

CONFEDERATION

SYNDICAT

EUROPEAEN

TRADE UNION



ETUC SociAll: social protection for all

VS 2019-0015 / ETUC 2018-8

Social protection between

- European Pillar of Social Rights (but also ILO Rec. 102, SDGs, Agenda 2030)
- European Economic Governance

A complex context:

- Demographic change
- Structural changes in the labour market and the world of work (digitalisation, ...)
- Flexibilization of employment, blurred boundaries between labour market statuses, raise of atypical contracts, greater transitions between and combinations of dependent employment and self-employment
- Gaps in social protection coverage, effectiveness, adequacy for more than 40% of the European workforce (plus...)
- The EEG approach and the financial resources to engage: fiscal sustainability vs pension adequacy and dignity for all

SUMMARY

Duration of activities: 2 years Start date: 1 February 2019; end date: 31 January 2021

Preparatory Phase:

- Background paper + kick off conference (19-20 June 2019)

Research phase:

- In depth country-based analysis in **12 countries**: reports on main challenges, issues, good practices and reform perspectives targeting the objectives of formal and effective access to adequate and sustainable pensions for people in all forms of employment
- desk research and stock-taking of the existing data
- original research: national surveys; country visits (1 per country, 3 days); analysis of country specific research and data; interviews with trade union, employers and institutional representatives, data-crossing, projections
- 1 national trade union representative per country will be appointed as national contact person for supporting the research activity at national level: steering committee
- 3 workshops to tackle **4 thematic focuses** in a cross-border perspective: systematize national information on formal coverage; effective coverage; adequacy

In parallel

- Analysis of the Semester developments, feeding both the country-based research and the TU inputs to the toolkit and policy making

Final phase:

Policy **recommendations** addressed to MS and EU institutions, as well as **guidelines** addressed to EU and national social partners

Final european conference

COLLABORATION OF NATIONAL TRADE UNIONS IS CRUCIAL

Project success highly relies on

- **The expertise of the research partners:**

- **The active collaboration of the national contact persons:**

Representative(s) of TU affiliates in the targeted countries; participation in the steering committee of the project

- **The involvement of the social protection committee**

Including 3 national members (expert in pension policy) from countries not targeted by the national-based research (to develop a methodology that can be replicated)

With regular training on the Semester developments and impact

To ensure the coordination between national outcomes and European level

THE EPSR: A RIGHT-BASED APPROACH

❖ Principle 12. Social protection

Regardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed, have the right to adequate social protection.

❖ Principle 15. Old age income and pensions

Workers and the self-employed in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights. Everyone in old age has the right to resources that ensure living in dignity.

- ❖ Proposal for a COUNCIL RECOMMENDATION on access to social protection for workers and the self-employed (political agreement <http://data.consilium.europa.eu/doc/document/ST-15394-2018-INIT/en/pdf>):

Member States are recommended, in particular, to ensure the following for all workers and the self-employed:

(a) formal coverage (b) effective coverage (c) adequacy (d) transparency

“including people transitioning between either status or having both statuses, as well as people whose work is interrupted due to the occurrence of one of the risks covered by social protection”

THE ETUC VISION OF WELFARE AND PENSION SYSTEMS

Universal/highly inclusive

Based on solidarity and fairness

Effective

Providing adequate benefits

Sustainable

Realising the right-based approach

**Redesigning priorities and methodologies of the European
Economic Governance**

In a view of integrated and inclusive growth

THE ETUC VISION OF WELFARE AND PENSIONS 1

15/12/2016: ETUC ACTION PROGRAMME FOR WELFARE AND SOCIAL PROTECTION

Universal access to public, solidarity-based and adequate retirement and old age **pensions** must be granted to all.

Public pension sustainability must be ensured, mainly by increasing employment rates and quality jobs across all ages, improving working and employment conditions, and by committing the necessary supplementary public spending. The fiscal sustainability of pension systems cannot rest merely on the prolongation of working lives linked to life expectancy, ignoring real job opportunities and quality for elderly people.

Member States must fix the legal retirement age taking into account a series of factors impacting on life expectancy including health (e.g. exposure to arduous work, life expectancy gaps linked to the socio-economic status of workers, educational and integration levels, etc.), dignity and inclusion, as well as labour market conditions and capacity. Adequate public pension income must be ensured to all workers. Public funding must be engaged in order to ensure adequate pensions after a full life at work. Pension system sustainability and pension adequacy, in the given European demographic, employment and economic situation, cannot merely rely on labour income, but rather on greater tax justice and redistribution policy.

Public systems must take account of the situation of millions of workers in Europe, particularly women, youngsters and self-employed, suffering insecure, atypical employment, periods of involuntary unemployment and working-time reduction. Additionally, the gender pension gap is extremely worrying. Public expenditure must be put into compensation systems which ensure adequate pension incomes to those who have inadequate or no pension entitlement at all, due to fragmented and discontinuous contributions.

European minimum standards for publicly funded pension systems must be identified, with reference to median wage, minimum wage and especially living wage in a given country, as well as to adequacy criteria and prevention of risk of poverty, in order to allow decent living standards for all.

20/6/2017 ETUC position on first-stage consultation of the EU social partners on a possible action addressing the challenges of access to social protection

The ETUC recalls the main principles of social protection for all: the importance of full adequacy, accessibility and universal coverage of social protection and assistance against the main risks of life; the crucial role for the welfare state in shaping solid systems of protection, adapted to individuals whilst based on solidarity; that everyone should be able to contribute to the system according to her/his possibilities, and should be able to receive accordingly to his/her needs. Social protection systems should be able to deliver adequate and efficient benefits and services to all workers, as well as minimum standards of assistance to all EU citizens and residents, women and men, EU nationals and migrants, young or old people, to allow them to live in dignity, take part in society and stay out of poverty.

THE ETUC VISION OF WELFARE AND PENSIONS 2

14/12/2017 ETUC Position on a Second stage consultation of the social partners on possible action addressing the challenges of access to social protection for people in all forms of employment (in the framework of the European Social Pillar Rights)

Leading principles for an ambitious and necessary EU initiative.

Already in the first phase consultation the ETUC identified the main lines along which a renewed approach to social protection should be pursued: ensuring equal social protection rights for equal work to people in all forms of employment; upgrading working conditions and adequacy of social protection for all, in a logic of upward convergence; ensuring solidarity and fairness in social protection by designing collective systems, whether tax- or insurance-based, to which people contribute equally and proportionally to their capacity and benefit from according to their needs, as for at least adequate minimum provisions and fall-back safety nets.

Designing the initiative along these lines responds to the persistent challenges of inequality, poverty and exclusion, conforming to the Sustainable Development Goals, the spirit and the aims of the EPSR and the macroeconomic governance indications of the Annual Growth Survey 2018 which favours the distributional effects of structural reforms for inclusive growth, upward convergence and competitiveness.

People in all forms of employment, regardless of the type and duration of their employment relationship, must have equal access to adequate social protection and to the full range of employment services for re-insertion into the labour market. Thus:

Equal level of protection in force for standard employees must be ensured to all working people, to erase differences and discrimination linked to type and duration of employment relationships in effective social protection against life risks and job loss.

All people in all forms of employment should mandatorily and equally contribute to the systems, in line with provisions in force for standard employees. Everyone must benefit from social protection systems.

Enforcing these principles should create a more level playing field – de jure and de facto – for everyone in employment to enjoy better conditions, protection against life risks, upward convergence and distributional effects.

A European initiative on equal access to adequate social protection must therefore rely on an extended guarantee of equal treatment, beyond the scope of the existing Union acquis also encompassing job transitions and the crossborder dimension.

Solidarity and fairness should be a component of social protection schemes. Progressivity should be applied to contributions and performances, within public and collective schemes that remain the backbone of social protection schemes covering all, for both employed and selfemployed.

Inclusiveness of social protection systems must be pursued, as functional to both social and labour market inclusiveness. ‘Better complementarity between labour market and social integration systems will help all vulnerable groups, generate increased prosperity for all and create stronger social cohesion’. This is key “to qualify public expenditure for inclusion of disadvantage categories such as women, people with disabilities, with a migrant background, young and elderly and low skilled workers”.

Adequacy is a key condition for the system to function and produce a positive impact, allowing working people to have the necessary means to live in dignity and be actively included in society.

Effectiveness must be ensured, enabling all working people, regardless of their employment status, to have de facto access to adequate social protection. Overall coverage should be accompanied by mandatory contributions, on top of equal and fair remuneration.

Sustainability must be pursued, to serve inclusiveness, adequacy and full coverage. It must be pursued making social protection systems accessible to all and ensuring that all can contribute to it. Collective and solidarity-based financing – through fair and progressive taxation and/or social insurance - is the best way to build long-term sustainability of social protection systems. It eases pressure on various safety nets and enables greater social fairness, towards those contributing to the system. It strengthens social solidarity of welfare systems, and preserve resources for social assistance to the most in need.

THE OBJECTIVES OF THE PROJECT

Contributing to realise the right-based approach:

- ❖ To identify the challenges, given the economic, social and legislative background, in achieving the EC Recommendation's objectives (as for ETUC ambitions - preparation of a benchmarking exercise)
- ❖ To gather data, elaborated in a critical view, and sound scientific evidences 1. picturing the challenges 2. supporting policy demands (reversing the well-known approach, adopting a fresh mindset starting from human needs)
- ❖ To formulate tailored proposals on pension policies, to be addressed to governments and social protection institutions (legal, political, economic fields)
- ❖ Foster a better understanding of the approach to social protection and pensions in the European economic governance framework

Suggesting how the European Semester can support the achievement of the EPSR objectives:

- ❖ Enhance greater consistency between the national realities and the European Semester Country Specific Recommendations,
- ❖ Provide inputs to the different phases of the Semester cycle, as for the ETUC Semester toolkit, consistent with the directions indicated by the initiative on social protection and the EPSR
- ❖ This methodology aims at reducing the democratic gap of the economic governance of the EU, enabling trade unions to provide inputs to the cycle in topical moments, so as to contribute – sometimes effectively – to build a new narrative on a more inclusive growth.

SUGGESTIONS FOR A RATIONALE FOR BOTH THE COUNTRY-BASED AND THE EU APPROACH

- ❖ Outline the **social challenges** in the state of the art: identify people's needs and existing gaps in inclusiveness, effectiveness, adequacy of social protection (pension) systems
- ❖ Gather relevant **data** able to picture the existing gaps with respect to the objectives of the Recommendation
- ❖ Suggest the **policy drivers** to trigger upward convergence and achievement of objectives
- ❖ What are the existing gaps with respects to ETUC ambitions?
- ❖ How to fill the existing gaps with policy intervention?
- ❖ Quantify the necessary resources to satisfy the needs
- ❖ Identify areas of intervention to improve the sustainability of adequate, and inclusive systems

AN EXERCISE FOR UPWARD CONVERGENCE

- ❖ The national approach allows gathering of data and understanding of the national situations
- ❖ The comparative perspective with a view to upward convergence
- ❖ Focusing on identified priorities: access to social protection for all workers and self-employed (focus on precarious and intermittent work); relation between pension policy and quality of work and remuneration levels; purchasing power preservation and predictable impact of pension reforms; gender pension gap; appropriateness and quality of public spending + cost of inequalities
- ❖ Start elaborating a concept of “Ageing in dignity”: defining dignified standards (towards national/European benchmarks?); identifying social challenges and gaps with respect to those standards;

THE PROJECT ACTION 1

Fulfilling the objectives of coverage, effectiveness and adequacy of pensions as per the recommendation on access to social protection

- Identify common social challenges
- Country-based analysis of the challenges
- Formulation of recommendations for institutions and social partners at national level to fulfill the objectives (or at least converge towards them)

THE PROJECT ACTION 2

Ongoing monitoring on pension policy and Semester cycle

- a timely monitoring of pension policy and the impact of the Semester cycle on adequacy of pensions and dignity of ageing
- activate synergies with the project research; link with the TUSLO
- feed inputs on access to social protection and pensions to the Semester Toolkit in a timely manner...
- ...and in line with aims of the EPSR
- Actions 1+2: EPSR shows direction, the Semester should provide tools consistently

THE PROJECT ACTION: COUNTRY-BASED AND EU PERSPECTIVE

The EU and the national perspectives are strictly related

- EU level background paper and European kick-off conference to highlight the common trade union challenges
- 3 cross-country workshops to tackle coverage, effectiveness and adequacy -related issues in a European perspective
- Permanent link with the Semester process and its inputs
- Final European conference
- Recommendations addressed to EU institutions and Social Partners

EPSR VS EU SEMESTER: DIVERGING OBJECTIVES, REVERSING THE APPROACH

- ❖ EEG view: challenges of the costs of ageing
 - pensions, healthcare, long term care challenging budgetary burdens (with respect to MTO, Fiscal Compact; goals indebtedness/GDP)
 - Public expenditure for pensions and costs of ageing to remain stable over the next decades in spite of increase in population ageing
- ❖ The EPSR and the right-based approach imposes a different path:
 - The starting point is the objective “Ageing in dignity”: defining dignified standards (towards national/European benchmarks?); identifying social challenges and gaps with respect to those standards;
 - Adapting public expenditure for ageing according to people’s needs
 - Designing possible policy drivers to make adequacy *more sustainable*

What to amend in the national scenarios and in the EEG framework?

EQUALITY AND FAIRNESS, EFFECTIVENESS, ADEQUACY: PATHS TO BETTER SUSTAINABILITY? TU HINTS ON WHAT TO LOOK AT (?)

PREAMBLE OF THE EPSR 1. Pursuant to Article 3 of the Treaty on European Union, the aims of the Union are inter alia to promote the **well-being of its peoples** and to work for the **sustainable development** of Europe based on balanced economic growth and price stability, **a highly competitive social market economy**, aiming at **full employment and social progress**, and **a high level of protection** and improvement of the quality of the environment. The Union shall combat social exclusion and discrimination, promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child.

- “Equal treatment” among all workers irrespective of their form of employment
- Intergenerational solidarity (different contexts for different upcoming scenarios)
- More jobs across all ages; greater integration into the labour market especially of women migrants youth to offset population ageing
- Better jobs and remuneration for all: making work fuel social protection (impacts on the labour market)
- Designing wide redistribution policy: fairer taxation; combination of fully-funded/contributory-based and statutory top ups
- Universal formal mandatory coverage?
- Effective coverage? Equal rights for workers and self-employed? Upward convergence of *enabling* conditions (equalised standards granted to full-time employees, fair remuneration, effective collective bargaining coverage, right to organise). Equal duties (equalisation of contributions?) shape and functioning of contributory schemes?
- Granting adequacy of benefits: What is adequate?
- Foreseeing minimum adequate provisions? Thresholds? Conditions?

THE ROLE OF THE NATIONAL CONTACT PERSONS

Liaise with project experts;

Support the research following the agreed methodology;

Coordinating with national trade union experts in labour law, pension policy economics, labour market;

Support in gathering national data for the analysis;

Support exchanges (interviews) with employer organisations and institutions at national level;

Validating the national report

Contributing to the drafting of recommendations at national level

Participate in kick-off conference, steering committee meeting and 3 workshops (over two years) (steering committee and workshops are organised in the same venue one after the other)

SELECTION OF COUNTRIES TARGETED

Provisional list based on different criteria:

Austria, Belgium, Bulgaria, Croatia, Germany, France, Italy, Latvia, The Netherlands, Poland, Romania, Sweden, Spain (+ France)

geographical; type of pension system; recurrent CSR addressing; political context; comparative interest; serious issues of pension adequacy and old-age poverty

PROMPT AVAILABILITY TO **COMPLETE THE RESEARCH WITH A NEW PROJECT APPLICATION** to be submitted for funding in 2019 under the most appropriate BH

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