

ELF EXPERT FORUM ON SOCIAL EUROPE

Ghent, 16 May 2018

Dr. Christophe De Spiegeleer (*Research Fellow, Liberaal Archief*) opened the event with a short introduction to the Liberal Archief, the venue of the day's event, and the history liberalism in Belgium.

The moderator, **Annelou Van Egmond** (*ALDE Party Vice President*) opened the session outlining the aim of the discussion was to discuss current changes and challenges related to the EU social pillar as well as giving a bit of background. She then left the floor to the speakers for initial presentations and statements.

Martina Dlabajová MEP (*ANO & Member of the ALDE Party Manifesto Drafting Committee*) said that she has been working on employment and social issues since she became a MEP in 2014 and that, as a liberal, this is quite a challenge. Indeed, she noted there is a constant fight between two different worlds – the business and trade unions – and so it is sometimes hard to find acceptable compromises. She then gave an overview of the main issues currently under discussion in the European Parliament – namely education for new digital and soft working skills for the future as well as entrepreneurial education; youth employment which is especially a matter of concern in Southern Europe where it is sometimes as high as 60%; and the Posting of Workers Directive. She emphasised the need to discuss the future of employment and education required for future skills and jobs in the framework of the upcoming Multiannual Financial Framework: more specifically, she called for an increase in money for these activities. She then reflected on how social Europe should be, how liberals should discuss it and, ultimately, on the terminology itself. In this regard, she said social rights are important, but they have to come with a balance. A balance which will still enable us to still freely make business in Europe, to move freely to work and to provide service across borders, without putting unreasonable barriers.

Christian Pipal (*Research fellow, NEOS Lab*) explained how he worked for the last year on a study on the future of work in Europe and opened his presentation with an overview of the study. This work looked at over 120 public papers about how jobs will develop, noting that there did not seem to be so much consensus on the decreasing of work due to digitalisation. Only a few of the studies he noted looked at the bigger picture and at how robotisation can instead create new jobs. However, since it is hard to predict the new jobs we will need in the future, it is more important to train the soft skills. He also added that the location of jobs will be always more independent in the future: people will choose where they want to work based on environmental circumstances. Moreover, contracts will be more flexible. The challenge for policy makers will be to accommodate this development with a new range of policies.

Thomas Leys (*Coordinator Studiecentrum Albert Maertens, Research Institute Open Vld*) affirmed that there is always scepticism when discussing on social Europe because, on one hand, it is often associated with a move towards a socialist Europe or a super state, and on the other hand these matters are sometimes hijacked by populists, particularly when globalisation exasperates change. Generally, he said, in Europe we see a group on the left that wants to use social Europe to promote a socialist agenda and a group on the right that wishes to use it to promote their populist agenda. He urged liberals to find a balance in the middle to fight against these two views by reflecting on what are the best ways and

solutions to help people into jobs, to create new skills, and to promote competition. He suggested to look at the social issues from two different but complementary point of views: (1) the economic point of view; (2) the human dimension of the policies. The real challenge from his perspective is to create a narrative that reassures and also finds the right way to speak to people who are most susceptible to suffering economic realities.

Annelou Van Egmond highlighted one common point of the three presentations – that is that, in the discussion on Social Europe, there seems to be a dichotomic divide between left promoting a ‘super state’ (trade unions) and right looking at that super state as the worst thing (populist). From a campaigning point of view, she asked how liberals can create a third story promoting liberal values rather than criticising the others.

Martina Dlabajová MEP agreed saying that the problem in creating a liberal narrative on social Europe is that there is not only a divide between left and right but also between West and Eastern European countries. She stated that the internal discussion on the Posting of Workers perfectly represent this. She added that despite the European Single Market being one of the finest achievements of the European project, it is not yet completed, and the European Union is putting up barriers to complete it instead of increasing the four freedoms. More specifically, there remains a lack of labour mobility – which in the EU is 10 times less than in the US. However, she said, the EU has to come to the conclusion that having 28 different labour environments (usually, also different at national level), it is impossible to create one big European Labour environment: wages, social security payments, soft benefits still very different across the Europe. She suggested that If the EU wants to have a sustainable long-term EU market, it needs to work to ensure a common market first using a supply-demand system rather focusing on harmonising wages or allowing minimum wages. She affirmed that the EU must understand that different wages and benefits will exist while there are 28 labour environments, and that it is more worth to focus the debate on the preservation of the freedom of movement at the EU level, and on the protection of workers at national level. She concluded saying that the Posting of Workers Directive is already something, but there are still two main problems to tackle: (1) administrative burdens in certain countries (e.g. Austria) and (2) timeframe of posting which, from her perspective, goes now against the freedom of movement and blocks labour mobility. She emphasised that the freedom of movement is a liberal principle and that if liberals do not defend it, nobody will.

Christian Pipal, ask if the EU needs a programme to support more labour mobility, said that it is not really the legislation that prevents people moving for work, but it is a problem of mentality. More needs to be done to help create an understanding of moving and working in another EU states. So, while the answer to the question is ‘yes and no’, rather than specific programme to this objective the EU should work on shaping the general current mentality and then decrease the administrative burdens that people encounter. He suggested increasing e-solutions and creating a common exchange system for data, job information, and social security registrations.

Martina Dlabajová MEP then said that the ability to move, alongside citizenship, is amongst the biggest EU achievements but, despite that, there are two million EU vacancies that cannot be filled due to low

labour mobility. The possibility is there but it is not fully used, and she agreed with Christian Pipal regarding the mentality block. She thinks that the different Erasmus projects can really create this mindset to be mobile and she support the MFF proposal to increase this funding by 100%. She noted that together with the creation of the vocational training programmes for high school students, this is one big liberal achievement in the European Parliament as liberals were pushing exactly for this increase in the EU budget.

Thomas Leys stressed the difficulties of being coherent when talking about Social Europe and labour mobility because it encompasses many different aspects: amongst others, Erasmus, matching supply and demands for certain categories, economic issues, and posting of workers. He said that the EU does already a lot to promote movement, but it can do more since only a few sectors have improved mobility to match supply and demand (e.g. construction). Despite recognising the difficulties in creating a European working environment in a context where there are 28 different states with different national systems, he urged the EU to find a balance between EU and national systems.

Annelou van Egmond highlighted that neither in small countries (as The Netherlands or Belgium) is there one labour environment and asked if foreseeing a European labour market is an illusion when there are still intra-country mobility issues.

Thomas Leys said indeed that a European labour market is a challenge because it is hard for people to understand the new economic mentality and reality in a context of internal motility problems. Generally, he noted, the narrative is now to look at the newcomers as people “stealing their jobs”. He added that there is another important issue to be discussed in the context of posted workers – that is, abuse of the system.

Martina Dlabajová MEP agreed saying and stressed the importance of increasing inspection and information exchange between member states as well as enforcement. She highlighted that the rules are not wrong, but it is the enforcement of the rules already in place that is still not enough in Europe – and ultimately creates problems. She then added that liberals should reflect on what they want in the future when it comes to social rights: do we want a Europe of free movement, or just with one-way free trade? And how should we communicate the challenges and possible solutions to voters in a good way.

Annelou van Egmond returned to the point on populists feeding on the idea that if someone works in another country they are “stealing” a job entitled to someone else, noting this presupposes that the labour market is a zero-sum game. She asked if instead of engaging with this zero-sum game and focusing on who gets what slice of the pie, it would not be better to concentrating on making the pie bigger.

Christian Pipal agreed stressing once again that the solution to the current situations is getting away from the debate of zero-sum game and moving toward a debate on digitalisation. This, he affirmed, can make the pie bigger. He gave the example of when US bank tellers feared that the introduction of ATMs would remove all their jobs, but it was not the case: nowadays, there are four times more people employed in the bank sector. He explained that this is because their knowledge has been used for developing new

things and products within the same sectors: the tasks allocated to these persons have evolved into new areas previously unknown.

Martina Dlabajová MEP added that another factor to consider is labour mobility between sectors since in the past people used to have one job for their lifetimes but today people value flexibility and change jobs many times during their career. She stressed once again the need of focusing on educating people to have the skills to allow flexibility and adaptability in changing profession.

Thomas Leys followed saying that indeed lifelong learning really needs to be part of the long-term European thinking. The EU and especially liberals should not make empty promises guaranteeing jobs, but should make promises to look at people, providing opportunities for future education and training. He also suggested to open the 'social dialogue' not only to trade union but also business and entrepreneurs for a good representation.

One person following the event *via* the Facebook Live asked about the language barrier in hiring. Many companies hire in English or, especially in the German speaking countries, they require knowledge of German or they advertise the vacancies only in the national language.

In this regard, **Christian Pipal** affirmed that companies should be encouraged to advertise jobs in English, allowing employees to move to another country and to start work and be later trained in the local language. **Martina Dlabajová MEP** stated that the EU should put language skills into the Social Agenda to slowly change the mindset. She suggested to include in the ALDE Manifesto language skills for everyone – because, if they are natural for us in the EU bubble, it is not so natural for many other people.

Susanne Hartig (*ELF Executive Director*) claimed that social security across borders is another important issue to be discussed. **Martina Dlabajová MEP** said that indeed the coordination of social systems in Europe is currently under discussion in the European Parliament and will be another thoroughly-debated file. She suggested including this issue also in the Manifesto since the discussion will be completed in the next legislative term.

Closing the debate, **Annelou van Egmond** said once again that the biggest challenge that she sees for liberals is to come up with a middle ground discourse on social issues to make people support a liberal mandate. She suggested focusing the next campaign with a message of liberals seeing better flaws in Europe than other parties and of liberals fighting against those who want to reform it for the worse. She then asked what message they want to be part of the 2019 ALDE Manifesto. **Christian Pipal** said that he would like liberals to campaign for making life easier for people who want to switch countries and sectors enforcing countries to reduce administrative burdens, to use modern technology, to facilitate such movements, and to better information sharing implementing already existing tools. **Thomas Leys** said the liberal message should speak directly to people, their aspirations and problems talking about opportunities and access to the skills. He suggested liberals create the mindset for facing the future of work, to advocate training people to be ready to new realities both at EU and national level for strengthening, in this way, the individuals to protect their freedoms and to allow them to make the best

choices for themselves. He added that while liberals should continue to fight poverty and improve healthcare systems, a European social security system cannot be promoted because not realistic. To sum up, he said, liberals should promote movement towards increased European labour mobility.

Martina Dlabajová MEP concluded saying she *“hoped the main message of our debate today for the Manifesto will be that yes, social rights are important, but they have to come with a balance. A balance which will still enable us to still freely make business in Europe, to move freely to work and to provide service across borders, without putting unreasonable barriers. Because what is happening now is that Europe is turning around the basic principles of EU. With Brexit and many other factors are contributing to the fact that EU legislation is becoming more protectionist and we are going back to the times where we came from - with national borders and markets being defended. I believe that for the next elections, the liberals should fight against this tendency and stand clearly for a common market, without barriers, which contributes to a good standard of life of our citizens - including social welfare-, wherever they decide to live or work. However, we should not fool ourselves, the levels of economic development are still different between different Member States, so we cannot expect to artificially create the same standard of living. But this is why we need the internal market, to increase the economic activity across the borders and to bring our economies closer together, to increase the welfare/wellbeing of our citizens.”*