

Second-stage consultation – access to social protection

CEC Response

1. **What are your views on the possible avenues for EU action set out in section 4 of this document regarding non-standard workers and the self-employed, including**
 - a. **The objectives of coverage, transferability and transparency;**
 - b. **The options of mandatory or voluntary formal coverage;**
 - c. **The appropriate action to ensure effective coverage;**
 - d. **The minimum requirements appropriate to ensure transferability and transparency.**

2. **Are the EU social partners willing to enter into negotiations with a view to concluding an agreement under Article 155 TFEU with regard to any of the elements set out in section 4 of this document?**

1. We believe that the points raised by the European Commission in section 4 of the document frame well the issue. If the aspect of coverage represents probably the “original” goal of the initiative, the other two – transferability and transparency – can potentially have a bigger impact, as their implementation requires less effort in terms of legislative adjustment. As the document correctly puts it, improving transparency by simplifying administrative procedures and making information more easily available increases the overall efficiency of the system, reducing transaction costs both for individuals and companies. Furthermore, increasing transparency by making it easier for people to know what their rights are is the objective of another initiative that is currently being discussed, the possible revision of the Written Statement Directive, on which we have already expressed our favor.

Along the same line, ensuring that individuals can count on the amounts of social contributions they have paid whenever their contractual status allowed them to in whatever future possible contractual status they could find themselves into is an objective that might prove financially challenging, but that needs to be achieved. The issue of transferability is

closely linked with considerations of fairness, and ensuring the full enjoyment of vested rights.

From a concrete point of view, the adoption of mechanisms based on the creation of individual accounts, that record the position of everyone (irrespective of his/her employment position) in terms of access (and rights) to social provisions, including professional training, should be encouraged. As the analytical document puts it, the French example of the *compte d'activité* represents a tool to *"disconnect rights to social protection from professional status and at connecting them to individuals"*.

When it comes to analyzing the issue of coverage, it is necessary to take into full account the inevitable reflections on its financial consequences. Ensuring a high level of social protection, as the analytical document underlines, cannot be seen as an obstacle to competitiveness: *"several studies find that social spending increases competitiveness and show that reverse causality (i.e. that higher competitiveness leads to larger welfare states) is weak"* (page 59). The discussion here is therefore not on whether increasing the number of those who could enjoy some form of social protection irrespective of the kind of work they perform would be a burden to the economy, but rather to focus on finding the right tools to ensure that this objective is not achieved to the detriment of a sound management of public spending.

In preparation of the second-phase consultation, we have interviewed some of our individual affiliates to ask them how (also in their capacities of decision-takers within the companies they work for) they would react to any initiative extending social protection to all forms of employment, including those non-standard forms that are increasingly being employed also within their companies. The position, expressed unanimously, has been in favor of extending social protection to all categories of workers, whose "use" within companies is more often due to the higher degree of adaptability to the fast-changing productive needs, rather than to their overall lower costs. Many have also highlighted the positive effects in terms of increasing the productivity of concerned workers.

The question about the coverage and how to ensure its financing is associated with the more general discussion about how to keep the sustainability of our social systems in a context where the way of funding welfare is based on an employment model – the traditional, open-ended contract – that risks becoming more and more marginal. The need to modernize taxation systems is a transversal issue to many of the reflections concerning the evolution of employment models and the future of our social systems. As the analytical document puts it, the obligation of paying contributions to enjoy the provision of social protection services is surely a tool to reduce the impact on public finances, but one should also take into account that – even for protection ensured to "traditional" workers – contributions alone are not sufficient to cover for the real costs of the protection schemes provided. The debate about how to finance this goal deserves probably a deeper, more

technical analysis, which includes also more targeted simulations about how public finances could be impacted (keeping in mind that taxation is a national competence).

Finally, the last aspect mentioned in the paper concerns the effectiveness of the coverage. Opting for a voluntary approach would clearly involve all the considerations relating to personal preferences and “shortsightedness” of the concerned ones, and some might perceive the risk – as the document mentions – that the imposition of such an obligation also on autonomous workers would be a limit to their “freedom of choice”. For this reason we believe that, irrespective of the “package” that will be selected, the diversity of national traditions and circumstances should be duly taken into account and preserved.

2. Social dialogue is for CEC the very essence of its institutional function. The people we represent are responsible in their everyday activities for mediating between the needs, visions and expectations of the upper management and the workforce, and have to find the better solutions to keep dialogue always open in the interest of the company, its actors and the society as a whole. Also in this case, the free and constructive dialogue between all social partners should be encouraged, as a tool to demonstrate to the Europeans our capacity to deliver the right solutions. In order to allow for dialogue to be meaningful though, it is important that all relevant actors show responsibility in their conduct and a timely attitude towards their involvement in the negotiation, showing a real interest in producing solutions for all.

For this reason, in case the other social partners would agree to starting negotiations, we would be ready to participate. But we would like to underline – also in the framework of the current state of social dialogue relations – that we hope for a transparent, constructive and result-oriented approach from all involved sides.