<u>2017</u>

□The Corporate Communications Office drafts and publishes press releases, in cooperation with the National Desks and some administrative units, on behalf of Eurojust. Occasionally, press releases are jointly prepared by Eurojust and other agencies such as Europol and OLAF, the European Union's Anti-Fraud Office.

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<u>Annual review shows working life in</u> <u>Europe in transition</u>

Working life in Europe is in a period of transition; economic growth has picked up, unemployment rates are generally in decline, and 2016 was the the third consecutive year of increased employment. However, social partners are concerned about the challenges posed by the UK's withdrawal from the EU, particularly in relation to business, trade, and conditions for workers in the UK. There has also been a renewed focus on the issue of pay inequality throughout Europe.

The <u>EurWORK annual review 2016</u> is the latest in the series and summarises the most recent working life developments, particularly in terms of industrial relations and working conditions, at EU level and in the EU Member States and Norway. The review is based on the inputs of more than 50 contributors from Eurofound's <u>Network of European correspondents</u> and analyses changes to the economic and labour market situation, policy developments at EU level related to working life, and relevant political developments.

The review highlights that as Europe has moved out of the unemployment crisis there has been increased focus on wage inequality; this has particularly been the case for young workers. In a number of countries in Europe the debate has shifted from facilitating youth employment via youth minimum wages, to pay gaps or inequalities that have arisen from the application of these policies. It also looks at the issue of work-life balance and the juxtaposition between meeting family obligations and professional commitments.

The review looks in detail at national level social dialogue, and concludes that although social dialogue remains an important issue for Europe, there are challenges in order for it be effective and meaningful. The scope of social dialogue remains limited in a number of EU Member States, while in others it plays only a superficial role in public policy making.

Download the report: Developments in working life 2016: EurWORK annual review

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<u>Moving forward on the European Pillar</u> of Social Rights: Commission continues work on fair and predictable employment contracts

With this initiative, the Commission continues to roll out the European Pillar of Social Rights, aiming to create convergence between Member States towards better working and living conditions.

Valdis Dombrovskis, Vice-President responsible for the Euro, Social Dialogue, Financial Stability, Financial Services and Capital Markets Union said: "The role of the social partners is central for moving forward with the European Pillar of Social Rights. This is particularly the case when it comes to addressing challenges related to new forms of employment and providing adequate working conditions in atypical forms of employments. Clear rules and common fair employment standards can ultimately protect companies that provide workers with adequate information on their working conditions. The Commission is mindful of the need to balance essential protection for workers with companies' scope for job creation and labour market innovation. That is what our proposal is about".

Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, added: "Workers have the right to be informed in writing at the start of employment about their rights and obligations. But millions of Europeans working in non-standard contracts are uncertain about their rights. I want all workers across the EU to be clearly covered by the basic rules, independent of their employment status, be them IT platform workers or delivery people. Ensuring fairer and more predictable employment contracts is a basis for fair working conditions across the EU. This is what we strive for with the European Pillar of Social Rights, which I hope will be proclaimed at the highest political level during the Summit for Fair Jobs and Growth in Gothenburg on 17 November."

The Commission wants to broaden the scope of the current Directive on employment contracts (the so-called <u>Written Statement Directive</u>), extending it to new forms of employment, such as on-demand workers, voucher-based workers and platform workers, so that no one is left behind. The current rules should also be modernised, taking account of developments on the labour market in the past decades. By improving the timeliness and information that is given at the start of an employment contract, workers will be better aware of their rights, and therefore more able to enforce these rights. For employers, bringing the rules up to date will bring more legal clarity and certainty and will avoid unfair competition.

Social partners will be able to share their views on the envisaged updates of EU legislation on employment contracts until 3 November 2017. The Commission aims to present a legislative proposal before the end of the year.

Background

On 26 April 2017, the Commission presented the European Pillar of Social Rights in two legal forms with identical content: a Commission Recommendation, effective as of that date, and as a proposal for a joint proclamation by the Parliament, the Council and the Commission. The final outline of the European Pillar of Social Rights, consisting of 20 principles and rights which aim to achieve convergence towards better working and living conditions across the EU. Making a priority of delivering on the Pillar, the Commission presented in parallel a concrete legislative proposal, notably the proposal to improve work-life balance of working parents and carers, and launched the first stage of two social partner consultations - one to modernise the rules on labour contracts, and another one on access to social protection for all. From 26 April to 23 June 2017, social partners had the occasion to express their views on both topics. Now, the second stage consultation on the modernisation of labour contract rules has started, and the one on access to social protection will follow soon. This second stage consultation builds upon the outcome of the first phase discussions.

The Juncker Commission made a more social Europe one of its priorities from the very start, as reflected in its <u>Political Guidelines of July 2014</u>. In September 2015, on the occasion of <u>President Juncker's first State of the Union</u>, he said: *"We have to step up the work for a fair and truly pan-*

European labour market. (...) As part of these efforts, I will want to develop a European Pillar of Social Rights, which takes account of the changing realities of Europe's societies and the world of work." In his most recent State of the Union address, on 13 September 2017, the President confirmed the Commission's commitment to move forward with the Pillar as an essential means to create a deeper, fairer and more social internal market: "If we want to avoid social fragmentation and social dumping in Europe, then Member States should agree on the European Pillar of Social Rights as soon as possible and at the latest at the Gothenburg summit in November. National social systems will still remain diverse and separate for a long time. But at the very least, we should work for a European Social Standards Union in which we have a common understanding of what is socially fair. Europe cannot work if it shuns workers."

The Social Summit for Fair Jobs and Growth will take place in Gothenburg, Sweden, on 17 November 2017. More information on the Summit can be found <u>here</u>.

For more information

MEM0/17/3366

<u>Factsheet on the Social dimension of Europe</u> – overview of initiatives since the start of the Juncker Commission

Second stage consultation on the Written Statement Directive

Website on the European Pillar of Social Rights

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<u>Commission continues work on fair and</u> <u>predictable employment contracts –</u> <u>Questions and Answers</u>

<u>IP/17/3367</u>

What is the Written Statement Directive and why does the Commission consider modernising the rules on labour contracts?

The Written Statement Directive exists since 1991 and gives employees

starting a new job the right to be notified in writing of the essential aspects of their employment relationship. The aim of this Directive is to make sure workers are aware of their rights.

The world of work has been and is changing rapidly and new forms of work have emerged. As a consequence, the current Directive no longer covers all types of employment relationships. Under the framework of the European Pillar of Social Rights, the Commission therefore launched a social partner consultation to revise the Directive, so that it would reflect labour market changes.

In addition, the Commission's evaluation of the Directive so far showed that many workers in the EU do not receive a written confirmation of their working conditions or do not receive all the information they need in a timely manner. This includes domestic workers and those who perform on-call work. Moreover, whatever the level of information provided to workers, some practices in some precarious labour relationships may be detrimental to workers, especially as regards casual work: According to a <u>report</u> by the <u>European Foundation for the Improvement of Living and Working Conditions</u> (<u>Eurofound</u>), casual work (such as zero-hour contracts) raises particular concerns about working conditions and is characterised by low levels of job and income security.

What changes to the Directive are being considered?

Three areas for action are considered. First, the scope of the directive could be clarified, encompassing all workers, including those on short-term assignments or those having new and atypical employment relationships. Second, the revision could reinforce the principle of written information about applicable working conditions and update the list of required elements, for instance with the working schedule, conditions of a probation period or overtime. Third, beyond proper information in writing in a timely manner, the modernised rule could also establish some basics right such as the right to a degree of predictability of work for workers with very flexible contracts or the right to a maximum duration of a probation period.

How are social partners consulted?

As laid down in the Treaty of the Functioning of the European Union, <u>Article 154 TFEU</u>, the Commission has the duty to consult European social partners prior to presenting any legislative proposal in the social field. The consultation must follow a compulsory two-stage procedure. In the first stage the Commission consults the social partners on the possible direction of an initiative. In the second stage, the focus is on the content of an initiative. This process gives the European social partners the possibility to be directly involved and influence the drafting of social proposals. Moreover, social partners may suspend the Commission initiative whilst deciding to enter into negotiations themselves. If this does not happen, the Commission can review the current Directive. The Commission intends to propose a revision of this directive by the end of the year.

What is the position of the social partners after the first stage of the

consultation?

The first stage consultation of social partners showed diverging views from workers and employers organisations. While the worker's organisations agreed with the need to enhance the effectiveness of the Written Statement Directive and the goal to improve the working conditions for vulnerable workers, a large majority of employers' organisations rejected those ideas. Therefore the social partners were not in a position to initiate formally the joint negotiation process provided for in Article 155 TFEU. However, they reserved the possibility to do so in the context of the second phase consultation.

In addition to revising the Written Statement Directive, how does the EU deliver on the European Pillar of Social Rights?

On 26 April 2017, parallel to the presentation of the <u>European Pillar of</u> <u>Social Rights</u> itself, the Commission put forward a number of initiatives related to work-life balance, the information of workers, access to social protection and working time. They all aim at different aspects of the Pillar. The package includes in particular a legislative proposal for a <u>Directive on</u> <u>Work-Life Balance for Parents and Carers</u> to give families real choices when the birth of a child or a close relative in need of care make more flexible working arrangements necessary. The proposed measures are intended in particular to increase possibilities for men to take up parental and caring responsibilities. This will benefit children and help increase women's participation in the labour market, thereby reducing the difference between men and women in employment which stood in 2015 still at 11.6%p and increases even to 30% when families have young children under the age of 6. This proposal is now under discussion in the European Parliament and Council.

As regards the <u>Written Statement Directive</u> and <u>access to social protection</u>, the Commission launched consultations with social partners, while it provided legal guidance to the <u>Working Time Directive</u> in line with a growing body of case law. Also national reforms would be encouraged through policy guidance and coordination in the framework of the <u>European Semester</u>. This will be supported by the new <u>social scoreboard</u> put forward with the 26 April package. This monitoring tool will replace the current scoreboard of key employment and social indicators to better monitor societal progress at large.

Most of the tools to deliver on the Pillar are in the hands of local, regional and national authorities, as well as social partners, and civil society at large. The European Union — and the European Commission in particular — can help by acting in areas where it shares a competence, by setting the framework, giving the direction and establishing a level-playing field, in full respect of specific national situations and institutional setups.

What is the Commission planning on doing on access to social protection?

As a first step, when presenting the European Pillar of Social Rights, the Commission has launched a consultation of the Social Partners to collect their views on the possible direction of an EU action to ensure that people in all forms of employment have adequate access to social protection and employment services. The Commission will take the next step by launching a second stage consultation shortly this autumn.