

Action plan for implementing the European Pillar of Social Rights

CONSULTATION RESPONSE TO EUROPEAN COMMISSION 30 NOVEMBER 2020

Eurocaders is one of the three recognised European cross-sectoral social partners and represents six million employees and participate in the European cross-sectoral social dialogue.

We organise members in all branches of industry, public and private services and administrative departments. National confederations and unions as well as European trade union federations are our member organisation

The European Parliament, the European Commission and the European Council proclaimed the European Pillar of Social Rights (EPSR) in Gothenburg in November 2017. The European Commission has put the implementation of the 20 principles on its agenda for 2021 and is seeking proposals from stakeholders and civil society in a consultation running until November 2020.

Eurocadres welcomed the proclamation of the European Pillar of Social Rights as a step towards strengthening the social dimension of the EU internal market. It is high time to prove to EU citizens that Europe serves its citizens and not only the markets. The Covid-19 pandemic is 'testing' the Member States' willingness for meaningful cooperation, coordination and solidarity. Social rights must be promoted and defended with the same institutional urgency and commitment as economic and fiscal rules. Thus, the EU should not miss the opportunity to apply the principle of the EPSR to the Recovery and Resilient Facility. Otherwise this is contrary to the European model of the social market economy as set out in Article 3 of the Treaty of the European Union.

Further, the Action Plan to implement the European Pillar of Social Rights should serve as a tool for Member States to address the well-known challenges facing Europe - digitalisation, green transition, migration, and demographic change. A fair and just transition applied to these changes need to be at the centre of the EPSR that include developing macroeconomic, sectoral, and enterprise policies; guaranteeing rights and occupational safety and health and social protection; gender equality; skills development; active labour market policies and social dialogue negotiations.

All these undertakings can only succeed if "soft law" instruments (instruments of the European

Semester, the open method of coordination, Council recommendations, etc.) are supplemented by binding EU legal acts. **EU-wide minimum standards** are needed taking into account the different national systems and welfare state traditions within the framework of EU secondary legislation is a prerequisite for the future resilience of the European Union and the cohesion of its Member States through the **upward convergence** of working and living conditions. It means having the social progress as the compass for implementing the EU Recovery Plan.

Since the beginning Eurocadres has been part of the process of ETUC on developing a position on the European Pillar of Social Rights. We therefore to a large extent follow the joint response as many of our priorities are reflected in that. In our response we make some specific remarks for the principles of the pillar we chose to prioritise.

Principle 1 - Education, training, and lifelong learning

Eurostat figures from 2017 show that only 11% of EU working age citizens participate in lifelong learning – ranging from 27% in Finland to 1.1% in Romania. Thus, accessibility to employee training **varies massively** across the Single Market depending on contractual status, gender, and socio-economic background of the workers, and training rights differ depending of the different sizes of companies, industries and services, public and private companies, and the geographic areas in Europe.

Each EU member state should **guarantee access and right to education** and training provisions for all age learners and **discrimination needs to be removed** based on employment status and gender. Especially mobile professionals and managers (the most mobile category of employees in the EU) face discrimination and obstacles by having their **formal and informal qualifications recognized** in the host Member State.

It is essential to support the implementation of the first principle of the Pillar with **sustainable public investment** to education and training, enhances by the European Semester process and clear targets within the social scoreboard, and by companies taking financial responsibility towards workers' training.

Thought, financial investments are not the one and only indicators for **quality training**. Best practice shows the added value of trade unions in designing a right-based approach to training and further education because they can significantly help to improve accountability, quality, efficiency, equity, innovation, input of expertise, the flow of information, legitimacy, communication to all relevant stakeholders and achieving the right balance between strategic and operational management.

Education, training, and lifelong learning requires a **multi-stakeholder approach**. Social partners and other labour market actors must be involved in planning suitable programmes together with higher education institutions.

An EU-level initiative to set up "individual learning accounts" for people of working age may be one of the tools which can help to guarantee these rights and may provide a good solution to portability of training rights. However, since the topic impacts working conditions and collective bargaining in many Member States, the European Commission should not proceed with drafting a proposal without having involved the social partners in the process. Any

initiative should combine individual access to training with collective rights to ensure that individual training accounts fall under the joint responsibility of employers and authorities, in accordance with national practices.

Principle 2 - Gender Equality (comments to principles 11, 16 & 18)

Employment disparities are not decreasing and large differences between Member States persist. The current COVID-19 pandemic and its economic fallout are having even regressive effect on gender equality. Aggregate improvements in employment disparities are matched with increasing divergence in gender wage and pension gaps. Eurostat and SDG monitoring shows the disadvantages that women experience as they bear the burden of care within the household. Good access to quality care is therefore key for the promotion of gender equality, which underlines the importance of the principle 11 with special regard to the realization of the Barcelona objectives as well as principles 16 and 18.

One of the most important milestones of equality between men and women is full economic independence of women. But women in the EU earn on average almost 15% less per hour than men. The lack of **pay transparency** is a key reason that makes pay discrimination possible.

While women achieve better results in education, their professional careers are less successful than those of men but carrying out more often jobs below their classifications and only one third is holding managerial positions. Women dominate in crucial sectors of the economy, such as education, care, services, and retail, nevertheless, their **work is valued less** than the one performed by men, both within the same sector and across sectors.

The Commission has put forward a promising Gender Equality Strategy (2020-2025). Legally binding initiatives have been put forward or have been promised such as the pay transparency directive, the directive of women on company boards and the work-life balance directive.

The Commission should come forward with a date for publishing a draft text for pay transparency. The women on boards directive must be finally adopted by the Council and the work-life balance directive should be transposed without delay into national law.

Principle 3 – Equal opportunities

Access to opportunities depends on the specific group to which a worker belongs. The objective is to incorporate a policy aimed at removing discrimination (ex-post) along with proactive policies that provide equal opportunities (ex-ante). Reducing protection in the workplace increases discrimination at work. Measures that soften sanctions against unfair dismissals, reduce the power of trade unions (or works councils) in the workplace, or spread non-standard working contracts, weaken the current anti-discrimination acquis that provides for strict sanction systems. Labour market exclusion or the underperformance of specific groups jeopardises economic and social stability.

The more an organisation accesses a variety and **diversity** of skills, experiences, and wisdom, the greater its prospects of thriving through innovation and creative solutions. Diversity inoculates the organisation and reduces vulnerability to unexpected changes and threats. The greater the effective use of diversity, the more competitive and sustainable the organisation

becomes.

A horizontal directive on non-discrimination may be more appropriate, even though there has been no consensus from the Council to date. Equal opportunities should also be granted to asylum-seekers, currently excluded from the scope of anti-discrimination directives. Of particular importance is the use of material and immaterial resources to reinforce public discourse against xenophobia and racism. Social partners can, jointly or unilaterally, develop tools to recognise, prevent and sanction discrimination while focusing on active measures for disadvantaged groups. They can establish closer cooperation with national equality bodies and build on the developments of the European Union Agency for Fundamental Rights (FRA).

Principle 5 - Secure and adaptable employment

The dramatic expansion of non-standard and precarious work in recent decades is a direct result of a business model that shifts the risks from the employer onto the worker. The category of professionals and managers is not exempt from that development. High education and training are no longer a guarantee for quality jobs and stable employment.

Good quality jobs often go hand in hand with social rights. It is time to introduce a set of indicators that measures the quality of jobs as a sub-section of the social scoreboard. When measuring job quality, a dashboard could check for the following elements: decent wages; work security via standard employment and access to social protection; lifelong learning opportunities; decent working conditions in safe and healthy workplaces; reasonable working hours with a good work-life balance; and trade union representation and bargaining rights.

The legislative framework should be improved and ensure the coordinated transposition of the Transparent and **Predictable Working Conditions Directive** (TPWCD). Such a concerted effort should reduce the amount of time needed for transposition using interprofessional agreements of national social partners.

Steps towards **reducing fragmentation of the labour market** will come from implementation and monitoring implementation of the EU Recommendation on access to social protection. In particular, the social scoreboard will monitor discrimination based on employment status (at the moment, discrimination is identified based on age, gender and educational attainment).

Principle 8 – Social dialogue and involvement of workers

Social dialogue and sound industrial relations are key for sustainable economic growth and social cohesion – especially in times of change and crisis.

At EU level, social partners are exploiting the leeway that the Treaty provides for social dialogue, including negotiations for **European autonomous agreements**. However, the lack of multi-employer collective bargaining in Members States makes it very difficult to implement autonomous European agreements. This requires greater efforts to ensure the enforcement of autonomous agreements through enhanced **capacity-building**. In this regard, both resources and tools for capacity building should be ensured. The European Semester may establish **benchmarks** to measure progress in the implementation of autonomous collective agreements.

The ETUC trade union involvement index for the EU Semester shows that efforts aimed at establishing the **right for social partners to be involved in the EU Semester** are not delivering results. It especially concerns the national dimension of the European Semester. A European rule (possibly via a new Directive or via amendments to Regulation 1466/1997) could establish an obligation for national governments to consult social partners at the milestone of the Semester along with some quality criteria such as appropriate timing, appropriate level of dialogue, meaningful access to information and ensuring material and immaterial capacities of social partners.

Employee involvement in company decision-making processes is at risk due to corporate mobility within the Single Market. Companies that use European Directives to change their corporate organisation should be obliged to set up a **European body of employee participation** with effective information, consultation, and participation rights, including legally binding minimum standards on workers' board-level representation.

The right to collective bargaining is a fundamental right and recognised as such by the EU. However, not all workers benefit from that right due to their employment status or work contract (e.g. self-employed, atypical and platform workers). All categories of workers must have the right to be represented in collective bargaining negotiations. Precisely, EU competition law and national competition rules must be interpreted (or to be amended) in the light of fundamental rights, recognising the right to collective bargaining for all workers, atypical and platform workers (including self-employed).

Principle 9 – Work-life balance

In 2019 the EU adopted the **Work-life Balance Directive** to improve reconciliation between private and working life of employees. The directive will enable men and women to take a more equal share in family-related responsibilities. The new rules should also increase the take-up of family-related leave and flexible working arrangements by men, thus making it easier for women to stay on the labour market. It is important to monitor the implementation of the Work-Life Balance Directive, provide guidance to social partners and encourage interprofessional agreements that reduce the time needed to transpose the directive.

However, work-life balance does not need to be seen solely from a gender perspective and family-related responsibilities. **Digitalisation** creates another struggle for keeping the right balance between private and professional live. The Covid-19 pandemic accelerated the use of information and communication technologies (ICT) and virtual communication. Telework will stay and will be further developed also after the pandemic. The risk of blurring borders of professional and private life is evident. We support the European Parliament's initiative report on "**The Right to Disconnect**" and strongly recommend an EU directive on the matter.

Principle 10 - Healthy, safe, and well-adapted work environment and data Protection

It is time for the European Commission to propose further legislative measures to improve the safety and health of workers, in line with the EU framework directive on health and safety at work. Especially new emerging health risks such as **occupational psychosocial risks** must be

tackled.

Today, exhaustion and burnout from work-related stress are the biggest modern occupational diseases of our time. Being constantly available and reachable as a professional or manager, due the increasing application of technologies, emphasises the risk of being overburdened with work. One quarter of Europeans experience stress from work¹. 42 % of white-collar workers in the EU take early retirement because of work-related psychosocial disorders². Costs to Europe of work-related depression is estimated to be €617 billion annually³.

EU legislation on occupational health and safety covers around 60 directives – but not a single one on stress at the workplace. The framework directive on occupational safety and health obliges employers to protect workers from all kinds of risks – also from psychosocial health risks. But the reality looks different. In most member states the legislation is simply not clear enough, which responsibilities lie on the employer regarding psychosocial factors. Furthermore, the experience of the patchy implementation of the 2004 European social partners' autonomous framework agreement on work-related stress has demonstrated the need for legally binding requirements in the wider field of psychosocial risks⁴. Europe needs a **dedicated Directive in the area of psychosocial risks** in the workplace.

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¹, Joint report from the European Agency for Safety and Health at Work (EU-OSHA) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound (2014): Psychosocial risks in Europe: Prevalence and strategies for prevention)

² European Agency for Safety and Health at Work (2014): Calculating the costs of workrelated stress and psychosocial risks – A literature review. Luxembourg: Publications Office of the European Union.

³ Matrix Insight (2013): Economic analysis of workplace mental health promotion and mental disorder prevention programmes and of their potential contribution to EU health, social and economic policy objectives, research commissioned by the European Agency for Health and Consumers.

⁴ Commission staff working paper (2011): Report on the implementation of the European social partners' Framework Agreement on Work-related Stress.