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COMMISSION STAFF WORKING DOCUMENT

Report of the public consultation

Accompanying the document

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Establishing a European Pillar of Social Rights

{COM(2017) 250 final}
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CONTENTS

Introduction

In his 2015 State of the Union address, President Juncker announced the determination to develop a European Pillar of Social Rights which takes account of the changing realities of the world of work and can serve as a compass for the renewed convergence within the euro area. On 8 March 2016, the European Commission adopted a Communication putting forward a first, preliminary outline of what should become the European Pillar of Social Rights[1]. The Communication set out the rationale behind the initiative and its role, scope and nature[2].

On this basis, the Commission launched from March until 31 December 2016 a broad public consultation to gather feedback on the proposed outline to feed into its final proposal. The consultation aimed at discussing existing social rights, the changing realities of the world of work and societies, and the role of the Pillar as part of the social dimension of the Economic and Monetary Union (EMU). A European conference took place on 23 January 2017 to wrap up this consultation process[3].

During the consultation the Commission sought feedback on the following ten questions:

On the social situation and EU social "acquis":

1. What do you see as most pressing employment and social priorities?
2. How can we account for different employment and social situations across Europe?
3. Is the EU "acquis" up to date and do you see scope for further EU action?

On the future of work and welfare systems:

4. What trends would you see as most transformative?
5. What would be the main risks and opportunities linked to such trends?
6. Are there policies, institutions or firm practices – existing or emerging – which you would recommend as references?

On the design of the European Pillar of Social Rights:

7. Do you agree with the approach outlined here for the establishment of a European Pillar of Social Rights?
8. Do you agree with the scope of the Pillar, domains and principles proposed here? Are there aspects that are not adequately expressed or covered so far?
9. What domains and principles would be most important as part of a renewed convergence for the euro area?
10. How should these be expressed and made operational? In particular, do you see the scope and added value of minimum standards or reference benchmarks in certain areas and if so, which ones?

This report presents the consultation process and summarises its main findings.

[1] COM (2016) 127 final.
[2] It was accompanied by two Staff Working Documents: the first one describing key economic, labour market and societal trends on which the Pillar builds and which it should contribute to address; the second one recalling the most relevant legal acquis at EU level. Commission Staff Working Documents "Key economic, employment and social trends behind the European Pillar of Social Rights" (SWD (2016) 51), and "The EU social acquis" (SWD (2016) 50) of 8 March 2016.
[3] Conference website.

I. The public consultation at a glance

1. A far-reaching process

Throughout the public consultation, active discussions took place with national authorities and parliaments, other EU institutions, social partners, civil society, academic and policy experts as well as citizens.

The process was very wide and far-reaching: it included in-depth input through dedicated work streams, meetings and events at EU and national level, written input through position papers, an online survey and social media outreach. All in all, the number of **dedicated meetings and events at EU and national level amounted to over 60, involving beyond 2,500 participants**. Social partners and civil society were given a prominent role in the consultation process, through targeted hearings and strategic dialogue meetings.

The Commission organised **targeted seminars and structured exchanges through three work streams** bringing together experts and stakeholders to stimulate in-depth discussions and gather specialised feedback with a focus on:

1. The EU social acquis: taking stock - Work stream 1 discussed whether existing rights remain relevant in a changing world of work, whether there are gaps in the EU acquis and if yes, how they could be bridged.

2. The future of work and of welfare systems: challenges and opportunities - Work stream 2 touched on the impact of automation, changes in the workplace, ways to make labour markets more flexible and to increase job quality, as well as the adaptation of working conditions to new digital work and to the collaborative economy.

3. The role of the Pillar as part of a deeper and fairer Economic and Monetary Union (EMU) - **Work stream 3** looked at how the Pillar would fit into the process of deepening the EMU, notably its social dimension, and what principles would be most relevant for the good functioning of the EMU.

Feedback received in the expert consultation through work streams is included in sections II and III of this report, as relevant[4].

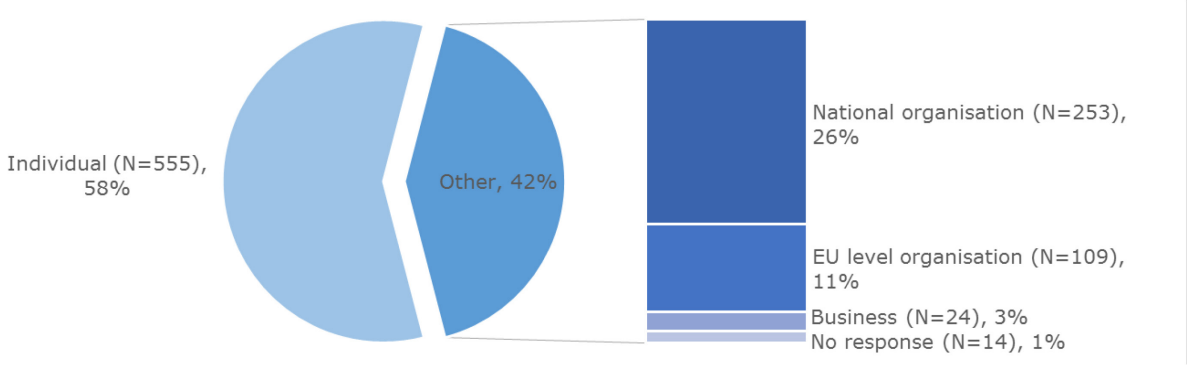
At national level, Commission Representations organised consultation events in 27 Member States (all except the UK) and listened to national specificities. Target audiences included social partners, civil society and researchers. 14 of these events took place in cooperation with the European Economic and Social Committee (EESC)[5]. At the request of social partners, 6 additional meetings exclusively for employers' organisations and trade unions were set up in some Member States for an even closer exchange[6].

Special Adviser Allan Larsson was continuously involved in talks both in Brussels and at national level. His role was important to engage with stakeholders on a regular basis, promote the Pillar and deepen the reflection both on the challenges to be addressed and the way forward.

[4] See page 19 for work stream 1, page 25 for work stream 2, and page 12 for work stream 3.
[5] In Austria, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Italy, Latvia, Luxembourg, Malta, Slovenia, Spain and Sweden. In parallel with the Commission's public consultation, the EESC launched a series of national debates in the 28 Member States.
[6] In Spain, Denmark, Germany, Italy, the Netherlands and the UK.

In total, stakeholders provided around **200 position papers**[7]. Input arrived also **online** through a **questionnaire**, with more than **16,560 replies** received. The vast majority of online replies (more than 15,500) were a standard text in a campaign launched by the European Trade Union Confederation (ETUC)[8] and similar actions organised by Spanish and Italian organisations[9]. The rest - almost 1,000 replies – were unique responses from organisations (400) and individuals (555) (see Figure 1).

Figure 1 - Who replied to the online questionnaire



Source: ICF analysis, online public consultation as of 03/01/2017

A **high level conference** on the Pillar **'Going forward together'** was held in Brussels on 23 January 2017. This conference was the first sounding board after the 10 month public consultation. The conference was an important milestone in wrapping up the consultation and defining the future direction of the Pillar. It brought together over 600 participants, of which 26 national Ministers or Secretaries of State, 140 other national representatives, 100 social partners, 200 stakeholders and 40 experts; and from EU institutions the President of the European Commission, one Vice-President and 8 Commissioners, the President of the European Parliament, several MEPs, the European Economic and Social Committee, the Committee of the Regions and the European Central Bank.

Finally, the Commission actively promoted the debate on social media: **90,000 users** were reached **via Facebook**, and there were almost **1 million views of #SocialRights** dedicated to the Pillar. The Conference's social media coverage was also significant, with **1,200 tweets** from about 500 users and a total estimated reach of about **2.5 million users.**

2. Main stakeholders involved

Citizens

The Pillar featured in so-called **Citizens' Dialogues**, open discussion fora taking place across the EU where people have a chance to talk directly with members of the European Commission about policies and decisions being made. In addition, the Commission's Communication department trained 50 Europe Direct Information Centres which organised local outreach events on the Pillar, directly targeting citizens. The consultation also reached out specifically to **young people**, in particular through two events: in Sofia on 16-18 October 2016, organised by the European Youth Forum in cooperation with the Friedrich Ebert Foundation, to discuss

[7] The position papers are available at http://ec.europa.eu/social/main.jsp?catId=1235&langId=en
[8] The ETUC campaign was especially successful in Austria and Belgium: together, almost 60 % of the standard replies originated in these two countries.
[9] The Spanish Fundación Cepaim and Italian General Confederation of Labour (CGIL).

young people's access to social rights; and a dialogue meeting with young people organised by the Commission on 8 December 2016 in Brussels.

Member States

Member States engaged actively in the consultation. The Commission received contributions from 21 national governments or their responsible ministries: Austria, Belgium, the Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovakia, Sweden and the UK. Moreover, five national parliaments (the German Bundesrat, the French Assemblée Nationale, Italy's Camera dei Deputati, the Czech Senate and Romania's Camera Deputaților) and a number of regional governments and authorities handed in their replies.

The Council of the EU was involved too. Employment and social affairs ministers held discussions several times and generally endorsed an opinion on the Pillar in October 2016, prepared by the Employment Committee and the Social Protection Committee. The Pillar was also addressed by ministers responsible for economic affairs in the competitiveness Council formation. On the economic side, the Economic Policy Committee took a stand, which was discussed at the Economic and Financial Committee.

EU institutions

The European Parliament adopted a Resolution on the Pillar on 19 January 2017[10]. The Committee of the Regions adopted its opinion on 11 October 2016[11], and the European Economic and Social Committee on 25 January 2017[12].

Social partners

EU level social partners played a special role in the consultation: the Commission organised two hearings (on 6 June and 14 October 2016) with delegations of each side of industry representing EU cross-industry secretariats (ETUC, BusinessEurope, CEEP[13] and UEAPME[14]), national cross-industry organisations and EU sectoral federations. Leaders of EU social partners had two exchanges at political level on the Pillar (on 11 April and 9 December 2016). Since the launch of the consultation, the Pillar was also addressed at all meetings of the Tripartite Social Summit, the Social Dialogue Committee, the Liaison Forum and many Sectoral Social Dialogue Committees.

Civil society

A wide variety of both EU-level and national NGOs contributed to the consultation, ranging from anti-poverty activists to youth organisations and persons with disabilities' organisations. Civil society organisations were consulted through the Annual Convention for Inclusive Growth (21 March 2016), which brought together close to 400 participants, and strategic dialogue meetings on the "EU Social Acquis" (8 June 2016) and on the "Future of work and welfare" (6 July 2016). The Pillar was discussed in many other events organised by civil society organisations directly, including a meeting with people experiencing poverty (on 15-16 November 2016), organised with the Commission's support.

[10] 2016/2095(INI).
[11] CDR 2868/2016.
[12] SOC/542-01902-00-01-ac.
[13] The European Centre of Employers and Enterprises providing Public Services and Services of general interest.
[14] The European Association of Craft, Small and Medium-sized Enterprises.

The European research community

The Commission's Directorate-General for Research and Innovation organised a one day seminar on 'Work, Welfare and Inequalities in Europe – The Research Perspective' (10 October 2016 in Brussels) to present scientific evidence in the frame of the public consultation on the European Pillar of Social Rights[15]. The seminar brought together leading European researchers in the fields of welfare policies, labour markets and employment, social investment and poverty with EU policy makers, international experts and other relevant stakeholders. During the seminar, a Policy Review entitled "Fighting poverty and exclusion through social investment: A European research perspective" was also presented. The Review presents evidence from twenty research projects on issues pertaining to employment and social policies funded by the EU through the 7th Framework Programme for Research and Technological Development[16].

Other organisations

International organisations like the Council of Europe, the International Labour Organization (ILO), the International Monetary Fund, the World Bank, the Organisation for Economic Co-operation and Development (OECD) as well as experts from academia and think tanks provided written contributions or were consulted in dedicated meetings. Other stakeholders, like managers' associations or chambers of craft trades, shared their views.

3. The most pressing priorities identified

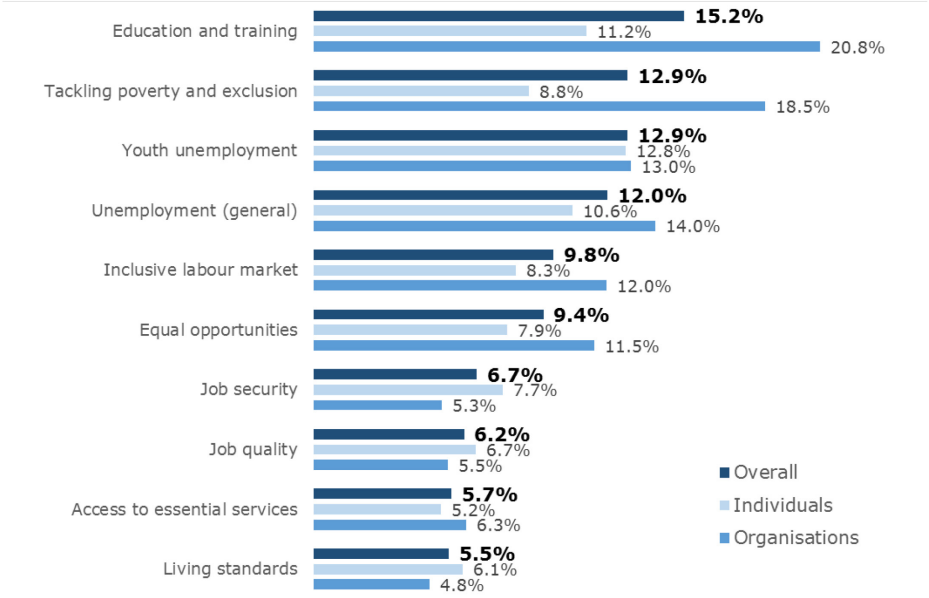
During consultation events and work streams discussions, four key priority trends emerged which the Pillar should address:

- The social consequences of the financial crisis, with increasing poverty, social exclusion, inequalities and unemployment, particularly long-term unemployment and among young people, and the long period of economic stagnation, with low growth and competitiveness;
- Technological progress and automation; the future of work, the emerging digital labour market, education and reskilling;
- Demographic developments, with the ageing of Europe's population; the modernisation of social protection and welfare systems; and
- Economic divergence across Member States.

In the online consultation, tackling unemployment, including youth unemployment, was put forward as the most important priority overall, and there was also a clear focus on the socio-economic integration of younger generations, with youth employment and education being identified as priorities. An overview of the 10 most frequent priorities to be addressed by the Pillar as resulted from the 955 single replies in the online consultation is provided in Figure 2. The most pressing priorities identified by the campaign launched by trade unions included improving job security, job quality and living standards, and ensuring access to essential services for all.

[15] Presentations and the conference report are available at http://ec.europa.eu/research/social-sciences/index.cfm?pg=newspage&item=160901
[16] http://bookshop.europa.eu/en/fighting-poverty-and-exclusion-through-social-investment-pbKI0116761/

Figure 2 - 10 most pressing priorities (% of single replies, N=955)



Source: ICF analysis, online public consultation as of 03/01/2017

II. Discussions on the role and the nature of the Pillar

1. The purpose

Fostering convergence towards higher social standards, improving fairness and equal opportunities, bringing together social and economic considerations…

The Pillar was broadly seen as an opportunity to deliver on a **more social Europe**, rebalancing economic policies with social considerations, and reconnecting with European citizens, while at the same time addressing key issues related to changes in the world of work and society more generally. The consultation confirmed the expectation that economic, social and employment policies should work together coherently.

> ***German Federal Government:*** *"We should … aim for a European social market economy that is highly competitive and has high social standards."*

For experts, the debate should not be about 'more or less Europe', but about putting 'citizens-first' to provide security, opportunity and resilience in times of change. The consultation highlighted that the challenges of societies and the world of work are often similar across Member States. Therefore, the Pillar was seen as a means to set the conditions for sustainable convergence towards better employment and social outcomes, by creating a common consensus on social goals against which reforms can be pursued.

However, it was underlined that national specificities should be respected and the purpose of the Pillar should not be to harmonise social policy across the Union, or create a supranational European Social Union.

… while addressing competitiveness considerations, and ensuring a well-functioning single market and EMU

Especially among employers, stakeholders put forward the need to address the **lack of competitiveness** and the **productivity deficit** as pre-conditions for the success of inclusive social policies[17].

In particular, some Member States feared the Pillar would pose a threat to competitiveness, and that too high standards may lead to countries opting out from the initiative. Some also pointed to fiscal sustainability concerns. The focus of the Pillar should not be on social rights as such, but on increased productivity and job creation as the primary means to ensure a sustainable economic and social model.

According to employer organisations the Pillar should help shape a comprehensive economic and social strategy for increased competitiveness and social cohesion by supporting reforms and better coordination of national policies. Convergence towards higher living standards will be achieved through policies that restore competitiveness, increase productivity and foster employment and growth.

> ***Business Europe:*** *"Our social challenges will only be tackled through economic growth, creation of new wealth and expansion of employment… The objective is to create in all member states the framework conditions for companies to provide the best possible opportunities for employment for all"*

[17] This issue was raised by Member States as crucial in the Competitiveness Council.

2. The scope

The thematic scope: "societal" principles beyond employment and social issues

The consultation confirmed overall agreement with the approach proposed for establishing the Pillar and its thematic scope, which extends to areas beyond employment and social matters in a strict sense, **to cover broader "societal" considerations** such as education and health, to address issues of both competitiveness and social cohesion, and not one dimension at the expense of the other.

> ***Social Platform:***
> *"The Pillar of Social Rights needs to be about so much more than just jobs. Social inclusion means creating an environment where everybody can realise their potential and can contribute to society."*

However, contrasting views emerged as regards the **balance** in the Pillar **between economic and social considerations**. This discrepancy related to the perception - mainly among the NGOs and trade unions - that the Pillar focused too much on employment to the detriment of the social dimension. While less critical overall, employer organisations tended to believe that the Pillar's approach did not sufficiently focus on areas that can generate growth and improve competitiveness, and that more consideration could be given to free enterprise as a driver of inclusive growth, for instance by emphasising the need for a regulatory framework that reduces administrative burden.

> ***UEAPME:****" The better integration of economic and social dimensions is a key priority for a fair and inclusive labour market and well-functioning welfare systems since the two dimensions are interdependent."*

Stakeholders generally noted that the issues of free movement (intra-EU mobility of EU citizens)[18], migration and the inclusion of third-country nationals[19] were not properly addressed, and **more emphasis** could be given to discrimination on grounds of ethnic origin or the rights of undocumented migrants as well as social rights and fair treatment of EU mobile citizens. In particular, civil society organisations argued for more attention on creating inclusive and not just well-performing labour markets, and a strong focus on inclusion of people who are out of work and in most vulnerable situations.[20]

Among the consulted stakeholders, trade unions and NGOs were active in suggesting **additional principles** for inclusion in the Pillar, namely: fair taxation[21], social investment and the social economy, collective workers' rights such as collective bargaining in enterprises, more protection for vulnerable groups (children, persons with disabilities, migrants and refugees), and informal care.

[18] Fair labour mobility was one of the priority areas highlighted by ETUC in its position paper, and was mentioned in several other contributions.
[19] Mentioned for instance by Italy, Sweden, the European Anti-Poverty Network, European Social Policy Network.
[20] This was mentioned, among others, by the Social Platform and the European Youth Forum.
[21] The European Social Policy Network noted for instance that insufficient attention is given to taxation as the essential element of redistribution in EU welfare models. Tax justice was raised by the European Anti-Poverty Network. For UEAPME labour taxation is the main missing dimension and represents a barrier to make work pay and encourage enterprises to hire new workers.

A common view was that gender equality, equal opportunities and the rights of persons with disabilities should be **mainstreamed** across the Pillar, and not be limited to labour market considerations or access to benefits. According to trade unions, social dialogue could also form a horizontal principle applying to both fair working conditions and equal access to the labour market[22].

> ***European Disability Forum**: "The rights of persons with disabilities are not adequately expressed and covered as they are limited to disability benefits."*

The geographical scope: a Pillar for the euro area

In the initial Commission's proposal, the Pillar was conceived, first and foremost, to support the deepening of the EMU, targeting the euro area, while being applicable to all Member States that wish to be part of it.

In the consultation, it was recognised that more **in-depth action to stimulate convergence** towards better employment and social outcomes **in the euro area** would be key to make its single monetary policy suitable for all its members, to improve its functioning, and to reinforce the EMU's economic, social and political resilience. The European Parliament for instance considered that the constraints of euro area membership call for additional specific **social targets and standards** to be established and relevant financial support to be considered at the euro area level, while remaining open to non-euro area Member States on a voluntary basis[23].

Some Member States, in particular Hungary, Poland, Germany, Portugal and the UK, supported the idea that **non-euro area Member States should have the flexibility to choose** whether to be part of the Pillar.

On the other hand, a number of stakeholders argued that the Pillar should be a cohesive goal and avoid creating gaps between the euro area and the rest of the Member States in social policies and standards, or cause uncertainty about the application of the EU social acquis. They saw a mutually reinforcing relation between the Pillar and the Single Market. On the one hand, increased convergence in working and social conditions across the Union would contribute to a more level playing field and a **better functioning market**, including by preventing social dumping. On the other hand, the Single Market is seen as an engine for convergence towards higher living standards through better utilisation of skills, increased competitiveness, productivity growth, job creation, and cohesion across the EU, thereby contributing to social progress in Europe[24].

The role of the Pillar as part of a deeper and fairer EMU was discussed in-depth with experts and stakeholders through specialised discussions in work stream 3. The main points highlighted in those discussions are summarised in the section below.

[22] This view was shared by CEEP.
[23] 2016/2095(INI), para 2.
[24] See for instance the joint statement of 18 January 2017 by BusinessEurope, UEAPME and the following sectors: CEEMET, COPA/GEOPA (agriculture), ECEG (chemical), EFCI (cleaning), Euratex (textile), Eurocommerce, FIEC (construction), HOTREC (hotel/catering), Insurance Europe, IRU (road transport) and World Employment Confederation (agency work).

Feedback from Work Stream 3: The role of the Pillar as part of a deeper and fairer EMU

Work stream 3 drew on the input of a number of experts from academia, international organisations and think tanks, in particular through three dedicated hearings (on 10 and 23 May, and 17 June 2016).

Experts claimed that for the EMU to be sustainable, its member countries, in the absence of an autonomous monetary policy, need to have in place economic structures and institutions similarly resilient to economic shocks. This means that the effects of a shock are short-lived and do not leave lasting social scars such as widespread and long-term unemployment. In addition, a good functioning EMU would require some degree of upward convergence in terms of growth potential and living standards.

Three aspects were identified where the Pillar could play a specific role to improve the functioning and sustainability of the EMU.

First, the Pillar would help to build up a **consensus on the key features of social policies** that are especially relevant for the EMU, and this would be essential to the political legitimacy of the EMU itself.

Second, the implementation of a number of principles in the Pillar would help to enhance resilience and support upward convergence in employment and social outcomes by contributing to the **development of well-designed labour market and social policies** together with growth-friendly and fair taxation. This can happen either by promoting institutional convergence in labour market and social policy settings, or by developing a weaker form of convergence based on shared values and objectives while keeping different systems. Many pointed out that different models - including ways of funding these policies - can be equally fit for purpose, and that what matters for upward convergence in living standards is the quality of institutions and of governance, and their cost-effectiveness in delivering the desired outcomes.

Third, there was broad agreement that the Pillar (or at least some of its elements) could help prepare the ground or serve to define the conditions for **setting up and accessing a possible supranational automatic stabilisation mechanism**. Its primary function would be to provide some forms of risk sharing and a strengthened macroeconomic stabilisation capacity for the euro area in case of asymmetric shocks. In case such a mechanism took the form of an EMU-wide unemployment benefit scheme, it would require some degree of convergence and Member States' cooperation in the design of labour market policy settings, in particular of the relevant components of national systems, such as unemployment benefits and active labour market policies, to help tackle moral hazard, ensure its effectiveness and build up mutual trust among the countries joining the scheme. In this context, the Pillar could be seen as providing a 'quality insurance' framework and paving the way for the criteria necessary for joining such a scheme.

While many if not nearly all of the principles proposed in the Pillar were considered as equally important for both the EMU and the EU as a whole, a number of **dimensions** emerged as **particularly relevant for a good functioning EMU**. Specific reference was also made to the need for labour market settings conducive to a good labour market adjustment capacity through an efficient allocation of human resources and wages smoothly responding to economic change. There was consensus on the role played by national automatic stabilisers, including unemployment benefit systems (and where relevant minimum incomes or other

benefits) as well as policies supporting job matching to ease adjustment, and hence on the importance of their design. Skills, education and lifelong learning, and more generally human capital development, were seen as favouring the adaptability of the labour force to demand shifts, and were considered key drivers of long-term growth, and necessary for more sustainable upward socio-economic convergence. Finally, it was widely acknowledged that labour mobility is a key channel of adjustment within the EMU; the importance of ensuring a fair degree of portability of social rights, both within and across countries, was underlined in this respect.

Experts identified **benchmarking** as a possible tool to support convergence in the design of labour market and social policy systems in the euro area towards better outcomes. The main objective of benchmarking is to support the reform process in the Member States by cross-examining relative performance, identifying challenges and promoting convergence towards good policy practices. The comparative examination of Member States' performance and policies in different areas would further support the identification of reform needs in individual countries and help formulate appropriate policy responses, drawing from the examination of different practices and their results.

3. The legal nature

The debate on the binding versus non-binding nature of the Pillar

The choice of the legal instrument for establishing the Pillar was left open in the Commission Communication launching the public consultation on 8 March 2016. This point was much debated during the consultation, with many questions arising on the final form that the Pillar will take, and contrasting positions on whether it should have a legally binding nature.

Stakeholders generally shared the view that discussions on the choice of instruments for the Pillar itself should **follow from an agreement on the substance** of the initiative. This is because the preliminary draft Pillar consisted of a broad range of principles, with each of them reflecting a different nature and degree of EU competence[25]. As a result, the final form of the Pillar will have to reflect such diversification, in full respect for the division of competences between the EU and Member States, and subsidiarity.

Support for a **binding** Pillar was strongest among trade unions and NGOs. On the other hand, national government representatives in a majority of Member States and employer organisations expressed their disagreement over the potentially prescriptive nature of the principles and favoured the use of **soft policy**.

A number of parameters were identified for **consideration in the choice of the instrument**, including political visibility, the involvement of the different Union institutions and social partners, possibilities for application to the euro area only, the degree to which it can encompass both a legislative and non-legislative agenda, and the links to the European Semester.

Box 1: Instruments to establish the Pillar

Concrete ideas on how the Pillar itself could be established were raised during the consultation and included:

- An instrument of primary law: for example a Treaty change, or a social progress protocol to be included in the EU Treaties[26];
- Enhanced cooperation to build a social Union[27];
- An agreement between the Commission, the European Parliament and the Member States / European Council with the full involvement of the social partners[28];
- An instrument of secondary law, including binding tools[29] such as directives and regulations, or non-binding ones such as a recommendation[30];
- Other instruments such as an Action Plan, a Communication or a Green Paper;
- A package including multiple instruments.

[25] For instance, Article 153 of the Treaty on the Functioning of the European Union does not provide competence of the Union to legislate on "pay".
[26] For example suggested by the Austrian Federal Chamber of Labour (AK) and the European Pact for Social Progress.
[27] For example suggested by the Friedrich-Ebert-Stiftung.
[28] Italian General Confederation of Labour (CGIL).
[29] For example suggested by the Austrian Trade Union Federation (ÖGB).
[30] Germany rejected a regulation or a directive as the legal form of the Pillar, and suggested that a recommendation under Article 288 TFEU would be suitable.

The difference between rights and principles

Stakeholders raised questions about the distinction between rights and principles in the initial Commission's draft, and how they relate to values and rights that feature in the EU acquis. A common view was that this relationship could be **further clarified**, and that alignment of individual principles with the relevant provisions of the Charter of Fundamental Rights of the European Union could improve legal certainty[31].

The importance of ensuring **consistency with international law** instruments such as the Council of Europe Social Charter and ILO Conventions and Recommendations was also underlined. Concretely, EU-level social partners asked for clarification around sources of law and areas of EU/Member State competence for each of the 20 principles proposed, to identify possible options for policy action.

It was also noted that the draft text of the Pillar combined rights directed at individuals with principles targeting employment and social systems. Therefore, many considered that the final Pillar should draw a **clearer distinction between individual rights and systemic principles**.

The **personal scope of application** should also be clarified, with some arguing that the rights should apply to everyone in the EU, while others being in favour of a distinction between EU citizens and third-country legal residents.

Certain stakeholders put forward that more clarity on access to and **enforceability** of rights would be important to make the Pillar more visible and operational for citizens and all players involved in implementation.

The importance of broad political commitment regardless of the final legal framework chosen

Regardless of the legal form finally chosen to establish the Pillar itself, the consultation emphasised that this initiative should first of all mark a **strong political commitment** to a renewed agenda for inclusive growth that benefits individuals, the economy and society at large.

In order to respect **subsidiarity**, the Pillar will need to ensure **ownership at all levels of governance** and mobilise broad support for its implementation through joint efforts by all players involved, from EU institutions to Member States and authorities at regional and local levels, social partners and civil society.

> ***European Anti-Poverty Network:*** *"The EU needs a new vision and a new plan [...] This should demonstrate that the EU is committed to developing an economy that can deliver shared prosperity and sustainable development, underpinned by social rights and social and environmental standards."*

> *The **European Parliament** in its Resolution on the Pillar "considers that the Pillar should be adopted in 2017 as an agreement between Parliament, the Commission and the European Council, involving the social partners and civil society at the highest level."*

[31] For ETUC, the Pillar should enforce the rights elaborated in the EU Charter of Fundamental Rights, the European Social Charter and the European Convention of Human Rights. Both SOLIDAR and the European Trade Union Institute criticised the draft Pillar for blurring the distinction between social rights and principles. During consultation meetings, trade unions in several countries held the view that principles as opposed to legal rights would be less effective in achieving upward convergence in employment and social outcomes.

4. The implementation

A mix of tools, respecting subsidiarity and involving different players

The consultation confirmed the need for the Pillar to be accompanied by concrete deliverables and that its success will ultimately depend on how it will be made operational.

> ***European Parliament:*** *The Pillar should "not be limited to a declaration of principles or good intentions"*

There was agreement that the Pillar should be implemented by a **mix of appropriate and effective deliverable tools**, deployed at the appropriate level, involving all relevant dimensions of governance, and avoiding duplications.

A strong point coming from the consultation was the need to respect the distribution of **competences** at EU, national and sub-national levels, **subsidiarity**, and the **autonomy of social partners**[32]. The instruments deployed should reflect the primary responsibility of national governments and social partners in making social rights and principles operational on the ground. There were also concerns about a "**one size fits all" approach**, arguing that national social policy specificities should be taken into account in the Pillar's implementation.

> ***The Committee of the Regions*** *"highlights the need for closer cooperation between the different levels of government, sectors and stakeholders, including a stronger role for social partners and the introduction of an efficient instrument for civil dialogue, which would strengthen the democratic legitimacy of the Union."*

Another point was the central function of **stakeholder dialogue** in the implementation of the Pillar and of multi-stakeholder cooperation[33] to improve the relevance of social policies. The EESC and NGOs called for a stronger role for **civil society** and civil dialogue to ensure that everyone, including young people and those in vulnerable situations or facing discrimination, can participate in policy-making[34].

> ***Social Platform:*** *"Now is the time to empower civil society and to give us an active role. It will be difficult to deliver on Europe's ambitious social agenda without us."*

When it comes to the **preferences for concrete instruments**, national government representatives in a majority of the Member States and employer organisations favoured the use of **policy tools**, such as benchmarking based mainly on policy learning to achieve upward convergence in employment and social outcomes. On the other hand, support for **binding instruments** was strongest among trade unions and NGOs.

[32] Denmark, Hungary and the Netherlands made it clear that a prescriptive and uniform Pillar would fail to deliver on its objectives. This view was echoed by BusinessEurope and UEAPME.
[33] Raised for instance by the Committee of the Regions.
[34] Mentioned for instance by the European Association for the Education of Adults, Social Platform, the Confederation of Family Organisations in the European Union (COFACE), the European Youth Forum, the Commission of the Bishops' Conferences of the European Community (COMECE), the REVES network (European Network of Cities & Regions for the Social Economy) and the European Disability Forum.

Box 2: Tools to implement the Pillar

Various tools to implement the Pillar were put forward in the consultation, including:

- Legislation to update the EU acquis in light of new realities, fill some gaps and step up enforcement;
- A strengthened European Semester covering the Pillar's principles;
- Policy coordination (e.g. Open Method of Coordination);
- The establishment of social investment targets for the Member States;
- Benchmarks, including stronger policy guidance and monitoring;
- A more targeted use of EU funding instruments to support reforms at national level;
- A sanctioning mechanism for Member States if social criteria are not met, or a link to structural funds which could be shortened in that case;
- An inclusive social dialogue process, and a specific role for the EU/national social partners;
- Systematic assessments of social impacts and other evidence-based methods (ex-ante and ex-post) for better social and employment 'proofing' of actions;
- Mutual learning and exchange of good practices.

Certain stakeholders[35] put forward that the coherent application of social rights **across all policy areas**, especially in the economic and monetary fields, but also in external action and trade agreements, was needed for the Pillar to have a real impact. The logic used in the context of the proposed European Accessibility Act was highlighted as a possible good model for **mainstreaming** to facilitate the advancement of social rights through internal market instruments. Other stakeholders argued that the modernisation of social protection and welfare systems would help to increase the resilience of labour markets to economic shocks, while increased efficiency of policies aimed at facilitating business creation and upscaling would help to improve the efficiency of resource allocation, fostering employment growth.

In its resolution on the Pillar, the European Parliament invited the Commission to put forward a clear **roadmap** for implementation. Box 3 summarises the main requests made.

Box 3: The European Parliament resolution on the European Pillar of Social Rights

The European Parliament called for[36]:

- A framework Directive on decent working conditions in all forms of employment to ensure relevant existing minimum standards in particular as regards internships, traineeships and apprenticeships; work intermediated by digital platforms; and limits regarding on-demand work;
- More effective and efficient implementation and control of existing labour standards in order to improve the enforceability of rights and tackle undeclared work;
- A Recommendation on the establishment of national wage floors informed by a regional living wage calculation;
- An action plan on long-term care;
- A recommendation on social protection in all forms of employment as well as in self-

[35] NGOs such as the Social Platform and experts consulted in the work streams.
[36] This list is non-exhaustive.

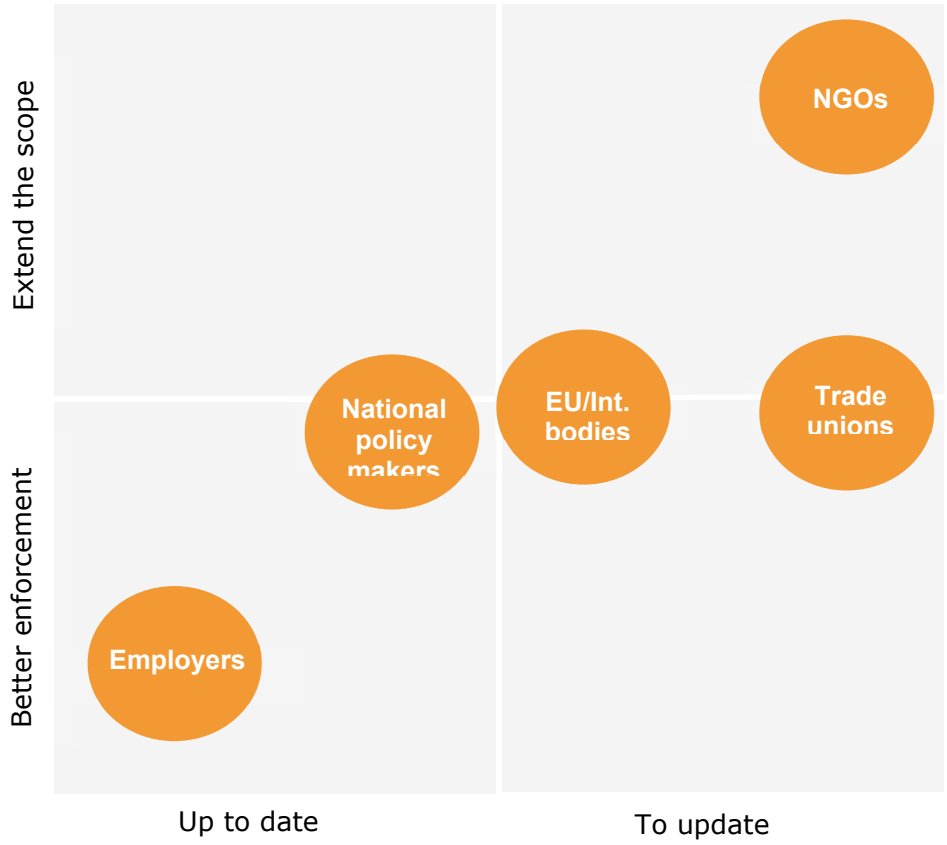
employment;
- Legislation on maternity, paternity, parental and carers' leave;
- An appropriate level of social investments;
- A Skills Guarantee as a new right for everyone, at every stage of life, to acquire fundamental skills for the 21st century;
- The extension of the Youth Guarantee to all young people below the age of 30;
- A Child Guarantee in all Member States;
- Best practice analysis for the calculation of minimum pensions;
- Specific social targets and standards for the euro area;
- Transparent use of the key employment and social indicators in formulating country specific recommendations and a potential Convergence Code.

Legislation: gaps identified and the importance of stepping up implementation

The consultation on the Pillar, and more specifically work stream 1, provided an opportunity to revisit the EU social acquis[37] and its relevance in the light of new trends, and to identify possible areas for future action, at the appropriate level.

In the online consultation, about half of the respondents (52%) believed that the EU social acquis needs updating, with views changing according to stakeholder type (see Figure 3).

Figure 3 - Stakeholders' positions at a glance on the EU social acquis



Source: All stakeholder contributions

[37] See Commission Staff Working Document "The EU social acquis", SWD (2016) 51 final.

The main conclusions from the consultation can be summarised as follows:

- The EU social acquis is broadly **relevant and well developed**;
- However, there is significant scope for action to **improve the implementation and enforcement** of existing rights;
- In addition, **some gaps** were identified in terms of coverage of all forms of work, and areas outside labour law;
- Views were divided on **the need for new legislation**. Trade unions, NGOs and some experts called to complete the EU acquis in light of new realities, and address gaps through legislation. Others, especially employers, pointed to the extensive body of legislation protecting workers, and warned against increasing administrative burden on companies and hampering their competitiveness. For them, the focus should be on better enforcement, which should mean **cutting red tape** and reducing administrative burden on companies, especially SMEs. Member States were divided: while some expressed scepticism to additional legislation, others pointed out that the acquis has a dynamic character and should be open to development[38].

ETUC:
"A key goal of the [Pillar] must be to tackle the problems that workers experience when they try to exercise their already existing EU employment rights. […] Stronger rules and better enforcement are needed."

Social Platform:
"[…] new legislation is needed. […] an EU Directive on adequate minimum income; […] a coherent framework for all types of parental leave […]; the rapid adoption of the Equal Treatment Directive".

BusinessEurope:
"The focus should be on ensuring proper enforcement and application of existing EU legislation and cutting unnecessary red tape."

All these questions were discussed in-depth with experts and stakeholders in work stream 1. More details on those targeted discussions are presented in the section below.

Feedback from Work Stream 1 – The EU social acquis

Work stream 1 gathered specialised feedback to ensure an in-depth analysis of the EU social acquis and provided a sounding board for ideas raised elsewhere in the consultation process. Meetings with academic experts were organised on 23 May, 29 June and 28 September 2016. The work stream also held a meeting of Directors-General for Industrial Relations (20 May 2016), a roundtable with think tanks and international experts including from ILO and the Council of Europe (1 June 2016), and a structured dialogue meeting with civil society organisations (8 June 2016).

Scope of the EU social acquis

Five main areas were highlighted for improvement, especially in light of new forms of work as well as technological and societal changes.

A first gap identified is the **insufficient protection of those in new forms of work**. In particular it was noted that the current **definition of "worker",** which is based on a more traditional concept, does not necessarily cater for new types of work relationships. Experts argued that the EU definition of "worker" should make sure no one is left without

[38] This point was made for instance by Greece, France, Italy, the Netherlands, Portugal and Luxembourg.

protection[39] [40]. An example is the protection from unfair dismissal. Currently, workers enjoy protection from unfair dismissal, but only if they have a proper employment contract. As a result, those workers who are already in a more precarious position because of their unclear status are also not protected against unfair dismissal. In this context, ILO pointed out that increased legal clarity on workers' employment status and employers' responsibilities is not only beneficial from a workers' point of view, but also essential to promote fair competition among businesses.

The announced revision of the Written Statement Directive was highlighted as one of the opportunities to revisit and modernise the existing acquis with regard to new forms of work.

One way of addressing these challenges could be via measures to strengthen social dialogue, both at EU level but also within Member States. This is particularly relevant as in many Member States social dialogue has been weakened as a result of the crisis. Some saw the need to increase the coverage of the right to collective bargaining through capacity building and measures to extend collective bargaining to workers in precarious situations and self-employed.

Secondly, experts saw the need to fill **gaps arising from changing technologies**, by proposing for instance to include the right to privacy or the protection of personal data in the employment relationship, and an update of health and safety rules.

Thirdly, the changing nature of the labour market also means that people are faced with multiple **transitions** during their career, for example from regular to irregular contracts. Action was considered necessary to ensure **access to and portability of social protection** so that people in all forms of employment, standard and non-standard, as well as the self-employed have access to adequate social protection and the possibility to accumulate entitlements and consult them through the life-course. Measures in this area would also have beneficial effects in terms of equality between men and women, as women generally undergo more of such transitions during their professional life than men.

Another challenge, which will become even more critical in the future, is the focus of the acquis on the workforce, thereby omitting a whole range of other persons. It was argued that in addition to rights pertaining to workers, the EU acquis should **better protect** other categories of people such as the unemployed and those **most vulnerable,** particularly by extending **protection against discrimination** beyond the field of employment, and through additional initiatives in social protection. Ideas included legislation to better address the socio-economic determinants of health inequalities, and a coherent legislative framework for parental leave. Some called for the establishment of a European framework for minimum income schemes[41].

Finally, social and employment rights should be better **mainstreamed across all policy areas**. In some cases, social protection and/or social rights can be promoted via other instruments and policies whose primary purpose lies elsewhere, for example as regards access to essential services, such as energy.

Stepping up implementation and enforcement

[39] This point was also confirmed by ETUC who called for widening the scope of the definition of a worker so that it is not restricted or interpreted to apply to the more limited category of 'employee', and removing unfair exemptions that leave some workers outside the scope of protection.
[40] Inspiration could be drawn from the ILO recommendation on employment relationships.
[41] The European Parliament invited the Commission and the Member States to evaluate the how an adequate minimum income could be provided in all Member States. See Resolution 2016/2095(INI), para. 15.

There was consensus that implementation and enforcement of the existing acquis should be reinforced. Very often, citizens could not enjoy existing rights due to a lack of implementation and enforcement. In the context of EU labour law, unlike in other areas, there are very few EU rules directly concerned with enforcement of rights.

Experts highlighted various ways to close the enforcement gap, through legislative and non-legislative action.

One idea was to ensure that existing or future legislation in the field of labour law contained **procedural provisions for enforcement**, and to complement existing instruments with enforcement provisions, where necessary. The objective would be to provide for access to justice, support in litigation, protection against victimisation, basic rules on remedies, and dissemination of information. Inspiration could be drawn from existing instruments e.g. in the field on non-discrimination or free movement, where a range of enforcement tools have been adopted in recent years. Others asked for more and better labour inspections.

Redress mechanisms were also seen as important for the protection of working conditions, including through additional channels such as Ombudspersons, equality bodies and one-stop information points.

Significant progress could also be achieved by ensuring higher **awareness of rights** and enforcement mechanisms in case of violations. Setting out clear concepts, for example through guidelines, was seen as crucial to ensure a more consistent implementation of the acquis on the ground. Other suggestions included increasing the awareness of labour market institutions and labour inspectorates about new employment forms and their potential implications; or establishing codes of conduct and certification to incentivise fairer employment practices at company level.

Driving reforms and convergence through the European Semester, benchmarking and monitoring

Stakeholders, notably employer organisations, argued that the Pillar should use as **first delivery mechanism soft policy instruments** to support national reforms and provide Member States with a tool to track their progress in comparison to each other. This would be done through coordination of national policies in the context of the European Semester, benchmarking, mutual learning and good practices exchange. With this approach the Pillar would build on existing instruments that take different national situations into consideration and allow for tailor-made implementation.

In particular, there was overall consensus for the need to further strengthen the **European Semester** in becoming an economic and social governance framework and for giving more visibility to social considerations and social fairness when promoting structural reforms, investment and responsible fiscal policies. Some stakeholders argued that the principles of the Pillar would need to be integrated into the employment policy guidelines that underpin the country-specific recommendations. However, others saw a need to avoid diluting the Semester which should continue to address economic, fiscal and employment policy. Implementation should be fully pursued, evaluated and if necessary sanctioned[42].

The development of **benchmarking** was generally considered essential to support the reform process specific to each Member State and to achieve upward convergence in employment and

[42] Evangelical Church in Germany, Diakonie, Kommissariat der Deutschen Bischöfe, Caritas.

social outcomes[43]. Such benchmarking could provide a fresh approach, based on precise policy guidance and assessment of national progress towards quantitative or qualitative criteria in order to increase the quality of governance, the cost-effectiveness of public policies and support the diffusion of best practices. Certain stakeholders suggested that benchmarking could be further developed to underpin a stronger degree of institutional convergence in labour markets and social policies in the euro area, while employer organisations and a number of Member States argued that the Pillar should not set binding standards[44].

A further proposal was to devise an appropriate **mechanism to measure and monitor progress** in the realisation of social rights through indicators, data collection and monitoring systems. Suggestions included the development of a social scoreboard mechanism linked to the Pillar. The European Parliament called for a potential new Convergence Code. The Committee of the Regions suggested adding regional disparity indicators to the EMU social indicators scoreboard to support greater convergence and improve the social dimension of the EMU. At the same time, many underlined that the monitoring of the Pillar should be done primarily through the European Semester, and draw on the tools which are already used to analyse the situation of Member States and their progress, such as the Joint Employment Report and existing monitoring tools such as the Employment Performance Monitor and the Social Protection Performance Monitor.

Involving the social partners

The consultation highlighted **the crucial contribution** that social partners should have in implementing the Pillar. This results from their role as key contributors to economic developments on the ground and collective bargaining powers.

In particular, social dialogue was widely recognised as a core component of a well-functioning social market economy to address the challenges related to labour market and social developments: the Member States that proved most resilient during the crisis could often rely on labour market policies that had been co-designed by workers' and employers' representatives, or on collective bargaining structures that had gradually adapted to the challenges of a changing economy.

> ***CEEP, the European Centre of Employers and Enterprises providing Public Services and Services of general interest:*** *"The role of the social partners will be … critical and should … be integrated in the pillar in a transversal way, making it clear that social policies cannot achieve their goals and deliver sustainable effects if social partners are not fully involved in their shaping and implementation."*

> ***ETUC:*** *the Pillar "should promote social dialogue and collective bargaining as the right way to design and implement the policies and rights within it'.*

The joint statement on a **new start for social dialogue** signed on 27 June 2016 by the European social partners, the Commission and the Presidency of the Council of the European Union confirmed a shared commitment to strengthening social dialogue. All sides also committed to a number of concrete actions. The joint statement is considered by EU social

[43] Benchmarking was particularly discussed in work stream 3. See page 13 of this report.
[44] Employer organisations in Belgium, Czech Republic, Germany, Denmark, Finland, Ireland, Malta, Sweden and Slovakia argued that the Pillar should not set binding standards, but rather be a broad guide for development of the economic and social systems in the Member States. This position is shared by a number of Member States, including the UK, Denmark, the Netherlands, Latvia and Sweden who considered that any EU initiative would need to carefully take into account different national starting points, challenges and institutional set ups.

partners as a common roadmap to design and implement policies for growth and job creation, and could thus support the Pillar's implementation.

Financing the Pillar implementation

Feedback from the consultation highlighted that the Pillar's final proposal should include considerations about the financial means that could support its implementation, covering different levels, from national budgets to the EU budget.

The importance of efficient and productive **public and private investment** to support economic growth and job creation was emphasised. Delivering on the Pillar would require better directed and - in several countries - additional public funding targeted at quality public services, education and training, infrastructure (for example in transport and energy sectors), innovation and research, which could be used as leverage to foster private investment. In this context, several stakeholders, especially among trade unions, public employers and NGOs, focussed on the notion of social investment, which relates to the use of public funding to achieve positive economic and social outcomes thus delivering returns for the economy as a whole. Some asked for binding targets for social investment in areas like education, Early Childhood Education and Care/childcare, health services, vocational training and activation measures.

> *"**The EESC** calls for renewed efforts to promote the concept of social investment throughout all relevant policy fields. The EESC […] has called for a European Social Investment Pact, which would support social reforms and social investments and help to bring about renewed economic, social and territorial convergence."*

This idea is linked to the broader debate over the **quality of public expenditure** and the **growth-enhancing dimension of social policies**: rather than being a burden on economic activity, well-designed labour market and social policies can be a productive factor that underpins economic performance. It was suggested that the Pillar could provide guidance on how to design reforms in a way that improves the cost-effectiveness of social policies, thus reducing the need for spending cuts as a means to consolidate public budgets in bad economic times, and supports the modernisation of social spending leading to a stronger economy, better social outcomes, intergenerational equity, while reinforcing fiscal sustainability.

In terms of its **fiscal impact**, some underlined that the implementation of the Pillar needs to take into account the budgetary position of the Member States, with a view to ensuring the sustainability of their public finances and compatibility with the EMU. Other stakeholders advocated for more flexibility in the **Stability and Growth Pact** to allow for more social investment[45] and called for exempting parts of investment-related social expenditure from fiscal rules under the Stability and Growth Pact.

Targeted and coherent use of **EU funds** was seen as a necessary[46] support from the EU to underpin the implementation of the Pillar at national level, for instance by deploying the **European Structural and Investment Funds**. Various EU-wide NGOs called for both a more targeted and wider use of EU funding instruments to fight poverty and social exclusion across

[45] For instance, ETUC, the EESC, Italian Camera dei Deputati, CGIL and NGOs such as the Social Platform and European Anti-Poverty Network.
[46] For instance NGOs like the European Anti-Poverty Network, SOLIDAR, COFACE, Save the Children, the Social Platform, SOS Children's Villages International, as well as the European Social Policy Network and the European Pact for Social Progress (Vienna, 29 November 2016).

Europe. The Pillar could drive the new generation of funds **post-2020** according to some stakeholders. The **European Fund for Strategic Investments** could also contribute to a smarter use of new and existing public and private resources.

Box 4: How the EU budget could support the Pillar

New ideas raised throughout the consultation on how the EU budget could support the implementation of the Pillar included:

- Setting up a dedicated fund to support the implementation of reforms and to boost upward convergence in employment and social outcomes;
- Developing a new comprehensive EU funding programme to combat poverty and inequality, to support innovative grass-roots projects and enable the direct engagement of beneficiaries;
- Creating a new fund to repair economies most hit by the crisis[47];
- Introducing conditionality in EU funding linked to compliance with the Pillar principles;
- Extending the scope of the European Globalisation Adjustment Fund (EGF) to better address the challenges brought about by new forms of work and digitalisation, particularly in favour of SMEs, and make its deployment quicker[48];
- Expanding the Fund for European Aid to the most Deprived (FEAD), supporting EU countries to provide material assistance to the most deprived, to cover access to basic services in addition to consumer goods under the definition of 'basic material assistance';
- Establishing public social investment rules and targets for the Member States to complement the use of EU funding instruments; Creating a new instrument to support intra-EU mobility and young mobile jobseekers who accept an offer in another Member State, in order to compensate some extra costs related to mobility (language training, relocation etc.)[49].

The idea of setting up a **common fiscal stabilisation function at euro area level**, for instance in the form of a EU-wide unemployment benefit scheme[50], was also raised[51] [52].

[47] Proposed for instance by Portugal for the euro area.
[48] Proposed by France.
[49] Proposed by France.
[50] Proposed for instance by Italy.
[51] The Committee of the Regions called for the Commission to propose a fiscal capacity for the euro area, open to all Member States, which could also allow for a European coordination of anti-cyclical policies.
[52] For more details, see page 12 of this report, as part of the feedback gathered through work stream 3.

III. Discussions on the principles of the Pillar

The preliminary outline of the Pillar included twenty principles structured around three main headings:

1. Equal opportunities and access to the labour market;

2. Fair working conditions; and

3. Adequate and sustainable social protection.

This chapter presents evidence and feedback received from stakeholders on the content of the draft principles, including from expert discussions held in work stream meetings. It also features highlights from relevant practices.

Among the three work streams organised by the Commission, work stream 2 provided a forum for expert discussions on challenges and opportunities of transformations in the world of work, welfare systems and society more broadly, and looked in detail at the most relevant aspects of the twenty principles. A summary of those discussions is presented in the section below.

Feedback from Work Stream 2 - The future of work and of welfare systems: challenges and opportunities

Work stream 2 organised expert hearings on the "Future of work" (30 May 2016), "Labour market transitions - revisiting flexicurity" (16 June 2016), and the "Future of welfare systems" (30 June 2016). A strategic dialogue meeting with civil society organisations took place on 6 July 2016. On 18 October 2016, the work stream organised a high level expert seminar in Paris on "The Future of Work and Welfare" together with France Stratégie.

The world of work is rapidly changing, opening new opportunities to skilled workers and requiring swift adaptation to the digital labour market…

Automation, digitisation and global value chains are leading on the one hand to more employment opportunities with flexible working arrangements and, on the other hand, to frequent **transitions between jobs** and more **varied forms of employment**. First estimates of the extent of job losses due to automation and mass technological unemployment might have been over-blown. However, many jobs involving information exchange, selling, using fingers and hands will change considerably.

OCCUPATIONAL DISLOCATOIN DUE TO AUTOMATION AND ROBOTISATION

9% of jobs in developed countries are at a high risk of being automated. For another 25% of jobs, more than half of the tasks will significantly change

As the pace of technological innovation is accelerating, more people will need a new **combination of soft and technical skills** essential for navigating digital labour markets[53]. **Investment in human capital** is not adequate for responding to the current rhythm of change.

Making skills pay is crucial for filling skill gaps, and **decent pay** is a major concern in the aftermath of the crisis. New dimensions of job quality emerge, such as increased expectations for **autonomy** at work and better **work-life balance**. As working lives become more varied,

[53] This point was also highlighted by the European research community in the seminar on 'Work, Welfare and Inequalities in Europe – The Research Perspective', 10 October 2016.

with people changing jobs more frequently, many workers are likely to face increasing difficulty in **building up and maintaining social security entitlements** – notably occupational entitlements including pensions.

… while an ageing population is confronted with increasing inequalities.

Addressing the challenges of demographic change may require more people to work longer and more productively. **Inter-generational divides** are rising in the type of jobs on the labour market, but also in access to assets and social protection. During the crisis, pensions were more protected compared to other social benefits. For young people especially, access to housing remains problematic particularly in large cities. This also has an impact on poverty, as housing-related costs account for a large share of consumption.

Income inequality has increased on average in the EU since 2010. Both globalisation and technological progress are benefiting highly skilled workers more than low-skilled ones, leading to increased wage inequality.

Catch-up and convergence require more efforts

Increasingly uneven opportunities between high tech innovation hubs and regions relying on lower productivity models, the ageing of the population, and the legacy of public debt are threatening to further deepen divergences across the EU. In digital, highly competitive economies, convergence and catch-up can be difficult, and many regions risk lagging behind.

The Member States more vulnerable to economic shocks are also those where the **quality of institutions** and the delivery of social and labour policies need to be improved. Poverty and exclusion continue to be high, in spite of high social spending in the EU. The **efficiency of social spending** could be increased by **investing early in people in a life-course perspective** and by **targeting support to critical transition points** in the working life such as moving from education to work, caring for children or relatives, changing jobs or occupation.

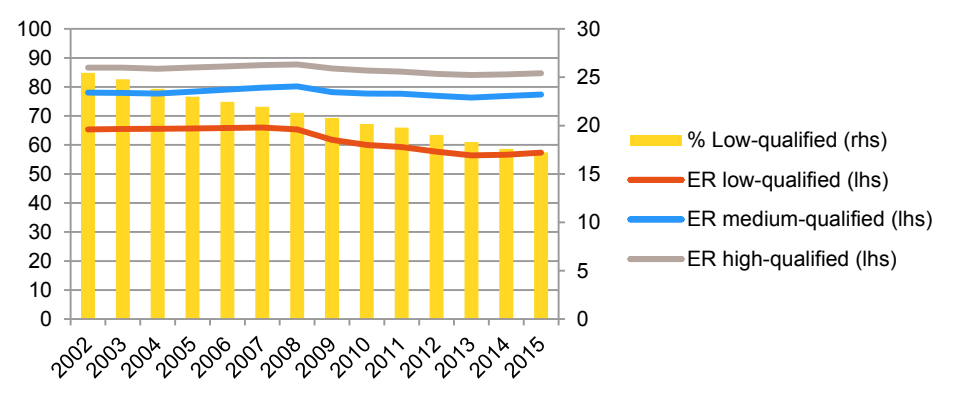
1. Equal opportunities and access to the labour market

The chapter on **equal opportunities and access to the labour market** in the draft Pillar included principles on skills development and life-long learning and active support for employment, to increase employment opportunities, facilitate transitions between different statuses and improve the employability of individuals.

Evidence

As a result of fast-going globalisation and technological change, education has become an increasingly important determinant of access to quality jobs. While employment rates have always been higher for those with higher level of educational attainment, the crisis has sensibly accelerated the process of economic change and the deterioration of labour market outcomes for low-qualified[54] individuals (especially younger ones) relative to their medium- and high-qualified peers.

Figure 4: Share of low-qualified and employment rate by level of educational attainment for young adults (25-39) in the EU28



Source: LFS

A rapid process of upskilling of young generations is being witnessed in Europe in response to these trends. The early school leaving rate (age group 18-24) has declined by almost one third over the past decade, and the share of low-qualified young adults (age group 25-39) has declined by one fourth over the same period and is still going down. Still in 2015, in some countries the share of low-qualified young adults remains worryingly high, as it ranges from 6% in the Czech Republic to 25% or more in Malta, Portugal, Spain, Italy and Romania.

While the pace at which jobs and their skills requirements are changing is accelerating, participation in lifelong learning remains relatively low and stagnant for the EU as a whole (10.7% for age group 25-64 in 2015 versus 9.6% in 2005), and continues to be biased towards those who are already high-skilled and in stable employment. While digital skills are becoming increasingly important for employment and participation in society, 24% of all Europeans have no or low digital skills in 2015. This figure remains high even for the youngest generations, at 20% of those aged 25 to 34.

Equal opportunities and access to the labour market are particularly weak for persons with disabilities and migrants. People with disabilities make up 13% of the age group 15-64 in the EU, and their employment rate is 27 percentage points (pps) lower than that one of those without disabilities. At the same time, the employment rate gap for persons born outside the EU (age group 15-64) compared to native-born is at 8.4 pps. It is sensibly

[54] Low-qualified individuals are those without an upper secondary degree; medium-qualified are those with at most an upper secondary or a post-secondary non-tertiary qualification; high-qualified individuals hold a tertiary qualification.

higher for women than for men (11.3 pps versus 4.7 pps).

Important inequalities in the labour market remain between women and men. In spite of the fact that women tend to be higher-qualified than men, their careers are often more interrupted, they have lower pay and their careers are flatter. As a consequence, women earn less than men over their life cycle, and their pensions are lower. The gender pay gap stood at 16.3% in 2015 and the gender gap in earnings, which comprises inequalities resulting from the gaps in pay, working hours and employment, stood at 39.8% in 2014. Part of this is due to the unequal uptake of family care responsibilities between men and women: women work less often than men, and if they do so, it is more often on a part-time basis. In 2015, the gender employment rate gap (in full time equivalents) stood at 18.1 pps for the EU on average.

What people told us

Investing in skills and education should be a top priority …

Social partners, think tanks and governmental authorities ranked skills, education and lifelong learning as top priority areas for convergence. In this context, the European Parliament supported a **Skills Guarantee as a new right for everyone**, at every stage of life, to acquire fundamental skills for the 21st century.

Investing in relevant skills and human capital, including entrepreneurship, as well as strengthening the **quality of education and training systems** were considered salient to address the emerging challenges in the labour market. Concrete proposals raised in this area included the creation of a European quality framework for apprenticeship[55], the definition of statutory minimum standards for education and training at EU level, and increasing the proportion of workers participating in continuous vocational training and education[56].

Highlight – Promoting entrepreneurship and skills:

The "Slush" annual start-up event in Finland

In November 2008, 300 people attended the first annual "Slush" event, organised by leading Finnish entrepreneurs to promote entrepreneurship as the future of Europe. By 2016 attendance had risen to more than 17,500 people, from 120 countries, and 1 million live stream viewers, making it Europe's leading start-up event.

Slush is a student-driven, non-profit movement originally founded to change attitudes toward entrepreneurship. The very core of the event is to facilitate meetings between start-ups and investors and to build a world-wide start-up community. The annual event contributes to help the growing number of successful European tech firms, including start-ups, to go to market.

... as it contributes to job creation and growth …

Governments and employers[57] emphasised skills as a driver of job creation and growth. A more comprehensive approach to re-skilling should build on skills anticipation, strengthened vocational education and training, life-long learning, support for entrepreneurship and increased employer responsibility[58].

In particular, **adapting education and training to the needs of the labour market** was seen as a top priority among national authorities in many countries[59], particularly to tackle youth unemployment. International organisations[60] also recognised the crucial role of skills and saw scope for the benchmarking of re-training and re-skilling programmes in the Member States to improve their quality and outcomes.

[55] European Parliament, ETUC, see also the French government's proposal on "statut du stagiaire".
[56] UNI Europa (the European services workers union), Diakonisches Werk Baden, ETUC.
[57] UEAPME and CEC European Managers.
[58] UNI Europa, German government.
[59] Austria, Germany, Finland, Hungary, and Lithuania.
[60] OECD, the World Bank, ILO

Highlight – Social inclusion through business-learning:

The Rotterdam Business Case

Rotterdam is taking a novel approach to support its 3,500 self-employed citizens living below the poverty line. Instead of receiving just a payment to meet today's emergency needs, they are learning business skills that will help them rise out of poverty. Practical support ranges from writing a business plan to organising financial administration and preparing annual reports. If they need advice on business vision and strategy they can work with an expert coach from the Entrepreneurial Sound Board foundation. If their most pressing need is financial support, they can arrange a meeting with the Regional Bureau for the Self-Employed.

Over 550 small business owners, from hairdressers to artists and restaurateurs, have benefited from up to six-month help learning business principles and addressing their business problems.

… with a focus on lifelong education and support for the disadvantaged …

A number of trade unions and NGOs shared the view that equality of access to education and **lifelong learning** is of primary importance in the fight against social exclusion too. Social economy initiatives were mentioned as good practice for up-skilling persons excluded from the labour market[61].

> ***Swedish Government:*** *"Access to lifelong learning creates good conditions for a flexible labour market, which is a prerequisite for the EU's global competitiveness."*

Highlight – Fostering the skills needed for entrepreneurship:

One of Gothenburg's entrepreneurial hub

Gothenburg developed the Entrepreneurial West Hisingen project as a means of breaking the cycle of disengagement and poverty in the neighbourhood, and to help citizens acquire skills and knowledge for employability.

The project, running in 2012 – 2014, had three strands: stimulating start-ups, increasing the survival rate and growth of existing businesses, and embedding entrepreneurship education into schools. The project held some 600 start-up talks, leading to the creation of 100 new businesses.

One of the most challenging aspects of the project was working with schools to implement entrepreneurial education as part of the mainstream curriculum. This meant persuading local politicians of the value of prioritising entrepreneurial and business learning over traditional subjects. Ten schools have since created plans to systematically work with entrepreneurship.

… with an increased role for social partners.

It was generally perceived that social partners have a key role to play for improving the skills of the labour force, and there was agreement on the **need for cost sharing** arrangements between employers, employees and the governments to extend training provision.

[61] European Association for the Education of Adults, REVES Network.

Proposals from trade unions included a **right to training leave**,[62] while employer organisations favoured more **financial incentives** for employers[63] as well as stronger skills anticipation systems. Employer organisations argued for joint responsibility of the companies and the individual employees when it comes to training.[64]

> ***ILO:*** *"Employers are also centrally placed in terms of offering apprenticeship and internship places, as well as providing on-the-job training and skills training overall. The institutional settings should facilitate constant dialogue with the private sector, to allow for assessments of current and anticipated skills needs to be fed into employment and educational policies."*

A more fine-grained research[65] was suggested on the implementation of **training clauses in collective agreements** and cost-sharing arrangements.

Other suggestions included the creation of a **legal status for interns** to prevent abuses and encourage mobility[66] and the establishment of **EU-wide mechanisms for the recognition of informal skills**[67].

Inclusive growth can be further enhanced by broadening equal opportunities …

NGOs and certain national trade unions argued that **equal opportunities should be mainstreamed** across the principles of the Pillar and that segregation and discrimination based on ethnicity, sexual orientation and disability should be addressed more explicitly in the Pillar. Others pointed to an implementation gap and to the need for more proactive enforcement of existing legislation.

… and supporting gender equality and appropriate work-life balance.

Others called for the **mainstreaming of gender equality** as it was seemingly limited to the issue of work-life balance[68].

Except for employers, there was wide consensus that gender equality and work-life balance should be supported through a revised and **coherent legislative framework**[69] covering maternity leave, paternity leave, parental leave and carer's leave, encouraging **equal take-up of leave arrangements** by men and women across all categories of workers and self-employed in order to improve women's access to and position within the labour market[70]. Finally, various NGOs[71] agreed that **work-life balance** should not be limited to labour market considerations.

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[62] ETUC.
[63] BusinessEurope
[64] CEEP, BusinessEurope.
[65] OECD.
[66] French government.
[67] ATD (All Together in Dignity) Fourth World NGO.
[68] Among others: European Parliament, European Confederation of Independent Trade Unions (CESI), Swedish association of Regions (SKL), Bulgarian Fund for Women.
[69] Social Platform, UNI Europa.
[70] European Parliament.
[71] European Anti-Poverty Network, Social Platform, Eurochild, FEANTSA (European Federation of National Organisations Working with the Homeless), Eurodiaconia and others.

Highlight – Promoting work-life balance in the workplace:

The Family audit certification in Italy

The Family audit is a certification granted to private companies, public institutions and any other organisation which develops and implements plans to promote and facilitate work-life balance arrangements in the workplace. Such arrangements can cover work organisation, family services, expertise of management, etc.

The audit is based on a well-developed methodology: a working group is set up with the organisation, advised by an external consultant. After carrying out an audit, each organisation develops a work-life balance plan. Its implementation is monitored by an external valuator. The process of certification is a management tool that improves the well-being of employees and their families while also increasing productivity.

The project, initiated by the Italian Province of Trento, started in 2012 at regional level, followed by a pilot at national level. So far 194 organisations have been involved in the Family Audit process (122 public and 72 private), and 143 have been awarded the Family Audit Certificate, benefitting more than 100,000 workers.

Striking the right balance between flexibility and security of employment remains to be addressed with a renewed holistic approach …

The consultation pointed to the need to strike the right balance between flexibility and security of employment. Indeed, some claimed that during the crisis the focus was on flexibility, advocating for a renewed focus on security in the future.

In particular, social partners dedicated ample space to discuss the principle on flexible and secure labour contracts.

EU-level trade unions[72] as well as certain NGOs argued for more focus on secure employment. ETUC stressed the need to better support secure transitions between education and work, between work and periods of unemployment and career advancement in work by providing appropriate social security support so that workers remain secure during periods of unemployment, along with steps to increase worker employability.

EU level[73] and national employer organisations[74] highlighted the importance of flexible employment and asked for a **renewed flexicurity strategy**[75].

The new focus could be among others on achieving fair, dynamic, mobile and inclusive labour markets; ensuring that social rights can be adapted to remain up-to-date with current and future framework conditions and new and more diverse career paths; ensuring continued employability; making sure that companies have enough flexibility to **adapt their workforce** to changing economic circumstances; and putting in place the conditions to smooth workers' **transitions on the labour market** between jobs, sectors and employment statuses, while respecting the diversity of industrial relations practices across Europe[76].

[72] ETUC, Uni Europa.
[73] BEERG (Brussels European Employee Relations Group), BusinessEurope.
[74] Bulgaria, Finland, France, Ireland, Poland, and Spain.
[75] BusinessEurope, UEAPME.
[76] BusinessEurope.

... based on modern active labour market policies and secure professional transitions that are comprehensive and focussed on upskilling.

In national events and in the expert consultation the question emerged whether **access to employment activation** could become a **new social right**[77]. In this context, some organisations saw a clear added value of the EU defining minimum service delivery standards along the lines of the Recommendation on long-term unemployment and the Youth Guarantee, which could be further strengthened and made legally binding[78]. The French Government argued for activation rights linked to the individual in every Member State.

Highlight - Supporting activation:

Centres for Lifelong Career Guidance (CISOKs) in Croatia

In Croatia, eleven Centres for Lifelong Career Guidance (CISOKs) provide free lifelong career guidance services to all citizens with a special focus on youth, including inactive NEETs who are not registered with the public employment services. A total of 22 centres are foreseen by 2020.

110,717 people used CISOK services between July 2013 and January 2016, 95.6% of which were satisfied or very satisfied with the services received.

The services' financing and delivery are based on a broad partnership involving municipalities, chambers, NGOs, youth organisations, employers, social partners and schools. CISOKs are built on a flexible service delivery model, where services are adapted to the local context, labour market needs and partner organisations. Counsellor support provides differentiated services tailored to the profile of individual clients. Originally established in 2013 and financed through an Instrument for Pre-accession Assistance, the project's sustainability has been assured through national funding and the ESF for 2014-2020.

In particular the European Network of Public Employment Services argued that the **performance and cost-effectiveness of activation measures** need to be monitored, particularly for young people, while for others[79] the focus should be on up-skilling initiatives rather than subsidised employment.

Trade unions argued that the specific needs of **marginalised and disadvantaged** groups should be duly taken into account. Antipoverty organisations[80] expressed disagreement with the emphasis on **conditionality and disincentives to work**.

Highlight – Activation support through public-private cooperation:

The Project 100 in West Sweden

Projekt Hundra! brought together the public and private sectors to match companies' needs with the labour available in the city districts of Bergsjön and Kortedala in Göteborg.

The matching was done through structured collaboration between companies or in business associations, from the identification of recruitment needs and participants' skills, and the

[77] European Political Strategy Centre.
[78] ATD (All Together in Dignity) Fourth World, Diakonisches Werk Baden.
[79] European Association for the Education of Adults.
[80] European Anti-Poverty Network and affiliates.

matching to employment with support to businesses. The activities worked as a bridge between the companies and the project participants.

Among the project's strengths were the combination of education and training, a high level of service, collaborations with employers and sector organisations, and a feeling of community and relationship with employers. Participants had a concrete job opportunity and received support including health prevention measures.

The project, co-funded through ESF, was run by the city of Göteborg through Arbetsforum from April 2010 to March 2013. As a result, 54% of the participants found a job, 1% season employment, 1% went onto studies, 1% went on parental leave, 32% went back to Arbetsforum and 11% went back to the social services.

Stakeholders underlined the potential of the **social economy**, including social enterprises, for labour market integration of vulnerable groups and social cohesion while helping towards innovation, growth and employment, and providing essential services[81]. The notion of collective entrepreneurship was put forward as an innovative model where risks, responsibilities, knowledge and skills are shared within a community of entrepreneurs, while contributing to inclusive labour markets[82].

Close to activation is the need to **secure professional transitions**, which are considered central to address the changing world of employment and as such should be supported. This requires comprehensive and transparent portability of social security and healthcare entitlements which should follow workers during their career across employers and Member States[83].

Transitions could be supported through the establishment of **individual welfare and training accounts** (see example of France[84] in the box). Such an account could include an initial financial support for continuing education, start-up, transition into self-employment etc.[85] At EU level such initiative could be supported and interlinked in the form of a **European social security card**.[86]

Employer organisations[87], in general, favoured using **benchmarks** in broad areas related to labour market transitions[88].

Highlight – Securing professional transitions:

The French *"Compte Personnel d'Activité" (CPA)*

On 1 January 2017 France introduced a system of web-based, personal accounts with activity-related rights (Compte Personnel d'Activité, CPA). In its current design, it aims to allow people

[81] European Parliament, EESC, Social Platform, International and European Association of Mutual Benefit Societies (AIM), Commission of the Bishops' Conferences of the European Community (COMECE).
[82] REVES network.
[83] German and French governments, European Confederation of Independent Trade Unions (CESI).
[84] A summary of the CPA's expected objectives is at http://www.strategie.gouv.fr/sites/strategie.gouv.fr/files/atoms/files/note-cpa-trois-questions.pdf, and a more detailed description is at http://www.strategie.gouv.fr/sites/strategie.gouv.fr/files/atoms/files/fs_rapport_cpa_final_2.pdf.
[85] German Federal Ministry of Labour and Social Affairs.
[86] European Parliament.
[87] Business Europe, UEAPME.
[88] Areas include: reducing labour cost, attractiveness of employment contracts, access to unemployment benefits, entrepreneurship, active labour market policies, etc.

to use "points" accrued on past jobs for training, or for early retirement following strenuous work conditions and taking into account voluntary activities. Conceivably these could even be used to receive support to create a start-up into self-employment. Initiated for jobseekers and private sector employees, the CPA will be gradually opened to independent workers (2018), normally with similar training rights, and civil servants.

The CPA would not only ensure more continuity in rights across job types and enhance mobility. It also aims to achieve a fuller take-up of social rights and to empower people to choose the benefits and services that fit best with their needs. Advice will be offered on how to make the best use of one's CPA.

2. Fair working conditions

The chapter on fair working conditions in the draft Pillar included principles designed to set an adequate and reliable balance of rights and obligations between workers and employers, as well as between flexibility and security elements, to facilitate job creation, job take-up and the adaptability of firms, and promoting social dialogue.

Evidence

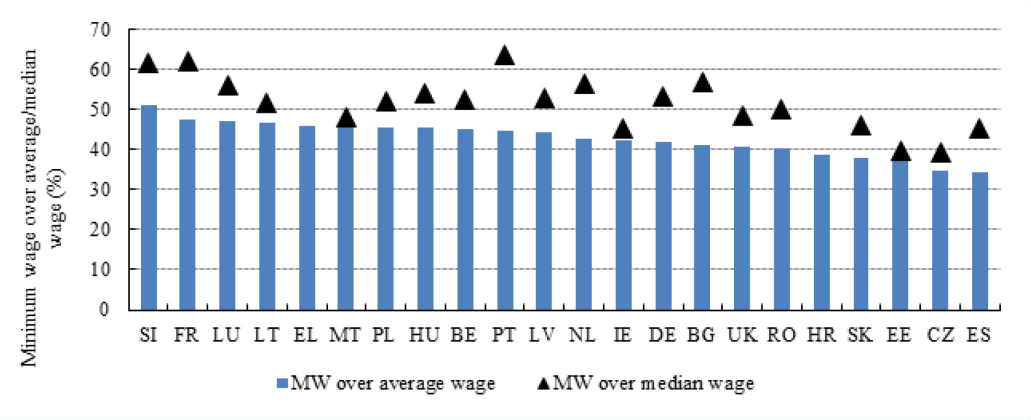
Jobs are becoming more interesting and challenging. Over the past decade, there has been an increase in the cognitive dimensions of work, more autonomy, more scope to influence work decisions, more access to training and increased use of ICT[89].

In the years to come, technological change will continue to drive the structural transformations of the labour market. The potential scope of automation has expanded beyond routine work. Based on calculations in selected EU countries, about 9% of jobs on average are estimated to be at a high risk of being automated. Another larger share of jobs (20%-35%) has low risks of full automation, but an important share (between 50% and 70%) of automatable tasks. These jobs will not be substituted completely, but radically reformed requiring workers to reskill and adapt. At the same time, the share of workers receiving employer-provided and/or -paid training increased from 26% in 2005 to 38% in 2015, and the share of workers who declare that they face complex tasks at work increased by 50%.

In addition, **the world of work is becoming increasingly task based**: full time permanent contracts co-exist with other forms of employment and several new types of work are not being captured by traditional regulatory and social systems[90].

Minimum wages - either set by law or negotiated by the social partners for all or a number of sectors - exist in all Member States to protect pay at the bottom end of the wage distribution, by establishing a wage floor that provides a fair compensation for work, fosters labour supply and reduces the risk of in-work poverty. Twenty-two EU Member States have a national statutory minimum wage, but its level varies widely across countries as compared to both the average and the median (Figure 5).

Figure 5: Ratio of statutory minimum wage to average/median wage (%)



[89] Based on the 6th European Working Conditions Survey by Eurofound.
[90] OECD (2016), Automation and Independent work in a Digital Economy, Policy Brief on the Future of Work, OECD.

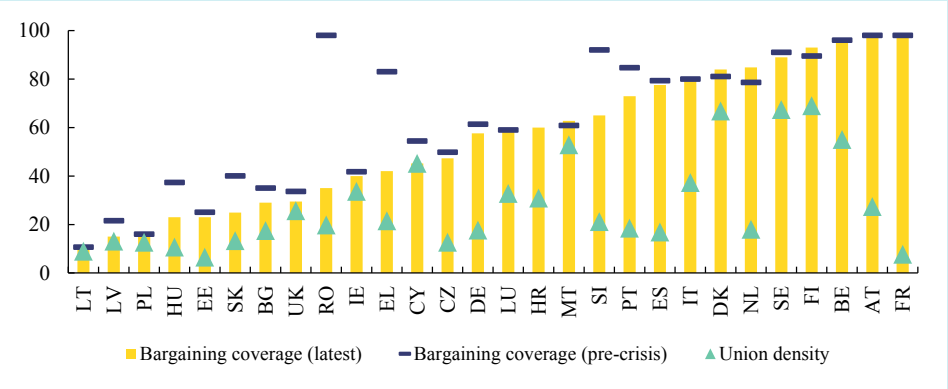
For the minimum wage over average wage data concern 2015, except for Belgium, France and Latvia data concern 2014 and for Greece data are adjusted on the basis of 2011 data. For the minimum wage over median wage data concern 2014, except for Germany (2015).

Source: Eurostat

The proportion of low-wage earners varies considerably across countries. In 2014, it ranged from below 10% of all employees in the Nordic countries, Belgium, France and Italy, to close to 25% in Latvia, Romania and Lithuania. Low-wage earners are overrepresented among women, young, low-skilled and those with part-time and temporary contracts. For temporary contracts, the incidence of a low wage is twice as high as for permanent contracts (32% versus 15% in the EU in 2014). On average almost one out of two employees who were earning a low wage in 2012 experienced upward mobility and manage to escape low-wages within two years. This upward mobility was frequently the result of a change of job or of achieving higher education levels.

Collective bargaining can play a key role for ensuring fair working conditions, and has come under pressure in many Member States since the crisis of 2008. The crisis has indeed reinforced a longer-term decline in coverage of collective agreements already observed since the 1990s (see Figure 6). The same is true for union membership, which has been gradually decreasing since the 1980s. Collective bargaining coverage is typically lower in countries where firm-level bargaining prevails, and higher where sector- or national level bargaining dominate. The emergence of new forms of work besides traditional employment relationships is creating new challenges and calling for a modernised approach to social dialogue.

Figure 6: Collective bargaining coverage and trade union density



Note: Union Density is calculated as net union membership as a proportion of wage and salary earners in employment. Bargaining coverage measures the % of employees covered by collective wage bargaining agreements as a proportion of all employees with the right to bargaining.

Source: Visser (2016) ICTWSS database

Health and safety at the workplace has overall slightly improved over the past ten years[91]. However, conditions have not improved uniformly. There has been a marked

[91] According the physical environment index developed by Eurofound based on European Working Conditions Survey, which measures the physical risks people encounter in their workplace. They include:

reduction since 2005 in the exposure of employees to powder, dust, fumes and smoke. In contrast, exposure has increased to chemical products and potentially infectious materials (from 9% of the workers in 2005 to 14% in 2015). In 2015, 11% of the workers report being "not well informed" and "not at all well informed" about health and safety risks at work. The proportion of not well informed workers is larger among those more exposed to risks or working in small companies.

What people told us

Fair working conditions are needed …

A number of national-level social partners and government representatives expressed the view that working conditions, including occupational health and safety, should **feature more prominently in the Pillar** and be better linked to new forms of work. As regards working conditions, some argued that **undeclared** and **informal work** were not sufficiently addressed[92]. Enforcement of existing rights should also be a priority[93].

… to address the rising challenges of new forms of work …

Trade unions at the EU and national level along with the EESC and some NGOs[94] were in favour of adapting legislation on **working conditions** given the growth in new, atypical forms of employment resulting from digitalisation and the so-called "platform economy". Trade unions, both at EU and national level, were particularly proactive in suggesting **additional social rights** for inclusion in the Pillar to guarantee fair working conditions (e.g. the right to dignity at work, the right to reasonable working time etc.). In this context, for instance, trade unions asked for legislation to provide the right to privacy, improved **protection of personal data in the employment relationship**[95] and an obligation for employers to provide employees with regular, full information on which digital data is being collected, and to what end[96]. CESI advocated for a **right to disconnect** in order to prevent increasing or unpaid working hours. This applies in particular to mobile and digital workers.

The European Parliament called for the enactment of a **Directive on fair working conditions**[97]. The European Youth Forum supported this proposal and saw a new role for the EU in **creating intermediary platforms** particularly for the gig economy guaranteeing more

exposure to noise, dust, chemicals or infectious agents; lifting heavy loads; and repetitive hand movements.

[92] European Social Policy Network, COMECE, European Federation of Food, Agriculture and Tourism Trade (EFFAT), European Social Insurance Platform (ESIP) and representatives from Central and Eastern Europe in consultation meetings.

[93] European Parliament, EESC, Scottish Government, ETUC, CESI, Irish Congress of Trade Unions, and others.

[94] The European Youth Forum called for a Directive on fair working conditions, and a Framework on minimum standards for all internships and apprenticeships.

[95] ETUC.

[96] CESI.

[97] The proposed Directive should ensure for every worker a core set of enforceable rights, including equal treatment, social protection, protection in case of dismissal, health and safety protection, provisions on working time and rest time, freedom of association and representation, collective bargaining, collective action, access to training, and adequate information and consultation rights; the directive should apply to employees as well as to all workers in non-standard forms of employment, such as fixed-term work, part-time work, on-demand work, self-employment, crowd-working, internship or traineeship.

transparency on working conditions and contractual arrangements and helping Member States and businesses develop new regulatory models.

Highlight – Guaranteeing employment conditions in the new forms of work:

<u>Gig intermediaries - SMart Belgium: access to social security for the collaborative economy</u>

SMart Belgium offers employee status by transforming the service contracts of self-employed into short-term temporary contracts. The organisation converts (against a fee) the independent/self-employed contracts into employment relationships, taking the role of employers and ensuring access to social rights and security. It also acts as salary guarantee insurance, smoothing income flows and providing a buffer against late payments and contractor default. In addition, SMart Belgium offers administrative support with invoicing and payment of social security contributions, and/or accounting as well as fringe services, such as individual guidance, insurance pooling, co-working spaces, rental of equipment, training provision – particularly entrepreneurship skills, professional networks, and platforms for creating tendering consortia.

… with a new focus on a safe and inclusive working environment …

The need for upholding existing standards in **occupational health and safety** and to support their enforcement was highlighted by some respondents[98]. Some put an emphasis on **gender** aspects[99] and on the **ageing** workforce,[100] on mental health and health promotion services at work[101] and on extending protection to the self-employed[102].

In the view of NGOs and trade unions, the Pillar should explicitly support reasonable accommodation for **people with disabilities**[103].

Highlight – Making the workplace inclusive for people with disabilities:

<u>Hungary's experience</u>

Hungary is working on improving people with disabilities' inclusion into the labour market with accredited employment and by promoting reasonable accommodation.

Accredited employers can receive grants and subsidies to employ people with disabilities, with explicit preference given to expenses to adapt or transform workplaces. They have to provide accommodations such as rehabilitation advisors, rehabilitation mentors and personal assistants if needed, and must have an occupational rehabilitation programme and a rehabilitation plan. Employers have to arrange the work tools, equipment, technology and the physical environment to the working abilities of the employees with disabilities.

The support also includes personal subsidies such as wage costs and support, a job creation subsidy, or the so-called single-expense support. In addition a rehabilitation card was put in place in 2012 to ensure reliefs in the social contribution tax for any firm employing a person

[98] Member States, EQUINET (European Network of Equality Bodies), the EESC and others.
[99] Swedish Government, EQUINET.
[100] EFFAT (European Federation of Food, Agriculture, Tourism and Trade), ESIP (European Social Insurance Platform).
[101] Uni Europa, EuroHealth Net.
[102] ESIP.
[103] Autism Europe, European Blind Union, European Disability Forum, CGIL.

with disabilities who has such a card, up to the amount of 27% of the minimum wage twice for the entire duration of the employment. The number of people with the card is increasing (5,574 in 2012, 31,608 in 2014).

… while avoiding an increase in administrative burden.

Conversely, some EU level[104] and national employer organisations[105] were more sceptical of the principles put forward in the field of employment conditions. Issues were raised around subsidiarity as regards the introduction of minimum standards on notice and probation periods[106], and the introduction of new legislation covering new forms of work as this could potentially **increase administrative burdens for employers** and lead to further circumventions of labour law[107]. It can also negatively impact innovation in the labour market and the related job creation. Some Member States also expressed scepticism with regards to uniform standards in employment protection.

Wages should provide for a decent standard of living while respecting the national traditions of wage setting. Adequate minimum wages…

Several trade unions and employers organisations opposed any EU intervention on **wage formation**, which should be left to the national level respecting the autonomy of social partners. ETUC and some national trade unions advocated increasing the number of workers covered by collective agreements and coverage of collective bargaining including for vulnerable workers.

The European Parliament recommended the establishment of wage floors in the form of **national minimum wage**, where applicable, with due respect for the practices of each Member State and after consulting the social partners. The European Parliament also called on the Commission to help to exchange best practices in this regard.

ETUC, some national trade unions[108] and NGOs[109] were in favour of introducing **a minimum wage threshold based on 60% of the median wage** in each country. The Friedrich Ebert Stiftung argued for a minimum wage between 55 and 60% of national median wages. The S&D MEPs and the European Anti-Poverty Network requested the threshold for the minimum wage as 60% of the average wage.

Some governments also supported the setting of national minimum wage levels[110]. Minimum wage floors, without a quantification, were requested by the European Youth Forum, CGIL, the French Economic Social and Environmental Council. The EESC argued that the adoption of a common approach to minimum wage policy at the EU level could help to limit the extent of poverty in the enlarged Union and limit the proportion of people on low pay within national contexts.

[104] BusinessEurope, UEAPME.
[105] Germany and Czech Republic.
[106] German employer organisation (BDA)
[107] Czech trade associations.
[108] For example in the Czech Republic and Lithuania.
[109] For instance the Social Platform and Solidar.
[110] The French authorities supported the threshold of 60% of the median wage. The Portuguese government supported a discussion around a European reference level for minimum wages.

In others countries, trade unions argued that setting a minimum wage would harm their respective national collective bargaining models[111].

Both the British and Polish government mentioned the **'living wage'**[112] concept as a good practice example in this area.

The Committee of the Regions pointed out that some local and regional authorities have used their public procurement policies to encourage and require contractors to pay fair wages to their staff.

… should address in-work poverty through quality jobs.

Certain EU[113] and national-level trade unions[114] highlighted that the current priority is to **reduce precarious employment** and to guarantee fair pay for all workers, notably through an ambitious industrial policy for the creation of sustainable quality jobs. Other trade unions[115] emphasised the importance of preserving the European social model as a way of guaranteeing **quality employment**. Some called[116] for a reference framework **to assess the quality of jobs**.

> ***ETUC**: "Building a strong social dimension in Europe means ending the unacceptable levels of unemployment Europe is facing, especially among young workers and women. (…) Public investment for quality job creation and higher wages for sustainable and more equal growth are the fundamental pillars of a new economic strategy."*

Social dialogue should be promoted and workers' participation strengthened.

EU[117] and some national level trade unions[118], employer organisations[119] as well as the ILO expressed the view that **social dialogue** should be more prominent in the Pillar. According to ETUC, the Pillar should promote social dialogue and collective bargaining as the right way for its implementation.

Highlight – Supporting atypical workers through social dialogue:

The example of Italian trade unions

In Italy, all major trade union federations have established specific trade union sections in order better to organise, recruit and support atypical workers, including specific branches in the General Confederation of Italian Workers (Nidil Cgil), in the Union of Italian Workers (Uil-Temp) and in the Italian Confederation of Workers' Trade Unions (FeLSA Cisl).

[111] In Denmark, Finland, Sweden and Germany.
Living wages are calculated according to the cost of living based on a basket of goods and household services.
[112] Living wages are calculated according to the cost of living based on a basket of goods and household services.
[113] For instance ETUC.
[114] Belgium, Germany, France.
[115] For instance UNI Europa.
[116] European Social Policy Network.
[117] ETUC, the European Trade Union Institute and UNI Europa.
[118] France, Finland, Germany, Italy and Portugal.
[119] UEAPME, CEEP.

These organisations sign collective agreements with employer organisations representing temporary work agencies and provide atypical workers with specific services, such as fiscal counselling, information on their rights and support in disputes.

Most trade unions saw the need to improve the EU framework for information, consultation and board-level representation of workers. More generally, most trade unions and social economy representatives argued in favour of stronger participation rights, which become more important in the digital economy[120]. The EESC called for **new rights of association for the self-employed.**

Highlight – Upskilling and work-life balance through collective agreements:

An example from Denmark

A collective agreement between Danish social partners in the industrial sector combines up-skilling and adult learning with provisions for an improved work-life balance. It affects approx. 230,000 employees for a 3-year period (March 2017 - March 2020).

The agreement envisages a 200 million DKK (27 million EUR) investment in up-skilling and adult learning, mainly targeted unskilled workers and workers with low reading and mathematical literacy. Work-life balance initiatives include full salary during parental leave, improved access to sick child leave and more flexible arrangements for older workers.

The agreement also includes a system for accumulating rights related to job tenure for temporary workers and pay rises for apprentices. It covers approx. 6,000 companies in the Danish industrial sector.

[120] ETUC, REVES Network and Smart Europe.

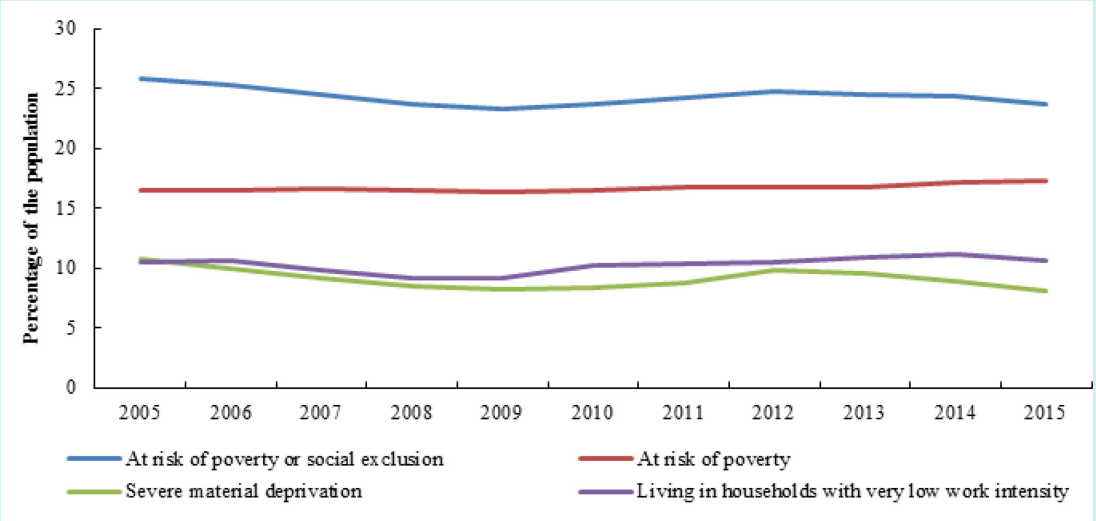
3. Adequate and sustainable social protection

The chapter on adequate and sustainable social protection in the draft Pillar included principles on access to social protection as well as high quality services, including childcare, healthcare and long-term care, to ensure dignified living and protection against risks, and to enable individuals to participate fully in employment and more generally in society.

Evidence

After a surge during the crisis, poverty and social exclusion have recovered in most recent years, driven in particularly by a reduction in the proportion of people suffering from severe material deprivation, which reached in 2015 the lowest level of the past decade. The other components of the at-risk of poverty and social exclusion rate remained fairly constant over the past ten years. Yet, in some countries poverty is still increasing.

Figure 7: At-Risk of Poverty and Social Exclusion (AROPE) and at its components

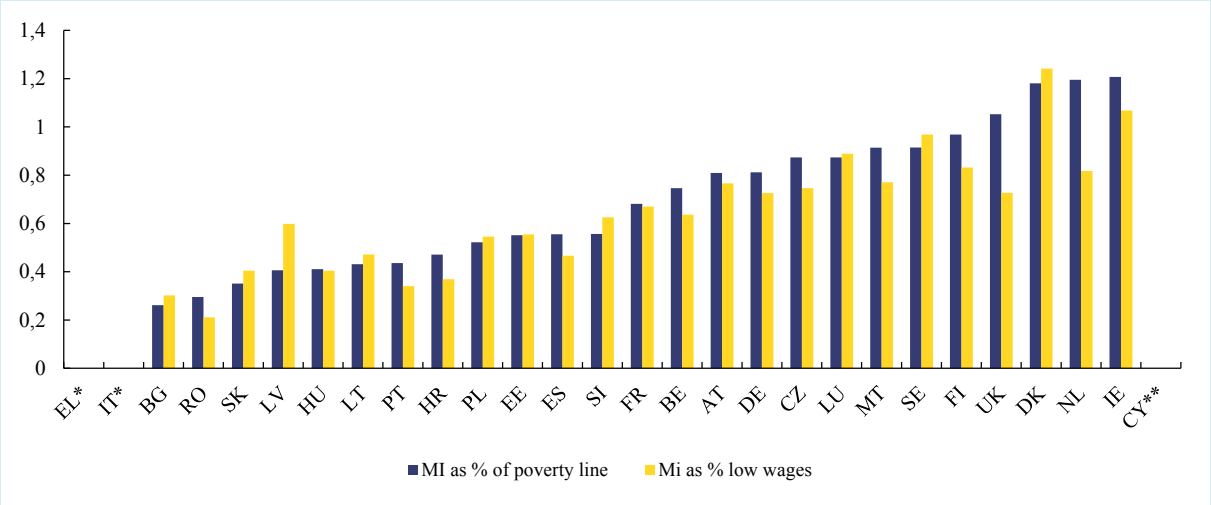


Note EU27 for 2005-2014; EU28 for 2015. For the people living in households with very low work intensity the population consists of those younger than 60 years; for the other indicators the entire population is considered.

Source: EUROSTAT

Large disparities exist in the level of protection ensured by minimum income schemes across European countries. In 2014, the level of minimum income fell below 60% of the median household disposable income of the respective country in almost all Member States and below 40% in about half of the Member States (Figure 8). In only four countries, minimum income recipients received an income that is higher than 60% of median income. Similar divergence between countries can be observed when considering minimum incomes as a percentage of low wages. In eight countries the minimum income was below 50% of the earnings of a low-wage earner, while in two other countries the minimum income exceeded the earnings of a low-wage earner.

Figure 8: Minimum income as a percentage of poverty and low wages (2014)

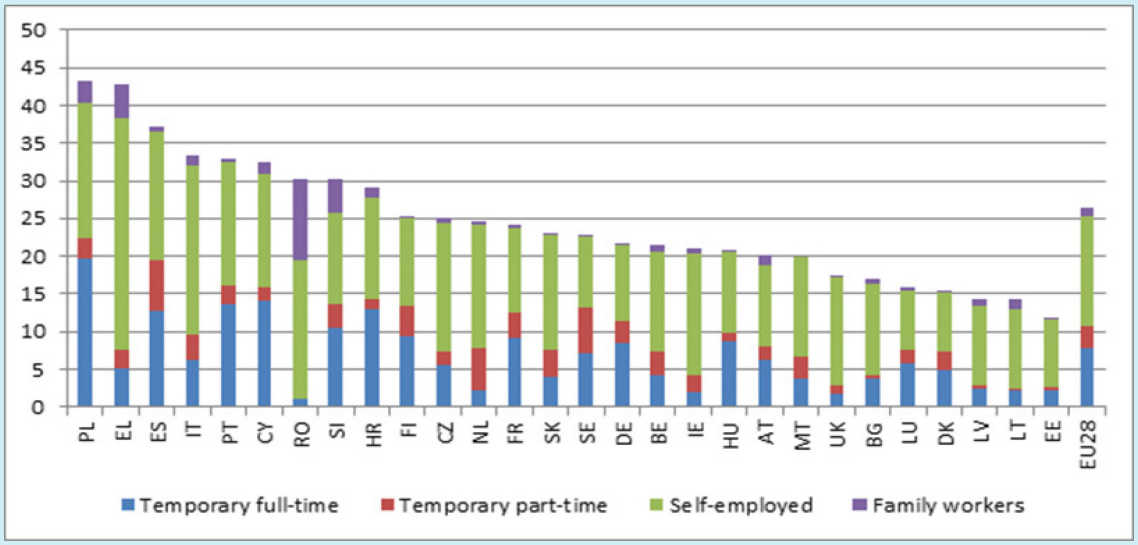


Note: * Greece and Italy had no national minimum income schemes at the time of data collection; ** no OECD tax-benefit model calculations on Cyprus; low wages are defined as 50% of the average wage.

Source: DG EMPL elaborations based on OECD indicators based on the tax-benefit indicators.

Unemployment benefit coverage also varies greatly across Member States. In 2013, less that one out of two (38%) of those unemployed less than 12 months (short-term unemployed) received unemployment benefits. Coverage of the short-term unemployed receiving unemployment benefits ranged from 82% in Germany to less than 20% in Italy, Romania, Malta, Poland and Slovakia. For long-term unemployed (12 months and more), coverage is much lower (around 25% at the EU-level). Unemployment insurance is not accessible for the self-employed in 10 Member States, is compulsory for them in 12 and voluntary in 6. Finally, almost a third of people on temporary full-time contracts in the EU do not qualify for unemployment benefits, ranging from >70% to <3%, depending on the Member State.

Figure 9: Distribution of people in employment aged 15-64 at risk of not being entitled to unemployment benefits by type of employment, 2014 (% of total in employment)



Source: Matsaganis et al. 2016

Access to quality and affordable early childhood education and care is key to give children the best chances in life and eases their parents' integration in the labour market. The share of children in early childhood education and care in the EU increased for all age groups over recent years. Of those younger than three, one out of four (26%) was in formal childcare in 2007, increasing to almost one out of three (30%) in 2015. However, while in countries such as Denmark and Sweden coverage exceeded 60% in 2015, less than 10 % of children under three years are enrolled in formal care in Bulgaria, Czech Republic, Lithuania, Poland, Romania and Slovakia. This can reflect shortfalls in the provision of formal childcare services, but also difficulties in access (distance, opening hours, and strict eligibility criteria), high cost and poor quality. For those aged three years and older, the coverage increased from 80% in 2007 to 83% in 2015.

Ensuring universal and timely access to high-quality healthcare can prevent that the need for care leads to poverty and financial dependency. In the past five years, the share of the population that reported unmet need for medical care in the EU decreased from 7% in 2010 to 5% in 2015. However, in some countries, such as Estonia, Greece, Poland and Latvia, the proportion of people reporting unmet needs was considerably higher in 2015. The most common barriers for access to healthcare resulted from patients' inability and/or unwillingness to pay for medical goods and services, while in some countries waiting times or travelling distance were an issue. Some groups face more problems with unmet health needs than others. For example, in 2009 self-employed in the EU reported a rate of unmet medical needs that was 35% higher than the one reported by employees. In 2015 this difference increased to 55%. In the coming years, European health systems will face the challenges of population ageing, a rise of chronic diseases, increasing costs of innovative technology and medicines, and shortages and uneven distribution of health professionals. Overall, a further increase in the share of public health expenditure on GDP by 0.8 pp is projected from now until 2060.

Pension systems are facing the dual challenge of remaining financially sustainable and being able to provide with an adequate income in retirement while remaining financially sustainable. In 2015, 14.1% of those aged 65 and over were at risk of poverty compared to 18.1% for the rest of the population. Differences in poverty rates across countries are large, ranging from 5% in Hungary to 36% in Estonia. There are also significant gender gaps in pensions, with a gender gap in pension level at 38.3% in 2015. During the past decade, the income of older people was better protected than that of the working age population. However, the intensification of population ageing over the next 3 to 5 decades will increase the challenges with respect to adequacy and sustainability of pension systems and therefore intergenerational fairness. In most Member States, the medium and long-term sustainability of public pension expenditure has markedly been improved, but remains a concern in several EU countries. Some countries may also face sustainability problems already in the short to medium term perspective.[121]

Access to adequate and affordable housing is an important step in reducing social exclusion and poverty. Since 2010 the percentage of the population living in a household where the total housing costs (net of housing allowances) represent more than 40% of the total disposable household income (net of housing allowances) increased slightly from 10.7% in 2010 to 11.3% in 2015.

[121] European Commission – Economic Policy Committee: Joint Report on Health Care and Long-Term Care Systems & Fiscal Sustainability (October 2016).

What people told us

Adequate and sustainable social protection should cover all people regardless of their employment status …

The prioritisation of principles relating to adequate and sustainable social protection was recurring among EU and national-level NGOs, in keeping with their emphasis on the fight against poverty and inequality.

Civil society organisations emphasised the importance of guaranteeing **equal access to essential services** and integrated benefits. Some respondents called for **universal access to quality welfare systems and public services**[122] as well as for the protection of the specific character of **social services of general interest**[123], while respecting Member States competences in this area. Services should be better protected through adequate levels of investment[124], and should be person-centred[125], age-friendly, accessible for people with disabilities, and portable across the EU[126].

Highlight – Access to services for students and portability cross-borders:

The European Student Card

The European Student Card aims to promote cooperation among institutions and allows reciprocity of rights for certain student services such as student accommodation, cafeteria, library, etc. It has an electronic chip that allows for access across countries and campuses.

The European Student Card project is the result of cooperation between European student services organisations from Italy, France, Germany and Ireland. The project is supported through the framework of the Erasmus + programme and started in fall 2016 in select campuses.

For people in new forms of work as well as the self-employed there was convergence on the need to **improve the coverage of social protection** and labour market services thus safeguarding human capital investments, improving intergenerational fairness and contributing to upward social convergence. In particular, integrating self-employed workers into statutory social insurance schemes was highlighted as a key dimension of the adaptation of welfare systems to the future of work, with an emphasis on the rights of young entrepreneurs[127]. However, there were also considerable concerns on the impact that action in this area could have on public finances, job creation and business development. The participation of the self-employed in statutory pensions schemes was a matter of debate.

With due consideration for the most vulnerable …

A number of contributors mentioned that the protection needs and social rights of specific **vulnerable groups** should be set out as **separate principles in the Pillar.**

For example there should be a principle relating to the **integration of third-country migrants and refugees** with comprehensive policy solutions on education and employment

[122] For instance the Committee of the Regions.
[123] REVES Network, European Association of Mutual Benefit Societies.
[124] CEEP.
[125] Social Platform.
[126] AGE Europe Platform, European Disability Forum.
[127] European Youth Forum.

as well as more specific actions to tackle discrimination and social exclusion[128]. For similar reasons, others called for the recognition of the protection needs and rights of the **Roma community**[129] or for the inclusion of guarantees protecting **disabled persons** from exploitation and forced labour[130].

…based on an integrated approach of benefit and service delivery …

Integrating benefits with services was seen as key[131]. One-stop-shops, or single points of contact, were highlighted as a good example to improve cost efficiency, effectiveness of delivery and the capacity to tackle complex personal situations. They can also help reduce bureaucratic hurdles, administrative costs and unnecessary overlaps, and ensure better take-up by those who need support.

Highlight – Integrating social services:

Ohjaamo Youth Guidance Centre - Finland

One-Stop-Guidance Centre is an easy access service point for young people below the age of 30 and is a part of the implementation of the Youth Guarantee in Finland. Support can encompass several stages such as social rehabilitation and health care services, getting onto the path towards education or employment, and provide help with administrative procedures. The One-Stop-Guidance Centre also functions as a link to the business community through local companies and trade associations and promotes direct contacts between employers and young people.

More than 30 One-Stop-Guidance Centres are currently operating in different parts of Finland. The majority of them is being financed with the support of the ESF.

One suggestion was to develop policy **benchmarks** to support convergence of performance between Member States related to the effectiveness of one-stop-shops for public employment services[132]. There were, however, doubts about the attempt to standardise and provide integrated services, and some advocated instead for the advantages of diverse and well-tried offers which take into account the specific situation on the ground[133].

…including accessible and sustainable healthcare that takes into account the national circumstances …

Employer associations as well as the Dutch Government and the Committee of the Regions emphasised the need to take account of various national systems and not impose an EU-wide one-size-fits-all solution for the principle on **healthcare and sickness benefits**. Some employer organisations[134] argued that sickness benefits coverage across all contract types can create undue burdens on employers to finance sick leave. Others were in favour of action in this domain and argued that healthcare contributions should be abolished or reduced for people with low financial resources[135], asked for **legislation on rehabilitation to work after**

[128] European Anti-Poverty Network, European Social Policy Network.
[129] Swedish Association for Vulnerable Citizens, the Irish Human Rights and Equality Commission.
[130] European Disability Forum, Autism Europe, European Blind Union.
[131] The European Trade Union Institute called for a right to effective integration of all social benefits and services ensuring a decent standard of living for the persons concerned.
[132] CEC European Managers.
[133] Diakonisches Werk Baden, Deutsche Rentenversicherung.
[134] Business Europe and affiliates.
[135] European Anti-Poverty Network.

illness,[136] or proposed the introduction of **legislation to better address the socio-economic determinants of health inequalities**[137].

…and quality long-term care based in particular on homecare and community-based services …

On **long-term care**, it was argued that the draft Pillar focused too much on formal care provision and did not sufficiently consider the socio-economic value of informal care[138], nor did it consider independent living as a factor of social inclusion for the disabled and the elderly[139]. In this context, stakeholders asked for an explicit reference to **"deinstitutionalisation"**[140]. It was also proposed to develop a common **European standard on the right to quality and professional long-term care** including provision of care, leave entitlement for carers and compensation in respect of care leave[141]. Furthermore, the European Parliament called for an action plan that would include targets on care for elderly persons, persons with disabilities and other dependants, similar to the Barcelona targets, with monitoring tools that should measure quality, accessibility and affordability.

Highlight – Creating community-based services as alterative to institutional care:

The example of Bulgaria

Structural funds have been supporting the process of deinstitutionalisation in Bulgaria, securing investments both in infrastructure (ERDF) and in newly-established services and staff training (ESF) for 80 million Euro in 2007-2013.

As a result of these operations, more than 5,000 children, formerly accommodated in specialised institutions, were provided with community-based services. Bulgaria managed to close all institutions with children with disabilities, replacing them with small group homes. The ESF also financed the development of services for provision of family-based or family-like environment and care, training of staff, the assessment of individual needs and the development of a new model of foster care for children at risk of abandonment.

The process continues in the programming period 2014-2020 with a provisional budget of 50 million Euro and a special attention to prevention of institutionalisation and support to families as well as support to people with disabilities and elderly people currently placed in institutions.

… as well as adequate housing and support to the homeless towards their social reintegration.

Participants in the consultation saw scope for ensuring access to quality and affordable housing,[142] **appropriate levels of investment in social housing**[143], scaling up **social innovation** to deliver on social housing and **homelessness**[144] and greater use of **European financial instruments** to support affordable housing[145]. Increasing monitoring of **housing**

[136] The European Trade Union Institute.
[137] EuroHealthNet.
[138] Dutch Government.
[139] Such as Eurocarers, European Federation for Services to Individuals and Autism Europe.
[140] European Network on Independent Living, AGE Platform Europe, Eurodiaconia.
[141] ETUC.
[142] European Parliament.
[143] For instance by adapting deficit rules for investment in social infrastructure as mentioned by Housing Europe.
[144] FEANTSA pointed to Housing First as innovation in homeless service provision.
[145] European Parliament.

policies, through new and existing indicators in the framework of the Semester, was also proposed[146].

Adequate unemployment benefits of reasonable duration …

There was strong support for unemployment benefits that should be **adequate** and of **reasonable duration**, providing a **broad coverage**. Others argued that unemployment insurance should be transformed into an employment insurance that includes more preventive support[147]. Employer organisations called for **benchmarks** in this field.

… as well as adequate minimum income schemes should provide a resilient social protection floor capable to labour market reintegration.

At dedicated hearings gathering trade unions and NGOs, minimum income and benefits systems were often considered to have the potential to foster renewed convergence at EU level.

Minimum income protection was identified by some as a **specific area for EU action** through the establishment of a **EU framework Directive on minimum income**[148]. The Social Platform was in favour of a framework Directive defining adequacy of minimum income e.g. 60% of national median income, material deprivation or reference budgets. COMECE argued for the minimum income to be set against the poverty threshold of 60% of Gross National Income (GNI) per capita and/or against a basket of essential goods and services. EuroHealthNet suggested using an existing index – the Minimum Income for Healthy Living. The EESC also called for an appropriate European fund.

The European Parliament invited the Commission and the Member States to **assess minimum income schemes in the EU**, including whether the schemes enable households to meet their needs; and to evaluate the manner and the means of providing an adequate minimum income in all Member States.

Highlight – Minimum income support for those in the need:

The Guaranteed Minimum Income in Cyprus

Cyprus' social welfare system has undergone a major reform in recent years to better support an increasing number of people at risk of poverty and social exclusion.

At the core of the new social welfare system is the reformed public assistance programme, the Guaranteed Minimum Income (GMI). The scheme covers the basic needs of different household types defined on the basis of a new minimum consumption basket, and additional allowances for housing cost and tax exemptions. It is designed to incentivise work, as beneficiaries that are able to work must be registered with the public employment services, be willing to participate in active labour market programmes and accept an employment offer.

[146] Housing Europe, FEANTSA.
[147] German Federal Ministry of Labour and Social Affairs.
[148] EESC, Portugal, trade unions (ETUC, UNI-Europa, CGIL), and NGOs (such as for instance European Anti-Poverty Network, European Disability Forum, the Friedrich Ebert Stiftung, Solidar, European Youth Forum, AGE Europe). [148] German Federal Ministry of Labour and Social Affairs.
[148] EESC, Portugal, trade unions (ETUC, UNI-Europa, CGIL), and NGOs (such as for instance European Anti-Poverty Network, European Disability Forum, the Friedrich Ebert Stiftung, Solidar, European Youth Forum, AGE Europe).

The implementation of the GMI and the streamlining of benefits with specific criteria and control processes should enable a more effective allocation of benefits to those in need. The key success factor for this reform is the combination of increased effectiveness with a more efficient use of public resources. The number of GMI applications has risen steadily since its introduction, and the scheme is expected to help reduce the intensity of poverty in Cyprus in the coming years.

France supported the generalisation of the minimum income to all adult persons in each Member State. Germany was in favour of a gradual upward convergence with exchange of best practices as an initial step. Romania supported the establishment of common indicators on the adequacy of minimum income.

Other proposals included the promotion of a **universal social protection floor**[149]. Some advocated for the introduction of **universal basic income** to limit precariousness[150].

Employer organisations, however, were less favourable of EU intervention in this area and proposed **benchmarks** on efficient and effective social expenditure.

Pension systems should provide adequate protection against old-age poverty while assuring sustainability with a view to protect …

Participants to the consultation emphasised the importance of **adequate pensions**, including minimum pensions, to protect the purchasing power of the elderly. At the same time, intergenerational fairness should be safeguarded by making sure that the pension systems are **fiscally sustainable**. The **gender dimension** of pension adequacy should also be addressed. There appears to be wide consensus among stakeholders as regards the need to remove the **principle linking statutory retirement age to life expectancy on pensions.** According to employers and national government representatives, the principle on **pensions** is not easily enforceable and it should be left to each Member States to decide on the most appropriate statutory retirement age. From the perspective of trade unions and academia[151], life expectancy is mostly irrelevant and should be replaced by other indicators such as **"healthy life years"**, "arduous work" or general arrangements allowing more flexibility for older workers.

… the future generation and provide the necessary resources for a childhood without poverty.

The European Parliament and others[152] called for the creation of a **Child Guarantee** in all Member States, an integrated approach **for tackling child poverty** and ensuring that each child in Europe who is at risk of poverty has access to free healthcare, education, childcare, decent housing and adequate nutrition. It could combine assessing national and EU interventions tackling multi-dimensional aspects of child poverty and mapping best practices, with improved use of EU structural funds as well as monitoring and evaluation mechanisms.

Several stakeholders pointed to the need to **address children well-being** and protection in a broader perspective, by paying due attention to preventing and combating poverty and social exclusion through a range of policies, in particular **quality childcare and early-childhood**

[149] JUST Fair, CERMI (Spanish National Committee of People with Disabilities), ONCE (Spanish National Organisation of the Blind).
[150] Solidar.
[151] European Social Policy Network.
[152] For example Eurochild and Save the Children.

education, but also protection of children through adequate social safety nets[153]. The European research community underlined the importance of **early interventions** in the well-being and competencies of children[154]. During consultation meetings, early education was indicated as crucial for both competitiveness and upwards social mobility[155]. Some asked that a reference to **children's rights** should be included in the Pillar to break the intergenerational transmission of disadvantage[156].

Highlight – Leaving no child behind:

Creation of prevention chains in North Rhine-Westphalia, Germany

In 2012, the North Rhine-Westphalia state in Germany decided to focus its preventive welfare policy on the safe upbringing of children, to ensure every child has equal opportunities for the future, irrespective of social background.

The state established council-run prevention chains to provide non-stop support to children and make sure different sectors at local level – such as health, education, child and youth welfare - effectively cooperate in providing support and services for children and families.

The prevention chains encompass many types of services, ranging from health screenings during pregnancy, language interpreters in kindergarten to overcome integration problems for migrants, or personalised and targeted counselling available to children and parents in kindergarten, primary and secondary schools. An extra focus is on transitional periods such as from crèche to school.

Following a four-year pilot project, the scheme is due to be rolled out to all urban and rural areas across the state in 2017. The project is funded by the ESF, the State Government, the Bertelsmann Foundation and local authorities.

[153] Social Platform, Save the Children, Eurochild.
[154] Seminar on 'Work, Welfare and Inequalities in Europe – The Research Perspective', 10 October 2016.
[155] The World Bank.
[156] European Social Policy Network and Save the Children.

List of acronyms

AIM: European Association of Mutual Benefit Societies

BDA: German employer organisation

BEERG: Brussels European Employee Relations Group

CEEMET: Council of European Employers of the Metal, Engineering and Technology-based industries

CEEP: European Centre of Employers and Enterprises Providing public services and services of general interest

CERMI: Spanish National Committee of People with Disabilities

CESI: European Confederation of Independent Trade Unions

CGIL: Italian General Confederation of Labour

COFACE: Confederation of Family Organisations in the European Union

COMECE: Commission of the Bishops' Conferences of the European Community

COPA/GEOPA: Committee of Professional Agricultural Organisations / General Confederation of Agricultural Cooperatives

CPA: Compte Personnel d'activité

ECEG: European Chemical Employers Group

EESC: European Economic and Social Committee

EFCI: European Federation of Cleaning Industries

EFFAT: European Federation of Food, Agriculture and Tourism Trade

EMU: Economic and Monetary Union

ERDF: European Regional Development Fund

ESF: European Social Fund

ESIP: European Social Insurance Platform

Euratex: European Apparel and Textile Confederation

Eurofound: European Foundation for the Improvement of Living and Working Conditions

ETUC: European Trade Union Confederation

FEANTSA: European Federation of National Organisations Working with the Homeless

FIEC: European Construction Industry Federation

HOTREC: the Association of Hotels, Restaurants and Cafés in Europe

ILO: International Labour Organization

IRU: International Road Transport Union

MEP: Member of the European Parliament

NGO: Non-governmental organisation

OECD: Organisation for Economic Co-operation and Development

ONCE: Spanish National Organisation of the Blind

REVES network: European Network of Cities & Regions for the Social Economy

UEAPME: European Association of Craft, Small and Medium-sized Enterprises

UNI Europa: the European services workers union