

Social rights, wages and industrial relations

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In 2021, the Covid-19 pandemic and its disastrous economic, labour-related and social impact will hopefully be stopped and lessons will be learnt.

The European Pillar of Social Rights (EPSR) will be shaped ambitiously and firmly by an action plan further developing the European social model until 2030, when the Sustainable Development Goals should also be achieved. The Social Summit of the Portuguese EU Presidency in May 2021 will be a 'Gothenburg II' landmark event, paving the way for implementation of the EPSR action plan.

The guiding paradigm will be a 'digital, green and social triangle' which means that the social dimension of Europe will be central. The economic recovery will be strengthened and developed with digital, green and social upward convergence policies. A mainstreaming horizontal policy mix is required and needs to be developed to reach a better understanding of the policies and politics of transitions. To achieve sustainable transitions, there is a need to combine different policy instruments into so-called policy mixes.

This means that equal opportunities and equal access to the labour market, fair working conditions and social protection as well as inclusion – the three umbrella categories of the EPSR – will be a mandatory and binding mechanism based on new tools, which are needed for the implementation and enforcement of the EPSR.

It is obvious that the impact of the Covid-19 crisis is substantial. It threatens Europe's success of fighting inequalities between and within countries. The countries that are hardest hit by the pandemic see the most significant negative impact on well-being. Young people feel excluded from society and are at risk of depression.

To support younger people hit hardest (young people not in education, employment or training – or NEETs – have not suddenly disappeared) and people at risk of unemployment in an emergency, the measures of the EU SURE programme *Bridges to jobs* should be extended to further mitigate risks. But temporary support will not be sufficient.

The SURE programme should be part of an automatic social stabiliser mechanism combined with the mid-term ambition of a European unemployment reinsurance scheme. Work is needed to examine if both policies can complement each other or if they can be a working tandem.

Europe and the member states need to join forces with the social partners. One very pressing policy area is skills development as a strategic angle of combatting the crisis. The European social partners framework agreement on digitalisation focuses on skills development in times of short-time work schemes and pushes hard for the need to set a level playing field for all employees impacted by digitalisation.

Special attention needs to be given to the self-employed and workers with atypical and precarious jobs, especially in the service sector, where essential workers often serve under poor working conditions. Digital, green, and social policies have to be synthesised and developed on the basis of evidence-informed multidisciplinary research synthesis.

A resilient and sustainable recovery can only work with a decent wage-setting mechanism in all member states. The decline of trade union and employers' association membership can only be stopped by social partnership-oriented policies in the member states. A reinforcement of these policies is a precondition for a comeback of proactive collective bargaining. In addition, due to the different industrial relations regimes and the underperformance of social dialogue on the European level and in some member states, the political measures foreseen by the European Minimum Wage Directive are desperately needed.

Industrial relations are designed by four key dimensions which should be equally developed in all member states and on a European level. These dimensions are competitiveness, industrial democracy, decent jobs and working conditions, all integrated together by social justice measures.

Capacity-building for an effective social dialogue in the European Union and in the member states can create a revamp of the social dialogue which delivers solutions and takes over social responsibility.