

EUROPEAN SEMESTER 2019

ETUC SEMESTER REPORTS
TRADE UNION PROPOSALS FOR
COUNTRY SPECIFIC RECOMMENDATIONS
2019



FOREWORD

The European economy is impacted negatively by global economic and political turmoil, but also by the lack of internal aggregate demand. Private consumption lost momentum and investment weakened, while stocks are increasing. Finally, public investment is stabilising at a very low level. The ETUC will remain cautious on not re-entering a phase of fiscal tightening in time of economic depression, as is too often the case as a result of embedded pro-cyclicality in European policy principles.

The ETUC therefore recommends strong fiscal and monetary support for the European economy. As many studies have shown, the ETUC defends the idea that there cannot be any trade-off between social justice and growth. Policies tackling inequalities are an engine for growth itself. During the Macroeconomic Dialogue it was stated that there is a need for policies to reduce excessive inequalities, lack of inclusiveness deepen significant divergences, both among and within Member States. The growing share of citizens in the lower and poorer segment of the income distribution is masked by rising average income level. All social partners regretted the lack of improvement on issues related to the deepening of the EMU.

Public services, when adequately funded, are the single most effective social instruments to remove barriers to equality, equity and inclusion. Across Europe, public services have largely contributed to enhance the cultural and social rights of citizens, and to support performing economies. They have reinforced society as a whole, and enabled individuals to live better, regardless of their socio-economic or cultural background. Decade-long fiscal consolidation measures are challenging the role of the public in terms of funding and provision of the public services. This poses threats to accountability, equity and equality in the provision of public services with direct consequences for democracy, at times of emerging challenging realities in social, political, environmental and economic areas.

The ETUC regrets that in many EU countries, Country reports 2019 encourage governments to tighten their spending review measures in order to speed up their path toward fiscal adjustment. Only surplus countries are encouraged to increase investment. This is what we were afraid of when the AGS 2019 was published. The ETUC Involvement Index shows that in too many countries trade unions are not meaningfully consulted at the milestones of the EU Semester.

The ETUC is still convinced that it is high time to create fiscal space for the implementation of the European Pillar of Social Rights and show that people matter more than the SGP constraints. The Joint Employment Report reflects a big improvement on the assessment of the economic and social situation in Europe, favouring core social indicators, such as risk of poverty and social exclusion, real wage development, in-work poverty, social protection coverage, labour market segmentation and quality of work. The Social Scoreboard is useful but it shows, sometimes, overoptimistic results.

Country Specific Recommendations should rebalance the EU Semester in favour of growth and social progress. As Country reports encourage member states to do more for upward convergence of working conditions, the narrative on wages is too prudent especially for the usual argument that wage raise could harm employment levels. The ETUC welcomes the focus on investments and annex D of Country Reports. They provide guidance for the use of structural funds and capacity building measures in favour of social partners.

This report includes a list of trade union proposals for “Country Specific Recommendations that would trigger upward convergence of living and working conditions following the spirit and the letter of the European Pillar of Social Right and of the Quadripartite Statement on a New Start for Social Dialogue.

Please note that this report is a draft, a proof read final version will be issued soon. We assume that at this point in time, country-based analysis has been performed and it is time to strictly focus on CSRs. ETUC National Inputs for Country Reports (and official Country Reports) propose facts and evidences on which these proposals are based on. Trade Union Inputs for Country Reports can be found here

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AUSTRIA

ÖGB

RECOMMENDATION1

Since the change of government, the involvement of the Social Partners has deteriorated as far as single reforms are concerned. The bill on increasing maximum working hours to 12 hours per day/ 60 hours per week like several issues of utmost importance passed without involvement of social partners or any serious prior discussions. The proven model of the Austrian social partnership must again become an essential element of Austrian policy-making in the future which also is stated by the Commission. If, in the course of legislation and and its implementation, greater emphasis is laid on social partnership agreement, the quality and social acceptance of the legislation will increase.

RECOMMENDATION2

Measures against systematic wage and social dumping

While important measures to promote disadvantaged persons on the labour market are being cut back despite continuing problems on the labour market, the Federal Government is preventing wage and social dumping from being effectively combated. This is despite the fact that Austria is the most affected country in Europe for postings in connection with wage and social dumping. 60 percent of all postings take place on construction sites. 50 percent of all posting companies on construction sites pay their workers too little. This is the result of the 2018 Wage and Social Dumping Report of the Construction Workers' Holiday and Severance Fund.

RECOMMENDATION3

An OECD study shows that in Austria tax on wealth is very low by comparison. The Commission therefore recommends that the Austrian government introduces taxes on property. According to the country report, a wealth tax could generate at least 2.7 billion euros in revenue. All in all, the Austrian Federal Government has yet to take concrete steps to actually reduce the tax burden on employees, as stated in the EU Commission's country report.

Relief for low income earners should be provided by increasing deductibles and negative income tax from EUR 400 to 600 . In contrast, a reduction of social security contributions bears the risk of considerable losses in financing the health insurance funds.

BELGIUM

ACV-CSC

RECOMMENDATION1

Recommendation: implement policies to address poverty among more exposed groups and in particular children of families with migrant background. Improve universal access to healthcare.

Although Belgium has a well functioning social security system, some population segments remain stuck in poverty and have suboptimal access to healthcare. Child poverty is rising in Belgium, more specifically in families with low work intensity in which people with migrant roots are overrepresented. In order to make social policy more 'poverty reducing', a 'poverty test' should be introduced in order to measure the effects of each regulation with respect to social, healthcare, housing, education policy on people in poverty.

RECOMMENDATION2

Recommendation: A spending shift from tax expenditures towards more public investment in mobility infrastructure, insulation of public buildings and sustainable energy . More uniform treatment of capital income taxation to eliminate wrong incentives for specific investment . A capital gains taxation on real estate and financial assets

Tax expenditures are very high in Belgium, and make the tax system complex. After the reduction of corporate and personal income tax, there's room for a revision of tax expenditures, from the viewpoint of effectiveness, efficiency and equity. A spending shift from tax expenditures towards more public investment in mobility infrastructure, insulation of public buildings and sustainable energy is welcome. More uniform treatment of capital income taxation will eliminate wrong incentives for specific investment in e.g. real estate or lowly taxed financial products like investment funds. A capital gains taxation on real estate and financial assets should complete a reform of capital income tax.

BULGARIA

CITUB

RECOMMENDATION1

To undertake actions to improve the effectiveness of the implemented measures to increase the digital skills of the population. Interventions are needed not only in the education system but also in the system of qualification and retraining of employed, unemployed, disadvantaged people and groups. The scope of the measures should be significantly increased through the development of public-private partnerships and the active involvement of the social partners in the development and implementation of specific programs to increase the level of digital skills of employed and unemployed people.

RECOMMENDATION2

In order to overcome the critical situation in combating poverty, social exclusion and income inequalities, the government has to launch a set of measures and policies, developing and implementing reasonable social floors; strengthening the redistributive impact of the tax system; improving access and adequacy of the social assistance payments; increasing sustainability of activation measures for specific vulnerable groups out of the labour market.

RECOMMENDATION3

On purpose to encourage the bipartite social dialogue and the collective bargaining, the government should provide legal and logistical support, establishing clear procedures and deadlines for wage bargaining at different

levels. The minimum wage in the country should be negotiated according to a generally accepted transparent mechanism, determined in accordance with the ILO Convention 131.

CZECH REPUBLIC

CMKOS

RECOMMENDATION1

Increasing the level of remuneration

The minimum wage and the overall wage level should continue to increase, both in gross and net terms. Injustices in taxation (including social, health insurance) need to be eliminated. For example, some groups (e.g. self-employed) pay significantly lower taxes (and insurance contributions). The wage level is still low, including the minimum wage, not in growth itself, but in the absolute amount. There is room for wage increases, which is evident from the persistently high share of profits in value added. Another proof of low wage levels is the high outflow of dividends. The minimum wage in the Czechia as a proportion of the average is the lowest in the EU.

RECOMMENDATION2

Availability of childcare facilities

There is a need to increase the availability of affordable pre-school facilities. Greater availability, at an affordable price, will allow better reconciliation of work and family life, higher employment of women, and will also contribute to reducing the gender pay gap. Lower employment of women and a high gender pay gap are not due to a longer period of parental leave but to a lack of services for small children. One of the ways to reduce the gender-pay gap is to increase wages for those who are on parental leave (e.g. automatically by the amount of inflation or through collective bargaining as applied to other employees).

RECOMMENDATION3

Assisting disadvantaged groups in the labour market, including affordable social housing

The government needs to improve the position of some disadvantaged groups in the labour market (e.g. disabled people, parents with children, young people, or people from structurally affected regions) through a targeted active employment policy. One of the possibilities of support is to solve the high indebtedness of some groups of the population. Further support should also be made available through affordable social housing. Current government proposals for social housing (subsidies to municipalities) cannot be considered sufficient.

DENMARK

LO DENMARK

RECOMMENDATION1

Denmark should take measures to integrate people on the margins of the labour market into employment. This includes vulnerable groups such as immigrants, young (marginalised) people and people with disabilities. With the current low unemployment rates the time is ideal to address this issue by strengthening skills development and continuous education and training for the said groups.

RECOMMENDATION2

While the income inequality remains low in Denmark, the distribution of net wealth and opportunities are becoming more unequal. Denmark should take measures to reverse this development and to obtain the national Europe 2020 goal of reducing the number people living in low-work intensity households with 22000.

RECOMMENDATION3

Denmark should secure continuous investment in skills, education and training in order to secure the long-term inclusive growth. Therefore the government should abandon the reprioritisation contribution ("omprioriteringsbidraget") that enforces a yearly cut of 2% on a number of areas including education and training.

ESTONIA

EAKL

RECOMMENDATION1

Supporting social partners, including expanding the negotiating space, the European Commission has monitored the level of social dialogue in the Member States, drawing attention to the lack of dialogue channels and the small size of the social partners in Estonia. Under the term "social partners", the European Commission refers to trade union organizations and employers' federations that participate in collective labour relations.

Consequently, we propose: *to further support the development of the social partners, including capacity building, and give them greater rights to make collective agreements different from the universal regulation of the law with particular emphasis on the promotion of sector-level collective agreements.*

RECOMMENDATION2

In Estonia, on average, 32% of the unemployed qualifies for unemployment insurance benefit, initially receiving 50% of the benefit, later 40% of the current income, which is often below the relative poverty line. About half of the remaining unemployed receive unemployment benefit and the other half does not receive any financial support at all.

To solve the problem, we propose: *to carry out a reform of unemployment insurance to provide unemployment insurance coverage of at least 80 percent of all workers, regardless of the form of employment and to guarantee the increase of the rate of unemployment benefit.*

RECOMMENDATION3

Procedures for the prevention, registration and treatment of occupational diseases. In the European Semester, meetings between the EC Delegation and the Estonian social partners, trade unions have pointed to the inconsistency between the EC's efforts to prevent further illness by carcinogens at the workplace and Estonia's failure to record or analyze the origin of work-related cancer cases. We propose to *immediately establish a workplace health risk centre and to ensure adequate registration and identification of causes of occupational diseases and work-related illnesses; strengthen the supervision of the Labour Inspectorate by using e-solutions and changing work organisation.*

FINLAND

SAK

RECOMMENDATION1

More resources for the employment offices in particularly for providing personalised service for the unemployed.

RECOMMENDATION2

Extension of the compulsory education age to 18 years.

RECOMMENDATION3

Increase public R&D investments and encourage private R&D investments to support productivity growth.

FRANCE

CFDT

RECOMMENDATION1

CFDT had warned of the risk of a reduction in the resources available to trade union delegations as a result of the implementation of the CSEs (Conseil social d'entreprise). These fears have been proven to be well founded in view of what is observed in most companies. In addition, the development of social dialogue in small businesses has been severely limited by the extension of the possibilities of implementing unilateral decisions by the employer, or the use of referendums without consultation with trade union organisations. A first recommendation would therefore be to *restore the resources of elected representatives in the CSEs and to establish mechanisms for equitable social dialogue in SMEs.*

RECOMMENDATION2

A main cause of non-consensual taxation in France is the widespread feeling among the middle classes that their contribution is proportionally higher than other segments of the population. Tax cuts for the richest have accentuated this feeling. A recommendation should be made for a substantive tax reform to restore more transparency and greater progressiveness to taxation, integrating all forms of taxation: direct, indirect, local... Moreover, such a reform should be carried out as part of a European action in favour of tax convergence to avoid tax dumping.

RECOMMENDATION3

For CFDT, the "Public Action 2022" reform cannot be limited to an accounting aspect only. On the contrary, it should be an opportunity to redevelop public action in favour of the populations that currently have the most difficulty in accessing public services. That is to say, those located in isolated rural areas, neglected urban suburbs, former industrial areas in decline,... It must also address young people without employment or training, migrants with integration difficulties, single parents and the elderly. This third recommendation would therefore aim to *develop quality public services accessible to all.*

FORCE OUVRIÈRE

RECOMMENDATION1

To foster a general wage increase and of the value of the index point for civil servants, an increase of pensions indexed on wages' increase ; to significantly increase the minimal wage

(SMIC), to enable sectoral collective bargaining in order to uplift all wage scales, and in priority those with coefficients lower than the minimal wage ; to evaluate the dispositions like the Equality Index in order to be more effective in terms of gender equality ; to launch the remodelling of the fiscal system through the implementation of a more progressive system in relation to the contributive capacity of each citizen and through the limitation of indirect taxes

RECOMMENDATION2

To guarantee an effective protection of health and safety at work in the private and public sector through the implementation of new measures reinforcing the role and the means of the workers' representative bodies in companies and re-establishing a distinct structure only dedicated to health and safety with full participation of workers' representatives ; and to guarantee an efficient protection of workers' health in front of changes at work especially caused by new models of organisation of work and digitalisation through pursuing the ongoing collective bargaining at national level with social partners on this issue.

RECOMMENDATION3

To ensure the continued action and presence of French public services in the entire territory ; to improve the access for all citizens to quality public services through public investment policies intended for the full coverage of the French territory; and to fight against the degradation of employment and working conditions of civil servants of the three areas of the public service (State ; territorial ; hospital) through maintaining social spending and especially public servants' pay.

GERMANY

DGB

RECOMMENDATION1

Stimulate domestic demand in order to stabilize the business cycle and to address the persistently high current account surplus; achieve a sustained upward trend in investment at all levels of government, especially in sustainable infrastructure and technology, education, research and innovation, social housing and climate protection.

RECOMMENDATION2

Push back the low-wage sector and atypical forms of employment, in particular mini-jobs, temporary agency work, work contracts and forms of employment based on fixed-term contracts; facilitate transitions to standards forms of employment; increase the share of women in the work force by abolishing disincentives to work for second earners in the tax system and by a better provision of quality and affordable full-time child care; create conditions to promote collective bargaining for instance by reforming public procurement regulations on state and federal level and by facilitating the general applicability of public agreements.

RECOMMENDATION3

Improve active labour market policies in particular training opportunities to combat long-term unemployment effectively; improve the protective function of the unemployment insurance; stabilise the statutory pension level; reform the social security system to address the persistently high levels of poverty and child poverty; diminish income and wealth inequality.

GREECE

GSEE

RECOMMENDATION1

Increasing households' disposable income

Greece urgently needs:

- a thorough reshaping of its labour market institutions that would support workers' income and free collective bargaining;
 - restoring and further promoting social dialogue in the country and thus of enhancing the quality of democracy, social progress and cohesion;
 - a progressive reform of labour markets should be advanced in tandem with other policies that further increase households' disposable income and employment opportunities;
 - an unconditional cancellation of the already legislated reduction in the income tax threshold planned to come into force in 2020.
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RECOMMENDATION2

Boosting public investment by increasing fiscal space. Greece needs more fiscal space through a substantial downward readjustment of the currently restrictive fiscal targets. In a context of high-level private sector indebtedness, negative net exports and feeble private spending, increased public investment may sensibly become an effective tool for any viable recovery strategy. This would in turn require a more sound and sustainable financing architecture that would deliver for Greece lower debt obligations. Such an intervention, in conjunction with the activation of pro-growth measures supportive of households' income, is the only effective means of safeguarding a sustainable growth path.

RECOMMENDATION3

Resolving the problem of Non-Performing-Loans and restoring financial stability.

The problem of non-performing loans (NPLs) remains daunting, undermining financial stability and the prospects of a robust and sustainable recovery. Coping with the problem of NPLs in an effective and sustainable manner presupposes above all a thorough re-orientation of economic policy. The adoption of progressive measures conducive to improving workers' income and employment conditions would contribute to:

- upgrading households' living standards and repayment capacity;
- increase corporate sector's liquidity inflows and spending propensity, hence promoting the stability of the banking system and credit expansion.

HUNGARY

MOSZ

RECOMMENDATION1

In the Hungarian GDP, the sustenance of an increase balance of 2% compared to the Eurozone is necessary in order to arrive, within a reasonable time, into the group of developed countries. In the next period, besides keeping the positive trends, we have to focus on the amelioration of our competitiveness, which as well is needed to make the recently implemented significant growth of wages sustainable and continuable.

Investments made on the following sectors are significant:

- amelioration of the labour-market situation
- amelioration of the competitiveness and productivity of the SME sector
- development of the education and health care system
- functioning digital central administration.

RECOMMENDATION2

Main proposals for changes in the labour-market :

- proceeding the decrease of work-related taxes, one-digit personal tax
- continuing wage increase parallel to the increase of productivity
- re-thinking of the so called 'cafeteria' system (fringe benefits)
- making return of citizens living abroad attractive
- supporting the re-building of labour concerned by the decrease of central administration staff
- a general amelioration of work conditions, defining and revising minimum levels.

Main proposals for the amendment of the SME sector's competitiveness:

- supporting SME wage increase with investment conditions
- further decrease of social contribution tax
- general decrease of the 27% VAT

RECOMMENDATION3

Main proposals for the restructuring of health care system:

- Increasing the state expenditure on health care, at the level of the EU average at least
- supporting regular check-ups and screening tests
- increasing the number of health care professionals

Main proposals for establishing less bureaucracy and a functioning digital administration:

- due diligence of the state institutional system, rationalization, filtering of duplications
- general wage increase in the public administrative sector, decreasing bureaucracy
- shifting to total wage bill economy and performance measuring instead of headcount economy
- developing of digital administration
- decreasing of tax evasion and corruption

ITALY

CGIL, CISL, UIL

RECOMMENDATION1

Investment generate sustained growth and jobs boosting investment. Public investment should also stimulate private investment, with a plan that gradually leads to resources equal to 6% of GDP. We need to invest in a plan of material and social infrastructure for making the territories safe and for urban regeneration capable of reducing regional gaps. With specific reference to social security, introducing flexible forms for retirement age, as well as focus on young peoples' future pensions and enhance the care work for pension purposes. The separation of social security spending from welfare spending cannot be postponed any longer.

RECOMMENDATION2

Gradually reducing the tax burden on labour, starting with the increase in tax deductions for employment and pension incomes. Combatting tax and social security contribution evasion, thus making the tax system fairer and bridging a democracy gap.

With regard to the banking system, taking action to strengthen the various regulations and focus on the quality of credit supply, as excessively focused on large loans and scarcely consistent with the economy of the various regions, starting from the Southern ones.

Investing in an efficient Public Administration and enhancing the role of civil servants as a resource to create a State that really intends to promote democracy and economy.

RECOMMENDATION3

Two tier collective bargaining system should be strengthen in order to reduce inequalities increase real wages and fight against dumping. Boosting employment of women and youg people introducing forms of hourly flexibility at the workplace; revising and negotiating public service time schedules; enhancing the instruments for work-life balance; reducing tax wedge on young workers.

An extraordinary plan of investment in childcare public services; and an adequately-funded law for non self-sufficient people are needed. Poverty should be addressed taking in to account its different aspects and implications.

Making the recourse to fixed-term contracts more expensive.

LITHUANIA

LPSK

RECOMMENDATION1

Low wages and high inequality

There is a need to raise wages. The minimum monthly wage does not guarantee a decent living. Since the beginning of 2019, due to the 'cosmetic' tax reform, it reached 555 EUR (gross) but net salaries stayed similar. The social protection system is still under-funded and inadequate to make a significant difference, softening high socio-economic inequalities in Lithuania (especially, when municipalities divert funds for social protection to pursue other aims).

LPSK suggests: a) to dedicate more funds for these areas, b) to create a more progressive tax system, c) broaden the tax base to less detrimental sources (e.g. environmental, property taxes are low)

RECOMMENDATION2

Flawed social dialogue

Social dialogue is not a priority in Lithuania. Workers' coverage of sectoral collective agreements is still low (often negotiations are intentionally delayed and workers are pressured to lower their demands, particularly, the financial ones). LPSK stresses that: a) wage payment systems have to be based on concrete numbers and negotiated only with trade unions (not with work councils, if they are established); b) better monitoring and control of enforcement of collective agreements are needed; c) rights of malicious companies to take part in public procurement should be limited (until problems between social partners are solved and collective agreements signed)

RECOMMENDATION3

Insufficient integration of vulnerable groups to labour market

A lack of skilled labour force is recorded in Lithuania. LPSK suggests to put more efforts and resources, seeking to integrate people from vulnerable groups, that are often neglected by the

labour market: a) an empowering infrastructure is needed: from easy access to workplaces to convenient child care for single mothers, b) all forms of discrimination cannot be tolerated (comprehensive control and sanctions are needed); c) committed companies should be awarded with additional benefits, d) awareness campaigns, training regarding these problems would be useful. LPSK commits to collaborate and consult according to its capacities.

MALTA

GWU

RECOMMENDATION1

One of the major challenges facing our country in the Labour Market is the relatively high number of early school leavers, who are leaving the Education System without basic skills. Although this trend is decreasing, Malta still has a relatively high percentage of unskilled workforce. Government needs to tackle this issue on mainly two fronts as follows:

1) Government should ensure that those registered as unskilled are really unskilled as for sure a good percentage of these workers are actually skilled (through experience) and need a fast route to get the necessary qualifications. The Skills Card recently introduced in the construction industry should be used in other sectors too.

RECOMMENDATION2

2) Government and employers should devise training programmes for those unskilled workers who need to upgrade their skills, financial incentives need to be considered for these workers as most of them would have to relinquish a part-time job to attend.

Another major challenge is the gender pay gap, this issue is mainly cultural in nature as most women prefer to stay at home and look after the children in the early stages. Active Labour Market policies, such as free childcare, have helped immensely in this area but still some women prefer to spend a year with their newborns. Parental leave should be given to both parents so that the time spent looking after newborns can be shared.

RECOMMENDATION3

Another challenge is the relatively high percentage of working poors who, in some cases, have also to rent an apartment with high monthly rates. While foreigners can share an apartment this is not the case for Maltese families who in most cases have only the male as the major bread winner. These working poor can barely make ends meet and are struggling to live a decent life. In most cases they are unskilled (early school leavers) and most likely their children will remain in the same situations. A holistic approach needs to be taken rather than a fragmented one to ensure that these families are lifted from poverty. At present, support for these families is fragmented and ineffective.

LATVIA

LBAS

RECOMMENDATION 1

Provide investment in human capital, including in consultation with social partners increasing public investment in remuneration of public sector workers.

As evidenced by the Social scoreboard for the EPSR, Latvia has been evaluated with the lowest rating for Income quintile ratio with an index of 6.3 in 2017, this is an increase in the income inequality rate, as the same index in 2016 was measured at 6.2. To reduce income inequality and in work poverty while boosting productivity Latvia needs investment in human capital through reducing tax burdens for low income households, increasing minimum remuneration thresholds at national level, both in public and private sectors, and investing in upskilling and reskilling of labour force to foster R&D and innovation capacity, as well as improving digital skills of the population (Individuals' level of digital skills on social scoreboard evaluated as 'to watch' with only 48% of the population estimated to have basic digital skills).

RECOMMENDATION 2:

Improve accessibility to healthcare services and continue public investment in ensuring availability of health care workers, inter alia increasing remuneration of health care personnel.

Latvia should make efforts to comply with the Health Care Financing Law to reach 4% from GDP by 2021. In 2019 healthcare budget has received a increase for healthcare worker wages and improving access to healthcare services, meanwhile overall accessibility remains low as reflected by Self-reported unmet need for medical care (% of total population) indicator in the social scoreboard, where Latvia is evaluated to be in a critical situation or at 6.2% of the population, this is 5 times higher than EU28 average. Complying with the Health Care Financing Law is at risk, as national budget has shown negative deviations from the initial financing plan. Further deviations puts the plan at risk of not meeting the requirements for healthcare financing to reach 4% from GDP by 2021, in comparison 4% on government health expenditure from GDP would still be the lowest rate in EU28 in 2017 (according to OECD data).

RECOMMENDATION 3:

Facilitate dynamic and autonomous sectorial social dialogue to reduce inequality, fair competition, economic convergence of regions and raising remuneration levels.

As reflected by the Social scoreboard Latvia ranks at critical level for impact of social transfers (other than pensions) on poverty reduction with only 21.9% over 10% lower than EU28 average. Substantial work is needed to improve tax compliance in order to boost social contributions and consequentially impact of social transfers. Improving autonomous social dialogue in sectors and at the local level needs structural support, as well as investment capacity of social partners. As supported by recommendations provided by European Commission in the annex D of Country report 2019, Latvia needs investment to foster bipartite social dialogue and support social partners in capacity building.

POLAND

NSZZ « SOLIDARNOŚĆ »

RECOMMENDATION1

1. Activities under the European Semester cannot place in isolation from the provisions of the European Pillar of Social Rights. The priorities of the European Pillar of Social Rights have been included in the Country Report and an auxiliary tool is the table of social indicators. Therefore, we should negatively assess the absence of reference to social indicators in the addition (addendum) to the National Reform Programme.

It is necessary to strengthen the innovativeness of the Polish economy through investments in automation, robotization and digitalization of the economy, but when there is talk about investments nobody mentions the need to invest in human capital.

RECOMMENDATION2

There are still differences in social security dues concerning various forms of employment, which is a clear obstacle to building sustainable forms of employment. *Actions aimed at raising salaries are urgent*, especially in the state budgetary sector, which is struggling with a long-term freezing of the remuneration growth. This results in extensive staff shortages in public services, and thus deterioration of the quality of public services.

RECOMMENDATION3

Necessary and urgent are efforts taken for the benefit of older people, both those who have already left the labor market, but also for those who want to remain on it. On the one hand, a good health policy is needed to enable seniors to stay on the labor market as long as possible and, on the other hand, to provide them with appropriate public services. In addition, it is urgent to strengthen social protection for domestic workers who play a huge role in supporting older and sick people as well as children.

PORTUGAL

UGT-P

RECOMMENDATION1

Promote qualifications and skills.

An integrated strategy on education and training must not only consider initial training but most especially lifelong learning, since this is one of the structural fragilities of the portuguese labour market.

Training on digital competences is very relevant in the present context but this is a challenge that cannot be met without a serious focus on recovering the still existing gap concerning basic skills.

RECOMMENDATION2

Improve wages.

Minimum wage must continue a trajectory of recovery of purchasing power, as it was proven that there were no negative impacts on employment in general (even on young and low skilled workers) and had a relevant role to reduce poverty amongst workers.

Recovery of the normal dynamics of collective bargaining is pivotal to promote the improvement of all wages, in both private and public sectors.

This is a major issue (the crush in the wage structure is a problem we stated in previous years), since it has strong impacts on inequalities, a problem that is diagnosed by the European Commission in the Portuguese CSR.

The improvement of disposable income must also be addressed via tax policy.

RECOMMENDATION3

Quality of public services.

Fiscal policy must ensure that investment on material and human resources is prioritised in order to promote efficiency and stop the reduction of quality and access on essential areas such as health, education, social protection and justice.

ROMANIA

BNS

RECOMMENDATION1

Changing the labor law and social dialogue legislation to generate a balance between flexibility and security, namely by reviewing the categories of workers that can organize in trade unions, the criteria of representativeness, the mechanism for the extension of branch-level collective agreements, the mechanism for opening / closing negotiations, monitoring system of collective agreements, employee representation institutions, conditions and mechanisms for triggering labor conflicts, etc. At the tripartite level it is necessary to observe the legal framework, the existence of a genuine interest for dialogue, and strengthening of the social partners' capacity.

RECOMMENDATION2

Reforming the Social Security System: Reintroducing the principle of solidarity in financing the social security system, between the employer and the employee; Revision of the mechanism for calculating the unemployment benefit, in compliance with ILO Convention 168/1988. Ensuring equal treatment in establishing social contributions due for various types of income-wages, self-employed income, etc.; Assessing the impact of the new pension law, in particular as regards the sanctioning of the employees if the employers retain but do not pay further the social contributions; introducing an internship clause for those who lose their ability to work in case of work accident or occupational disease.

RECOMMENDATION3

Appropriate policy package to tackle workforce shortages: Creating mechanisms to supervise more closely the violation of the employees' rights; Public policies for rural and self-employed workers; Increasing public investment in the health and social care sector, in the education and training system, as well as in infrastructure and research; Revising the conditions for access to the labor market for immigrant workers; Decreasing the underground economy and informal employment; Proper reassessment of industrial relations.

SLOVAKIA

KOZ

RECOMMENDATION1

Pay rise for all workers to fight against working poverty. Promote collective bargaining, upward wage convergence and end social dumping with government financial support for social dialog and social partners. Get better working places for all workers by support for Directive on Effective Enforcement of Workers' Rights and Transparent and Predictable Working Conditions Directive. Reduce night-shift work and number of overtimes.

RECOMMENDATION2

Inequalities in Slovakia persist. Strengthen work-life balance through active technical and political support for EU Work/Life Balance Directive as an effective measure for elimination of gender inequalities in Slovakia. Strongly enhance women's employment opportunities by access to childcare.

Improve activation measures for disadvantaged groups, including employment of elderly people by adoption of effective age management and active ageing measures to ensure intergenerational solidarity.

Adopt systematic and active measures to reduce regional disparities, e.g. adoption of state housing policy including rental housing.

RECOMMENDATION3

Strengthen the fight against corruption by stronger enforcement of legislation. Improve the quality and effectiveness of human resources in public administration by motivating remuneration.

Adopt educational reform with regard to work-educational balance and labour market needs in the upcoming Industry 4.0. Increase investments to R&D, strengthen SME and create opportunities for diversification of industry.

SPAIN

UGT-E

RECOMMENDATION1

Take further action to engage young people in education or training programs, also improving the coordination with the sub central levels of government to do so. Improve the specialization on the occupational training programs. Improve the insertion of young workers for example using hand-over contracts. Give impulse to programmes for oriented training in Technological and Digital skills, with a life-learning perspective.

RECOMMENDATION2

Work against the segmentation of the labour market. Take further action in reducing the incidence of fixed term contracts, paying special attention to possible fraudulent use in their use. Improve the effectiveness of the labour inspectorate to detect and redress situations of irregular use or violation of labour law, as in the case of bogus self-employed. Examine the efficiency of the present regulation and enforcement system to avoid those circumstances.

RECOMMENDATION3

Address the shortcomings of the social transfer model to generate a better redistribution especially regarding poverty reduction, considering to introduce a Minimum Income scheme. Examine the efficiency of the tax-collection system, working on generating more income and a higher progressivity. Reduce shadow economy and improve tax compliance. Ensuring the revenues sufficiency avoiding irresponsible tax cuts or race-to-the-bottom dynamics, either at a central or sub central level of government.

USO

RECOMMENDATION1

Spain has a lower tax revenue/GDP, 7 points below the average for euro countries. And public spending was five points lower.

In addition, inequality has grown more in this decade of crisis. And cuts in public services have been high.

Therefore, we believe that the margin that exists in the Spanish economy comes from increasing tax revenues to improve sufficiency and reduce the public deficit. This increase in revenue should come from economic growth, an improvement in fiscal progressivity and a reduction in fraud.

Finally, we believe that public spending should be increased. Both revenues and public spending should grow more than GDP, although revenues should grow more than expenditure

RECOMMENDATION2

Educational support, the reduction of school abandonment and the recovery of young people, without studying without working, is a priority. Continuous training for workers can be of better quality.

It is also necessary to review subcontracting companies that make use of precarious working conditions only. The promotion of rented housing would favour mobility. Penalising temporary contracts and control of part-time working hours and an increase in the minimum wage would improve the labour market. Coordination, simplification of subsidized income to universalize a minimum income is the budgetary challenge.

RECOMMENDATION3

Coordination of administrations and protocol for implementation of ex ante legislative proposals could improve the existing imperfect confederalism.

The recovery of researchers and research budgets is a good recommendation. Tax deductions of companies, including multinationals, linked to research have to be controlled.

Improve investment in energy transition infrastructure and water resources.

Improve international trade and investment agreements with labour, environmental and fiscal clauses. Avoid the tax avoidance allowed by the EU.



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