

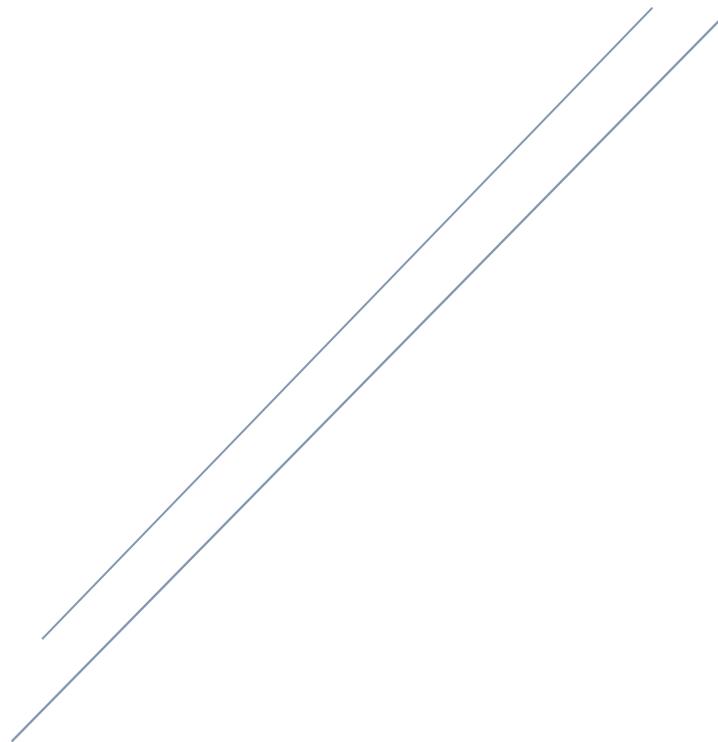


Association Européenne des Institutions Paritaires
European Association of Paritarian Institutions

Delivering on the European Pillar of Social Rights

AEIP Position Paper

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European Association of Paritarian Institutions - AEIP

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Key messages

- *In the context of social dialogue*, AEIP calls for the promotion of paritarian institutions and the paritarian model across the EU as basis for sustainable and inclusive social protection.

In addition, AEIP recommends EU-level support for social dialogue, collective bargaining and industrial relations through project funding for joint initiatives of the social partners, especially in those EU countries where these processes still lag behind.

- *In the area of pensions*, AEIP argues for the continued recognition of the important social role and diversity of earnings-related pension schemes among and within Member States.

AEIP would welcome future EU non-legislative initiatives that support an increase in coverage levels for occupational pension schemes combined with a minimum contribution, tailored to Member States' specific conditions (such as legislation and labour markets).

In this sense, the European Semester can serve as an important vehicle for the promotion and enhancement of pension adequacy.

With regard to mobile workers, AEIP considers that the European Commission should focus on implementing further measures towards the facilitation of access to individualized pension information and for raising awareness on individuals' future retirement income.

- *In the area of healthy, safe and well-adapted work environment and data protection*, AEIP calls to the European Commission to promote collective occupational schemes that provide income protection related to health and workers' safety, within and among EU Member States.

Because of their role, healthcare occupational schemes should be involved in the discussions around the management of health data by recognizing their nature of non-commercial providers.

- *In terms of policy developments on education, training and life-long learning*, the European Commission should provide for the implementation of the European Skills Agenda, by making sure that all the necessary human and financial resources are in place.

The European Commission should also closely monitor the process of mutual recognition of full or partial qualifications of workers and take measure to ensure its application.

- *In the area of healthcare*, we consider as a high priority the implementation of the data strategy (Common European Health Data Space) by developing data portability, interoperability and data infrastructures and technology. AEIP recommends the establishment of a Code of Conduct for processing of personal data in the health sector.

- *In the context of Long-term Care (LTC)*, we call on the European Commission to set up a permanent group at EU level on LTC, where interested stakeholders could share views and practices on the matter.

In order to ensure support for Member States in taking evidenced-based policies, comparable data and EU indicators should also be developed.

Finally, the European Commission should support countries in developing minimum quality requirements for LTC providers, as this would increase pressure on policymakers to better monitor the provision of services in this area.

AEIP calls on the European Commission to launch a reflection at EU level on the role of informal carers and start exploring the possibility of reforming the social and fiscal framework in their support. Paritarian social insurance schemes have started this process some years ago.

- *For secure and adaptable employment opportunities*, AEIP calls on the European Labour Authority (ELA) to continue its efforts towards fighting undeclared work, especially by carrying out awareness campaigns among workers and across sectors. The European Commission should involve paritarian institutions that provide services in the construction sector in the work of the ELA and that of the Platform.

We argue that the European Commission should effectively foster a dialogue on how to extend coverage to non-standard workers and the self-employed and help countries identify the best way to cope with this challenge. Further focus and support are needed towards the creation of a regulatory framework for platform workers.

The European Commission should make use of the available tools, such as the European Semester and the European Pillar of Social Rights, to promote human and economic resources into vocational rehabilitation services and support income protection schemes in case of accident or disability at work.

Introduction

The European Association of Paritarian Institutions – AEIP is a Brussels-based advocacy organization, representing social protection providers, established and managed by employers and trade unions on joint basis within the framework of collective agreements. AEIP represents 29 paritarian social protection funds in the field of pensions, healthcare and occupational insurance in 12 EU Member States.

The paritarian model is understood in many countries as both an intrinsic element of social dialogue and a joint management model of social partners in the context of social protection. In particular, paritarism is a type of self-organization of social relationships which, on the basis of equal negotiations between employers and employees, brings about agreements that are equally binding for both parts. This kind of self-organization acquires many forms, for example paritarism of negotiation or paritarism of management, resulting to a wide range of agreements: from adhesion to a particular form of cover to the creation of a paritarian institution.

In January 2020 the European Commission published a Communication that set out the basis for a new Action Plan to implement the European Pillar of Social Rights. AEIP welcomed that Communication as it contained initiatives to tackle the major challenges Europe is facing, while putting the social dimension at the centre of the debate. This approach is in line with the model that our members support, as promoter of social protection services managed according to the paritarian model.

Since the onset of the process in 2016, our organization has always supported the European Pillar of Social Rights, as we see it as an excellent opportunity for the enhancement of social rights across the EU. However, building on what we have observed over these years, we believe that it is now time for the European Commission, in accordance to Member States, to guarantee that the monitoring of social progress at EU and national level will go hand in hand with the Pillar's effective implementation. The unprecedented situation we are experiencing because of the Covid-19 outbreak imposes that we do not treat social matters as business as usual. Therefore, more visibility and tangible implementation support should be given to the social priorities of the European Pillar of Social Rights, through the established EU policy instruments.

This paper outlines the proposals of AEIP to turn the proclaimed principles into policy actions, by focusing on the chapters of the Pillar that are relevant for our members.

We appreciate once more the chance to provide input in the formulation of the new Action Plan as we consider it as an important vehicle that can contribute to the realization of the values of the paritarian model in the provision of social protection.

Social dialogue and involvement of workers

AEIP calls for the promotion of paritarian institutions and the paritarian model across the EU as basis for sustainable and inclusive social protection. Social dialogue and paritarism contribute to the autonomy of the social partners and at the same time are able to address specific needs at occupational, professional, local or national level. In countries where paritarism is already well-rooted, it must be studied how this model can further evolve according to the needs of each society. Likewise, in countries where industrial relations require support or their further development –for example in central and eastern Europe- the creation of new paritarian institutions would introduce novel solutions of collective insurance mechanisms and social protection. Participation rates in trade union membership as well as employer association membership have been steadily decreasing for decades, so a renewed approach towards these structures could help rethinking and promoting anew the systems of industrial relations.

In light of this, AEIP argues for EU level support of social dialogue, collective bargaining and industrial relations through projects and joint initiatives of the social partners, especially in those EU countries where these processes still lag behind. The EU should promote synergies between funding instruments in order to enhance the capacity of the social partners at multiple levels. For the last 20 years, AEIP has been contributing to the development of social dialogue through active participation in EU-funded projects, aimed at enhancing industrial relations. From AEIP's perspective, in many Member States such projects and initiatives are crucial for strengthening ownership of the EU objectives and coordination of actions of the social partners at the EU and national level in the areas of employment and social protection.

Old age income and pensions

AEIP recommends the continued recognition of the important social role and diversity of earnings-related pension schemes among and within Member States. Furthermore, AEIP calls for the acknowledgement that occupational pensions and earnings-related pensions are key institutions for the provision of adequate pensions for all. At societal level, the best financing strategy for a pension system consists of a combination of pay-as-you-go and capitalization. Such a combination can bring about a significant diversification of risks. On the one hand, unfavorable demographic developments, such as older population boom, as well as unfavorable economic developments of the national economy are important risks in unfunded systems. On the other hand, unfavorable financial returns and unforeseen inflation are potential risks of funded systems. The intergenerational dynamics of these two models differ but a most present risk for both systems refers to the increase in the average life expectancy. Consequently, - as all these arguments show- there is a natural complementarity between pay-as-you-go and capitalization as a financing technique. Notably, the importance of occupational pensions has been also underlined in the European Commission's 2018 Pension Adequacy Report. Compared to individual products, collective occupational schemes combine solidarity and risk sharing with better investment opportunities at lower costs, resulting in better returns and a higher pension. This improves the adequacy of retirement income and increases the available funds to invest in the real economy.

AEIP would welcome future EU non-legislative initiatives that support an increase in coverage levels for occupational pension schemes combined with a minimum contribution, tailored to Member States' specific conditions (such as legislation and labour markets). In order to further reduce the old-age poverty risk, second pillar and first pillar bis pension schemes should be made more accessible to individuals/workers, while taking into account the particular pension landscape of the different Member States. In addition, any future policy measures should aim and ensure that individuals start saving early in their career. At the same time, access to the second pillar in particular is not enough; contributions must also be sufficiently adequate in order to achieve a reasonable replacement rate upon retirement. In that regard, AEIP sets out a series of recommendations for the enhancement of complementary collective schemes:

- **Stimulation of participation in occupational pension schemes, by better informing Member States on auto-enrolment best examples and practices.** According to the Capital Markets Union (CMU) Action Plan, the European Commission will soon launch a study to analyse auto-enrolment practices and other practices to stimulate participation in occupational pension schemes and develop best practices for such systems across MSs. AEIP understands the advantages and strengths of auto-enrolment to pension schemes, since the literature and experience show that it is beneficial for the pension adequacy of individuals. We welcome any best practice initiative at the EU level, always keeping in mind the EU's limited competences in the social field and the principle of subsidiarity. Each national social protection and pensions system has its own particular characteristics, formed by historical legacy and participation of stakeholders and social partners, so a 'one-fits-all' approach is not the way to go forward.
- **In the same vein, promotion of the auto-enrolment regarding pension schemes and social insurance-based first pillar pensions for the self-employed and other non-standard forms of employment.** As labour markets evolve due to globalization and digitalization and they become more diverse and polarized, it is important that workers in new forms of employment also have access to an adequate pension. Nevertheless, we would like to stress once again that the design of social security systems should remain a national competence. AEIP has provided its expertise by presenting several best-case national examples in the context of the European Commission's mutual learning workshops on access to social protection. (See also the session below on *Secure and adaptable employment*)
- **Support for financial literacy programmes to strengthen the trust of the general public in collective social protection schemes.** A basic prerequisite for the enhancement of collective mechanisms of social security is the promotion of financial literacy, as this gives the opportunity to citizens to take better life decisions and it also contributes to the consolidation of solidarity within the existing collective systems. In this regard, AEIP welcomes the recent recommendation of the European Commission's Action Plan on CMU to "assess the possibility of introducing a requirement for MSs to promote learning measures supporting financial education, in particular in relation to responsible and long-term investing¹".

¹ See more [here](#).

AEIP welcomes the European Commission's acknowledgement that EU should only support national efforts to ensure a high level of social protection, including pension adequacy, by facilitating mutual learning and exchange of best practices. At the same time, AEIP does not endorse any kind of EU-driven reform related to pension policy and remain sceptical about legally binding benchmarks and minimum standards, as currently discussed in the context of the European Semester and the European Pillar of Social Rights. It is also important to mention that sole focus on minimum income levels in Member States context is not enough, since access to benefits and level of public services can count for much more in the wellbeing of citizens, who fall under the Eurostat AROPE² level.

Furthermore, our Association and its members believe that the European Semester can serve as an important vehicle for the promotion and enhancement of pension adequacy, which should always be discussed together with the financial sustainability of social protection systems. To that end, social reporting as well as social indicators (such as the Social Scoreboard and Social Protection Performance Monitor- SPPM) already integrated in European Semester should have more weight and be reflected in the Commission's annual recommendations. For the same reasons, pension adequacy indicators should be included also in forthcoming National Recovery Programmes that the European Commission approved for supporting countries in the context of the pandemic, as this would help fostering a debate at national level.

Finally, as also stated in our input to the European Commission's Action Plan on CMU³ we suggest the development of pension dashboards with indicators for supplementary pensions. We also support the Commission's proposal in the CMU Action Plan for monitoring the state-of-play of pension adequacy, by identifying relevant data and methodology for developing pension dashboards with indicators. However, given that similar social indicators already exist within the European Semester, we call on the European Commission to ensure a coordination of these two processes/policy initiatives, so to avoid an overlap or an excessive volume of indicators.

With regard to mobile workers, AEIP considers that the European Commission should implement further measures to facilitate access to individualized pension information and to raise awareness on individuals' future retirement income. An important element for the facilitation of cross-border mobility in Europe is the effective provision and preservation of social security rights, including pensions. However, there are persisting gaps in the access to information on individual pension entitlements which creates obstacles for ensuring transparency and pension coverage for mobile workers. The European Pillar of Social Rights should include additional measures in that direction, such as the promotion of best practices for the creation of national tracking systems for pensions and EU projects in this matter. The ongoing European Tracking Service (ETS) project on pensions is an important development in that respect as underlined also by the Commission's CMU Action Plan and the recent report on the implementation of the Portability Directive.

The ETS on pensions project, in which AEIP is a partner, will ultimately contribute to the integration of the European labour market by facilitating access to social protection for mobile workers. The project supports the modernization and digitalization of social protection through the implementation of a functional digital service, providing structured information on pension benefits through a centralized

² At risk of poverty or social exclusion.

³ https://aeip.net/wp-content/uploads/Input-of-AEIP-to-CMU-final-paper_29.06.2020_Final.pdf

European platform. the ETS will thus increase awareness on pension rights for mobile workers by providing them with individualized information on their pension entitlements under first and second pillar pension schemes. Lastly, it aims to remove existing obstacles for effective pension communication at the EU level.

Healthy, safe and well-adapted work environment and data protection

Occupational schemes play a key role in ensuring high level of protection of workers' health and safety at work. For example, they guarantee financial support in case of temporary sickness and intervene in more complex situations like in the case of accident or disability of the worker. These measures constitute an important source of income protection, which may or may not complement those provided by the statutory social security system of the worker. In a context like the one we experience today, where individuals live and work much longer than in the past, these additional health and care benefits are paramount for guaranteeing an adequate level of social protection and hence a dignified life to people. Moreover, an increasing number of occupational schemes support workers in aspects of their life that go beyond their individual health and safety at work: for example, some of them include coverage linked to long-term care, while others provide support to workers who need to stay home from work for taking care of relatives or friends in vulnerable situations (hence provide the so called "informal care"). Besides guaranteeing workers a high level of protection, all this also provides them with a working environment that is adapted to their professional needs, which ultimately enables them to prolong their participation in the labour market.

Because of their role in the provision of social protection, **AEIP calls for the European Commission to promote collective occupational schemes that ensure income protection related to health and workers' safety, within and among the EU Member States.**

For example, the European Commission can make use of the European Semester to promote and enhance their role at national level, by highlighting their contribution in the workplace, which improves the efficiency of the services and contributes to the sustainability of social protection systems. Likewise, occupational schemes can play a key role in ensuring effective coverage to categories of workers who at the moment do not enjoy the same level of protection than others, such as the self-employed and non-standard workers⁴. AEIP welcomes EU initiatives in this area and calls on the European Commission to consider the contribution that occupational schemes can provide to improve their conditions.

Moreover, as non-for-profit providers of health and care, these schemes have access to a large amount of personal data. Their analysis can improve the services provided, yet this should be done in respect of the privacy and willingness of individuals. **Because of their role, healthcare occupational schemes should therefore be involved in the discussions around the management of health data, while recognizing their nature of non-commercial providers** (see also the section below on *healthcare*).

⁴ [Council Recommendation on access to social protection – making social protection systems fit for the future - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#)

Finally, a unique feature of AEIP members is that they are paritarian institutions, meaning that they are established and managed by social partners on the basis of collective agreements. **The promotion of social dialogue and collective bargaining, both at national and Europe is therefore key for promoting these collective schemes and reinforcing the industrial relations across EU countries.**

Education, training and life-long learning

The European Commission should ensure the implementation of the European Skills Agenda, by making sure that all the necessary human and financial resources are in place. We recommend also the close monitoring of the process of mutual recognition of full or partial qualifications of workers and take measures to ensure its application. In July this year the European Commission adopted the European Skills Agenda, a strategy that aims at upskilling and reskilling workers across the EU, to get the right balance between labour demand and supply. AEIP welcomed this strategy and urge the European Commission to ensure its implementation at European and national level, so that all the necessary human, financial resources and instruments are put in place to empower workers and ensure their participation in the labour market. Especially in the construction sector, where many of our members operate, skills are paramount to accompany the digital and green transition in the sector.

Anticipating skills gaps and training needs will be crucial to guarantee the competitiveness of the European companies and the employability of workers, thus the *Construction Blueprint for sectoral cooperation on skills*⁵ has a key role to play.

Vocational Educational and Trainings (VET) are key elements to ensure this transition, as well as to support the entry of young professionals in the market. In this regard, we also welcome the Commission proposal for a Council Recommendation on Vocational Education and Training for sustainable competitiveness, social fairness and resilience⁶.

The text puts forward ambitious targets for the future, while ensuring involvement of key stakeholders in the process. In particular, the launch of the Pact for Skills⁷ should be a milestone in driving the recovery of the COVID-19 pandemic. This is a pan-sectoral initiative open to all stakeholders, in which Health and Construction sectors are mentioned as two of the four initial ecosystems to be considered in its first wave.

Furthermore, VET have also the capacity to address the gender stereotyping that concerns the construction as well as many other sectors of our economy. While recent data show that this trend is slightly improving, much can still be done for increasing women participation in the sector. In this regard, we welcomed the proposal from the Commission to use VET as a vehicle to promote equality of opportunities and call on national and European stakeholders to ensure the effective implementation of targeted measures. Finally, we believe that a closer monitoring should be carried out on the process of

⁵ <http://constructionblueprint.eu/>

⁶ <https://op.europa.eu/en/publication-detail/-/publication/8e89305c-bc37-11ea-811c-01aa75ed71a1/language-en>

⁷ https://ec.europa.eu/social/vocational-skills-week/european-vocational-skills-week-2017_en

mutual recognition of full or partial qualifications. In fact, while many European tools exist to have a learning experience outside the country of residence, their recognition among Member States still lag behind. Overall, we support the recommendations and urge the European Parliament and the Council to swiftly adopt them.

Healthcare

We consider as a high priority the implementation of the data strategy (*Common European Health Data Space*) by focusing on data portability, interoperability and data infrastructures and technology. AEIP recommends the establishment of a Code of Conduct for processing of personal data in the health sector. AEIP fully supports the principle embedded in the Pillar, according to which every individual has the right to timely access affordable, preventive and curative health care of good quality. As non-for-profit social protection providers, paritarian institutions are a key stakeholder for citizens who benefit of their coverage and services, in addition to those offered by their social security systems. Considering that healthcare is a core competence of Member States and that the EU has only a complementary role in this area, AEIP recommends that through the Pillar the European Commission advances the discussion on ehealth and Artificial Intelligence (AI) in health.

We were delighted to see that health was one of the policies included in the European Strategy for Data, launched in March 2020⁸. AI and big data have the potential to improve the quality and the access to healthcare. For example, by making use of the electronic health records and online prescription, healthcare professionals can better assess the medical history of the patient and this, in turn, can lead to more targeted and therefore accurate treatments. At the same time, telemedicine can contribute to address the shortages of healthcare professionals and structures (the so-called phenomenon of ‘medical deserts’) by optimizing the use of resources to improve care continuity and better prevention for citizens. Therefore, we agreed with the principles set out in the strategy of improving data portability, fostering their interoperability and improving data infrastructures and technology.

In principle, AEIP also welcomed the idea of making health data more available, by fostering their use and re-use as this could help healthcare providers to adapt the treatments to the needs of beneficiaries, hence improving the service they provide. Yet, health data are very sensitive, and their use can be easily manipulated for commercial and economic interest.

For example, by detecting “high-risks” customers, for-profit healthcare insurers might decide to cut them out of their coverage, by leaving this responsibility entirely to other non-for-profit schemes. For systems based on solidarity, such as the paritarian ones that AEIP represents, this is a major challenge that policy makers must address. In this regard, we favour the establishment, in accordance with Article 40 of the General Data Protection Regulation, of a Code of Conduct for processing of personal data in the health sector and look forward to providing our inputs. We also fully support the proposal of the European Commission to deploy the data infrastructures, tools and computing capacity for the European health data space and to scale up cross-border exchange of health data. This should prompt MSs to better assess

⁸ https://ec.europa.eu/info/sites/info/files/communication-european-strategy-data-19feb2020_en.pdf

their internal capacity and, if needed, increase the funding in this area. This would be a great help for paritarian health insurers, who face a rapid increase of demand of ehealth services but often lack the IT and financial resources to put them in place.

Long-term care

Long-term care (LTC) can be defined as a variety of services that help meet the medical and non-medical needs of people, to promote their independence and maximize their quality of life. Today, despite the differences in the organization and delivery of LTC, European countries face similar challenges, related mainly to the adequacy and financial sustainability of these services. Therefore, while this is a national competence, a reflection at EU level on this subject would certainly be beneficial for all MSs. In light of this, we look forward to the joint report on LTC that the European Commission has planned for 2021, as we believe this is a necessary corollary to the upcoming Green Paper on ageing.

We call on the European Commission to set up a permanent group at EU level on LTC, where interested stakeholders could share views and practices on the matter. This could take the form of an institutionalized platform or a steering group, with regular meetings throughout the year. By embedding in its membership non-for-profit providers of social protection, AEIP would be glad to take part to it and contribute to this exchange.

In the context of supporting Member States in taking evidenced-based policies, comparable data and EU indicators on LTC should also be developed. As highlighted by the European Commission⁹, data used by countries to measure access, adequacy, quality and sustainability of LTC are very diverse and this makes it hard for policy makers to assess the efficacy of their policies. Likewise, a similar exercise could also be used to provide common criteria and definition of LTC provision, since today requirements concerning the quality of these services widely differ. Availability of common indicators and assessments of national provisions that would derive from them would also help steering EU macro-economic processes that have an impact on Member States policies. For example, it could help the European Commission to better target its country specific recommendations within the European Semester and help governments to consider the resources allocated in this branch a valuable investment rather than an economic burden.

Finally, the European Commission should support countries in developing minimum quality requirements for LTC providers, as this would increase pressure on policymakers to better monitor the provision of services in this area. Last but not least, this would contribute to shed light and bring to the attention of decisionmakers a crucial feature of LTC, which is the huge contribution provided by the informal carers. In fact, recent data show that within Europe, and without exceptions, almost 80% of LTC is provided by informal carers such as relatives, spouses and friends of the care recipient. This situation entails several risks. First of all, it might negatively affect the quality of the service that is provided to the person in need: as informal carers, per definition, did not receive any training, they might inadvertently take the wrong decision with detrimental effects for the recipient. In addition, the responsibility and the

⁹<https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewiDmZzU27bsAhUOGewKHY4ECKsQFjACegQIBRAC&url=https%3A%2F%2Fec.europa.eu%2Fsocial%2FblobServlet%3FdocId%3D20225%26langId%3Den&usg=AOvVaw3sVtggh1IKoGWFJUFu4HNv>

tasks performed by informal carers heavily impact their personal and professional lives. It exposes them to a considerable amount of physical and mental exhaustion that can negatively affect their personal life, professional performance and their labour market participation. In fact, their tasks often involve periods of absenteeism from their real professions, for example, to bring the person to the hospital, to carry out routine controls etc. Because of this, informal carers are obliged to ask for sickness or -even worst- unpaid leave, ultimately weighing on the social security systems. This scenario is highly concerning, especially in light of the demographic trends - that are expected to increase the demand of LTC – and of the economic developments that foresee a progressive erosion of social security systems.

AEIP calls on the European Commission to launch a reflection at EU level on the role of informal carers and start exploring the possibility of reforming the social and fiscal framework in their support. Paritarian social insurance schemes have started this process some years ago¹⁰. Their actions have included the provision of tools to assist informal carers psychologically - by setting up listening centres - but also financially, through the promotion of voluntary supplementary insurance schemes. Overall, social protection providers of second pillar can play a pivotal role to the benefit of patients and national social security systems, hence we would be happy to bring our contribution to a possible EU framework on this matter.

Secure and adaptable employment

We call on the European Labour Authority (ELA) to continue its work towards fighting undeclared work, especially by carrying out awareness campaigns among workers and across sectors. In recent years we have observed the emergence of new forms of employment that escape the traditional framework of labour law and social security. While these new types of working relationships can bring more flexibility in the labour market and foster a higher participation of workers, they also entail new challenges and risks. For example, they have the potential to circumvent labour law standards, promote social dumping and unfair competition. Other persistent challenges are those of bogus self-employment and, especially in the construction sector, the application of wrong (and cheaper/more convenient) employment contracts that do not respect the national collective labour agreement of that specific sector.

In both cases frauds occur to circumvent social welfare and employment legislation, to avoid the payment of social security and income tax contributions. Besides being detrimental for the state and for both parties, this has also the effect of undermining the collective bargaining process and the collective interest of trade unions and employers' organizations. In order to effectively address these issues, the European Commission should reinforce its support towards Member States by ensuring the enforcement of current laws and by promoting the cooperation between national authorities and labour inspectorates.

In this regard, we welcome the newly born European Labour Authority (ELA) and support the forthcoming inclusion of the European Platform to Enhance Cooperation in the Prevention and Deterrence of Undeclared Work within its work.

¹⁰ https://ctip.asso.fr/wp-content/uploads/2020/07/CTIP_Prevoyance_70_2020_07_03-VF2.pdf

The European Commission should involve paritarian institutions that provide services in the construction sector in the work of the ELA and that of the Platform. In order to tackle labour law violations, it is crucial to fight irregularities, tax and social security incompliance, which can be secured through the promotion of stronger collaborations among national social institutions. In this regard, the agreements among four AEIP members that operate in the construction sector (respectively in Italy, Germany, Austria and France) can offer a unique example of effective collaborations between countries¹¹. In fact, on the one hand they guarantee that workers get their social security benefits according to the rules, and on the other hand they allow companies to get a certified proof of their compliance and therefore of their reliability. In light of these examples, we believe that our experience can be of great support for the activities of ELA and that of the Platform and we hope to establish a stronger collaboration in the future.

Another important instrument to secure the respect of rules will be the revised Directive on posting of workers¹², which introduces a set of new requirements for employers who send their employees to provide services temporarily in another EU country. The deadline for its transposition into national legislation was in July 2020 hence we call on the European Commission to ensure its correct application in all EU countries.

The EU should continue to foster a dialogue on how to extend coverage to workers and the self-employed and help countries identify the best way to cope with this challenge. Further focus and support are needed towards the creation of a regulatory framework for platform workers. New forms of employment will need to be accompanied by new forms of social protection. In fact, the current model has been designed around the profile of a worker who has a stable, open ended relationship between a dependent, full time employee and his/her unitary employer. Today this profile made way to an increasing number of self-employed and non-standard workers, such as casual workers, ICT-based mobile workers, voucher-based workers, platform workers, etc. These new profiles challenge the traditional model as they might involve none or multiple employers, have contracts with indefinite working hours and their income is often irregular, unsteady and/or low. These conditions can hardly turn into effective social protection coverage for workers: neither during their employment relationship -in terms, for example, of paid holidays schemes, accidents at work, etc.- nor in their future, after they will retire from work. While social protection systems are a national competence, we believe that the EU should continue to foster a dialogue on this matter and help countries identify the best way to extend formal coverage to workers and the self-employed. The Council Recommendations of 8 November 2019¹³ provide an excellent basis for this exchange and we were happy to follow up the mutual learning workshops organized by the European Commission in this matter. We also support the forthcoming EU legislative proposal for improving the working conditions of platform workers and look forward to providing our input.

¹¹ In 2008, paritarian welfare funds of these countries (respectively CNCE, SOKA BAU, BUAK and UCF) signed bilateral agreements which allow simplifications for the posting company to work in another country. These conventions represent today a highly effective tool as they safeguard the worker who does not see himself denying or fragmenting an important part of his contribution and avoid companies from exacerbating bureaucracy or from a request for payment of “Double contribution”.

¹² <https://data.consilium.europa.eu/doc/document/PE-18-2018-INIT/en/pdf>

¹³ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H1115\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H1115(01)&from=EN)

Active support to employment

The European Commission should make use of the available tools, such as the European Semester and the European Pillar of Social Rights, to promote human and economic resources into vocational rehabilitation services. AEIP supports the principle expressed in the Pillar that everyone should have the right to timely and tailor-made assistance to improve employment prospects, including the right to receive support for job search, training and re-qualification. Despite this promising proposition, in practice very little is done to support individuals who experience health issues and, as a consequence, lose their job and/or experience long absences at work that eventually compromise their return into the labour market. Yet, when the work ability to work diminishes and makes it harder for a person to cope with that, it is important to address the issue as early as possible.

Vocational rehabilitation services can play a crucial role in this regard as they can help in keeping people in employment despite health-related limitations. By assessing the conditions of the person and developing a tailored professional rehabilitation pathway, these services can facilitate their return to the previous job after a long sick leave or even discover jobs that are better suited to their new status. In fact, if a health issue prevents an individual from continuing with their previous job, there may be other occupations for which his/her work ability will be better suited.

Besides having a positive effect on individuals' lives, these services have also a beneficial economic impact on social security systems, as they pre-empt illnesses and long sick leaves from transforming into disability pensions. In fact, early retirement permanently reduces the amount of future pension's income and when it comes to income and old-age pension even partial employment is a better alternative than the provision of disability pensions. In other terms, this can substantially help to close the gap between legislative pensionable age and effective retirement age, a challenge experienced across the EU.

So far, the EU social policies (including the European Pillar of Social Rights) did not adequately promote rehabilitation services, neither in the forms of legislative initiatives nor through dialogues among stakeholders and policy makers. By contrast, the European Commission should make use of the available tools, such as the European Semester and the Pillar itself, to promote human and economic resources into vocational rehabilitation services. These coordination tools should also support collective income protection schemes in case of accident or disability at work. In doing so, the European Commission should involve the social partners that operate at EU and social level, as they play a key role in fostering such kind of social protection schemes.

Concluding remarks

The European Pillar of Social Rights was launched to improve existing social rights for EU citizens and achieve better working and living conditions in Europe. Since its approval in 2017, some progresses have been achieved in this regard. Yet, much remains to be done to guarantee good level of social protection to all EU citizens across the EU, while safeguarding the stability of social security systems.

This objective will remain as crucial as challenging in light of the COVID-19 pandemic and its far-reaching repercussions at social and economic level. Delivering a new, ambitious action plan cannot remain only a theoretical exercise. European institutions must secure its implementation to make sure that principles embedded in the Pillar will translate into bold commitments at European and national level.

AEIP remains committed to engage in a close cooperation with the European Institutions, its members and relevant partners for the next steps in the effective implementation of the European Pillar of Social Rights.

For further information, please contact:

Christos Louvaris Fasois, Senior Policy Advisor Pensions & Financial Affairs

Christos.Louvaris@aeip.net

Francesca Cattarin, Senior Policy Advisor Healthcare & Provident Funds

Francesca.Cattarin@aeip.net

AEIP Disclaimer



AEIP represents the European Paritarian Institutions of Social Protection in Brussels since 1997. The Association gathers 29 leading large and medium-sized social protection providers, which are managed on the basis of joint governance and equal representation by both employees and employers' organizations (the social partners) in 12 EU MSs.

AEIP represents its members' values and interests at the level of both European and international institutions. In particular, through its working groups, AEIP deals with EU coordinated pension schemes and pension funds, healthcare, unemployment, provident and paid-holiday schemes.

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