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Feedback of the Association of German Social Welfare Organisations (BAGFW) on the Consultation of the European Commission on Strengthening Social Europe

Executive Summary:

The Association of German Social Welfare Organisations (BAGFW e.V.) took part in the consultation on strengthening social Europe with a comprehensive feedback on 30.11.2020. The following key points are a summary of the feedback:

1. In the face of the ongoing Covid-19 pandemic, the plans for a strong social Europe must be implemented all the more vigorously. The pandemic must not cause these plans to be postponed or even discarded. The principle of subsidiarity should be applied in European social policy in such a way that regional and local actors, providers of social security insurance and civil society actors, such as the social welfare organisations, are acknowledged and the European level supports Member States if they cannot solve problems on their own (see p. 1 of the opinion).
2. Key elements of the Europe 2020 strategy should be continued in a new overall EU strategy from 2021 on. The implementation of the European Pillar of Social Rights (EPSR) and the achievement of set social targets should be monitored in the European Semester in order to achieve upward social convergence at a high level (p. 3).
3. All EU funding programmes should address disadvantaged target groups even more strongly and take their needs into account in the planning and development of the programmes. In order to make EU funding as practice-oriented as possible, the welfare organisations advocate for the involvement of civil society according to the partnership principle. At the same time, administrative simplifications in the Structural Funds urgently need to be implemented (p. 4).
4. All necessary considerations to save the climate, have to take disadvantaged people and those at risk of poverty into account. The ecological transformation can only be shaped as a social-ecological transformation (p. 5).
5. The legal and financial framework of the not-for-profit social economy should be improved, for example by giving priority to not-for-profit service providers in public procurement law, a sectoral exemption for not for-profit services in state aid law or sufficient co-financing rates in EU funding programmes (p. 6).
6. In order to promote gender equality, it is necessary to pursue a broad approach to eliminating discrimination, focusing not only on wage transparency, but also on decent working conditions (p. 8).

7. In order to strengthen anti-discrimination legislation at EU level and the right of all persons to equal treatment with regard to social protection, education and access to publicly available goods and services, BAGFW would welcome a new proposal for a directive (p. 9).
8. BAGFW sees great opportunities in the advancing digitalisation, also in the social sector. For digital participation of all, such as people with physical disabilities or older people, the technical and personal prerequisites must be given and secured (p. 9).
9. The EU's right to free movement must be upheld as a high good. At the same time, the rights of mobile EU workers must be respected and enforced. The European Labour Authority (ELA) should above all contribute to the dissemination of information and low-threshold counselling of workers on their rights. To this end, the ELA must have the necessary human and financial resources (p. 9).
10. A European framework for minimum wages can only be designed in conjunction with an accompanying minimum income system. Therefore, a legally binding EU framework for national minimum income systems should be created that protects against poverty in a non-discriminatory way and enables social participation (p. 10).
11. BAGFW is in favour of significant time relief to improve the compatibility of care and paid labour. This includes the goal of overcoming either-or between full-time employment and family work in an effective mix of care and family time (p. 10).
12. Social benefit systems must be adapted to enable people with disabilities to fully participate (p. 13).
13. In the context of demographic change, ensuring access to needs-based care services is fundamental. In the opinion of the BAGFW, people in need of care should be able to live in their familiar/family environment for as long as possible (p. 13).
14. Access to essential services, support for those in need of assistance to access them and freedom of choice for citizens are essential. Digital participation of disadvantaged people must therefore be ensured (p. 13 and p.14).

The content of the BAGFW opinion is also connected to the own-initiative opinion of the European Economic and Social Committee (EESC) on the implementation and evaluation of the EPSR by Prof. Dr. Bernd Schlüter ([available here](#)). The opinion calls on the EU institutions to respect "the targets of the Pillar [...] in all areas of EU policy [...]" and proposes, for example, the introduction of EU minimum standards for national social security systems.

The Association of German Social Welfare Organisations (BAGFW) [1] welcomes the announcement of the European Commission to pursue a strong social Europe in the face of the challenges of the ecological and digital transformations and demographic change, enabling a just transition to the society of the future. The COVID-19 pandemic in particular shows how important effective, reliable, affordable and universally accessible social and health services are which are available in all EU Member States. [2] BAGFW calls for practice-oriented EU structural funding to strengthen social cohesion as well as for the setting of social targets in an overall European strategy from 2021 onwards, succeeding the EU 2020 Strategy. To achieve upward social convergence at a high level, BAGFW supports the further implementation of the European Pillar of Social Rights (EPSR) at both the EU and the Member State level. National, regional and local interests, as well as the interests of the vulnerable and disadvantaged and civil society, should be broadly integrated in the European decision-making process.

1) Strengthening a social Europe

In its Communication "A Strong Social Europe for a Just Transition" of 14 January 2020 [3], the European Commission sets out how it intends to respond, in the area of social policy, to the transformation of the economy to climate neutrality by 2050, to the digitalisation of work processes and to demographic change, in particular caused by population ageing and rural exodus: "The EPSR is the European answer to these fundamental ambitions. It is our social strategy to make sure that the transitions of climate-neutrality, digitalisation and demographic change are socially fair and just. " The Communication already sets out a list of EU-level initiatives to support the implementation of the EPSR in 2020 and 2021. At the same time, the Communication paves the way for an action plan to implement the EPSR at EU and Member State level, to be published in early 2021. To this end, the EU Commission intends to launch a broad debate with this current consultation [4].

BAGFW urges the EU Commission to ambitiously implement its announcement to promote a strong social Europe in the face of the ecological, digital and demographic transformations, thus enabling a just transition to the society of the future. The Covid-19 pandemic must not be a reason to postpone or even abandon these announcements; on the contrary, it must lead to pursuing these plans all the more vigorously. The goal must be to further develop and distinguish the EU as a community of values and also as a social community of states to a much greater extent than it is currently the case - in the interest of the citizens, the European communities, their democratic states and peace in Europe.

Equivalent social objectives in the EU are also of high importance because public acceptance of European unification will dwindle if the impression continues to prevail that EU policies do not serve people's well-being and quality of life. Economic functioning is not an end in itself, but should bring benefits for all EU citizens. Well-functioning social policy systems are also economically important: effective social benefit systems carry us through crises, are an essential location factor for

employers and are thus investments in the future. The great differences in the economic and social situation in the Member States endanger the stability of the Eurozone and the EU as a whole. [5]

From the point of view of the welfare associations, a social Europe is characterised by activities of the European Commission, the European Parliament and the Council of the EU, which together set strong impulses for an upward social convergence of the social benefit systems of the Member States at a high level, accompanied by adequate structural support to strengthen social cohesion and with clear social targets in an overall strategy for policy coordination in the EU. National, regional and local interests as well as the interests of civil society must be broadly integrated in the European decision-making process.

A deepening of the social dimension of the EU also requires a social design of the digital transformation. Where jobs are lost and new ones are created, the "leave no one behind" principle of the United Nations' Agenda 2030 must be applied to those whose skills and abilities are not sufficient for retraining and further education for the new labour market. These people are dependent on good, custom-fit and affordable opportunities for further qualification, but also increasingly on their national minimum income systems, if necessary. In the digital transformation, upward social convergence means above all that everyone is included. It also means ensuring access to digital participation for all. Not least the COVID-19 pandemic has triggered a significant digitalisation push. Without digital participation, not only will labour market integration become more difficult, but so will social and political participation.

BAGFW welcomes the fact that the EU Commission in its Communication already announces social policy initiatives at EU level for 2020 and 2021 that are oriented towards the EPSR, and that it also intends to present an action plan for the further implementation of the EPSR at the beginning of 2021. In addition, they see it as a particularly positive development that the EPSR is being used as a strategic basis for the EU funding policy 2021-2027 and that the new European Social Fund (ESF+) in particular is closely aligned with the EPSR.

At the same time, BAGFW refers to preamble 17 of the EPSR, according to which "delivering on the European Pillar of Social Rights (...) is a shared political commitment and responsibility" and it should be "implemented at both Union level and Member State level within their respective competences, 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". BAGFW therefore also calls on the EU Member States, in particular the upcoming EU Council Presidencies, as well as regions and municipalities, to live up to this common political commitment and responsibility. The implementation of the principles of the EPSR in robust, directly applicable laws, rules or other measures is not the exclusive task of the European Union, but must be carried out at all other legislative levels, namely where a regulatory competence is located. The European Commission should promote this concern, for example, by issuing non-binding guidelines specifically for regional and local legislators and publishing so-called "best practice examples" to illustrate how and where individual principles of the EPSR have already been successfully implemented.

2) To pursue social targets in an overall European strategy from 2021 onwards

The European Semester for Economic Policy Coordination was introduced in 2011 as part of the Europe 2020 Strategy [6] to enable EU countries to coordinate their economic policies and jointly address the economic challenges that affect the entire EU. Targets relevant for social policy also played a role in a qualitative assessment. The EU Commission is reviewing the progress of the Member States in implementing the goals of the Europe 2020 Strategy.

By the end of 2020, the "Europe 2020" strategy, with which the EU has been pursuing "smart, sustainable and inclusive growth" since 2010 and for the realisation of which it has set core targets in the areas of employment, education and social inclusion, among others, will expire. In June 2019, the European Council presented "A New Strategic Agenda 2019-2024" [7], in which, however, it is very cautious about social principles and rights.

In the view of BAGFW, a purely technical process of the European Semester is not sufficient. We do not consider the European "Green Deal"[8] alone to be a suitable follow-up strategy, even if it refers at one point to the fact that the measures will be aligned with the EPSR [9].

BAGFW explicitly supports the following recommendation made in the "Assessment of the Europe 2020 Strategy - Joint Report of the Employment Committee (EMCO) and Social Protection Committee (SPC)": "A new, ambitious, coherent and clearly designed long-term policy agenda for growth, jobs and social inclusion is needed. The new agenda should be geared towards enhancing the EU's competitiveness in the global context, creating an economically, environmentally sustainable and at the same time inclusive Europe and taking a modern, forward-looking policy approach to the digital era. It will be important to maintain a focus on upward social convergence."[10]

With a view to strengthening the social dimension in the EU, we therefore advocate for continuing central elements of the "Europe 2020" strategy in a new overall EU strategy from 2021 onwards.[11] This should explicitly set social targets and monitor their achievement in the "European Semester", including monitoring the implementation of the EPSR, e.g. in the "Social Scoreboard", in order to achieve a social market economy aiming at full employment and social progress, or upward social convergence at a high level. The European added value stems from the fact that individual Union members alone cannot provide the exchange with all Member States and concerted, effective coordination of economic, employment and social policies in responding to Europe-wide phenomena.

In the view of BAGFW, a new overall EU strategy must also integrate the goals of the United Nations' "2030 Agenda for Sustainable Development"[12], such as the goals on poverty reduction, reducing inequalities and gender equality.[13]

It is particularly important to ensure that the objectives and principles of the EPSR remain visible in view of the new coordination procedure for the implementation of the Reconstruction and Resilience Facility that will be established in 2021. It is crucial that the EU Commission bases its evaluation of the Member States' reconstruction and resilience plans and the resulting consequences for further policy measures to

address the Covid-19 crisis on a concrete social strategy that is effective for people's quality of life and well-being. The European Semester must not take the risk of becoming a subordinate technical procedure for reasons of crisis management, if at the same time the new parallel procedure does not include the effective implementation of the EPSR among its programmatic contents.

3) Designing EU structural support to strengthen social cohesion in a practice-oriented way

In times of noticeable EU scepticism and increasing nationalist movements, particularly social and inclusive EU programmes that are aligned with the EPSR must be strengthened. BAGFW therefore expressly welcomes the fact that the proposed regulation for the ESF+ from 2021 onwards is oriented towards the principles and rights set out in the EPSR. All EU programmes should address disadvantaged target groups even more strongly and take their needs into account in planning and development.[14]

However, in the decisions of the European Council for the new EU Multiannual Financial Framework (MFF) for 2021 to 2027 of July 2020, the European Social Fund Plus (ESF+), which, among others, also includes the Fund for European Aid to the Most Deprived (FEAD), was cut despite the multi-billion Euro reconstruction instrument. The Erasmus+ exchange programme, which brings the EU directly to its citizens, breaks down prejudices and contributes to mutual understanding, has also been severely cut compared to the Commission's proposals. The EU social programmes are an excellent tool for the EU to translate EPSR rights directly into concrete action at the local level. BAGFW very much regrets the cuts to these programmes and advocates for a future increase in these funding instruments, both through European and national funds.

In order to design EU funding as practice-oriented as possible, BAGFW advocates for the involvement of civil society according to the partnership principle. The partnership approach enables the intensive participation of civil society partners at the level of funding programme development and implementation at Member State level. The partnership approach to EU funding has proven to be a success factor for the implementation of the current ESF and the FEAD in Germany in 2014-2020. To effectively align structural funding with the goal of upward convergence, it is necessary for the European Commission to take effective measures to increase the uptake of funds. This also includes maintaining the EU co-financing rates from the current funding period to ensure that as many currently project executing organisations as possible (in particular small and medium-sized enterprises) can use funds from the ESF+ programmes from 2021 in all regions of Europe. Experience has shown that project executing organisations are often unable to raise higher own contributions. In addition, the proposed funding quotas are too low of an incentive compared to the organisational and financial effort involved in applying for and accounting for ESF funds.

At the same time, administrative simplifications in the Structural Funds urgently need to be implemented. In addition to the increased use of simplified cost options, this includes, above all, a radical simplification of the ESF+ indicators. The extensive,

especially personal data collection of the current funding period has led to major problems in programme and project implementation. In ESF projects, participants could often not be considered for funding if they did not submit their data fully as required. This means that the project executing organisation did not receive any money from the ESF for these participants. The BAGFW therefore recommends that the European Commission and the implementing authorities refrain from collecting irrelevant data, adapt the required indicators to specific programmes and reduce the total number of indicators in order to reduce bureaucracy. We also call for an even more simplified set of indicators for social inclusion measures. Working with people experiencing or at risk of poverty or social exclusion, including the most disadvantaged adults and children, requires a particular sensitivity in data collection. These groups of people are often in a life situation marked by discrimination and exclusion. Any personalised disclosures on a person must therefore be avoided. In addition, absolute anonymity of the data collection must be ensured. The collection of longer-term outcome indicators is not possible with these target groups.

Climate change is felt by people all over Europe. Therefore, in our view, it is appropriate and important to invest money in climate protection. However, in all necessary considerations to save the climate, disadvantaged people and people at risk of by poverty must also be considered. The ecological transformation can only be shaped as a social-ecological transformation. Therefore, access to climate protection and energy saving projects, such as well- equipped appliances and buildings, is an absolute prerequisite for the realisation of social participation. Climate protection measures must not bypass the disadvantaged or even worsen their situation, for example if climate-friendly housing renovation and displacement processes are linked with one another or if the inclusion of ecological follow-up costs in the prices of goods and products without compensation is to the detriment of those on low incomes.

In January 2020, the EU Commission proposed a Just Transition Fund (JTF) as part of its Green Deal. The JTF is the EU's social policy instrument to enable a fair transition to a climate-neutral economy while supporting socio-economic structural change in the affected regions. According to the decision of the European Council, the JTF will have a budget of 17.5 billion euros. BAGFW is principally in favour of the objective of the JTF. However, it is problematic that Art. 21a of the Common Provisions Regulation will oblige Member States to reallocate between 1.5 and 3 Euros from the ESF+ and the ERDF to the JTF for every Euro spent from the JTF (up to 20 percent of the respective fund). This would lead to a further significant reduction of the ESF+, which should be prevented at all costs to ensure that the objectives of the ESF+ are achieved. Therefore, BAGFW recommends not to introduce such mandatory lever for redeployment, but to strengthen synergies between the funds. ESF+ and ERDF can support the transition to a climate-neutral economy and society within their objectives. [15]

4) To pursue upward social convergence at a high level

Just as a prosperous economy in the EU enables people to participate in society and the labour market, lasting economic success is based on an effective, efficient social policy. BAGFW calls for the potential and instruments laid out in the EU Treaties [16] to be exploited in order to deepen the social dimension of the EU.

With the guarantee of adequate social protection and the fight against social exclusion, two exemplary foundations are laid down in the cross-cutting clause of Art. 9 TFEU and in the social chapter of Art. 151 ff. TFEU that provide an exemplary legal basis for this. They are supplemented in Chapter IV ("Solidarity") of the European Charter of Fundamental Rights. The objectives of Article 3 (3) TEU, according to which the Union shall work towards a social market economy aiming not only at full employment but also at social progress, also substantially complement the social dimension of the Treaty of Lisbon.

BAGFW therefore advocates that the potential of a social "acquis" that is contained in the Treaties, in interaction with the legally non-binding principles of the EPSR, contributes to further developing the social dimension of the EU.

The EPSR as a guideline for better implementation of social principles and rights in concrete legislation must therefore be understood as a supporting element of the European economic and social model of the future. BAGFW supports the goal of using the EPSR to promote upward social convergence in the sense of improved economic and social cohesion in the EU and to assist the Member States in reform projects in this regard.

In addition, the EU as a political union should give impulses to the Member States to assume their public responsibility in the design of their social benefit systems and social services and to implement a social investment policy. In its "Social Investment Package" of 2013, the European Commission already emphasised that it is precisely the countries with the most efficient social systems that are among the most successful and competitive economies in the world and called on the Member States to focus more on social investment. Even then, BAGFW expressly supported the European Commission's view that expenditure on social tasks should be perceived as a sustainable investment in people and social cohesion, and not exclusively as a cost factor. [17]

BAGFW has the opinion, that the important subsidiarity principle often cited in European social policy should apply in both directions: The EU leaves the Member States room to manoeuvre for tailor-made national regulations. However, if individual Member States are not able to solve pending problems independently, the European level must take on these problems and must not evade the joint responsibility.

5) EU Action Plan for the Social Economy - the role of the not-for-profit sector

The realisation of the EPSR goals is unthinkable without the active role and contributions of the not-for-profit social economy in Europe. It is a civil society, social and economic stability factor that has an innovative effect, is focused on social and ecological sustainability and acts as a driver of growth and employment in the process. BAGFW therefore has high expectations of the action plan for the social economy announced by the EU Commission for 2021.

To strengthen the not-for-profit social economy in Europe, it is necessary to improve the legal framework for the provision of services, for example, by strengthening the triangular relationship under social law, giving priority to not-for-profit providers in

public procurement law and an exemption for not-for-profit services in state aid law. With regards to EU public procurement law, the main issue is that the applicability of public procurement law is rarely compulsory for public contracting authorities and that - if an award of a public procurement contract is possible or necessary - they can consider not only the price but also social and ecological criteria in the sense of the EU Public Procurement Directive.

In addition, the financial framework needs to be improved, including sufficient co-financing rates and administrative simplification in the EU funding programmes, but also the expansion of tailor-made funding programmes, e.g. for the promotion of social innovations. Not-for-profit social enterprises, which are subject to the prohibition of profit distribution and preferential treatment as an essential profile feature, have a much more difficult time raising the necessary funds for investments on the financial markets than profit-oriented enterprises, and are thus more dependent on government funding programmes.

With its diverse services, facilities and initiatives, the not-for-profit social economy offers a space where citizens can get involved voluntarily and in an honorary capacity and thus realise their potential. This also deserves better social recognition.

6) Further implementation of the "European Pillar of Social Rights"

With the EPSR, a plan was agreed in 2017 [19] to politically strengthen the social dimension of the EU and to work towards an upward convergence of the Member States' social systems. The EPSR identifies 20 employment and social policy principles and social rights to be implemented in all EU Member States. The first initiatives within the framework of the EPSR are in the form of and on the level of EU law, e.g. minimum standards for the accessibility of products and services, written employment contracts and the leave of absence for working parents and caring relatives for care and nursing tasks.[20] It is now important that initiatives to implement the remaining principles and rights of the EPSR follow. For BAGFW, the decisive factor is not that the EPSR exists as a text, but that it supports an improved social reality of people's lives through appropriate implementation initiatives at the EU level and in the Member States, thus promoting improved economic and social cohesion in the EU.

In this context, BAGFW once again calls on the European Commission and the Member States [21] to incorporate the principles for effective and reliable social benefit schemes proposed by the European Economic and Social Committee (EESC) and to further develop their social benefit schemes on this basis: Principle of minimum protection, Principle of need, Principle of determination, Principle of accessibility, Principle of proportionality, Principle of solidarity, Principle of individual responsibility, Principle of participation, Principle of structure, Principle of user self-determination, Principle of legal certainty, Principle of common good, Principle of transparency, Principle of networking, Principle of eye level, Principle of quality, Principle of coordination[22]. In order to improve the social situation in the Member States, we refer to the good experience with the principle of subsidiarity in force in Germany, including an active role of civil society, as well as the solidarity-based financing of social benefit systems. BAGFW calls on the Member States to introduce

a social policy convergence of the European benefit systems at an ambitious level, involving regional and local actors, providers of social security insurance as well as civil society actors such as the independent social welfare organisations.

Against this background, BAGFW would like to provide the European Commission, the European Parliament, the Council and the Member States with guidance on individual policy areas that the EU has taken up in the EPSR, based on its many years of practical experience in Germany:

a) To pursue a EU gender equality strategy with a broad approach (Principle 2 of the EPSR)

BAGFW welcomes the fact that the European Commission has adopted a "Gender Equality Strategy 2020-2025" [23]. They believe that the previous "strategic commitment", based on a Commission staff working document, was insufficient and that there is a need for a multi-year political strategy by the entire EU Commission, that is implemented with commitment by the EU and its Member States. BAGFW welcomes the fact that the strategy focuses not only on the principle of wage transparency, but also on decent working conditions. "Equal pay for equal work" is an important aspect of reducing the higher risk of poverty for women. But it is also about the fair distribution of unpaid care and domestic work between women and men, the dissolution of persistent gender stereotypes and measures to effectively prevent violence against women. It is also necessary to provide better working conditions and pay in areas of work that are often defined as "female", such as care, education and social work. Public funding is often very poor, despite these very fields of work having been in the focus of public attention in the Corona crisis as "systemically relevant".

It is necessary to pursue a broad approach to reducing discrimination against women at EU level and in the Member States. The experiences and suggestions from the gender equality work of civil society organisations should be used in the development of the new strategy.

b) Strengthen anti-discrimination regimes at EU level (Principle 3 of the EPSR)

BAGFW would welcome a new directive proposal from the EU Commission to better implement the prohibition of discrimination. In addition to the right to realise gender equality, the EPSR also formulates the right of all persons to equal treatment with regard to social protection, education and access to publicly available goods and services. This corresponds to the primary law prohibitions of discrimination in the treaties.

c) Secure and adaptable employment (Principle 5 of the EPSR)

The BAGFW sees great opportunities through the advancing digitalisation, also for the social sector. For example, digital tools make it easier for people with physical disabilities to participate in society, and apps and internet access enable older people in particular to stay in touch with family and friends. For this to happen, however, technical and personal preconditions must be fulfilled and secured. Digitalisation must not only be for the benefit of some and to the detriment of others. This is especially important in view of the development of so-called "platform work". In this sense, Principle 5 of the EPSR also demands that "regardless of the type and duration of the employment relationship, workers have the right to fair and equal treatment regarding working conditions, access to social protection and training. (...) Employment relationships that lead to precarious working conditions shall be prevented, including by prohibiting abuse of atypical contracts".

In its recommendation of 8 November 2019 on "Access to social protection for employed and self-employed workers"[24], the Council of the European Union also draws attention to the inadequate social protection of workers employed through platforms and sees in these "gaps in access to social protection" also the risk of negative economic and fiscal effects for the entire Union.

BAGFW welcomes the fact that the German EU Council Presidency is taking up fair working conditions for platform workers as an issue. They expect that both the "Digital Services Act " announced by the EU Commission for February 2021 and the further exchange on platform work will provide for intensive participation of the social partners, the relevant interest groups and civil society and that answers to the challenges of new forms of work will be developed.

The prevention of precarious working conditions, as Principle 5 lit d) of the EPSR aims to achieve, also includes adequate protection of temporarily mobile EU workers, whether in agriculture, the meat processing industry, home-based long-term-care or other sectors typically characterised by low wages.

On the one hand, the EU right of free movement must be preserved as valuable right. However, this must not be at the expense of frequently posted workers. The rights of mobile EU workers, such as at least the payment of the corresponding minimum wage or the generally binding collective wage, the compliance with applicable working standards and working hours, must be respected and enforced where necessary. In addition to easily accessible, mother-tongue counselling and information for workers about these rights, EU-wide cooperation between authorities as well as coordination and control by the newly created European Labour Authority (ELA) is important and necessary. The ELA must have the necessary human and financial resources for this. The tasks of the ELA must therefore not be limited primarily to combating undeclared work, tax evasion or social benefit fraud. [25]

d) Wages (Principle 6 of the EPSR)

Commission President Ursula von der Leyen has announced a European framework for fair minimum wages in her political priorities. On 28 October 2020, the EU

Commission presented a corresponding proposal for an EU directive on decent minimum wages in the EU. It takes up a promise of the EPSR (Principle 6 "Wages"), according to which every worker is entitled to fair pay ("adequate minimum wages"). With an EU framework for minimum wages, the EU Commission is primarily pursuing the goals of combating poverty and promoting a dynamic, flourishing economy without avoidable wage differentials within the internal market.

BAGFW is following with interest the developments of a possible EU framework for fair minimum wages. In our view, general minimum wages are an important measure to avoid low wages and to enforce adequate wages. The level of minimum wage should be determined in such a way that even low-skilled people have a chance of employment and a person in full-time employment does not have to rely on supplementary minimum income support. Depending on the system, minimum wages also contribute to the social security protection of workers and to the financial stability of social security systems. An EU framework for minimum wages could also have consequences for minimum income systems in the member states when, for example, issues such as the alignment of minimum wages with the poverty threshold or the guarantee of living wage employment, also in the lower income range, play a role. This should be taken into account when considering, for example, the adequacy of wages. BAGFW also encourages the German Federal Government - in accordance with its announcements in the current coalition agreement[26] as well as in its work programme for the EU Council Presidency - and the European Union to develop not only an EU framework for minimum wages but also an EU framework for national minimum income systems.[27] A European framework for minimum wages, as currently envisaged by the EU Commission, can only be designed in conjunction with an accompanying minimum income system.[28]

e) Work-life balance (Principle 9 of the EPSR)

Measures to improve the work-life balance are beneficial to family members by contributing to greater "sovereignty over time" for parents, increased economic security for families, favourable conditions for children to grow up and an increased well-being. They can help to increase (full-time) employment rates of women, make part-time employment of fathers more attractive and strengthen the economy. BAGFW is in favour of making work and private life compatible throughout the life course [29]. This is because this compatibility does not only refer to the phase of raising children but is also an entitlement for caring for relatives. BAGFW is therefore in favour of significant time relief to improve the compatibility of care and paid labour.

In order to make children's education and work compatible, it is essential to expand childcare services in line with demand. This should also lead to (married) partners/parents being able to better share family/care work. In addition to infrastructural and monetary framework conditions, time is the most important resource for family care, between care givers and care receivers, but also time for and with the partner as "core" of the family, individual time as well as social time, in which families can integrate themselves into different social networks. A sustainable family policy has to implement time policy measures in addition to monetary and infrastructural ones. This includes the goal of overcoming the often existing "either-

or” between full-time employment or family work which has shaped family constellations for a long time and often meant permanent career and income losses for women through a mix of care and family time. Concepts that combine full-time employment of both partners with good care models (such as the option time model) are particularly promising for overcoming one-sided distribution of burdens in family work and for making men more responsible. [30] In this context, the freedom of choice of families must be designed without disadvantages, since not everyone wants both partners to work full-time in all phases of life.

f) Minimum Income (Principle 14 of the EPSR)

BAGFW affirms that the objective of the "Europe 2020" strategy to fight poverty must be pursued in an intensified manner. Measures to ensure a livelihood make a fundamental contribution to this. They can protect people from social exclusion and enable them to shape their lives according to their own ideas and to realise individual potential. This approach is based on respect for the dignity of every human being and the fundamental idea of solidarity. Efforts must be directed at preventing people from falling into poverty in the first place, or at supporting them on their way out of (sometimes long-standing) poverty. In this context, the solidarity-based financing and the legal protection of livelihood measures in some EU Member States need to be improved.

Livelihood measures can and should make a significant contribution to enabling participation. The financial benefits to secure subsistence must provide those entitled to benefits with a certain amount of freedom that enables them to undertake activities with the aim of taking up employment. The best possible guarantee of encouragement and social participation of the persons concerned is the essential benchmark of livelihood measures, not the most comprehensive possible control or sanctioning of those entitled to benefits.

The freedom of movement of EU citizens has always been one of the cornerstones of the EU. In the future, the mobility of its citizens will be an important motor for the growing integration of the EU as well. The right to freedom of movement must not be called into question, freedom of movement must not be reduced to people in employment, but the social protection of mobile EU citizens must be improved. Furthermore, socially responsible minimum income systems in the Member States, aligned with the European Charter of Fundamental Rights, can combat involuntary poverty-induced migration within the EU and thus prevent burdens on individual social systems. [31]

Therefore, BAGFW welcomes the EU's efforts to create adequate minimum income schemes in the Member States and encourages the German Federal Government, in line with its announcements in the current coalition agreement [32], to develop a legally binding EU framework for national minimum income systems together with the EU. During the German EU Council Presidency, Germany was able to achieve notable progress in the design of an EU framework for minimum income systems with the Council Conclusions on minimum income.

From BAGFW's point of view, the aim must be to create a legally binding EU framework for minimum income systems, for example in the form of an EU directive [33]. For the creation of a legal framework of socially responsible minimum income systems, there is already a robust legal basis in Article 153 (1) (c) TFEU [34]. A framework for national minimum income systems should merely set minimum standards that do not overburden less efficient Member States, but do not prevent efficient states from guaranteeing a higher level of protection. The benchmark for livelihood measures must be the participation of the individual(s) in social, cultural and economic terms. Less capable Member States should also receive – if necessary, also financial – support, for the creation or strengthening socially responsible minimum income systems.

As Member States with a lack of social protection often are precisely those that have no financial leeway to increase their social spending, BAGFW advocates for the adaptation of the Stability and Growth Pact by introducing a "Golden Rule". This would allow states to deduct certain types of public spending from the calculation of their public deficit (e.g. in early childhood education, secondary and higher education, training and active labour market policies, affordable and adequate housing). In the long term, the EU should promote convergence of the further development of social systems. [35]

g) Retirement income and pensions (Principle 15 of the EPSR)

A sustainable system for retirement provisions contributes to poverty prevention. At the individual level, it primarily serves to secure a retirement income that enables older people to enjoy a dignified standard of living. [36] In Germany, according to BAGFW, the statutory contribution-based pay-as-you-go pension insurance represents the most important pillar in securing adequate retirement incomes, which will be further developed in line with societal and demographic challenges in order to remain a powerful pillar of security. [37] Statutory pension insurance is supplemented by the possibilities of occupational and private pension provision. BAGFW takes a critical view of the EU Commission's considerations according to which the legal retirement age should be linked to the development of life expectancy by way of an automatism. It therefore welcomes the fact that the EU Commission has not taken up this proposal after the presentation of the EPSR.

h) Inclusion of persons with disabilities (Principle 17 of the EPSR)

The Convention on the Rights of Persons with Disabilities (UN-CRPD), which both the EU Member States and the European Union itself have signed, requires the introduction of measures to strengthen the rights of persons with disabilities and to promote inclusion. Even if the implementation of the UN-CRPD poses major challenges for some of the signatory states, social benefit systems must be aligned with the needs of persons with disabilities and adapted accordingly in order to ensure a comprehensive participation [38].

BAGFW points out that the inclusion of people with disabilities is an important cross-cutting task that must be adequately taken into account in the implementation of the EPSR in all 20 policy fields, especially in the field of education. BAGFW therefore welcomes the fact that the Commission has announced the presentation of a further developed strategy for people with disabilities for 2021, building on the results of the ongoing evaluation of the European Disability Strategy 2010-2020. At the same time, the inclusion of people with disabilities in all EU funding programmes must be strengthened through active measures. The adoption of an inclusion strategy for the "Erasmus+" programme from 2021 is an exemplary step by the EU Commission in this regard. [39]

i) Long-term care (Principle 18 of the EPSR)

According to the EPSR, every person has the right to affordable and needs-based long-term care, especially home care and services in local communities. In the course of demographic change and increasing life expectancy, the number of people who need care and support in everyday life is increasing across Europe.[40] Fundamental to this is ensuring access to needs-based care services. In the opinion of BAGFW, people in need of care should be able to live in their familiar/family environment for as long as possible. This requires ensuring support in coping with everyday life, medical and nursing care and social participation. In this context, the decision on whether to provide services on an outpatient or inpatient basis should always be based on the individual circumstances and needs. Inpatient and outpatient care services should be provided on an equal basis. Home-based care on site requires framework conditions enabling carers, especially relatives, to carry out their work and at the same time ensuring high-quality care. In addition, the avoidance or reduction of the need for care is of great importance. [41]

j) Access to essential services (Principle 20 of the EPSR)

BAGFW underlines the importance of Principle 20, according to which every person has the right to access essential services such as water, sanitation and energy supply, transport, financial services and digital communication, and that assistance is provided to those in need to access these services.

EU citizens must have the freedom of choice to use high-quality services of general (economic) interest. The special features of social services must be taken into account in accordance with Article 14 TFEU and Protocol No. 26 to the Lisbon Treaty. In the context of future EU free trade agreements it has to be ensured that the sensitive areas of social and health services are excluded. [42]

A strong social Europe must also ensure a just transition into the digital age. We live in a society in which digital participation is increasingly becoming the key to social participation. The common goal must be to ensure the digital participation of the disadvantaged. BAGFW is making its contribution here. [43] As provider of social services, BAGFW uses digital access, tools and opportunities for the benefit of those involved and to increase their quality of life. The European digital strategy presented

by the EU Commission on 19 February 2020 mentions important points regarding digital participation.

With regards to the declaration on "Shaping Europe's Digital Future"[44], BAGFW welcomes, among other things, that technology should be at the service of people. Investing in digital skills for all Europeans, but also in the necessary technical conditions and access to appropriate devices for the income-poor are crucial for digital participation is key, as is ensuring that artificial intelligence is developed in a way that respects people's rights and earns their trust. Equally important are ensuring the protection of personal and sensitive data and empowering citizens to control and protect their data.

BAGFW expects the EU institutions to ensure the intensive participation of the social partners, relevant stakeholders and civil society in further legislative projects within the framework of the European digital strategy - such as the "Digital Services Act" announced by the EU Commission - and to develop answers to the challenges.

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[1] www.bagfw.de

[2] See EESC opinion by Prof. Schlüter, 17.09.2015, <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/principles-effective-and-reliable-welfare-provision-systems>

[3] COM(2020) 14 of 14 January 2020, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0014>

[4] Consultation page "Have your say on strengthening social Europe":
<https://ec.europa.eu/social/main.jsp?catId=1487&langId=de>; Portal:
<https://ec.europa.eu/eusurvey/runner/8257efae-81ed-bee9-ccab-e143deae5ea2>

[5] Cf. "European policy expectations of Freie Wohlfahrtspflege for the European Parliament elections in May 2019" of 9.1.2019, p. 3:(in German) :
https://www.bagfw.de/fileadmin/user_upload/Veroeffentlichungen/Stellungnahmen/2019/Erwartungen_der_FW_Europawahlen_2019.pdf

[6] Communication from the European Commission "Europe 2020 - A strategy for smart, sustainable and inclusive growth" of 3 March 2010, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52010DC2020>; "A new European strategy for jobs and growth", Conclusions of the European Council of 17 June 2010, <https://data.consilium.europa.eu/doc/document/ST-13-2010-REV-1/de/pdf>

[7] <https://www.consilium.europa.eu/media/39914/a-new-strategic-agenda-2019-2024.pdf>

- [8] Communication "The European Green Deal" COM(2019) 640 final of 11.12.2019 https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF
- [9] See Communication "The European Green Deal" COM(2019) 640 final of 11.12.2019, p. 4.
- [10] See p. 11 in "Assessment of the Europe 2020 Strategy - Joint Report of the Employment Committee (EMCO) and Social Protection Committee (SPC)" of 7.11.2019 <https://op.europa.eu/de/publication-detail/-/publication/9c2013d6-01f3-11ea-8c1f-01aa75ed71a1/language-en>
- [11] Cf. "European policy expectations of Freie Wohlfahrtspflege for the European Parliament elections in May 2019" of 9.1.2019.
- [12] <https://www.bundesregierung.de/breg-de/themen/nachhaltigkeitspolitik/ziele-fuer-eine-nachhaltige-entwicklung-weltweit-355966> (in German)
- [13] Cf. "European policy expectations of the Freie Wohlfahrtspflege for the European Parliament elections in May 2019" of 9.1.2019.
- [14] Cf. "European policy expectations of Freie Wohlfahrtspflege for the European Parliament elections in May 2019" of 9.1.2019.
- [15] Cf. position paper of the BAGFW and the DGB on the revised proposals of the EU Commission on the MFF 2021-2027, the reconstruction instrument and the ESF+. (in German) <https://www.bagfw.de/themen/europa/detail/positionspapier-der-bagfw-und-des-dgb-zu-den-ueberarbeiteten-vorschlaegen-der-eu-kommission-zum-mfr-2021-2027-dem-wiederaufbauinstrument-und-dem-esf>
- [16] Art. 3(3) TEU, Art. 8-10 TFEU, Art. 26-34 of the Charter of Fundamental Rights of the EU, Art. 4(2) in conjunction with Art. 151 et seq. TFEU, Art. 5(3) in conjunction with Art. 156 TFEU, Art. 5(2) in conjunction with Art. 145 et seq. TFEU, Art. 157 TFEU, Art. 162 et seq. TFEU
- [17] Cf. "European policy expectations of the Freie Wohlfahrtspflege for the European Parliament elections in May 2019" of 9.1.2019, p. 8; cf. also statement of the German Association on the Communication of the European Commission "Social investments for growth and social cohesion", NDV 2013, 298 f.
- [18] Cf. DCV position paper "For a social EU budget and good framework conditions for basic social security systems in Europe" of 24.10.2018 (in German) <https://www.caritas.de/fuerprofis/presse/stellungnahmen/10-24-2018-fuer-einen-sozialen-eu-haushalt-und-gute-rahmenbedingungen->
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- [21] Cf. BAGFW press release "Welfare welcomes EU initiative for a more social Europe" of 22.6.2015 (in German) <https://www.bagfw.de/suche/detailansicht-news/wohlfahrtspflege-begruesst-eu-initiative-fuer-sozialeres-europa-1>
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- [23] "A Union of Equality: Strategy for Gender Equality 2020-2025", COM(2020) of 05.03.2020, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0152&from=EN>
- [24] 2019/C 387/01 of 8 November 2019, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019H1115%2801%29>

- [25] Cf. DCV position paper with "Requirements on the planned EU Council conclusions on temporarily mobile, gainfully employed EU citizens" of 29.9.2020 (in German) ,
<https://www.caritas.de/stellungnahmen/freizuegigkeit-gefaehrdete-eu-buerger-innen-schuet/1786892/>
- [26] "We want to develop a framework for minimum wage regulations as well as for national basic security systems in the EU states." (in German) from CDU / CSU / SPD (2018): Ein neuer Aufbruch für Europa. A new dynamic for Germany. A new cohesion for our country, Coalition Agreement between CDU, CSU and SPD of 7.2.2018, Berlin. p. 7.
- [27] Cf. DCV position paper "For a social EU budget and good framework conditions for basic social security systems in Europe" of 24.10.2018. (in German)
- [28] See also comments on "Basic security (Principle 14 of the EPSR)" in this opinion.
- [29] See e.g. BAGFW Opinion on the Proposal for a Directive of the European Parliament and of the Council on reconciliation of professional and private life for parents and family carers and repealing Council Directive 2010/18/EU of 7.9.2017 (in German)
https://www.bagfw.de/fileadmin/user_upload/Veroeffentlichungen/Stellungnahmen/2017/2017-09-07_Vereinbarkeitspaket.pdf
- [30] Recommendations of the German Association for Public and Private Welfare (Deutscher Verein für öffentliche und private Fürsorge e. V.) on the further development of the system of monetary support for families and children (in German) , NDV 2019, 449 ff.
- [31] Cf. "European policy expectations of Freie Wohlfahrtspflege for the European Parliament elections in May 2019" of 9.1.2019, p.3-4, 7.
- [32] "We want to develop a framework for minimum wage regulations as well as for national basic security systems in the EU states." from CDU / CSU / SPD (2018): Ein neuer Aufbruch für Europa. A new dynamic for Germany. A new cohesion for our country, Coalition Agreement between CDU, CSU and SPD of 7.2.2018, Berlin. p. 7.
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- [34] This is also confirmed by the legal opinion "Ein verbindlicher EU-Rechtsrahmen für soziale Grundsicherungssysteme in den Mitgliedstaaten" for the Federal Ministry of Labour and Social Affairs by Prof. Kingreen. See "Ein verbindlicher EU-Rechtsrahmen für soziale Sicherungssysteme in den Mitgliedstaaten", legal opinion by Prof. Dr Thorsten Kingreen for the BMAS, September 2017. (in German)
- [35] Cf. "European policy expectations of the Freie Wohlfahrtspflege for the European Parliament elections in May 2019" of 9.1.2019, p. 4. (in German)
- [36] Statement of the German Association on the White Paper of the European Commission "An Agenda for Adequate, Safe and Sustainable Pensions", NDV 2012, 465 ff. (in German)
- [37] Cf. e.g. DCV statement "Heute für morgen. From Bismarck's class insurance via Adenauer's productive pension to the Generation Contract 4.0" of 2.7.2018
[https://www.caritas.de/fuerprofis/presse/stellungnahmen/07-02-2018-heute-fuer-morgen.-von-bismarcks-klassenversicherung-ueber-\(in-German\)](https://www.caritas.de/fuerprofis/presse/stellungnahmen/07-02-2018-heute-fuer-morgen.-von-bismarcks-klassenversicherung-ueber-(in-German))
- [38] Statement of the German Association on the European Pillar of Social Rights, NDV 2018, 64 ff. (in German)
- [39] Cf. the "Recommendations for Improving Inclusion in Erasmus+ and the European Solidarity Corps" by various civil society organisations, which BAGFW helped to develop
<https://www.bagfw.de/veroeffentlichungen/stellungnahmen/positionen/detail/empfehlungen-zur-verbesserung-der-inklusion-in-erasmus-und-im-europaeischen-solidaritaetskorp> (in German)
- [40] Cf. Report of the EU Commission on the impact of demographic change, COM(2020) 241 final, of 17.6.2020,
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0241&from=EN>

- [41] Statement of the German Association on the European Pillar of Social Rights, NDV 2018, 64 ff;
"Pflegesystem den gesellschaftlichen Strukturen anpassen! Recommendations of the German Association for the Further Development of Care", NDV 2013, 385 ff.
Cf. also position paper "Developing and reinsuring care for the elderly - challenges for work and care for the elderly in Germany" by the German Caritas Association and Diakonie Deutschland with their professional associations VKAD and DEVAP
https://www.diakonie.de/fileadmin/user_upload/Diakonie/PDFs/Pressemitteilung_PDF/18_11_22_Positionspapier_Altenarbeit_und_Pflege.pdf (in German)
- [42] Cf. joint position paper of the Federal Ministry for Economic Affairs and Energy (BMWi) and the Federal Association of Voluntary Welfare Organisations (BAGFW) on the Transatlantic Trade and Investment Partnership (TTIP) of 23.02.2015. <https://www.bagfw.de/suche/detailansicht-news/bagfw-und-bundeswirtschaftsministerium-verstaendigen-sich-auf-gemeinsames-positionspapier-zu-ttip> (in German)
- [43] For the German Caritas Association and the German Red Cross, cf. e.g. the website www.sozialbrauchtdigital.de and www.drk-wohlfahrt.de/sonderseiten/soziale-innovation-digitalisierung/ (in German)
- [44] https://ec.europa.eu/info/sites/default/files/communication-shaping-europes-digital-future-feb2020_en_4.pdf