



LO, TCO and Saco's input to the Porto Social Summit, 7 May 2021

- ⇒ Strong social partners and collective agreements are a key element in achieving full employment, social protection and competitiveness in the EU. Therefore, social dialogue must be strengthened.
- ⇒ The EU must pay due attention to the different labour market systems in the Member States. The current division of powers and competences must be respected.
- ⇒ Well-functioning systems for upskilling and reskilling play a vital role in the transition towards a climate-smart economy. Employers must take greater responsibility for the development of skills. We welcome the EU's new education/training target of at least 60% of all adults participating in training each year.
- ⇒ Good working conditions and social protection are a prerequisite for getting employees on board of the digital and green transition.
- ⇒ To achieve a more sustainable labour market and economy, equal conditions for men and women are important. That is why we warmly welcome the European Commission's objective of halving the gender employment gap.

The EU needs to focus on social protection

In a rapidly changing world facing major challenges, well-functioning cooperation in Europe becomes increasingly important. Globalisation, digitalisation and the climate crisis present the EU Member States with a number of challenges that we must work together to resolve.

If we are to succeed in creating confidence in the future and acceptance of change, workers and people in general need to feel secure in that change. Well-functioning social welfare systems, which provide fair social security in the long term in the event of illness, unemployment or retirement, benefit democracy and economic development within the European Union.

Having a job is the basis for social and economic security. For the stimulation of employment, good working conditions, education, training and skills development and the transition



towards sustainability, the EU has a vitally important role to play in maintaining the level of ambition via common objectives, coordination, and follow-up. At the same time, Member States must adapt their efforts via their own measures. In the social field, the EU must pay due attention to the different labour market systems and social policies in the Member States. We cannot and should not, at EU level, micromanage Member States' social insurance systems, social welfare systems, taxes, wages or other labour market conditions.

Binding EU legislation is therefore not always the most effective way of creating genuine social and economic security. In cases where binding legislation is developed in the labour market area, it must be limited to minimum conditions that do not limit the freedom to apply higher levels of protection through national labour market law or collective agreements.

The Swedish trade union movement has a positive view of the European Pillar of Social Rights and its action plan, as it expresses the EU's social agenda in the coming years. The European Pillar of Social Rights is an important political step which clearly shows a recognition that economic policy and social considerations must go hand in hand. The basic idea of the social pillar is about joint responsibility for the well-being, employment, and social security of European citizens.

Responding to all the challenges and opportunities we face, requires not only a roadmap and a clear division of responsibilities between the EU and its Member States, but also between trade unions and employers plus between the municipal/regional and central government levels. This division of labour between different levels and actors is necessary for the EU to deliver results to its citizens.

The division of responsibilities must also respect the division of powers and competences laid down in the EU Treaties. Not all problems can be solved at European level nor should attempts be made to do so. This is particularly important as several areas covered by the European Pillar of Social Rights fall entirely or partly within the competence of the Member States. Full respect for the division of powers and competences between Member States and the EU, and between the State and social partners, is crucial to ensure that the EU's social policy is compatible with national labour market models.

The division of responsibilities between Member States differs markedly in terms of, for example, the regulation of the labour market, partly due to that social partners assume different responsibilities for social protection of the labour market. In some countries, the labour market is governed by legislation, while in other countries it is the social partners that are responsible via negotiated collective agreements, which also provide financial support for those affected by occupational injury, illness or redundancy. Irrespective of the design of labour markets and social welfare systems, there must be mutual respect for these differences.

With the objective of increasing social security in the EU, we propose the following:

- The EU must maintain the level of ambition via common objectives, coordination and follow-up. The Member States adapt actions via their own measures.



- Binding legislation in the field of labour market policy should lay down minimum conditions that do not restrict the freedom to apply stronger protection in national labour market in law or collective agreements.
- A roadmap and division of labour between the EU and the Member States, between trade unions and employers, and between the municipal/regional and central government levels.
- The division of labour must respect the division of powers and competences laid down in the EU Treaties.

A stronger social dialogue

Europe needs well-functioning labour markets with conditions that provide a basis for a good quality of life and economic growth. In order to support this goal, stronger social partners and collective bargaining models are needed, and therefore we welcome current EU efforts to increase the capacity of the social partners. Strong trade unions also contribute to a more equal distribution of income and can strengthen the legitimacy of political processes.

The EU's role should be primarily to establish goals and overall objectives, provide support, and act as a platform for sharing best practice. The European Semester is also a useful tool for implementing common principles. In addition, we wish to call attention to EU social dialogue with the possibility for trade unions and employers' organisations to negotiate and reach agreements at European level. Such agreements can be transformed into binding rules and continue to be the joint responsibility of the social partners via autonomous agreements.

In many Member States the level of organisation and people's ability to participate in the development of society is limited. Strengthening workers' influence by strengthening trade unions and employers' organisations' effective participation in social dialogue would increase both the effectiveness of the transposition of the European Pillar of Social Rights' principles and democratic anchoring.

The Swedish structure is an example of the social partners' good ability to shape a labour market with high level of employment, secure employment conditions, real wage increases, and a competitive economy. The social partners also have an important role in the social welfare system.

With the objective to strengthen social partners across the European Union, we propose the following:

- A new EU Social Dialogue Fund for the development of strong, independent and effective structures for social dialogue in Member States where such is necessary. The new Social Dialogue Fund should contain significantly more funds than is currently generated for capacity building via the European Social Fund. The



system of distribution from the Social Dialogue Fund should be linked to the social partners at the EU level in order to further underline the importance of social partners' autonomy.

- An “Ombudsman for Social Dialogue” monitoring the development of social dialogue structures in the Member States concerned. The nomination must be handled by the social partners at EU level; the European Commission appoints and the Ombudsman reports to the EU Social Dialogue Committee.
- New indicators for the European Semester relating to industrial relations in the Member States. Where national laws and regulations make it difficult for the social partners to develop strong relations, the Commission should address this in the country-specific recommendations.
- In public procurement, it must be ensured that employees carrying out work under public contracts have good working conditions in accordance with applicable national collective agreements plus have a safe and secure working environment. We need stronger recommendations on national minimum income schemes, to combat poverty throughout Europe.

Transition and adjustment to new jobs

Our labour markets are changing at an ever-faster pace. A comprehensive approach at both EU and Member State level is needed to develop an effective, just and inclusive transition. It is also important that employers take greater responsibility for the development of skills and the transition of their employees. Responsibility for the transition as a consequence of digitalisation and automation must be shared between the State, the individual and the employer.

Efforts are needed to promote transition in regions, industries and employees directly affected. Skills development in the job and possibilities for workers to be able to change to a new job via education/training and labour market policies are needed. This can be accomplished via collective bargaining solutions and/or governmental systems, which is a responsibility of the Member States. Settlements agreed to via collective agreements have proven to be particularly successful for the transition of the workforce via, among other things, validations and collaboration at sector level.

Lifelong learning must become the norm within the EU, and genuine access to skills development must become more equal. We welcome the EU's new training target of at least 60% of all adults participating in formal learning each year. Targeted efforts should be made vis-à-vis groups that are excluded from the labour market or at risk of falling behind. Gender equality is an important factor in this respect, but other factors such as functional variations/disability and age are also significant aspects. Existing tools such as the European



Social Fund Plus (ESF+), the Just Transition Fund and the European Globalisation Adjustment Fund (EGF) should be used to a greater extent to achieve these objectives.

The influence of workers in the transition towards digitalisation must be increased. The knowledge the employees possess about how their work is carried out is of utmost importance for successful technical development. This expertise is best utilised via collaborative efforts and collective agreement solutions where employers and employees jointly analyse what skills need to be developed. To be able to achieve the intentions laid down in the EU's digitalisation strategy, it is necessary to ensure a level playing field between EU citizens and to close the digital divide, for example by deepening the EU's work and training efforts more concretely in terms of the *Internet of Things* skills.

Future production and work must also be adapted to take climate change and environmental considerations into account. If we are to reach the goals set out in the Paris Agreement, all countries must take action and reduce their emissions to sustainable levels. No individual country can solve the climate change problem on its own, but all countries must do their part. By being at the forefront of the transition towards a green economy, EU Member States can develop new climate technologies, export products and services, increase the number of jobs, and strengthen the economy.

For an inclusive and sustainable transition, we propose the following:

- Responsibility for the transition resulting from digitalisation and automation must be shared between the State, the individual and the employer.
- Skills development and the possibility to change professions via both training and labour market policies, through public systems or settlements in collective agreements.
- Deepen the EU's work and training efforts more concretely in terms of general *Internet of Things* skills.
- Adapt production and work to take climate change and environmental considerations into account.

Better working conditions for greater equality and sustainability

Gender equality is one of the fundamental principles of the European Union, and equal opportunities for women and men to participate in the world of work are important even for the economic growth of Europe. Preconditions remain different for women and men in terms of education, skills development, work, career opportunities, salary, and health. Working life, family life and care work are interconnected and affect each other. Better possibilities to influence one's own work situation, a good work environment and decent pay, are variables that should have a particularly large gender perspective so as to increase gender equality



within the EU. An important and effective lever for a more sustainable labour market and economy is to pay attention to the level of women's participation in the workforce, work environment, and other working conditions. Considering that women's preconditions in the labour market are lagging behind, investments and increased efforts to improve work environment should have positive effects on both the economy and gender equality.

This is why we welcome the European Commission's new objective of halving the employment gap between men and women. One important prerequisite for increasing women's participation in the labour market is that men take greater responsibility for the care of children and household work. Member States must take measures to ensure that women participate at the labour market to a greater degree. In this respect, targeted measures such as expanded childcare and care for the elderly are needed here, as well as tax systems that establish incentives to increase women's participation in the workforce. For example, the EU can highlight the benefits of separate taxation for married couples as a growth-promoting factor.

Europe needs to have high ambitions to create both more and better jobs. The demographic trends in Europe mean that in order to continue to provide social welfare at acceptable levels, people will need to remain in the workforce longer. Therefore, it is crucial to work towards an improved work environment. People must have the strength, ability and desire to remain in the workforce longer. With a focus on full employment and decent working conditions, not only macroeconomic conditions are favoured, but also qualitative values such as quality and sustainable jobs that allow people's mental and physical health to last their entire working life without becoming worn out. This should be the EU's way of being a social union, securing its own future labour needs and at the same time strengthening the EU's global competitiveness.

Another crucial element is to work towards an improved working environment with the goal of preventing occupational injuries and reducing absence due to illness. A good working environment provides the preconditions for a long and sustainable working life, which contributes to increased health for people both in their private life and at work. We wish to see strengthened and high levels of compliance with existing laws and regulations; in addition, we seek to see efforts against unhealthy working conditions and a zero vision of fatalities at work, caused for example by chemicals, asbestos, physically hazardous work environments, and stress and pressure in working life.

To facilitate a sustainable and equal labour market, we propose the following:

- The EU shall focus on full employment with good working conditions with a particular focus on the level of women's participation in the workforce, the work environment and other working conditions.
- As part of being a social union, the EU should promote quality jobs and a healthy work environment.
- Strengthened and high levels of compliance with existing laws and regulations, as well as work against unhealthy working conditions and a vision of zero fatalities at work.