



AEIP WHITE PAPER: ROADMAP ON SOCIAL PROTECTION

OVERVIEW



European Association of Paritarian
Institutions of Social Protection

With the formation of the new European Parliament for the period 2019-2024 and the taking of office of the new European Commission, we believe that it is a timely moment for AEIP to present its White Paper. The White Paper aims to connect the past and future of our organization, by giving a comprehensive picture of AEIP's perceived role and mission, with a specific focus on the notion of paritarism. At the same time, the Paper is an opportunity to provide an all-inclusive overview of AEIP's positions on a number of individual challenges for pensions, healthcare, long-term care as well as for employee benefits and skills and paid vacation schemes. To that goal, the summary also includes a section on future perspectives and the future of paritarism, as we aspire to provide a basis for an open debate among interested actors and the general public.

The role and mission of AEIP

Founded in 1996, the European Association of Paritarian Institutions - AEIP- is a Brussels-based advocacy organization, representing Social Protection Institutions established and managed by employers and trade unions on a joint basis within the framework of collective agreements.

The Association has 20 Associate and Affiliate members – all leading large and medium-sized Social Protection Institutions, from 12 European countries, as well as 13 Task Force Members from 3 European countries. All AEIP members are not-for-profit organizations. In particular, AEIP deals, through dedicated working groups, with:

- Coordinated Retirement Schemes
- Occupational Pension Funds
- Complementary Healthcare Insurance
- Long-term Care
- Health and Safety at Work & Paid holidays
- Unemployment Benefits Funds

Complementary to their role as non-for-profit social protection providers, our members are also long-term institutional investors.

Since its foundation, the mission of AEIP has been to promote paritarism and to represent and defend the interests of its members – the European paritarian institutions, administered jointly by representatives of the employers and workers. The balanced management, put into practice by the AEIP members guarantees economic efficiency and at the same

time promotes social justice and welfare. AEIP has worked towards fostering the development of the paritarian model by welcoming European paritarian entities and by creating a successful lobbying relationship with EU and international institutions as a unique representative of the paritarian model.

The importance of Paritarism

Far from being a novel concept, paritarism is the result of a long, rich and complex historical process in various member states of the EU. In fact, paritarism is based on the alignment of views and common will between social partners who aimed at further institutionalizing their right to self-regulation, under the aegis of the state.

Understood as both social dialogue and a joint management of social partners in the context of social protection, paritarism is a type of self-organization of social relationships, which on the basis of equal negotiations brings about agreements that are equally binding for both employers and employees. 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 adherence to a particular form of cover to the creation of a paritarian institution. National variations of the paritarian model can be found in various EU member states, including Germany, France, Italy, Belgium and the Netherlands.

The position of AEIP towards current and future challenges

AEIP is aware of the numerous major challenges that the future brings for the social protection systems of the European Member States, linked to the demographic situation of the EU, the tectonic changes in the world of work (including technological progress and automation, the rise of the gig economy and the non-standard forms of employment), but also due to the current gloomy economic outlook and climate change.

Having a deep understanding of the challenges ahead, the AEIP White Paper presents the broader vision and specific positions of our organization, with the aim to give a series of suggestions on how to approach current policy fields. As such, we ask the question: how should we reform the ongoing policy fields and dossiers visible at the EU level, in order to achieve several goals, as mentioned below?

- Pension funds and provident institutions should be seen as common good, thus taking into consideration their important role in national member states as well as their historical specificities. As a result, any future discussions on the need for minimum harmonization rules at the EU level should consider their particularities.
- We consider that adequate and sustainable social protection systems can be designed through the paritarian model and the involvement of social partners at national and EU level.
- Together with the triennial reports which focus on the adequacy and sustainability of the various EU pension systems, we aspire that the report of the Commission's High-Level Group on Pensions will create a momentum leading to a broader dialogue with different members of society, governments and relevant stakeholders.
- The reforms addressed to member states through the European Semester's Country Specific Recommendations could be an effective way to tackle the issue of sustainability and adequacy of national social security systems. Nevertheless, a right balance between these two issues is needed

since there are plenty of critical voices underlying that the social dimension of the European Semester should be enhanced substantially.

- As part of the Capital Markets Union initiative, the PEPP has the potential to improve supplementary retirement savings in those member states where there is not an existing or not a well-developed personal pension system or there is only limited workplace pension coverage. Nevertheless, in countries where the market is already well developed and highly regulated, the introduction of the PEPP risks to damage the smooth functioning of the system, with potential negative consequences for the interests of consumers.
- AEIP acknowledges that there is a strong need for equal pension treatment between men and women in Europe. In order to bring forward impactful solutions, a truly holistic approach is needed –one that takes into consideration family policies, working conditions and work-life balance.
- Any effort for supervisory convergence should not lead to a 'one-size-fits-all' approach while, EIOPA, in particular, should employ non-binding measures, such as opinions and other tools of general guidance, in order to bring up the best regulatory approaches among the different National Competent Authorities.
- IORPs cannot and should not be compared to purely financial institutions, making it clear that their social purpose and large diversity should be the limits of supervisory convergence. In a similar manner, the supervision of provident institutions that provide health insurance must respect the latter's social function in accordance with the diverse regulatory approaches of member states.
- Exactly because of their evident social character and public interest function, paritarian institutions of social protection should also be part of the VAT exemption regime, as designated in the 2006 VAT Directive.
- Member states should be able to determine by themselves the scope of the pension schemes falling under the Regulation (EC) 883/2004 on the coordination of social security systems.

- Pension funds and provident institutions should promote a long-term understanding of investment (also through sustainable finance), which is beneficial to the better functioning of the common EU market.
- A renewed focus should be given to innovation and digitalization of social protection services. From a broader perspective, social partners and paritarian institutions play an important role in enriching and technologically transforming the current landscape of social protection systems, including pensions, healthcare, long-term care or employee benefits and skills or paid vacation schemes. In particular, the redesign of smarter healthcare systems, through the use of big data, algorithms and a holistic system of digital monitoring, could lower costs substantially and increase the accuracy in predicting.
- AEIP is actively engaged towards the development of a European Tracking Service for Pensions, through its participation in the European Tracking Service (ETS) Project for the next three years and as a member of an experienced international consortium, charged with the task of creating an EU-wide cross-border pension register.
- Social Partners have an important role in adapting work place and labour market practices for older workers in the framework of healthy and active ageing.
- Paritarian pension funds and provident institutions promote solidarity between individuals, sectors and organizations at national and EU level.
- A better cooperation between the different national paritarian pension funds and provident institutions promotes labour mobility and fights non-declared work in the European Single Market.

Future perspectives and the future of paritarism

Coping with existing challenges such as increasing pressure on collective bargaining as well as the rise of new forms of employment requires a profound reflection of paritarism, allowing for an innovative approach that stays faithful to the principles of solidarity, self-determination and social justice.

Paritarism as a concept but also as a practice has the potential to safeguard the social standards embedded in the European identity and history. At the same time, it possesses the means to rethink the evolution of social security systems and collective insurance mechanisms, tailored to society's needs. Paritarian institutions are a key component of a smooth and democratically driven transition from the past to the future. Having a deep understanding of its role and responsibility, AEIP will continue to advocate for the improvement of general welfare and the collective access to a sustainable social protection.

MISSION

Promotion of Paritarian Social Protection Schemes and defence of the shared interest of its members.

PHILOSOPHY

As a key player in the area of Social Protection at European level we promote responsible and efficient Paritarianism across Europe and are recognized as an added-value for our members and partners.

WHO ARE WE?

AEIP is the leading non-profit association gathering institutions, organisations, companies and federations involved in the development and management of Paritarian Social Protection schemes in Europe.

WHAT DO WE WANT? (IDENTITY, DNA)

We have been entrusted by our members with the responsibility to protect and defend the Paritarian social protection schemes at the local and the European level. Our ambition is to be the leader exercising influence to strengthen and ensure sustainability of Paritarian social protection schemes.

WHAT DO WE DO?

Through our presence, our proposals and our communication we defend, develop and promote a responsible and powerful Paritarianism as a means for optimal and efficient social protection.

WHERE DO WE GO IN MEDIUM TERM?

Our intermediate goals are the following:

- Fully ensure advocacy of our Associations' members' interests
- Managing our growth to focus on the sustainability of the current situation

WHERE DO WE GO IN LONG TERM?

Our ultimate goal is to be recognized as a major European player and as an inexhaustible source for improving efficient Paritarian social protection schemes in Europe and support our member organisations in this respect.

For additional information



Aleksandra Kaydzhyska,
Permanent Representative
aleksandra.kaydzhyska@aeip.net



Dr. Christos LOUVARIS FASOIS,
AEIP Policy Advisor on
Pension & Financial Affairs
christos.louvaris@aeip.net

