

# TOWARDS A SOCIAL EU? A LIBERAL VISION FOR SOCIAL POLICY BEYOND THE PORTO SUMMIT

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Introduction

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## Social policy high on the EU agenda

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Throughout 2020, the health crisis alone exposed multiple structural deficiencies and inequalities across Europe. It is no surprise that, according to a targeted 2021 Eurobarometer survey on social issues, 9 in 10 Europeans (88%) consider a social Europe as personally important to them.<sup>1</sup> At the same time, researchers from the European Studies Centre at Oxford University

have discovered that the intensity of the crisis is fuelling European citizens' existential insecurity, and this is leading to the radicalization of their positions on social issues (e.g., demanding more guarantees and social benefits).<sup>2</sup>

Social issues are currently high on the EU agenda as well: the European Commission and the Portuguese Presidency of the Council have claimed social challenges among their key concerns. The Commission's 2021 Work Programme has indicated "an economy that works for people" as one of its priority dimensions. In particular, this implies managing the ongoing health and economic crisis with a social dimension in mind, thus ensuring that "no one is left behind in Europe's recovery".<sup>3</sup> The so-called 'Fair Economy package' includes a number of initiatives that will be or have already been brought forward, with issues ranging from the social economy to children's social rights.<sup>4</sup>

The author would like to thank the members of the ELF Social Working Group for their valuable contributions to this policy paper.

1 "New Eurobarometer survey shows Social Europe is a top priority for large majority of EU citizens", 1 March 2021: <https://ec.europa.eu/social/main.jsp?langId=en&catId=898&newsId=9940&furtherNews=yes>  
2 Timothy Garton Ash & Antonia Zimmermann, "In Crisis, Europeans Support Radical Positions: Climate Change and Social Welfare Issues Most Salient", eupinions brief, 6 May 2020: <https://eupinions.eu/de/text/in-crisis-europeans-support-radical-positions-ampere-netflix-and-amazon-going-local-but-facing-more-competition/>  
3 Remarks by Executive Vice-President Dombrovskis at the press conference on the Recovery and Resilience Facility, Brussels: 28 May 2020: [https://ec.europa.eu/commission/presscorner/detail/en/speech\\_20\\_961](https://ec.europa.eu/commission/presscorner/detail/en/speech_20_961)  
4 Among the issues: a Recommendation for a European child guarantee, a communication on a new occupational safety and health strategy framework, an Action plan for the social economy, an updated Strategy on the rights of persons with disabilities and legislation on improving the working conditions of platform workers.

Similarly, Portugal has also claimed the strengthening of the EU social dimension among its main priorities during its Presidency of the Council.<sup>5</sup> Together with the Commission, the Presidency held an EU Social Summit in Porto in early May. This major initiative's aim was discussing a common EU approach to mitigating the social implications of the COVID-19 pandemic as well as the transition towards a digital and sustainable Europe.

The Summit has also been seen as a way to advance the implementation of the European Pillar of Social Rights,<sup>6</sup> approved in 2017 in Gothenburg,<sup>7</sup> with the European Social Fund Plus (ESF+) as its key financial instrument.<sup>8</sup> As announced by European Commissioner for employment and social rights Nicolas Schmit, particular attention at the Summit was given to the needs of young people, who are considered to be among the most hard-hit by the ongoing crisis.<sup>9</sup>

Overall, the Porto Social Summit has been publicized as a breakthrough for European social policy. In addition to active social policy streamlined through the Social Fund, the Commission is looking to venture into passive social and labour policies, such as unemployment benefits and the minimum wage. Both the Commission and the Portuguese Presidency see this as an opportunity for European institutions and policy-makers to demonstrate their added value for Europe, and, in this regard, there is a growing determination to push for more initiatives in social and labour policies.

At such a crucial moment in the EU policy-making process, liberals cannot be absent from the negotiating table. With social issues high on the agenda and a clear drive towards more EU competences in social policy, this is a timely opportunity for the European liberal family to set out its vision.

Liberals have a responsibility to contribute to a modern, future-oriented, and citizen-driven social model that aims to protect the rights and freedoms of every European citizen while respecting the subsidiarity principle that governs the exercise of EU competences. This is the moment to reflect on our shared vision of what a social Europe should and could look like—its principles, priorities, and targets.

This paper is a contribution to liberal perspectives on the European social agenda. It first addresses current and upcoming problems and identifies the key issues that EU social and labour policies must address, then outlines a liberal vision for social Europe, and proceeds with a list of key domains and potential measures to advocate for beyond the Social Summit and beyond. In the concluding remarks, several case studies are presented to provide inspiration and potential references for further elaboration.

### A problem-oriented approach to defining policy priorities

Current developments are truly unprecedented, and the main challenge consists of mitigating their negative effects while also maximizing their economic and social potential. The COVID-19 pandemic has accelerated the digitalisation and greening of our economies, but it has also impacted labour markets and exacerbated existing social inequalities and divisions. Digitalisation in Europe will potentially create new opportunities for European citizens, workers, and businesses as well as lead to jobs creation, greater inclusivity of the labour market, and increased labour mobility. At the same time, however, the digital transition urgently calls for a re-skilling agenda regarding updated, modern policies and regulatory frameworks to protect the social and labour rights of

5 Jorge Valero, "Portuguese presidency wants to strengthen trust in EU social model", EURACTIV, 1 December 2020: <https://www.euractiv.com/section/economy-jobs/news/portuguese-presidency-wants-to-strengthen-trust-in-eu-social-model/>

6 "Delivering on the European Pillar of Social Rights" [video]: <https://ec.europa.eu/social/main.jsp?catId=1226&langId=en>

7 Catherine Stupp, "'Let's do our work' on social policy, Juncker tells member states", EURACTIV, 17 November 2017: <https://www.euractiv.com/section/politics/news/lets-do-our-work-on-social-policy-juncker-tells-member-states/>

8 "Commission welcomes political agreement on the ESF+" [press release], 29 January 2021: [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_21\\_225](https://ec.europa.eu/commission/presscorner/detail/en/IP_21_225)

9 Ana Matos Neves, "Porto EU social summit is expected to focus on youth", EURACTIV, 10 February 2021: <https://www.euractiv.com/section/politics/news/porto-eu-social-summit-expected-to-focus-on-youth/>

those involved. Similarly, while the transition to a sustainable circular economy has huge potential to foster jobs and economic growth, the broader distributive consequences of climate policy may also reinforce pre-existing or introduce new socio-economic and societal cleavages<sup>10</sup> (between poor and rich, high- and low-skilled<sup>11</sup> etc.).

## The socio-economic polarization between social groups and regions across the EU constituted a major challenge for European democracy.

Already in pre-pandemic times, the socio-economic polarization between social groups and regions across the EU constituted a major challenge for European democracy. In particular, regional inequality is considered to be among the major causes of mistrust in both national and supranational institutions.<sup>12</sup> COVID-19, digitalisation, and a green economy will further deepen this gap, highlighting inequalities not only in incomes but also in access to knowledge, skills, and resources.

The massive transition to teleworking additionally affects poorer regions where less of the population is involved in activities that can be done remotely.<sup>13</sup> Besides, while the pandemic presents a threat to education and the futures of children

and young people across the EU, we might expect it to be particularly difficult for those living in more remote and long-deprived regions.<sup>14</sup> Disregarding a long-term perspective will inevitably result in this inequality being transmitted from generation to generation, further widening regional disparities across Europe. The green transition will also have a drastically uneven impact across regions, entailing fundamental socio-economic changes in regional economies that are still fully reliant on carbon-intensive sectors or fossil fuel extraction and likely causing unemployment for a significant portion of the population, especially among older people.<sup>15</sup>

Furthermore, due to the disproportionate impact of COVID-19 on women, the ongoing crisis has amplified barriers to gender equality. Women constitute the majority among first responders in healthcare.<sup>16</sup> But gender-specific burdens due to lockdowns have also ranged from the increased unequal distribution of childcare and unpaid household work to domestic violence against women. At the same time, while women still remain underrepresented in decision-making and public life, the digital transition is likely to worsen this situation. Gender-based stereotypes, discrimination, violence, and harassment prevent women from taking advantage of digital services and education or participating in the digital economy through employment and entrepreneurship.<sup>17</sup> Moreover, while the renewable energy sector is expected to grow significantly, women's participation in it might remain very limited due to currently low female participation rates in STEM<sup>18</sup>.

10 Hauke Engel & Magnus Tyreman, "Why Europe must reskill workers to reach its climate goals", EURACTIV, 4 December 2020: <https://www.euractiv.com/section/energy-environment/opinion/why-europe-must-reskill-workers-to-reach-its-climate-goals/>

11 Frédéric Simon, "Eleven million jobs at risk from EU Green Deal, trade unions warn", EURACTIV, 9 March 2020: <https://www.euractiv.com/section/energy-environment/news/eleven-million-jobs-at-risk-from-eu-green-deal-trade-unions-warn/>

12 Jana Lipps & Dominik Schraff, "Regional inequality and institutional trust in Europe", European Journal of Political Research, 4 December 2020: <https://ejpr.onlinelibrary.wiley.com/doi/abs/10.1111/1475-6765.12430>

13 Michael Irlacher & Michael Koch, "Working from Home, Wages, and Regional Inequality in the Light of COVID-19" De Gruyter, 14 January 2021: <https://www.degruyter.com/document/doi/10.1515/jbnst-2020-0030/html>

14 "COVID-19 – break the cycle of inequality", The Lancet Public Health 6(2), 1 February 2021: [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(21\)00011-6/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(21)00011-6/fulltext)

15 "The inequalities-environment nexus: Towards a people-centred green transition", OECD Green Growth Papers No. 2021/01, Paris: OECD Publishing, 15 March 2021: <https://doi.org/10.1787/ca9d8479-en>

16 "Coronavirus vs. inequality", UNDP: <https://feature.undp.org/coronavirus-vs-inequality/>

17 "Renew Europe rings the alarm on gender inequality" [press release], Renew Europe, 21 January 2021: <https://reneweuropesgroup.eu/en/news/1779-renew-europe-rings-the-alarm-on-gender-inequality/>

18 Science, Technology, Engineering, and Mathematics.

related fields of education as well as barriers to female entrepreneurship.<sup>19</sup> At the same time, a gender-sensitive transition is also necessary to mitigate the negative impact of green policies on certain sectors with a male-dominated workforce, like extractives and heavy industries, which will leave male populations unemployed.

As becomes clear from all of this, the interplay between the pandemic and the double green and digital transition is multiplying the scope and complexity of socio-economic challenges that the EU will have to face in the future. The cross-border nature of these developments and their long-term and far-reaching implications for citizens clearly call upon a shared vision and coordinated actions. Europe and its national governments are thus presented with the task of developing a comprehensive social policy strategy that would address these – at times contradictory – tendencies without sacrificing citizens' individual well-being or strategic European objectives. The sustainable implementation of such measures will require well-coordinated labour markets, social institutions, and policies that will ensure no one is overlooked or left behind.<sup>20</sup> This is a moment for the EU to demonstrate its added value to Europeans by acknowledging and addressing their immediate and long-term needs, safeguarding equal access to benefits and risk protection without sacrificing individual freedoms.

### Social Europe the way we like it: a liberal vision

The current socio-economic context and policy-making agenda thus present an opportunity for the European liberal family to develop its future-oriented vision of a liberal 'social Europe': to define and refine what the social EU in which we want to live will look like. What does this notion mean to us, what are its guiding principles, and

what role should be given to EU institutions in shaping and maintaining this model?

Above all, a liberal 'social Europe' is a Europe where public discourses and policies are marked by a deep belief in the individual capacities of each person and his or her potential to thrive, prosper, and contribute to society in a meaningful and unique way. Following this firm conviction, liberals are determined to help citizens nurture their abilities and realize their own creative potential while also providing them with the necessary support in times of hardship and uncertainty. Before translating this overarching principle into concrete policy suggestions, an equilibrium first needs to be found concerning several of the most relevant dilemmas.

The ongoing crisis, coupled with the double green and digital transition, is transforming the labour market in both a short- and long-term perspective. High unemployment rates, the precarious social situation of vulnerable groups, and an inevitable sectoral restructuring of the economy all require labour market policies that effectively address both immediate urgencies and more distant yet long-lasting consequences. Therefore, on the one hand, the changing economic landscape and upcoming transformations must lead us to reconsider the existing balance – or rather disbalance – between active and passive labour market policies. Active labour market policies (ALMPs) are central to preparing European workers for the upcoming challenges through up- and re-skilling.<sup>21</sup> In particular, in light of the announced focus on youth, designing future-proof ALMPs must be a priority for Europe.

At the same time, these current unprecedented circumstances have raised the question about maintaining an equilibrium between aspirational principles and reality like never before. As the above-discussed policies will create primarily long-term benefits, the valid question to address at this moment is whether we can focus exclu-

<sup>19</sup> "The inequalities-environment nexus..."

<sup>20</sup> Ibid.

<sup>21</sup> Cinzia Alcidi, Sara Baiocco & Mattia Di Salvo, "The skill challenges posed by Covid-19: Is Europe Ready to Invest in Its Labour Force?", CEPS, 25 November 2020: <https://www.ceps.eu/the-skill-challenges-posed-by-covid-19/>

sively on activating the workforce in times when the market itself is not active – with no clear sign of major improvement in sight. The direct social effects of such a devastating crisis require more immediate responses, including support and social protection for vulnerable groups, e.g., self-employed workers and youth.

Therefore, from a liberal standpoint, the question of balancing between active and passive labour market policies is closely related to balancing between individual responsibility and social protection. It is crucially important that the necessary support in times of crisis will not be downgraded into a long-lasting dependence on subsidies, generating a dangerous disincentive to labour supply activation and, even worse, promoting the spread of long-term unemployment, one of the most penalising factors in terms of employability. It is therefore important, not only from a liberal perspective, to reaffirm the conditionality between passive and active policies as a key principle in the design of new measures, recalling a fair balance between individual rights and responsibilities.

At the same time, no conditionality is possible when there are no opportunities. So, the application of this mechanism is intrinsically intertwined with creating such opportunities and thus spills over into other policy areas. In particular, providing support to small and medium enterprises and ease to businesses is the pre-condition for conditionality to work – at any point and in diverse contexts. Therefore, this dimension should also be clearly reflected as a priority on the liberal social agenda.

Finally, a key question concerns the division of competences between the national and supranational levels, or a seeming collision between the subsidiarity principle and the very idea of EU social policy. Regardless of the global scope of current developments, subsidiarity must remain

at the core of the European response in the domain of social policy, just as in any other. This is one of the guiding principles of European integration, according to which decisions should be taken at the lowest possible level, with a higher authority intervening only in cases of necessity or substantial added value.<sup>22</sup> The rationale behind subsidiarity is to guarantee the maximum amount of independence to local, regional, and national authorities in adopting measures that have a direct effect on their communities. With social policy belonging to the domains of (limited) shared competences between the EU and Member States, EU intervention in this field is only justified when common objectives could be better achieved at the EU level.

Keeping all this mind, we nevertheless cannot deny the fact that in the current unprecedented context, when social issues transcend national borders, greater coordination at the supranational level is as relevant as ever and can benefit Europeans with increased protection and greater certainty about their future. Moreover, this is a crucial opportunity for the EU to respond to anti-liberal populist discourses that deny the former's added value to Europeans and fuel mistrust in the European project as such.

Given the diversity of social welfare systems and traditions in Member States, creating a European social welfare state in which the EU guarantees the social rights of all its citizens is hardly feasible, especially in light of the absence of a European *demos* that would allow for this type of pan-European solidarity. However, what could – and should – be done is sharing best practices and developing an integrated, future-oriented, citizen-centred reference point for European social standards which respects the diversity of national welfare systems and provides Member States with necessary support and room for adjustments in adopting them.

<sup>22</sup> “The principle of subsidiarity”, Fact Sheets on the European Union: [https://www.europarl.europa.eu/RegData/etudes/fiches\\_tech-niques/2013/010202/04A\\_FT%282013%29010202\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/fiches_tech-niques/2013/010202/04A_FT%282013%29010202_EN.pdf)



## Liberal priorities for European social policy

The EU's priorities in social policy are reflected in the already mentioned European Pillar of Social Rights, which advances twenty key principles structured around three broad categories, namely: equal opportunities and access to the labour market; fair working conditions; and social protection and inclusion. To put them into practice, on 4 March, the Commission presented its Action Plan setting out concrete targets to be achieved by 2030.<sup>23</sup> The Plan takes into account the societal challenges presented by the ongoing COVID-19 pandemic as well as the upcoming policy changes related to the European green and digital transitions. In particular, the three headline targets in the domains of employment, skills, and social protection are meant to guide Member States in reforming and modernizing their social policies throughout the recovery and transition processes.

From a liberal standpoint, the focus is ensuring that European welfare systems respond to demographic and social changes as well as foster the inclusiveness of our societies, since they are becoming more complex and diverse. In this context, European social policies of the future must show solidarity with all social groups across the Union and effectively address phenomena such as poverty, social exclusion, discrimination, barriers to work, and increasing inequality in access to education. The ALDE party has thus welcomed the EU's determination to develop a European social policy framework.<sup>24</sup> Furthermore, the following issue areas in particular should be a priority for European liberals:

### 1. Skills, digitalisation, and the future of work

- Reduce mismatch between skills and jobs by putting a 'New Skills Agenda'<sup>25</sup> at the heart of European social policy. This aims at ensuring equal access to vocational education and training (VET)<sup>26</sup> for all citizens – regardless of their sex, age, or ethnic origin – and equipping the European workforce with the set of skills required for the 21st century<sup>27</sup> while bridging the generational digital skills gap and regional disparities. This includes: modernizing educational systems; developing life-long learning programmes; investing in vocational education and training; strategically focusing on enhancing digital skills and programmes; promoting entrepreneurial and soft skills and interdisciplinary thinking; and increasing accessibility to skilling and upskilling among vulnerable and marginalized groups, e.g., through supporting the Commission's Recommendation on Effective Active Support to Employment (EASE), presented on 4 March.<sup>28</sup>
- Put a clear focus on digital skills. With the digital transformation raising debates<sup>29</sup> over its future impact<sup>30</sup> on jobs, wages, working conditions, and inequality, European programmes must aim at helping citizens across all age groups adapt to new challenges but also benefit from new opportunities, e.g., exploring new areas of work or obtaining access to gainful employment. In this context, a clear priority is to enhance digital skills amongst the current workforce in Europe with a focus on youth, older people, deprived citizens, and rural residents.
- Make the EU a leader in digital innovation so as to ensure the EU's growth and competitiveness and harness new opportunities for workers and businesses on the labour market.
- Regulate new forms of employment linked to digital development, particularly teleworking.

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Skills, digitalisation, and the future of work

23 The European Pillar of Social Rights Action Plan: [https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-action-plan\\_en#:text=The%20Action%20Plan%20sets%20out,for%20the%20EU%20by%202030](https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-action-plan_en#:text=The%20Action%20Plan%20sets%20out,for%20the%20EU%20by%202030).

24 "ALDE welcomes adoption of social rights pillar", NEOnline, 17 November 2017: <https://www.neweurope.eu/article/alde-welcomes-adoption-social-rights-pillar/>

25 Renew Europe, Position Paper on Skills at the Heart of Europe, June 2020: <https://reneweuropesgroup.app.box.com/s/9jsy961y41hap5kuw747byqv3swnag9g>

26 "Renew Europe calls for boost to students' and workers' professional development" [press release], Renew Europe, 17 December 2020: <https://reneweuropesgroup.eu/en/news/1745-renew-europe-calls-for-boost-to-students-and-workers-professional-development/>

27 Linda Aziz-Rohlje for Renew Europe, "Lifelong learning for all: Boosting citizens' digital skills will increase competitiveness", Medium, 11 February 2021: <https://reneweurope.medium.com/lifelong-learning-for-all-boosting-citizens-digital-skills-will-increase-competitiveness-76fbd5a66coa>

28 European Commission, Commission Recommendation for Effective Active Support to Employment (EASE), Brussels: 4 March 2021 [https://ec.europa.eu/info/publications/commission-recommendation-effective-active-support-employment-ease\\_en](https://ec.europa.eu/info/publications/commission-recommendation-effective-active-support-employment-ease_en)

29 "Understanding the impact of digitalization on society", World Economic Forum: <https://reports.weforum.org/digital-transformation/understanding-the-impact-of-digitalization-on-society/>

30 Erik Helldén (ed.), Digital Education in the EU: Going from Knowledge to Competence, ELFF/Fores, March 2020: <https://www.liberalforum.eu/wp-content/uploads/2020/03/Digital-Education-in-the-EU-main-2.1.1.pdf>

To promote safe and healthy work environments and flexible work arrangements, Renew Europe has already initiated a legislative framework laying down common minimum conditions and standards for the management of telework throughout the EU.<sup>31</sup>

- Ensure social protection for European platform workers. In view of the quickly growing digital economy, the number of platform workers is increasing while outdated social policies fail to respond to their needs, leave them excluded from social and economic protection, and furthermore are deeply contradictory among Member States. European policies must tackle the challenges faced by this growing social group and address disparities across the bloc, e.g., through a targeted ‘Ecosystem Fund’. This innovative approach would couple unemployment benefits with skills development and could be possibly expanded to other segments of the working population.<sup>32</sup>
- Furthermore, while people with disabilities are seen as beneficiaries of the digital economy, European policies must consider the dubious impact which labour market digitalisation may have on them.<sup>33</sup> Renew Europe stands for the swift implementation of measures presented by the Commission in the ten-year Strategy for Disability Rights on 3 March.<sup>34</sup>

## 2. Next-Generation Policies

- Focus on the problem of youth unemployment, which has become even more pressing during the COVID-19 pandemic, and consider the disparities among Member States and across regions in this regard. Provide support to young people, including those without vocational education, at their point of entry on the labour market and at later stages in their careers, particularly through creating broad, pan-European apprenticeship

and internship possibilities (e.g., a system similar to what Erasmus has done with educational opportunities). Review the European Framework for Quality and Effective Apprenticeships and work towards the creation of a European Apprenticeship Statute.<sup>35</sup>

- Support national employment protection programmes through European facilities and create a European Unemployment Insurance scheme, e.g., by building upon the SURE programme.<sup>36</sup>
- Protect children. Liberals support the Commission’s Recommendation for a European Child Guarantee, which should ensure that every child in Europe at risk of poverty or social exclusion has access to free healthcare, education, early childhood education and care, decent housing, and adequate nutrition.

## 3. SMEs, social entrepreneurship, social economy

- Expand the social impact investment (SII) market across the EU. The ongoing COVID-19 crisis presents a window of opportunity for the EU to encourage new SII market development initiatives,<sup>37</sup> particularly in Central and Eastern European countries, through promoting them as an innovative and sustainable alternative to tackling short- and long-term societal challenges as well as supporting them with EU-level policies and funding programmes. This is the domain in which liberals can take on a leading role.
- Support small and medium enterprises (SMEs) and micro-enterprises to help them remain competitive, especially through ensuring their efficient use of national recovery and resilience plans and ESF+ funding.
- Realize the economic potential of a social economy and social entrepreneurship, which currently remains untapped, e.g., through supporting the

31 Sylvie Brunet, Draft report on fair working conditions, rights and social protection for platform workers – new forms of employment linked to digital development (2019/2186 (INI)), European Parliament EMPL, 9 February 2021: [https://www.europarl.europa.eu/doceo/document/EMPL-PR-657498\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/EMPL-PR-657498_EN.pdf)

32 Dr Wolfgang Spiess-Knafl, You Had One Job: Transforming social security systems into the digital working age, ELF, 2018: <https://www.liberalforum.eu/wp-content/uploads/2018/11/YouHadOneJob.pdf>

33 See: Final Report – The Impact of digitalisation on labour market inclusion of people with disabilities, Vienna: Federal Ministry of Labour, Social Affairs, Health and Consumer Protection, 2019: <https://www.sozialministerium.at/dam/jcr:aa76c330-38bc-47de-a4fc-c5db46e30bc7/Final%20Report%20-%20The%20impact%20of%20digitalisation%20on%20labour%20market%20inclusion%20of%20people%20with%20disabilities.pdf>

34 “Renew Europe calls for swift implementation of the new EU Disability Rights Strategy” [press release], Renew Europe, 3 March 2021: <https://reneweuropesgroup.eu/en/news/1824-renew-europe-calls-for-swift-implementation-of-the-new-eu-disability-rights-strategy/>

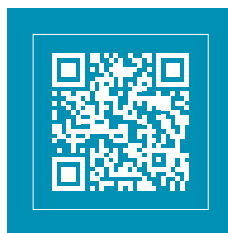
35 “Renew Europe calls for boost...”

36 Renew Europe, “SURE programme is a welcome signal of solidarity with all European workers”, Medium, 1 April 2020: <https://reneweurope.medium.com/sure-programme-is-a-welcome-signal-of-solidarity-with-all-european-workers-99ac6ac37ad>

37 Raimonda Mackevičiūtė et al., Social Impact Investment: Best Practices and Recommendations for the Next Generation [study requested by the EMPL committee], European Parliament, November 2020: [https://www.europarl.europa.eu/RegData/etudes/STUD/2020/658185/IPOL\\_STU\(2020\)658185\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2020/658185/IPOL_STU(2020)658185_EN.pdf)

2021 adoption of an Action Plan on the Social Economy.<sup>38</sup>

- Mitigate the social impact of the green transition, e.g., through strengthening the social dimension of the Just Transition Fund (activities aimed at increasing social inclusion, supporting vocational training, re-skilling, and smart local mobility, and investing in SMEs and microenterprise in the regions<sup>39</sup> most affected by the transition).



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jobs, including women on the labour market, and the possibility to combine a successful career with raising children, e.g., through supporting the Proposal for a Directive to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms, adopted on 4 March.<sup>42</sup>

- Address the demographic challenge of ageing and provide fiscally sustainable social insurance programmes and the required level of care.
- Show solidarity with displaced workers and make it easier for citizens who have lost their jobs to get help in finding a new job, reskilling, or setting up their own business through special funds, e.g., a revised European Globalization Fund for displaced workers.<sup>43</sup>
- Address the needs of vulnerable groups (immigrants, LGBTI individuals, single mothers, the disabled, people with health conditions, low-skilled adults, minorities, including Roma, and others); facilitate their integration into the labour market and access to social protection mechanisms (an example would be an amended Fund for European Aid to the Most Deprived, FEAD).<sup>44</sup>
- Prevent in-work poverty, which is a pressing issue especially in Eastern Europe (e.g., Romanian workers' risk of being in poverty while working is almost double the risk of the average European).
- End homelessness,<sup>45</sup> e.g., through launching a European Platform on Combating Homelessness<sup>46</sup> in 2021 to support Member States, cities, and service providers in sharing best practices and identifying efficient and innovative approaches.

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Social inclusion and equal opportunities

#### 4. Labour mobility

- Foster labour mobility among Member States and across regions. Among the ways to promote the free movement of workers throughout the Union is ensuring full mutual recognition of qualifications gained across the EU and portability of social rights and entitlements without administrative burdens, e.g., through agreeing on the Revision of Regulation on Social Security Coordination.<sup>40</sup>
- Modernise and strengthen public employment services to enhance their capacity, the quality of their services, their effectiveness, and their efficiency, e.g., through strengthening the European Network of Public Employment Services (PES) and cooperation among its members.<sup>41</sup>

#### 5. Social inclusion and equal opportunities

- Allow men and women to contribute to the economy and society in a gender-equal way. European liberals stand for ensuring equal pay for equal

38 Social Economy Europe, The future of EU policies for the Social Economy: Towards a European Action Plan, 2018: <https://base.socioeco.org/docs/see-action-plan-for-social-economy.pdf>

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## Concluding remarks: liberal success stories from across Europe

Shaping the European social framework—flexible enough to work in varied contexts yet sufficiently consistent and precise to make a difference—is a challenging task. For encouragement and inspiration, we can rely on the experience and lessons taken from the rich and varied liberal tradition across Europe. Numerous success stories and targeted in-depth studies taken from different national contexts provide us with concrete examples and ideas for developing a future-proof European liberal social model. By way of conclusion, the following presents a brief overview of potential reference points for some of the priority areas indicated in this paper.

As has been indicated above, one of the core guiding principles of liberal social policies is conditionality: allowing equilibrium to be maintained between solidarity and individual responsibility. The measures introduced following the global financial crisis of 2008 provided the first example of **large-scale adoption of integrated active and passive labour policies based on the principle of conditionality**. To improve the resilience of their labour markets, almost every EU Member State implemented measures in two policy areas: active labour market policy and changes in labour market regulation. Although entailing a short-term increase in the levels of public expenditure, it was consolidation of the policy approach combined with dedication to the improvement of labour market institutions and programmes that allowed them to mitigate the negative social impact of the devastating financial crisis.<sup>47</sup> Furthermore, the diversity of national experiences sheds light on the need to consider local peculiarities when putting this mechanism into practice.

When it comes specifically to ensuring the conditionality of a social safety net, the most re-

cent case study is Austria's tax system reform, particularly the recommendations developed by the New Austria and Liberal Forum party. They suggest substituting both the minimum wage and *Notstandshilfe* (or emergency support) with the *Liberales Bürger innen Geld*. Based on the concept of a negative income tax, this policy recommendation aims at **guaranteeing the necessary help to those with limited or no income while incentivizing citizens to get or stay employed**.

In light of the announced EU focus on the needs of youth, a particularly relevant reference point is an in-depth study regarding the 'double crisis generation' in Southern Europe.<sup>48</sup> It addresses the risk of having a 'lost generation'—young people finishing their education and entering the labour market in a time of severe crisis—and suggests policy recommendations aimed at **creating targeted opportunities for youth**, especially to get employed and start their families. Although the study claims to be specific to Southern Europe, these policy recommendations should certainly be of interest for developing a European response to the problem of youth unemployment today and in the future.

With regards to the liberal emphasis on **re- and up-skilling the workforce**, a relevant case is the French unemployment reform under Emmanuel Macron, specifically measures aimed at improving the level and accessibility of vocational training and lifelong learning. Although successful overall, France's experience in this domain and primary focus on reforming the administrative framework points to both the positive effect of such targeted programmes and the need to sufficiently incentivize all the involved parties to take full advantage of them.<sup>49</sup>

Since ensuring support for older people is becoming a problem in the context of Europe's ageing population, a recent policy proposal for sustainable and future-proof reform of the highly-indebted

47 Inventory of Labour Market Policy Measures in the EU 2008-13: The crisis and beyond [synthesis report], International Labour Organization, 2015, [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms\\_436119.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_436119.pdf)

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49 "The president's paradox: Emmanuel Macron's reforms are working, but not for him", The Economist, 20 February 2020: <https://www.economist.com/europe/2020/02/20/emmanuel-macrons-reforms-are-working-but-not-for-him>

Spanish pension system is another significant development.<sup>50</sup> The proposal outlines the liberal priorities on this issue – among them are the need for greater flexibility and additional private pension provisions as well as adapting retirement to the realities of modern working life—and provides a list of detailed policy suggestions. Furthermore, it deems necessary promoting and favouring the creation of wealth and employment. Finally, it argues that the key to ensuring sustainable effects in short-, medium-, and long-term perspectives is developing a package of related proposals in four areas: tax reform, labour reform, liberalizations and market unity, and the educational system.

These cases provide examples of liberal social policies targeted at addressing concrete and highly relevant social issues in different national contexts. As they are practice-based, they can serve as

points of reference and should be used as working material for shaping the European social framework. Even more importantly, bringing multiple cases together sheds light on one important common feature or even lesson: the need for a comprehensive design and cross-sectoral approach.

Social policy measures lead to sustainable results when designed in a consistent and mutually reinforcing manner and in close relation to other areas, from the economy to education. In this regard, the above-mentioned priority dimensions and policy areas should not be seen merely as a list of necessary or desirable measures. Instead, they need to be further refined and adjusted in order to form a coherent system, a flexible yet firm framework through which liberals can best address the practical needs of Europeans—today and in the future. ■

<sup>50</sup> Francisco Coll, Domingo Soriano & José Francisco López, Pensions in Spain : A Sustainable and Real Proposal of Reform, Friedrich Naumann Foundation for Freedom / Fundación Civismo / Instituto Juan de Mariana, November 2020: <https://www.freiheit.org/publikation/pensions-spain>

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