## **EUROPEAN SEMESTER 2022**

# TRADE UNION PRIORITIES for the SPRING PACKAGE

## A PEOPLE'S RECOVERY









## TRADE UNION INPUTS FOR THE NRRPS AND HEADLINE TARGETS ON EMPLOYMENT, EDUCATION/TRAINING AND POVERTY

#### Table of Contents

TRADE UNION INPUTS FOR THE NRRPs AND HEADLINE TARGETS ON E	MPLOYMENT,
EDUCATION/TRAINING AND POVERTY	
FOREWORD	
INSTRUCTIONS TO THE READER	
LIST OF LINKS	
AUSTRIA	
Inputs submitted by OEGB	
BELGIUM	
INPUTS SUBMITTED BY ACV- CSC	
INPUTS SUBMITTED BY STTK	
FRANCE INPUTS SUBMITTED BY CFDT	
INPUTS SUBMITTED BY CFDT	
GERMANY	
INPUTS SUBMITTED BY DGB	_
GREECE	
INPUTS SUBMITTED BY GSEE	
INPOTS SUBIVITTED BY GSEE	
INPUTS SUBMITTED BY ICTU	
INPUTS SUBMITTTED BY CGIL	_
INPUTS SUBMITTED BY CISL	-
LATVIA	
INPUTS SUBMITTED BY LBAS	
LUXEMBURG	
INPUTS SUBMITTED BY CSL	-
NETHERLANDS	
INPUTS SUBMITTED BY FNV	
LITHUANIA	
INPUTS SUBMITTED BY LPSK	
POLAND	
INPUTS SUBMITTED BY NSZZ SOLIDARNOSC	
INPUTS SUBMITTED BY OPZZ	
PORTUGAL	-
INPUTS SUBMITTED BY UGT-P	
INPUTS SUBMITTED BY CGTP-IN	
SPAIN	
INPUTS SUBMITTED BY UGT	



#### FOREWORD

By Liina Carr

During the process of compiling this report, Russia invaded Ukraine. The havoc that this war is provoking will have significant economic consequences on the EU. The ETUC asks for the introduction of emergency measures that protect jobs and workers' income in view of the labour market turbulence. Therefore, the ETUC asks for the re-financing of the SURE instrument and measures that offer flexibility to governments' expenditure to support the economy and preserve social cohesion.

It appears evident the current geopolitical situation confirms the overall objectives of the RRF but it may push Member States to prioritise investments that contribute more to strategic and energy autonomy. An increasing demand for security is already speeding up investments in defence, decarbonisation and technological progress. This would likely be reflected in the National Recovery and Resilience Plans. In this period, keeping social cohesion is as important as reacting to a fast changing economic context. For that reason, the ETUC emphatically calls for an immediate activation of social partners' consultations in all member states.

In the meantime, the European Commission has delivered its Fiscal Policy Guidelines for 2023. It envisages a turn to fiscal consolidation that may be dangerously quick, since it is not yet clear how the impact of the Covid crisis will be embodied in the assessment and recommendations concerning the fiscal positions of member states in 2023. Cutting off growth drivers of the EU economy now would be an unforgivable mistake. This report may provide useful information and proposals to set the new fiscal rules of the EU on track towards sustainability and social justice.

The ETUC "Sustainable Growth and Decent Work index" (EU\_SDG8i) shows that countries with weaker social models have great performance variations, thus deteriorating the potential of sustainable growth and decent work. This denotes a lack of resilience, especially in the economic and social fields.

On investments, the Trade Union (TU) inputs can be put into 2 groups of demands. One with a strong focus on a green transition and another one on a balanced mix of investments across the priority board. In the second case, TUs tend to prioritise investments that produce jobs and improve workers' position on the labour market. In both cases, TUs identify a number of measures that can be qualified as just transition measures. National budgets should reflect these demands.

Not always a substantial mismatch between social priorities in NRRPs and TU *desiderata* identify a conflict of views between social partners and governments. The mismatch can be caused also because social priorities are barely identifiable in the NRRPs while unions have a clear idea of what has to be done. Also, when NRRP identify priorities, the TUs priorities are ranked with a different degree of urgency. Still, in all these situations there is room to improve the social impact of the NRRPs.

Very few countries have elaborated plans to contribute to the achievement of Porto's Social Headline Targets. This report sheds light on the need of multiply efforts to achieve social progress, and affirms the need to better connect the expenditure under the RRF with achieving the EU targets on employment, education/training and poverty.

The EPSR proves to be an effective compass to evaluate social quality of NRRPs. However, the concept of social investment is broader than the rights and principles embedded in the EPSR. The EPSR should complement the social investments in order to set the EU agenda on the sustainability track. They are the highest expression of just transition and should be better developed in the implementation of the NRRPs.

Factual evidence show that social dialogue is useful in designing and implementing policies, reforms or the like. When social partners are merely heard, this cannot be considered as social dialogue. This report is meant to be an urgent call for the EU to invest in social dialogue.

Spain and Finland show good practice in social dialogue. On the other hand, in too many countries, trade unions cannot express a point of view because they are not consulted at all and have no access to timely and quality information(such as in Croatia). It is time to bridge the excessive dialogue gap that social partners suffer in the EU.



#### INSTRUCTIONS TO THE READER

This report is based on inputs received from 21 ETUC member organisations from 16 countries, covering almost 90% of resources under the RRF.

The EU\_SDG8 index of the ETUC is a composite index that exploits the multidimensional features of SDG8 in the UN2030 Agenda. It synthesises 27 indicators collected in three sub-composites: economic well-being, labour market quality and workers' vulnerabilities. The index can be consulted here: <u>https://est.etuc.org/?page\_id=858</u>. The methodology is available here: <u>https://est.etuc.org/</u>

Translation into English has been done using translation machines.

Please, also refer to the original versions of the inputs available following the links below.

Each link directs the reader to a web page that includes:

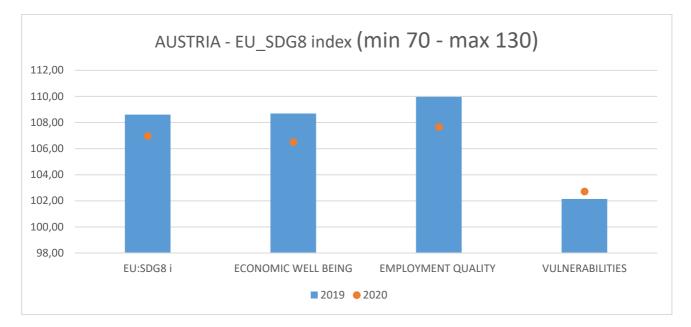
- Country and name of the organisation that submitted the input;
- Set of investment priorities according to the trade union submitting the inputs;
- Matching of social priorities in the NRRP and trade union priorities as reported by those who have submitted the input;
- A qualitative description of policies needed to achieve the headline targets on employment, education/training and poverty; and
- Eventually, files attached with additional info.

LIST OF LINKS		
Austria	ÖGB	https://est.etuc.org/toolkit/SitePages/psr?guid=2b14f5f2-1cae-4895-bbb1-9be40decfee9
Belgium	CSC	https://est.etuc.org/toolkit/SitePages/psr?guid=70be1b0d-0a17-406b-9c29-ceaaf56fa05a
France	CFDT	https://est.etuc.org/toolkit/SitePages/psr?guid=66584f38-bf38-4c44-a8c5-68d2ee0aca1f
	FO	https://est.etuc.org/toolkit/SitePages/psr?guid=3e62f273-6c57-43e7-aa90-80f34742f7a5
Finland	STTK	https://est.etuc.org/toolkit/SitePages/psr?guid=d5b07f01-e670-4ebb-85e0-0c30ff22f2fc
Germany	DGB	https://est.etuc.org/toolkit/SitePages/psr?guid=b3440b22-b080-4973-ac2e-2886095af291
Greece	GSEE	https://est.etuc.org/toolkit/SitePages/psr?guid=07a0d075-fb2f-424e-a7de-406e8b3368b6
Ireland	ICTU	https://est.etuc.org/toolkit/SitePages/psr?guid=eb433961-9fae-467b-8bde-a0a0b218b52e
Italy	CGIL	https://est.etuc.org/toolkit/SitePages/psr?guid=d0089ef0-e324-4c56-a6c6-b7ed03c8d00b
	CISL	https://est.etuc.org/toolkit/SitePages/psr?guid=8823b728-995b-4821-b486-994dad085e51
Latvia	LBAS	https://est.etuc.org/toolkit/SitePages/psr?guid=c65fed23-fe12-4ad9-9dec-6b08f11f19b8
Lithuania	LPSK	https://est.etuc.org/toolkit/SitePages/psr?guid=a27c9b99-7446-48f2-bfce-a358db19e7f7
Luxembourg	OGBL + LCGB	https://est.etuc.org/toolkit/SitePages/psr?guid=9e32a2ae-6acc-4402-a399-2e4c6ae9e38d
Netherlands	FNV	https://est.etuc.org/toolkit/SitePages/psr?guid=b1c68da9-8eea-4668-8e63-e8f98740ed8e
Poland	NSZZ	https://est.etuc.org/toolkit/SitePages/psr?guid=f000e0ae-d862-4be2-a983-0223a6698fda
	OPZZ	https://est.etuc.org/toolkit/SitePages/psr?guid=dd9f567f-e2d4-4ee0-b1c0-3ced3006a94d
Portugal	UGT-P	https://est.etuc.org/toolkit/SitePages/psr?guid=b9f02b1b-fa3b-4e71-a747-7ecaf3b8e701
Slovakia	KOZ	https://est.etuc.org/toolkit/SitePages/psr?guid=e76c1c1b-3f16-4d8b-a053-a857e0e0f0ad
Spain	UGT	https://est.etuc.org/toolkit/SitePages/psr?guid=4284fc36-f0a5-4b72-970f-ffdc0ba92f15

#### LIST OF LINKS



#### AUSTRIA



According to the EU\_SDG8i, the economic effects of the pandemic has deteriorated the Austrian sustainability potential for sustainable growth and decent work. Employment quality has contributed to deterioration of the index more than other factors. Workers' vulnerability remains a factor of weakness for the Austrian development model.

#### Inputs submitted by OEGB

#### MORE AND BETTER JOBS

The funds for the labour market and further education policy measures should be increased.

- In particular, significantly more funds are needed for labour market policy programs (such as retraining in future jobs) for women, who are particularly affected by unemployment.
- This also includes additional measures to get unemployed young people into advanced courses and employment, as well as an offer of inter-company apprenticeship training places for all young people who are looking for an apprenticeship but cannot find a company.
- Raise the net unemployment benefit replacement rate to 70%.
- In connection with Just Transition: Active labour market policy measures as well as further training and retraining opportunities are needed that are designed with the close involvement of the social partners in order to accompany the transformation process as a result of decarbonisation. What is needed here above all is to secure income and jobs for employees in areas that are considered critical.

#### SKILLS AND EQUALITY

To date, Austria has not planned any significant measures to prepare employees or the labour market for the digital and ecological change.

#### SOCIAL PROTECTION AND INCLUSION

The recovery and resilience plan only includes measures to combat energy poverty amounting to €50 million. In addition, no political measures have been planned to date to combat poverty.



#### **CONCLUSIONS**

There is a total mismatch between government social priorities in the NRRP and Trade union priorities. This is due because of a substantial deterioration of social dialogue in Austria.

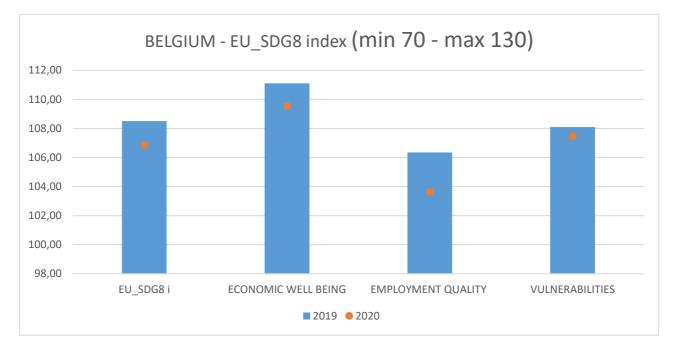
#### **RECOMMENDATIONS**:

- More resources should be given to investments in Health, and economic, social and institutional resilience.
- The NRRP should better implement EPSR priorities especially in the part that reinforces social protection and namely, access to essential services, long-term care, unemployment benefits, childcare and support to children
- Other priority areas for social progress are health and safety at work, employee participation, gender equality and active support to employment.
- Activate social dialogue to reduce the mismatch between NRRP social priorities and expectation of Austrian workers



#### BELGIUM

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According to the EU\_SDG8i, the economic effects of the pandemic has deteriorated the Belgian sustainability potential for sustainable growth and decent work. Employment quality has contributed to the deterioration of the index more than other factors and remains a major challenge for the sustainable well-being of Belgian workers.

#### INPUTS SUBMITTED BY ACV- CSC

#### MORE AND BETTER JOBS

Proposals from the Belgian Unions:

- Better rights for lifelong learning, with an effective enforceable right of 5 days of training/year for every worker
- improve the system of dual learning (combining training-work in an enterprise with 1 or 2 days education at school) for secondary school pupils
- improve the coaching of young people towards the labour market by a finetuned individual trajectory, starting by inventorying their competencies and solving the competencies gap towards the kind of job aspired
- combat discrimination at work (especially discrimination of people with migrant roots, older people, women) by introducing practice tests which actively search for discriminating practices in companies
- Make precarious contracts unattractive for employers :
  - punitive social contribution tariffs for very short term contracts (1 day contracts, abusive use of consecutive temporary contracts)
  - consider platform workers like Uber taxi drivers, meal suppliers, parcel deliverers, ... as workers , unless the employer/contractor can prove they meet a strict list of criteria/characteristics for independent workers
  - o invest in digital skills training for all categories of workers



- make STEM education more attractive for youngsters in order to fill in better the high number of job vacancies in the technological sector
- invest in skills needed for the green transition : new house warming technologies, isolation techniques for construction workers, ...
- give people without right of residence the right to enter the labour market legally anyway, in order to prevent exploitation
- make job descriptions in firms gender neutral (= a legal obligation)

#### SKILLS AND EQUALITY

Proposals from the Belgian Unions:

- better rights for lifelong learning, with a right of 5 days of training/year for every worker in companies with more than 20 workers. The enforceability of this right is not yet determined and a concern for trade unions.
- -many investments in digital training as part of lifelong learning for all kind of categories of workers, including low-skilled. Local civil society organisations will have access to finance if they provide digital competencies courses for people vulnerable of digital exclusion. Digital courses for imprisoned people.
- introduction of a learning account for every adult. Both the federal and the Flemish government want to introduce the learning account, which raises concerns about complementarity.
- introduction of a competencies balance for job seekers (Brussels)
- individualized activation trajectories for migrants with a training component
- inventorying the needs for reskilling of workers losing their jobs towards sectors with a high vacancy rate, especially with respect to the green transition (Federal government)
- establishment of a European school for biotechnology and health (Walloon government) to meet the needs for skilled workers in the biotech sector
- upgrading of state of the art training infrastructures (Walloon government)
- Learning and career offensive of the Flemish government :
  - o competency checks available for every worker, in order to facilitate career mobility
  - o organisation of 'transition points' where expansive sectors can expose career facilities
  - larger online training offer by VDAB (Flemish ALMP-agency)
  - training for temporary unemployed people
  - $\circ$   $\,$  right on leave for training (with compensation for the employer), not directly linked to the actual job

#### SOCIAL PROTECTION AND INCLUSION

Proposals of Belgian unions:

- the minimum wage will be raised by 01.04.2022 up to 1806 euro a month, with further increases up to 1870 euro by April 2026
- the limit for assigning the 'work bonus' (a reduction in the personal social security contribution ) for low wages will be increased accordingly
- the minimum pension for a full career will be increased up to 1500 euro



- the headline for anti-poverty policy remains : create jobs for everyone able to work, as work is considered as the best protection against poverty (though in work poverty exists in a relative small degree)
- integration policy is key as poverty strikes relatively harder people with migrant roots

#### **CONCLUSIONS**

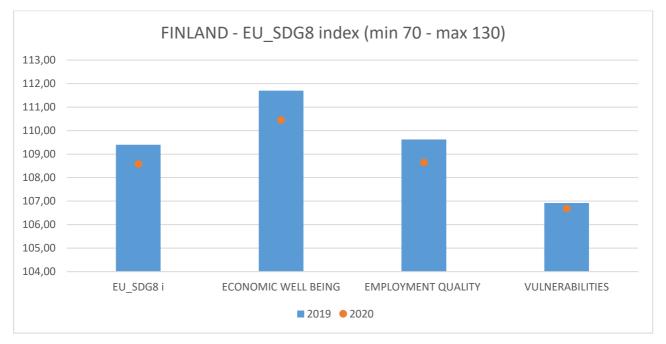
Some of the Trade Union proposals are measures included in the Belgian RRP. However, a mismatch between social priorities in the NRRP and Trade union priorities is present.

#### **RECOMMENDATIONS:**

- The Belgian national plans should give more space to investments for the green transition in particular investing in renewable energy and efficiency, green skills and jobs, and sustainable mobility.
- Investments and reforms should be directed to improve access to the labour market especially through active support to employment and access to VET. Decent wages and health and safety at work remains top priorities.
- Access to social protection has to focus mainly on adequate pensions and minimum income.
- Activate social dialogue to reduce the mismatch between NRRP social priorities and expectation of Belgian workers



#### FINLAND



According to the EU\_SDG8i, the economic effects of the pandemic has deteriorated the Finnish sustainability potential for sustainable growth and decent work. Economic wellbeing and quality of employment have contributed to deteriorate the performance while Finland remains high in the sustainability scale. Workers' vulnerability remains a factor of weakness for the Finnish development model.

#### INPUTS SUBMITTED BY STTK

#### MORE AND BETTER JOBS

#### Competence as a security for change, especially in areas of structural change, difficult to employ:

a. As part of the ongoing parliamentary reform of lifelong learning, improve access to and provision of training for people of working age to meet the needs of working life, especially for under-represented groups and sectors undergoing structural change, with high rates of redundancy or other threats of unemployment. b. In particular, strengthening digital skills and increasing the supply of digital training through pilot projects for the above groups.

c. Periodic trial of the introduction of competence surveys in workplaces affected by restructuring or corona. for the above groups. (Competence survey = comprehensive assessment of competence level, such as work ability surveys.)

#### SKILLS AND EQUALITY

Green transition

- EUR 20 million is proposed for the reuse and recycling of key materials and industrial by-products.

- EUR 15 million for the replacement of heating systems in buildings from oil to low-carbon heating.

- EUR 7.5 million is proposed to support private charging infrastructure in housing associations and workplaces. euros.

#### SKILLS AND EQUALITY

- A total of EUR 45 million is proposed for the Academy of Finland. an additional mandate for research infrastructures.

- Business Finland's authorization to grant EUR 12 million is proposed. EUR 40 million for locomotive projects. EUR 10 million increase. to support innovative growth companies.

- Continuing learning reform will start at EUR 7 million. euros.



#### Social and Health Services

- - EUR 45 million for the promotion of the care guarantee, digitalisation and liquidation of service and care debt.

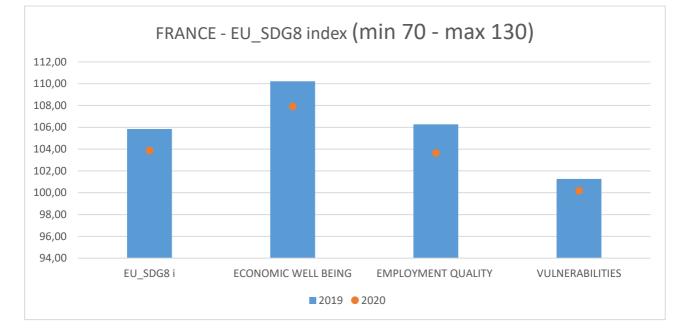
#### CONCLUSIONS

There is an alignment between social priorities of the NRRP and trade union priorities.

**Recommendations:** 

- Research and development is considered the top priority across the board of priority areas. Healthcare is the priority in the investment area for resilience and general, vocational and higher education in the policies for the next generation. Territorial infrastructure and services are also considered a priority
- In the social area, access to labour market needs investment especially in the area of education, training and life-long learning and active support to employment.
- Investments are needed to reinforce access to health care to essential services.





#### FRANCE

According to the EU\_SDG8i, the economic effects of the pandemic has remarkably deteriorated the French sustainability potential for sustainable growth and decent work. All the 3 sub-indicators (economic wellbeing, quality of employment and workers' vulnerability) have contributed to deteriorate the performance under the EU\_SDG8 indicator. Workers' vulnerability remains a factor of weakness for the French development model.

#### INPUTS SUBMITTED BY CFDT

#### MORE AND BETTER JOBS

The CFDT is asking for more public spending in the service of the transition.

Regarding the volume of the recovery plan: there is not enough spending compared to the need to reduce greenhouse gas emissions. Climate investments remain insufficient in relation to needs, despite stimulus and investment plans.

France Relance must devote 30 billion euros to ecological transition (including 2022) and France 2030 15 billion over 5 years (i.e. 3 billion per year). France Relance's first evaluation report indicates that there is no guarantee that the environmental objectives can be achieved. As for France 2030, it focuses on sectors of "excellence", without charting a course for the transformation of our production and living methods. On the basis of the National Low Carbon Strategy, which does not yet include the upward revision of the European objective, an additional 59 to 62 billion euros should be invested in favour of the climate between 2024 and 2028.

As part of the France 2030 plan, the CFDT also deplores the fact that energy efficiency, which is key in the just ecological transition, is the major absentee from France 2030. The investment plan must be conditional on commitments in terms of employment, skills, fair sharing of value. Finally, these investments must be programmed and assessed with regard to their impacts in ecological and social terms. The financial resources deployed in the recovery plan must be sustained over time to achieve the objectives, particularly in terms of ecological transition.

The CFDT is asking for more investment, which will stimulate employment. The OFCE estimates that there is an additional budgetary space of €100 to €200 billion. It is thus possible to double or triple the first French recovery plan, or at least to make the investments necessary for the just ecological transition. We must



assume the fact of financing investments through debt. The current weakness of European funds does not make it possible to finance all the necessary investments. Public investment will stimulate and guide the private investments needed for the ecological transition.

One of the objectives of the RRF being territorial social cohesion, the CFDT recalls the importance of investment in public services: the majority of public investments are made by local authorities in France. Quality public services are of central importance for territorial cohesion. This is a key issue of the just ecological transition.

#### SKILLS AND EQUALITY

*Training*: In terms of employee training and protection, the CFDT is asking for the consolidation of support and support systems for the retraining of employees, in particular to better articulate them.

*FNE*: the possibility of implementing training during the period of partial activity has been used very little overall, despite additional funding offered by the public authorities as part of the national employment fund (FNE Formation). Beyond the crisis situation, it is clear that the government's choice to remove the incentive for training through better compensation for workers (100% of the salary) is an explanatory element, to be questioned in the future.

*APLD*: Beyond these positive points, it should be noted that partial activity (short working time schemes) has almost exclusively protected employees on permanent contracts. Even though partial activity is possible regardless of the nature of the employment contract, employees on fixed-term or temporary contracts have hardly benefited from it: employers have terminated their contracts and they have had to register with the unemployment, with less attractive compensation and above all coverage imitated over time (in May 2020, one million additional jobseekers registered with Pôle Emploi). This is an example of the segmentation of the labour market in France, i.e. a multi-speed labour market that more or less excludes people in precarious jobs.

Finally, partial activity was financed for a third by Unédic, which contributed to the very sharp increase in the indebtedness of the joint scheme (14.2 billion solely linked to this measure). The trade union and employer organizations managing this scheme unanimously share the fact that this "Covid debt" must be financed by national solidarity and must, in one way or another, be taken over within the framework of state financing.

Skills: For the CFDT, investment in the training of job seekers, particularly the least qualified and long-term unemployed, is essential: it should make it possible to reduce the major inequalities in access to training and remains one of the responses to unemployment

But the training offered and followed should first be certifying training, which is not necessarily the case, in particular for training financed by Pôle emploi (40%, the rest concerns: improvement, upgrading, adaptation, knowledge basic ...). This is why the CFDT defends the idea of support helping to build training courses (several stages sometimes essential for certain groups in great difficulty) aimed at certifications.

Unemployment insurance: The CFDT continued to fight the implementation of the unemployment benefit reform decided by the government before the crisis. It is for the CFDT an unfair reform and all the more incomprehensible in the period, while very many aids continue to be paid for companies and that the bonusmalus on unemployment contributions (incentives to a limitation of contracts short) is not implemented.

#### SOCIAL PROTECTION AND INCLUSION

*Unemployment insurance:* The CFDT continued to fight the implementation of the unemployment benefit reform decided by the government before the crisis. It is for the CFDT an unfair reform and all the more incomprehensible in the period, while very many aids continue to be paid for companies and that the bonusmalus on unemployment contributions (incentives to a limitation of contracts short) is not implemented.

*Poverty:* Less than 1% of France recovery allocated to the fight against poverty.



Problem of poor workers (2 million in France): problems in collective bargaining in France + problems of wages that are too low. Worrying rise in poverty and the need to take into account the most precarious in this recovery plan. Measures have been taken but they remain insufficient.

#### Youth

The CFDT notes the weakness of certain measures (see financial aid, which is sometimes low and not permanent) and the risks of a scattering of resources and low visibility. It should be noted that the operators (in particular the local missions) were very quickly overwhelmed by the number of young people they had to support: the additional resources granted were not sufficient to support the young people most in difficulty.

#### INPUTS SUBMITTED BY FO

#### MORE AND BETTER JOBS

Employment policies need to be based on an honest assessment of employment figures beyond any announcement effect or electoral stakes. In France, the latest unemployment figures, published by INSEE on 18 February 2022, show a significant drop in the fourth quarter of 2021, with the rate falling to 7.4%, the same level as in 2008, which the government welcomed. However, on closer examination, while the number of jobseekers, as defined by the ILO (INSEE figures), is indeed roughly equal to that of 2008 (2.2 million), the number of halo jobseekers has increased to nearly 1.9 million, i.e. more than 400,000 more than measured in 2008. This corroborates what we detected in the Pôle emploi figures (number of jobseekers registered with Pôle emploi) where, on the one hand, the overall drop in categories A, B and C (-6% in metropolitan France over one year) does not prevent us from remaining at a record level (3, 1 million in category A and 5.4 million in categories A, B and C in 2012 and 2.3 million in category A and 3.3 million in categories A, B and C in 2008).

Not to mention the fact that there were 347,000 jobseekers in category D (in training) compared to 189,000 in 2008 and 360,000 in category E (starting a business or on a subsidised contract) compared to 218,000 in 2008. In addition, the number of administrative deregistrations increased sharply in 2021 (+44.9%). The share of unemployment in the total active population (and not only in the employed and unemployed as defined by the ILO) is 18.7% in 2021 (active population of 28.9 million) compared to 11.8% in 2008 (active population of 28 million). We had also already pointed out that the record level of business start-ups should be tempered by the large share of self-employment (including platform workers, who are often misclassified as having employment status).

FO demands the right to permanent full-time employment on a permanent basis for all, from the moment young people start working until retirement for older workers. FO demands effective professional equality between women and men (wages, jobs and careers). Similarly, FO demands the implementation of the necessary means to access and maintain employment for people with disabilities. FO demands an end to the abuse of short and very short contracts which constitute the vast majority of initial hirings.

FO demands the abandonment of the reform of unemployment insurance included in the NRP, depriving jobseekers suffering from precariousness of their legitimate rights and exonerating them from effectively tackling the abuse of short contracts. FO also demands that Pôle emploi be given the human and material resources necessary to provide quality support to job seekers.

FO also demands an end to the cascade of subcontracting and outsourcing processes that lock employees into low-wage traps throughout their working lives, with no hope of escaping.

FO says that wages are not the enemy of jobs, nor of the climate. The enemy of employment, the enemy of the climate and of social justice are the financial markets disconnected from the real economy, financial speculation, tax evasion and dividends paid, the race for competitiveness in a context of globalisation without any social or environmental barriers. FO demands a profound revision of the modalities of European construction, which breaks with the primacy of competition, free markets and austerity budgetary policies, and makes peace, social protection and workers' rights the priority.



For equality in employment, FO demands - an increase in the number of childcare places with additional funding to guarantee the quality of childcare and the working conditions of employees. Equal pay is also a determining factor in strengthening women's employment. To this end, FO is calling for: - an increase in the minimum wage to 80% of the median wage and an increase in the index point in the civil service; - an increase in the value of low-paid and part-time jobs, which are more often occupied by women (second-line customer service, "essential jobs", etc.); - a thorough review of the equality index and a real obligation to re-evaluate classifications in the branches, as well as an obligation to compare jobs within the company, all within the framework of collective bargaining.

For the sectors most affected by the conflict in Ukraine, in order to protect employees from redundancies, FO supports the activation of the Long-Term Partial Activity (LTPA), which provides more favourable compensation for employees than the common law partial activity rate (FO still contests that the government has lowered this rate).

#### SKILLS AND EQUALITY

Faced with the major environmental and climate challenges, FO calls for an ambitious and massive research, development and public investment policy to meet the challenges of transitions. Mitigation and adaptation to global warming and environmental protection require an effective policy of social justice. For FO, an economic activity, source of growth and progress, and preserving the environment, must be based on a strong industry and services, developing quality jobs. FO supports binding regulation of the financial markets, the strengthening of tax administrations and the role of public banks and regulated savings, in order to guarantee stable financing of public and private investment.

FO considers that all employees must be able to increase their level of qualification through continuing vocational training and defends the individual right to training leading to qualifications, the restoration of the CIF, diplomas and professional titles recognised in collective agreements, vocational schools and the AFPA.

On the occasion of the presentation of the France 2030 plan in October 2021, an update of the "France Relance" plan which included the PNRR, FO recalled that it has always supported the need for an industrial policy, endowed with a strategic vision and steered by the State within the framework of long-term planning. After several decades of de-industrialisation, industrial recovery is all the more necessary as the health crisis has revealed the deficiencies and dependence of supply. It must lead to the protection of the population as a whole, employees and employment as well as wages in the face of the vagaries of the market and the challenges brought about by digital transformation and climate change by reinstating an economy at the service of progress and social justice. As it has long been demanding with regard to the various public aid schemes for companies, all the more so in the context of their massive deployment in the face of the health crisis, FO reaffirms the requirement that the public funding committed, loans, aid, subsidies or tax cuts, must imperatively be conditioned to objectives and associated with close monitoring, evaluation, control and possibly sanctions in the event of breaches of commitments. FO stresses that it is still too often necessary to mobilise against the closure of industrial sites and for the maintenance of jobs in activities considered as strategic or against job cuts with no other purpose than financial profitability.

More globally on the just transition, the law n° 2021-1104 of 22 August 2021 on combating climate change and strengthening resilience to its effects, also known as the "Climate and Resilience" law, set out the main guidelines for the climate transition in France.

Concerning the section on production and work, FO demands - Maintain the overall operating allocations from the State. - Strengthen the financial and human resources of the public sector within the framework of new missions aimed at meeting the objectives of the Climate & Resilience Act. - Give priority to the branch level for negotiations on the forward-looking management of jobs and skills (GPEC), which now includes the challenges of ecological transition. - Create local jobs to truly reconcile the ecological and social dimensions. - Strengthen the financial and human resources of skills operators (OPCO) to ensure their new mission of informing and supporting companies and professional branches in the face of ecological transition issues. - Guarantee the supply of electricity and the quality of service to all at lower cost throughout the country



within the framework of the declaration of the multi-annual energy programming by regional objectives. -Renationalise EDF and strengthen the republican public energy service.

Concerning the section on mobility, FO demands - To ensure the means of transport guaranteeing economic development and territorial development. - To promote the complementarity of transport modes. - To put in place a regularisation and a regulation in order to avoid dumping problems. - Review the conditions for the allocation of aid for the purchase of a "clean" vehicle. - Create a zero-interest loan for the remaining cost of replacing a vehicle. - The development of free parking facilities. - Providing additional time for training drivers in eco-driving.

Finally, concerning the housing component, FO asks: - To develop a quality trade sector in the building industry. - Set up a public investment programme (State and local authorities). - Strengthen financial aid for renovation, simplified and accessible to all. - Support and advise households via free one-stop shops. - Ensure decent and accessible housing for all.

#### SOCIAL PROTECTION AND INCLUSION

FO reaffirms its attachment to the founding principles of social security in France, which remains one of our greatest social achievements based on solidarity and social contributions. For FO, the founding principles of our social model must remain equality and solidarity to ensure the universality of beneficiaries and guarantee access to better quality care. FO is opposed to the nationalisation of social security and to a reinforced financial approach leading to a system of minimal public assistance, to the desertification of the territorial presence of social security organisations, to the massive elimination of staff and to the disappearance of the Mutualité Sociale Agricole. FO recalls that loss of autonomy constitutes a risk in the same way as any other disease. FO therefore considers that this risk should be covered by the health branch of social security and is opposed to the exclusion of pensioners and disabled people from health insurance and, consequently, from one of the founding principles of social security: solidarity.

FO reaffirms its determination to defend a pay-as-you-go pension system based on solidarity and intergenerational solidarity and to strengthen and improve the provisions of the current system and its schemes, in order to guarantee a high level of pensions for all. FO has prevented the introduction of a universal points-based system, the aim of which was to reduce the level of pensions and push back the retirement age. FO solemnly reaffirms that it will oppose any further increase in the retirement age, whether it be by means of a legal age, a full rate, pivotal or equilibrium age, or by extending the length of working life.

The health crisis has once again underlined the essential role of the civil service and public services, which are essential to social cohesion and the fight against inequalities, and factors of economic efficiency. FO demands a strengthened statutory civil service for public employees, capable of meeting the fundamental needs of the population. It demands a halt to job cuts, the closure of services and the recruitment of permanent civil services (SNCF, EDF, RATP...), which lead to a deterioration of the offer, the closure of sites, the loss of proximity for the population, a degradation of labour rights and an increase in fares.

FO demands a profound tax reform to restore the progressive and redistributive nature of taxation by reducing the share of taxes on consumption and taxes, which affect all households regardless of their level of income or wealth. FO affirms that the continuation of budgetary austerity policies would be a nonsense and is determined to oppose them. FO denounces the weakness of the provisions for the control of financial markets and the maintenance of optimisation mechanisms that favour tax avoidance. Financial profits and speculation remain at record levels, not to mention the successive financial scandals. This evaporation of wealth takes place at the expense of access to social protection for all and investment in infrastructure and public services.



In the face of rising prices, growing inequalities and the explosion of dividends to shareholders, FO demands a general increase in wages through - the significant revaluation of the minimum wage to 80% of the median wage and the revaluation of the conventional wage grids, - the revaluation of the civil service pay index, - making public aid to companies conditional on the negotiation of wages, the maintenance of jobs and the prohibition of dividend payments, - the increase of pensions and the return to the indexation of pensions on the evolution of wages. FO strongly demands the essential role of collective bargaining for the redistribution of the share of wealth produced by economic activity in the form of wages - direct and deferred - and the management of solidarity-based collective social protection systems.

Since the summer of 2021, FO has been highlighting the issue of wages and purchasing power, due to inflation, as a key concern for employees. Raising the minimum wage and the index for civil servants would have had and would have the merit of attenuating the inflationary shock that has just been added with the conflict in Ukraine. FO insists that the population in difficulty is increasingly large - the government itself having recognised, in defining the threshold for the December inflation allowance at  $\xi$ 2,000, that more than half of employees (earning below the median wage) were already facing difficult ends of the month due to the cost of energy, fuel and food.

FO is calling for measures that lead to blocking and lowering these costs - extension of the tariff shield, cushioning of food and consumer goods prices, compensation of fuel costs especially for workers who have to use their cars to go to work and work. Wage increases, in many sectors that cannot invoke the situation because they are not particularly impacted, remain topical. In this context, FO calls for binding measures, which prohibit any payment of dividends, so that the record profits that have been made, particularly in recent months, are effectively redirected towards financing public measures to support the purchasing power of employees and households as well as employment.

#### **CONCLUSIONS**

There is a huge mismatch between the governments' priorities set in the NRRP, strongly focused on principle 1 of the EPSR and trade union envisaged priorities that move across the 3 chapters of the EPSR with a particular emphasis on access to the labour market.

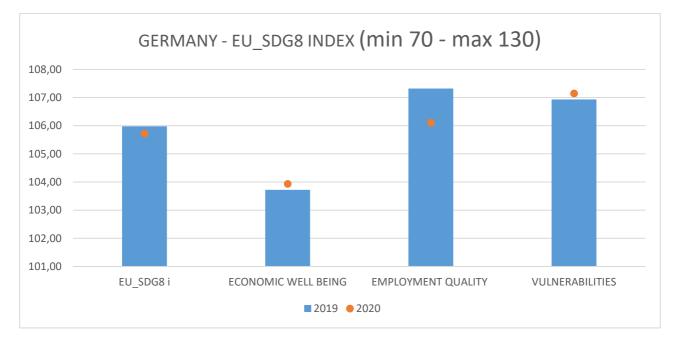
#### **RECOMMENDATIONS:**

- Concentrated investments in the green agenda but greater attention to green skills and jobs and a sustained support to investments in social and territorial cohesion. Fairer taxation and youth employment are 2 other priorities.
- Improve the impact of the NRRP on access to labour market and in particular reinforcing investments in promoting gender equality and active support to employment. Decent wages and adequate unemployment benefits are also a priority.
- Improve effectiveness of social dialogue to reduce the mismatch between NRRP social priorities and expectation of Belgian workers



#### GERMANY

Additional info: <u>https://est.etuc.org/toolkit/SitePages/psra.html?guid=b3440b22-b080-4973-ac2e-2886095af291</u>



According to the EU\_SDG8i, the economic effects of the pandemic has left the sustainability potential for sustainable growth and decent work substantially unchanged. However, the employment quality has declined, so breaking a decade of slow but persistent improvement of the EU\_SDG8 index. Economic well-being remains a factor of weakness for the German development model.

#### INPUTS SUBMITTED BY DGB

#### MORE AND BETTER JOBS

### *Employment target: By 2030, at least 83% of the population in Germany between the ages of 20 and 64 should be employed. (currently 80%).*

From 2010 to 2020, the employment rate rose from 75% to 80% despite the corona pandemic. The new target of 83% is understandable given the unemployment figures: an increase of 3% would mean an increase of 1.46 million in today's population, more than half of the 2.3 million unemployed. In order to achieve this goal, the approximately 1 million long-term unemployed would have to be integrated in the labour market, in particular through qualification (see below). An increase in the employment rate among older workers from 71.8% to 77% is a welcome goal and, given the difficulty of returning to work for older workers, can only be achieved through intensive support for this group.

However, the employment rate in the German labour market is a very inadequate indicator. The German labour market is characterized by an above-average, precarious labour market, a pronounced low-wage sector and a comparatively high proportion of women working part-time. The employment rate also includes these forms of work, even if the employees concerned are not protected from poverty (see below) or other socio-economic risks.

In addition to the goal of merely increasing the employment rate, the goal must therefore also be to increase the proportion of employment that is subject to social security contributions. This goes hand in hand with the EU's poverty reduction target. The employment participation of other disproportionately disadvantaged groups in the labour market, such as socially and educationally disadvantaged people and people with a migration background, should not only be focused on quantitatively but also qualitatively when implementing the EU employment target.



#### SKILLS AND EQUALITY

#### Continuing education: increase participation in continuing education to 65% (2018 level: 52%) [EU target 60%]

The OECD has written down a comprehensive need for improvement in further education in Germany ([1] https://www.oecd.org/berlin/presse/deutschland-braucht-ein-kohaerenteres-weiterbildungssystemdas-die-beduerfnisse-geringqualifizierter-besser-beruecksichtigt.htm). The constantly accelerating ecological and digital structural change makes the need for operational qualification and professional training more and more acute. Collective agreements and company agreements dealing with further qualification are not very widespread. Therefore it is not enough to rely on social partner and company-based model. A stronger role of the state is necessary. The need for lifelong learning has been emphasized for years, but despite the expansion of funding options for in-company training, the uptake of the offers has hardly changed – and by no means sufficiently so. Obstacles continue to be the lack of transparency in further training offers, a lack of willingness or capacity on the part of companies (especially in the case of SMEs), and a too reactive (as opposed to preventive) role of further training in labour market policy.

Above all, people with already low qualifications are left behind. The OECD country report on continuing vocational training confirms that Germany pays too little attention to the needs of the low-skilled, even though their needs are the most urgent: 60% of the long-term unemployed have no vocational qualification, at the same time it is unskilled work that, in the course of the transformation, is in danger of being potentially substituted. In addition to this, those who are marginally employed or on a temporary basis are largely excluded from further training activities in the company. When setting targets, it is important that even with the planned increase of 13%, low-skilled workers are not left behind. Further training should not solely focus on the retraining of highly-skilled workers.

#### SOCIAL PROTECTION AND INCLUSION

Poverty: Reduction in the number of people in households with very low work intensity by 1.2 million people, including 300,000 children (as of 2019: 4.7 million people, including 0.7 million children; as of 2020: 5.4 million people, including 1.3 million children)

The EU aims to reduce the number of people at risk of poverty or social exclusion by at least 15 million by 2030, including at least 5 million children.

The federal government intends to propose to the EU Commission that the number of people in households with very low work intensity be reduced by 1.2 million by 2030, including 300,000 children, as a national German target for combating poverty.

#### Evaluation of the reference to the sub-indicator "very low work intensity"

From the point of view of the DGB, the sole reference to the sub-indicator "very low employment intensity" reduces the understanding of poverty to an inappropriate and under-complex perspective. There is a risk that important fields of action for combating poverty will be overlooked. In Germany, for example, single parents are disproportionately affected by poverty, although almost half of employed single parents work full-time. In a long-term comparison, poverty in old age has increased and child poverty has also reached a sad record. Some of these groups, which are particularly affected by poverty, are not covered at all by the selected sub-indicator. There is the danger that the fight against poverty is not effectively carried out if the focus is primarily on increasing the employment intensity.

In German poverty research and policy, poverty is primarily understood as income poverty. People who are poor or at risk of poverty are those whose income – seen in the household context – is well below the median income. This is operationalized by the poverty risk limit of 60 percent of the middle income (median).

This conception and measurement of poverty is appropriate. In a society in which there are no significant free offers - for example in the areas of mobility, leisure activities, culture or sport - income is the central



dimension that decides whether an adequate supply of material goods and sufficient social participation is possible are.

From the point of view of the DGB, the overarching aim of combating poverty must be to use a bundle of measures to ensure that lower incomes rise disproportionately and that they can catch up to the middle. The approach planned by the Federal Government of basing the national goal of combating poverty on the indicator of very low work intensity does not do justice to this.

#### **CONCLUSIONS**

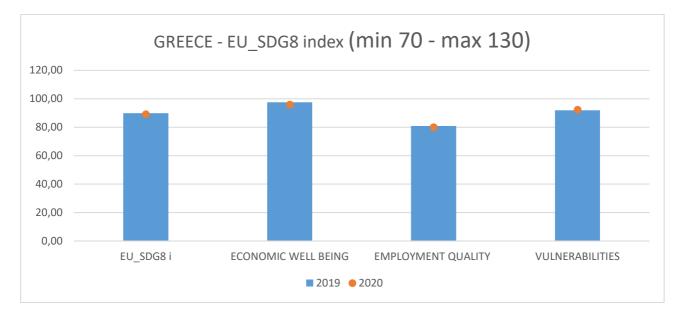
There is a huge mismatch between the governments' priorities set in the NRRP, mainly due to a different view on what has to be prioritised. While there is a common understanding to give prompt application of principle 1 of the EPSR, workers would benefit more from a swift implementation of chapter 3 of the EPSR and namely, adequate unemployment benefits, minimum income and pensions.

#### RECOMMENDATIONS

- The NRRP should priorities investments for the green transition, especially in green skills and jobs. Such investments should be complemented with greater attention to investments in smart, sustainable and inclusive growth and investments in human capital in digitalisation.
- Social dialogue, at all levels, is key to achieve a full and effective implementation of the NRRPS. The necessary improvements in social protection can only be achieved by reducing the share of atypical, precarious and low-wage work on the one hand and intensified efforts to raise the level of minimum income to a level which protects from poverty.
- Improve conditions for higher wage growth and decent work by implementing political measures that lead to higher collective bargaining coverage.



#### GREECE



According to the EU\_SDG8i, the economic effects of the pandemic has slightly deteriorated the Greek sustainability potential for sustainable growth and decent work. However, Greece ranks among the worst performer in terms of decent work (very far from the top score 130). The Greek EU-SDG8i stays below the 2010 levels and the sudden stop in the progression of all dimensions of sustainable growth and decent work remains a source of great concern.

#### INPUTS SUBMITTED BY GSEE

#### MORE AND BETTER JOBS

Democratic reorganization of labour relations and Collective Law:

- Enhancement of disposable income in wage labour with the promotion of the minimum wage predominant.
- National Social and Development Agreement, a Modern SOCIAL CONTRACT of obligations and rights for all and the political order, business and work.

Strengthening of BCCs:

- To redefine the 6th P.Y.S. according to the Spanish standards, with an unlimited duration of the Collective Agreements, the branches of the business contracts should prevail, they should be universally valid and extended by a simple decision of the Minister, the time limits of the contracts should be regulated, the types of contracts should be redefined and so-called "zero" contracts.

We propose the institutionalization of the employer of last resort. It could be financed from the resources available on Axis 3. The social and developmental dimensions of this institution are many:

- increasing the volume and quality of employment,
- enhancing macroeconomic stability and ensuring price stability,
- improving the quality of life and equal opportunities,
- contributing to ecological sustainability and green growth,. contributing to productive transformation and countries' resilience to economic turmoil.

That is why we propose to include in the National Plan the following employment evaluation indicators that also serve Objective 8 of the UN Agenda 2030:

- increasing productive and decent work,
- strengthening wage equality between women / men,
- strengthening equal employment opportunities for all,
- reducing informal employment,
- the proportion of young people out of work, education and training,



- protecting fundamental employment rights and promoting safety in the workplace.

In addition, in the same context, special care needs to be taken in the design and implementation of active employment policies to avoid their transformation as a tool for recycling unemployment and replacing existing labour with lower pay and almost 100% subsidy to businesses.

#### SKILLS AND EQUALITY

While the Government's priorities are the digital and green transition, there are no specific guarantees as to how a fair transition will be ensured.

#### SOCIAL PROTECTION AND INCULSION

Mainly with the increase of the minimum wage in May 2022, which had increased by 2% in January 2022. This increase is not considered sufficient to fight poverty. Increase to 751 euros this year and its determination by agreement of the social partners through ESS. A bigger and braver increase in the minimum wage is needed to protect against poverty and the intensity of inequality. A serious increase in the disposable income of employees is needed to deal with the consequences of accuracy.

#### **CONCLUSIONS**

There is a total mismatch between governments' social priority in the NRRP and those that trade union would consider a priority.

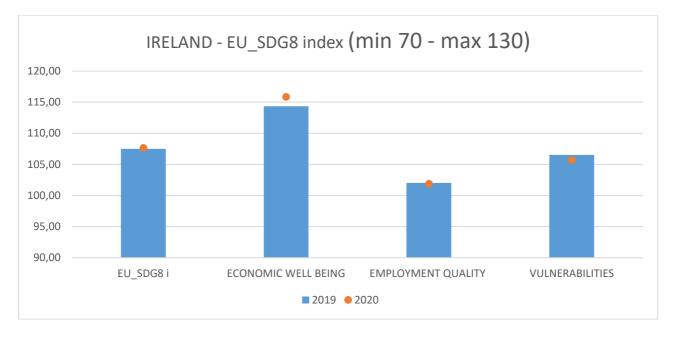
#### RECOMMENDATIONS

- establish a more balanced mix of investments that reinforces social territorial cohesion while promoting green skills and jobs, and human capital in digitalisation. Policies for next generations should be better focused on general, vocational and higher education.
- Social investments and reforms should ensure progress under chapter 2 of the EPSR to improve working conditions and remove vulnerabilities at work and promote equal opportunities. Minimum income, access to social protection and access to essential services are also a priority.
- Improve effectiveness of social dialogue to reduce the mismatch between NRRP social priorities and expectation of Greek workers.



IRELAND

Additional info: <u>https://est.etuc.org/toolkit/SitePages/psr?guid=eb433961-9fae-467b-8bde-a0a0b218b52e#:~:text=Download%20Attacched%20Document</u>



Ireland is the only country that improved its performance under the sustainable growth and decent work index. As remarked in past reports, it is mainly due to the specific structure of its economy and consolidation of profits of multinational companies that have their headquarters in Ireland. The sub-composite 1 is driving the global EU\_SDG8 index up notwithstanding a slight deterioration in the area of workers' vulnerability. Moreover, this should not hide that employment quality in Ireland still represents a weakness of the Irish development model.

#### INPUTS SUBMITTED BY ICTU

#### MORE AND BETTER JOBS

ICTU understands that the Irish Government is negotiating an employment rate target of 78% with the European Commission. We believe that this is somewhat unambitious.

Ireland's target under the Europe 2020 strategy was 69-71% for 2020. Ireland achieved this rate by 2016 and reached 75% in 2019, before falling back to 73% in 2020. Ireland was considered 'on average' under the last pre-pandemic Social Scoreboard, so 78% does not seem over ambitious. We have proposed a target of at least 80% and also proposed that Ireland agree sub-targets for particular cohorts (e.g. for women, people with disabilities), similar to the sub-targets set by some other member states under the Europe 2020 strategy.

We have also proposed that the strategies to achieve the Porto targets be accompanied by a broader strategy to implement the Pillar of the Social Rights, focusing initially on the areas where Ireland was judged as 'average' or lower in 2019 and areas that have seen a deterioration in Ireland's performance since 2019.

#### SKILLS AND EQUALITY

Regarding the digital transition, Ireland's Recovery and Resilience Plan sets out a number of measures that already formed part of pre-existing Government strategies. These include: (i) a Digital Strategy for Schools 2021-2027; (ii) a 10 Year Adult Literacy, Numeracy and Digital Literacy Strategy to help individuals build their digital literacy; (iii) a measure to increase the number of graduates with high level ICT skills; and (iv) a measure



to support the access to ICT devices, notably by enabling further and higher education institutions to provide laptops to disadvantaged students.

Regarding the green transition, the focus is on a Green Skills that aims to equip workers with green skills and skills to transition into growth sectors of the economy by offering a range of educational and training programmes

Unfortunately, there is no apparent recognition of the need to implement these measures within a broader just transition framework.

#### SOCIAL PROTECTION AND INCLUSION

There is no explicit measure in Ireland's National Recovery and Resilience Plan to achieve this target.

The only measure that would in any way be relevant to this target are measures to increase the provision of social and affordable housing.

The measures related to pensions are intended to simplify and harmonise the supplementary pensions system.

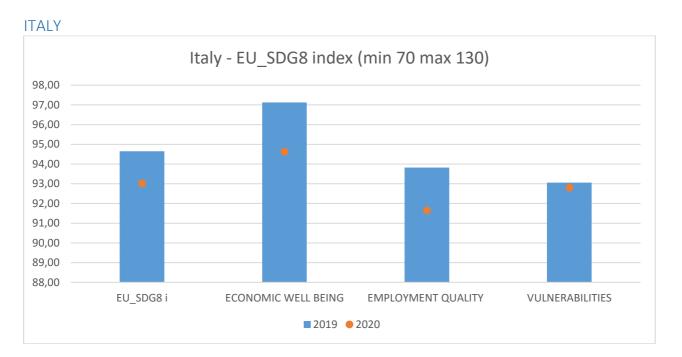
#### **CONCLUSIONS**

There is a partial matching between social priorities in the Irish NRRP and the trade union priorities. Mostly due different priorities but a common understanding that access to labour market and equal opportunities are a core priority for the country.

#### **RECOMMENDATIONS:**

- The NRRP should finance a more balanced mix of investments that move across the board of priorities with specific emphasis on green sills and jobs, human capital in digitalisation and policies for the new generation. Social housing, social infrastructures and modernisation of labour markets are also a priority.
- While keeping a core focus on access to the labour market and equal opportunities, improving investments in health and access to care. Decent wages remain a priority.
- Improve social dialogue as overall policy in the development model of the country and to better reflect key expectations in the NRRP.





According to the EU\_SDG8i, the economic effects of the pandemic has remarkably deteriorated the Italian sustainability potential for sustainable growth and decent work. Economic wellbeing and quality of employment have contributed to deteriorate the performance under the EU\_SDG8 indicator. Workers' vulnerability remains a factor of weakness for the Italian development model.

#### INPUTS SUBMITTTED BY CGIL

#### Additional info: <u>https://est.etuc.org/toolkit/SitePages/psra.html?guid=d0089ef0-e324-4c56-a6c6-</u> b7ed03c8d00b

#### MORE AND BETTER JOBS

The primary necessity of the Italian labour market is an increase in the employment rate and quality of employment, through the increase in the number of jobs available as well as higher rights and wages. We ask for public intervention that stimulates the creation of jobs, in the private as well as in the public sectors, through investments and direct hiring in the sectors most suffering due to a very long block on turnover determined by austerity policies.

This is, together with a season of contract renewals, the main way to increase the share of wages on GDP and rediscover the goal of full and good employment ..

It is necessary to activate the large quantity of NEETs in our country and to fight precarious, discontinuous work, involuntary part time, which is very widespread especially among young people and women. Job creation would also give a boost in this direction.

#### SKILLS AND EQUALITY

In the Italian PNRR it is foreseen that the government intends to strengthen vocational education, in particular the tertiary vocational training system (ITS) and STEM education, with a strong priority on gender equality. Among the flagship programs there is the item reskill and upskill in relation to the transitions.

The green and digital transition plan must see, among its tools to govern the transition, the training of workers employed in the productions that will have to be dismantled to make way for decarbonised / digital processes. However, investments (public and private) in both directions will be more important in order to effectively guarantee an adequate number of job opportunities.



The education and training system is an infrastructure of citizenship and democracy as well as a strategic tool for addressing the challenges of sustainable development: the emergency must allow our country to recover the historical social and territorial gaps in the school and university system through a plan of extraordinary public investments, strengthen and enhance the knowledge system and respond to the inequalities that have widened the condition of educational poverty which in the pandemic phase was further aggravated.

#### SOCIAL PROTECTION AND INCLUSION

To address the main social vulnerabilities in terms of material poverty and housing deprivation, we want to aim at strengthening social services, the adoption of innovative models for taking care of the most fragile subjects with social housing initiatives both of a temporary and definitive nature. Specific interventions to strengthen the services and social networks of territorial assistance will make it possible to extend the programs for the prevention of family crises and their consequences on children.

Interventions on the education / education front are also aimed at preventing educational poverty, often a cause of social exclusion in adulthood.

A discussion is open with the Government regarding the reform of social safety nets also in relation to the just transition.

As mentioned, for our organization, the first tool to fight poverty is work.

An extraordinary plan is needed to combat exploitation in work and illegal work, also by strengthening the tools to prevent and combat illegal work (from law 199/2016 to the DURC for congruity to the strengthening of inspection services), with a public placement model for most exposed sectors (domestic workers, logistics, agriculture) and a regularization plan for all migrants present in our country.

#### INPUTS SUBMITTED BY CISL

#### MORE AND BETTER JOBS

All the professionals involved in the implementation of the PNRR and the related reforms must be able to provide for forms of professional / contractual stabilization, always safeguarding legality. Furthermore, particular attention will have to be paid to female and youth employment and to vulnerable areas. Active employment policies, vocational apprenticeships, lifelong training and professional updates will therefore be strengthened, in the light of the evolutionary process put in place by the Recovery and Resilience Plan. Passive policies will also have to respond to the universalistic principle, guaranteeing safeguards in the ecological and digital transition processes. Positive solutions will be found to the productive crises generated as a result of the evolutionary processes of the production system and the labour market. Particular attention will be paid to inclusive dynamics through the offer of quality services to citizens, taking care - with respect to the issues of demographic transition - of the problems linked to the aging of the population and to the birth rate.

#### SKILLS AND EQUALITY

All the professionals involved in the implementation of the PNRR and of the Education and Training must be guaranteed for the entire life span and not only with respect to the duration of the PNRR.

Training must therefore be strongly linked to active employment policies and formulas aimed at cultural enhancement of workers must be sought through medium / high school and university training courses that guarantee the workers themselves opportunities for professional, social and human growth.

#### SOCIAL PROTECTION AND INCLUSION

The guard must not be lowered with respect to the current measures aimed at combating social marginality and in particular poverty. In this sense, measures must be sought to contain the inflationary tensions that penalize the purchasing power of purchasing wages and pensions. In consideration of the increasing age and the occurrence of increasing chronicity phenomena in elderly people, useful measures will be sought to support the phenomena of non self-sufficiency by legally recognizing the work of caring for family members, mainly women. Specific attention must be paid to educational poverty by strengthening the fight against



early school leaving, especially in the urban suburbs and in the southern areas. Similar attention should be paid to supporting and welcoming new and old emigrations by identifying support measures and economic, social and labour integration. Controls aimed at guaranteeing the correct execution of professional services in compliance with safety and legality must be strengthened, contrasting all forms of undeclared work and grey economy.

#### **CONCLUSIONS**

Both answers show a weak level of alignment between social priorities in the NRRP and trade union expectations. This is due mostly to a different view about what policies should be pursued and prioritised in the NRRPs and a lack of constructive dialogue that involve

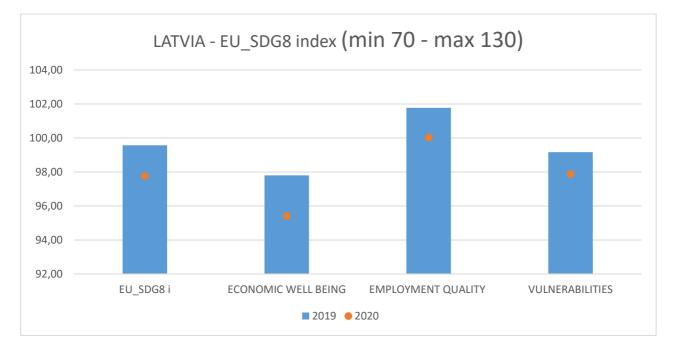
#### RECOMMENDATIONS

- Investments should more equally cover all areas across the board. Priority should be given to youth and non-youth employment measures. The green transition should be supported by a mix of measures that support just labour transitions.
- social priorities should be focused rather on access to labour market, equal opportunities and social protection, with special focus on women, people with disabilities and access to essential services. Health and safety is a priority in the area of working conditions.
- Improve social dialogue as overall policy in the development model of the country and to better reflect key expectations in the NRRP.



#### LATVIA

Additional info: <u>https://est.etuc.org/toolkit/SitePages/psra.html?guid=c65fed23-fe12-4ad9-9dec-6b08f11f19b8</u>



According to the EU\_SDG8i, the economic effects of the pandemic has deteriorated the Latvian sustainability potential for sustainable growth and decent work. All the sub-composites contributed to the deterioration even if economic wellbeing contributed to deterioration of the index more than other factors. Economic wellbeing and workers' vulnerability remain a factor of weakness for the Latvian development model.

#### INPUTS SUBMITTED BY LBAS

#### MORE AND BETTER JOBS

In order to promote the creation of quality jobs and the implementation of IAM No. 8 "Decent Work" it is necessary:

- to strengthen the tripartite social dialogue and to make proposals for changes in labour law only with the participation of the social partners;
- to regularly review the level of the minimum wage, ensuring its compliance with the increase in the cost of living;
- to promote the improvement of the collective bargaining system, further development, conclusion of collective agreements;
- to strengthen the implementation of trade union rights in practice, to facilitate the strike procedure;
- to promote the involvement of employees in the company's decision-making by strengthening the implementation of information and consultation rights and promoting the participation of trade unions in company boards;
- in co-operation with the social partners, to develop a policy and legal framework for the arrangement of new forms of employment and the introduction of control mechanisms, for balancing the tax burden on various forms of employment and for reducing it for the labour force.



The minimum wage is an important tool for tackling in-work poverty. It is a tool for the protection of lowskilled workers, increasing the purchasing power of low-wage earners. According to the CSB data, in 2020, 140,230 employees or 16.3% of the total labour force received the minimum wage or below. In a situation where the income of every sixth inhabitant depends on the national minimum wage level, it is important to develop a reliable, stable minimum wage regulation tool that ensures a sufficient income level so that any full-time inhabitant in Latvia can take care of at least the minimum living needs. In order to ensure a regular review of the minimum wage corresponding to the level of Latvian consumer prices, in order to ensure a decent standard of living, it is necessary to develop a mechanism for reviewing both the minimum wage and the non-taxable minimum.

Collective agreements play a key role in promoting decent work and improving working conditions. Raising the statutory minimum wage is not enough to increase the average wage and reduce inequality, which is the cause of the outflow of labour. In order to increase average pay and reduce inequalities, it is necessary to promote the negotiation, conclusion and existence of collective agreements, especially at sectoral level. In order to improve and strengthen the collective bargaining system and to promote collective bargaining, it is necessary to:

- together with the social partners, further extend the social partners' collective bargaining, in particular the autonomy of collective bargaining in labour law;
- to expand the range of issues and rules that can be regulated directly in a collective agreement;
- to provide advantages in public procurement for companies that have concluded a collective agreement;
- to provide advantages in public procurement for companies that have concluded a collective agreement;
- to reduce the tax burden by a certain amount on the benefits of collectively agreed transport costs to / from work, vocational and higher education, accommodation for employees and to extend these benefits to socially responsible employers, i.e. employers who meet certain criteria for respecting employment rights; and pay taxes.

#### SKILLS AND EQUALITY

A significant part of the RRF is dedicated to skills development, especially digital skills, but projects have not started yet. LBAS is cautious about skills development for those with low skills, as this group involvement is the most difficult and vulnerable to inequality, so achieving goals may be more difficult. It is important to carry out activities for the development of basic digital skills for all citizens, for example, by envisaging the inclusion of basic digital skills in curricula of all directions and levels, as well as free digital skills training for adults.

LBAS believes that it is important to pay more attention to the goals of reform and investment, which relate to the development of mechanisms for the development of in-depth skills and active participation of society in lifelong learning. The European Union Labour Force Survey shows that in 2019, only 7.4% of Latvia's adult population had participated in education and training in the last four weeks, which is less than the EU-27 average (10.8%).

There are several factors hindering the development of skills, including a detailed analysis of the OECD document "Skills Strategy Latvia". One of them is the low culture of lifelong learning, the low motivation of workers to participate in training, especially among those with low skills (more than one in three adults did not participate and did not want to participate in training during the 12-month period). Employers often do not provide paid study time, and the effective use of skills in companies is also important. We see a need for an individual approach to adult involvement in education, with trade unions (education ambassadors in companies) playing a role. The mass acquisition of resources in adult education may not have the expected effect, as learning must be targeted. The social partners are therefore in favour of setting up skills funds so that employers and employees can agree on the type and content of training required and take responsibility.



The second is the review of employment and adult education legislation to raise awareness of the importance of learning culture and its involvement in adult learning, both for workers and employers. We see RRF's contribution to regulatory expertise to improve the availability and quality of adult education. Finally, there must be a guaranteed period of paid training, which requires amendments to labour law.

In the opinion of LBAS, RRF does not sufficiently include workers with low skills and qualifications, taking into account that Latvia cannot base all economic growth only on a highly educated workforce.

In turn, a highly skilled workforce should be offered skills upgrades to increase labour productivity. LBAS emphasizes that the skills of a highly qualified workforce and their acquisition should be linked to potential productivity gains.

LBAS emphasizes that opportunities to acquire knowledge in non-formal education programs should be offered, thus promoting human self-growth and motivation.

Full implementation of the RRF will not be possible without additional domestic policy issues: if the vacancies of teachers and lecturers are not resolved at the national level, there will be no introduction of teaching staff and equal access to education.

In order to promote skills and equality at all levels of education, there is a need for a support system for young teachers, lecturers and trainers (in all educational institutions), a change in the generation of teachers, and competitive salaries for teachers, incl. university teachers and researchers.

#### SOCIAL PROTECTION AND INCLUSION

Latvia has traditionally shown one of the largest income inequalities between EU member states. Based on Eurostat data, the S80 / S20 income quintile index in Latvia in 2020 was 6.06, while in the EU-27 it was 5.42 on average. Consequently, LBAS emphasizes that Latvia should pay special attention to the development of wage and social protection policies aimed at reducing upward inequality. At the same time, solutions are needed to reduce inequalities between regions in Latvia, including the promotion of economic activity in the regions, the development of a policy for labour mobility support mechanisms and the development of skills development tools

An important step in reducing inequality is the ability of individuals to earn a decent living through properly declared quality employment, thus making social contributions to protect themselves and their families from various social risks, including old-age pensions. Quality jobs are characterized by the fact that employees have a decent wage that eliminates the risks of poverty, a safe working environment and opportunities for growth. World practice has shown that the most effective mechanism for achieving such goals is social dialogue and employee participation in company decision-making. It is important to include reforms and investment in reducing inequalities between the low paid, with measures to promote sectoral social dialogue and the negotiation of sectoral collective agreements.

In order to reduce the informal economy, in particular envelope wages and undeclared workers, which are exposed to significant growth risks as a result of Covid-19 and the restrictions imposed to combat it, as well as the threat of further emigration from Latvia, already points to the challenges of meeting the goals of decent work and economic growth. Given that the current efforts to combat the pandemic do not point to the possibility of a return to a pre-pandemic lifestyle in the near future, it is important for the social partners to work with policy makers to find solutions to enable able-bodied Latvians to participate in formal employment. This would require the establishment of a regular cooperation platform or the inclusion of informal economic issues in existing tripartite cooperation councils.

The provision of affordable health care plays a key role in reducing inequalities, given that health care and long-term care account for a large share of the population's expenditure. Low wages for medical staff encourage the migration of the medical workforce to countries with higher wages, an aging workforce and an acute shortage of doctors and nurses, respectively. This in turn affects the availability of health care. Due to the impact of Covid-19, the availability of publicly funded medical services has been reduced. This is due to the focus on emergency care, acute illness and treatment of Covid-19 patients in the public sector.



Outpatient treatment as well as day care were suspended under epidemiological rules due to the focus on the care and treatment of Covid patients. The situation was also exacerbated by the spread of Covid-19 among already understaffed medical staff. This led to longer queues for the population to receive state-paid services, with a particular impact on access to health care for the poor, such as pensioners.

Adequate pay is needed to raise the profile of the profession and to attract more young doctors to fill the gap in the medical workforce and stem the growing migration of health professionals to higher-paid countries.

#### **CONCLUSIONS**

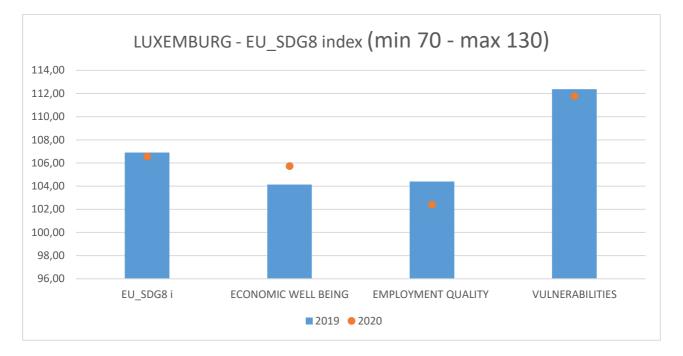
There is a mismatch between the governments' priorities set in the NRRP, mainly due to a different view on what policies have to be prioritised. A convergence of view exist on the need to invest in access to the labour market and social protection.

#### **RECOMMENDATIONS:**

- the NRRP should allocate more resources to Human capital in digitalisation and digital skills, policies for next generation and mainly policies for youth employment and childhood education and care. Investments should also improve labour market institutions and access of adults to training and education.
- Social investments should be directed mainly on equal opportunities on the labour market like VET, gender equality, equal opportunities and active support to employment and to better working conditions for stable jobs, decent wages and social dialogue.
- Impact should be sought also in the area of health and access to long term care.
- Improve social dialogue as overall policy in the development model of the country and to better reflect key workers' expectations in the NRRP.



#### LUXEMBURG



According to the EU\_SDG8i, the economic effects of the pandemic has slightly deteriorated the Luxemburg sustainability potential for sustainable growth and decent work. It is the combined effect of an improved indicator of wellbeing and a stronger deterioration of the quality of employment indicator. A fair distribution of wealth remains the weaker component of Luxemburg development model.

#### INPUTS SUBMITTED BY CSL

#### MORE AND BETTER JOBS

In view of the increase in long-term unemployment, we are asking for an extension of the normal duration of compensation (excluding extensions already provided for, in particular for the unemployed over 50 and difficult to place) beyond the 365 days in maximum per period of 24 months. Switching job seekers at the end of their unemployment insurance entitlement to other social assistance schemes, for example the social inclusion income (REVIS), will cause their resources to drop and, in many cases, place them below or very close to the at-risk-of-poverty threshold.

#### Reduce hardship at work:

Globalization and new information and communication technologies have led to new so-called mental burdens. Alongside the occupational risks linked to physical and chemical factors, there are developing psychosocial (or stress) risks linked to work, even if physical loads remain a reality for a whole host of professions. This is why working conditions must be improved, with checks to enforce the rules. Many scientific studies have shown that permanent stress-related loads go hand in hand with an increased risk of chronic diseases (cardiovascular, depression, etc.) and a form of premature mortality. The consequence is a deterioration of health and a premature departure from active life. The identification of psychosocial determinants and physical hardship, as well as the implementation of preventive actions in favor of health, including mental health, must take place from an early age, and continue throughout life. Better quality jobs for all ages are essential. In addition, the reduction of working time, without lowering the hourly wage, would promote longer careers.

#### Age management in business:

Older employees represent a growing share of job seekers and tend to remain so for longer and longer periods. It is therefore necessary to promote the employment of seniors through an age management plan.



Some countries have adopted provisions aimed at encouraging the hiring or retention of seniors in employment (France, Germany, Austria). The responsibility of employers is very real. It is necessary to anticipate changes in the company (massive retirements, innovation cycles, lengthening of the duration of activity, loss of knowledge in the company) and to respond to them preventively, by developing and adapting skills: concept of forward-looking management jobs and skills. In this context, the involvement of employee representatives is very important.

#### Focus on prevention:

The implementation of preventive health measures is also crucial, with a comprehensive and regular assessment of health and safety risks. It is necessary to take into account all the work situations and to be attentive to the physical, cognitive, organizational and psychosocial aspects likely to have an influence on health, safety and well-being. If an external expert (occupational doctor, occupational psychologist, ergonomist) is necessary, the participation of trade unions, staff delegations and workers is essential because they are the ones who best know the work and the conditions for carrying it out. The adjustment of working conditions, and therefore also of organizational and human resource management methods, industrial logics and corporate cultures, is imperative: working conditions that are less stressful, less painful, less destructive of values, right part-time work for the oldest employees (from 50 years old).

#### The so-called progressive retirement:

Another avenue to follow is that of a smooth transition to retirement, which can take the form of the establishment of a right for the employee to a gradual retirement allowing him to combine part-time work and partial pension from the age of 57 years old. Employees would thus be more inclined to prolong their working lives.

#### Focus on continuous training:

It is clear that the issue of unemployment remains a concern in Luxembourg, especially long-term unemployment which, moreover, mechanically, ultimately leads to the cessation of benefits. In this group, older people with specific status are particularly at risk. This is why more targeted measures must be taken, particularly in terms of training and continuing education, so as not to let down these more vulnerable sections of the population.

#### SKILLS AND EQUALITY

The national skill development strategy is still being developed, but its implementation is struggling to materialize. In this context, it is important to insist on the fact that rights are created to guarantee everyone access to and follow quality continuous training leading to a qualification.

#### The introduction of an individual right to training:

We must introduce the general principle that gives everyone a real individual right to training. The government coalition agreement provided for the creation of such a right and the creation of a training voucher, but this remains to be implemented.

#### The development of systems for individual access to training:

Individual training leave (CIF) is currently the only individual aid for continuing training for employees. A new impetus is needed to adapt the CIF and supplement it with additional tools in order to facilitate access to longer and qualifying continuing education, especially for people with little or no qualifications.

#### The introduction of periods of professionalization in companies:

It is necessary to introduce periods of professionalization which would allow employees with little or no qualifications to follow qualifying training, co-financed by the State within the framework of collective access. It would be the responsibility of companies to qualify or requalify their employees and to propose a qualification plan including career development prospects for employees. The exact terms would have to be agreed between the social partners



#### The development of the offer of qualifying training, in particular on-the-job training:

The possibility of obtaining a vocational training diploma (CCP, DAP, DT), or even higher education, should be widened by following a work-study program, without having to terminate one's existing employment contract and mortgage one's level of income. This type of training, which is currently limited to one or two professions, has the potential to become a powerful qualification tool and deserves to be expanded. State aid for the promotion of this type of qualification would go hand in hand. However, the government's coalition agreement announced the creation of a training opportunity under a work contract ("an inclusive labour market", page 152)

#### Comply with full qualifications:

The possibility should be created of having continuing training organized, in particular by professional chambers, recognized and of obtaining, at the end of this training, partial qualifications with the aim of obtaining a full qualification referenced in the Luxembourg qualifications framework (CLQ ). The final objective must remain full qualification and the issuance of an official diploma.

#### *Simplify the procedure for validating acquired experience and broaden access to quality training:*

It is important that, in the short term, the current procedures and tools for the validation of acquired experience (VAE) be adapted and simplified so that anyone interested can benefit, as much as possible, from this training system, that a VAE leave for any employee starting a VAE process, and that access to continuing qualifying training be facilitated, even if the traditional prerequisites in terms of training are not met.

#### The introduction of a right to guidance throughout life:

The learner must be able to use an orientation and guidance system (information, advice and support) at any time in his life to be able to update his knowledge, reorient himself, qualify and have his knowledge and experiences validated.

#### SOCIAL PROTECTION AND INCLUSION

#### A. The revaluation of family benefits:

We are asking for a minimum and immediate increase of 7.7% of all family benefits. This increase amounts to the equivalent of the increase in the cost of living since 2014, the year in which the government and unions reached an agreement on the adaptation mechanism.

#### B. Revaluation of the cost-of-living allowance:

The cost-of-living allowance (AVC) is financial assistance aimed at meeting the needs of low-income households faced with a difficult economic situation. It must be doubled and adapted regularly to the evolution of prices.

#### C. Increasing the gerontological intake complement:

It is necessary to adapt the ceilings for access to the additional gerontological reception (GERO). The difference between the average prices charged for living in an institution and the amounts of residents' oldage pensions is penalizing for people who are less well off. The situation is exacerbated for women. In addition, the reform passed in 2012 will lead to lower pensions in the future

#### D. Enhanced support for single-parent families:

In Luxembourg, it is observed that it is households with children that present the highest risk of poverty, and particularly single-parent families. Single-parent families are not supported enough by the government, the single-parent tax credit (CIM) does not improve the situation of single adults with children enough. It would be necessary to increase the starting amount of the CIM and to trigger its degression at a higher level of taxable income. It would also be necessary to review the tax class of single-parent households by letting them benefit, for example, from the advantage of class 2 or imagine a less progressive tax class.

#### E. A structural increase in REVIS and SSM:



We demand a structural increase in the social inclusion income (REVIS) and the minimum social wage (SSM). Their respective amounts remain inadequate in relation to the cost of living in the Grand Duchy.

#### F. A structural increase in the minimum pension:

It appears that the net minimum pension remains too close to the at-risk-of-poverty threshold. Therefore, it is necessary to reassess its amount. It should be remembered that a sufficiently high minimum pension amount is the best guarantee for combating the risk of poverty which threatens the most precarious elderly people, particularly women.

#### **CONCLUSIONS**

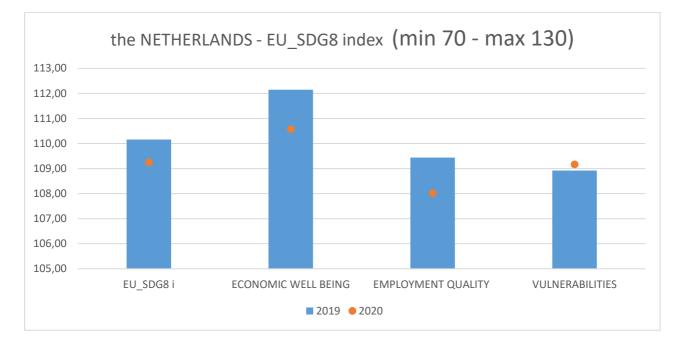
There is a mismatch between the governments' priorities set in the NRRP, mainly due to lack of social priorities in the NRRP while trade unions consider necessary to have a mix of policy that covers the different areas of the EPSR.

#### **RECOMMENDATIONS:**

- More investments would be needed in healthcare. The area concerning social and territorial cohesion should receive more resources to enhance access to social protection and to education and training of workers. Access to skills should also cover investments allocated to green transition and policies for the next generation.
- Investments and reforms should rather focus on improved working condition and access to the social protection. In particular, decent wages and secure and adaptable employment should be prioritised.
   In the area of access to social protection, priority should be given to health care, housing, long term care, access to essential services and pensions.
- Improve social dialogue as overall policy in the development model of the country and to better reflect key workers' expectations in the NRRP.



#### NETHERLANDS



According to the EU\_SDG8i, the economic effects of the pandemic has deteriorated the Dutch sustainability potential for sustainable growth and decent work. Though the Netherlands score higher than other EU partners, the deterioration of indicators of quality of employment and economic wellbeing raise concerns. Workers' vulnerability may endanger the Dutch development model.

#### INPUTS SUBMITTED BY FNV

#### MORE AND BETTER JOBS

Generation Pact is the name for measures that aim to:

- older employees (57+) can continue to work in a healthy and pleasant way for longer and
- more young people (35-) get a permanent job.

We call it a pact, because both the elderly and the young benefit from it. The different generations conclude a covenant, as it were, a pact.

The older employee will work shorter hours. As a result, he can recover better from the effort and the work is less heavy. And if several older people do this, a permanent place becomes available for a younger employee. Then you have, for example, a three-way track. Two older employees give up time and the younger one gains those hours.

There are many ways in which you can put this idea into practice. A well-known example is the 80/90/100 scheme: you work 80%, receive 90% of your wages and accrue 100% pension. But those percentages can differ: it can also be 60/80/100, for example.

#### **CONCLUSIONS**

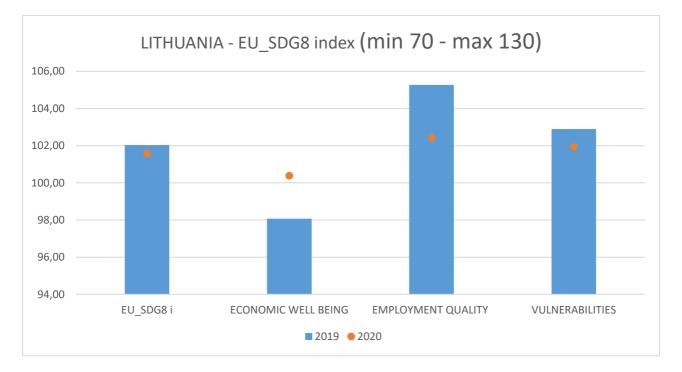
There is a mismatch between the governments' priorities set in the NRRP, mainly due to the fact that the Dutch trade unions attach a greater relevance to measures aimed at improving access to social protection and adequacy of social protection performances.



- Investments in skills and jobs for the green ad digital transitions should be prioritised. Access to care, health and fair taxation are also a priority in the resilience policy area. Housing and access to social services, including vulnerable people are priorities under the social and territorial cohesion area. Policies for next generation should finance childhood education and care access to education and training, firstly.
- Social measures in the Dutch context should prioritise access to social protection and especially minimum income, inclusion of people with disabilities, housing, health care, childcare and support to children, and pensions. Working conditions, mainly decent wages and healthy a safety, are also priorities.
- Improve social dialogue to better reflect key workers' expectations in the NRRP.



#### LITHUANIA



According to the EU\_SDG8i, the economic effects of the pandemic has slightly deteriorated the Lithuanian sustainability potential for sustainable growth and decent work.

However the sustained improved of sub-indicator on economic wellbeing has been offset by a sharp decline in quality of employment and the indicator measuring workers' vulnerabilities. Economic well-being remains a factor of weakness for the Lithuanian development model.

## INPUTS SUBMITTED BY LPSK

#### MORE AND BETTER JOBS

Green and digital transitions must to have a social "amortization" to help workers during the job-switching period (personalized consultations, financial support, supported training needed for new jobs). Especially, those industries and those regions which will be negatively impacted the most should get the most help accordingly. Also, new greener quality jobs should be created in those places where the most jobs will be lost due to the transformation. In Lithuania, a gap between the periphery and big cities is already problematic. It is important not to sharpen socioeconomic differences further.

A higher employment could be achieved by increasing a participation of more excluded and more vulnerable groups, for example, older workers, people with disabilities, long-term unemployed people and, especially, our youth. Often young workers are facing especially unstable and precarious working conditions: they make a big part of e. platform workers, experience "bogus" self-employment without an adequate social protection and job stability. No inclusive labour market may be created if stable jobs and decent working conditions are not met.

#### **CONCLUSIONS**

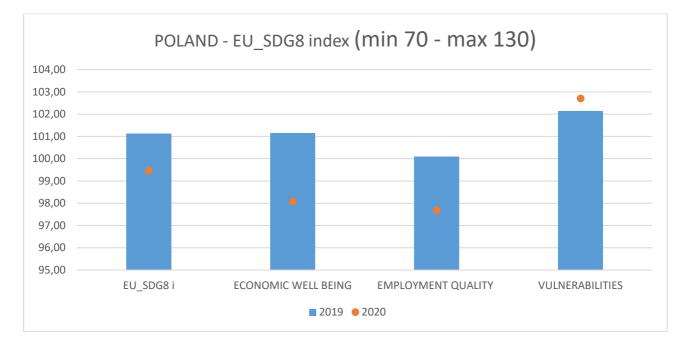
There is a huge mismatch between the governments' priorities set in the NRRP and those identified by the Lithuanian trade unions, mainly due to a different view on what has to be prioritised. While the NRRPS looks at chapter 1 of the EPSR (access to the labour market and equal opportunities), trade unions considers that working conditions should have the priority.



- The NRRPS should give more resources to social and territorial cohesion and health, economic and social resilience. In particular modernisation of the labour market and opportunities for young workers (in the Policies for next generation) and all workers, especially adult learning, are on the top of the priority scale. Resilience can be improved mostly with investments in healthcare, effective public administration and fairer fiscal policies.
- Several aspects of working conditions should be at the core of the NRRPs, including decent wages, stable jobs, health and safety. Access to the labour market can be improved mainly investing in activation measures and gender equality.
- Improve social dialogue as overall policy in the development model of the country and to better reflect key workers' expectations in the NRRP.



## POLAND



According to the EU\_SDG8i, the economic effects of the pandemic has significantly deteriorated the Polish sustainability potential for sustainable growth and decent work. Employment quality and economic wellbeing have contributed to deterioration of the index more than other factors. Employment quality remains a factor of weakness for the Polish development model.

# INPUTS SUBMITTED BY NSZZ SOLIDARNOSC

#### MORE AND BETTER JOBS

Poland proposed the employment rate: First goal - Achieving the employment rate at the level of 78% in 2030.

In the opinion of NSZZ "Solidarność", the goal is too ambitious enough. The accompanying document (Note for EMCO and SPC) clearly indicates that the mere fact of good results at present should not prejudge the automatic adoption of the EU-wide indicator as a target. A more ambitious indicator should be adopted. With the target set at 78%, its implementation will take place automatically (due to economic growth) and only completely unpredictable events at the moment (for example, complete loss of geopolitical stability) could jeopardize its achievement. The goal should be defined in such a way that it requires taking specific, active actions related in Poland mainly to:

- professional activation of people with disabilities,

- greater activation of older people, including those who already have the common retirement age.

These activities should be related primarily to the progress in the field of health protection, access to rehabilitation and greater support for employers from public funds in taking actions related to the improvement of ergonomics of workplaces and adapting them to the needs of older workers / employees with disabilities. Currently, the Ministry of the Family and Social Policy is working on increasing this indicator (78.2%).

Public employment services have become, to a large extent, offices for completing a large number of formalities and entering data into systems. Activation of the unemployed is a small part of the activity of public employment services and this should be changed. One of the objectives of the KPO is the reform of public employment services, which is expected both by the employees of these services and their clients.



Developing the potential of social economy entities is also a good direction, but employment policy cannot be based mainly on this. The state must support and develop professional employment services that will carry out tasks in this area. Perhaps the tasks should be divided so that social economy entities activate socially excluded people and support disadvantaged groups, while the PES will focus on supporting specialists.

The union indicates in its positions and opinions the problem of platform work and remote work, where the level of remuneration and employment security are a significant risk for employees. New forms of employment may turn out to be harmful to employees in many areas, therefore the process of agreeing and proceeding with the provisions in this area with trade unions is important.

#### SKILLS AND EQUALITY

The KPO is planned:

Improving access to high-speed Internet:

- Development of e-services and their consolidation, creating conditions for the development of applications of breakthrough digital technologies in the public sector, economy and society, and improvement of communication between public institutions, citizens and business
- Striving to maximize the use of the opportunities offered by digital solutions, digital competences of citizens will be raised: employees of public administration, enterprises, mainly SMEs and people threatened with unemployment, as well as educators and teachers. For the development of a modern school using IT solutions, apart from raising competences, connecting schools and educational institutions to broadband networks and equipping the classroom with computers and other necessary equipment, individual access of teachers and students to appropriate equipment is also crucial.
- Digital Competence Development Program; The aim of the Program will be to achieve a steady increase in the level of digital competences by providing everyone in Poland with the possibility of their development according to the needs. The program will include strengthening the management of the development of digital competences, development of digital education and support for digital competences of citizens and employees of various sectors. As part of the digital transformation reform, the Program will be implemented in the scope relating to public administration employees, including local government units. Awareness, educational and training activities will be carried out aimed at increasing the competences of the staff, including in the field of cybersecurity and e-government, e-finance; e-services
- Education digitization policy: The reform should lead to providing all schools and educational
  institutions with an appropriate degree of saturation with equipment, at least to the extent that
  allows all teachers in primary and secondary schools to perform their tasks using the official
  equipment provided to them, as well as work on computer equipment in each classroom in groups
  of several students.
- The reform of the vocational education system indicated in the KPO was aimed at effective cooperation of schools, including vocational schools, universities, employers, research and development centres and other institutions of the economic environment. This will make it possible to monitor the needs and expectations of individual professional sectors on an ongoing basis and to properly direct the education of potential employees, also in the field of the non-formal education system. A framework for the operation of a network of sectoral skills centers will be prepared.

Poland proposed an adult participation rate in lifelong learning - Second goal 51.7% of all adults participate in training each year.

The union shares the view of the government that achieving this indicator will be extremely difficult. Thus, defining it at the level indicated in the document seems adequate.



NSZZ "Solidarność", however, clearly emphasizes the fundamental issue: we do not accept the methodology of including various forms of activity in the framework of lifelong learning, which was proposed in the recent Study of Human Capital Balance. Passing undefined activities in the field of "learning from television or radio programs" or "learning from family members or together with them" results in a much better result, but in no way reflects the image of the participation of adults in improving qualifications and skills (see <a href="https://en.parp.gov.pl/storage/publications/pdf/3-BKL-Uczenie-sie-doroslych\_ostateczny.pdf">https://en.parp.gov.pl/storage/publications/pdf/3-BKL-Uczenie-sie-doroslych\_ostateczny.pdf</a> (page 34)) It is obvious that not only formal methods of learning should be taken into account attention.

#### SOCIAL PROTECTION AND INCLUSION

Poland indicated the indicator of reducing the risk of poverty - Objective 3 Reducing the risk of poverty or social exclusion by 15% by 2030.

In the opinion of NSZZ "S" The goal set for Poland is not very ambitious, taking into account the assumptions of the social policy of the state and the planned policy of protection of the least paid workers (Polish Order). Since, according to AROPE (At risk of poverty or social exclusion rate) forecasts, the expected number of people at risk of poverty or social exclusion will fall by 2.735 million in 2030

for the general public, while for children this decrease will probably amount to 243,000, the goal of 1.5 million seems not only unambitious, but even bizarre.

NSZZ "S" believes that in order to achieve ambitious goals, it is necessary to accelerate work on adjusting the amount of support for single parents (alimony allowances), implement the system of valorisation of minimum retirement and disability benefits, which has been postulated for years, adequate to the dynamics of price growth for the poorest farms, raise the unemployment benefit rates, which today do not reflect the lost income.

It is also necessary to restore the importance of family benefits, the system of which has been marginalized for years under the banner of the implementation of universal family benefits. It should be noted that transferring support to families for which additional amounts do not significantly change their income level is currently at the expense of weaker and less resourceful families by limiting access to the family benefits system (re-freezing the amount of benefits and income criteria entitling them to them for the next 3 years).

If we adopt only moderate assumptions, as described in the document under review, it will have a significant impact on the government's social policy, such as suppressing the increase in the income criterion entitling to social welfare benefits or further marginalization of family benefits.

## INPUTS SUBMITTED BY OPZZ

Additional info: <u>https://est.etuc.org/toolkit/SitePages/psra.html?guid=c65fed23-fe12-4ad9-9dec-6b08f11f19b8</u>

#### MORE AND BETTER JOBS

#### What employment policies are needed in Poland?

It should be stressed that the Polish National Plan for Reconstruction addresses the challenges identified in the Pillar of Social Rights only to a limited extent. The National Plan for Reconstruction includes mainly investments in digitalization and adaptation to climate change, which we consider important, but the Plan itself was criticized by OPZZ precisely because it does not include social investments, including in education and improvement of the quality of employment. Improvement of the quality of employment, high quality jobs, stable and with decent wages are crucial for the implementation of the Pillar and overcoming a number of development challenges of the state, including social challenges. The state should increase its activity in controlling the observance of labour law on the labour market.



One of the challenges facing Poland is the implementation of a comprehensive employment policy supporting the employment of older people. We are of the opinion that the following specific solutions are needed to implement this policy:

- 1. subsidising investments to adapt workplaces to the needs of older people;
- 2. introduction of solutions which would facilitate the employment of older people, such as exemption of employers from the obligation to pay contributions from older people to the Labour Fund and the Guaranteed Employment Fund, the possibility of obtaining reimbursement of costs of training courses or their part, to which older workers would be sent in order to retrain or increase their skills;
- 3. the implementation of a so-called mentoring contract to reward older workers for passing on knowledge, experience and skills to younger workers;
- 4. promotion of health within and outside the workplace (e.g. extended prevention, measures against routine/professional burnout), more effective verification of health and safety regulations in the workplace and the observance of employees' working time;
- 5. introduction in the Labour Code of an additional break from work included in the working time and the requirement to obtain the consent of a senior employee to work overtime due to special needs of the employer and to perform night work.

The implementation of the Pillar of Social Rights is also an issue of fair remuneration for workers. It is necessary to take action for a faster increase of the minimum wage and to increase the role of collective bargaining in the economy in shaping remuneration systems in enterprises.

We also see the need for an increase in spending on public services and the salaries of public administration employees. Access to quality lifelong education and health care, especially preventive care, is crucial for fulfilling the objectives of the European Pillar of Social Rights.

The basis for effective implementation of the Pillar's objectives is social dialogue, which in Poland needs to be deepened. Compliance with the legal obligation of social consultation is fundamental to the functioning of social dialogue, therefore negative practices in this area must be halted. The Council for Social Dialogue should be a real forum for agreeing state policies on economic and social issues. The state should also ensure that the right to form and operate trade unions in the economy is respected in Poland. The above-mentioned measures are social investments of a costless nature and at the same time of key importance for the sustainable development of the country.

#### SOCIAL PROTECTION

#### What solutions are needed to increase social protection and combat poverty in Poland?

In order to combat poverty and social exclusion more effectively, we postulate the implementation of the following solutions for pensioners, families experiencing poverty, the unemployed, and women:

- 1. changing the benefit calculation mechanism in terms of determining the principles of pension and disability pension valorisation by basing it on the inflation index increased by at least 50 per cent of the real increase in the average salary in the previous calendar year;
- verification of income criteria in social assistance and family benefits every 2 years, and not every 3 years as it is currently the case, so that their level better reflects the level of inflation and real expenses of households. The principle for shaping the income criteria should be the cumulative inflation rate as well as an annual analysis of the amount of these benefits in relation to the value of subsistence minimum;
- 3. increase of income criteria entitling to benefits in social assistance for 2022-2024, increase of income criterion entitling to family benefits and family benefits, allowances and supplements to family benefits for 2021-2023;



- 4. statutory guarantee that the minimum pension should not be lower than the social minimum (defined as the lower limit of the level of a decent life). Currently, the minimum benefit is lower by PLN 125 than the social minimum in single-person pensioner households;
- 5. in order to improve the economic situation of single-person pensioner households we propose that a widow or widower receiving a pension should be entitled to an additional 50 per cent of the pension of the deceased spouse;
- the unemployment benefit must be higher the basic unemployment benefit currently amounts to PLN 1240.80 gross (PLN 1058.13 net), which is only 41 percent of the minimum wage and 21 percent of the average wage. We demand that the benefit be raised to at least 50% of the salary;
- 7. 15.4% of pensioners in Poland are at risk of poverty, and women to a greater extent. Women receive on average 18.7% lower pension benefits than men. One of the factors contributing to this situation is the wage gap. The tools that can eliminate wage discrimination, and thus the gap in pension benefits between women and men, are the obligation for employers to monitor salaries and to report on the earnings of women and men, as well as disclosure of salaries. It is also necessary to strengthen monitoring of compliance with the principle of equal pay for equal work and to improve the efficiency of the judiciary in labour matters,
- 8. in the area of equality, we recognise actions for equal pay.

#### **CONCLUSIONS**

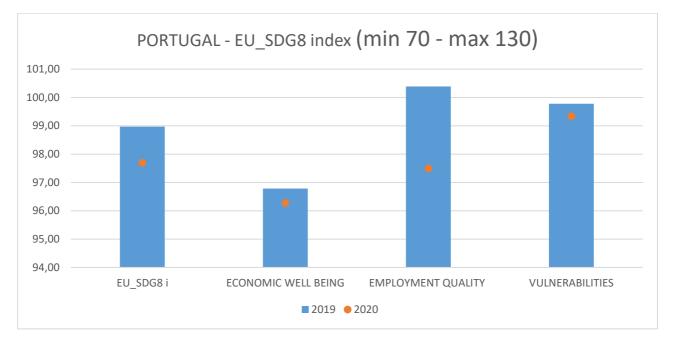
There is a mismatch between the governments' priorities set in the NRRP and those identified by the Polish trade unions, mainly due to a different view on what has to be prioritised (in the case of Solidarnosc) or a lack of social measures according to OPZZ. While the NRRPS is poor in identifying social priorities (access to the labour market and equal opportunities), trade unions consider that working conditions should have the priority. Common view exists on the need to improve access to social protection.

- The investment effort in Poland should be directed to finance the green transition.
- Working conditions have to improved starting from active support to employment for stable jobs, with more decent wages, health and safety and reinforced practice of social dialogue, including information and consultation rights of workers. Access to social protection for elderly is also a priority.
- Improve social dialogue as overall policy in the development model of the country and to better reflect key workers' expectations in the NRRP.



# PORTUGAL

Additional info: <u>https://est.etuc.org/toolkit/SitePages/psra.html?guid=b9f02b1b-fa3b-4e71-a747-7ecaf3b8e701</u>



According to the EU\_SDG8i, the economic effects of the pandemic has significantly deteriorated the Portuguese sustainability potential for sustainable growth and decent work. Employment quality has more than other components contributed to the deterioration of the overall index. Economic wellbeing remains a factor of weakness for the Portuguese development model.

# INPUTS SUBMITTED BY UGT-P

## MORE AND BETTER JOBS

The implementation of active employment policies, the unequivocal commitment to education and vocational training (with lifelong training assuming an essential role) and the guarantee of strong and adequate social protection systems are, more than ever, pillars that cannot be separated from sustained, strong and resilient economic growth and a fair transition in front of the multiple challenges we are facing (digital, environmental, demographic, among many others). Promoting a development strategy guided by sustainability - social, environmental and economic - must be the priority of each of the Member States and of the European Union, since the different sources of funding (such as the PRR) and the multiple community processes (such as the European semester) compete for this purpose.

With regard to employment and employment policies, UGT considers it especially important, namely through a tripartite dialogue:

 $\cdot$  Ensuring that the safeguarding of jobs is a priority criterion in the processes of restructuring and merger of sectors and companies, which must operate in dialogue with the union structures;

 $\cdot$  rely on and support the expansion of sectors with strong potential for job creation and promotion of exports/import substitution;

 $\cdot$  Reinforce the articulation between companies and the R&D system and structures, especially applied research, not only in the digital areas, but transversally;

 $\cdot$  Investing heavily in the qualification of people as a determining factor in promoting change and modernization in our economic sectors;



 $\cdot$  Reinforce public investment in structuring areas with high employment intensity, with a strong social focus such as Urban Rehabilitation, an essential factor for the creation of conditions that promote the improvement of private investment;

Despite the progress achieved in recent years, the fight against precariousness and the segmentation of the labour market must continue to be pursued, in an intervention that cannot fail to be transversal;

#### SKILLS AND EQUALITY

UGT signed, on the trade union side, a tripartite agreement on training, in July 2021 "Agreement on Vocational Training and Qualification: A strategic plan for people, companies and the Country". This agreement establishes a set of commitments and measures aimed at adapting the country to urgent and emerging challenges in the training of workers and in the modernization of companies, as well as the reinforcement of initial and lifelong professional training for all workers, of quality and that takes into account current challenges, in the spirit of the European Pillar of Social Rights and in the implementation of the Action Plan approved at the Porto Social Summit.

In this agreement, commitments were made in areas such as:

- The general improvement of the qualifications of the Portuguese – a priority long assumed by our country in view of the weaknesses and deficits felt, particularly in comparison with most of our European counterparts, namely in the scope of PNR;

- The regulation and governance of the vocational training system, focusing on its quality and adequacy, promoting greater involvement of the social partners;

- The improvement of the instruments and the capacity of response of the training system, with special attention to the adequacy of the answers to the new challenges and to the dynamics and needs of the sector. Promote innovation and flexibility in training models and responses;

- The centrality of the digital area and distance teaching-training.

In this context, UGT believes that the implementation of those commitments and measures must be pursued quickly, at the national level, with recourse to the PRR, the European Semester and other community support.

Here, there is a vast set of measures that, although as an example, it seems pertinent to highlight:

• To truly invest in continuous training and in improving the skills and qualifications of the Portuguese, namely those who are already in the job market, allocating the necessary financial resources for this purpose;

• Strengthen the mechanisms that ensure compliance with the right of all workers to the legally prescribed annual hours of certified training, namely through an adequate implementation of the training voucher;

• Promote specific initiatives to reinforce dual certification education and training programs, paying particular attention to those acquired in the work context, focusing on these as an essential and inseparable instrument for strengthening mobility and fighting unemployment;

• Promoting partnerships between the different operators, stimulating the sharing and strengthening of existing resources, moving towards a more comprehensive training network logic, whether from the regional, sectoral and public covered point of view;

#### SOCIAL PROTECTION AND INCLUSION

• Ensuring the adequacy of pensions and other benefits of the contributory scheme (total unfreezing of pension updates, re-discussion of unemployment and sickness protection) and of the non-contributory scheme (via an update of the value of the IAS that restores purchasing power and the revaluation of values and coverage). To the structurally low level of many social benefits were added the time cuts of the Troika;



• Reinforce social protection mechanisms from a perspective of greater activation of policies for reintegration into the labour market, especially with regard to the long-term unemployed and especially vulnerable groups;

• Strengthen social protection for workers with atypical jobs and irregular careers and others. The pandemic, which gave rise to the need for exceptional measures, exposed the weaknesses in this area and made it evident the creation of more permanent responses;

 $\cdot$  Encouraging the establishment of occupational pension funds, through collective bargaining, namely through the attribution of tax benefits;

• Facilitate access to benefits such as the Social Insertion Income and Solidarity Complement for the Elderly (which guarantee minimum income to certain groups), in order to ensure a livelihood within the standards of human dignity for all citizens;

• Strengthen the mechanisms to combat fraud and tax evasion, with particular concern for the most vulnerable sectors such as domestic work, workers with disabilities and migrant workers, contributing to an improvement in working conditions and social protection;

 $\cdot$  Reinforce policies aimed at reconciling professional, family and personal life, namely by extending the situations of subsidized family assistance to essential and urgent care to be provided to ascendants and the creation of infrastructure with affordable costs and extended hours.

#### INPUTS SUBMITTED BY CGTP-IN

#### MORE AND BETTER JOBS

Portugal recorded an employment rate of 75.9% in 2021 among the population aged 20 to 64 years, having increased compared to 2020, and reaching its highest value.

This indicator is, however, insufficient to reflect what is happening in the world of work.

Despite employment in 2021 being higher than in 2020 and 2017, there was a decrease in the number of jobs held by young people and workers up to 44 years of age, as well as among workers with low qualifications, because there were no measures to protect their employment or retrain to cover them.

For the CGTP-IN it is necessary to create quality employment with rights, directing public policies towards this goal, either by increasing public investment, or through other measures, namely the fight against precarious labour contracts and discrimination, the reinstatement of the right to collective bargaining, the increase of the national minimum wage, the reduction of working hours without loss of pay.

The fight against labour precariousness, with the aim of eradicating it, presupposes a global national strategy that attacks its causes and covers all permanent work carried out with precarious bonds, independently of the forms it may take, intervening so that all workers in permanent jobs are made permanent.

Guaranteeing employment with rights requires the improvement of labour legislation and the enforcement of legislation and workers' rights, fighting all discrimination, whether based on gender, age, ethnicity, disability, parental rights, family responsibilities or any other reason.

The creation of quality employment also implies a general increase in wages in all sectors of activity and the valorisation of professions and careers, which requires the reinstatement of the right to collective bargaining in order to fight wage stagnation throughout professional careers, ensuring that wage scales are not absorbed by the national minimum wage, without prejudice to the necessary increase of the latter. It also implies the adoption of measures by the public authorities, namely by the labour inspectorate, to guarantee the fulfilment of the right to equal pay for equal work or work of equal value.

In the chapter on investment, any support to employment through the state budget or European funds, whether cohesion funds or those for recovery and resilience, must be destined to projects aimed at the creation of stable employment with rights, with net creation of jobs with permanent links.



#### SKILLS AND EQUALITY

The strategy we know is based, to a great extent, on the restructuring of the National Catalogue of Qualifications, in order to integrate more and more dimensions related to the digital and environmental transition. According to the information we have, this can be done - because it is under construction - either through the creation of short duration units associated with these subjects, or through their integration in units linked to transversal subjects. On the other hand, there is also another dimension which consists in the creation of qualification references for professions linked to these sectors.

This work in the field of qualifications, according to government information, should be based on an intensification of investment in training and qualification, whether through the deepening of the Qualification Programme, namely through recourse to the Recognition, Validation and Certification of Skills, or through referral to training in the scope of the national qualifications catalogue.

The intensification of support for companies to provide training for their workers is also foreseen. Nevertheless, fundamental problems that block access to vocational training for a large part of the workforce will remain unsolved. Job insecurity, deregulated working hours and the characteristics of a productive fabric based on low salaries and low added value are still insurmountable barriers to access to training outside and inside companies, which, to date, are not expected to be removed.

Also the inability of many workers to use the student worker statute and the annual credit of professional training hours, continues to be an important obstacle in the access of adults to training and professional qualification.

We also add as obstacles, the low salaries, which make difficult the access of those who have to bear the costs - in part or in whole - with their qualification, as well as the absence of incentives, monetary or career progression, for those who acquire new competencies.

This scenario is aggravated by the insufficient coverage of the existing collective bargaining, which means an absence of solutions for career progression and incorporation of competences in a large part of the Portuguese companies.

Despite these difficulties, the Portuguese State continues, in parallel, with the investment in specific training in the field of digital and environmental transition, financed by the PRR, essentially aimed at companies and the public administration itself.

We also witnessed some changes in the public financing structure of training, namely an attempt to better adapt financing to regional and local characteristics, although still insufficiently, according to CGTP-IN.

With the criticism of the CGTP-IN, tax incentives and social charges are foreseen for companies that promote training for their workers, even if this is done exclusively in compliance with a legal obligation. The CGTP-IN has been vehemently against this solution, as it considers it negative to reward companies for mere compliance with the law.

#### SOCIAL PROTECTION AND INCLUSION

The pandemic had strong effects on the worsening of social inequalities, the population living in poverty or social exclusion and the deterioration of the health status of the population. This worsening occurred in the context of an ageing population and a society with strong social inequalities.

The anti-crisis measures of COVID-19 aimed at cushioning impacts on economic activity, employment and incomes, while in the previous crisis there was a policy of income cuts, focusing on wages and pensions.

However, the measures taken in the present crisis were insufficient. They did not preserve all employment and the fiscal effort was modest, because there was excessive concern about the impact of the measures on public accounts, which we cannot fail to relate to the rules, although suspended, of the Stability and Growth Pact.



Public social security contributed to mitigate the crisis, but may be penalized in the 2021 accounts because the Government wants it to assume the financing of part of the COVID-19 measures, a situation that CGTP-IN considers intolerable.

In the area of health, the adequate response of the National Health Service (NHS) to the Covid-19 pandemic, in which the success of the vaccination campaign stands out, was not accompanied by measures to respond to non-Covid diseases and there was a deterioration in responses in primary health care, including an increase in users without a family doctor.

Portugal made a commitment to lift 360,000 children out of the risk of poverty or social exclusion before statistics were released showing a sharp deterioration in the social situation by 2020.

CGTP-IN considers that European funds, through measures in the PRR and Portugal 2030, combined with State Budget resources, can contribute to a change in this situation. It is particularly important to implement, through concrete and not merely programmatic measures, the National Strategy to Combat Poverty 2021-2030, and to implement the National Strategy for the Inclusion of People with Disabilities 2021-2025.

Improved social protection, the fight against poverty and social exclusion and social cohesion require coherent measures in a range of areas, linking labour (general increase in wages, raising the national minimum wage, the right to collective bargaining and combating precariousness, in particular) with social policies, with particular emphasis on social security (updating all pensions, social unemployment protection and measures to support families) health (where the strengthening of primary health care and the increase in the number of health professionals and the creation of pay conditions allowing them to work exclusively within the SNS are of strategic importance), housing (with priority being given to halting the sharp rise in the cost of housing), education (measures to promote public schools, free education and the extension of the public pre-school network, in particular) and the strengthening of the network of social facilities and responses, with emphasis on the elderly and the disabled.

#### **CONCLUSIONS**

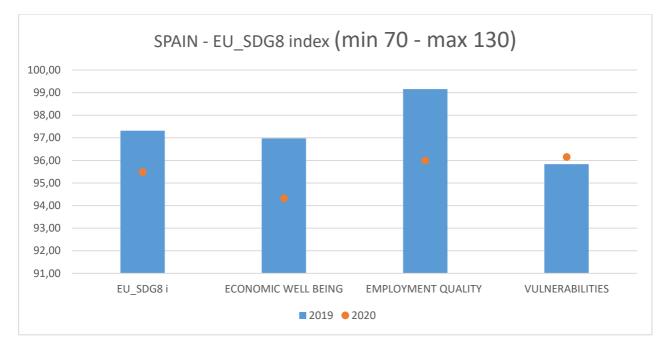
There is a large mismatch between the governments' priorities set in the NRRP, mainly due to lack of social priorities in the NRRP while trade unions consider necessary to have a mix of policy that covers the different areas of the EPSR.

- The NRRP should deliver more resources to social and territorial cohesion area. All investments areas concerning access to skills, learning and education should be prioritised. Effectiveness of judicial system is a priority within the resilience chapter. Modernisation of the labour market is a key priority for investments.
- Improvement of working should have a more prominent role, mainly for stable jobs, decent wages and health and safety. In the social protection area, health care and long-term care are the priorities. Access to labour market can be improved investing in gender equality, VET and active support to employment.
- Improve social dialogue to better reflect key workers' expectations in the NRRP.



## SPAIN

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According to the EU\_SDG8i, the economic effects of the pandemic has significantly deteriorated the Spanish sustainability potential for sustainable growth and decent work. Employment quality economic wellbeing have more than other components contributed to the deterioration of the overall index. Workers' vulnerability remains a factor of weakness for the Spanish development model.

# INPUTS SUBMITTED BY UGT

## MORE AND BETTER JOBS

Context and main lines of action:

As the employment quality and vulnerability indices prepared by the ETUC show, the functioning of the Spanish labour market has serious deficiencies that especially affect certain demographic segments. Thus, people without university education, migrants, young people, women and adults over 50 are the population groups most affected by the high incidence of unemployment, atypical hiring or low wages. A poor performance, and some asymmetries derived from this bad behaviour, which has been highlighted frequently in the country reports prepared by the Commission and in the specific recommendations adopted by the Council and addressed to Spain. There are, therefore, compelling reasons to promote an ambitious employment policy, which is conceived not as a mere program for the return of the worker to employment, but as an instrument to guarantee that employment contracts have a stable duration and guarantee a level of adequate income.

With the entry of the progressive coalition government and the existence of a new parliamentary balance in Parliament favourable to the political forces that support it, the sensitivity that government and parliament show vis-à-vis social imbalances, caused or intensified by the labour market, and has also increased confidence in social dialogue as a key tool for resolving these problems. This new political situation has resulted in changes in the approach to wage policy, with the rise in the minimum wage, or in the regulation of hiring, with the approval of a labour reform that - although it leaves some essential aspects to be dealt with, which remain in place for future negotiating rounds - constitutes a significant advance with respect to



the previous legal trajectory, by re-establishing the application priority of the sectoral agreement and introducing important limitations to temporary hiring.

However, employment policies have not yet benefited significantly from these transformations and there are still some problems of ambition, focus and effectiveness that urgently need to be addressed.

In the first place, the resources that Spain dedicates to the implementation of active and passive employment policies are still insufficient. According to OECD data for the year 2018 (latest available), the estimated coverage of the sum of contributory and non-contributory unemployment benefits barely reached 60% of the unemployed population and was, in any case, well below coverage levels of economies with more advanced benefit systems, such as France, Denmark, Germany or Finland.

And although the relative data is more favourable when considering the spending effort on GDP that Spain makes in active policies, the distance is still very large with respect to the spending effort made by the leading countries in this field, such as Denmark or Sweden.

Secondly, active employment policies must be designed as a public service that covers the right of workers to continuous training throughout their entire work career, thus including, in addition to situations of unemployment, transitions from the population inactive to the active population and the professional improvement needs of the employed workers.

Two main lines of action emerge from this, which must be worked on in the following years. The first is a rational expansion program for the provision of resources for employment policies. The second is the institutional redesign of the legal and administrative framework in which employment policies are carried out in order to create a modern and inclusive public employment service.

#### Specific measures:

In relation to the first line of action, the "rational expansion" refers both to the need for more resources to be allocated to the Public Employment Service and to the requirement that the allocations be efficient and effective with respect to their objectives. In other words, it is not enough to have more budget to make employment policies, but this greater allocation must be specifically directed to the real tasks that the Administration has entrusted to these effects.

In this sense, we believe important:

-Design rules for receiving contributory and non-contributory benefits and allocate the necessary funds to ensure coverage rates of 100% of the unemployed population.

-Claim for the supervisory role of the social partners, who, with their knowledge of the labour and business reality, can help ensure that the executed expenditure really serves their objectives.

-Improve the data collection effort by the Administration, in order to make them available to researchers and social agents with a view to evaluating and supervising employment policies.

-Rationalize spending on hiring bonuses, especially when they involve too broad groups. Economic incentives for hiring are only effective within the framework of a personalized insertion itinerary, which implies an individual approach and not a generic or group approach.

With regard to the second line of action, to carry out the modernization of the Public Employment Services, at least two lines of design must be implemented. On the one hand, work on the targeting of the service, with the aim of making it especially useful for the most vulnerable layers of the working population and, among these, especially for those who are unemployed. On the other hand, try to achieve a personalized employment service, which makes the Administration a useful service and provides real support to citizens exposed to situations of economic and social risk.

Thus, we consider crucial:

-Increase the ratio of male and female counsellors per unemployed person.



-Incorporate the figure of the reference employment counsellor to the employment services, to accompany the worker throughout their working life and improve the personalization of the service.

-Promote analysis of the training profiles and skills demanded in vacant positions.

-Improve collaboration with employers to ensure the collection of information on vacancies and profiles in demand.

-Carry out annual training and employability improvement plans specifically designed for the most vulnerable social groups.

#### SKILLS AND EQUALITY

Context and main lines of action:

In recent Communications, the European Commission has pointed out the need to promote a growth model that is based on two twin transitions. On the one hand, the green transition, which leads our economies to a path of growth compatible with the ecological limits of the planet. On the other, the digital transition, which adapts European economies to the challenges of digitalisation, teleworking and automation.

The relative backwardness of Spain with respect to both transitions is remarkable. Although the climatic conditions of our country are ideal for the promotion and development of renewable energies, the weight of this type of energy in the energy mix is still low. In addition, the commitment to energy saving and efficiency policies has come late and is still progressing very slowly. On the other hand, the weak productive and labour capacities with which the country faces the challenges of automation and digitization are largely explained by the sectoral structure of employment and the added value of the Spanish economy. A structure that is strongly influenced, both directly and indirectly (through production linkages with other sectors), by tourism and hospitality activities and that also explains a good part of the dysfunctionalities of the Spanish labour market.

In this context, there is only room for a positive reception of the reforms and investments planned by the Government within the framework of the Recovery and Resilience Mechanism. The rehabilitation of homes to improve energy efficiency, the promotion of sustainable urban and interurban mobility, the necessary decarbonisation of the energy sector or ecological preservation are the main ways of change suggested in environmental matters. For its part, with regard to digital change, spending and investment will focus on promoting training in digital skills, the digitization of the administration, investment to ensure effective and inclusive connectivity or the promotion of digital investment in industry, with special support for small and medium-sized enterprises. Thus, it is important to assess that 40% of the planned spending will be allocated to initiatives aimed at promoting the green transformation of the economy and that almost 30% of the funds will be dedicated to the effort to ensure a digital transition.

However, and despite the favourable assessment we make of the promotion of these necessary transformations, we also agree on the necessary warning about the risks that these changes entail if they are carried out without taking into account a socially responsible approach. Due to its special relevance for the world of work, we will focus on those linked to the promotion of digital transformation, automation and teleworking.

In this regard, we believe it is useful to pay attention to the considerations contained in the numerous studies that have warned about three sources of imbalance linked to these transformations.

The first of these sources of imbalance is frequently highlighted and refers to the unequal effects that technological change implies for workers depending on their respective skills and training levels. Thus, while the productivity of workers with higher education degrees and digital skills may be increased as a result of the introduction of digital technologies, employees without digital training or with lower-level qualifications could even be exposed to so-called technological unemployment, that is, to its replacement by equipment based on digital technologies and, with it, to the loss of their job.



The second source of imbalance is less frequently raised, at least from European bodies, but it is equally important. It refers to the use of information technologies and massive databases to intensify the work and supervision of employees. With this, the employer can use technologies not to produce products with higher quality or greater efficiency, but to redistribute in his favour, and to the detriment of salaried workers, the income generated by his activity. It is, therefore, a use of technology that not only creates inequalities between households based on their access or not to capital income, but also reduces the potential general well-being that the introduction of digital technologies implies.

The third source of imbalances derives from the unequal impact implied by the implementation of teleworking. In the first place, because the decrease in face-to-face activity in work centres has a negative impact on service activities linked to the face-to-face execution of tasks, such as restaurant services. Then, due to the asymmetry that occurs between those who can access telework as an instrument to improve work-life balance and those who can only carry out their work activity in person, thus losing the possibilities of work-life balance that telework offers.

Mitigating or avoiding each of these three sources of imbalance defines the three main lines of action that the Government should consider in order to promote a just digital transition.

#### Specific measures

To implement specific measures related to the three lines of action that are proposed, and especially in relation to the first two, it would be advisable for the Government to use social dialogue to:

- Promote plans to reduce working hours in companies that ensure a fair distribution of the reduction in working time that digital technologies allow. UGT has proposed the reduction of working hours to 32 hours per week (either in 4 days, or with other agreed formulas) without salary reduction.

- Promote continuous training plans in companies, especially aimed at population groups with fewer digital skills (over 50 years of age without higher qualifications).

- Improve public employment services.

- Promote the implementation of codes of good practice in companies and extend union representation in them to avoid the possibility of abusive use of technology as a surveillance mechanism for workers.

- Promotion of compensation mechanisms for those workers who, within the same company, cannot benefit from teleworking or other changes derived from the introduction of new technologies, especially when this serves as an instrument to favour conciliation.

#### SOCIAL PROTECTION AND INCLUSION

Context and main lines of action:

With the outbreak of the health emergency crisis, the Government accelerated the approval of what was called to be the great instrument of social policy to correct this alarming situation, the Minimum Vital Income (IMV). It is a policy of conditional transfers whose main objective is to unify within the same framework the different forms of support for low-income families. The provision that accompanies this proposal would serve to guarantee families the minimum purchasing power to cover basic vital needs. Although the measure can only be well received and is relatively ambitious, it is less so than the initial initiative defended by the UGT and CCOO, whose planned budget (11 billion euros) contrasts with the Government's budget expenditure on the IMV (around 3 billion). In addition, the benefit approved by the Government has had important obstacles in its implementation. Thus, after a year of full application, it can be seen that the number of actual beneficiaries (around 350,000) has been well below the number of potential beneficiaries that the Government predicted (around 800,000). The Government has responded by designing new remuneration supplements that can expand the number of beneficiaries and ensures that up to 700,000 beneficiaries can be reached (a more modest estimate than the initial one), but it remains to be seen if this will be the case.

In any case, what seems questionable is entrusting the reduction of poverty and inequality to a social policy based exclusively on conditional transfers. It seems increasingly likely that 2023 will be the year in which the



fiscal rules, until now suspended under the escape clauses, return and, with it, the fiscal stability recommendations will return. The transfers, therefore, will have to be supported by increases in taxation, especially for higher incomes and capital, or else it will be difficult to comply with fiscal balances, even if it is claimed, as can be done with justice, that the Fiscal rules must be softer and conditional on the economic and social situation of each country. It must be taken into account that Spain has a tax revenue deficit as a percentage of GDP compared to the eurozone average of 4.3 percentage points in 2020 (6 points in 2019, but it has decreased due to the greater decrease in GDP in Spain with the pandemic). This represents a lower structural collection of 50 billion euros each year.

On the other hand, we know, both from economic theory and from its empirical application, that the redistributive effort does not only consist in the expansion of spending on transfers, but also in the improvement and expansion of universal public services and, also, in the implementation of ambitious fiscal progressivity. As for the former, they have been particularly damaged in Spain with the austerity policies implemented in the 2010-2013 period, and later with the pandemic. This has been especially evident with the deterioration of public health and social services in some territories, due to the cuts applied by some conservative regional governments. Regarding the second aspect, we know the efficiency in terms of fiscal progressivity of the tax on capital income, since we know that this income is the one that is most unequally distributed among households.

However, even if we were to assume a truly ambitious social protection policy, it would be difficult to completely correct the income imbalances originating in the market through it. In other words, intervention on the primary distribution of income is necessary if what is sought is a complete solution to the problems of poverty and social inclusion

All this defines at least four lines of action. In the first place, the improvement of current transfer policies to expand the number of beneficiaries. Second, the expansion and reinforcement of universal public services. Thirdly, the achievement of higher tax revenues and the promotion of greater tax progressivity, with an ambitious taxation on capital, which reverses the trends of recent decades. Finally, the correction of market income imbalances, promoting quality employment and intervening in those goods markets, such as energy or housing, that offer a distorted behaviour, which is seriously eroding the disposable income of households, and especially that of the most disadvantaged.

#### Specific measures:

Regarding the first line of action, we believe that the Government should undertake the following initiatives:

- Improve the design of the IMV to turn it into a true income guarantee policy, which reaches more beneficiaries and guarantees amounts to cover the real needs of households.
- Improve contributory and non-contributory unemployment benefits with a view to expanding coverage rates and improving the generosity of the benefit.
- Develop a modern public system of social services that, in collaboration with other protection systems, guarantees the right to prevention, care and coverage of the most basic needs.
- Strengthen the public health system, guaranteeing the universality and gratuity of the service.
- Elimination of co-pay and repayment.
- Increase in the number of teaching staff and material resources in public centers at all educational levels.
- Promotion of early schooling (from 0 to 3 years).

Regarding the third line of action, some of the measures to be addressed would be:

- Progressively equalize the taxation of labour and capital income.
- Eliminate the objective estimate of capital income and review most tax reductions and deductions
- Limit to the maximum the exemptions, deductions and credits of the corporation tax.



Finally, in relation to the fourth line of action, we propose:

- Progressive rise in the SMI up to 60% of the average wage to reduce wage dispersion.
- Increased spending on social housing policies up to 1.5% of GDP.
- Transform energy pricing systems to make prices more affordable for households and small businesses.
- Transform the social energy bonus by establishing a universal bonus to cover extreme weather events, expanding the income thresholds that generate entitlement and its coverage.

#### **CONCLUSIONS**

There is a slight mismatch between the governments' priorities set in the NRRP, and those promoted by the trade unions. This is due to a different positioning of topics on the scale of priorities but showing a convergence of priorities that the NRRP should address.

- Investment should better cover the 6 areas of the RRF with a specific attention to social and territorial cohesion and namely modernisation of the labour market, access to social protection, enhancement of workers' skills (also in the green transition and digital transformation areas). Fairer fiscal policies should also be a priority.
- Improvement of working condition should be made prominent in the NRRP and namely working stable jobs and decent wages. Access to social protection is a priority for adequacy of pensions, health care, child and long-term care, and access to essential services.
- Improve social dialogue as overall policy in the development model of the country

# **A BUILDING BLOCK STRATEGY**

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