

## CONCEPT NOTE ETUC SociAll Webinar and expert study

### Revisiting EU social indicators: A needs-driven approach from a workers' perspective

The rationale of the webinar and the expert study developed in the framework of the ETUC SociAll project

#### 1. Introduction

There is a growing interest in the European Union for monitoring the macro-economic and socio-economic evolution, for instance in the macro-economic imbalance procedure, but also in the field of social protection. The fast and unanimous acceptance of the European Pillar of Social Rights, introduced in November 2017, was an unprecedented boost to the European Union to develop further the social market economy, that tries to combine economic and social progress. Social indicators are increasingly added to the traditional economic indicators, but they acquire their own place, as is the case with the scoreboard for the follow up of the European Social Pillar. This brings monitoring of social policy close to or in the core of the economic policy, as it should be.

There is a growing importance of this monitoring, going more and more in detail, useful also for a proper assessment of the effects and impact of policy changes, and the follow up of policy changes. This not only contributes to the transparency of policy making, to its implementation, but also to its evaluation. They go together with flagship reporting on the social dimension as reflected by the ESDE report (Employment and Social Developments), the Ageing Report and the Pension Adequacy report. They are also of relevance for better policy making.

Monitoring is not only descriptive but can also be normative. For that reason, a close scrutinising of the existing monitoring system in place is for utmost importance for workers organisations. One of those branches of social protection is the pension system, as self-contained 'social risk' or taken in combination with other provisions as early retirement, invalidity, sickness, health and long-term care.

In this context, the implementation of the Council Recommendation on Access to social protection has been accompanied with an ambitious and detailed monitoring framework on access to social protection for workers and the self-employed.

A 'version 0' of the Monitoring framework to assess the implementation of the Recommendation on access to social protection as endorsed by the Social protection



Committee was recently published, introducing indicators in the field of social protection, such as adequacy of pensions and coverage gaps in social protection systems.

Within the SociAll project, the ETUC has launched a webinar and an expert study, to be published shortly after it - providing comments to the Monitoring Framework on Access to Social Protection, and its capacity to mirror the complex social reality that impact the adequate and effective pensions.

ETUC wishes to enlarge the concept of an adequate and sustainable pension system to an enlarged concept of guaranteeing ageing in dignity.

For that reason, ETUC identifies several dimensions that need to be taken into account to assess the present pension schemes, and to enlarge also the existing assessment of the sustainability of the pension, as they are presented in the Ageing Report 2018 and Pension Adequacy Report 2018. A 2021 version of both reports will be published in the course of the research project. Therefore, the timing of the research project will have to take this reality into account.

The dimensions already identified by ETUC are:

- Labour market indicators that help considering the quality-of-employment, the intensity of discrimination on the ground of employment status, the link between work paths with adequacy of social protection entitlements;
- The employment situation of workers between 52-67, including early retirement and incapacity of work;
- Developing a link between sustainability and adequacy of pensions and labour market performance, also in a gender perspective;
- Evidence concerning demographic, migration and retirement trends for different categories of workers;
- Introduce an 'adequacy' indicator that establishes Medium Term Budgetary Objectives for the Member States and monitoring quality of life of old-age people, especially people in retirement and people dependent on pension incomes;
- More and more relevant indicators on population ageing;
- Better indicators on dependency ratios (clearly separated from purely demographic ratios, but focusing on economic dependency);
- Pension coverage;
- Pension adequacy to be intended as income replacement, in its function of poverty prevention, but also in terms of capacity to ensure a life in dignity, full participation into the society, care affordability;
- Adequate minimum old-age benefits.

With the financial support of the European Union



## 2. Methodological approach

It will include:

- Critical assessment of the monitoring framework proposed by the European Commission jointly with the Social Protection Committee Indicators Sub-group and confrontation with the additional dimensions proposed by ETUC or its member organizations;
- Confrontation with other scoreboards as the enlarged scoreboard of the European pillar of Social Rights;
- Confrontation with relevant macro-economic monitoring at European level in the context of the European Semester, and implicitly used in the Ageing Reports 2018 and 2021; and the Pension Adequacy Reports 2018 and 2021;
- Translation of eventual additional desirable indicators into practice: definition, source, relevance, baseline.

## 3. The context of the ETUC SociAll project and of the expert focus

The EPSR outlines very clearly the rights of old age people in its principles 12 and 15. The Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed, in line with these principles, aims at ensuring the formal and effective coverage as well as adequacy of social protection benefits, including old age ones, to all workers and self-employed.

The ETUC has repeatedly underlined the importance of the Social Scoreboard to monitor the situation with respect to the implementation of EPSR principles and the more specific goals of the Recommendation. Monitoring the reality in a comprehensive and deep way also ensures coherency across policy areas, so that unequal, ineffective and inadequate pensions eventually receive greater attention within the European Economic Governance framework.

For the ETUC “it is also necessary that the social scoreboard be integrated into more extensive monitoring of the 20 principles of the Pillar (...)”. Within the Social Scoreboard, it is necessary to develop a dimension and combine indicators that allow to detect any overlap between the different principles so that positive or negative correlations between pillars, synergies, spill-over effects, etc. can be better assessed when making policies.

This aspect is particularly relevant in the field of pensions, given the potential impact of legislative, policy and economic interventions on their coverage, effectiveness and adequacy. The ETUC, for example, underlines the necessity to introduce a set of indicators that

- measures the quality-of-employment as a sub-section of the Social Scoreboard, as well as discrimination based on employment status (at the moment, discrimination is identified based on age, gender and educational attainment)
- links work paths with adequacy of social protection entitlements, monitoring, in particular, gaps due to professional careers and gender-based gaps
- breaks down data according to gender and employment status in order to identify potential discrimination, especially in respect of the bogus self-employed.

With specific respect to pensions, the ETUC demands to:

- introduce an “adequacy” indicator that establishes Medium Term Budgetary Objectives for the Member States and monitoring quality of life of old-age people, especially people in retirement and people dependent on pension incomes
- develop a link between sustainability and adequacy of pensions and labour market performance, economic dependency ratio, quality of work and remuneration, fairness of contributory obligation between employers and workers, gender pay and pension gap
- focus on the employment and labour market situation of workers between 52-67, monitoring the labour market situation of different groups of workers and the effects of unemployment and/or inactivity on adequacy of awaited pension income
- monitor evidence concerning demographic, migration and retirement trends for different categories of workers, including those performing arduous jobs. In particular, there should be a focus on the (positive effects) of (well managed) migration inflows on sustainability of social protection schemes.

The potential of the overview of such deeper analysis in fostering upward convergence should also be strengthened by the introduction of specific targets.