

ETUC position on the Assessment of the Action Plan implementing the EPSR + Roadmap to the EU Social Summit in Porto

Adopted at the virtual Executive Committee Meeting of 22-23 March 2021

SUMMARY

The ETUC welcomes the Action Plan implementing the European Pillar of Social Rights (EPSR) and backs the call addressed to Member States, EU institutions and social partners to endorse the Action Plan to keep the EU social agenda prominent in all the policy areas of the EU.

The Action Plan outlines a forward-looking vision of a social Europe, with concrete actions that will ensure raising minimum standards to protect people and workers, and to trigger upward convergence of working conditions in Europe. The ETUC also welcomes the attempt to better exploit synergies between the EPSR and the sustainability agenda putting the decent work agenda at the core of the EU development model. A richer set of indicators and targets should reinforce the social dimension of the economic governance and better assess the impact of the Action Plan on workers.

However, the action plan has some shortcomings as it lacks a comprehensive narrative and set of actions to fight all forms of precarious work. Furthermore, the need to prolong emergency measures is not clearly stipulated, consequently overlooking the urgency to protect jobs in companies that are more likely to survive, the actual consequences of the current economic turmoil cannot be forecasted with a reliable level of confidence. The lack of a strong legislative initiative on Minimum income and a proposal on permanent reinsurance scheme or any other stabilizer to support employment is disappointing, and we ask the Commission to keep the discussion on these elements open to find more effective solutions.

The Action Plan complements the Pillar, identifying avenues for financing the envisaged measures, offsetting a shortage of the original proposal for an EPSR (especially the Preamble). However, the Action Plan should have been clearer on the requalification of governments' expenditure to align it with the objectives and actions of the EPSR, also approaching a revision of the Stability and Growth Pact (SGP).

Background

On November 2017 the European Parliament, the Council and the Commission adopted the European Pillar of Social Rights. The EPSR is a politically binding set of principles and rights for people and workers. It requires EU institutions and national governments to adopt dedicated measures or legislation at the appropriate level to make such principles and rights a reality to improve working and living conditions in the European Union.

Just after its proclamation, the ETUC called on the European Commission to urgently bring forward a proposal for an Action Plan to secure the objectives and rights set out in the EPSR.

The Action Plan is now even more necessary, as we are facing the negative effects of the COVID-19 pandemic on health, employment, social and economic aspects.

During 2020, the Commission launched a public consultation "*Have your say on reinforcing Social Europe*", gathering insights and inputs to draft the Action Plan. ETUC



provided a detailed [proposal](#) for each of the 20 principles, organised with actions to set a minimum level of right at EU level, and actions aiming at establishing an upward convergence of living and working condition. In the light of the effects of the economic consequences of the COVID crisis, the ETUC asked for an immediate action to protect employment and income of workers and to reinforce the Just Transition and social Resilience objectives of the Action Plan, also proposing [12 flagship initiatives](#).

Finally, on the 4th of March 2021, the EU Commission published a communication “The European Pillar of Social Rights Action Plan” containing the Action Plan implementing the EPSR.

Preliminary assessment

Overall the assessment of the **European Pillar of Social Rights Action Plan** is positive rather than negative. The general focus is on people’s wellbeing, social progress, upward convergence, job-rich recovery, adequate working conditions, quality jobs, decent living and protection. However, the actions are not always as ambitious as the narrative would suggest. Most of the legislative initiatives were either already in the pipeline or under discussion, and most of the actions are just recommendations and encouragements to Member States, public authorities and social partners. The ETUC expected more courage from the Commission, in order to create a level playing field at EU level via legislative initiatives. The ETUC acknowledges the presence of some difficulties the Commission may encounter since some Member State object to social legislation, even now during the depth of pandemic crises. A further element we have to bear in mind is the division of competences between the EU and member states, which limits the options available to the European Commission for action. Nevertheless, the Action Plan is purposive enough to improve working conditions in Europe without precluding the possibility to trigger further initiatives to pursue the objectives of the EPSR.

The Action Plan correctly focuses especially on some groups in society that were most hit by the pandemic. These include young people, low-skilled and low-paid workers, temporary workers, self-employed and women.

That is why, in order to prevent huge increases in unemployment and inequalities, the Commission introduced three EU headline targets, to be achieved by 2030, in the areas of employment, skills and social protection. This exercise should be based on the evaluation of the Europe Strategy 2020 and ensure a more ambitious adaptation of the UN Agenda 2030 to the European social model with more and stronger targets.

The ETUC welcomes this approach since the targets can provide a valuable common framework for action in the EU and they can guide investment decisions in the Member States, especially in the context of national recovery and resilient plans.

These new targets will be supported by a revision of the Social Scoreboard, which moves in the right direction when pursuing an alignment to the UN 2030 Agenda and its 17 SDGs; especially when highlighting sustainable growth and the decent work agenda (SDG) so mirroring the approach of the ETUC *Decent Work & Sustainable Growth Index* (#EUSDG8i). The use of targets for a limited number of indicators can give strength to the implementation of social reforms in areas that are crucial for social Europe such as the fight against poverty, access to quality education and training and participation of labour market, focusing on women and young workers.

However, the ETUC asks:

- to complement the employment target (78%) with targets concerning the quality of jobs;

- to have higher ambitions in terms of poverty reduction targets, and fully align it to the SDG 1 of the United Nations 2030 Agenda;
- to make the targets not only more ambitious, but also to set medium term targets for 2025.

The Joint Employment Report (JER) will become an even more important document in the EU Semester framework, since it will focus on relevant principles of the EPSR, relying on the revised Social Scoreboard, in order to invite MS to implement policies to close the gaps presented in their national reform programs. As the Recommendations in the social field are now giving more impetus to the Employment Guidelines, the ETUC encourages the European Commission to implement the Recommendation on access to social protection and adopt the Recommendation on an effective active support to employment following the COVID-19 crisis (EASE), having as its main objective to preserve as many jobs as possible during the pandemic crisis and its aftermath, to protect workers, reduce pressure on labour markets and avoid wasting competences.

The Commission presents the actions to be undertaken (Directives, Recommendations, and other initiatives) with a quarterly timeframe for the next two years. It also encourages Member States, national and regional public authorities, social partners to pursue other sets of action in order to help the implementation of the EPSR. This approach is very similar to the one the ETUC proposed in the answer to the public consultation.

The action plan contains a correct analysis on the EU immediate response to the crisis and the need to continue supporting employment and quality jobs creation in the transitions towards green and digital sectors. However, unfortunately there is no reference to the need to continue emergency measures and the approach concerning the continuation of SURE is very weak, there is no mention of the European unemployment reinsurance schemes or any other employment stabilizer as long-term solutions.

While the narrative on the digitalisation is well-marked, the analysis and proposals on the labour consequences of the Green transition is insufficient, there is no specific measure for a just transition, which could have been better streamlined in a dedicated chapter.

Moreover, while the importance of information, consultation and participation of workers is clearly stated, there are no specific initiatives on this topic, neither the revision of the EWC directive nor a new framework for information, consultation and board-level representation for European company forms and for companies making use of EU Company Law instruments enabling company mobility. Furthermore, the information and consultation gap for workers in public administrations needed to be closed. There is just an encouragement to MS to ensure the enforcement of existing rules, whereas the ETUC asks for legally binding minimum standards for workers' involvement in transnational restructuring processes. Finally, it is positive the AP confirms the upcoming initiative on sustainable corporate governance, which should include measures on due diligence, in the second quarter of 2021 (the public consultation finished at the beginning of February).

The analysis concerning young people and low-skilled workers being more vulnerable categories who are subject to the fluctuation of the labour market, is welcome. The need to have good quality traineeships and to apply fair working conditions to facilitate young people's access to the labour market, together with the announced Review of the Council Recommendation in the Quality Framework for Traineeships, are also welcomed. The EASE Recommendation may provide a further boost to policies and rules on internships and apprenticeship.

In order to have fair working conditions and quality jobs, the EC proposes to address in-work poverty and inequality, which are increasing phenomena due to the increasing shares of low-paid and low-skilled occupation. The erosion and weakening of collective bargaining practices in several MSs must be stopped and reversed. Hence, the proposed Directive for adequate minimum wage in the EU is a good step in the right direction. However, it must be improved to protect against unintended consequences and detrimental impact, and to ensure that it lives up to its stated aims, thus ensuring adequate statutory minimum wages that protect all workers and guarantee at least a decent standard of living, the respect of the right to collective bargaining and real increases in collective bargaining coverage. The ETUC calls on the European Commission, the Parliament and the Member State to improve the current proposal for a Directive endorsing the amendments proposed by the ETUC.

The ETUC welcomes the legislative proposal on workers in platform companies, yet it regrets that its scope will not address other categories of non-standard workers. This shortcoming may result on the creation of a *de-facto* third category of worker. ETUC is currently engaged in the consultation for the European social partners under article 154 TFEU on possible action addressing the challenges related to working conditions in platform work, with a focus on the following priorities: a rebuttable presumption of employment relationship, the employer's responsibility of platform companies, and the reversal of the burden of proof by platforms. Considering the lack of ambition of the European employers' organisation to negotiate a binding agreement, the ETUC encourages the European legislator to take the initiative to protect this category of workers.

There is no narrative on precarious work nor specific action against precarious jobs (although some of the envisaged measures can have positive effects on it). Moreover, a EU Framework would have been desirable to have a common approach when regulating new forms of employment. The action plan should at least recall the legal obligation for MS to transpose the Transparent and Predictable Working Conditions Directive by August 2022 and the European commission should take appropriate action if not respected.

Telework has become the normality for millions of workers in the last year. This will continue to be a common practice, until the end of the pandemic and beyond, in the frame of a new way of organising work. The EU Commission leaves this important topic in the hands of EU Social Partners, strongly encouraging them to find an agreed solution to address challenges raised by telework, digitalisation and ensure the right to disconnect, in order to be able to make the most of the potential of telework for work-life balance and to the environment while counteracting on its risks. Nevertheless, the ETUC calls for an EU Directive on the right to disconnect and its enforcement, while at the same time recalling that social partners have the possibility to negotiate a binding agreement.

Concerning Occupational Safety and Health (OSH), the announcement of a new OSH Strategic Framework is positive, and the inclusion of a new indicator (Fatal accidents at Work) in the updated Social Scoreboard sets the right direction to achieve the ETUC demand to include a "vision zero" for fatal work-related accidents in the forthcoming strategy. However, the OSH strategy should include an initiative to recognise COVID-19 as an occupational disease. Unfortunately, there is no reference to improving the Biological Agents Directive, to make it more fit for purpose in dealing with a pandemic, and introducing new EU Directives on Psychosocial Health Risks and Musculoskeletal Disorders, that are requests ETUC have made several times during the last year.

Investing in Skills is an absolute priority for the EU, and that is clear also because the Commission made “upskilling and reskilling” one of the flagship components for the Recovery and Resilient Facility (RRF). Moreover, it is a headline target where three indicators have been proposed, and added to the updated Social Scoreboard. The need to invest in education and training systems is amplified by the green and digital transitions. Initial and continuous professional training for all and employee training can ensure the current and future workforce to have the appropriate skills, not only in view a fair and just transition, but also as a measure of societal resilience. The ETUC welcomes the announced initiative introducing the right to training and training entitlements, and the right to fair and equal treatment and access to training. However, since it has an impact on working conditions and collective bargaining in many Member States, the European Commission should promptly involve the social partners in the process and promote the right to collective bargaining while at the same time protecting existing collective bargaining models and practices that are delivering for working people and changing those that do not deliver. The ETUC appreciates the emphasis the EU puts on investment in research as prerequisite to making Europe competitive and sustainable. Finally, we regret the lack of attention to the workers in the field of education, and the lack of initiatives to recognise the right to Lifelong learning.

Another very important topic relates to Gender Equality. The Commission finally proposes binding pay transparency measures to strengthen the principle of equal pay for work of equal value. However, its content has yet to be assessed. Moreover, MS have the obligation to implement the Work-Life Balance Directive by August 2022 or face legal action by the European commission. Trade Unions could concretely help in this process. Finally, the ETUC welcomes that the Commission encourages Member States to advance and conclude the negotiations in Council on the Commission proposal for a Directive guaranteeing the representation of women from all backgrounds in both executive and non-executive company boards. The ETUC also welcomes the ambition of the action plan to halve the gender employment gap by among others improving provisions of formal early childhood education and care, thus supporting stronger female labour market participation.

The approach on migrants in the Action Plan sets the basis to further develop concrete actions, especially to ensure the principle of equal treatment, which is not fully developed in the document. There is no reference to the need to fight the informal economy, trafficking and exploitation of workers nor the need to address the issue through the lens of human rights, equality, combating discrimination and violence. Furthermore, the revision of directives on migration are placed in the wrong chapter. The ETUC regrets that labour migration has been put in the context of the EU’s need for “attracting talents and skills”. ETUC calls for opportunities for labour migration across skills and sectors and the regularisation of those with insecure or irregular status. The ETUC believes that migrant workers contribute to the success of our economies and make our societies more dynamic, but they still suffer from direct and indirect forms of discrimination. Confronted with an increasing number of people seeking asylum in Europe, the European social and economic partners have engaged with the European Commission, signing a European Partnership for Integration of Refugees that is now part of the EU Action plan on Integration and Inclusion 2021-2027. Member states, social partners, local authorities and all relevant stakeholders should ensure equal treatment and opportunities to third-country nationals that reside and work in the EU.

In general, the chapter on social protection and inclusion is positive since it introduces a measurable social target for reducing the number of people at risk of poverty or social exclusion by 2030. It also includes the European Child Guarantee and the platform on

combating homelessness. However, the ETUC highlights some shortcomings. There is no mention of adequacy of pensions or wellbeing of elderly people. The modernisation of welfare systems is only hinted at. The Commission will launch a group of High-Level Experts to study the future of the welfare state, but the role of social partners in shaping the new welfare systems to be fit for the current and next generations is not addressed. Furthermore, the fact that social partners are often co-managing social security systems, as the main contributors to these systems, they must also be the main actors in shaping better, more inclusive systems if necessary. Finally, the ETUC welcomes the Commission's approach on mobility of workers and the launch of a digital solution (European Social Security Pass) to facilitate the interaction between mobile citizens and national authorities, and improve social security rights and their portability across borders, building on the initiative for a trusted and secure European e-ID.

The Action Plan does not include a legislative initiative on common EU standards for minimum income schemes, only a Council Recommendation on minimum income to support and complement policies of MS is mentioned. The ETUC believes this will not be enough and that a legislative initiative is necessary, especially nowadays and in the aftermath of the sanitary emergency, where there will be high rates of unemployed or inactive people that will need to have a guaranteed income to provide for them and their families, ensuring good living standards.

A full and proper implementation of the Council Recommendation on access to social protection is required. Hence, the reminder to MS to further extend and improve access to social protection to categories not currently covered such as unemployed, non-standard workers and the self-employed, is welcomed.

Furthermore, the paragraph on public services could have been drafted with better wording, in order to be aligned to the EPSR ambitions mentioning universal access, quality of public services and goods, affordability and the relevance they have for equal opportunities and participation in the labour market.

The COVID-19 outbreak underlines the need to reinforce universal and solidarity-based public health systems, as part of the EU social model and commitment to quality public services. This can be done by investing in public, non-profit systems, to ensure there is sufficient levels of qualified, well-trained and well-remunerated staff working in good conditions, and are able to cope with the population needs. It is essential to build the resilience, accessibility, affordability and effectiveness of quality health systems for all EU citizens. In this direction, the ETUC welcomes the recommendation to MS and the proposed initiative on Long-term care..

The ETUC welcomes the chapter on the financing of the reforms and investments needed to implement the EPSR. The RRF and national Recovery and Resilient Plans (nRRP) are an opportunity to finance investments to support social recovery and quality jobs. It is important to develop a high level of synergy between the different financial instruments (RRF, JTF etc.) in order to have upgrading of projects using different sources of funding. Moreover, within the European Semester Framework of coordination, we can assess the degree of upward convergence that each country has been able to attain both economically and socially. The ESF+ will be the main instrument to support the implementation of the 'Pillar', and a series of EU funds are listed to help translating the principles of the EPSR in reality. The Commission encourages the MS to make best use of the EU funding opportunities. The ETUC also calls for clear and stringent conditionality for the use of European funds to finance the actions proposed in the Action Plan and to achieve the headline targets, on the basis of measures defined at national level with the involvement of the social partners. The ETUC urges a prompt dialogue between

governments and social partners to be activated in order to align the nRRP to the contents of the Action Plan.

ETUC welcomes the references in the Action Plan to the need for transparent and fairer taxation and looks forward to being involved in the follow-up initiatives.

The key role of Social Dialogue is highlighted. Social partners play a key role in mitigating the impact of the pandemic and shaping the recovery, helping the labour market to adapt to the future changes. Strengthening the efforts to support to collective bargaining coverage and prevent social partners' membership and density to decrease is a positive approach. The Commission will present in 2022 an initiative to support EU and National social dialogue, included a new supporting frame for social partners agreements. The ETUC welcomes the initiative and calls on the Commission, after consulting social partners, to present concrete initiatives addressing EU level problems along with those member states and social dialogue systems in need of support. This frame should also support the implementation of the autonomous agreements with dedicated funding lines and encourage and enable social partners to bring forward their negotiated agreements to Council for adoption in the form of a Directive. In this regard, a working group must be established to address the obstacles created by the European Commission and the Court. The ETUC stresses the importance of not mixing up social dialogue and civil dialogue. We would like to underline that social dialogue and collective bargaining are exclusive prerogative of trade unions and employers. In particular, we have doubts about the European award for innovative social dialogue practices and how it would work in practice. Key questions are: How would the companies and the agreements be selected? What would be the composition of the jury? What would be the added value of such exercise especially at EU level and following which criteria? The ETUC will attentively monitor that initiative and will ask to be involved as soon as possible in its process. Finally, the ETUC welcomes that the Commission commits to foster the engagement of member states with relevant stakeholders through the creation of coordination mechanisms at national level for the implementation of the Pillar.

DRAFT ROADMAP to EU SOCIAL SUMMIT in PORTO (7th of MAY 2021)

The ETUC lobbied for an ambitious Action Plan to put in practice the Pillar for working people: through upward convergence on labour rights, working conditions, wages, social protection systems; by promoting just transition, social dialogue, collective bargaining and workplace democracy; by making the EU economic governance socially fair and inclusive.

We need the EU Social Summit to endorse the Action Plan, also by signing a Joint Declaration (EU Institutions and Social Partners), where all the actors commit to contribute to the implementation of the 'Pillar'.

To this end, the ETUC is lobbying for an ambitious Declaration to be adopted in Porto, and we have asked to involve trade unions in the negotiation of its drafting.

Furthermore, the ETUC will lobby the MS that will participate in the Social Summit and the informal summit of Heads of State or Government (on the 8th of May) to endorse the Joint Declaration. We need to make sure the outcome of the Head of State's meeting does not go in a different direction from the one of the Social Summit. A strong link should also be ensured between the results of the Social Summit and Conference on the Future of Europe, especially if the Conference will be kicked off on 9th May.

Moreover, the ETUC is organising a Trade Union Summit on 6 May, where affiliates will be invited to discuss with institutions and political actors, our priorities for the implementation of the Pillar.

The ETUC is building alliances with supportive institutions, some employers' organisation, governments and civil society organisations that share the same ETUC objectives for an ambitious Action Plan, one which finally put people' wellbeing at the heart of EU Policies, and are committed to a sound and effective implementation.

Finally, the ETUC encourages its member organisation to organise dissemination and raising awareness events addressed to their member sand explaining why the Action Plan is relevant for European workers.