

Chair, ladies and gentlemen,

Tomorrow we celebrate the 60<sup>th</sup> anniversary of the signing of the Rome Treaties. For the Fundamental Rights Agency the year 2017 marks also the tenth anniversary, since the establishment of our Agency. These anniversaries tell a story of the EU's evolution from an organisation focused mainly on economic cooperation to one in which respect for fundamental rights is a basic pillar of law and policy. They also reflect the fact that the EU is not just a union of states, but a union of people, granting rights to citizens and individuals.

As we come closer to the end of the ten-year period of Europe's 2020 strategy, it seems likely that we will reach some of its targets, for instance in climate change and energy, maybe also in education. But it is unlikely that we will be able to achieve the target of at least 20 million fewer people in or at risk of poverty and social exclusion; an important target for reaching our goal for more inclusive growth. When looking back, we can attribute this to the severe financial and economic crisis that marked the first part of this decade; but looking to the future, it means that we must now increase efforts to tackle poverty; and this includes in work-poverty, a phenomenon that affects nearly one out of ten working people in the EU. We must increase our efforts for three reasons:

First, in order to reduce income inequalities - last week Eurostat released data on the level of income inequality in the EU: they show that the income of the top 20% of the population is 5.2 times as much as the income of the bottom 20%. The considerable variation between countries, ranging from 3.5 in Slovakia and the Czech Republic, to 6.0 or more in Portugal, Estonia, Latvia, Greece, Spain, Bulgaria or Lithuania, and peaking at 8.3 in Romania shows the extent of persisting disparities between countries and regions of the European Union.<sup>1</sup> Such levels of inequality are not sustainable in our democracies, as the Council of Europe Secretary General pointed out saying that "a democratic order cannot claim to be such, unless it generates a model of society capable, through wise and balanced apportionment of the available resources, of addressing people's basic needs with due regard for their dignity and with a view to more inclusive growth."

Second, because it is a major concern of public opinion in Europe - three months ago when asked in the Special Eurobarometer on the 'Future of Europe' to choose the two most important issues for facing *major global challenges ahead*, almost half of the respondents (46%) selected: social equality and solidarity. Furthermore, the overwhelming majority (82%) agreed that a free-market economy should go hand in hand with a high level of social protection. Let us not forget what Supreme Court Justice Louis Brandeis said during the Great Depression in America: 'you can have wealth concentrated in the hands of a few or you can have democracy, but you can't have both at once.'

This brings me to the third reason, which is our duty to respect and protect fundamental rights. Combating poverty is more than just 'plain good business sense', it is a matter of fundamental rights: everyone's right to human dignity and equal treatment, the right of children to development, the right of minorities to non-discrimination. Last November, we published data based on the largest survey on Roma households across nine EU Member States. They show that 80% continue to live below the at-risk-of-poverty threshold of their country; that every third Roma lives in housing without tap water; one in ten in housing without electricity; and every third Roma child lives in a household that faced hunger, in the European Union, at least once in the previous month.

The EU, characterised by the World Bank as a "convergence machine, unique in the world", responded to the challenge through several policy initiatives. I will mention two that more directly impact on the

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<sup>1</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Income\\_distribution\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Income_distribution_statistics)

protection of social rights: the European Structural and Investment Funds, and the proposal for a new European Pillar of Social Rights.

In 2014, the new programming period of structural and investment funds was launched. Amounting to more than €450 billion this powerful financial instrument provides a much needed stimulus to reach the goals of Europe 2020 – and an important part of these funds is earmarked to tackle poverty and social exclusion. What is important to note, is that the legal framework governing these funds includes now a number of general and thematic conditionalities designed to promote fundamental rights. And these conditionalities must be fulfilled before a Member State can use these funds. They include measures and actions to ensure, for example, gender equality, the rights of persons with disabilities, anti-discrimination, active inclusion measures to combat poverty, actions to ensure active and healthy ageing, and actions to promote Roma inclusion.

In parallel, and in order to accelerate progress towards inclusive growth, the Commission proposed last year a new European ‘Pillar of Social Rights’ – rights, not policies. This initiative can be a real ‘game changer’: in Commissioner Thyssen words “Europe has always placed importance on social justice – as the core of its social market economy, so we need to tackle inequalities and poverty head on.”

Adopting a rights-based approach, means that actions are based on human rights standards and seek to promote and protect human rights by eliminating practices that discriminate and impede progress. This can be achieved through structural reforms, which should be effectively monitored to respect our citizens’ demand for transparency and accountability. A mechanism for this surveillance is already in place: the European Semester, the EU’s annual cycle of economic policy coordination.

The Commission is aware of the challenges in implementing major structural reforms, but is also aware of their potential impact on promoting fundamental rights: The proposal for a Regulation<sup>2</sup> on the establishment of a Structural Reform Support Programme for 2017 to 2020, refers to the positive effect of such support for the preservation and development of the Union’s fundamental rights, such as dignity, freedom, equality, solidarity, citizens’ rights and justice.

Ladies and gentlemen,

The Fundamental Rights Agency considers that the Social Rights Pillar offers a unique opportunity to accelerate progress towards Europe’s 2020 poverty reduction targets. Some of the principles outlined in the Commission’s preliminary outline of the Pillar are largely contained in the EU’s own Charter of Fundamental Rights, as well as in primary and secondary EU law. It would, nevertheless, be desirable, as many stakeholders pointed out in the consultation on the Pillar, that any instruments derived from the Pillar take a legally binding form. This will contribute in defining relevant social rights contained in the Charter more concretely and in reinforcing their justiciability. In this context, we believe that the legislative and policy package of the Pillar should:

Firstly, be based a thorough assessment of the effectiveness of the current EU acquis in terms of delivering results that make a measurable difference to people’s lives;

Secondly, include a clear commitment to achieve targets in each policy domain, for example in the form of a “roadmap” that includes concrete action plans, benchmarks and funding strategies, and that this is monitored in a transparent and efficient way through the European Semester;

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<sup>2</sup> [http://ec.europa.eu/europe2020/pdf/2016/ags2016\\_structural\\_reform\\_support\\_programme.pdf](http://ec.europa.eu/europe2020/pdf/2016/ags2016_structural_reform_support_programme.pdf)

Thirdly, that it should be implemented rigorously by all Member States, which may require assisting them in strengthening their adjustment capacity to support the convergence process, as described in the Commission's proposal for a Structural Reform Support Programme.

Finally, that it is communicated effectively to all citizens, particularly those that stand to benefit most. Let us not forget that in 2015 Eurobarometer found that on average half of Europeans (47%) did not know their rights if they were victims of discrimination or harassment on any of the grounds protected by law in the EU.

In closing, allow me to remind you that three years ago, in October 2014, the President of the Commission said to the European Parliament that he wants Europe to have a social triple-A rating, because that is just as important as an economic and financial triple-A. Three years remain to the end of Europe 2020; enough time to make a tangible difference to people lives by making bold changes and by investing our resources wisely.

Thank you very much for your attention