

## Consultation on the European Pillar of Social Rights

### *Action Plan on the implementation of the Pillar of Social Rights must be linked to the economic and social recovery in Europe*

30<sup>th</sup> November 2020

#### EXECUTIVE SUMMARY

In 2020, the European Commission launched a public consultation on the European Pillar of Social Rights, aiming to obtain the views of social partners and stakeholders on the foreseen action plan on the implementation of the European Pillar of Social Rights. With this position paper, the World Employment Confederation-Europe, voice of the private employment services industry in Europe, aims to contribute to the consultation on the Action Plan. For the private employment services industry, it is essential to reflect in the action plan that the economic and social context in Europe has changed fundamentally since the adaption of the European Pillar of Social Rights due to the Covid-19 pandemic. Focus should thus be laid on the economic and social recovery.

#### *General comments on the foreseen action plan*

- The World Employment Confederation-Europe supports the European Pillar of Social Rights. The private employment services industry supports the 20 principles enshrined in it as excellent goals for the EU and its Member States to aim for. Translating rights for some into obligations for others requires careful consideration. It is essential that the implementation of the European Pillar of Social Rights often requires actions predominantly at national and social partners' level.
- Especially with regard to minimum wages, skills policies and working conditions for workers in diverse forms of work, a one size fits all approach for all EU countries is often not the appropriate way forward. The World Employment Confederation-Europe thus calls on the EU Commission to carefully examine in which areas a European approach is needed and provides added value and where the open method of coordination is more promising.
- The World Employment Confederation-Europe calls on the EU Commission to submit any new legislative proposal in the area of employment to a Covid-19 adequacy check. The Covid-19 pandemic has unprecedented impacts on the economy and labour markets and in this context, any new regulatory initiative must be subject to careful scrutiny.
- In light of the economic recovery from the Covid-19 pandemic, the World Employment Confederation-Europe calls upon the Commission to focus its immediate efforts on principles 1, 4, 5 and 10 – skills for employability, support for labour market transitions, agile labour markets, and safe places of work. The private employment services industry contributes daily to achieving each of these.

#### *Equal opportunities and access to the labour market*

- The private employment services industry is a key player in promoting equal opportunities and access to the labour market. The sector acts as a stepping-stone to the labour market for example by providing adaptable employment opportunities, and facilitate labour market transitions, including via career management services.
- The activation role of the private employment services industry can be further strengthened through efficient cooperation between public and private employment services.

#### *Fair working conditions for people in diverse forms of work*

- The private employment services industry is committed to providing appropriate working conditions for diverse forms of work. For temporary agency workers, appropriate protection is already provided based on the EU Directive 104/2008 on temporary agency work which is still fully appropriate.
- The World Employment Confederation-Europe considers that any gaps in adequate and fair working conditions linked to online talent platforms are mainly due to incorrect classification at national level and a lack of enforcement of existing EU and national legislation and regulations to ensure social protection. Action to address this should be targeted and specific, and not aim to capture the diverse nature of platforms under one action.

#### *Social protection and social inclusion*

- With regard to social protection and social inclusion, the World Employment Confederation fully supports the concept of social protection for diverse forms of work. At EU level, the adopted Recommendation on access to social protection for workers and self-employed provides the relevant framework and focus should be laid on implementing this EU instrument.

## 1. General assessment

- 1.1. The World Employment Confederation-Europe supports the European Pillar of Social Rights proclaimed by the EU institutions in 2017. Appropriate and fair working conditions for diverse forms of work are essential to adapt labour markets to the changing world of work, while there is also a need to value diverse forms of work and to overcome the stigmatisation of certain forms of work as non-standard forms of work.
- 1.2. The World Employment Confederation-Europe is convinced that the follow-up of the European Pillar of Social Rights requires actions at various levels, particularly at the national and social partners level. For setting the appropriate framework conditions for the labour markets in Europe, such as with regard to minimum wages, legislative interventions by means of an EU Directive, are often not the most appropriate way forward, while significant progress can and should be achieved through the open-method of coordination, mutual learning programmes and the European Semester process for economic policy coordination.
- 1.3. The European Skills Agenda presented by the European Commission in June 2020 provides an important contribution to the implementation of the European Pillar of Social Rights, particularly by promoting equal opportunities and access to the labour market. Its implementation will require action at national level and social partners' level, as there is no one size fits all approach to skills and training policies at EU level.<sup>1</sup>
- 1.4. When designing an action plan on the European Pillar of Social Rights, it will be essential to reflect on and take account of the changed economic and social context of the Covid-19 pandemic. The European Pillar of Social Rights was proposed by the European Commission and proclaimed jointly by the EU institutions in a period of sustained economic growth and high levels of labour market participation in Europe. The Covid-19 pandemic has put health systems, labour markets and economies under enormous stress. In the private employment services industry and specifically with regard to its temporary agency work activities, a downturn of up to 70 percent could be observed in May/June 2020, linked to the lockdown and confinement measures, but also due to a reduced demand for labour and negative economic growth rates in major EU economies. In this period of uncertainty, of a stop-and-go economy and economic shocks, focus needs to be put on preserving employment, supporting workers, and labour market reforms that remove rigidities and unjustified restrictions on temporary agency work, rather than adopting new EU legislation or regulation that would increase the burden for companies. With this in mind, the World Employment Confederation calls upon the Commission to focus its immediate efforts on principles 1, 4, 5 and 10 – skills for employability, support for labour market transitions, agile labour markets, and safe places of work. The private employment services industry contributes daily to achieving each of these.
- 1.5. Our industry plays an important role in re- and upskilling workers, including those in diverse forms of work. This role could be further strengthened by taking away barriers for people in diverse forms of work to access financing for re- and upskilling.
- 1.6. In the current crisis context, the World Employment Confederation-Europe calls for submitting any new legislative initiative to implement the European Pillar of Social Right to a Covid-19 scrutiny and adequacy check. The Covid-19 has unprecedented impacts on the economies and labour markets in Europe and in this context, any new regulatory entitative must be subject to a careful scrutiny with regard to its impact on job creation, labour market participation and competitiveness.

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<sup>1</sup> A special World Employment Confederation-Europe position paper on the EU Skills Agenda is available on our [website](#).

- 1.7. The World Employment Confederation-Europe strongly calls for a timely and constructive consultation of EU Social Partners at cross-industry and sectoral level if and when proposing concrete, legislative initiatives on the European Pillar Social Rights.

## 2. Equal opportunities and access to the labour market

- 2.1. The private employment services industry, its temporary agency work and career management services are key players in promoting equal opportunities and access to the labour market.
- 2.2. Career management firms can play a crucial role in supporting workers whose employers might need to adjust or even restructure in response to the crisis. Personalized support helps workers to assess their opportunities, and determine whether re- or upskilling might be required, and what course of action might offer them the best chance of success. Speed is of the essence here: Career management should ideally take a person from work to work, avoiding unemployment.

Career Management helps bringing people into the labour market by providing them with a unique perspective on skills needs and future labour demand; therefore giving them valuable insights into opportunities available to them. This role is also essential to support inclusive employment as it enables better, long-term integration of underrepresented workforce groups. Career Management also plays an essential role in labour market transitions. Especially in times of crisis - where restructuring and lay-offs will be unavoidable - the use of career management services can help smoothen and accelerate such transitions, thereby reducing demand for public employment services and payment of unemployment benefits. In addition, by promoting learning ability and increasing effectiveness of reskilling, career management also helps people securing their long-term employability. Workers often tend to favour short-term security over long-term benefits. However, maintaining individuals in employment without providing them with the skilling necessary to stay relevant creates a risk for those workers to become obsolete. Governments should recognise this and better incentivize companies and workers to invest in professional career management services to navigate the labour market and the skilling needs. In order to build an effective ground for a fast and sustainable recovery, policies ultimately need to reconcile the need for workers to invest in new skills and the need for employers to cut their costs and balance those with job creation to cover the shortfall of demand for work resulting from the crisis.

- 2.3. Among agency workers, young people are strongly represented, using agency work as a secure transition from education to work and as access channel to the labour market. In Belgium, 31.9 percent of the agency workers are aged 24 or below, in France, 34 percent, in Norway, 26 percent and in Italy 22 percent. Agency work also facilitates labour market mobility and helps workers especially in the current Covid-19 context to move from declining or temporarily closed sectors to sectors of the economy that are high in demand.
- 2.4. The activation and labour market integration role of temporary agency work could be further enhanced by progressing on a labour market reform agenda, which helps to create agile and dynamic labour markets. Existing, unjustified restrictions on temporary agency work, such as too strict maximum length of assignments, too narrow reasons for use or limitations on labour contracts and contract renewals that the temporary agency work industry is allowed to offer should be reviewed and subsequently lifted.
- 2.5. To promote equal opportunities and access to the labour market, the follow-up of the European Pillar of Social Rights should put a strong emphasis on fostering labour market activation through

partnerships and the improved cooperation between public and private employment services. Public-private partnerships should be set up to increase labour market transparency, improve the matching of demand and supply of labour and facilitate upskilling and reskilling of workers. Cooperation with the private employment services industry should be fostered for example for people who have lost their jobs during the Covid-19 pandemic, for legally residing migrants or people with disabilities. Effective and efficient forms of cooperation have for example been set up in The Netherlands, at the regional level in Belgium, in France, in the region of Lombardy in Italy and in the United Kingdom. In many other European countries, there is still a large potential to use cooperation between public and private employment services to improve labour market outcomes. Career guidance, advice on skills enhancement and training and labour market transitions could be provided through the career management services of the private employment services industry.

### 3. Fair working conditions for diverse forms of work

- 3.1. The World Employment Confederation-Europe supports appropriate working conditions for diverse forms of work, which should be established through national law and collective labour agreements in accordance with nation law and practice.
- 3.2. For agency work services, the relevant and appropriate legislation is already in place based on the Directive 2008/104/EC on temporary agency work. This Directive still sets the appropriate balance between on the one hand promoting flexible and adaptable forms of work, while at the same time ensuring the protection of temporary agency workers based on the principle of equal treatment. While especially in the European Parliament there have been demands in 2020 to revise the Directive on temporary agency work to ensure a better protection of cross-border and seasonal workers, the World Employment Confederation-Europe does not see any need to review or revise this Directive.
- 3.3. For people working via online talent platforms<sup>2</sup>, the World Employment Confederation-Europe is convinced that the main approach to ensure appropriate protection should be based on the correct classification of these labour suppliers at national level and the enforcement of existing, EU and national legislation and regulation. If labour suppliers provide work as self-employed, the national legislation and regulations for self-employed workers should fully apply to them. If an online talent platform (de facto) employs people as workers (giving them the legal status as a worker in accordance to the country where the platform is established), then the legislation and regulation for workers must be applied, including the EU Directive on transparent and predictable working conditions. Furthermore, an increasing number of temporary work agencies are starting to offer their services partly or completely online via online platforms. If a labour supplier is engaged in a triangular work relationship, based on which he his employed by a temporary work agency to perform work at a client company under its supervision and direction, the respective worker should and de facto is classified as temporary agency worker with the respective rights and obligations attached to it. Thus work via online talent platforms is not about creating new employment status or category of workers, it is about ensuring clarity on the employment status and the applicable regulation.
- 3.4. As part of the already started EU actions to implement the European Pillar of Social Rights, the Council and European Parliament have adopted the EU Directive on transparent and predictable

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<sup>2</sup> For further information on online talent platforms, the research report commissioned by the World Employment Confederation-Europe and UNI-Europa on "Online talent platforms, labour market intermediaries and the changing world of work" is available on the World Employment Confederation-Europe [website](#), as well as the [Joint Recommendations](#) issued by the sectoral social partners of May 2018.

working conditions, defining information obligations on the employment relationship and a set of rights that shall apply to all workers engaged in an employment relationship. The World Employment Confederation-Europe contributed actively to the debate at EU level on this Directive and supports the overall compromise reached in 2019. At this stage, it is important to ensure an appropriate implementation of this Directive, ensuring the information of workers and providing protection to workers as foreseen in the Directive, while at the same time avoiding any new legislation or regulation that would impose unjustified obligations or burdens on companies or reduce the agility and adaptability of labour markets in Europe.

## 4. Social protection and inclusion

- 4.1. The World Employment Confederation-Europe fully supports the call to ensure social protection for diverse forms of work and to contribute to dynamic and inclusive labour markets. In labour markets that are characterised by a rising number of labour market transitions and diverse forms of employment, it is important to ensure the transferability and portability of social protection rights for workers. Within the private employment services industry, important innovative solutions<sup>3</sup> have been set up in this respect, ensuring the transferability and portability of rights for workers. The systems of transferable and portable benefits are mostly managed via bipartite funds set up in the temporary agency work industry.
- 4.2. In 2020, the World Employment Confederation published a comprehensive report on the theme of social protection in times of crisis, as part of its yearly "Social Impact Report" series.<sup>4</sup> The main conclusions of this report are that the Covid-19 crisis presents a major disruption of global labour markets, forcing businesses and workers to adapt to unprecedented circumstances, leaving many in need of social support. Current social protection systems in some countries are ill-prepared for labour markets characterised by diverse forms of work. Significant gaps in access to social protection exist between different employment statuses. Workers on an employment contract - temporary, open-ended, or agency workers - receive largely similar statutory access to social protection branches. In most countries, employees benefit from full statutory coverage for unemployment benefits, paid sick leave, health insurance, labour accidents/disability insurance, parental and childcare benefits, and pensions. The self-employed have access to statutory safety nets much less frequently than employees. In just one-fifth of countries do self-employed have full statutory access to unemployment benefits. Often, self-employed are able to access different social protection schemes on a partial or voluntary basis.
- 4.3. To implement the principle of social protection and inclusion, the previous European Commission had already proposed a Council Recommendation on access to social protection for workers and self-employed on which an agreement has been reached at the level of the EU Council. The World Employment Confederation-Europe supports a strong focus in the area of social protection and social inclusion on the follow-up and implementation of this Council Recommendation. The differentiation between mandatory and voluntary coverage in the Council Recommendation is welcomed by the World Employment Confederation-Europe, as it takes account of the different characteristics of workers and self-employed.

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<sup>3</sup> A World Employment Confederation-Europe/UNI-Europa Joint Project on "Social Innovation in the temporary agency work industry has been completed in November 2020. The research report and the Joint Recommendations are available on the [World Employment Confederation-Europe website](#)

<sup>4</sup> The Report can be downloaded on the World Employment Confederation [website](#)

- 4.4. Complementary to the support for social protection for diverse forms of work and the support for the mentioned Council Recommendation on access to social protection for workers and self-employed, the World Employment Confederation-Europe recommends to use the European Semester process for economic convergence and labour market reforms to reach progress on reforming social protection systems in Europe and to make sure that these cover adequately and effectively diverse forms of work.

***About the World Employment Confederation-Europe***

The World Employment Confederation-Europe is the voice of the employment industry at European level, representing labour market enablers.

The World Employment Confederation-Europe includes in its membership national federations from all across Europe, as well as several of the largest international workforce solutions companies. It is therefore fully representative of the industry, both in size and diversity. The World Employment Confederation-Europe brings a unique access to and engagement with European policymakers (EU Commission, European Parliament, and Council) and stakeholders (trade unions, academic world, think tanks).



The World Employment Confederation-Europe strives for a recognition of the economic and social role played by the industry in enabling work, adaptation, security and prosperity in our societies. Its members provide access to the labour market and meaningful work to almost 11 million of people in Europe.