shall be remarked that this phase was clearly overcome on January 2017, in a high-level conference that ended the consultation period of 10 months that began on March 2016 and included multiple stakeholders' events⁴⁸³.

The Communication put strong emphasis on the role of education and training to acquire digital skills. In order to foster the adaptability of territories to the new labour and industrial paradigms, the Commission presented a «European Green Deal Investment Plan» and introduced the creation of a «Just Transition Fund» and a «Modernisation Fund»⁴⁸⁴.

Moreover, asserted the role of the European Globalisation Adjustment Fund, as the previous liberal trade policies will continue onwards: «[t]he Commission will work on a strong, open, and fair trade agenda», adding that «[t]he EU will closely monitor the implementation of climate, environmental and labour protections enshrined in our trade agreements, with a zero-tolerance approach to child labour»⁴⁸⁵. When addressing the «platform work» issue, the Commission limited the proposals at organising a «Platform Work Summit to discuss priority issues and possible solutions»⁴⁸⁶.

A week later, the Commission issued a second **Communication**⁴⁸⁷ to promote the «Conference on the Future of Europe», a project aimed to foster the involvement of citizens on European issues at the long-run, from the 9 May 2020 (the official «Day of Europe») up to 2022 year⁴⁸⁸. However, the «Covid-19» pandemic has affected to the normal development of the initiative.

⁴⁷⁸ EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions (...)* (op. cit.), p. 3.

⁴⁷⁹ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2017): *Opinion (...)* (op. cit.), Paragraph 8.3, p. 154.

⁴⁸⁰ EUROPEAN PARLIAMENT (2017): *Resolution of 19 January 2017 (...)* (op. cit.), Paragraph 1st, p. 31.

⁴⁸¹ EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions (...)* (op. cit.), p. 6.

⁴⁸² EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions (...)* (op. cit.), p. 13.

⁴⁸³ EUROPEAN COMMISSION (2017): *Establishing a European Pillar of Social Rights (...)* (op. cit.), p. 2.

⁴⁸⁴ EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions (...)* (op. cit.), p. 5.

⁴⁸⁵ EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions (...)* (op. cit.), p. 12.

⁴⁸⁶ EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions (...)* (op. cit.), pp. 8-9.

⁴⁸⁷ EUROPEAN COMMISSION (2020): *Shaping the Conference on the Future of Europe*. Brussels, Communication from the Commission to the European Parliament and the Council. COM(2020) 27 final, 22.01.2020.

⁴⁸⁸ EUROPEAN COMMISSION (2020): *Shaping the Conference on the Future of Europe (...)* (op. cit.), p. 6.

The Conference would be framed respecting the «Commission’s six Political Priorities» and the «European Council’s Strategic Agenda», including «the fight against climate change and environmental challenges, an economy that works for people, social fairness and equality, Europe’s digital transformation, promoting our European values, strengthening the EU’s voice in the world, as well as shoring up the Union’s democratic foundations»⁴⁸⁹.

It can be well inferred that the forums of the hypothetical implementation process of the Social Pillar and the «Conference on the Future of Europe» will overlap each other, in favour of greater delays to address appropriately the European social agenda. As the cited Conference is programmed to last until the first semester of 2022 (in the plan designed without the «Covid-19» affectations), when «the outcomes and recommendations of the different debates should be presented and next steps considered»⁴⁹⁰, the Commission has more reasons to continue elaborating broad declarations.

In the Communication of January, the Commission also indicated that Europe «has enjoyed 10 years of continuous economic growth after years of fighting crises, more Europeans have jobs than ever before, and although some degree of euroscepticism is a reality, popular support for our Union is at one of its highest levels in almost 30 years»⁴⁹¹.

In practice, according to Eurostat, the gross domestic product recovery (in constant prices) of the Union began in 2014, not in 2010⁴⁹²; the greater employment levels are produced by the effect of part-time contracts and temporary jobs; and participation in elections at the European Parliament have decreased steadily since their beginning, from 61.99% in 1979 to 42.61% in 2014. In 2019, participation was of 50.66% thanks to the contribution of younger citizens (people aged under 39 years old), but still far away from 1979 values⁴⁹³. Overconfidence remains as a great problem when evaluating future public policies to address the technological challenges.

As a curiosity, the European Commission presented at the beginning of 2020 an automatic translation online tool called «eTranslation», with an approximate cost of 4 million euros and directed to small and medium enterprises. According to the institution, this is «a state-of-the-art online machine translation service (...) free of charge and will help you save time and money to translate your documents and text between any two official EU languages, and more!»⁴⁹⁴.

The Commission committed to guarantee the confidentiality and security of all translated data. In spite of the apparent good intentions of the initiative, this is very bad news for translation professionals, a sector that the EU should treat with more respect, especially when considering the task that they develop in numerous institutions of the Union⁴⁹⁵.

⁴⁸⁹ EUROPEAN COMMISSION (2020): *Shaping the Conference on the Future of Europe (...)* (op. cit.), p. 2.

⁴⁹⁰ EUROPEAN COMMISSION (2020): *Shaping the Conference on the Future of Europe (...)* (op. cit.), p. 6.

⁴⁹¹ EUROPEAN COMMISSION (2020): *Shaping the Conference on the Future of Europe (...)* (op. cit.), p. 1.

⁴⁹² The Commission uses the GDP magnitude in market prices, notably affected by inflationary pressures. According to the World Bank GDP indicators, published in constant 2010 US dollars, in 2014 the GDP of the European Union surpassed the levels of 2008.

⁴⁹³ ZALC, Julien; BECUWE, Nicolas; BURUIAN, Alexandrina (2019): *The 2019 Post-Electoral Survey. Have European Elections Entered a New Dimension? Eurobarometer Survey 91.5*. Brussels, Directorate-General for Communication of the European Parliament, p. 7.

⁴⁹⁴ EUROPEAN COMMISSION (2020): *eTranslation*. Official website, [Online](#) [Last consultation on 10.06.2020].

⁴⁹⁵ According to Professor Jeremy RIFKIN, by the mid-2020s there will be simultaneous and precise AI translators that will substitute between 150,000 and 300,000 today’s expert professionals. Vid. RIFKIN, Jeremy (2014): *The Zero Marginal Cost Society*. Hampshire and New York, Palgrave Macmillan. For the Castilian edition (2014): *La sociedad de coste marginal cero*. Barcelona, Editorial Paidós – Espasa Libros, p. 168 (Castilian edition).

In the middle of March 2020, the Commission issued a **Communication**⁴⁹⁶ to express the need of a «coordinated economic response» over the coronavirus pandemic and by these means calm the strong socioeconomic uncertainty. The text does not mention specifically the Social Pillar, but points out to the «European Unemployment Reinsurance Scheme», an initiative included in the implementation path of the EPSR in 2021.

In this aspect, the Commission pledges to «accelerate the preparation of its legislative proposal», indicating that the project «aims to support those in work and protect those who have lost their jobs in case of large shocks, as well as to reduce pressure on national public finances, thus strengthening the social dimension of Europe, and increasing its cohesion»⁴⁹⁷. The exposed economic measures were designed to tackle an expected fall in the EU gross domestic product of -1.06% in 2020, with a weak and incomplete recovery in the next year. Without the coronavirus impact, the initial expectations of the Commission were set on a growth rate of 1.4% in 2020 and 1.2% in 2021⁴⁹⁸, evidencing a general slowdown in the European economy.

⁴⁹⁶ EUROPEAN COMMISSION (2020): *Coordinated economic response to the COVID-19 Outbreak*. Brussels, Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Investment Bank and the Eurogroup. COM(2020) 112 final. 13.03.2020.

⁴⁹⁷ EUROPEAN COMMISSION (2020): *Coordinated economic response to the COVID-19 (...) (op. cit.)*, p. 7.

⁴⁹⁸ EUROPEAN COMMISSION (2020): *Coordinated economic response to the COVID-19 (...) (op. cit.)*, Annex I, pp. 1-2.

Chapter VI / Current instruments of the EU Social Policy. The multicrisis



6. CURRENT INSTRUMENTS OF THE EU SOCIAL POLICY. THE MULTICRISIS

The present Chapter will describe the funds that are currently operating under the EU budget and are devoted to the social policy. In the last twenty years, the Union has experienced multiple crises or shocks that have shaped the way this policy is deployed. The second half of the Chapter will compare the main social achievements with their contemporary historical facts.

6.1. INSTRUMENTS OF THE EU SOCIAL POLICY

Since the very beginning of the European Economic Community, the European Social Fund has been the main tool of the EU social policy. However, there are three more instruments with interesting capabilities to attend the coming technological challenges: the Programme for Employment and Social Innovation (which includes the «Progress» axis, the «EURES» axis and the «Microfinance and Social Entrepreneurship» axis), the European Globalisation Adjustment Fund and the Fund for European Aid to the Most Deprived. All of them can play an important role during the «Covid-19» socioeconomic shock.

Contrasting with the previous explanation of separated funds, the Commission issued a **Report**⁴⁹⁹ on November 2018 proposing a remarkable reform of the social policy funds of the Union, aiming at the creation of a «European Social Fund Plus» («ESF+») by merging five distinct funds and programmes: the European Social Fund and the Youth Employment Initiative, the Fund for European Aid to the Most Deprived, the Employment and Social Innovation programme and the Health Programme. The exposed reform would be applicable for the multi-annual financial framework for 2021-2027, coinciding with the expected «effective» deployment of the «European Pillar of Social Rights».

The Regulation proposed by the Commission is characterised by three strands. The first one would be introduced via shared management, covering the (ex-)ESF areas, based on Articles 162 and 164 TFEU, and basic material assistance to the most deprived people, under Article 175.3 TFEU. The second strand would be implemented following direct and indirect management, and would cover actions fostering employment and social innovation (EaSI), based on Article 175.3 TFEU. Finally, the third strand would be introduced under direct management, and would address incentive measures aimed at protecting and improving human health, under Article 168 TFEU⁵⁰⁰.

The Commission has considered that the «ESF+» «will help build an empowering social Europe and contribute to economic, social and territorial cohesion in accordance with Article 174 TFEU, which is a necessary condition for the proper functioning of the EU as a stable and viable economic and political union»⁵⁰¹. And there are enough reasons for thinking at improving the social cohesion in Europe; the following maps illustrate well the differences among the GDP per capita in EU regions, comparing 2007 with 2017. Overall, we can identify a «lost decade» for the «peripheral» regions, whilst the «core» areas and certain capital cities attain clear divergent results. Spain, France, Italy and Northern England have lost economic influence, while certain Lander in Germany show a better performance in 2017. The Social Policy instruments of the Union could address such remarkable territorial imbalances.

⁴⁹⁹ EUROPEAN COMMISSION (2018): *Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus (ESF+)*. Brussels, 2018/0206 (COD). COM(2018) 382 final, 30.05.2018.

⁵⁰⁰ EUROPEAN COMMISSION (2018): *Proposal for a Regulation of the European (...) (op. cit.)*, p. 4.

⁵⁰¹ EUROPEAN COMMISSION (2018): *Proposal for a Regulation of the European (...) (op. cit.)*, p. 2.

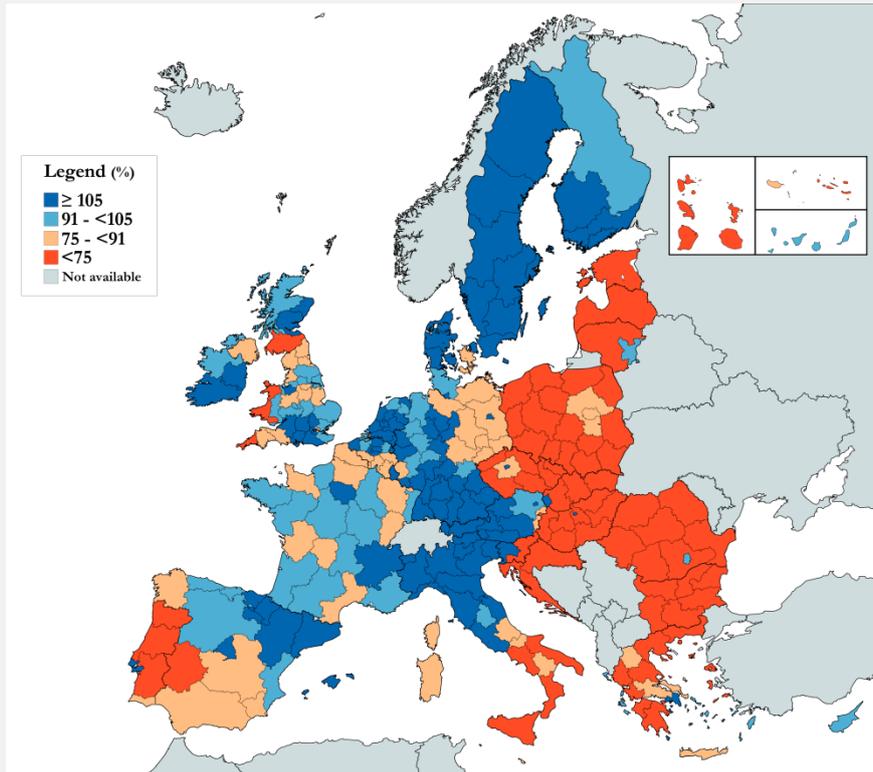


Figure 9. GDP per inhabitant in PPS, by NUTS 2 region (EU-28=100, 2007)⁵⁰².

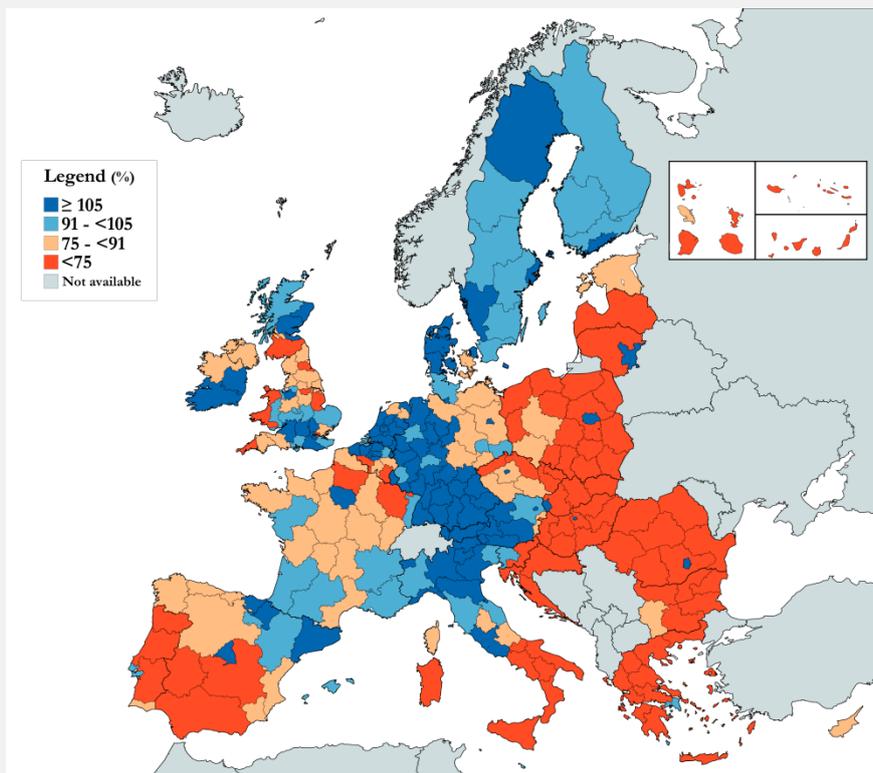


Figure 10. GDP per inhabitant in PPS, by NUTS 2 region (EU-28=100, 2017)⁵⁰³.

⁵⁰² Graph created by the author using the software *mapchart.net*. Source of data:

SCHOLAERT, Frederik; SABBATI, Giulio; IONESCU, Sorina Silvia (2019): *Snapshot of the EU regions with a view to selected Europe 2020 targets*. Brussels and Strasbourg, European Parliamentary Research Service, PE 640.148, p. 1.

⁵⁰³ *Ibid.*

6.1.1. THE EUROPEAN SOCIAL FUND

The ESF was created in 1957, when the Treaty of Rome established the European Economic Community and the occupational mobility of workers was an institutionalised reality. The ESF represented only a marginal part of the Community budget, at only 1% of the total. At that time was created a specific Committee to organise the fund, with the same composition of that of the present moment. By then, a notable migratory flow in search of job opportunities was experienced from Southern Italy to the North of the country and the other Member States of the Community, and the ESF played an important role in providing retraining and resettlement grants in the case of Italian workers in Wallonia⁵⁰⁴. Nowadays, the ESF is the most visible EU instrument of «Flexicurity» policies, adopting a multifaceted approach.

Article 162 TFEU regulates the general goals of the European Social Fund (ESF), with the objective of improved employment opportunities for workers in the internal market and living standards. Besides, the text states that the ESF «shall aim to render the employment of workers easier and to increase their geographical and occupational mobility within the Union, and to facilitate their adaptation to industrial changes and to changes in production systems, in particular through vocational training and retraining»⁵⁰⁵. In this sense, it is an ideal instrument to address the technological challenges that affect the future of employment. The Commission is responsible for the administration of the ESF and is assisted by a specific Committee, which is composed of representatives of governments, trade unions and employers' organisations⁵⁰⁶.

The European Social Fund is currently considered in a **Regulation**⁵⁰⁷ of December 2013, of the European Parliament and the Council. The text maintains the mentioned orientation of the Treaty and commits to the «Europe 2020» Strategy, by indicating that the ESF «shall promote high levels of employment and job quality, improve access to the labour market, support the geographical and occupational mobility of workers and facilitate their adaptation to industrial change and to changes in productions systems needed for sustainable developments, encourage a high level of education and training for all and support the transition between education and employment for young people, combat poverty, enhance social inclusion, and promote gender equality, non-discrimination and equal opportunities, thereby contributing to the priorities of the Union as regards strengthening economic, social and territorial cohesion»⁵⁰⁸.

At least 20% of the total ESF resources devoted in each Member State have to be destined to the objective of «promoting social inclusion, combating poverty and any discrimination»⁵⁰⁹, which includes active inclusion policies, that is, improving employability. Furthermore, life-long learning attains an important level of coverage in the ESF programme, preserving the spirit of the Recommendations emitted by the Council. The ESF has the priority of «[e]nhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences»⁵¹⁰. The «Youth Employment Initiative» is integrated into the programming of the ESF.

⁵⁰⁴ COMMISSION OF THE EUROPEAN COMMUNITIES (2007): *European Social Fund: 50 years investing in people*. Luxembourg, Office for Official Publications of the European Communities, pp. 9-10.

⁵⁰⁵ Article 162 TFEU.

⁵⁰⁶ Article 163 TFEU.

⁵⁰⁷ EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION (2013): *Regulation (EU) No. 1304/2013, of 17 December 2013, on the European Social Fund and repealing Council Regulation (EC) No. 1081/2006*. OJ L 347, 20.12.2013, pp. 470-486.

⁵⁰⁸ EUROPEAN PARL. AND COUNCIL OF THE EU (2013): *Regulation (EU) No. 1304/2013 (...)* (op. cit.), p. 474, Art. 2.

⁵⁰⁹ EUROPEAN PARL. AND COUNCIL OF THE EU (2013): *Regulation (EU) No. 1304/2013 (...)* (op. cit.), p. 476, Art. 4.

⁵¹⁰ EUROPEAN PARL. AND COUNCIL OF THE EU (2013): *Regulation (EU) No. 1304/2013 (...)* (op. cit.), p. 475, Art. 3.

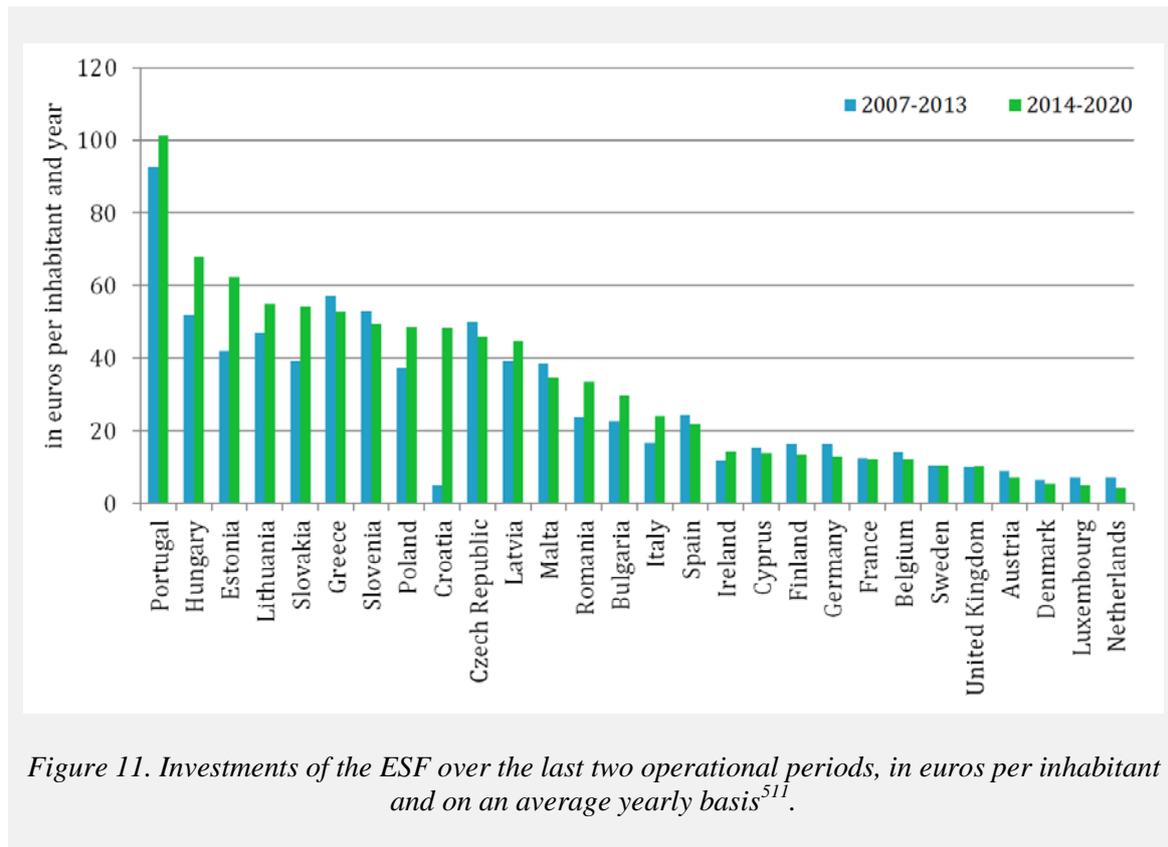


Figure 11. Investments of the ESF over the last two operational periods, in euros per inhabitant and on an average yearly basis⁵¹¹.

The previous graph illustrates the investments of the ESF in every Member State, in Euros per inhabitant and on average for each period of seven years, comparing 2007-2013 with 2014-2020. In both cases, only EU contributions had been considered, whilst the national and private co-funding resources had been excluded from the count. This methodology allows to provide a more realistic picture of the real investments of the Union. The number of inhabitants is the average corresponding to the timeframe, according to United Nations' Population Prospects.

In general, there can be identified strong variations among Member States. High income countries have reduced investments of the ESF, in per capita terms and with a decreasing trend among the two periods of analysis. In contrast, with the exceptions of Greece and Portugal, the States incorporated at the Union in 2004, 2007 and 2013 exhibit a greater proportion of ESF funds. Croatia shows the greatest increment, as the country entered in the EU at 2013. However, deserves special attention the case of Portugal, with 92.69 euros per inhabitant and year at the period 2007-2013 and 101.32 euros per inhabitant and year at the period 2014-2020, which is five times the average EU value, set at 23.46 euros per inhabitant and year.

Overall, the ESF engages approximately 10% of the Union's total annual budget⁵¹², which is a non-negligible magnitude. As the graph clearly depicts, it can be affirmed that the divide between the «core» and «peripheral» Europe is set at the threshold of 20 euros per inhabitant and year, with extreme variations among Member States.

⁵¹¹ Graph created by the author. Own calculations using data extracted from:

EUROPEAN COMMISSION (2020): *ESF budget by country: 2007-2013*. [Online](#) [Last consultation on 06.05.2020].

EUROPEAN COMMISSION (2020): *ESF budget by country: 2014-2020*. [Online](#) [Last consultation on 06.05.2020].

UNITED NATIONS POPULATION DIVISION (2019): *World Population Prospects 2019* (Rev. 1). Department of Economic and Social Affairs of the United Nations.

⁵¹² EUROPEAN COMMISSION (2020): *The European Social Fund. Investing in people 2007-2013*. Accessible [Online](#) [Last consultation on 15.07.2020].

6.1.2. THE PROGRAMME FOR EMPLOYMENT AND SOCIAL INNOVATION

The current Programme for Employment and Social Innovation (EaSI) was approved by an EU **Regulation**⁵¹³ of December 2013. It is designed in the framework of the «Europe 2020» Strategy, providing financial support to accomplish the Union's goals in terms of «promoting a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions»⁵¹⁴. The programme has an average budget of 131.35 million euros per year in the period 2014-2020⁵¹⁵, distributed among three distinct categories: the «Progress» axis (61%), the «EURES» axis (18%) and the «Microfinance and Social Entrepreneurship» Axis (21%)⁵¹⁶.

Overall, the new normative framework of 2013 gathers the three previously existing programmes into the single block of EaSI, covering by these means five broad targets:

1. Reinforce ownership of EU objectives and coordination of actions at the level of the Member States and the Union, in the areas of employment, social affairs and inclusion.
2. Provide support to the development of adequate social protection systems and labour market policies.
3. Modernise the legislation of the Union and ensure its effectiveness.
4. Promote territorial labour mobility throughout the EU and foster employment opportunities by deploying an integrated labour market.
5. Increment the accessibility and availability of micro-funds for vulnerable collectives and micro-undertakings, and increase access to financial support for social enterprises.

The Commission acknowledged in a relatively recent Report that this «simplification exercise» has not been entirely successful: «despite efforts to build synergies between the three axes they continue to operate quite independently. All programme activities should have a stronger focus on the potential benefits of a coherent programme structure, promoting interdisciplinary solutions to multiple challenges»⁵¹⁷. The «Progress»⁵¹⁸ axis is characterised by covering employment issues, in particular: to fight against youth unemployment; foster the improvement of social protection, social inclusion and working conditions; and aiming at the reduction and prevention of poverty. Moreover, the «Progress» axis adopts a scientific approach and represents an initial test to social and labour market policy innovations, which could be adopted later on at a larger scale. For this reason, the mentioned axis fosters also mutual-learning, awareness and dissemination activities. Social protection systems vary across the Union in terms of stakeholder involvement, political preferences and budgets (ranging from 15% to 30% of the gross domestic product); the «Progress» axis promotes the harmonisation of social protection standards among Member States⁵¹⁹.

⁵¹³ EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION (2013): *Regulation (EU) No. 1296/2013, of 11 December 2013, on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No. 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion*. OJ L 347, 20.12.2013, pp. 238-252.

⁵¹⁴ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2013): *Regulation (EU) No. 1296/2013 (...) (op. cit.)*, p. 243, Art. 1.

⁵¹⁵ This is equivalent to a total budget for the period 2014-2020 of 919.47 million euros, in 2013 prices.

⁵¹⁶ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2013): *Regulation (EU) No. 1296/2013 (...) (op. cit.)*, pp. 244-245, Art. 5.

⁵¹⁷ EUROPEAN COMMISSION (2019): *Report on the mid-term evaluation of the European Union Programme for Employment and Social Innovation (EaSI)*. Brussels, Report from the Commission, COM(2019) 234 final, 20.05.2019, p. 5.

⁵¹⁸ The former Progress Programme was created in 2006 in the framework of the Social Policy Agenda for the period 2006-2010 and the «Lisbon Strategy».

⁵¹⁹ BESIC, Almina; DUBUIS, Melanie; HERRERA, Facundo; MAILLART, Ines; MILIO, Simona; TRKULJA, Zorica (2019): *Mid-term evaluation of the EU programme for employment and social innovation – EaSI. Framework Service Contract VC/2013/0083. Final Evaluation Report*. Luxembourg, Publications Office of the European Union, p. 19.

The «EURES»⁵²⁰ axis is centred in job mobility, aiming that vacancies are appropriately informed and transparent to both employers and applicants in all the Union, also facilitating the integration of workers in the labour market of other Member States. Cross-border partnerships and digital technologies play an important role here: the existence of a multilingual virtual platform is paramount to ensure that labour supply and demand are duly matched. «EURES» is based on the collaboration among Member States, EEA countries and the Helvetic Confederation.

The «Microfinance and Social Entrepreneurship» (MaSE) axis supports vulnerable collectives to obtain enough funds to start and allow the growth of an independent business with social objectives. According to the Regulation, a microcredit is a loan up to 25,000 euros⁵²¹. Besides, the text encourages the creation of mentoring and training programmes to assist better the beneficiaries, before and after the creation of the micro-enterprise, and the display of preventive measures to avoid running into over-debt and risk of insolvency. The implementation of the exposed financial instruments requires the joint action of the European Investment Bank and the European Investment Fund, setting up the appropriate agreements with those entities.

6.1.3. THE EUROPEAN GLOBALISATION ADJUSTMENT FUND

The European Globalisation Adjustment Fund (EGF) was created in 2006, with the aim to cover the period 2007-2013 only. In 2009, the existing regulation was amended as part of the «European Recovery Plan» to address better the economic and social crisis. By the end of 2013 was issued the **Regulation**⁵²² that is currently in force, reaching the time lapse from 1 January 2014 up to 31 December 2020. The premise to create the EGF was the following one: if the EU has the exclusive competence regarding trade policy, then the Union has to compensate the displacements that are associated with globalisation⁵²³.

The objective of the EGF is «to contribute to smart, inclusive and sustainable economic growth and to promote sustainable employment in the Union by enabling the Union to demonstrate solidarity towards, and to support workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis (...), or as a result of a new global financial and economic crisis»⁵²⁴. The EGF has a maximum annual budget of 150 million euros, set for the period 2014-2020 and adaptable to the variable needs.

As a general statement, the EGF can provide a financial contribution if there are over 500 workers made redundant by a single company and at least in one Member State. This also includes suppliers or downstream producers. Every case is managed by State or regional authorities, in projects that may last up to two years. However, in small labour markets or in exceptional circumstances, «when the redundancies have a serious impact on employment and the local, regional or national economy»⁵²⁵ the EGF can intervene in spite of not accomplishing all the mentioned criteria.

⁵²⁰ The former European Employment Service (EURES) was established in 1993.

⁵²¹ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2013): *Regulation (EU) No. 1296/2013 (...)* (op. cit.), p. 243, Art. 2.

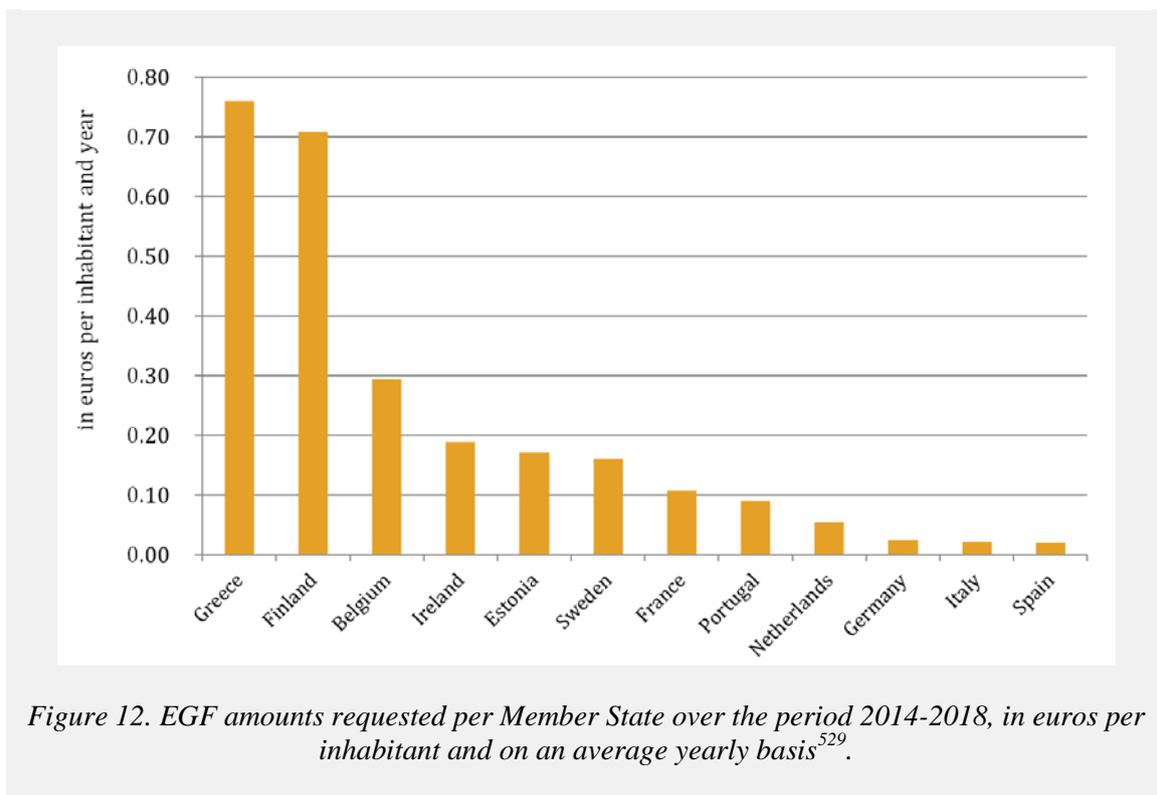
⁵²² EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION (2013): *Regulation (EU) No. 1309/2013, of 17 December 2013, on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No. 1927/2006*. OJ L 347, 20.12.2013, pp. 855-864.

⁵²³ CLAEYS, Grégory; SAPIR, André (2018): «The European Globalisation Adjustment Fund: Easing the pain from free trade?». *Bruegel Policy Contribution*, Issue No. 5, p. 2.

⁵²⁴ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2013): *Regulation (EU) No. 1309 (...)* (op. cit.), p. 857, Art. 1.

⁵²⁵ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2013): *Regulation (EU) No. 1309 (...)* (op. cit.), p. 858, Art. 4.

In all cases, the cited fund covers up to 60% of the total estimated costs; the remaining ones are assumed by the competent administrations of the Member States (States, regions or municipalities). It is important to acknowledge that the Globalisation Adjustment Fund cannot be used to maintain companies in activity or modernise their capabilities. The EGF furnishes funds to provide active labour market measures, integrating a «coordinated package of personalised services, designed to facilitate the reintegration of the targeted beneficiaries and, in particular, disadvantaged, older and young unemployed persons, into employment or self-employment»⁵²⁶. Such measures are education, training and re-training, personalised guidance, entrepreneurship promotion⁵²⁷ and special time-limited allowances⁵²⁸. The package would be designed aiming at the anticipation of future labour demand orientations and skills, in the framework of a sustainable economy. Notwithstanding this fact, the EGF does not co-finance social protection policies, like unemployment benefits or pensions.



The graph depicted above shows the average funds requested in several Member States during the period 2014-2018, on average per year and in euros per capita. This type of analysis provides better comparability among territories. Greece is the country that has solicited a greater contribution of the EFG, at 0.76 euros per inhabitant, with the aim of attending 7.432 beneficiaries (including workers and «NEETs») of eight applications. The second country is Finland, arriving at 0.71 euros per inhabitant and targeting 7.027 beneficiaries for all the period. However, in spite of requesting less resources per inhabitant, Belgium (9.925 beneficiaries) and France (9.620 beneficiaries) are at the top of the ranking in terms of number of recipients.

⁵²⁶ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2013): *Regulation (EU) No. 1309 (...)* (op. cit.), p. 858, Art. 7.

⁵²⁷ Every investment in entrepreneurial and self-employment projects shall not exceed 15,000 euros.

⁵²⁸ Like job-search allowances, employers' recruitment incentives, training allowances, mobility or relocation allowances and subsistence allowances.

⁵²⁹ Graph created by the author. Own calculations using data extracted from:

EUROPEAN COMMISSION (2019): *Report on the activities of the European Globalisation Adjustment Fund in 2017 and 2018*. Brussels, Report from the Commission to the European Parliament and the Council. COM(2019) 415 final, 16.09.2019. Annex, p. 8.

UNITED NATIONS POPULATION DIVISION (2019): *World Population Prospects 2019 (...)* (op. cit.).

Regarding Spain, the country has solicited aid for five applications, covering 1.597 beneficiaries and representing an investment of less than 2 cents per inhabitant in total⁵³⁰. The sector that has suffered the most the impact of globalisation during the 2014-2018 period has been the automotive industry, with 10.299 targeted workers in all the EU that are assisted by the EGF, followed by retail trade, reaching 4.943 workers⁵³¹. Official documentation illustrates the names of the involved companies. Most of them are well-known and have had a solid trajectory during decades, depicting a disappointing European industrial decline⁵³². It is clear that the EGF deserves more attention for the coming years, in first place by the coronavirus outbreak and the economic and social crisis that has originated, and immediately next because of the rapid introduction of new technologies that are related to the destruction of labour posts. However, the amount devoted to it is equivalent nowadays to less than 1% of the total EU budget.

6.1.4. THE FUND FOR EUROPEAN AID TO THE MOST DEPRIVED

The Fund for European Aid to the Most Deprived (FEAD) is contemplated in a specific **Regulation**⁵³³ of 2014. The main objective of the Fund is «contribute to achieving the specific objective of alleviating the worst forms of poverty, by providing non-financial assistance to the most deprived persons by food and/or basic material assistance, and social inclusion activities aiming at the social integration of the most deprived persons»⁵³⁴. The FEAD was designed to accomplish the poverty reduction target of at least 20 million Europeans, in the count of persons at risk of poverty and social exclusion aimed by the «Europe 2020» Strategy. On average, the fund invests more than 485 million euros on a yearly basis⁵³⁵ (count for the period 2014-2020)⁵³⁶. Member States have to contribute at least with 15% of the magnitude, in other words, co-financing their national programme.

Material assistance (for example, covering food, clothing, shoes, soap and shampoo) is accompanied with social inclusion measures, like tailor-made guidance and support. The Commission has the responsibility of approving the national programmes, and Member States offer the assistance via partner organisations, which are often non-governmental. The selection of such entities respects «a fair and transparent procedure»⁵³⁷. The Fund activity is monitored and evaluated by the Commission and Member States. The use of the FEAD to address the technological challenges is suitable to attend extreme situations. In this sense, it is important to provide the adequate skills and financial resources before, so as to avoid citizens entering into a poverty spiral. During the «Covid-19» outbreak, on April 2020 the Commission proposed a modification of the 2014 FEAD Regulation⁵³⁸ to reach the most deprived, offering food, basic material assistance, social inclusion support and protective equipment.

⁵³⁰ EUROPEAN COMMISSION (2019): *Report on the activities of the European Globalisation Adjustment Fund in 2017 and 2018 (...)* (op. cit.), Annex, pp. 5 and 8.

⁵³¹ EUROPEAN COMMISSION (2019): *Report on the activities of the European Globalisation Adjustment Fund in 2017 and 2018 (...)* (op. cit.), Annex, p. 4.

⁵³² Such companies with their respective countries are, for example: Microsoft (Finland), Nokia (Finland), Ericsson (Sweden), Volvo Trucks (Sweden), ArcelorMittal (Belgium), Ford Genk (Belgium), Caterpillar (Belgium), Adam Opel (Germany), Alitalia (Italy), Whirlpool (Italy), Lufthansa Technik (Ireland), Air France and PSA (France).

⁵³³ EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION (2014): *Regulation (EU) No. 223/2014, of 11 March 2014, on the Fund for European Aid to the Most Deprived*. OJ L 72, 12.03.2014, pp. 1-41.

⁵³⁴ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2014): *Regulation (EU) No. 223 (...)* (op. cit.), p. 8, Art. 3.

⁵³⁵ This is equivalent to 3,395.68 million euros for the whole period 2014-2020, in 2011 prices.

⁵³⁶ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2014): *Regulation (EU) No. 223 (...)* (op. cit.), p. 10, Art. 6.

⁵³⁷ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2014): *Regulation (EU) No. 223 (...)* (op. cit.), p. 16, Art. 23.

⁵³⁸ EUROPEAN COMMISSION (2020): *Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No. 223/2014, as regards the introduction of specific measures for addressing the COVID-19 crisis*. Brussels, COM(2020) 141 final, 2020/0058 (COD), 02.04.2020.

Besides, the institution observed with certain acuteness that many of the volunteers cannot be mobilised, as they belong to collectives with higher risk of severe illness. Thus, the Commission proposed the use of «electronic vouchers» or cards to reduce the risk of contamination and continue providing, in an indirect manner, food or basic material assistance⁵³⁹. These amendments provided additional resources for the years 2020, 2021 and 2022, as part of the increase in resources devoted to the cohesion policy.

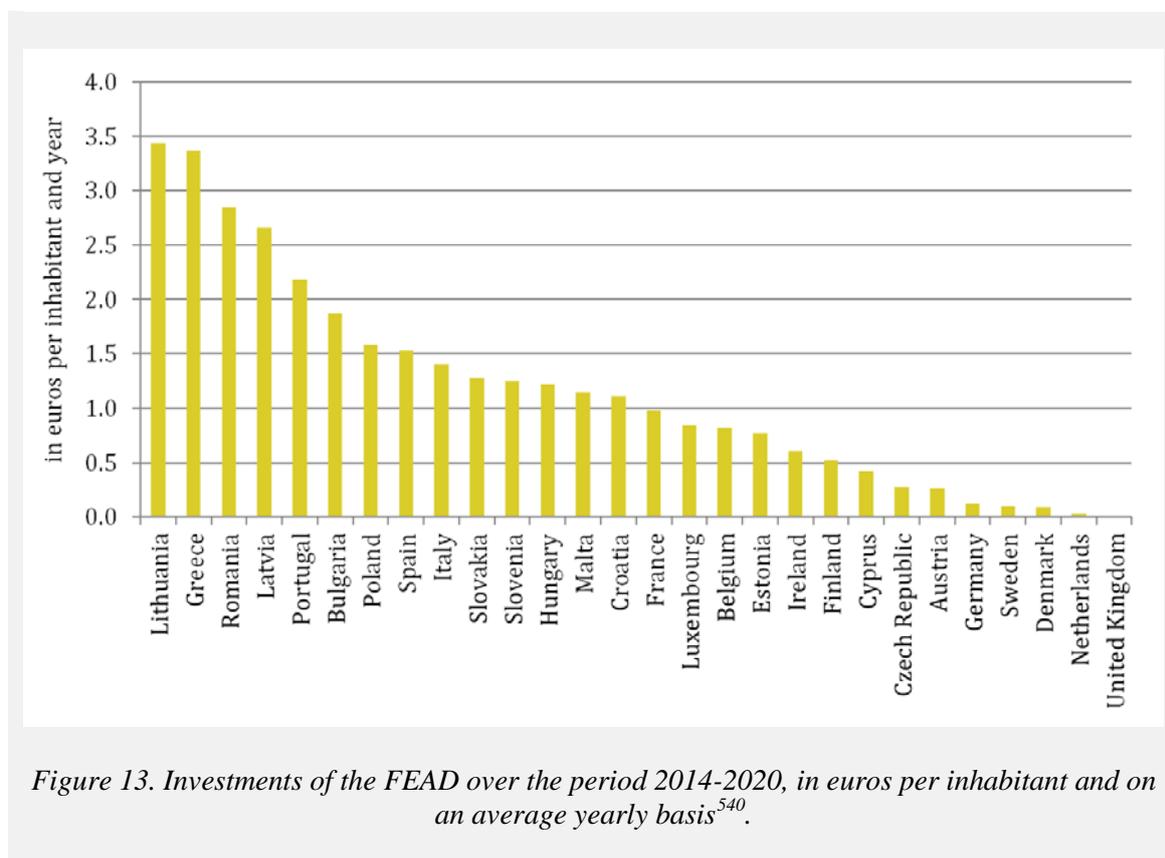


Figure 13. Investments of the FEAD over the period 2014-2020, in euros per inhabitant and on an average yearly basis⁵⁴⁰.

The figure presented above compares the Member States regarding the planned allocation of resources for the FEAD in the period 2014-2020, transforming the values on a yearly basis and in per capita terms. Lithuania and Greece obtained the largest amount, with 3.43 and 3.37 euros per inhabitant, respectively. They are followed by Romania, Latvia and Portugal. In general, the graph depicts strong differences in the allocation of resources. However, when studying the magnitudes in absolute terms, Italy takes the largest share of the FEAD funds, with 17.58% of the total (85 million euros each year). The country is followed by two Mediterranean neighbours: Spain (14.77%, 71.41 million euros) and France (13.09%, 63.29 million euros). The Regulation established that the minimum amount allocated to the FEAD in each Member State shall be equal or superior to the threshold of 3.5 million euros, considering all the period 2014-2020⁵⁴¹. This is the situation of countries with very distinct socioeconomic features: Denmark, Cyprus, Luxembourg, Malta, the Netherlands and the United Kingdom.

⁵³⁹ EUROPEAN COMMISSION (2020): *Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No. 223/2014 (...)* (op. cit.), p. 6 (amendment of Article 23).

⁵⁴⁰ Graph created by the author. Own calculations using data extracted from:

EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2014): *Regulation (EU) No. 223/2014 (...)* (op. cit.), p. 39 (Annex III. Allocation of the Fund for the period 2014-2020 per Member State).

UNITED NATIONS POPULATION DIVISION (2019): *World Population Prospects 2019 (...)* (op. cit.).

⁵⁴¹ EUROPEAN PARLIAMENT AND COUNCIL OF THE EU (2014): *Regulation (EU) No. 223/2014 (...)* (op. cit.), p. 10, Art. 6.

6.2. THE EU SOCIAL POLICY IS SHAPED DURING SHOCKS OR CRISES

The graph of the following page illustrates an overview of the European shocks or crises that the Union has experienced during the last two decades, related to the deployment of the social policy of the EU and the main initiatives of the United Nations. Sometimes, an image is worth more than a thousand words, and this is an interesting way to encourage deeper reflections and analyses, taking care of the expanded time framework.

In the last twenty years, most of the social policies publicly informed by the European institutions have strong ties with severe EU crises periods (before or after they had taken place), which shows a logical interest of the institutions in maintaining a favourable public opinion. Another issue is the sustained commitment of the EU to deploy the Cohesion and Structural Funds, which has caused a positive incidence over impoverished regions and vulnerable collectives, investing considerable amounts of resources as has been commented in the previous Section.

6.2.1. BEFORE THE EUROZONE CRISIS

The corruption scandal of 1999 caused the dismissal of the President of the Commission, Jacques Santer⁵⁴² and all the members of the European «executive» body. Then, after a short interim period, the newly elected Commission with Romano Prodi at the front participated in the elaboration of the «Lisbon Strategy», which was proclaimed by the European Council in 2000, and aimed at converting the EU as «the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion» by 2010⁵⁴³. The objective was too ambitious. This project coincided with the Millennium Development Goals, proclaimed on September 2000 by the United Nations.

In 2003, the invasion of Iraq by the Western coalition led to disagreements among EU Members. The United States exerted a strong influence over the United Kingdom and other countries to participate in the armed conflict, while France rejected openly. Massive demonstrations took place in European cities, expressing the extended discontent of citizens, but war began and the troops' presence lasted for years. Several months after the explosion of the conflict, the Commission published the Communication «Strengthening the social dimension of the Lisbon Strategy»⁵⁴⁴, offering a more social approach than in previous texts.

During the next two years the efforts of the Community were centred at defining a new framework of international law, fostering a greater continental integration. An amendment of the Treaties to deploy a «Constitution for Europe» was signed in Rome on 29 October 2004. However, after the initial joy and the favourable vote in most of the Member State's parliaments, the referendums that were celebrated in France and the Netherlands, on May and June 2005 respectively, rejected the text. The establishment of a Continental Constitution caused concerns over citizens, as would mean a displacement of the existent *norma normarum* and a harsh reduction of the symbolic weight of the «nation». Also, the project of Constitution comprised liberal economic policies and caused the frontal opposition of several left-wing parties.

⁵⁴² Jacques Santer was also Prime Minister of Luxembourg from 1984 to 1995.

⁵⁴³ EUROPEAN COUNCIL (2000): *Presidency Conclusions of the European Council*. Lisbon, 23 and 24 March, «Lisbon Strategy», Par. 5.

⁵⁴⁴ COMMISSION OF THE EUROPEAN COMMUNITIES (2003): *Strengthening the social dimension of the Lisbon strategy: Streamlining open coordination in the field of social protection*. Brussels, Communication from the Commission to the Council, de European Parliament, the Economic and Social Committee and the Committee of the Regions. COM(2003) 261 final, 27.05.2003.

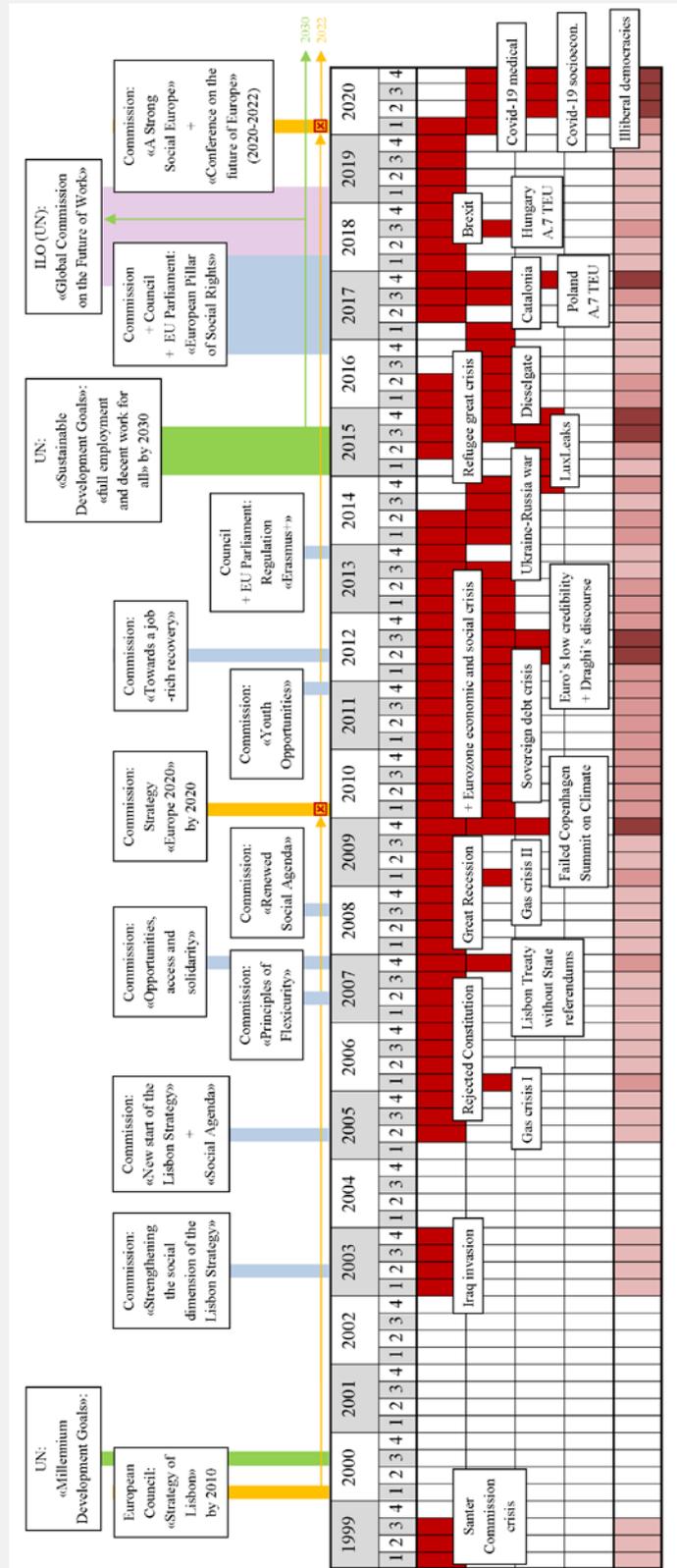


Figure 14. Chronology of the main achievements in EU social policy and the Union's shocks or crises of the last two decades⁵⁴⁵.

⁵⁴⁵ Graph created by the author.

The fact that the Lisbon Treaty entered in force in December 2009 without a clear vote by citizens, so as to avoid repeating the same «mistake» of the European Constitution referendums, illustrates difficulties of the EU to address to their own population. Coinciding with the Lisbon Treaty approval, the Commission issued in 2007 the Communication «Opportunities, access and solidarity: towards a new social vision for 21st century Europe»⁵⁴⁶, where shows a greater interest in the protection of socially excluded collectives, fostering more EU involvement.

At the beginning of 2006 and 2009, two energy crises affected the Member States located in Central Europe. Ukraine and Russia were plunged in a diplomatic conflict and the Federation opted to reduce sharply the gas supply, with important effects in Europe. Such difficulties depicted how vulnerable was the EU in terms of energy imports. Since then, the number of gas pipelines arriving to the continent has increased and their respective courses avoid the Ukrainian territory, but Russia continues to be still the main source of the supply.

6.2.2. DURING THE EUROZONE CRISIS

During the last quarter of 2007, financial instability crossed the Atlantic and the collapse of Lehman Brothers and the subprime mortgages had important effects in the European markets. The so-called «Great Recession» lasted in the United States from 2008 to 2009, but in Europe, and especially at the «periphery» of the Eurozone, the effects of the economic and social crisis lasted until mid-2014. In 2008, the Commission defined a «Renewed Social Agenda»⁵⁴⁷ for the period 2008 – 2010, so as to show a greater commitment towards social issues.

However, the policies deployed by the EU in terms of «Flexicurity» and liberalisation (a remarkable example is the Communication of the Commission «Towards Common Principles of Flexicurity»⁵⁴⁸ on June 2007), expanded extensively during the previous decade of the crisis, had been very counterproductive in Southern Member States, as safety nets are not comparable to Nordic countries and the real estate bubble had deviated human and financial resources to non-productive activities, spurred by low interest rates in the framework of the single currency. Corruption at different levels also played an important role in allocating the funds to unnecessary infrastructures and privatising the benefits of liberalised sectors. «Peripheral» Member States did not understand the part of the «security» implicit in the term.

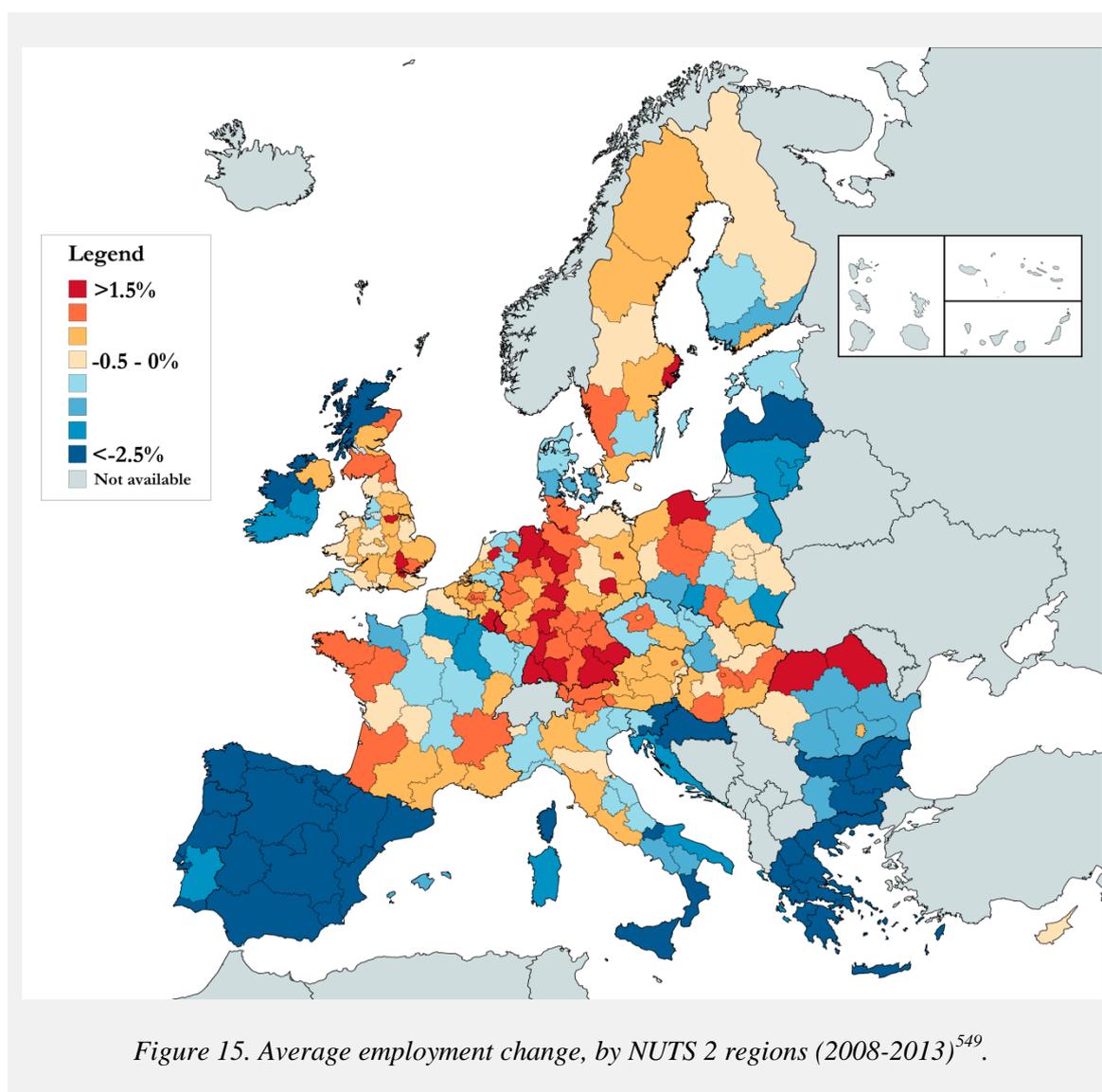
When the crisis exploded, precarious contracts were ended without many difficulties, and workers were trapped inside a scenery of lack of employment opportunities and finite unemployment benefits. In 2009, also, a silent crisis happened: the Copenhagen Summit on Climate failed to reach a binding agreement to reduce the carbon emissions worldwide. In this international conference, the European Union did not present herself as a «Union», and every Member State intervened on its own way.

⁵⁴⁶ COMMISSION OF THE EUROPEAN COMMUNITIES (2007): *Opportunities, access and solidarity: towards a new social vision for the 21st century Europe*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions. COM(2007) 726 final, 20.11.2007.

⁵⁴⁷ COMMISSION OF THE EUROPEAN COMMUNITIES (2008): *Renewed social agenda: Opportunities, access and solidarity in 21st century Europe*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2008) 412 final, 02.07.2008.

⁵⁴⁸ COMMISSION OF THE EUROPEAN COMMUNITIES (2007): *Towards Common Principles of Flexicurity: More and better jobs through flexibility and security*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2007) 359 final, 27.06.2007.

In 2010, it was evident that the «Lisbon Strategy» had failed and the Commission adopted a next project by presenting «Europe 2020», a less ambitious proposal but with quantitative and measurable targets. This fact increased the public awareness and the transparency of the initiative and created hope for the future, a concept that was deeply affected by then. The sovereign debt crisis exploded and «Peripheral» Member States had to be rescued by the European Central Bank. Greece's finances and reputation had collapsed and the debt interest rates attained extraordinary levels. The continuity of the Eurozone was in heavy risk, as the PIIGS countries (Portugal, Italy, Ireland, Greece and Spain) were severely affected. The austerity measures put in practice by the governments of such States created social unrest, as cuts affected the normal provision of essential public services and supposed the loss of public heritage in the hands of private (and sometimes foreign) owners. By endorsing a quite logical reasoning, the European Commission insisted in the continuity of such measures to bring the accumulated debt and deficit at supportable levels, but the cuts in public spending produced a spiral of reduction of public revenues and increased deficits, that required more scissors and caused greater social unrest.



⁵⁴⁹ Graph created by the author using the software *mapchart.net*. Source of data:

STIERLE, Michael; STIERLE – VON SCHÜTZ, Ulrike; ROCHER, Stijn (2018): “How did Regional Economic Structure in the EU Change during the Economic Crisis?”. *European Economy Discussion Papers*, No. 88. Luxembourg, Publications Office of the European Union, p. 13.

The previous figure comprehends a remarkable time lapse: 2008-2013. In 2008, the international financial crisis had expanded worldwide, but in 2013 several countries had partially escaped from its effects and by then were recovering their employment levels, particularly Germany, Austria, Sweden and certain regions of Poland. Notwithstanding this fact, peripheral regions in Europe were severely affected and remained sunk for a long period of time: the private debt crisis turned into a sovereign debt crisis. These territories are represented by the Iberian Peninsula, Southern Italy, Greece, Ireland, Bulgaria, Romania and the Baltic Republics. Contrasting with the dominant media discourse, this is not a simple North-South divide; it is clearly a core-periphery pattern⁵⁵⁰, reinforced by the single currency and internal institutional problems and inefficiencies. In this sense, the mentioned regions appear more vulnerable in the future scenery of the deployment of automation. It should be considered that the Eastern States that entered in the EU at 2004, all of them with a sovereign currency, received more funding supports to help them converge to similar technological and living standards.

The lowest point of the single currency was attained when Mario Draghi, President of the ECB, pronounced the famous discourse in July 2012 referring that they would do «whatever it takes» to save the Euro. After this, the credibility of the European Monetary Union recovered notably in the operations of the international markets. In order to tackle the social unrest and the high unemployment rate, especially affecting the vulnerable sectors, the Commission launched by then the «Youth Opportunities initiative»⁵⁵¹. Even months before the lowest moment of the Euro, the Commission issued a Communication to diffuse the future «job-rich recovery» that was expecting⁵⁵², with the aim to generate more confidence over its own public policies.

At the end of 2013, the average performance of the Eurozone improved very little, and the Council and the EU Parliament approved a Regulation to reinforce the «Erasmus» international programme⁵⁵³, adding a «plus» sign to the denomination and increasing the funds devoted to it. The youth unemployment rate was still at high levels in certain regions. The «Erasmus» scholarships are a remarkable «soft power» instrument, fostering the European integration (also in the ethnic sense). As the Italian writer Umberto ECO pointed out, this programme represents a sort of «sexual revolution»: «a Catalan boy finds a Flemish girl, they fall in love, they get married, and they become European like their children»⁵⁵⁴. In fact, according to estimates from the European Commission in 2014, since the creation of the programme there have been born more than one million people from relationships that started during the «Erasmus» period⁵⁵⁵.

⁵⁵⁰ CRESCENZI, Riccardo; LUCA, Davide; MILIO, Simona (2015): “The geography of the economic crisis in Europe: national macroeconomic conditions, regional structural factors and short-term economic performance”. *Cambridge Journal of Regions, Economy and Society*, No. 9, pp. 27-28.

⁵⁵¹ EUROPEAN COMMISSION (2011): *Youth Opportunities Initiative*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2011) 933 final, 20.12.2011.

⁵⁵² EUROPEAN COMMISSION (2012): *Towards a job-rich recovery*. Strasbourg, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2012) 173 final, 18.04.2012.

⁵⁵³ EUROPEAN PARLIAMENT AND COUNCIL OF THE EUROPEAN UNION (2013): Regulation No. 1288/2013, of 11 December 2013, establishing ‘Erasmus+’: the Union programme for education, training, youth and sport and repealing Decisions No. 1719/2006/EC, No. 1.720/2006/EC and No. 1.298/2008/EC. OJ L 347, 20.12.2013, pp. 50-73.

⁵⁵⁴ Umberto ECO defended the «Erasmus» initiative, considering that every citizen should have access to such an experience in the continent, no matter if it was in the university context or not. *Vid.* RIOTTA, Gianni (2012): *Eco: scommetto sui giovani nati dalla rivoluzione Erasmus*. «La Stampa» newspaper. Accessible [Online](#) [Last consultation on 07.05.2020].

⁵⁵⁵ EUROPEAN COMMISSION (2014): *Erasmus Impact Study confirms EU student exchange scheme boosts employability and job mobility*. Brussels, Press release, 22.09.2014. IP/14/1025. Accessible [Online](#) [Last consultation on 15.07.2020].

The Commission observed positive results in employability and job mobility of the «Erasmus» participants, compared to the students that remain in their own country⁵⁵⁶. However, in terms of academic performance, most of the students do not take them seriously (ironically, the programme is sometimes qualified as «orgasmus»). The measure of expanding the resources aims at satisfying part of the youth with an increased leisure, that for some is a «EU-subsidised party» in a foreign country⁵⁵⁷, while they do not count at the official unemployment rates and have to extend their period of study at least one semester more. Unfortunately, academic requirements are too low, and participants often know better the night life of the host city rather than the subjects that are taught there. Universities are not travel agents nor dating services: Desiderius Erasmus would be shocked for sure to observe the current situation⁵⁵⁸. If the European Union wants to take education in line with the «Lisbon Strategy» goals, scholarships shall be based on the attendance to classes and the real academic performance of students. Europe has a privileged intellectual background and shall make all the necessary efforts to preserve it.

The «Great Recession», and more specifically the sovereign debt crisis in Eurozone Member States, supposes a transition towards the «Bronze Era» of European welfare policies, from the «Silver Era», which began after the fall of the Soviet Union and the approval of the Maastricht Treaty, when liberal and Schumpeterian policies emerged more intensely. The great losers of the adjustment process after 2008 had been single parent families, less qualified workers, young professionals and aged and dependent citizens⁵⁵⁹.

6.2.3. AFTER THE EUROZONE CRISIS

When the economic recovery was clearer in 2014, another crisis for the European Union began: Ukraine and Russia entered into an armed conflict at the Donbass and Crimea regions, provoking a displacement of the populations over the Slavic Member States, mostly in Poland. The interest of the Union to take Ukraine at the Western side, while maintaining the Russian market and the natural resources imports favourable, has been and continues to be a complex equilibrium exercise. Migration movements attained the maximum level in 2015, coinciding with the Syrian war, which provoked an unforgettable arrival of refugees. The Union had strong difficulties in managing the situation. Eastern Member States reinforced their frontiers, limiting the free circulation rights in the area, and Greece remained more exposed until an economic agreement between the Union and Turkey on March 2016 restrained the migratory flow⁵⁶⁰.

With the Syrian refugee crisis, the same problem manifested in other parts of the globe due to ethnic or armed conflicts, and public opinion was concerned over the lack of effectiveness of international organisations. It was in the same period that was launched the ambitious objective of the «Sustainable Development Goals» (SDGs) in the General Assembly of the UN, trying to recover confidence in multilateral institutions. The horizon of accomplishment of the SDGs is set by 2030, but the international organisation did not establish the necessary steps and precise coordination measures to reach the broad aims.

⁵⁵⁶ EUROPEAN COMMISSION (2014): *The Erasmus Impact Study. Effects of mobility on the skills and employability of students and the internationalisation of higher education institutions*. Luxembourg, Publications Office of the European Union, pp. 63-70.

⁵⁵⁷ GRONNE, Viktor; MIKLASEVICIUTE, Dalia (2014): *Erasmus – little more than an EU-subsidised party?* The EU Observer. Accessible [Online](#) [Last consultation on 07.05.2020].

⁵⁵⁸ GRANT, Madeline (2020): *The Erasmus scheme was always more about European empire-building than education*. «The Telegraph» newspaper. Accessible [Online](#) [Last consultation on 07.05.2020].

⁵⁵⁹ MORENO, Luis; JIMÉNEZ, Raúl (2018): *Democracias robotizadas. Escenarios futuros en Estados Unidos y la Unión Europea*. Madrid, Los Libros de la Catarata, pp. 101-104.

⁵⁶⁰ EUROPEAN COMMISSION (2016): *Implementing the EU-Turkey Agreement – Questions and Answers*. Brussels, Fact Sheet, 20.04.2016. MEMO/16/1494. Accessible [Online](#) [Last consultation on 20.07.2020].

Regarding social welfare, the UN posed the objective of «full employment and decent work for all» by 2030, something that nowadays in 2020 seems not possible to be attained and even appears more difficult with the coronavirus multi-crisis. All Member States and the European Union expressed commitment in the Agenda 2030 of the United Nations, overlapping it with the «Europe 2020» goals.

At the end of 2014 and during 2015 were revealed two important pieces of news with important effects over the European international prestige. The so-called «Lux-Leaks» crisis put at the centre of the media the President of the Commission, Jean-Claude Juncker. During his mandate as Prime Minister of Luxembourg, from 1995 to 2013, large multinationals had benefited of special tax arrangements in the country, thus representing a great cost in the public finances of other Member States, which cannot compete in such rates and are unable to limit the economic freedoms set at the European treaties⁵⁶¹. Far-left parties proposed a motion of censorship at the Parliament of the EU but the initiative did not progress. Despite the initial upheaval, President Juncker did not end like his Luxembourgish homologue J. Santer in 1999, and was able to complete his mandate until 2019, introducing the EPSR.

The other great crisis of prestige was the «Dieselgate» scandal. The German Volkswagen group, owner of other well-known European companies of the automotive industry, had altered deliberately the software of numerous cars to simulate a lower carbon impact in emissions tests. In fact, when vehicles were outside the official revisions, their carbon footprint was forty times higher than the indicated by the company. The misleading practices began in 2009, a very bad year for the Western car manufacturing industry, coinciding with Toyota becoming the largest global company. Asian manufacturers offer reliable and high quality vehicles at a reasonable price. Most of the European firms have difficulties in competing at the same level, and this fact pushed them to build a greener appearance. It is important to assess that this scandal impacted strongly over Germany's reputation, affecting the overall image projected by the EU. European regions with the highest R&D levels⁵⁶² are precisely the ones related to car manufacturing and aeronautics, and this fact has lasting consequences for the EU's global competitiveness. The recent coronavirus pandemic supposes a heavy burden to the European industrial muscle⁵⁶³.

The new shock for the European Union was the so-called «Brexit». In a referendum that took place in the United Kingdom the 23 of June of 2016, Britons decided to leave the EU in a narrow margin of 52% against 48%. The migratory crisis of the precedent months played an important role in the voters' decision. Also, the exaggerations over EU policies and high expectancies for the future out of the «club» intervened in the debate. But we cannot forget that the general image of the European Union was severely affected previously by the «Lux-Leaks» filtration, the «Dieselgate» scandal and the policies deployed during the Eurozone crisis. The attractiveness of the EU was low for a country that enjoys a relatively high income per capita.

⁵⁶¹ Moreover, the European Commission has powers to supervise the budgets of Member States and force modifications to adjust the levels of deficit and debt, respecting the Stability and Growth Pact (SGP).

⁵⁶² EUROSTAT (2019): *Research and innovation statistics at regional level*. Code: rd_e_gerdreg (*Research and development expenditure*). Accessible [Online](#) [Last consultation on 30.08.2019]. Approximately one third of all EU regions where R&D investment was greater than 3% were situated in Germany, reaching high ratios Braunschweig (at the top with 9.5% of its GDP) and Stuttgart (6.2%), where are important car manufacturing centres. Between them, the Belgian region of Brabant Wallon reached the second highest level of intensity, at 6.54%. The Department of Midi-Pyrénées attained 4.75% of the GDP (the sixth in the ranking, according to data of 2013), thanks to Toulouse's important research hub in aeronautics and aerospace.

⁵⁶³ During the second quarter of 2020, demand for new automobiles and aeroplanes crumbled. Lockdown policies and restrictions to crowded spaces (like air transports) are fatal for the European industrial perspectives of growth. The lack of a vaccine deteriorates the problematic over a large period of time and will have lasting consequences in investments and talent. However, in a situation of «pre-lockdown», citizens prefer to use private vehicles rather than public transports for the fear of being infected. This circumstance may be beneficial to car manufacturers.

The «Brexit» occupied most of the European Union's agenda since the activation of Article 50 TEU (the clause of withdrawal) with a formal letter on 29 March 2017, until the effectiveness of the process on 31 January 2020. During this time, in terms of social policy the EU developed the consultation and proclaimed the «European Pillar of Social Rights»⁵⁶⁴, but did not concrete the specificities of such declaration. The EPSR may be the initiative of President Juncker to associate his name to a public policy that aims to strengthen the social standards of the EU, but at the present moment the possibilities to invoke the precepts are remarkably constrained to further legislation and Member States' financial capacities.

During the «Brexit»'s negotiations, Poland and Hungary created important concerns over EU's institutions for the preservation of the founding values of the Union. During 2016 and 2017, Poland received four distinct Recommendations by the Commission under its «Rule of Law Framework» (created in 2014 to address emerging systemic threats). According to the Commission, the country had approved laws that affected the independence of judges and the separation of powers. Moreover, the Commission proposed to the Council the adoption of a decision under Article 7 TEU⁵⁶⁵. The precept contains measures directed to Member States that have effectuated «a clear risk of a serious breach of the values referred to in Article 2», but requires the unanimity of the European Council (naturally, without the country that has caused the presumed infringement). The same process was applied to Hungary during the third quarter of 2018, but the fact that both States can support each other in the European Council limits enormously the capacity of the EU to apply sanctions and promote institutional reforms.

The crisis of Poland coincided with the Catalan referendum of independence during the 1st October 2017, which was unauthorised by the Spanish authorities. Despite the international controversy, EU institutions considered it to be a «domestic issue», and did not mediate to reach a proper agreement among the confronted governments. Territories that strive for independence can be found in most of EU Member States (Flanders in Belgium, Corse in France, «Padania» in Italy, Scotland in the United Kingdom –with a declared intention of the Scottish head of government to come back in the EU after «Brexit»⁵⁶⁶-, etc.). Better economic expectations for the future and a historical or ethnic background play an important role to encourage citizens to support separatist movements. This is an important aspect that should be properly addressed by EU powers, defending dialogue to reach mutual compromises and common understanding, as territorial imbalances and scarcity of resources may foster more tensions inside Member States in the near future and conflicts have lasting socioeconomic outcomes. The Commission has stated several times that newly formed States would have to follow the official proceedings to enter at the Union, and this naturally would be a downturn for the EU in case of effective independences.

Regarding the employment prospects for the future, in the framework of the «Sustainable Development Goals» the International Labour Office organised a «Global Commission on the Future of Work» to increase the awareness about the technological challenges that will affect to labour in the coming decades. Naturally, the initiative shall be celebrated, but the conference has not specified concrete targets to be achieved. ILO has referred to the broad framework of SDGs by 2030, and this produces strong concerns that the objectives will not be attained.

⁵⁶⁴ EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION (2018): *European Pillar of Social Rights* (Booklet). Luxembourg, Publications Office of the European Union. DOI: 10.2792/95934. Accessible [Online](#) [Last consultation on 15.07.2020].

⁵⁶⁵ EUROPEAN COMMISSION (2018): *2017 Annual Report on the Application of the EU Charter of Fundamental Rights*. Brussels, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2018) 396 final, 04.06.2018, pp. 11-12.

⁵⁶⁶ In 2014 was celebrated a referendum about the Scottish independence. The result was negative. Nevertheless, one of the reasons deployed for those who opposed to independence was that Scotland would stay outside the Union. Nowadays, with the United Kingdom out of the EU, the Scottish National Party promotes a second referendum.

6.2.4. A NEW PERIOD: THE CORONAVIRUS CRISIS AND BEYOND

At the beginning of 2020, once was clear that most of the «Europe 2020» objectives were not accessible (and that without the second largest Member State, the United Kingdom, the EU-27 would achieve an even low performance), the Commission, now with President Ursula von der Leyen, issued a Communication about «A Strong Social Europe»⁵⁶⁷ and set the first steps of the «Conference on the future of Europe»⁵⁶⁸, to be held between 2020 and 2022, requesting the citizens' participation. Every President of the Commission has had his own initiative in terms of social policy and citizens' participation: R. Prodi with the «Lisbon Strategy», J. M. Durão Barroso with «Europe 2020» and J.-C. Juncker with the «European Pillar of Social Rights». It would be bizarre that President U. von der Leyen did not do the same⁵⁶⁹.

By then, the coronavirus medical crisis was expected. The issue was discussed at the World Economic Forum held on January in Davos, Switzerland. On 30 January, the World Health Organisation (WHO) declared the «Covid-19» outbreak a public health emergency of international concern. The economic and social affectation has been graver than originally predicted by European institutions. In the meeting of the European Centre for Disease Control and Prevention (ECDC) on 18 February, three days before the pandemic exploded in Northern Italy, the representatives of Member States miscalculated the danger of the coronavirus, considering that the risk for the European population was «low»⁵⁷⁰. On 11 March, the WHO declared the «Covid-19» outbreak a pandemic.

The crisis of the «Covid-19» can be traced back on September 2017, at least in economic and social terms, when President Juncker gave his speech in the famous «State of the Union address». Quite prophetically, he pronounced at the end of the session that: «[w]e started to fix the European roof. But today and tomorrow we must patiently, floor by floor, moment by moment, inspiration by inspiration, continue to add new floors to the European House. We must complete the European House now that the sun is shining and whilst it still is. Because when the next clouds appear on the horizon –and they will appear one day – it will be too late»⁵⁷¹.

EU institutions have had difficulties at coordinating Member States; at first, regarding the allocation of medical resources (some Member States were accumulating stocks of protective equipment); and secondly, regarding the «solidarity» to help recover the economy in the more damaged countries. The Commission has allowed greater possibilities in deficit levels, increasing the ceiling, but running into more debt is a dangerous manoeuvre for countries nowadays facing a heavy burden. On 24 March, the European Central Bank issued a Decision⁵⁷² that created an extraordinary purchase programme of 750 billion euros directed to the EMU Central Banks.

⁵⁶⁷ EUROPEAN COMMISSION (2020): *A strong social Europe for just transitions*. Brussels, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2020) 14 final, 14.01.2020.

⁵⁶⁸ EUROPEAN COMMISSION (2020): *Shaping the Conference on the Future of Europe*. Brussels, Communication from the Commission to the European Parliament and the Council. COM(2020) 27 final, 22.01.2020.

⁵⁶⁹ In fact, the *White Paper on the Future of Europe*, elaborated by the European Commission in the middle of the Juncker Presidency and presented in 1 March 2017, proposes different sceneries for Europe by 2025. In this sense, the initiative of Von Der Leyen is not that new and represents a continuity of the precedent. For more information: EUROPEAN COMMISSION (2017): *White Paper on the Future of Europe. Reflections and scenarios for the EU27 by 2025*. Brussels, COM(2017) 2025, 01.03.2017.

⁵⁷⁰ GÜELL, Oriol (2020): *Los guardianes de la salud europea subestimaron el peligro del virus*. «El País» newspaper. Accessible [Online](#) [Last consultation on 05.06.2020].

⁵⁷¹ EUROPEAN COMMISSION (2017): *President Jean-Claude Juncker's State of the Union Address 2017*. Code: SPEECH/17/3165. 13.09.2017. Accessible [Online](#) [Last consultation on 15.07.2020].

⁵⁷² EUROPEAN CENTRAL BANK (2020): *Decision (EU) 2020/440, of 24 March, on a temporary pandemic emergency purchase programme*. OJ L 91, 25.03.2020, pp. 1-4.

At the beginning of April 2020, the Commission emitted a Decision⁵⁷³ to eliminate import duties and attain VAT exemptions on imports for protective medical equipment, with the aim to provide relief to the persons affected by or at risk from «Covid-19», or involved in combatting the outbreak. By the time, several Member States had run out of the indicated protective devices and were negotiating directly with Chinese manufacturers, instead of developing a national or European emergency industry. By May, the Union used the «rescEU» medical equipment reserve to deliver 1.5 million facemasks in 17 Member States and the United Kingdom⁵⁷⁴, with high probability acquired from Chinese sources.

On 27 May, the Commission issued a Communication⁵⁷⁵ presenting a «recovery plan for Europe». Overall, it established «how to kick-start the European economy, boost the green and digital transitions, and make it fairer, more resilient and more sustainable for future generations»⁵⁷⁶. The Commission proposed a reinforced multiannual financial framework for the period 2021-2027 and an emergency European Recovery Instrument, called «Next Generation EU»⁵⁷⁷, amounting the latter up to 750 billion euros for the period 2021-2024⁵⁷⁸. 500 billion euros of the mentioned «Next Generation EU» would be the grant component of the «Recovery and Resilience Facility» and reinforce other crisis and recovery programmes. The rest of the funding, that is, 250 billion euros, would be made available to Member States in the form of loans. Thus, the funds expected to be granted to Member States by the EU and not being loans were, on average, 280.74 euros per inhabitant and year⁵⁷⁹. Loans have to be returned after 2027 and by 2058 at the latest⁵⁸⁰. Furthermore, the institution presented the programme «REACT-EU» to support Member States and «counterbalance trends of rising divergence in the Union»⁵⁸¹.

The Commission expected that «[i]nvesting in digital infrastructure and skills will help boost competitiveness and technological sovereignty»⁵⁸², but admitted that private investment would suffer an important downturn and SMEs would have financing shortfalls by the end of 2020. This consideration appeared without planning a possible sprout of coronavirus in autumn and winter. The institution indicated that up to 260,000 European companies, which were employing around 35 million workers, could experience capital shortfalls and thus derive into a prolonged period of lower investment and higher unemployment⁵⁸³. Besides, the institution recognised that Member States contributions to the Union would decrease in the next years due to the economic low performance. To maintain the level of spending in the EU budget, the Commission proposed the application of a digital tax at the EU level: «the Commission actively supports the discussions led by the OECD and the G20 and stands ready to act if no global agreement is reached»⁵⁸⁴.

⁵⁷³ EUROPEAN COMMISSION (2020): *Decision on relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of the COVID-19 outbreak during 2020*. Brussels, C(2020) 2146 final, 03.04.2020.

⁵⁷⁴ EUROPEAN COMMISSION (2020): *Coronavirus: Commission delivers first batch of 1.5 million masks from 10 million purchased to support EU healthcare workers*. Brussels, Press release, 08.05.2020. IP/20/819. Accessible [Online](#) [Last consultation on 15.07.2020].

⁵⁷⁵ EUROPEAN COMMISSION (2020): *The EU budget powering the recovery plan for Europe*. Brussels, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2020) 442 final, 27.05.2020.

⁵⁷⁶ EUROPEAN COMMISSION (2020): *The EU budget powering the recovery plan for Europe (...)* (op. cit.), p. 1.

⁵⁷⁷ The name does not seem very fortunate, especially when considering the people who died during the pandemic.

⁵⁷⁸ This magnitude is equivalent to 1,684.45 euros per inhabitant, approximately, for financing measures in the period 2021-2024. Consequently, the «Next Generation EU» programme consists of 421.11 euros per inhabitant and year.

⁵⁷⁹ Own calculations using data extracted from: UNITED NATIONS POPULATION DIVISION (2019): *World Population Prospects 2019* (Rev. 1). Department of Economic and Social Affairs of the United Nations.

⁵⁸⁰ EUROPEAN COMMISSION (2020): *The EU budget powering the recovery plan (...)* (op. cit.), p. 14.

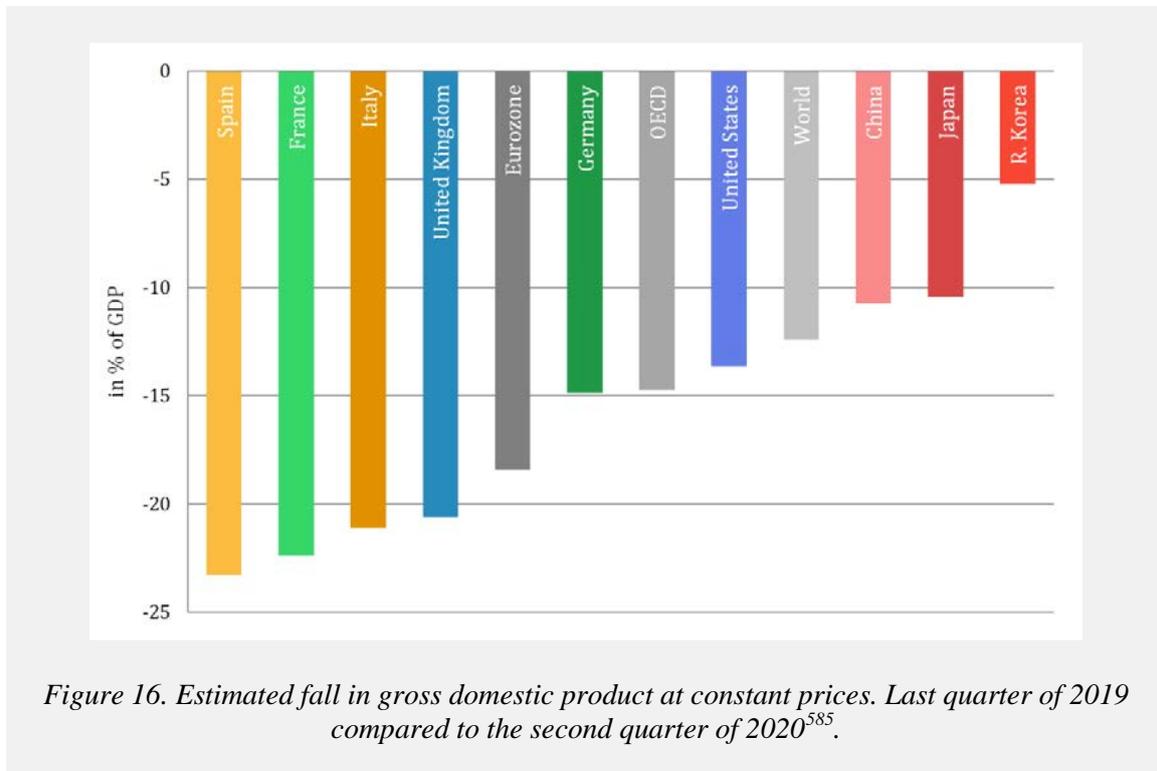
⁵⁸¹ EUROPEAN COMMISSION (2020): *The EU budget powering the recovery plan (...)* (op. cit.), Annex, p. 3.

⁵⁸² EUROPEAN COMMISSION (2020): *The EU budget powering the recovery plan (...)* (op. cit.), p. 3.

⁵⁸³ EUROPEAN COMMISSION (2020): *The EU budget powering the recovery plan (...)* (op. cit.), Annex, p. 7.

⁵⁸⁴ EUROPEAN COMMISSION (2020): *The EU budget powering the recovery plan (...)* (op. cit.), p. 15.

The Commission estimated that a digital tax applied on companies with a turnover above 750 million could generate up to 1.3 billion euros per year, which would furnish the budget of the Union directly. The institution invited the European Council, the European Parliament and the Council to examine the proposed financial framework and reach a political agreement at the European Council level by July 2020.



On June 2020, the OECD issued an interesting report evaluating the impact of the coronavirus in the economy of its members and the world in general. The text predicted a deep recession and a slow recovery, with more difficulties than the economic and social crisis that began in 2008. The organisation claimed that growth prospects depend on many factors: first of all, the magnitude and duration of shutdowns; secondly, the intensity of containment measures, being the lockdown particularly grievous; thirdly, the impact on confidence levels; and finally, the availability of fiscal and monetary policies to foster the recovery⁵⁸⁶.

The OECD observed a «collapse» on national GDP comparing the last quarter of 2019 with the second quarter of 2020. The graph shown above represents the fall in a sample of countries. Spain appears to be the worst affected, with a fall in GDP of 23.25%. France, Italy and the United Kingdom experience also decreases greater than 20%. In contrast, Germany has a fall of 14.87%, an aspect that will have important consequences in the centre-periphery dynamics in the Eurozone. Asian economies attain the best accounts, symbolising an accelerated shift in global power to the Pacific macro-region. The organisation estimated a decrease in global output of 11% in 2020, compared to the previous year, becoming an unprecedented fall since the «Great Depression». When observing the advanced economies, OECD members would have an even worse performance, with an average 13% fall in output⁵⁸⁷.

⁵⁸⁵ Graph created by the author. Source of data:

OECD (2020): *OECD Economic Outlook*. Vol. 2020, No. 107 (preliminary version). Paris, OECD Publishing, p. 24. Data for China refer to the output variation between the last quarter of 2019 and the first quarter of 2020. Therefore, in spite of being the epicentre of the coronavirus, the millenary country has had a relatively good performance.

⁵⁸⁶ OECD (2020): *OECD Economic Outlook*. Vol. 2020 (...) (*op. cit.*), p. 22.

⁵⁸⁷ OECD (2020): *OECD Economic Outlook*. Vol. 2020 (...) (*op. cit.*), p. 24.

During this multiple crisis, where the limited benefits have been in the drastic reduction of carbon emissions, the «illiberal» governments of Poland and Hungary have increased their efforts in politically sensitive matters. This challenge is the third simultaneous shock in the EU at the beginning of the 2020s decade. Germany and the United States have programmed electoral periods and the way the economic and social conditions are managed will decide the future of the whole Union and NATO. The pandemic is still a remaining problem, with expectations that a vaccine will help to overcome the health crisis in the next months. This extremely complex framework is the toughest that the EU faces since its creation.

On 21 July 2020, after a special meeting that was extended over five days, the European Council approved a set of **Conclusions**⁵⁸⁸ with a final agreement on the measures to address the «Covid-19» crisis. At the end of the day, the Commission will borrow funds on the capital markets on behalf of the Union, with an amount up to 750 billion euros, in 2018 prices. This process will end at the latest at the end of 2026. The funds obtained will be used for loans, up to 360 billion euros, and for direct expenditure, up to 390 billion euros, both in 2018 prices. The debt repayments must be scheduled in a predictable process until 31 December 2058⁵⁸⁹. Of all the funds available, the concept that will gather most of the financing will be the «Recovery and Resilience Facility» (RRF), with 672.5 billion euros in total. 360 billion euros of it will be in loans, and the rest, 312.5 billion euros, in grants. 70% of such resources will be committed in the years 2021 and 2022, and the remaining 30% will be spent by the end of 2023⁵⁹⁰.

The President of the European Council, Charles Michel, expressed his satisfaction with the historical agreement in the following words, that reveal high carefulness about the EU social policy: «[w]e negotiated about money. But, of course, it is about a lot more than money. It is about workers and families, their jobs, their health and their well-being. I believe this agreement will be seen as a pivotal moment in Europe's journey, but it will also launch us into the future. In fact, it is the first time, the first time in European history that our budget will be clearly linked to our climate objectives. The first time, the first time that the respect for rule of law is a decisive criteria [*sic.*] for budget spending. And the first time, the first time that you are jointly re-enforcing our economies against a crisis»⁵⁹¹.

⁵⁸⁸ EUROPEAN COUNCIL (2020): *Special meeting of the European Council (17, 18, 19, 20 and 21 July 2020) – Presidency Conclusions*. Brussels, 21.06.2020. EUCO 10/20.

⁵⁸⁹ EUROPEAN COUNCIL (2020): *Special meeting of the European Council (...)* (*op. cit.*), Par. A5 to A7.

⁵⁹⁰ EUROPEAN COUNCIL (2020): *Special meeting of the European Council (...)* (*op. cit.*), Par. A14 to A15.

⁵⁹¹ COUNCIL OF THE EUROPEAN UNION (2020): *Remarks by President Charles Michel after the Special European Council, 17-21 July 2020*. Brussels, Statements and Remarks, 21.07.2020. Code: 512/20. Accessible [Online](#) [Last consultation on 15.07.2020].

Chapter VII / Options for future Social Policy in the EU



7. OPTIONS FOR FUTURE SOCIAL POLICY IN THE EU

In front of great challenges we can choose great remedies. The present Chapter will evaluate the suitability of four public policies designed to tackle the negative effects of automation over employment, considering the EU legislative framework and the territorial specificities. Finally, will be examined the current scenery to increment public revenues and «why humans matter».

7.1. FOUR POLICIES TO TACKLE AUTOMATION IN THE EU

During the first half of 2019 I deployed a survey in the Catalan territory, asking personally their citizens what they preferred to receive, in case they were unemployed because a robot or algorithm had replaced them at work⁵⁹². The questionnaire was completed by 1,405 permanent residents, who I invited to participate in the streets and squares of their towns. Besides, I enjoyed the gentle collaboration of adult educational centres, among other institutions, which were decisive for the success of the inquiry. Surprisingly, the first elected option was «free university and vocational education and training» (28.11%), closely followed by «redistribution of working hours» (27.11%). The list continued with «public employment offers» (22.49%), a «basic or guaranteed income» (14.73%), the existing «unemployment benefits» (4.55%) and «other possibilities» (2.99%)⁵⁹³. The preferred four policies will be addressed in the following Sections. However, it is important to acknowledge that the investigation was conducted in a time of relative socioeconomic stability. In the middle of a socioeconomic crisis, citizens' elections may change.

7.1.1. ACCESSIBLE EDUCATION FOR ALL

The destiny of the world depends on the generations to come. Providing them with the best education possible will assure citizens concerned with civic values and adaptable to the coming challenges⁵⁹⁴. Moreover, life-long learning will play an important role at the decades to come, assuring that skills demand is conveniently matched with labour supply⁵⁹⁵. An educated society will be capable to shape its own future, rather than resign to accept the desires of others. In several international databases, education is qualified as a «spending». It is preferable to use instead the term «investment», in order to ensure that education is appropriately dignified.

The «Bruges Communiqué» signed by 33 European Ministers of Education at the end of 2010 was very clear when expressed that: «[n]ot only labour markets but also societies as a whole are changing rapidly. We must empower people to adapt to new developments and manage change. This means enabling people to acquire knowledge, skills and competences that are not purely occupational. These broader competences – key competences – are important to succeed in life (...) ICT skills and competences and foreign language skills, in particular, will become more and more critical in terms of getting and keeping a job and in managing everyday life»⁵⁹⁶.

⁵⁹² GUIX SANTANDREU, Arnau (2019): “The impact of robots and automation in Catalonia. An analysis of citizens' opinions about employment and public policies”. *AGS Publications*, No. 1, pp. 1-8. Accessible [Online](#).

⁵⁹³ GUIX SANTANDREU, Arnau (2019): “The impact of robots and automation in Catalonia (...)” (*op. cit.*), p. 51.

⁵⁹⁴ CONSEJO ECONÓMICO Y SOCIAL DE ESPAÑA (2018): “El Futuro del Trabajo”. *Colección Informes*, No. 3. Madrid, Consejo Económico y Social, p. 46.

⁵⁹⁵ JANKOWSKA-ERIKSSON, Anna; ZAHIDI, Saadia (2017): *Accelerating Workforce Reskilling for the Fourth Industrial Revolution. An Agenda for Leaders to Shape the Future of Education, Gender and Work* (White Paper). Cologny and Geneva, World Economic Forum, p. 3.

⁵⁹⁶ BELGIAN PRESIDENCY OF THE COUNCIL (2010): *Communiqué of the European Ministers for Vocational Education and Training, the European and Social Partners and the European Commission, meeting in Bruges on 7 December 2010 to review the strategic approach and priorities of the Copenhagen process for 2011-2020*. 07.12.2010, p. 3.

The «European Pillar of Social Rights» recognises that «[e]veryone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market»⁵⁹⁷ (Principle 1). Furthermore, the Charter of Fundamental Rights of the EU presents on Article 14 the right of everyone «to education and to have access to vocational and continuing training». This right includes the possibility of receiving compulsory education free of charge.

Regarding the EU legislative powers and their limits, Article 165 TFEU empowers the EU to contribute to the development of high-quality education, by fostering cooperation between Member States and, if necessary, «by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity» (section 1). Thereby, the European Parliament and the Council can use the ordinary legislative procedure to adopt «incentive measures», after consulting the Economic and Social Committee and the Committee of the Regions. However, the possibility of harmonising the laws and regulations of the Member States is excluded. The Council has the capability to adopt recommendations, based on a Commission's proposal (section 4).

Article 166 TFEU empowers the EU to implement a vocational training policy «which shall support and supplement the action of the Member States, while fully respecting the responsibility of the Member States for the content and the organisation of vocational training» (section 1). The Treaty covers the specific circumstances of adaptation to industrial change through training and re-training (section 2). Here are equally applied the same provisions about the legislative procedure (section 4). Overall, Member States are responsible for determining the contents that are taught and the organisation of their national education and vocational training systems. The EU is an adequate arena for social partners to collect and exchange good practices⁵⁹⁸. In this sense, the EU currently has competences to «support and supplement» the action of Member States in funding terms, while recommending orientations to incentivise the life-long learning programmes and digital skills.

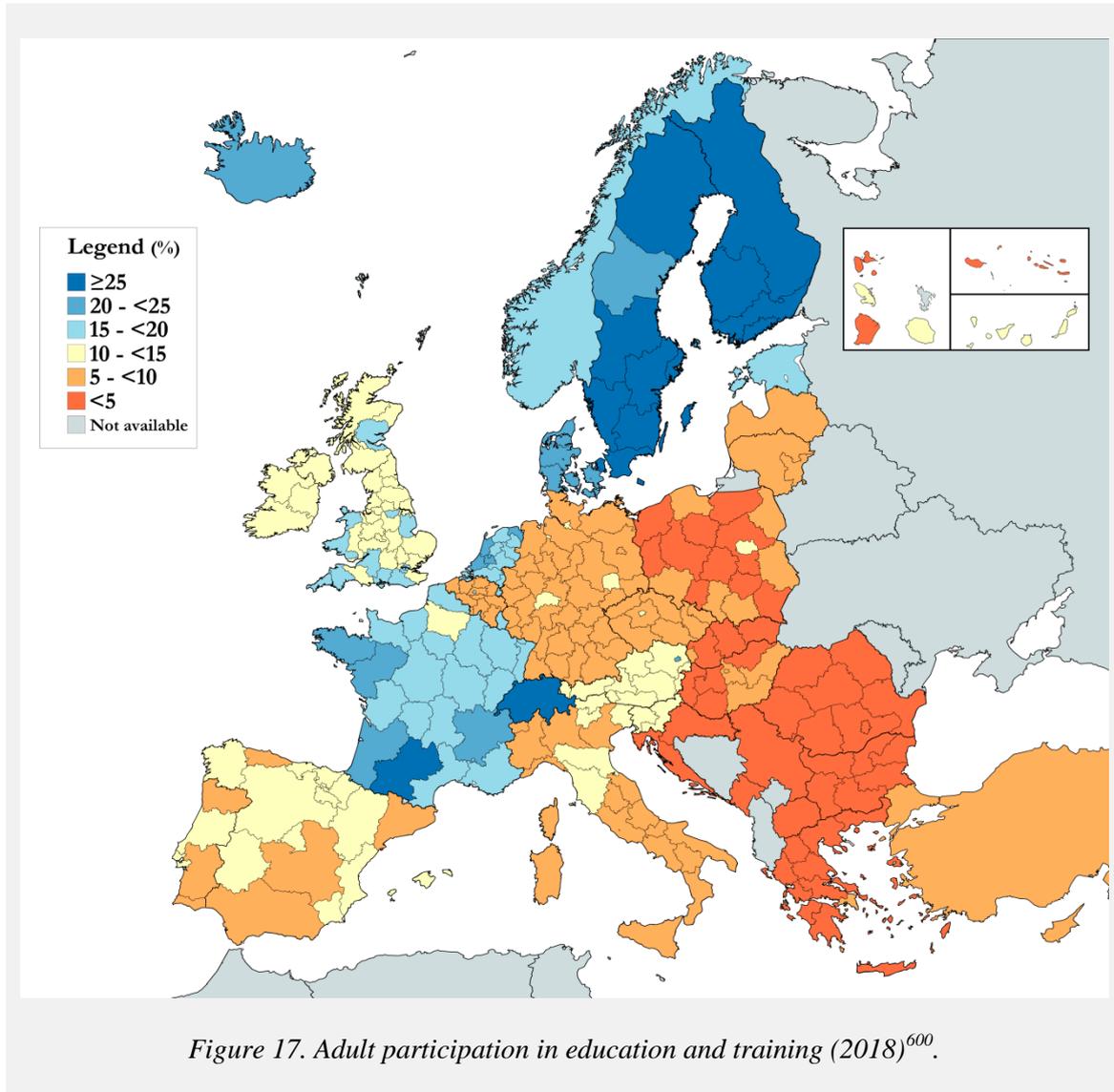
Life-long education and training is fundamental to provide the adequate skills in fast evolving labour sceneries, where new technologies are playing a greater role. The World Economic Forum promotes short and specialised modules to motivate continuous learning in adults, aiming a better match with the skills demand. Some of them are even called «nanodegrees»⁵⁹⁹. In 2018, 11.1% of the EU-28 adult population (adults aged 25 to 64 years old) participated in training or educational activities. This measure, integrated in the monitoring process of the «European Pillar of Social Rights», is recorded below the «Europe 2020» specific objective, established at 15% at least.

The map below illustrates well how Member States adopt a relatively homogeneous set across their regions, thus reflecting that regional governments may play a secondary role when defining and applying the public policies of life-long learning. The countries that accounted levels higher than the 15% benchmark, in all of their territories, were Denmark, the Netherlands, Finland and Sweden, as well as Estonia and Luxembourg, that are represented here as single regions. The top of the ranking was in the capital city region of Helsinki-Uusimaa, reaching 32.2% of all adults aged 25 to 64 years old. In contrast, the lowest levels are found in Eastern Europe, and more specifically in Romania and Bulgaria, where several regions are placed under the 1.5% rate.

⁵⁹⁷ EUROPEAN PARLIAMENT; COUNCIL OF THE EU; EUROPEAN COMMISSION (2018): *European Pillar of Social Rights* (Booklet). Luxembourg, Publications Office of the European Union. DOI: 10.2792/95934. Accessible [Online](#), p. 11.

⁵⁹⁸ EUROPEAN COMMISSION (2018): *Commission staff working document*. Strasbourg, text accompanying the Communication COM(2018)130 final. SWD(2018) 67 final, 13.03.2018, pp. 8-9.

⁵⁹⁹ JANKOWSKA-ERIKSSON, Anna; ZAHIDI, Saadia (2017): *Accelerating Workforce Reskilling (...)* (op. cit.), p. 12.



Life-long learning is highly associated with a «start-up of you» mind-set⁶⁰¹. Digital job search engines and professional social networks are a display case of millions of potential workers and a comfortable arena for recruiters. Skills and training credentials are highly visible and increasing personal competitiveness depends on being constantly updated. In this scenery, new technologies incentivise public policies' goals.

In 2017, Researchers at Jacques Delors Institute Henrik ENDERLEIN, Paul-Jasper DITTRICH and David RINALDI proposed the articulation of a «Franco-German axis» of digital transformation that covered, among other aspects, the creation of a network of French-German coding schools, inspired on the successful case of «École 42». This educational centre based in Paris and founded in 2013 by a French entrepreneur does not have lectures, nor books or grades. Instead, pupils collaborate in small groups teaching each other, in the context of the «learning by doing» practices.

⁶⁰⁰ Graph created by the author using the software *mapchart.net*. Source of data: EUROSTAT (2019): *Education and training statistics at regional level*. Code: trng_lfse_04 (*Adult participation in education and training*).

⁶⁰¹ MANYIKA, James; LUND, Susan; CHUI, Michael; BUGHIN, Jacques; WOETZEL, Jonathan; BATRA, Parul; KO, Ryan; SANGHVI, Saurabh (2017): *Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation*. McKinsey Global Institute, p. 127.

According to the researchers' proposal, one requirement for the exposed Franco-German ICTs-educational network could be that at least 30% of students in each centre had origins in the partner State, and also that English was placed as the main language. Besides, authors acknowledged that such educational facilities could be easily integrated in the German vocational college's network⁶⁰².

Professors Erik BRYNJOLFSSON and Andrew MCAFEE illustrate the new labour paradigm in the following words: «there's never been a better time to be a worker with special skills or the right education», because new technologies can be used to create and retain value. Nevertheless, they point out that «there's never been a worse time to be a worker with only 'ordinary' skills and abilities to offer», as digital innovations are acquiring such skills at an incredible speed⁶⁰³. Education plays an important role to exploit the complementariness between humans and robots or algorithms, fostering a lasting and fruitful alliance.

In previous automation waves, it was relatively easy for a redundant worker in the agricultural sector to find a routine job in an industry. The educational requirements for the transition were not that high. The same process happened in the 1980s, when employees that were fired from industries found jobs in services and retail commerce. However, nowadays there is an increasingly important distance that separates working in a supermarket than conducting research in biochemistry⁶⁰⁴. For economists, it is easy to recommend that higher education is an adequate policy for all citizens in a time of growing demand for workers performing abstract job tasks, but in practice superior studies are not suitable to everybody's circumstances and capacities⁶⁰⁵, nor there are enough employment opportunities for graduates.

In 1966, the National Commission on Technology, Automation and Economic Progress of the United States considered the importance of developing high profile skills to combat unemployment levels originated by technological change. However, by then the Commission acknowledged that «[n]o confident answer can be given to this difficult and complex question. Our society is extending secondary and higher education to larger and larger fractions of the population, and, therefore, it is necessary that the number of suitable and rewarding jobs should increase correspondingly. Otherwise a different kind of frustration would result»⁶⁰⁶.

Nowadays, the «game» of frustrations, «to be unemployed, or to be underemployed», is persistent and expanding in developed countries. The Commission was also visionary at addressing the applications of ICTs in education, by indicating that «new technologies can also relieve teachers of mechanical and administrative chores so that they can spend more time helping individual students. New information technologies are also being applied to keeping curriculums up to date in a wide variety of subject matter areas»⁶⁰⁷. Another possibility is that educators are made redundant with new technologies; this scenery that cannot be set aside.

⁶⁰² ENDERLEIN, Henrik; DITTRICH, Paul-Jasper; RINALDI, David (2017): "A Franco-German Axis to Drive Digital Growth and Integration". Berlin, Jacques Delors Institute, *Policy Papers*, No. 187, p. 15.

⁶⁰³ BRYNJOLFSSON, Erik; MCAFEE, Andrew (2014): *The Second Machine Age: Work, Progress and Prosperity in a Time of Brilliant Technologies*. New York, W. W. Norton & Company, p. 11.

⁶⁰⁴ HARARI, Yuval Noah (2018): *21 Lessons for the 21st Century*. London, Jonathan Cape (Penguin Random House). For the Catalan Edition: *21 lliçons per al segle XXI*. Barcelona, Edicions 62, p. 61.

⁶⁰⁵ AUTOR, David; DORN, David (2013): *Technology Anxiety Past and Present*. Geneva, International Labour Organisation, pp. 4-5.

⁶⁰⁶ NATIONAL COMMISSION ON TECHNOLOGY, AUTOMATION AND ECONOMIC PROGRESS (UNITED STATES) (1966): *Technology and the American Economy*. United States Department of Health, Education and Welfare, p. 21.

⁶⁰⁷ NATIONAL COMMISSION ON TECHNOLOGY, AUTOMATION AND ECONOMIC PROGRESS (1966): *Technology (...)* (op. cit.), p. 48.

Besides, the number of educational institutions that offer low-quality online courses is increasing. An important proportion of them do not offer relevant skills for the labour market, are only mere «badges» or «curriculum fillers»⁶⁰⁸. The cost of such education is affronted usually by desperate individuals that seek to differentiate in the labour market and by these means increase their occupational status. The time they spent on such matters will never be recovered; is an entertainment that often demands important reimbursements. This is an issue related to consumers, and public administrations (including the EU) should protect their rights by enforcing the appropriate legislation and surveillance.

Nowadays, there is an important debate about the use of tablets and mobile devices as part of the teaching methodology in schools. A piece of research elaborated by the OECD in 2015 revealed that the academic performance of students in reading, mathematics and science is not correlated to an increased use of ICTs⁶⁰⁹. Concretely, the organisation detected better results in classrooms where new technologies are used below the OECD average⁶¹⁰. The report was extremely clear when affirmed that «[i]f students use smartphones to copy and paste prefabricated answers to questions, it is unlikely to help them to become smarter. If we want students to become smarter than a smartphone, we need to think harder about the pedagogies we are using to teach them. Technology can amplify great teaching but great technology cannot replace poor teaching»⁶¹¹. In this sense, education and training policies focusing on children and teenagers have to provide the fundamental digital skills to use ICTs responsibly, but not end up saturating the lesson's development with the indiscriminate use of devices all day long.

7.1.2. REDISTRIBUTION OF WORKING HOURS

On 10 June 1930, the famous English economist John Maynard KEYNES visited Madrid and participated in a conference at the Students' Residence, called: «Possible economic situation of our grandchildren». According to his calculations, by 2030 the extraordinary increment in productivity would allow a labour week of only 15 hours, supposing the advent of a period of happiness and prosperity⁶¹². At that time, the diffusion of robots and artificial intelligence was still not predictable. The option of redistributing working hours operates in the line of the ideological perspective highlighted by J. M. KEYNES, where the industrial labour force represented an important fraction of total employment in Western Europe and North America. In this sense, greater automation levels allow humans to reduce their time spent in supervising the work of machinery and they can concentrate on more creative and stimulating tasks. Thus, «hours worked» is a magnitude that can be easily fractioned among workers with similar skills levels.

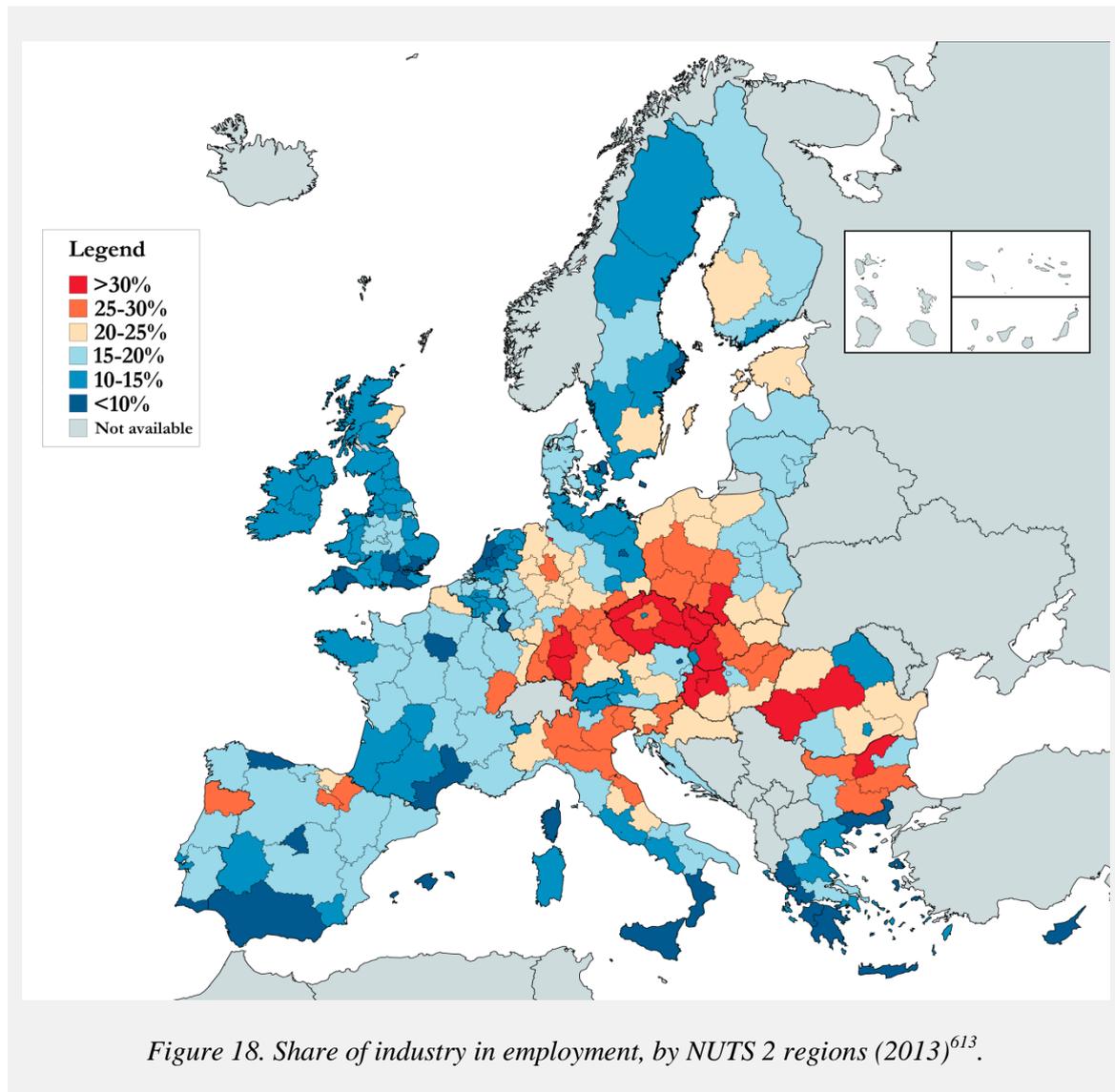
⁶⁰⁸ For example, there are numerous online courses in «Big Data» that limit the teachings to PDF deliveries and do not provide programming skills or a deep study in statistics. Or there are even online courses which cover matters that require a practical understanding of the real world, for example: kinesiology, Chinese traditional medicine and acupuncture, oenology, speak to an audience... such courses leave room for extensive violations of the *lex artis* and in some cases can originate physical injuries.

⁶⁰⁹ ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (2015): *Students, Computers and Learning. Making the Connection*. Paris, OECD Publishing, pp. 153-156.

⁶¹⁰ There are several plausible explanations. First of all, one interpretation is that learning requires constant and strong interactions between the student and the instructor, something that cannot be achieved by using current devices. Besides, new technologies provoke continuous distractions and attention deficits. Secondly, the lower academic performance could be originated by the current limited skills in new technologies of a fraction of the professors, in order to teach their pupils maintaining the deepness in contents, while detecting and helping to solve their specific difficulties. Time will show which explanation is right, but I consider that there are more evidences supporting the first theory.

⁶¹¹ OECD (2015): *Students, Computers and Learning. Making the Connection (...)* (*op. cit.*), p. 4.

⁶¹² MERCADER UGUINA, Jesús R. (2017): *El futuro del trabajo en la era de la digitalización y la robótica*. València, Ed. Tirant lo Blanch, p. 225.



It is quite astonishing to observe the United Kingdom, motherland of the industrial revolution and member of the G7⁶¹⁴, to be in such a low position in employment related to the secondary sector. Similar characteristics are found in France and Nordic States. In contrast, the regions situated in Southern Germany and newly incorporated States at the Union show a very different pattern. As an example, Czech Republic has indexes of industrial employment superior than 30%. The favourable trends of the currencies and the lower salaries of qualified workers attract German investors. Moreover, environmental standards are lower than in other European States⁶¹⁵. Industrial occupations represent a favourable indicator in employment at the short run, as employments are characterised by more stability in terms of salaries and working conditions, and trade unions can organise to ensure a minimum protection to workers.

⁶¹³ Graph created by the author using the software *mapchart.net*. Source of data:

STIERLE, Michael; STIERLE – VON SCHÜTZ, Ulrike; ROCHER, Stijn (2018): “How did Regional (...) (*Op. cit.*), p. 29.

⁶¹⁴ Furthermore... birth land of John Maynard KEYNES.

⁶¹⁵ The Interreg programme *Central Europe* covers an area of 76 NUTS 2 regions, integrated in nine EU Member States. With the financial support of the European Regional Development Fund, it aims the international cooperation to reduce high carbon emissions by increasing energy efficiency and renewable energy usage, among other goals.

However, at the long run computerisation can suppose an important threat over the mentioned jobs, especially during the «augmentation wave». It is estimated that in Czech Republic the automation processes can put at high risk 40% of the current labour posts when the «autonomy wave» has been deployed. In Slovenia and Lithuania the proportion is higher (42%). The neighbouring Slovakia has an estimated risk of 44%, the major level in OECD economies⁶¹⁶.

The policy of redistribution of working hours can be a solution at the short term and in relatively industrialised territories, for example, by establishing a labour week of three to four days that preserves the previous income levels. This policy is a less expensive alternative than offering a basic income or a public employment. Shorter working hours are associated with higher labour productivity per hour, reduced absenteeism, lower risks of injuries or mistakes and reduced employee turnover⁶¹⁷. In New Zealand, a large private company implemented the four-day workweek in 2018, and on May 2020 the Prime Minister Jacinda Ardern has suggested employers to consider this reduced schedule and other options characterised by flexibility, reasoning that such measures could help rebuild the economy after the pandemic, boost internal tourism and improve the work-life balance⁶¹⁸.

In the Republic of Korea, in spite of the extremely high individual allocation of working hours, the country has experienced at redistributing labour time and results are favourable to the policy. Total working hours decreased from 1.87 billion to 1.64 billion in a decade, and jobs increased following a steady trend by 12.3%, from 21.57 million in 2001 to 24.24 million in 2011. For every 10% decrease in working hours, there has been a 9.7% increase in employment levels. Such relationship appears to be exceptionally high, and from ILO it is expected that an increase of 5 or 6% would be a more plausible result⁶¹⁹.

Another remarkable case is France's 35-hour workweek. In practice, this is a threshold that determines overtime, which is compensated with more rest days or just paid. However, several professions, like lawyers, surpass notably the magnitude. According to the National Bar Association of France, 44% of the barristers worked more than 55 hours per week in 2008, levels that are slightly lower than the case of the United States⁶²⁰.

The Council of Europe defends in the European Social Charter a possibility of redistributing the working hours: «[w]ith a view to ensuring the effective exercise of the right to just conditions of work, the Parties undertake: to provide for reasonable daily and weekly working hours, the working week to be progressively reduced to the extent that the increase of productivity and other relevant factors permit; (...)»⁶²¹. The mentioned precept of the Revised European Social Charter has been ratified by all the members of the Council of Europe, with the notable exceptions of Austria, Azerbaijan, Bulgaria, Denmark and Sweden⁶²². However, once the automation processes and AI gain more terrain, the economic circumstances will show that such measure does not resolve at all the needs of the increasing unemployed citizens⁶²³.

⁶¹⁶ HAWKSWORTH, John; BERRIMAN, Richard; GOEL, Saloni (2018): *Will robots really steal our jobs? An international analysis of the potential long term impact of automation*. London, PricewaterhouseCoopers LLP, p. 16.

⁶¹⁷ MESSENGER, Jon (2018): "Working time and the future of work". *Future of Work Research Paper Series*, No. 6. Geneva, International Labour Office, p. 26.

⁶¹⁸ ANGE ROY, Eleanor (2020): *Jacinda Ardern flags four-day working week as way to rebuild New Zealand after Covid-19*. «The Guardian» Newspaper, 20.05.2020. Accessible [Online](#) [Last consultation on 15.07.2020].

⁶¹⁹ MESSENGER, Jon (2018): "Working time and the future of work" (...) (*op. cit.*), p. 27.

⁶²⁰ VENTURI, Richard (2014): *Busting the myth of France's 35-hour workweek*. BBC, 13.03.2014. Accessible [Online](#) [Last consultation on 15.07.2020].

⁶²¹ European Social Charter: Article 2.1 (The right to just conditions of work). Text revised on May 1996.

⁶²² COUNCIL OF EUROPE (2016): *Opinion of the Secretary General of the Council of Europe on the European Union initiative to establish a European Pillar of Social Rights*. Strasbourg, 02.12.2016, Annex I.

⁶²³ MERCADER UGUINA, Jesús R. (2017): *El futuro del trabajo en la era de la digitalización (...) (op. cit.)*, p. 235.

The jurist Jesús R. MERCADER UGUINA considers that the industrial revolution has furnished two centuries of high labour intensity. In contrast to the present moment, the ancient Roman calendar had two hundred holidays in one single year. In the past, slaves were doing the tasks that in the future could be performed by unassisted robots, and humans would recover an enormous amount of leisure time. This requires an appropriate education to understand how to manage it in a responsible way⁶²⁴.

The Indian pacifist and political leader Mohandas Karamchand GANDHI deployed the opposed ideology, considering that Rome failed because it tried the impossible: an exact separation of work and culture. According to him, a man is not capable of developing his mind by reading and writing all day long, or pronouncing conferences. Manual and intellectual tasks are both necessary and interact together⁶²⁵.

There is also another factor that shall be covered: the Internet of Things (IoT) and 3D printing technologies suppose a revolution to the traditional industrial framework. During the Second Industrial Revolution, production processes were displaced from large urban centres to industrial estates. Workers (and merchandises) used highways to commute every day. However, in the years to come 3D printing will become a global and local innovation simultaneously (that is, «glocal»): individual «prosumers» and small undertakings will use designs available for free in the Internet and exchange projects worldwide⁶²⁶.

This hypothetical scenery shows that most of the large factories currently operating with organised labour will not be necessary. Remembering the philosopher Karl MARX, he affirmed that «capitalism organises the working class». Thus, trade unions will have to re-define their role to protect workers' interests, or otherwise they will vanish. In an economy where «freelancing» and temporary work are endemic, professions appear and disappear in a course of a decade, and this volatility will make highly difficult the organisation of trade unions⁶²⁷.

The new paradigm of working time, beginning with the platform economy, is characterised by extreme flexibility and perpetual availability: the worker is trapped by the production process, 24 hours a day, seven days a week («24/7»). What is more, in the agreement clauses elaborated by online platforms the worker is qualified to be a «collaborator» or «independent contractor», trying to escape from labour law⁶²⁸ and by these means avoid any responsibilities, also regarding the remuneration and the total burden of working time⁶²⁹. It does not matter if every task requires only a few minutes⁶³⁰. He/She cannot abandon it, also with the risk of not being hired again⁶³¹, and has to allocate as much time as possible to earn a sufficient amount for living. Family and working life blend altogether.

⁶²⁴ MERCADER UGUINA, Jesús R. (2017): *El futuro del trabajo en la era de la digitalización (...) (op. cit.)*, pp. 242-243.

⁶²⁵ GANDHI, Mohandas Karamchand (1966): *Man v. Machine*. Ahmedabad, Navajivan Trust. For the Castilian Edition (2018): *El hombre frente a la máquina*. Palma, José J. de Olañeta, Editor, p. 183.

⁶²⁶ RIFKIN, Jeremy (2014): *The Zero Marginal Cost Society*. Hampshire and New York, Palgrave Macmillan. For the Castilian edition (2014): *La sociedad de coste marginal cero*. Barcelona, Editorial Paidós – Espasa Libros, p. 121.

⁶²⁷ HARARI, Yuval Noah (2018): *21 Lessons for the 21st Century (...) (op. cit.)*, p. 62 (Catalan edition).

⁶²⁸ DE STEFANO, Valerio (2016): “The rise of «just-in-time workforce»: On-demand work, crowdwork and labour protection in the «gig-economy»”. *Conditions of Work and Employment Series*, No. 71. Geneva, International Labour Office, p. 12.

⁶²⁹ Furthermore, clients or beneficiaries of the services are considered to be «third parties» in the terms and conditions.

⁶³⁰ ÁLVAREZ CUESTA, Henar (2017): *El futuro del trabajo vs. el trabajo del futuro. Implicaciones laborales de la industria 4.0*. A Coruña, Editorial Colex, pp. 110-111.

⁶³¹ This is also called «labour ghosting»: the account is deleted without previous notice, cause and compensation.

Even an economic power like Germany has shifted to the «minijobs» trend, favouring the precarious employment and scarce salaries, like 400 euros per month, which expand the social and wage gap while promoting inequality⁶³². A policy of redistribution of labour hours is designed having in mind an industrial working day of the 20th century for a large majority of workers, not a mass of planetary, permanently available and independent labour force ready to be contracted for minimal services and fiercely competing for the scarce available opportunities.

Overall, we can infer that a policy of redistribution of working hours can be surpassed only in a decade by multiple factors: the precarious sub-employment reality, the balkanisation of State benefits, the pressures deployed by interest groups of the «collaborative economy» platforms to relax or withdraw the regulations that are obstacles to their commercial model, and the «end of work» itself⁶³³, affecting mainly the industrial employments in the very beginning of automation. The effectiveness of a policy that reduces the maximum working hours in the next decade depends also on the setting of limits regarding minimum labour hours, thus establishing the necessary guarantees for part-time workers.

Furthermore, the coronavirus pandemic has unveiled that there is a non-negligible fraction of workers that are redundant and that their contribution to the value generation of companies is marginal and easily substitutable, either by robots or by multi-task workers that can operate under telework. Thus, if maximum labour hours are reduced now it is very difficult that the exposed displaced workers can find another job without acquiring new and appropriate skills.

The possible second wave of the pandemic in autumn and winter of the years 2020-2021 would have an enormous impact, reducing drastically the possibilities of re-training in the case of workers non-acquainted with ICTs and impeding finding an employment in sectors that do not require many qualifications, like in retail services or food and lodging⁶³⁴. Redistribution of the hours' «cake» in 2021, for example, would have very limited effects.

7.1.3. PUBLIC EMPLOYMENT OFFERS

The respected Slovenian philosopher Slavoj ŽIŽEK has considered that the «Covid-19» pandemic would represent in the coming years the fall of capitalism and the recovery of communism⁶³⁵. This extreme medical and social situation has shown that the State intervention of the economy becomes necessary to ensure a minimum set of welfare to the citizens. However, it is clear that the coronavirus outbreak will not mean that all large companies will disappear or turned nationalised in the course of two years⁶³⁶. Some of them will become even more powerful than before, especially the ones that collect enormous amounts of personal information. The market economy will not disappear and the State role will have to be reinforced to assist the most vulnerable collectives. It is clear that the innovative policies that are deployed now would have interesting applications in the near future in front of the automation challenge.

⁶³² BECK, Ulrich (2012): *Das deutsche Europa*. Berlin, Suhrkamp Verlag. For the Castilian edition (2012): *Una Europa alemana*. Barcelona, Editorial Paidós – Espasa Libros, p. 77.

⁶³³ ÁLVAREZ CUESTA, Henar (2017): *El futuro del trabajo vs. el trabajo del futuro (...)* (op. cit.), pp. 75-76.

⁶³⁴ It is clear that consumption patterns are changing during this multi-crisis and this is going to have lasting consequences. Internet purchases will occupy the greatest fraction of the retail sector and the «bar culture» of some countries will be displaced to the domicile by an on-demand rapid delivery.

⁶³⁵ BARRANCO, Justo (2020): *Los efectos de la crisis según Zizek: "No habrá ningún regreso a la normalidad"*. «La Vanguardia» newspaper, 07.05.2020. Accessible [Online](#) [Last consultation on 15.07.2020].

⁶³⁶ HAN, Byung-Chul (2020): *La emergencia viral y el mundo de mañana*. «El País» newspaper. Accessible [Online](#) [Last consultation on 23.03.2020].

There are Constitutions and international Conventions that establish both the right and duty to work, in some cases associated to the maintenance of dignified living standards. **Appendix I** depicts a synthesis of the main international treaties and constitutions that adopt this point of view, by indicating the concrete precept and the literal translation. Thus, the State can be responsible for providing sufficient employment opportunities.

This orientation would be a «New Deal» approach, admitting that robots alone cannot attain an inclusive society and that the new «Leviathan» has to manage the transition well. Several activities increase the general welfare and require the human intervention. They cannot be performed by robots on a large scale, at least in the present moment and for the next decade. For example, to develop critical thinking, to express emotions in an artistic way, to listen and comfort other human beings, to clean forests and improve the quality of public spaces, etc.

The Council of Europe does not define a citizens' right and a duty to work. Instead, it accompanies the right to work with a responsibility formula directed to every signatory State, related to the achievement and preservation of high levels of employment. Currently, Article 1.1 of the European Social Charter has been accepted by all the 43 States that integrate the pan-European organisation⁶³⁷. Unfortunately, the expression of «full employment» nowadays sounds notably distant in certain signatory States, especially in Southern Europe, where youth and long-term unemployment rates are cause of concern.

Regarding the other samples included in Appendix I, interestingly, they come from countries with a notable emigration past during the last century. There are well known cases: the Italian and Korean Diasporas in the United States, the emigration of Japanese citizens to South America and the move of Spanish workers in France and Germany during the second half of the previous century, and also in the exile during the Civil War and the dictatorship. The Banjul Charter is influenced also by the slavery past in Africa. In the Italian Constitution, the importance of employment is so high that the first precept establishes that the country is «a democratic Republic founded on labour». A future without work would mean the immediate obsolescence of the exposed framework.

However, there are international organisations or States that do not recognise in their Treaties or Constitutions a specific and simultaneous «right and duty» to work. They adopt the perspective of individual freedoms, like in the Constitution of the United States and the French Declaration of Human and Civic Rights of 1789. Besides, as shown in **Appendix II**, there are illustrated some countries and organisations that recognise the right to choose freely an employment or profession, and the prohibition of forced labour. This is the path followed by the European Union, the Council of Europe and the Organisation of American States, exhibiting quite similar solutions when addressing forced labour. Curiously, the Federal Republic of Brazil shows a provision in the Constitutional text citing the effects of automation over work and the need in this sense to guarantee protection.

Overall, whether the universal basic income is based upon a right without any duties, or the guaranteed income is structured respecting a «soft» conditionality, the public work offers would be a sort of guaranteed income conditioned to accomplishing certain duties for the public good. This shall be monitored in detail, as the instrument could be deemed as forced labour. First of all, it is important that public work offers allow a wide range of activities to choose, not limiting citizens to accept a unique or a few possibilities. Also, profile characteristics and aptitudes would have to be properly evaluated, encouraging up-skilling and re-training of citizens.

⁶³⁷ COUNCIL OF EUROPE (2016): *Opinion of the Secretary General of the Council of Europe (...)* (op. cit.), Annex I.

Besides, in an economy where robots and automation processes are operating intensively, the allocation of human time in the exposed activities does not require an eight-hour working day. Probably, with three hours four days a week the contribution would be sufficient and socially satisfactory, respecting the terminology of «work or service that forms part of normal civic obligations»⁶³⁸.

In 1966, the National Commission on Technology, Automation and Economic Progress of the United States elaborated a report in which it recommended the deployment of «public service employment» to tackle the expected high technological unemployment. In this aspect, the Commission estimated a job potential for the country reaching 5.3 million citizens, and favoured the allocation of Federal Government resources in the initiative.

The Commission used the proper terms when referring to public employment: «New Deal public works programmes provided sorely needed employment and created valuable facilities during a period of mass unemployment. The new programmes are different; they are aimed specifically at those left behind in an otherwise prosperous economy. They recognise the anomaly of excessive unemployment in a society confronted with a huge backlog of public service needs in its parks, its streets, its slums, its countryside, its schools and colleges, its libraries, its hospitals, its rest homes, its public buildings, and throughout the public and non-profit sectors of the economy»⁶³⁹.

The Commission continued, adding that: «They recognise that employing the unemployed is, in an important sense, almost costless. The unemployed consume; they do not produce. To provide them meaningful jobs increases not only their income but that of society. Much of the work that needs doing calls only for limited skills and minor amounts of training. Some of it is manual in character; some of it is subprofessional»⁶⁴⁰. Besides, the Commission considered that public employment should be accompanied with basic education, training and personalised counselling, in order to increment productivity and incentivise citizens to search better jobs.

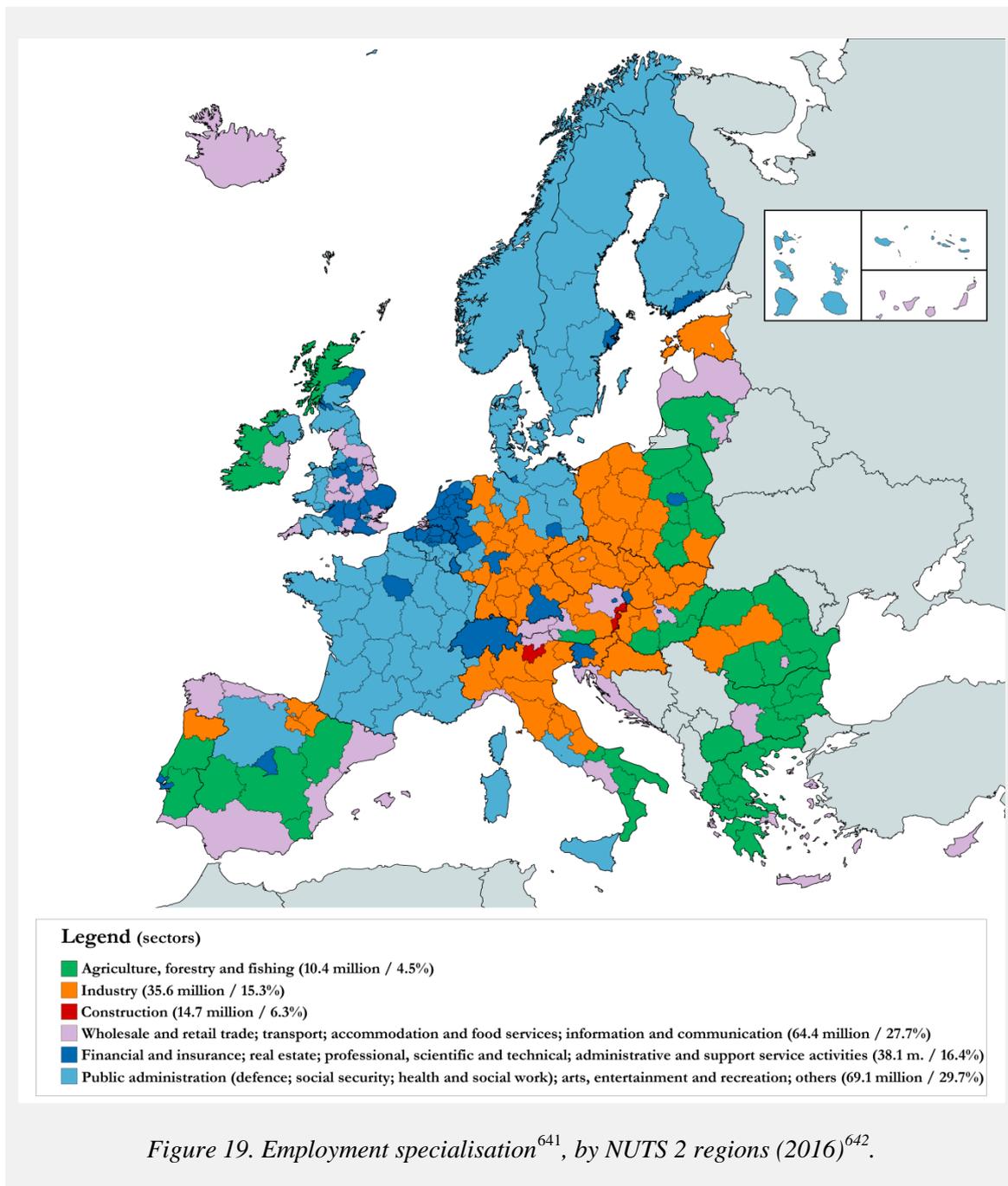
The map presented *infra* depicts the employment specialisation of European regions, indicating the dominant economic activity. The heterogeneity across the different territories is explained by several reasons. First of all, natural resources are not distributed uniformly, and this determines greater endowments and exploitations in certain areas. Secondly, the concentration of industrial activities depends on the availability of raw materials and more favourable environmental regulations.

Certain services like tourism are located in areas where climate conditions or territorial idiosyncrasies are more prominent, and public administration is more usual in areas with few alternative employment possibilities, like islands, and in more developed Welfare States. In this aspect it shall be noticed that there are numerous regions where activities linked to public administrations are dominant. A future economy where the role of the «Leviathan» is increased should not be initially a cause of fear, as nowadays it is widely extended in some areas.

⁶³⁸ As introduced in the European Convention on Human Rights and the Pact of San José.

⁶³⁹ NATIONAL COMMISSION ON TECHNOLOGY, AUTOMATION AND ECONOMIC PROGRESS (1966): *Technology (...)* (*op. cit.*), p. 36.

⁶⁴⁰ NATIONAL COMMISSION ON TECHNOLOGY, AUTOMATION AND ECONOMIC PROGRESS (1966): *Technology (...)* (*op. cit.*), p. 36.



However, there are certain activities deployed by public administrations which do not provide any value added and are currently automatable. Robots and artificial intelligence algorithms open important possibilities at substituting office clerks and face-to-face attendants, for example. Interconnected computers that can process fines automatically, verifying the correct payments at the public treasure, and «do-it-yourself» official websites with standardised forms, make an important fraction of public sector employees redundant. Moreover, the health sector can furnish reliable diagnostics by using medical algorithms, the so-called «e-health», and thus save remarkable resources from the salaries of high skilled professionals.

⁶⁴¹ The share of the total number of persons employed in each region is computed for the six activities. The map illustrates, for each region, the activity whose employment share exceeded the EU-28 average by the largest margin, using a measure in percentage points. In the case of Slovakia are only shown estimates.

⁶⁴² Graph created by the author using the software *mapchart.net*. Source of data: EUROSTAT (2020): *GDP at regional level*. Code: nama_10r_3empers and nama_10_a10_e. Accessible [Online](#) [Last consultation on 15.07.2020].

The same arguments can be applied to educators: once the digital contents are created or merely updated, it is easy to distribute them to students and evaluate their knowledge by answering programmed tests. Moreover, the so-called «massive open online courses» (MOOCs) have a high potential for the future of education, centralising the knowledge provision to a reduced number of elite institutions and prestigious educators. Conversely, the coronavirus multi-crisis has shown that digital illiteracy and the distinct availability of technological resources expands the gap in academic performance of students. Low achievers attain lower rates or even abandon studies, whilst higher achievers are able to work autonomously and depend less from the interactions with a (human) professor.

In Spain it is estimated that there are 3.2 million public workers. Automation may have a variable incidence depending on the specific tasks that they do perform. According to Professor Carles RAMIÓ, transport and post office civil servants would disappear in a rate superior of 90%; Administrative and auxiliary profiles would become extinguished in more than 80%; High level bureaucratic tasks (represented by the groups A1 and A2) would suffer also important levels of automation, reaching 70%; The next categories to be highly automated are security, prisons, armed forces and justice, attaining a reduction of 30%; Finally, health and social services workers have the best perspectives in the coming years, expecting automation levels of 20%⁶⁴³. In spite of the potential for new technologies, nowadays Spain is placed in a good site at the European ranking of digital public services, well above the European average⁶⁴⁴.

Carles RAMIÓ considers that the public administration should adopt new technologies as soon as possible, so as to avoid becoming a late-comer and depend on the innovations furnished by private companies, which could not contemplate ethical criteria in the design of such innovations⁶⁴⁵. According to him, numerous public work offers in the Spanish territorial administrations for the years 2017 and 2018, oriented at covering labour posts of office clerks and administrative auxiliaries, represent an expression of stupidity of the State Administration, rather than a lack of proactive behaviour and strategic vision⁶⁴⁶.

Inclusive institutions offer a better framework to address the future challenges, by fostering citizens' participation in public affairs and creating a stable social consensus, fundamental to ensure the respect of the rule of law and social pluralism. A virtuous circle is then originated⁶⁴⁷. There are several organizations that analyse the levels of corruption around the globe, with the aim to denounce impunity. Among them, TRANSPARENCY INTERNATIONAL offers a very interesting source, the «Corruption perceptions index», which scores 180 countries and macroregions by their perceived levels of public sector corruption, according to the reports of experts and business people. In 2010, $\frac{3}{4}$ of the analysed countries scored below 50 points, whilst in 2019 the proportion decreased at $\frac{2}{3}$. Notwithstanding this improvement, a decade ago five countries scored above 90 points, and in the most recent analysis the maximum score is attained at only 87 points, by Denmark and New Zealand. In this sense, post-industrial democracies remain at high levels of inclusiveness, but the champions of the past are unfortunately going downwards slowly.

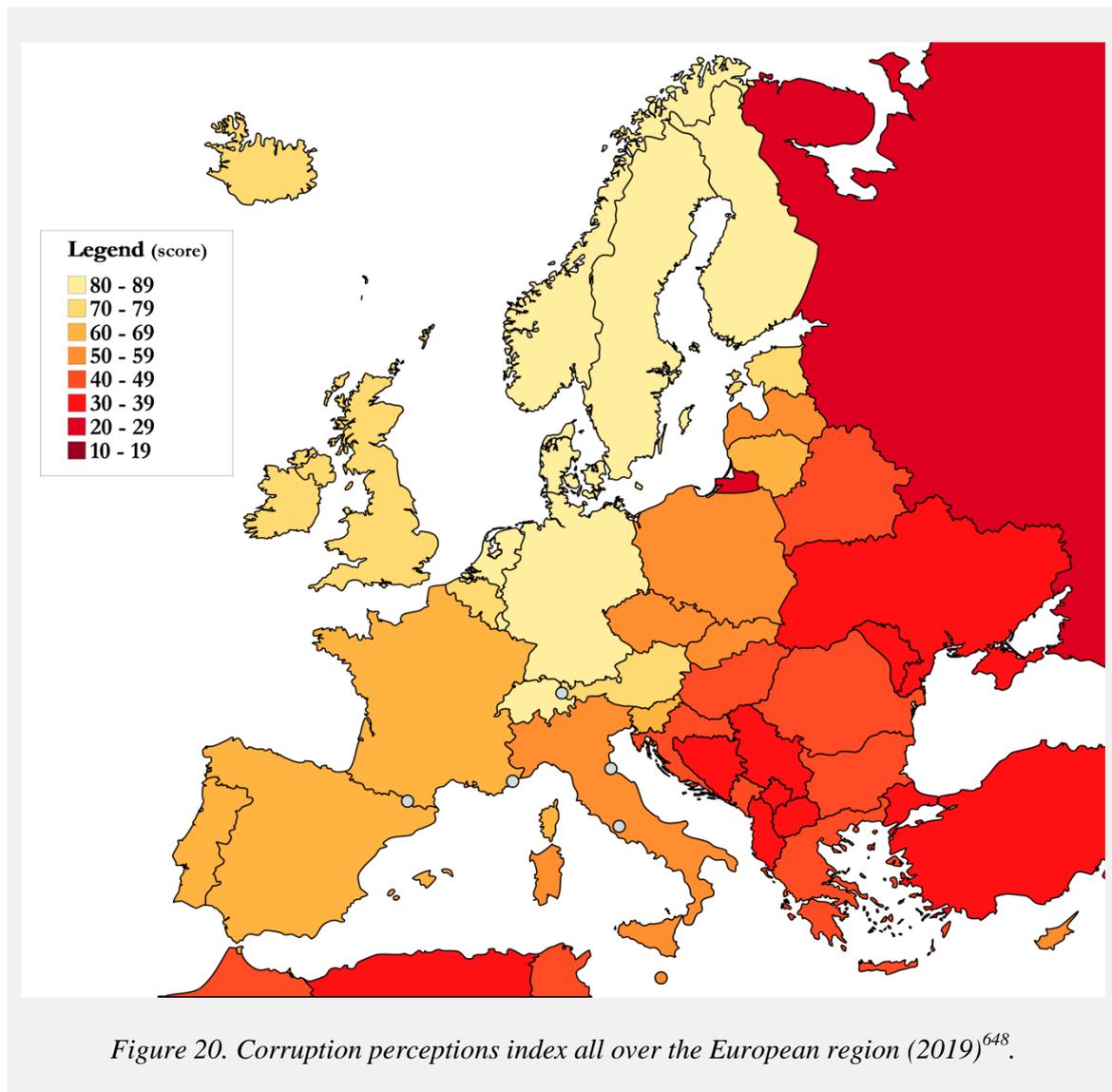
⁶⁴³ RAMIÓ, Carles (2019): *Inteligencia artificial y Administración pública. Robots y humanos compartiendo el servicio público*. Madrid, Los Libros de la Catarata, pp. 142-143.

⁶⁴⁴ BELTRÁN, Alejandro; OSLÉ, Sergio; FERRÁNDIZ, Luis; GONZÁLEZ, Enrique; FERNÁNDEZ, Santiago (2017): *La reinversión digital: un oportunidad para España*. Fundación COTEC para la innovación and McKinsey & Company, p. 9.

⁶⁴⁵ RAMIÓ, Carles (2019): *Inteligencia artificial y Administración pública. Robots y humanos (...)* (op. cit.), p. 119.

⁶⁴⁶ RAMIÓ, Carles (2019): *Inteligencia artificial y Administración pública. Robots y humanos (...)* (op. cit.), p. 147.

⁶⁴⁷ ACEMOGLU, Daron; ROBINSON, James (2012): *Why Nations Fail. The origins of power, prosperity and poverty*. London, Profile Books, pp. 332-334 (in the edition of 2013 year).



In the map shown above, the best scores against corruption are attained in countries where are spoken languages of the Germanic group. In Scandinavia, the evaluation reaches the best levels in the world. Denmark and New Zealand (the latter obviously not in the map) share the first position in the global ranking of TRANSPARENCY INTERNATIONAL, both at 87 points over 100. Finland occupies the third position, only at one point below. In the EU, fail the evaluation Hungary, Romania and Bulgaria, at 44 points approximately over 100.

This framework poses certain questions regarding future public policies and especially public employment offers: how can be managed solidarity among very heterogeneous Member States in a context of important losses of employment due to automation? The (privileged) remaining jobs at the public administrations will be accessible to everyone that accomplishes the merits and capabilities, after passing a fair examination? In the case of Spain, it is estimated that between 1995 and 2016 were wasted from 80,000 to 90,000 million euros in unnecessary infrastructures, some of them financed with EU funds⁶⁴⁹. Solidarity must be accompanied by responsibility.

⁶⁴⁸ Graph created by the author using the software *mapchart.net*. Source of data: TRANSPARENCY INTERNATIONAL (2019): *Corruption Perceptions Index 2019*. Berlin, International Secretariat.

⁶⁴⁹ PRESTON, Paul (2019): *A People Betrayed: Corruption, Political Incompetence and Social Divisions, Spain 1874-2014*. London, William Collins. For the Catalan edition (2020, 2nd edition): *Un poble traït. Corrupció, incompetència política i divisió social*. Barcelona, Editorial Base, p. 722.

In front of this scenery, not being very optimistic appears to be a reasonable position, at least in certain countries painted with dark colours. In the United States, the libertarian discourse defends the minimal intervention of the public bodies and the consequent reduction of taxes, whereas in Europe the State is considered to be a guarantee of social welfare⁶⁵⁰. A possible change in the European perceptions, or a variation in the preferences of citizens of the United States, would be remarkably influenced by the robots and AI issue. The coronavirus pandemic and its socioeconomic effects are spurring the debate.

7.1.4. MINIMUM INCOME GUARANTEE

The Economic and Social Committee recommended the introduction of a «minimum social reintegration income» in an opinion on poverty of July 1989, in order to act as a safety net for the poor and fight social exclusion⁶⁵¹. Categorically, the Committee affirmed that «poverty *per se*, with all its causes and all its consequences, must be combatted because it is an injustice which cannot be tolerated by a society which professes humanist principles and values»⁶⁵². The European Parliament asserted a similar point of view in a Resolution of the same year, proposing a guaranteed minimum income to help ensure that the poorest citizens were socially integrated⁶⁵³.

According to the Commission, there are two specific EU rulings that support the deployment of a minimum income⁶⁵⁴. First of all, there is a Council Recommendation of 1992, on common criteria concerning sufficient resources and social assistance in social protection systems⁶⁵⁵, which convokes Member States to recognise «the right to sufficient resources and social assistance to live in a manner compatible with human dignity as part of a comprehensive and consistent drive to combat social exclusion»⁶⁵⁶. The document contains principles and guidelines to ensure an adequate implementation. Among them, the Council enunciates that «access is not to be subject to time limits, assuming compliance with the eligibility conditions and on the understanding that, in practice, the right may be granted for limited but renewable periods»⁶⁵⁷.

Secondly, at the beginning of the «Great Recession», the Commission emitted a Recommendation⁶⁵⁸ on the active inclusion of persons excluded from the labour market, which calls on Member States to ensure an adequate combination of income support with access to quality services and inclusive labour market policies. According to the Commission, «[a]ctive inclusion policies should facilitate the integration into sustainable, quality employment of those who can work and provide resources which are sufficient to live in dignity, together with support for social participation, for those who cannot»⁶⁵⁹.

⁶⁵⁰ MORENO, Luis; JIMÉNEZ, Raúl (2018): *Democracias robotizadas. Escenarios futuros en Estados Unidos y la Unión Europea*. Madrid, Los Libros de la Catarata, pp. 62-66.

⁶⁵¹ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (1989): *Opinion on poverty*. OJ C 221, 28.08.1989, pp. 10-15.

⁶⁵² EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (1989): *Opinion on poverty (...)* (*op. cit.*), p. 10.

⁶⁵³ EUROPEAN PARLIAMENT (1989): *Resolution on combating poverty in the European Community*. OJ C 262, 10.10.1989, p. 194. Text cited in the Recommendation 92/441/EEC, of 24 June 1992, of the Council (Par. 12).

⁶⁵⁴ EUROPEAN COMMISSION (2018): *Commission staff working document (...)* (*op. cit.*), p. 65.

⁶⁵⁵ COUNCIL OF THE EUROPEAN COMMUNITIES (1992): *Recommendation 92/441/EEC, of 24 June 1992, on common criteria concerning sufficient resources and social assistance in social protection systems*. OJ L 245, 26.08.1992, pp. 46-48.

⁶⁵⁶ COUNCIL OF THE EUROPEAN COMMUNITIES: *Recommendation 92/441/EEC (...)* (*op. cit.*), p. 47, Par. A.

⁶⁵⁷ COUNCIL OF THE EUROPEAN COMMUNITIES: *Recommendation 92/441/EEC (...)* (*op. cit.*), p. 47, Par. B.4.

⁶⁵⁸ COMMISSION OF THE EUROPEAN COMMUNITIES: *Recommendation 2008/867/EC, of 3 October 2008, on the active inclusion of people excluded from the labour market*. OJ L 307, 18.11.2008, pp. 11-14.

⁶⁵⁹ COMMISSION OF THE EUROPEAN COMMUNITIES: *Recommendation 2008/867/EC (...)* (*op. cit.*), p. 12.

More recently, the EESC asked for a framework directive for establishing a minimum income⁶⁶⁰, but the opinion did not receive the support of the Employers' Group. In October 2017, the Committee reaffirmed its vision in an Opinion about the European Pillar of Social Rights⁶⁶¹, which was enshrined in the final text of the Pillar, indicating (with somewhat redundancy) that «[e]veryone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market»⁶⁶² (Principle 14). In this sense, the Pillar attains a more advanced expression than in previous Recommendations, mentioning the concept of «minimum income» rather than the generic terms of «social assistance» and «sufficient resources»⁶⁶³.

The Charter of Fundamental Rights of the European Union becomes scarce in this aspect, indicating that «the Union recognises and respects the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources, in accordance with the rules laid down by Union law and national laws and practices» (Article 34). The mention of the minimum income is thus inferred indirectly.

When evaluating the EU legislative capabilities and their limits, Article 153 TFEU empowers the Union to support and complement the activities of the Member States in the fields of «the integration of persons excluded from the labour market» (Section 1.h) and «the combating of social exclusion» (Section 1.j). The European Parliament and the Council can adopt measures to encourage cooperation among Member States and also adopt minimum requirements by means of directives, for a gradual implementation (excluding the field of social exclusion). The provisions adopted must not interfere «the right of Member States to define the fundamental principles of their social security systems and must not significantly affect the financial equilibrium thereof» (Section 4). According to Article 156 TFEU, the Commission shall encourage cooperation between the Member States and facilitate the coordination of their action in all social policy fields covered in Title X of the TFEU, devoted to social policy.

In general, we can affirm that Member States have the responsibility to implement the guidelines and recommendations on social protection elaborated at the Union. As the Commission has stated, to give effect to the 14th principle of the EPSR «Member States are invited to update and extend their practice concerning the design and payment of minimum income benefits»⁶⁶⁴. The Social Protection Committee of the EU analyses the efficient establishment of minimum income schemes by Member States. The Commission supports Member States to improve their minimum income schemes by providing funds to the «European Minimum Income Network» (EMIN)⁶⁶⁵, an organisation that unites various experts, professionals, scholars and associations from EU and non-EU Member States. For the period 2017-2018, EMIN received resources from the EaSI programme for 2014-2020, with the objective of strengthening the EMIN Networks, raising awareness about the benefits of accessible incomes and fostering relevant policy initiatives⁶⁶⁶.

⁶⁶⁰ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2014): *Opinion on European minimum income and poverty indicators (own-initiative opinion)*. OJ C 170, 05.06.2014, pp. 23-31.

⁶⁶¹ EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (2017): *Opinion on the «Reflection Paper of the social dimension of Europe», the «Communication establishing a European Pillar of Social Rights» and the «Proposal for an Interinstitutional Proclamation on the European Pillar of Social Rights»*. OJ C 81, 02.03.2018, p. 146, Par. 1.5.

⁶⁶² EUROPEAN PARLIAMENT; COUNCIL OF THE EU; EUROPEAN COMMISSION (2018): *European Pillar of Social Rights* (Booklet) (*op. cit.*), p. 20.

⁶⁶³ EUROPEAN COMMISSION (2018): *Commission staff working document (...) (op. cit.)*, p. 66.

⁶⁶⁴ EUROPEAN COMMISSION (2018): *Commission staff working document (...) (op. cit.)*, p. 66.

⁶⁶⁵ More information about the European Minimum Income Network (EMIN) accessible [Online](#) [Last consultation on 15.07.2020].

⁶⁶⁶ VAN LANCKER, Anne; FARRELL, Fintan (2018): *Guaranteed Minimum Income. Nobody deserves less, everybody benefits. EMIN2 Final Report*. European Minimum Income Network (EMIN), pp. 22-32

However, this does not mean that the Union cannot intervene in attending poverty circumstances: currently the Fund for European Aid to the Most Deprived furnishes non-financial support to the most deprived persons, particularly distributing food and basic consumer goods. It should be noticed that economic help does not necessarily need to be translated in monetary terms; otherwise we risk putting everything inside the boundaries of the marketplace. Besides, it is also important to acknowledge that a sort of basic income shall not be an instrument to dismantle the Welfare State, by substituting all public benefits with a bundle of monetary resources⁶⁶⁷.

There are three interesting multilateral normative frameworks that allow an interpretation in favour of deploying a basic or a guaranteed income. Two of them are placed under the auspices of the United Nations and the third is represented by the Council of Europe. The Universal Declaration of Human Rights⁶⁶⁸ states that «[e]veryone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control» (Art. 25.1). Similarly, the International Covenant on Economic, Social and Cultural Rights⁶⁶⁹ mentions that the States Parties recognise «the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions» (Art. 11.1).

In the Council of Europe framework, the European Social Charter (ESC) establishes that the signatory States undertake «to ensure that any person who is without adequate resources and who is unable to secure such resources either by his own efforts or from other sources, in particular by benefits under a social security scheme, be granted adequate assistance, and, in case of sickness, the care necessitated by his condition» (Art. 13.1 ESC). However, this precept has been accepted by only 35 of the 43 members integrating the Council of Europe, that is, 81.4% of the total⁶⁷⁰.

When referring to the «basic income» it is important to differentiate it from the «guaranteed income». The «basic income» is referred as a right derived from the personal citizenship, paid by the State without considering circumstances like the economic capacity, having an employment or the integration inside a family nucleus⁶⁷¹. As an example, with the introduction of a basic income a person that is suffering now a situation of homelessness would receive the same income as Inditex's co-founder Amancio Ortega, currently the richest man in the Iberian Peninsula.

When adding the qualification of «universal», this policy would be applied in a global framework, a proposal that can be easily qualified as utopic and impractical. In contrast, a «guaranteed income» is designed as a last resort scheme to ensure minimum living standards. In other words, it is a safety net for citizens who have insufficient means of financial support, and who are not eligible for insurance-based social benefits or have expired entitlements⁶⁷². Citizens have to meet one or more means tests. This is the most extended system in advanced economies, but in most of the cases the amounts provided are clearly inadequate.

⁶⁶⁷ PIKETTY, Thomas (2019): *Capital et idéologie*. Paris, Éditions du Seuil. For the Catalan edition (2019): *Capital i ideologia*. Barcelona, Edicions 62, pp. 1163-1164.

⁶⁶⁸ Declaration proclaimed by the United Nations General Assembly in Paris, on 10 December 1948. General Assembly Resolution 217A.

⁶⁶⁹ Covenant opened for signature, ratification and accession by General Assembly resolution 2200A (XXI) of 16 December 1966. It entered into force on 3 January 1976.

⁶⁷⁰ COUNCIL OF EUROPE (2016): *Opinion of the Secretary General of the Council of Europe (...)* (op. cit.), Annex I.

⁶⁷¹ ÁLVAREZ CUESTA, Henar (2017): *El futuro del trabajo vs. el trabajo del futuro (...)* (op. cit.), p. 135.

⁶⁷² VAN LANCKER, Anne; FARRELL, Fintan (2018): *Guaranteed Minimum Income (...)* (op. cit.), p. 47.

The main objective of the basic income or the guaranteed income is in fulfilling the most elementary needs of citizens. However, it shall be noted that differences among both types of measures can have its social consequences. The rising «precariat» social class is a danger for social peace and stability. Individuals that integrate this collective are situated slightly above the poverty line, and thus are not covered by the protection nets developed by public administrations (for example, a guaranteed income). This is a source of resentment and alienation, where radical political movements find stable ground to spread their dangerous ideology and anti-social policies⁶⁷³. Thus, a basic income could be a way to preserve the Welfare State in Europe and the social citizenship rights, in a sense of an individual integrated into a human collective or *politeia* (State or federation of States)⁶⁷⁴. The easiest way of implementing the basic income could be a negative income tax: after a certain threshold of income, the State collects the tax; under the mentioned threshold, the public administration provides the differential to the citizen⁶⁷⁵.

When considering the deployment of the basic income or the guaranteed income, it is necessary to evaluate the process of urbanisation that is experiencing Europe. Metropolitan regions tend to attract inhabitants, while in rural areas happens the inverse effect. The anonymous life of the city contrasts with the solidarity ties that historically had gathered together the inhabitants of the countryside. Thus, in the 21st century, the solidarity of urban communities, inside the framework of a liberal and consumer's society, could be translated into a minimum income guarantee or a basic income (a kind of «right to be a consumer»).

However, the basic income policy is sometimes viewed with caution and there are enough reasons to do so. If subsidies are generous enough, how can individuals be incentivised to work? According to professor Henar ÁLVAREZ CUESTA, the main obstacle is located at financing the basic income, while incentives do not represent a problem, as low-paid or non-recognised employments have more probabilities to disappear by automation⁶⁷⁶. A literature review elaborated by the World Bank has revealed that «temptation goods», like alcohol or tobacco, would not increment in case of income transfers. In this last case researchers have reviewed 19 quantitative studies and 11 studies based on surveyed citizens, in both occasions using data from Latin America, Africa and Asia⁶⁷⁷.

Nevertheless, it is important to acknowledge that a basic income would reduce incentives in acquiring abilities and re-skilling, amplifying by these means the cultural gap between the high-skilled and employed individuals from the rest of society. In this scenery, incentives for the «maintained» citizens to increase their wealth, frustrated when looking at the notable economic achievements of the rich, could go in practising highly lucrative businesses of criminal orientation. Having minimum financial resources is not equivalent as having an occupation. Moreover, if human enhancement is diffused for the upper social class, then two distinct species would live in the same planet, but separated into two highly different worlds.

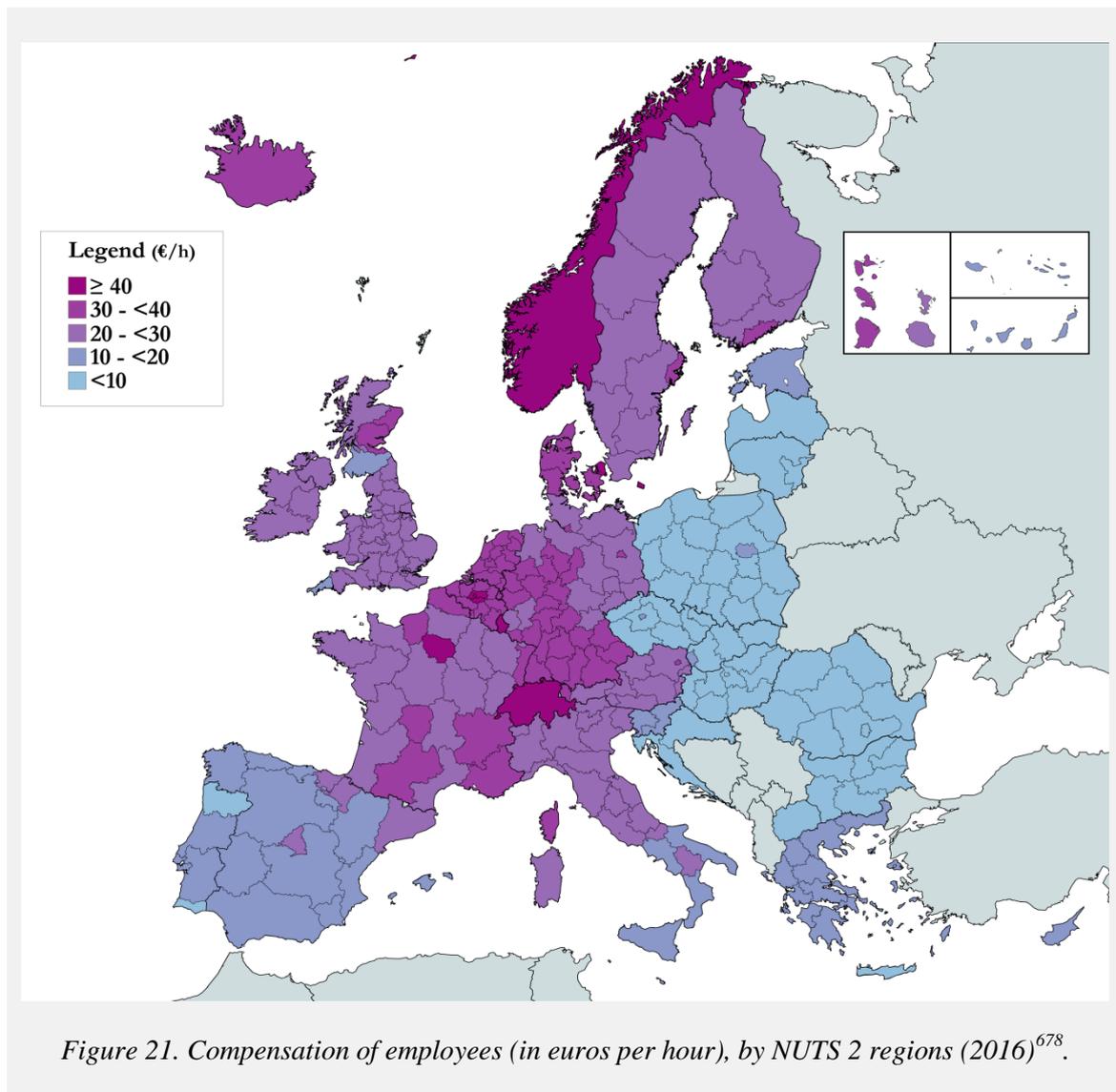
⁶⁷³ STANDING, Guy (2010): *Respondendo à crise da transformação global: porque uma renda básica é necessária*. In PINHEIRO COELHO, Maria Francisca; DE SOUZA TAPAJÓS, Luziele Maria; RODRIGUES, Monica: *Políticas Sociais para o Desenvolvimento. Superar a pobreza e promover a inclusão*. Brasília, UNESCO and Ministério do Desenvolvimento Social e Combate à Fome (MDS), p. 57.

⁶⁷⁴ RAMIÓ, Carles (2019): *Inteligencia artificial y Administración pública. Robots y humanos (...)* (op. cit.), p. 123.

⁶⁷⁵ MORENO, Luis; JIMÉNEZ, Raúl (2018): *Democracias robotizadas. Escenarios futuros (...)* (op. cit.), pp. 140-141.

⁶⁷⁶ ÁLVAREZ CUESTA, Henar (2017): *El futuro del trabajo vs. el trabajo del futuro (...)* (op. cit.), p. 136.

⁶⁷⁷ EVANS, David; POPOVA, Anna (2014): *Cash Transfers and Temptation Goods. A Review of Global Evidence*. World Bank, African Region, Policy Research Working Papers, No. 6886.



The previous map illustrates the estimated compensation of employees per hour worked, in euros. This measure includes the wages and salaries in cash, but also the wages and salaries in kind (for example, a company car or vouchers to pay meals) and social contributions. In 2016, the average at the EU-28 was determined at 22.8 euros per hour. The highest level of compensation was recorded at the capital region of Brussels, at 44.2 euros per hour. In contrast, the lowest levels of remuneration were registered at the Eastern territories, becoming the region of Severen Tsentralen in Bulgaria the lowest extreme, at only 3.7 euros per hour.

This heavy differential assesses the current gap of richer areas, situated in regions with more urban density at Benelux and Germany, compared to the periphery at the South and East. Financial services in the cases of Luxembourg and Switzerland, and petroleum extraction at Norway at Scotland determine a greater affluence for their citizens. For the exposed reasons, the free circulation of workers is a challenge for the «peripheral» regions, as their talented and qualified individuals would tend to abandon their roots to contribute to the greater development of the «core» areas. By working there they may send funds to their family, which is initially a positive outcome, but at the long run their original communities will suffer the losses⁶⁷⁹.

⁶⁷⁸ Graph created by the author using the software *mapchart.net*. Source of data: EUROSTAT (2020): *Compensation of employees by NUTS 2 regions*. Code: nama_10r_2coe.

⁶⁷⁹ STIGLITZ, Joseph (2016): *The Euro. How a Common Currency (...)* (op. cit.), p. 91 (Castilian edition).

In 1966, the National Commission on Technology, Automation and Economic Progress of the United States considered the «income maintenance» benefit an important public policy to address the employment difficulties originated by automation, but also to fight poverty in a general sense⁶⁸⁰. Besides, the Commission expressed the necessity to develop this programme in a «negative income tax» format, making monthly payments and preserving the incentive to work by a schedule reducing the allowance partially for increments in earned income⁶⁸¹. Nevertheless, not all is viewed in an enthusiastic light, as the document detected problems in the coverage provided by States and local governments. In 2017, an OECD study revealed that large tax revenue increases were necessary in their economies to finance a basic income at meaningful levels. Moreover, researchers found that the measure would imply abolishing most of the existing benefits to concentrate the efforts all over the basic income. This is not a desirable outcome⁶⁸².

The Israeli historian Yuval Noah HARARI supports the implementation of a basic income under certain parameters, to help the growing «useless» social class. First of all, he points out to the notion of «universal basic support». In this sense, the allocation of public funds on a stable income that allows citizens to purchase the minimum calories and goods for a decent living shall not be the only goal⁶⁸³. Humans require education (especially life-long learning), health and socialisation for the pursuit of happiness and discover the sense of life. In reality, we do not know yet what will be considered to be «basic» in the following decades. It is paramount to define the scope of the exposed support: providing resources to the citizens to mitigate the social discontent is not the same as providing resources to improve their living standards; the first option is going to fail while the second has more possibilities to success⁶⁸⁴.

The Alaska Permanent Fund Corporation is an independent state entity that manages and invests the assets of the Alaska Permanent Fund. In 1976, the citizens of the North American State voted a constitutional amendment⁶⁸⁵ that introduced this instrument of redistribution of gains generated by mineral extractive activities. In 1982, the first dividend check of 1,000 dollars was distributed to the residents. On 31 May 2020, the total fund value attained the extraordinary sum of 63,742 billion dollars and is viewed worldwide as a successful example of redistribution of wealth⁶⁸⁶.

Between 1974 and 1979, also in North America, the province of Manitoba in Canada deployed a basic income experiment called «Mincome». In spite of no emitting a final report of the experience, inquiries based on data collected by administrations have discovered no significant reduction in hours worked for primary earners, while quality of life has increased. Just in terms of health performance, most of the indicators detected an improvement and thus generated savings over health systems⁶⁸⁷.

⁶⁸⁰ According to the Commission, «The war on poverty has made it abundantly clear that the road to a satisfying life through work is not open to everyone: not to families without breadwinners, not to those whose productivity is reduced by physical or mental incapacity, not to people too old to work. They are not necessarily victims of technological progress». Vid. NATIONAL COMMISSION ON TECHNOLOGY, AUTOMATION AND ECONOMIC PROGRESS (1966): *Technology and the American Economy* (...) (*op. cit.*), p. 38.

⁶⁸¹ NATIONAL COMMISSION ON TECHNOLOGY, AUTOMATION AND ECONOMIC PROGRESS (1966): (...) (*op. cit.*), p. 40.

⁶⁸² IMMERVOLL, Herwig (2017): *Basic Income as a policy potion: Can it add up?* OECD, Workshop on the Future of Social Protection, Berlin, 12.06.2017, p. 15. Accessible [Online](#) [Last consultation on 15.07.2020].

⁶⁸³ HARARI, Yuval Noah (2018): *21 Lessons for the 21st Century* (...) (*op. cit.*), p. 75 (Catalan edition).

⁶⁸⁴ HARARI, Yuval Noah (2018): *21 Lessons for the 21st Century* (...) (*op. cit.*), p. 77 (Catalan edition).

⁶⁸⁵ According to Article 9.15 of the Alaska Constitution, after the mentioned amendment: «At least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law».

⁶⁸⁶ More information about the Alaska Permanent Fund accessible [Online](#) [Last consultation on 15.07.2020].

⁶⁸⁷ FORGET, Evelyn (2011): *The town with no poverty. Using Health Administration data to revisit outcomes of a Canadian guaranteed annual income field experiment*. University of Manitoba.

Between 2011 and 2013, in the Indian State of Madhya Pradesh was conducted a pilot experiment of the basic income over 1,100 households approximately, located in eight villages. The trial reached to more than 6,000 inhabitants in total, including adults and children and without differentiating them according to their socioeconomic status or other conditionality. The allocation consisted of 20-30% of an average household's income paid on a monthly basis. The study did not detect a reduction in working hours, while sanitation and energy sources improved in terms of quantity and quality. Overall, it is evaluated that the project incremented the entrepreneurial spirit, the educational attainment and the women's empowerment. Children's nutrition improved significantly and there was no evidence about higher alcohol spending⁶⁸⁸.

On 1 January 2017, Finland started a 2-year trial of a basic income pilot, covering 2,000 unemployed citizens aged 25 to 58 years old residing in the country. 2,000 unselected unemployed citizens constituted the control group, and if beneficiaries found a job or created an entrepreneurial project they continued to receive the programmed allocations. The trial guaranteed a monthly sum of 560 euros, aiming to focus on labour market impact and study possible reforms of the Social Security's benefits system⁶⁸⁹.

On May 2020 the results of the Finnish experiment were officially published, showing that the well-being of the basic income recipients was better than the members of the control group. They perceived greater economic security and less incidence of self-perceived depression. Regarding employment levels, detected variations were marginal and coincided with a reform in the current legislation, possibly altering the next behaviours. When considering general citizens' opinions, 46% of the surveyed Finnish residents agreed or somewhat agreed with the statement: «a basic income should be introduced as a permanent part of the Finnish social security system»⁶⁹⁰.

In Africa, two experiments had been conducted after 2017. First of all, at Busibi (Uganda) a basic income scheme was deployed in one village of 56 adults and 88 children. Each adult received an amount equivalent to 30% of average income, of country's lower-income families. The study is designed to cover four broad dimensions: entrepreneurship and economic development, girls' educational achievement, participation in democratic institutions, and access to health care.

The second experiment has been launched in Kenya in 2016 and is the most ambitious ever deployed: it comprehends 26,000 recipients living across 200 villages, distributed in distinct phases lasting up to twelve years, until 2029. The inquiry aims at studying economic status, time use, risk-taking, gender relations, personal aspirations and outlook on life. The first results show a positive economic empowerment, as beneficiaries have opted to buy livestock, fishing nets and motorbikes; incrementing by these means their possibilities to generate income⁶⁹¹. There are currently more basic income trials planned all over the world for the decade of the 2020s. The coronavirus socioeconomic crisis is introducing mechanisms of minimum income guarantee on a broad scale all over the globe.

⁶⁸⁸ SEWA BHARAT (2015): *Madhya Pradesh Unconditional Cash Transfer Project. Executive Summary*. All India Federation of Self-Employed Women's Association. Accessible [Online](#) [Last consultation on 15.07.2020].

⁶⁸⁹ KELA (Ministry of Social Affairs and Health of Finland) (2020): *Results of Finland's basic income experiment: small employment effects, better perceived economic security and mental wellbeing*. Press release, 06.05.2020. Accessible [Online](#) [Last consultation on 15.07.2020].

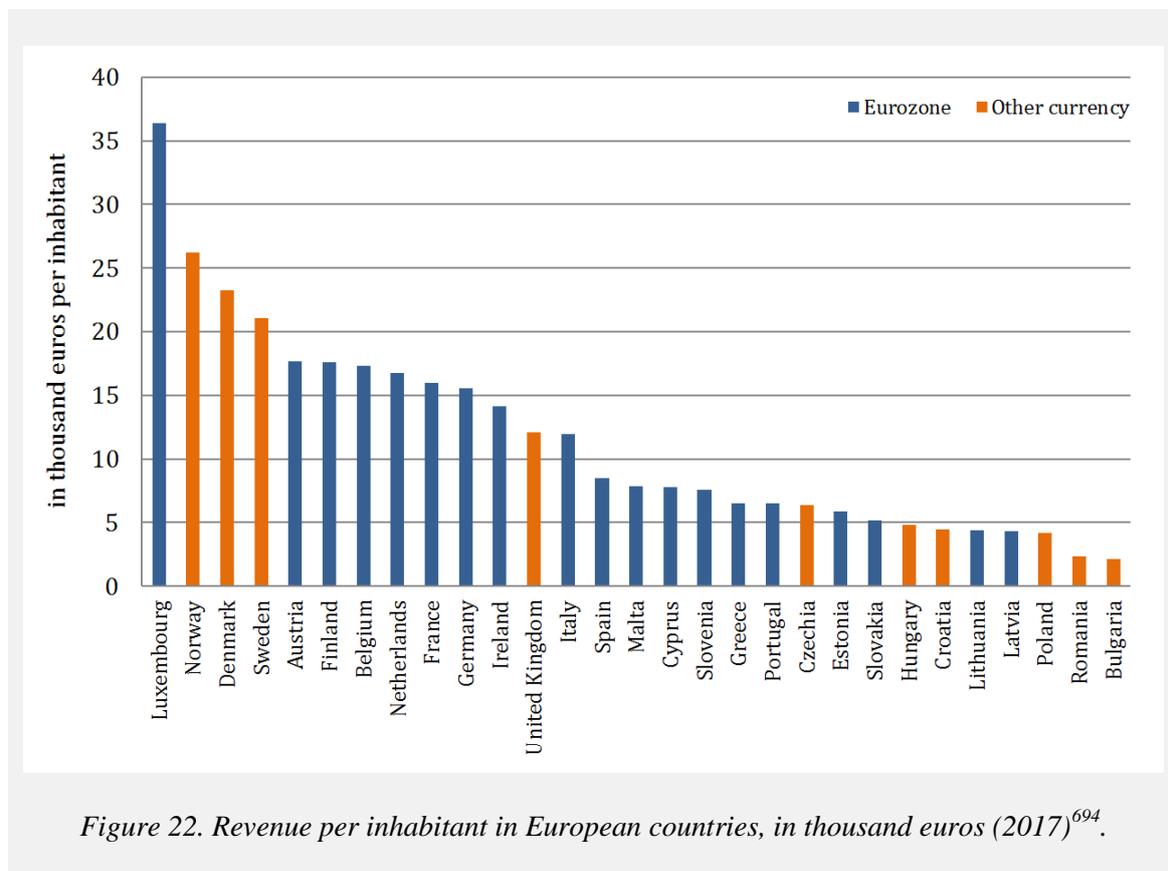
⁶⁹⁰ KANGAS, Olli; JAUHAINEN, Signe; SIMANAINEN, Miska; YLIKÄNNÖ, Minna (2020): *Evaluation of the Finnish Basic Income Experiment* (publication in Finnish). Reports and Memorandums of the Ministry of Social Affairs and Health, No. 15/2020, pp. 187-190.

⁶⁹¹ MANYIKA, James; LUND, Susan; CHUI, Michael; BUGHIN, Jacques; WOETZEL, Jonathan; (...) (*op. cit.*), p. 121.

7.2. THE URGENT NEED OF BROADENING THE PUBLIC BUDGET

Several authors coincide in supporting a «robot dividend» by using a relatively simple argument: «if robots take the jobs, then they have to be taxed». The exposed measure could be linked to production, revenue or to the progressive automation of industries⁶⁹², but it avoids contemplating the effects of free international trade. When assessing public revenues, there are clear differences among European countries, and more if we consider that the free circulation of goods, services and capitals allow multinationals to choose the Member States with the lowest taxation burdens, whilst benefiting to sell at all the European Union market.

This situation has caused a «race to the bottom» among Member States, decreasing the average taxation to companies and citizens with high earnings, whilst increasing indirect taxes that are paid mainly by the poor and «middle» classes. During the last decade, the European Commission has defended numerous times the increase in the value added tax (VAT)⁶⁹³, thus transferring the tax weight to the final consumers instead of increasing progressivity over high incomes.



⁶⁹² ÁLVAREZ CUESTA, Henar (2017): *El futuro del trabajo vs. el trabajo del futuro (...)* (op. cit.), pp. 138-140.

⁶⁹³ For example, the Commission stated that «[a]dditional revenue should be raised preferably by broadening tax bases rather than by increasing tax rates or creating new taxes. Tax exemptions, reduced VAT rates or exemptions on excise duties should be reduced or eliminated». Source: EUROPEAN COMMISSION (2012): *Annual Growth Survey 2013*. Brussels, Communication from the Commission. COM(2012) 750 final, 28.11.2012, p. 5.

Moreover, in 2012 the Council expressed the willingness to increase VAT tax rates in Spain. COUNCIL OF THE EUROPEAN UNION (2012): *Recommendation of 10 July 2012, on the National Reform Programme 2012 of Spain and delivering a Council opinion on the Stability Programme for Spain, 2012-2015*. OJ C 219, 24.07.2012, pp. 81-84.

⁶⁹⁴ Graph created by the author. Own calculations using data extracted from: DIRECTORATE-GENERAL FOR TAXATION AND CUSTOMS UNION (2019): *Taxation Trends in the European Union. Data for EU Member States, Iceland and Norway*. Luxembourg, Publications Office of the European Union, p. 168.

As the graph presented above shows well, in Luxembourg and in 2017 year, the total public revenue obtained per every citizen surpassed 35,000 euros. The country, founding member of the European Communities, is considered to be an important tax haven by NGOs like OXFAM⁶⁹⁵. As commented in previous sections, in 2014 was unveiled the «Lux-Leaks» scandal, and the European Commission acknowledged on February 2019 that «Luxembourg’s tax rules appear to be used by multinationals engaged in aggressive tax planning structures, but some steps are being taken to limit such practices»⁶⁹⁶. Similar messages were emitted for the cases of Ireland, Malta, Cyprus and the Netherlands. However, the European Parliament went further and requested the Commission to label the mentioned countries as «EU tax havens»⁶⁹⁷. Continuing at the graph, it can be observed that three Scandinavian countries have their own currencies and maintain strong Welfare States, reaching important ratios at more than 20,000 euros per inhabitant. Western Europe States follow the list, and finally come Southern (Spain at 8,461 euros per inhabitant) and Eastern countries (Bulgaria the lowest one, at only 2,147 euros per inhabitant).

On May 2016, the European Commission required Apple Corporation to pay 13,000 million euros in taxes⁶⁹⁸. The multinational is located in Ireland and there was a specific deal with the Irish government to pay fewer taxes for the operations deployed in the whole Union, like happened in the «Lux-Leaks» case. The European Commission deemed the operation as an illegal State aid, as the tax rate was near 2%. Notwithstanding this fact, the «Celtic Tiger» (rescued by Union funds during the «Great Recession») has an average taxation on undertakings of 12.5%, whilst the EU average is at 25%, producing an immediate attraction of international companies like Google or Facebook⁶⁹⁹. In spite of the measures taken by the European Commission, the controversy arrived in the judicial spheres⁷⁰⁰ and the General Court (Seventh Chamber) of the CJEU has emitted a judgement on 15 July 2020, annulling the Decision of the institution. This ruling can be appealed at the Court of Justice of the European Union, a process that can last several more years.

The extremely different public revenues per inhabitant raise concerns about the future of the Union and the lack of convergence among its territories: in the Digital Era, why a company would found attractive establishing its headquarters in a country of the South or the East? Hence the importance to establish a global taxation (at least in the European scale), considering the revenues obtained, the number of employees and the assets, to distribute proportionately the earnings among countries⁷⁰¹. The free circulation of capitals without controls and exchanges of information between public administrations has reinforced the conservative revolution in taxation of the years 1980-1990, impacting negatively to the development of Welfare States and of a fair international taxation⁷⁰². A tax over financial transactions or a tax on corporate benefits, financing the EU budget directly, would increment the capacity of the «democratic Europe» to operate⁷⁰³, instead of depending on the contributions of Member States.

⁶⁹⁵ OXFAM (2020): *EU tax haven blacklist review*. Oxfam analysis and background, p. 3. Accessible [Online](#) [Last consultation on 15.07.2020].

⁶⁹⁶ EUROPEAN COMMISSION (2019): *Country Report Luxembourg 2019*. Brussels, Commission Staff Working Document accompanying COM(2019) 150 final. SWD(2019) 1015 final, 27.02.2019, p. 5.

⁶⁹⁷ EUROPEAN PARLIAMENT (2019): *Resolution of 26 March 2019, on financial crimes, tax evasion and tax avoidance*. Texts adopted, 2018/2121(INI). P8_TA-PROV(2019)0240.

⁶⁹⁸ Later on, the fine of the European Commission arrived with the Decision (EU) 2017/1283, of 30 August 2016, on State aid, SA.38373 (2014/C).

⁶⁹⁹ MORENO, Luis; JIMÉNEZ, Raúl (2018): *Democracias robotizadas. Escenarios futuros (...)* (op. cit.), p. 72.

⁷⁰⁰ Cases T-778/16 and T-892/16.

⁷⁰¹ NDIKUMANA, Léonce (2018). “Au Sud, faire payer les multinationales”. *Le Monde Diplomatique*, No. 777, 65th year, p. 23.

⁷⁰² PIKETTY, Thomas (2019): *Capital et idéologie (...)* (op. cit.), p. 48 (Catalan edition).

⁷⁰³ BECK, Ulrich (2012): *Das deutsche Europa (...)* (op. cit.), p. 98 (Castilian edition).

Furthermore, the French economist Thomas PIKETTY proposes the creation of a progressive tax on property and another on income, both at the European Union level and with high burdens over the richest fraction of citizens. He also defends the role of the State in transferring to every young adult a quantity equivalent to 60% of the average patrimony. In other words, the Administration would provide an endowment of 120,000 euros to every citizen when arriving at 25 years old, a sort of «public inheritance» that could be used to acquire the property of a house or begin an entrepreneurial project, for example⁷⁰⁴.

While the idea of ensuring a better harmonisation or even the unification of taxes in the EU and OECD members seems notably positive to avoid downwards competition among Member States, I do not endorse the rest of this point of view, as would suppose an extreme distortion over individual incentives. With high probability, most of the beneficiaries would use the resources in an irresponsible and inappropriate manner, encouraging inflationary trends. For example, in order to be undetected by public authorities, a young beneficiary could create a company and use the funds received to simulate the purchase of typical assets for their operability. The funds could be transferred to a net of screen societies and finally end financing drug trafficking or international speculative transactions. Crypto-currencies would not help at preventing fraud and crime.

Besides, taxation applied to the majority of rural proprietors would have negative consequences to the distribution of land. Currently, the exploitation of agriculture in Europe does not provide sufficient revenues to farmers and they survive thanks to subsidies. A greater taxation over their properties would force the land's sale and the concentration of the property rights into a limited number of rich owners and enterprises. The proposal by Thomas PIKETTY is more plausible in urban sceneries, where real estate speculation is causing a «metropolitan exodus». However, this could be tackled by establishing maximum prices and limiting the operations of foreign investors.

The economic and social crisis that began in 2007-2008 has shown that European Member States have limited powers to shape their desirable policies: they are «too small to prevail», whilst large corporations are «too big to fail»⁷⁰⁵. As debt is an obstacle to every economy, from households to Federations, it is paramount to assess the current debt levels in Europe and adopt consolidation measures. The interest costs derived from indebtedness are increasing during the coronavirus pandemic. In the case of Spanish future budgets, the allocations dedicated to it will double compared to the pre-lockdown magnitudes⁷⁰⁶.

For the exposed reasons, Member States shall act in coordinated operation to increase public revenues without damaging more the consumption levels, especially in a context of a socioeconomic crisis. In this sense, Germany has reduced the VAT rates on June 2020, with an estimated cost for the public finances of 20 billion euros and expecting to boost the economic performance of the country during this harsh period⁷⁰⁷. The easiest way to raise revenues appears in taxing higher incomes, and the «Covid-19» crisis is an opportunity to reach a common consensus, as all States are affected by the pandemic. However, the judgement of the CJEU on July 2020 sets more distance to a possible harmonisation of taxes in the EU and does not help in affronting the downwards competition trend in taxation rates.

⁷⁰⁴ PIKETTY, Thomas (2019): *Capital et idéologie (...)* (op. cit.), pp. 1138-1147 (Catalan edition)

⁷⁰⁵ MORENO, Luis; JIMÉNEZ, Raúl (2018): *Democracias robotizadas. Escenarios futuros (...)* (op. cit.), pp. 150-151.

⁷⁰⁶ TRIANA, Cristina (2020): *El estado de alarma doble el coste de la deuda*. «Economía Digital» newspaper, 08.04.2020. Accessible [Online](#) [Last consultation on 15.07.2020].

⁷⁰⁷ MARTIN, Michelle (2020): *German cabinet agrees to reduce VAT as part of economic stimulus package*. Reuters, 12.06.2020. Accessible [Online](#) [Last consultation on 15.07.2020].

7.3. SOCIETY IS ALL ABOUT HUMANS

The new labour paradigm has psychosocial effects that cannot be neglected. The «precariat» discourse and the constant requests of flexibility had transformed the sense of work. The employee is thus involved in the risks of the company, becoming an entrepreneur of his/her own or subject to a process of permanent re-skilling to guarantee the maintenance of the labour relationship. Liberal societies emphasise the freedom of individuals, but every day has only 24 hours: the worker has to decide how to allocate the time available to pursue a greater competitiveness.

In this scenery, where it is very difficult to plan a vital project at the long run, has grown the incidence of mental illnesses, like anxiety, depression and other disorders⁷⁰⁸. The privatisation of France Télécom in 2004 and the increase of the number of suicides inside the company have put the focus over the expansion of practices of extreme self-responsibility in modern management, which can enhance the feelings of self-destruction⁷⁰⁹. In these circumstances had emerged curious therapies, including expensive «professional laughing courses», to reduce stress and control the emotions⁷¹⁰. In the United States, loneliness and lack of community support have derived into the consumption of opiated substances to escape from reality⁷¹¹.

In 1944, when the Second World War was approaching to the end, was approved the «Declaration of Philadelphia» under the auspices of the ILO, which stated that: «all human beings, irrespective of race, creed or sex, have the right to pursue both material well-being and their spiritual development in conditions of freedom and dignity, of economic security, and equal opportunity» (Article 2a). In this sense, work is more than satisfying material needs, citizens need to fulfil their personal lives as well⁷¹².

The 16th Principle of the «European Pillar of Social Rights» states that «[e]veryone has the right to timely access to affordable, preventive and curative health care of good quality»⁷¹³. The Charter of Fundamental Rights of the European Union indicates in this aspect that «[e]veryone has the right of access to preventive health care and the right to benefit from medical treatment under the conditions established by national laws and practices. A high level of human health protection shall be ensured in the definition and implementation of all the Union's policies and activities» (Article 35 CFREU). The Pillar is thereby more precise in indicating the characteristics of all timely access, that is, whenever they need it, and affordability.

When assessing the role of the EU in the matters of health care and social inclusion, Article 153 TFEU empowers the Union to adopt measures to support and complement the activities of the Member States in the areas of social security and social protection of workers (section 1.c) and the fight against social exclusion (section 1.j). Article 168 TFEU contemplates that a high level of human health protection shall be ensured in the definition and implementation of all Union policies and activities. The EU action must complement Member State's policies, and «shall be directed towards improving public health, preventing physical and mental illness and diseases, and obviating sources of danger to physical and mental health» (section 1).

⁷⁰⁸ GÁLVEZ MOZO, Ana María; TIRADO SERRANO, Francisco (Editors, 2012): *Capitalisme i treball. Problemàtiques socials del món contemporani*. Barcelona, Editorial UOC, pp. 80-84.

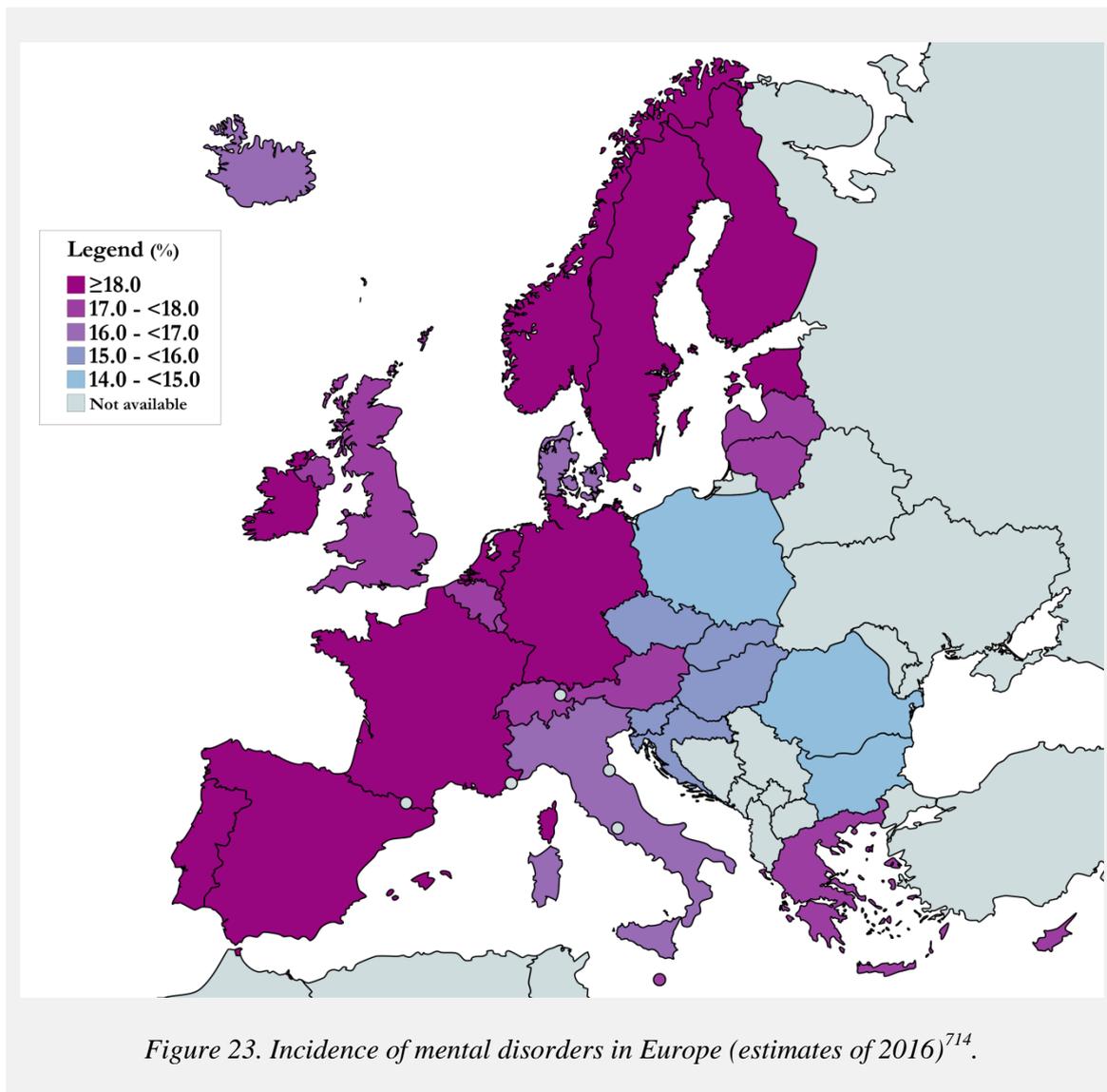
⁷⁰⁹ DENEAULT, Alain (2018): «Quand le management martyrise les salariés». *Le Monde Diplomatique*, No. 776, 65th year, p. 3.

⁷¹⁰ BRYGO, Julien (2019): «Rigolez, vous êtes exploité». *Le Monde Diplomatique*, No. 784, 66th year, p. 28.

⁷¹¹ MORENO, Luis; JIMÉNEZ, Raúl (2018): *Democracias robotizadas. Escenarios futuros (...)* (op. cit.), p. 123.

⁷¹² MESSENGER, Jon (2018): «Working time and the future of work» (...) (op. cit.), p. 1.

⁷¹³ EUROPEAN PARLIAMENT; COUNCIL OF THE EU; EUROPEAN COMMISSION (2018): *European Pillar of Social Rights* (Booklet) (op. cit.), p. 21.



When people are suffering from a mental disorder, the consequences of such illnesses impact to their lives in a broad sense: poorer educational performance, higher unemployment rates and also poorer physical health. The map presented above shows the prevalence of mental disorders in Europe⁷¹⁵. In the EU, more than one over six people have a mental health problem in any given year (17.3% of the population), approximately 84 million people (2016). The most extended disorders are anxiety (5.4% of the population, 25 million), depression (4.5%, 21 million) and drug and alcohol use disorders (2.4%, 11 million). Fewer countries have programmes targeting the mental health of unemployed people and older citizens, and for this reason governments should allocate more efforts in encouraging social participation and reducing loneliness. There is strong evidence that unemployment is a strong risk factor for mental illnesses⁷¹⁶, and the challenges of automation shall orient policymakers to protect citizens' well-being. Finland is at the top of the list with 18.8% of the population affected by mental illnesses, and is followed by the Netherlands (18.6%). The stigmas associated to mental illnesses and less access to health care services may explain the low rates of Eastern European countries (Romania is only at 14.3%).

⁷¹⁴ Graph created by the author using the software *mapchart.net*. Source of data:

OECD (2018): *Health at a Glance. Europe 2018: State of Health in the EU Cycle*. Paris, OECD Publishing, p. 22.

⁷¹⁵ With respect to the country data of the previous page, here had been included «other» disorders that did not suit to the exposed categories, and hence the larger fraction of the population that appears to be affected by mental illnesses.

⁷¹⁶ OECD (2018): *Health at a Glance. Europe 2018 (...)* (*op. cit.*), pp. 38-39.

Loneliness is rapidly expanding in our societies. There are multiple factors related to it: an aging population, the reduction of the number of members integrating a family, international migratory movements in search of employment, rural depopulation and the extremely anonymous life in urban areas. Persons that fall into social isolation lose human contact, and even when they are accompanied they usually feel more loneliness, as they consider that they are not respected or comprehended by others⁷¹⁷.

Robots could contribute to the dissolution of social ties. For example, in a near future, care robots can be very useful to assist elderly citizens and allow them to remain more autonomous, without depending on human helpers. However, if aged people end up isolated because of technological advancements, then the final result is not socially desirable and deserves an accurate ethical analysis. This situation can be potentially extended to other types of devices and thus affect a wide range of ages and living circumstances, like in the cases of companion robots, pedagogical robots or even sex robots⁷¹⁸.

The EPSR does not establish a specific «right to socialise» with other citizens, probably because it is a concept that is widely assumed in Western liberal societies. In countries where lockdown measures to control the coronavirus outbreak have been applied, research has just begun now studying their negative psychological effects. In a context of lack of employment opportunities and greater individualism, isolation would become a problem to be tackled by public authorities. Otherwise, individuals might choose dangerous paths which can turn antisocial and catastrophic. Creating meeting points and activities that incentivise the sense of community would be policies compatible with the 16th principle of the EPSR. Besides, the environmentalist perspective must be more extended in the next years. The world is experiencing a climate multi-crisis with a deep impact on the most vulnerable. The transition towards a «green economy» can be a source of employment and an instrument to protect the so-called «decent» work. Moreover, the «sharing economy», which must be differentiated from the «platform economy», can reduce the environmental damage⁷¹⁹ and reinforce the ties of citizens to their communities.

However, while Professor Jeremy RIFKIN celebrates the eclipse (or end) of capitalism in a superabundance economy⁷²⁰, this perspective does not cover the crude reality of the excluded and the necessary steps of this tremendous transition⁷²¹. Even if resources were infinite, the behaviours of kindness and of being cheerful emitted in virtual platforms do not appear as a gentle attitude towards the others, disinterestedly. They are oriented to receive more positive evaluations to maximise the future opportunities and the profitability of the business, therefore compounding a sort of «emotional labour» that can be constantly monitored⁷²², the act of sharing converted to a mere traded commodity⁷²³.

⁷¹⁷ ZURDO, Juan Pablo (2019): «Adiós para siempre, soledad». *Cruz Roja*, No. 1.020, pp. 11-12.

⁷¹⁸ NEVEJANS, Nathalie (2016): *European Civil Law Rules in Robotics*. Brussels, European Parliament, Directorate-General for Internal Policies, Citizens' Rights and Constitutional Affairs Department. PE 571.379, p. 24.

⁷¹⁹ ÁLVAREZ CUESTA, Henar (2017): *El futuro del trabajo vs. el trabajo del futuro (...)* (*op. cit.*), pp. 150-151.

⁷²⁰ RIFKIN, Jeremy (2014): *The Zero Marginal Cost Society (...)* (*op. cit.*), p. 23 (Castilian edition).

⁷²¹ Professor J. RIFKIN contemplates a society where marginal costs fall near zero and every good can be produced easily with new technologies, like 3D printing, in an interconnected IoT world. In this scenery of abundance, individual greediness vanishes because there is no need for buying up. Nevertheless, in spite of the utopic resonances of the proposal, the author is aware of the current climate crisis and indicates that the world's population has to decrease to 5,000 million to lessen the ecological footprint and offer welfare to all. Rich countries should decrease in their consumption patterns while emerging economies shall contain their demographic explosion. *Vid.* RIFKIN, Jeremy (2014): *The Zero Marginal Cost Society (...)* (*op. cit.*), pp. 350-352 (Castilian edition).

⁷²² DE STEFANO, Valerio (2016): «The rise of «just-in-time workforce»: On-demand work (...) (*op. cit.*), p. 5.

⁷²³ HAN, Byung-Chul (2014): «¿Por qué hoy no es posible la revolución?». «El País» newspaper. [Online](#) [Last consultation in 23.03.2020].

Nowadays, craftsmanship can be a new source of occupation for humans and a catalyser of personal fulfilment. In a time of rapid technological changes, the return to patient creations supposes a scape to routine and mass production⁷²⁴. Every artisanal outcome can be intrinsically valuable because of its origin, thus avoiding unnecessary comparisons with industrial products and enhancing the role of human beings. In Japan, it is highly appreciated the works elaborated by the so-called «Takumi»⁷²⁵. They are respected craftsmen and craftswomen specialised in traditional techniques that maintain the old practices of generations and usually orient their efforts at approaching to ideals of perfection. Every work produced by them is characterised by its uniqueness.

In India, «Mahatma» GANDHI fought during decades against the industrialisation process of the subcontinent, considering that the preservation of the artisanal works in rural territories (by then, home of 90% of the total Indian population) had a fundamental role in maintaining an occupation and a source of income for their inhabitants. When asked about the introduction of machines to provide more free time and allow creativity to expand, he considered that perverse or negative activities would emerge. He sustained that every Indian should practice manual works at least during eight hours per day, an exercise for the spirit and a necessary incentive for human dignity that respects a «fundamental law»: «we have to work to earn our living»⁷²⁶. In fact, even today the image of M. GANDHI not far from a «charkha» or traditional Indian distaff remains popular in the collective imaginary.

The historian Yuval Noah HARARI knows well the practice of «Vipassana» meditation and raises awareness about it on his books⁷²⁷. Meditation is a very interesting technique to release stress and is fundamental to increase self-knowledge, allowing our minds to maintain an open and stable attitude, necessary to affront and comprehend better the challenges of this turbulent century. Like him, I recommend the regular practice of yoga and meditation and I am convinced that the Western world can learn a lot from Asian cultures, as they will shape for sure the path of Humanity in the coming decades.

⁷²⁴ MERCADER UGUINA, Jesús R. (2017): *El futuro del trabajo en la era de la digitalización (...)* (op. cit.), p. 237.

⁷²⁵ Literally, «Takumi» (匠) means «artisan» in Japanese.

⁷²⁶ GANDHI, Mohandas Karamchand (1966): *Man v. Machine (...)* (op. cit.), pp. 175-178 (Castilian edition).

⁷²⁷ HARARI, Yuval Noah (2018): *21 Lessons for the 21st Century (...)* (op. cit.), pp. 421-426 (Catalan edition).

Conclusions



CONCLUSIONS

Since the beginning of the European Communities, the EU has developed a supranational social policy, centred initially in the mobility of workers over the Member States. As globalisation has increased, EU institutions have centred the efforts over the «Flexicurity» concept: a combination of flexible work arrangements with strong social protection and active labour policies in case of illness or unemployment, respectively, where life-long learning is the key factor of personal and national competitiveness. However, this definition has been applied with strong differences among Member States, in many cases with negative consequences in «security» terms.

At the beginning of the 2000s decade, European Union's institutions were enthusiastic at proposing the «Lisbon Strategy». The initiative pretended to transform the EU in the world's leading «knowledge economy» by 2010. However, in 2005 the Commission acknowledged the slow advancements and tried to «relaunch» the LS, unsuccessfully. Later on, the financial, economic and social multi-crisis that started in 2008 obstructed all plans. In fact, the constitutional Treaty rejected in 2005 was the beginning of a tough period of successive crises or shocks that have re-shaped the EU social policy during more than one decade.

In 2010, the «Europe 2020» Strategy offered a more transparent and verifiable dashboard of indicators to analyse the progress in several key areas, including the social policy. The first half of the operating period experienced the socioeconomic and sovereign debt crises, affecting mostly to the «peripheral» Member States. To rebuild trust in EU institutions and attain greater continental unity, the Juncker Presidency fostered in the years 2016 and 2017 the elaboration of the «European Pillar of Social Rights» a solemn declaration of social rights and principles. However, they need further legal developments to be implemented and Member States preserve fundamental competences on such matters. The von der Leyen Commission has acknowledged that the EPSR needs to be concretised and has promoted another consultation with stakeholders.

The coronavirus pandemic represents a major shock to the European economies and the finances of Member States. Very unfortunately, the gradual social progress monitored by the «Europe 2020» Strategy after 2016, coinciding with the generalised economic recovery, is wrecked. Some of the «peripheral» Member States that experienced the toughest moments of the crisis that began in 2008 are now the most affected. At the moment, the EU response has emphasised publicly the «lessons learned» and has committed to help in the recovery. However, a possible second outbreak in autumn-winter of 2020-2021 can distort the plans approved by consensus on July 2020, and in a few years the accumulated debt can turn to be a major problem.

Robots and automation represent a challenge over employment. EU institutions, especially the Commission, are well aware of the fast changes in tasks and occupations that the EU economies are experiencing at the present moment and the threats that fall especially over low-qualified workers. Digitalisation can make redundant an important fraction of European employees, and social policy measures to address the issue shall become implemented vigorously.

The Commission has recognised that the platform economy affects to classical employment relationships and has used the initiative of the EPSR to raise hopes about the preservation of the European Social Model. Accessible education for all, redistribution of labour hours, public employment offers and minimum income guarantees, are the main public policy alternatives to attend the challenges of automation. EU institutions are currently more favourable to the diffusion of adequate education and training, while establishing minimum safety nets of resources, both in financial and material terms. The European Social Fund is the main financial instrument now, accounting 0.1% of the EU's GDP. It has to be enlarged to attend such policies.

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Appendices



APPENDIX I

International organisation or country	Text	Precept	Paragraph⁷²⁸
Council of Europe	European Social Charter	Art. 1	With a view to ensuring the effective exercise of the right to work, the Parties undertake: To accept as one of their primary aims and responsibilities the achievement and maintenance of as high and stable a level of employment as possible, with a view to the attainment of full employment; To protect effectively the right of the worker to earn his living in an occupation freely entered upon; To establish or maintain free employment services for all workers; To provide or promote appropriate vocational guidance, training and rehabilitation.
Organisation of African Unity	African (Banjul) Charter on Human and Peoples' Rights	Art. 15 Art. 29	Every individual shall have the right to work under equitable and satisfactory conditions, and shall receive equal pay for equal work. The individual shall also have the duty: (...) 6. To work to the best of his abilities and competence, and to pay taxes imposed by law in the interest of the society; (...)
Italy	Constitution	Art. 1 Art. 35 Art. 36 Art. 38	Italy is a democratic Republic founded on labour. (...) The Republic protects work in all its forms and practices. It provides for the training and professional advancements of workers. (...) Workers have the right to a remuneration commensurate to the quantity and quality of their work and in any case such as to ensure them and their families a free and dignified existence. (...) Every citizen unable to work and without the necessary means of subsistence is entitled to welfare support. Workers have the right to be assured adequate means for their needs and necessities in the case of accidents, illness, disability, old age and involuntary unemployment. (...)
Japan	Constitution	Art. 25 Art. 27	All people shall have the right to maintain the minimum standards of wholesome and cultured living. In all spheres of life, the State shall use its endeavours for the promotion and extension of social welfare and security, and of public health. All people shall have the right and the obligation to work. Standards for wages, hours, rest and other working conditions shall be fixed by law. (...)
Republic of	Constitution	Art. 32	All citizens shall have the right to work. The State shall

⁷²⁸ Official texts or translations emitted by an official source.

Korea		Art. 34	<p>endeavour to promote the employment of workers and to guarantee optimum wages through social and economic means and shall enforce a minimum wage system under the conditions as prescribed by Act.</p> <p>All citizens shall have the duty to work. The State shall prescribe by Act the extent and conditions of the duty to work in conformity with democratic principles. (...)</p> <p>All citizens shall be entitled to a life worthy of human beings. (...)</p> <p>Citizens who are incapable of earning a livelihood due to physical disability, disease, old age or other reasons shall be protected by the State under the conditions as prescribed by Act. (...)</p>
Spain	Constitution	Art. 35	<p>All Spaniards have the duty to work and the right to employment, to free choice of profession or trade, to advancement through their work, and to sufficient remuneration for the satisfaction of their needs and those of their families; moreover, under no circumstances may they be discriminated against on account of their gender.</p>

APPENDIX II

International organisation or country	Text	Precept	Paragraph ⁷²⁹
European Union	Charter of Fundamental Rights of the European Union	Art. 5 Art. 15	<p>No one shall be held in slavery or servitude. No one shall be required to perform forced or compulsory labour. Trafficking in human beings is prohibited.</p> <p>Everyone has the right to engage in work and to pursue a freely chosen or accepted occupation. Every citizen of the Union has the freedom to seek employment, to work, to exercise the right of establishment and to provide services in any Member State. Nationals of third countries who are authorised to work in the territories of the Member States are entitled to working conditions equivalent to those of citizens of the Union.</p>
Council of Europe	European Convention on Human Rights	Art. 4	<p>No one shall be held in slavery or servitude. No one shall be required to perform forced or compulsory labour. For the purpose of this Article the term «forced or compulsory labour» shall not include: (...) d) Any work or service which forms part of normal civic obligations.</p>
Organisation of American States	American Convention on Human Rights (Pact of San José)	Art. 6	<p>No one shall be subject to slavery or to involuntary servitude, which are prohibited in all their forms, as are the slave trade and traffic in women. No one shall be required to perform forced or compulsory labour. This provision shall not be interpreted to mean that, in those countries in which the penalty established for certain crimes is deprivation of liberty at forced labour, the carrying out of such a sentence imposed by a competent court is prohibited. Forced labour shall not adversely affect the dignity or the physical or intellectual capacity of the prisoner. For the purposes of this article, the following do not constitute forced or compulsory labour: (...) d) Work or service that forms part of normal civic obligations.</p>
Brazil	Constitution	Art. 6 Art. 7	<p>Education, health, food, work, housing, transportation, leisure, security, social welfare, protection of motherhood and childhood, and assistance to the destitute, are social rights, as set forth by this Constitution.</p> <p>The following are rights of urban and rural workers, among others that aim to improve their social conditions: (...) X. Wage protection, as provided by law, with felonious withholding of wages being a crime; (...) XXVII. Protection on account of automation, as established by law; (...)</p>

⁷²⁹ Original texts or translations emitted by an official source.

Germany	Basic Law	Art. 12	<p>All Germans shall have the right freely to choose their occupation or profession, their place of work and their place of training. The practice of an occupation or profession may be regulated by or pursuant to a law.</p> <p>No person may be required to perform work of a particular kind except within the framework of a traditional duty of community service that applies generally and equally to all.</p> <p>Forced labour may be imposed only on persons deprived of their liberty by the judgment of a court.</p>
Mexico	Constitution	Art. 4	<p>(...) Every person has a right to live in an adequate environment for her development and welfare.</p> <p>Every family has a right to a dignified and decent household. The law shall establish all regulations and incentives deemed to be necessary to achieve such a goal. (...)</p>
		Art. 5	<p>No one shall be prevented from performing the profession, industrial work, or commercial work that suits her as long as such activity is a lawful one. The enforcing of such freedom can only be forbidden either by a judicial resolution, whenever the rights of a third party are attacked or by governmental resolution issued under the law, whenever the society's rights are offended. No one can be deprived of legal wages, except by judicial resolution. (...)</p>
Russia	Constitution	Art. 37	<p>Labour is free. Everyone shall have the right to freely use his labour capabilities, to choose the type of activity and profession.</p> <p>Forced labour shall be banned. (...)</p>
Switzerland	Constitution	Art. 27	<p>Economic freedom is guaranteed.</p> <p>Economic freedom includes in particular the freedom to choose an occupation as well as the freedom to pursue a private economic activity.</p>
		Art. 41	<p>The Confederation and the Cantons shall, as a complement to personal responsibility and private initiative, endeavour to ensure that:</p> <p>a) Every person has access to social security; (...)</p> <p>d) Every person who is fit to work can earn their living by working under fair conditions; (...)</p> <p>f) Children and young people as well as persons of employable age can obtain an education and undergo basic and advanced training in accordance with their abilities; (...)</p> <p>The Confederation and Cantons shall endeavour to ensure that every person is protected against economic consequences of old-age, invalidity, illness, accident, unemployment, maternity, being orphaned and being widowed.</p> <p>They shall endeavour to achieve these social objectives within the scope of their constitutional powers and the resources available to them.</p> <p>No direct right to state benefits may be established on the basis of these social objectives.</p>

Crisis and the impact of automation in Europe

EU Law and Social Policy

ARNAU GUIX SANTANDREU

ABSTRACT

What is the future of European workers? Current evidence indicates that approximately half of the existing jobs are in danger of being automated, and this trend could put considerable pressure over the social public policies. According to the Treaty on European Union, the organisation shall work for achieving «a highly competitive social market economy, aiming at full employment and social progress», whilst shall promote «scientific and technological advance» (Art. 3 TEU). Since the very beginning, the Union has articulated a social policy and at the same time has liberalised the economy in the global scenery. This process has experienced several crises or shocks, which have intensified during the last two decades and have affected the original European social model.

By analysing accurately documents produced by official sources, the report is articulated into three distinct fronts: first of all, it is structured a general overview of the EU's social policy, covering its evolution over time and present framework; secondly, focusing on employment and education policies, the inquiry evaluates the «Europe 2020» Strategy and the «European Pillar of Social Rights», which have taken an important fraction of the social agenda during the last ten years; and finally, the study depicts possible public policies to attend the challenges of automation, with their legal implications in the context of the Union. The coronavirus crisis can accelerate the deployment of reforms.

Keywords: automation, crisis, European Union, public policies, social policy, Europe 2020, European Pillar of Social Rights (EPSR), basic income, coronavirus.



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