Equal opportunities: Forever poor or born to be free?

The principle of equal opportunities for all is a cornerstone of democracy. It implies that, on the basis of the principle of non-discrimination, all people should have opportunities in all areas of life, such as education, employment, advancement or distribution of resources, irrespective of their age, race, gender, religion, ethnic origin or any other individual or group characteristic unrelated to ability, performance or qualifications. All kinds of inequalities affect access to opportunities and can lead to more inequalities. As long as all have equal access to high-quality education, other public goods and services, finance and entrepreneurship, some level of inequality of outcomes is both economically inevitable and politically acceptable. Inequalities, including those of opportunities, are currently growing and young people are particularly hardly hit. There is hardly any public debate that does not touch on this issue as it is at the core of the current global challenges. What is really at stake and how is the European Union responding?

What is at stake?

Current trends show that people’s life trajectories are strongly determined by age, gender, place of birth, education, wealth and income, and that these patterns can continue from one generation to the next. This, in turn, then contributes to inequality of outcomes in terms of educational attainment, health and social mobility. There can be inequalities between generations, genders and regions, and between people with different social or cultural backgrounds. Societies that are more cohesive – i.e. characterised by robust relationships, connectedness between members and the community, with a pronounced focus on the common good – also encounter fewer inequalities and are more resilient. This also implies that high levels of inequality erode social cohesion. Current strategies to address inequalities are aimed at combating inequality of opportunity or promoting inclusive growth. The main rationale behind the latter has been that there is no trade-off between economic growth and equality. The issue of inequalities and equal opportunities is very much dependent on the basic structures in our societies. In turn, the remedies have to address those basic structures, there being no 'one-size-fits-all' formula.

Some striking figures show that:

**Inequality goes beyond income and affects opportunities**, such as access to jobs. For example, despite having higher rates of educational attainment than the generations before them, people under 25 are 60% more likely to be unemployed than the 25-54 age group.

**Rising income inequality is also accompanied by greater polarisation in educational and health outcomes, perpetuating a vicious circle of exclusion and inequality.** For example, men who had not attained upper secondary education by the age of 25 live nearly eight years less on average than university-educated men. The gap is nearly five years for women.

**Inequality of opportunity is detrimental to growth and well-being** and means paying attention to the distributional effects of policies on different social groups. The poorly educated only have half the wealth and earnings of the well-educated; are less likely to vote; to have someone to count on for help when needed; or to feel satisfied with their lives.

What are the existing answers at European level?

Addressing these issues is a global challenge, as reflected in the UN's sustainable development goals for 2030, particularly those related to ending poverty, promoting gender equality, promoting decent work and economic growth, and reducing inequalities, but also those concerned with endorsing sustainable cities and responsible consumption and production. The EU’s Charter of Fundamental Rights proclaimed in 2000 and given a status equivalent to primary law in the Lisbon Treaty in 2009 contains a great number of social and welfare rights that need to be upheld by the EU institutions and Member States when implementing EU law. Most recently the European Pillar of Social Rights (Social Pillar) proclaimed by all three institutions in November 2017 should serve to update social standards across the EU according to new realities of work
and a more mobile lifestyle for many. It is a reference framework with 20 principles and rights that reach far beyond the strict confines of social policy, and address equal opportunities and access to the labour market; fair working conditions; social protection and inclusion.

Developing and implementing policies to make these rights within the EU Charter a reality has been a challenge over the years. This is due in part to the rather limited competence of the EU in the area of social policies, but also in other relevant areas, such as taxation and education. Nevertheless, the EU has some room for passing legislation, setting minimum standards and designing policies with Member States that can be helpful on the ground. The Social Pillar proclamation states clearly that implementation remains with the Member States – in strong cooperation with the social partners. However, discussion on its future implementation and the future of the EU, including its social dimension, could modify this approach.

In addition to marking a political commitment, several policies and programmes have supported Member States in promoting more equality and equal opportunities across the EU throughout the years. The Social Pillar not only implies more emphasis on social issues in the EU’s economic mechanism, in the European Semester exercise, but is also leading to updates of existing legislation in relation to better working conditions and social protection for people in new types of work, and also to work-life balance and the New Skills Agenda, including the recommendation on upskilling pathways for adults struggling with low levels of basic skills and qualifications. Several laws are aimed at facilitating mobility across labour markets and welfare systems, such as a proposal for a new labour authority or the revision of legislation on the posting of workers and on social security. As for gender equality, equal pay for equal work and work of equal value is one of the five key areas for action in the Strategic Engagement for Gender Equality 2016-19. A new action plan on the gender pay gap (2017) also puts forward the assessment of the necessity of further legal measures at EU level.

Finding innovative solutions for social challenges, such as migration, climate change and insufficient access to basic education, is indispensable. Several initiatives aim at supporting social innovation through mobilising social entrepreneurs and supporting Member States in developing better regulatory frameworks and funding schemes to unleash their innovative and ultimately transformative potential. In 2016 the Start-Up Scale-Up Initiative focused on providing better access to finance, improved access to markets and more suitable regulations, as well as on promoting stronger links between technological and social innovation. Bringing together different networks of social innovators, such as the EU community of social innovators with membership from 36 countries, helps them to act and grow, and to support decision-making in their home countries. Several competitions and prizes, such as the Social Innovation Competition and the recently established Horizon Prize, help to raise awareness of the importance of addressing social challenges through innovation.

The 2013 Social Investment Package placed great emphasis on investing in people and combatting inequalities and unequal opportunities from an early age. The importance of social investment has been reiterated ever since. Since 2014, a minimum of 20 % of the European Social Fund (ESF) has been earmarked for social inclusion and for combatting poverty. In these fields, the ESF can be complemented by the European Regional and Development Fund. In addition, the EU Programme for Employment and Social Innovation is also aimed at supporting high-level employment, securing social protection, fighting against social exclusion and poverty, and improving working conditions. The Cohesion Fund has been designed to reduce economic, social and territorial disparities across the European Union. Other specialised funds provide more targeted assistance, such as the Fund for European Aid for the Most Deprived, which gives material assistance, and the European Globalisation Adjustment Fund, which helps workers who have been made redundant. Although it has been criticised for certain shortcomings, since 2015 the European Fund for Strategic Investment, promoting public-private partnerships, can contribute to more investment in human capital. The EU’s next multiannual financial framework needs to address the challenge of inequalities and the lack of equal opportunities further, by providing for strategic consistency in aims and instruments.

Finally, the new start for social dialogue should boost the participation of more voices in EU policy and decision-making, which will be conducive to more tailor-made solutions for the issues surrounding equal opportunities.

This note has been prepared for the European Youth Event, taking place in Strasbourg in June 2018.