



European Pillar of Social Rights – BusinessEurope contribution to the debate

KEY MESSAGES

- 1** European employers recognise the need for increased convergence of the EU/EMU. The objective is to create in all member states the framework conditions for companies to provide the best possible opportunities for employment for all. The way to achieve this is to undertake national reforms and improve coordination of member states' employment and social policies.
- 2** There is already a strong social dimension in Europe. European employers are willing to discuss how to sustain and improve this in the future. This includes discussing the actions that are needed to improve people's prospects in Europe and increase social cohesion. The focus must be on building on our strengths to increase the contribution of Social Europe to Europe's global competitiveness.
- 3** The sole focus on 'social rights' is not the right approach. The social dimension of the EU is much broader than this, including an extensive body of EU and national legislation protecting workers, as well as well-developed national social systems.
- 4** The pillar should pave the way for the design of benchmarks that can act as a compass for the necessary national reforms of labour markets, education and training systems and social systems in all member states.

WHAT DOES BUSINESSEUROPE AIM FOR?

- BusinessEurope aims for the European Pillar to contribute to a comprehensive EU/EMU economic and social strategy fostering increased competitiveness of economies and social cohesion across Europe by providing tools to support reforms and for better coordination of national policies.
- We aim at a renewal of the flexicurity principles as a basis for development of benchmarks, which provide a point of reference for assessing progress towards reform goals and comparison between member states. This should contribute to improving implementation of the European semester process.



Introduction

1. On 8 March 2016, the European Commission published a first preliminary outline of a European Pillar of Social Rights. This followed on from the announcement by President Juncker in his State of the Union address on 9 September 2015.
2. Accompanying the preliminary outline of the pillar is an overarching communication launching a public consultation based on three main areas: taking stock of the EU social 'acquis', challenges and opportunities with the future of work and welfare systems, and the role of the pillar as part of a deeper and fairer EMU. This is accompanied by two staff working documents on key economic, employment and social trends and on the EU social acquis.
3. The approach of the pillar stated by the European Commission is to identify 'essential principles common to euro area member states, focusing on their needs and challenges in the field of employment and social policies'. It is also open to the other EU member states, who may join the initiative if they so wish.
4. According to the European Commission, the aim of the pillar is twofold:
 - to spell out principles and commitments that can steer greater convergence within the euro area by providing a way to assess and, in future, approximate for the better the performance of national employment and social policies;
 - to revisit the existing body of EU social and employment legislation (the so-called "EU social acquis") by taking a holistic view and reviewing its relevance in the light of new trends with a view to identifying possible areas for future action at the appropriate level.
5. The first preliminary outline of the pillar is based on three broad areas – equal opportunities and access to the labour market; fair working conditions; and adequate and sustainable social protection. It comprises 20 domains and a set of principles.
6. The draft pillar and consultation will ultimately feed into the broader EU agenda on the future of Economic and Monetary Union, by way of a White Paper in Spring 2017.
7. This paper provides BusinessEurope's contribution to the ongoing debate on the pillar, having in mind that the debates will evolve, therefore requiring an update at a later stage.



BusinessEurope's approach to Social Europe

8. Europe stands out in the world as the region with the highest level of social well-being and social equity. But it is faced with important social challenges, not least tackling unemployment and ensuring an employment-rich recovery.
9. Europe's social problems are not due to a deficit of social policy but to a lack of competitiveness. Our social challenges will only be tackled through economic growth, creation of new wealth and expansion of employment. And it is companies that will drive improvements in the prosperity of European citizens by investing in Europe, generating more growth and creating jobs. For this, they rely on a competitive business environment.
10. The European project is increasingly being challenged, partly due to economic and social divergences between EU member states. The divergences became clear after the enlargement of the EU in 2004, grew after the crisis of 2007-2008, and take time to reduce. **First and foremost, it is necessary to identify the real reasons behind the lack of convergence – which rather than being due to a lack of social ambition in the member states, is in particular due to a lack of structural reforms in some countries.**
11. An increased convergence between EU member states is needed. A genuine and appropriate social dimension of the EU/EMU can help underpin convergence. This should be convergence towards the outcomes, i.e. restoring competitiveness, growth, employment and productivity.
12. **In this context, the European pillar's sole focus on 'social rights' is not the right approach.** This is a very narrow view of the social dimension of the EU. In terms of primary law, fundamental social rights as recognised in various declarations and charters at global, European and national levels are fully acknowledged and not in question. On top of this, there is an extensive body of EU and national legislation protecting workers, and we have well-developed social systems at national level. **The challenge which was recognised by social partners in several instances is to ensure that these laws and systems at all levels are designed and governed in a way that can generate real improvements in peoples' lives.** It ignores that the most effective and sustainable way to improve the social dimension is to increase Europe's global competitiveness and thereby promote employment creation.
13. **The pillar will only be useful if it really contributes to improving the framework conditions in Europe for job creation and labour market integration.** The business community also acknowledges the need to ensure good working conditions. In line with this, the key objective of the pillar is to set in motion a broadly shared agenda through benchmarking national reforms and outcomes of labour markets, education and training systems and social systems by all member states. The key challenge that the pillar should aim to address is finding ways to increase the ownership of reforms at EU and national levels, without undermining their capacity to really address the structural challenges that have hindered our economies and societies from becoming more prosperous.



14. In terms of the analysis underpinning the pillar, we agree in general that social and economic policies can be two sides of the same coin – as long as systems are designed in a mutually beneficial way. To achieve the objectives of Social Europe a sound macro-economic policy mix is just as crucial as effective employment and social policies. **A healthy economy provides the necessary basis to sustain our well-developed social systems.** This means that the pillar should be conceived from the outset as part of a comprehensive EU/EMU economic and social strategy fostering increased competitiveness of our economies, growth, job creation and social cohesion across Europe by providing tools for better coordination of national policies.
15. The pillar should take account of the close interlinkages of our economies and labour markets and the fact that policy choices in one member state spill-over into others. Whilst we agree on the need to look at the diversity between member states in national social policy actually achieving its goals, the different economic situations in the member states should be better taken into account. This has a huge impact on the ability of countries to perform well on the social front. This means that every member state has to find its own reform path and **that action has to take place at the appropriate level, in line with the principle of subsidiarity. Many elements of social policies, as well as the organisation and financing of social systems, are the competence of member states and this must not be undermined.**

Positive if the aim of the pillar is benchmarking

16. **One of the central aims of the pillar seems to be the development of benchmarks.** We view this positively, as a fresh approach on benchmarking, as we stated in our 2014 brochure on the future of Social Europe, could support the reform agenda, also by providing a link and **adequate complementarity with the European Semester process.**
17. The purpose of benchmarks is to support all EU member states in reforming labour markets, education and training, and social systems, by providing a point of reference to support national implementation of structural reforms and assess progress towards reform goals, as well as member states' economic and social performance more generally. This assessment should be a joint endeavour of the Council, Commission, member states and social partners. **Benchmarks also allow for comparison between member states, providing opportunities for mutual learning and best practice exchange.**
18. There should be a **clear prioritisation** in the issues covered by benchmarks, focusing on those **which will have a positive impact on competitiveness, employment, and sustainability and adequacy of social systems.** Depending on the area, benchmarks may be either quantitative and/or qualitative. To this end, section 2. of this paper provides details on a list of priority issues on which benchmarks could be developed. This includes some of the issues identified in the first preliminary outline of the pillar, where appropriate and in line with our overall aim of supporting national structural reforms. The approach and principles in some parts of the draft outline of the pillar, e.g. in relation to conditions of employment, in particular written information to workers prior to the start of employment, and regarding parental leave are not in line with this and are therefore not taken on board. The benchmarks should also take



account of ongoing work in the Eurogroup and the Council's Employment Committee – EMCO - and Social Protection Committee - SPC.

19. A prerequisite for defining appropriate benchmarks will be for the Commission to provide the Council, member states and social partners a **comparative overview of the different national situations, country by country, to allow for the different starting situations of the member states to be taken into account**. This has a huge impact on the specific goals that should be set for different member states, as well as on the types of measures needed. For example, in the area of social protection, the differences between countries whose systems are tax-based and those that are based on social insurance need to be accounted for.

But concerns if it is about 'addressing gaps' in EU social legislation

20. At the same time, due to the lack of clarity about the ultimate aim of the pillar, in particular the link to debates on the future of work, we are strongly concerned that it would pave the way to changes to **'address gaps' in EU social legislation, according to 'common high level standards'**. This should be avoided.
21. The EU social acquis is already well developed, encompassing over **70 directives** protecting workers and providing them with rights in a number of key areas, including equal treatment, awareness of conditions of employment, health and safety, and information and consultation of workers, to mention but a few. The vast majority of workers in Europe enjoy good working conditions – the latest Eurofound Working Conditions Survey, published in 2012, showed that **84% of people are satisfied with their working conditions**. This was confirmed by **a Eurobarometer survey in 2014 highlighting that 77% of Europeans perceive their working conditions as good**. Of course there are differences between member states.
22. The focus should also be on ensuring **proper enforcement and application of existing EU social legislation and cutting unnecessary red tape**. In this context, it is important that the European pillar of social rights does not deter efforts **away from the better regulation agenda**. This agenda is not meant to lead to a lowering of social standards, on the contrary, it aims to make sure that social legislation can be applied by companies and therefore achieve its objective **of protecting workers without creating unnecessary bureaucracy**. It aims to remove red tape and lower costs without compromising policy objectives. We support the aims of this agenda, including REFIT, as long as it is not misused by policy-makers to increase social rights or introduce new obligations for employers. **For example, the Commission's proposal for a recast of the EU directives on information and consultation of workers, labelled as a REFIT exercise, is not in line with the objectives of the better regulation agenda**. On the contrary, it would add burdens for business.
23. Furthermore, addressing gaps in EU social legislation according to **"common high level standards"** may be in contradiction to the current **Treaty provisions**, whereby the EU, when proposing social legislation, is **restricted to establishing minimum standards**. It is also important to recall, that the EU Treaty lays down that when the EU pursues social objectives, it has to comply with the **principles of subsidiarity and proportionality**. The EU should therefore move away from past trends, where it has sometimes overused its regulatory power in the social field, with overly prescriptive



provisions in some directives. This is particularly important in the context of an enlarged EU, where differences between member states are more pronounced.

24. It is also highly problematic that the pillar refers in an undifferentiated way to primary EU law, secondary EU law and the ruling ECJ-jurisprudence as legal sources of the pillar. Jurisprudence should not have the same status as law, since it refers to the interpretation of existing EU law, which the European legislator might change in the future. In addition, ILO conventions or recommendations should not be legal sources of the pillar either. In the area of international social policy it is up to the member states to decide whether they ratify and apply ILO conventions or recommendations. The EU is only allowed to ratify ILO conventions falling within the exclusive competence of the EU. Social policy is not part of this area.

Way forward: Renewed flexicurity strategy

25. Discussions on the social pillar should recognise that there is already a strong social dimension in Europe. The business community is open to discuss how best to improve it in the future. However, rather than focusing on creating new or strengthening existing individual social rights for workers, the social pillar should take a broader approach looking at how to build on these strengths, by providing the best possible opportunities for employment for all. This should be achieved with a renewal of the flexicurity approach, which should be a key part of the European pillar of social rights. A renewed flexicurity strategy should focus on the following:

- Achieving fair, dynamic, mobile and inclusive labour markets (as in our joint social partner In-Depth Employment Analysis);
- Ensuring that social rights can be adapted to remain up-to-date with current and future framework conditions and new and more diverse career paths;
- Ensuring continued employability, which is particularly important to face the demographic challenges in Europe which makes it even more crucial to mobilise all available human resources;
- Making sure that companies have enough flexibility to adapt their workforce to changing economic circumstances, e.g. in terms of working time, wages and contracts; and
- Putting in place the conditions to smooth workers' transitions on the labour market between jobs, sectors and employment statuses, while respecting the diversity of industrial relations practices across Europe.

Lack of clarity on the scope of the initiative

26. We have concerns and questions about the approach targeted on the one hand at the euro area and on the other hand at the EU overall. The Commission has proposed to develop the pillar within the euro area, while allowing other EU member states to join if they want to do so. The Commission's objective is to address the needs and challenges confronting the euro area, stressing that for EMU to succeed, labour market and welfare systems need to function well and in a fair manner in all euro area member states. At the same time, the EU social acquis covers all 28 EU member states and EEA countries. This means that there is a lack of coherence about the aims and scope of the initiative. At the very least, it will be important to clarify this. It will also be important to involve the countries that are not part of the euro area in view of the link with the future of EU social policy.



Consultation approach should reflect **social partners' role**

27. A mere public consultation is not the right format to discuss the European pillar on social rights. **The Commission should consult the social partners separately from other stakeholders,** both at EU and national levels. At European level, the dedicated social partner hearing held in June was not sufficient, because it was too early for a consolidated and coordinated position of the social partners. A further dedicated social partner hearing will take place in October, however in both cases only a limited number of social partner representatives are able to take part. It is therefore essential that the Europe-wide social partner consultations on the pillar take into account the consultations that will be held in the 28 Member States between June and October.

General remarks on the first preliminary outline of the pillar

28. **If it is well-designed, the pillar can be useful to build consensus on a European framework for national labour market reforms.** However, it should not be the vehicle for detailed recommendations for policy fields which clearly fall within the remit of member states. **Country-specific recommendations should continue to be channelled through the European semester process.**

29. It should be made clear that improving **access to the labour market** (included in the first chapter of the preliminary outline of the pillar) **is the top priority,** to urgently deal with the still high levels of unemployment and to ensure that the right framework conditions exist for job creation.

30. High unemployment rates in Europe are a long-lasting challenge which was exacerbated by the crisis. Some groups in society, such **as women, young people or older workers, continue to be under-represented in employment.** **This is linked to insufficient growth and longstanding structural weaknesses,** in particular under-performance of labour markets and a difficulty to integrate new entrants into labour markets. The ultimate goal of the pillar should therefore be facilitating actions to **increase job creation, employment participation and labour productivity.**

31. We support the renewal of the flexicurity principle, in particular acknowledging that this agenda is about providing **flexibility and security to both workers and employers.** However, we are concerned that the focus has **now wrongly been shifted to contracts,** whereas flexicurity should remain about flexibility and security in employment.

32. In relation to the focus of the 2nd chapter of the preliminary outline of the pillar on 'fair working conditions', it is important to recall that Europe stands out in the world as the **region with the highest level of social well-being and social equity and that there are also currently high levels of satisfaction of Europeans with their working conditions.** Also, as pointed out above, the EU social acquis is already well developed, encompassing over 70 directives protecting workers and providing them with rights in a number of key areas.

33. Regarding the third chapter of the preliminary outline of the pillar on social protection, it is important to take into account that the **EU's role is more limited in this area,** due to the division **between EU and member state competences.**



34. Prioritising will also be essential to develop the pillar into a tool for benchmarking, which will have a real impact on supporting national reforms of labour markets and social systems. Linked to the European Semester process, **prioritisation would also help to improve implementation of country specific recommendations.**

Proposals for developing benchmarks

35. In the context outlined above, we believe that the following should be **the priority areas for benchmarking**, noting those elements of the first preliminary outline of the pillar (hereafter referred to as draft pillar) which could be relevant and useful in this respect:

➤ **Reducing labour costs to facilitate job creation and labour market integration**

36. Integration in the labour market and job creation are hindered where non-wage labour costs are unduly high. There is therefore a need **to reduce the tax wedge on employment.**

37. A focus for benchmarking would therefore be member states' efforts **to shift taxes away from labour, for example to other taxes**, in such a way which ensures that this does not hamper growth and investments or lead to an increase of the overall tax burden on enterprises. The agreement of the euro-group in September 2014 on common principles guiding euro area member states' reforms to reduce the tax wedge on labour, and the discussions in 2015 on the development of benchmarking in this area, could be taken forward as part of the pillar.

38. **Employment is also hindered where minimum wages are unduly high** and the draft pillar importantly recognises more generally the need for **wages to evolve in line with productivity**, to maintain employment prospects for low-skilled workers and make work pay.

39. When providing for benchmarking on this topic, the different national industrial relations systems need to be taken into account, where in some cases social partners are responsible for negotiating and setting the wages.

➤ **Ensuring attractiveness of different forms of employment contracts and providing a framework to facilitate transitions between them**

40. **Employment, particularly of young people, is hindered where employment regulations are rigid.** The draft pillar usefully recognises that complex and costly regulation on termination of open ended contracts discourages employers to hire.

41. To improve employment prospects for European citizens, further measures are therefore needed to ensure the **attractiveness of different contractual forms** and to ensure that a variety of employment contracts are available for employers and workers.

42. We need to move away from the assumptions and generalisations, which are also included in the draft pillar, about certain types of flexible contracts, in terms of security, pay, access to training and social protection. For example, whilst we agree that



temporary employment should ultimately be a stepping stone to permanent employment, this does not mean that it is less stable and secure.

43. In this context, benchmarking could be useful on:

- **Measures by member states to reduce rigidity of employment regulations** and to make conditions of employment more conducive to labour market integration and job creation;
 - **The availability and access to a variety of contractual forms** at national level, as well as the conditions attached to different contracts, e.g. when it comes to training or social protection;
 - **The different conditions of employment at national level**, e.g. probation or notice periods, or rules on dismissal, as long as social partner competences and individual worker-employer arrangements are respected;
 - Referring to an element of the draft pillar, the way that **flexible contracts/self-employment facilitate entry into the labour market, respond to employers' needs and facilitate reconciliation of work and private life; and**
 - Measures by member states to cap compensations granted by labour courts.
- ***Reinforcing effectiveness of tax and benefit systems to make work pay and increasing the performance of active labour market policies for employment***

44. **The EU underperforms in terms of activating the unemployed**, partly due to the fact that unemployment traps continue to exist where tax and benefit systems do not create the right incentives for people to look for work actively. Systems must be designed in such a way that work is an economically attractive option compared to welfare benefits, especially for low-income earners.

45. There is also a need to **improve the performance of active labour market policies (ALMPs) in terms of employment outcomes.**

46. Therefore, benchmarking could look at:

- **How national tax and benefit systems can be designed to make work pay and avoid unemployment traps; and**
- **The cost effectiveness of member states' spending to achieve good employment outcomes from ALMPs.** In this context, the benchmarking project led by the European Commission, which aims to improve the performance of public employment services (PES) across Europe through the exchange of experiences and practices, should be taken into account. This includes assessment of the functioning of PES according to qualitative and quantitative indicators, as well as looking at ways to improve performance, mutual learning and national variables, including the labour market context.

47. The draft pillar usefully sets certain conditions for access to unemployment benefits, i.e. that they should be conditional on active job search, participation in active support and that the duration of benefits should preserve incentives **for quick return to employment.** These are important elements to ensure that unemployment benefits do not discourage effective labour market reintegration.



48. Therefore, it could be useful to also provide for benchmarking on the different national rules on:

- Eligibility requirements;
- Duration of benefits;
- To what extent benefits are conditional on efforts on active job search;
- Effectiveness and efficiency of training in helping the unemployed into work; and
- Capacity of public employment services to provide training and link with other services in a timely manner, including the cooperation with private employment services.

49. Also referring to the draft pillar, it could be useful to look how member states integrate social benefits, active support and social services, whether and under what conditions this joined up approach is effective in ensuring that assistance is combined with getting people back to work.

➤ **Improving learning outcomes in line with labour market needs**

50. A key structural weakness in the EU is caused by a mismatch between the skills provided through education and training and those needed on labour markets. As highlighted in the draft pillar, a key way to tackle this mismatch is to ensure that education and training systems are responsive to labour market needs. Also, such systems should be targeted at specific, relevant learning outcomes. Another key way to tackle this is to ensure that a large share of training is part of work-based learning, i.e. in the enterprise.

51. In this respect, it could be useful to benchmark the:

- Share of work-based learning in overall initial education and training;
- Share of students studying STEM-related subjects;
- Number of months after completing work-based learning for individuals to get a job;
- Percentage or training time (as part of work-based learning, particularly apprenticeships) spent in the enterprise;
- Extent to which employers are involved in designing curricula;
- The design and extent of financial support for companies offering apprenticeships; and
- The degree of flexibility that companies have to manage funds that support apprenticeship training.

52. Although, as highlighted in the draft pillar, there is a need to look at low-skilled young people and working age adults, the focus should not be so narrow. Benchmarking should be done on re-training and adapting skills over the life course for everyone, particularly in view of the future of work including digitization.

53. The focus in the draft pillar on the responsibility of companies, but also workers themselves in upskilling is important, as well as the need to encourage individuals of working age to take up training to improve their labour market/entrepreneurial prospects/transitions on the labour market. Benchmarking on measures at national level which provide for this balanced approach on company and individual responsibility could be useful. This would be a better approach than benchmarking



'training entitlements', as this should not be seen as a social right, rather a joint responsibility of employers and workers, to make effective investments for enterprises and workers on a cost-sharing basis, whilst taking into account national practices and, as appropriate, the role of social partners.

➤ **Promoting efficient and effective social expenditure to limit negative impacts on growth and social hardship**

54. An essential component of the European social dimension is the existence of comprehensive social systems and high levels of social spending compared with globally. Two thirds of total government expenditure across Europe is devoted to social spending, including education, health and social protection. This means that social expenditures need to maintain social systems in an economically efficient way.
55. Furthermore, the EU has experienced a rapid increase in life expectancy over the last decades. The combination of a growing ageing population and a shrinking workforce means that an increasing number of older persons will be economically dependent on a decreasing number of working people.
56. Framed around the important acknowledgement of the need to find a balance between adequacy and financial sustainability in social protection systems, the draft pillar provides the following elements which are a good basis for benchmarking:
- Pensions – how far pension age is linked to life expectancy, how member states try to narrow the gap between statutory and actual retirement age, and avoid early exit from the labour force. In this context, a European comparative sustainability index could be developed looking into current levels of contributions, benefits and life expectancy;
 - Minimum income systems – to what extent are they really a last resort measure, for those who lack of other means of subsistence or sufficient resources to a decent standard of living; and
 - Health systems - member states' efforts to guarantee financial sustainability, cost-effective provision of care and to improve efficiency and effectiveness.
57. The work done in follow-up to the Commission's 2013 Social Investment Package¹ could provide useful background material, in particular the overview of financing arrangements, and effectiveness and efficiency of resource allocation for social protection systems in the EU². The Eurogroup's work on quality of public expenditure, started in September 2015, should also be taken into account. It aims to measure and compare the growth-friendliness of public expenditures, taking into account the composition of spending in areas such as education, health, and research & development; and the effectiveness and efficiency of spending. The recent work of the Eurogroup setting out principles for sustainability of pension systems should also be taken on board for future development of benchmarks. Also, potentially, the work done regarding reference budgets for member states' minimum income schemes, could be useful, but only as long as it fully respects the national competence of the

¹ Commission communication COM(2013) 83 final, 20.02.2013, 'Towards Social Investment for Growth and Cohesion' and follow-up policy roadmaps 2014 and 2015

² <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7743&visible=0>



member states to set the level of income support in light of their available national budget.

58. We share the analysis in the draft pillar on the importance of available care facilities in terms of labour market integration. For example, access to adequate, affordable and appropriate childcare infrastructures plays a crucial role in enabling women to enter the labour market and work full-time, as well as helping parents to stay in employment in order to support their families. However, in some countries there is a lack of infrastructure, which is an obstacle to employment participation, particularly of women.
59. Action is already targeted at member states to organise childcare facilities, however the majority of them are still below the Barcelona targets for early childcare coverage. For 0-3 year olds, the majority of EU countries are falling behind the 33% coverage target, with eight achieving only 10% or less. For the over 3 year olds, only eight countries have exceeded the 90% coverage target and close to one third are below 70%.³ The pillar could be used to make progress in this area.
60. We also share the emphasis in the draft pillar on balancing adequacy and financial sustainability of sickness benefit schemes, whilst recognising that the arrangements at national level vary considerably, e.g. concerning waiting days, duration and replacement levels. Benchmarking could be useful on whether and under what conditions these different arrangements provide for adequacy and financial sustainability, whilst encouraging reintegration in the labour market.

In conclusion

61. BusinessEurope agrees that there is merit in reflecting on EU social policy from a holistic point of view, also taking into account that such policy has developed step by step over a number of decades. We also agree on the importance of discussing what actions are needed to improve peoples' situation and prospects in Europe, as part of increasing social cohesion within and between EU member states. However, we believe strongly that a European pillar focusing on a rights based approach will not help to achieve this. A broader approach is needed focusing on employment and growth.
62. The ultimate aim of the pillar unfortunately remains unclear. The views of employers will depend on where the pillar leads, the policies stemming from it, and whether they really match the challenges we face in Europe today and our ability to adapt to the future. As European employers, we believe that a genuine and appropriate social dimension of Europe depends on achieving more progress in terms of ownership and implementation of labour market reforms. This can help underpin convergence in the EMU and EU towards shared outcomes. However, the process needs to be steered in the right direction, by focusing much more on those aspects where the pillar can really have added-value for the EMU and EU. Our proposal to achieve this is for the pillar to become a vehicle to support structural reforms at national level, by devising benchmarks to support this.

³ European Commission Communication on Early Childhood Education and Care, February 2011