



**Director-General Joost Korte**

## **Social Dialogue Committee**

**28 September 2021, 14:30**

**Videoconference (« Interactio ») – CCAB room 1.D.**

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| <b>Briefing coordination:</b><br>[REDACTED]<br>[REDACTED] | <b>Main contributors:</b><br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED] |
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## **Scene setter**

On 28 September at 14:35, you will address the **Social Dialogue Committee (SDC)** and present recent developments in employment and social policies. Your presentation will be followed by a Q & A session. Your intervention together with the Q & A session should last about one and a half hours (14:35-16:00).

The last SDC meeting in which you participated took place on 16 June (cf. draft minutes attached). It focused on the European Pillar of Social Rights Action Plan.

You will find below the draft agenda of the SDC. The plenary starting at 14:30 will be chaired by Stefan OLSSON. The meeting will be held in videoconference format, supported by Interactio, a multilingual tool provided by SCIC (with Commission participants physically present in room 1.D , Center Albert Borschette)

The meeting is preceded by the preparatory group and joint meetings of ETUC and employers' organisations in the morning.

Your agenda point will be followed by a presentation by Ruth PASERMAN on the ESF+ and social partner capacity-building support.

After the break, social partners will inform the COM on:

1. Implementation of the autonomous agreement on digitalisation (2020)
2. Implementation of the autonomous agreement on active ageing and intergenerational approach (2017)
3. Update on integrated projects

## **Participants:**

- **COM:**
  - **DG EMPL:** DG Joost KORTE, Director Stefan OLSSON, Director Ruth PASERMAN , [REDACTED]
  - **Other services:** [REDACTED] SG/D3), [REDACTED]
- **Social partners** (*Full list of participants and speakers in a separate file.*)

In 2021, the Commission consulted European social partners through dedicated hearings on various upcoming Commission initiatives, including 4 meetings beyond DG EMPL initiatives:

- sustainable corporate governance (DG JUST),
- collective bargaining for the self-employed (DG COMP),
- micro-credentials and Individual Learning Accounts,
- green paper on ageing (SG),
- OSH strategic framework,
- Social Economy Action Plan and
- the implementation of Employers Sanctions Directive (DG HOME).

On 15 June and 28 June, the Commission launched the 2<sup>nd</sup> stage social partner consultations on **platform workers** and **chemical agents/asbestos** with a deadline for contributions 15 September and 30 September.

Social partners can be expected to inquire about the preparations of the **planned social dialogue initiative** and their involvement and the follow up to **the EPSU appeal** judgement delivered on 2 September.

They will probably reiterate their request for a meeting with the Commission to receive clarification on the process and their involvement in the initiative. They do not want to participate in the implementation of any individual action, such as the award or the visiting programme, before having such a clarification. While BusinessEurope is supporting ETUC's request for a working group on the follow-up of the EPSU case, ETUC is now supporting BusinessEurope on their previous request of 2019 for two additional Advisory Committees. Both sides back [REDACTED]' proposal for a Social Dialogue Coordinator in each DG. [NB: On the social dialogue initiative, a Jour Fixe with the Commissioner is planned the day after the SDC meeting].

On 24 September, EU cross-industry social partners hold their first negotiation meeting on their next joint work programme (4 negotiations meetings scheduled until end of 2021).

On 29 September, DG EMPL is organising its **regular meeting with the social partners related to the Annual Sustainable Growth Strategy (ASGS)** with the participation of EMPL F.

The Commission will present its **Commission work programme 2022** on 19 October.

The draft **timeline of 2021 EMPL initiatives** (cf. LPP 20/9) is as follows:

- 10 November: **Communication on decent work worldwide**
- 8 December:
  - **Improving the working conditions in platform work**
  - **Action plan for the social economy**
  - **Individual learning accounts**
  - **European approach for micro-credentials**
- 14 December:

*[as part of the energy and climate package:*

- **Council Recommendation to address the social and labour aspects of the climate transition**  
*[NB: This is the LPP wording; EMPL in its draft roadmap has proposed a slightly different title that also would include “just transition”, cf. below]*

## Table of Contents of this file:

|                       |    |
|-----------------------|----|
| Draft Agenda .....    | 4  |
| Speaking points ..... | 5  |
| Defensives .....      | 13 |
| Background .....      | 28 |

Draft Agenda

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| <b>Social Dialogue Committee (SDC)</b>               |
| <b>Videoconference (“Interactio”) – CCAB room 1D</b> |
| <b>28 September 2021</b>                             |

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|----------------------|---|
| <b>Format:</b>       | Videoconference («Interactio»)  |
| <b>Languages:</b>    | EN FR DE IT   |
| <b>09:00 – 12:30</b> | <b>Trade unions' and employers' group meetings and bi-partite meeting</b> |
| <i>11:00 – 11:15</i> | <i>Break</i>  |
| <b>14:30 – 17:30</b> | <b>Plenary session</b>  |

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| <b>14:30</b> | <b>1. Adoption of the agenda</b>   |
|              | <b>2. Approval of minutes (SDC of 16 June 2021)</b>  |
| <b>14:35</b> | <b>3. Information by the Commission followed by a discussion with social partners:</b><br>a) Update on recent developments in employment and social policies   |
| <b>16:00</b> | <b>4. Information by the Commission followed by a discussion with social partners:</b><br><br>b) ESF+ and social partner capacity-building support   |
| <i>16:45</i> | <i>Break</i>   |
| <b>17:00</b> | <b>5. Information by the social partners</b><br>a) Implementation of the autonomous agreement on digitalisation (2020)<br>b) Implementation of the autonomous agreement on active ageing and intergenerational approach (2017)<br>c) Update on integrated projects |
| <b>17:30</b> | <b>End of the meeting</b>  |

## Speaking points

### [Introduction]

- It is my pleasure to meet and discuss with you again – still in a virtual format – but with many interesting topics for this autumn and the next year.
- I understand that you started a few days ago your negotiation meetings on **your next joint work programme**. I am interested to hear also about your priorities for the future.
- In my intervention I will focus on **three main areas**:
  - Our **strategic outlook** and key takeaways from the State of the Union address of Commission President von der Leyen;
  - Topical issues and recent developments on **social dialogue**.
  - The **upcoming initiatives** by DG EMPL for this year.

### PART 1: Strategic outlook – the State of the Union

#### [SOTEU]

- In her State of the European Union address, President von der Leyen spoke about **strengthening the soul of our Union: ‘grounded in values and bold in action’**.
- She underlined the importance of the **implementation of the European Pillar of Social Rights**.
- The President has put a particular spotlight on:
  - **Digital skills**, with digital being a ‘make or break issue’: the Commission will come forward with a Council Recommendation next year.
  - **Youth**: 2022 will be the **Year of European Youth**: we will come forward with a new programme called **ALMA** – aimed at providing a temporary work experience abroad to young NEETs.
  - **Care**, supporting men and women in finding the best care and the best life balance. The Commission will propose a **European Care Strategy** next year.
  - **Economic governance review**, where we will relaunch the discussion, to build consensus on the way forward well in time for 2023. - This also links to the meeting many of you will attend on the **Annual Sustainable Growth Strategy** tomorrow.
  - **Socially fair green transition**. Complementing the ‘Fit for 55’ package and the **Social Climate Fund**, we will propose a **Council Recommendation on social and labour aspects of the green**

**transition** in December. - I will provide more details later on this initiative.

- Social partners play a vital role in putting these initiatives on track.
- The President also referred to the **Conference of the Future of Europe**. The **first citizens' panel** took place on 17-19 September in Strasbourg. I invite you **to actively participate** in the ongoing discussions.
- Our work therefore focuses on implementing the **European Pillar of Social Rights Action Plan**, including strengthening the social dialogue, as discussed during our June meeting.
- This brings me to my next item:

## **PART 2: Topical issues and recent developments related to social dialogue**

### **[Social dialogue]**

#### **a) 2022 Social Dialogue initiative**

- **The European Pillar of Social Rights Action Plan** announced an initiative to support social dialogue at EU and national level to be presented in 2022.
- The initiative will include:
  - a **review of sectoral social dialogue** at EU level;
  - the launch of a **new award** for social dialogue practices;
  - an **information and visiting programme** for young future social partner leaders;
  - and a **new supporting frame for social partner agreements** at EU level.
- The Commission has started to prepare these actions and I can assure you that we will closely involve social partners in this process.
  - *[further information, if needed:*
    - *on the sectoral social dialogue review – through a questionnaire and technical seminars,*
    - *on supporting frame for social partner agreements possibly through a joint working group,*
    - *on award and visiting programme through technical meetings]*
- As social dialogue has been driven by a number of Communications in the past, the social dialogue initiative will most likely take the form of a **new Communication**.

### **b) EPSU appeal judgement**

- The Court of Justice has **confirmed** on 2 September the judgment of the General Court of 24 October 2019 that it is **for the Commission to decide** whether it is appropriate to submit proposals for legal acts to the Council, also when social partners request to transform one of their agreements into EU law.
- This judgment does **not put into question the Commission's full commitment to cooperate with social partners** and to strengthen social dialogue at all levels.
- As far as the follow-up to the judgement is concerned, DG EMPL is in contact with the Commission's Legal Service<sup>1</sup>.
- We aim to prepare a legally sound and procedurally clear approach for a new supporting frame for social partner agreements, on which you will then be consulted.
- I hope that the Commission and social partners can agree on a framework and related processes on how to deal with social partner agreements in the future.

### **PART 3: The upcoming initiatives by DG EMPL**

- The social partners, both cross-industry and sectoral, have been consulted in dedicated hearings on initiatives included in the 2021 Commission Work Programme. Not only on DG EMPL initiatives, but also beyond.
- For the Commission these hearings are the possibility to hear your views in the policy-making process. I thank all of you for your active participation in these meetings and the important input you provide!
- Let me provide an outlook of what is on the Commission agenda in the social and employment field until the end of this year:
  - The initiative on platform work
  - The Social Economy Action Plan
  - Individual Learning Accounts
  - Micro-Credentials
  - Decent work worldwide
  - Addressing the social and labour aspects of a just transition towards climate neutrality

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<sup>1</sup> NB: It will probably take several weeks. EMPL request to LS will be sent through Ares the week of 27 September, taking into account any feedback from the JF with the Commissioner.

### **TOPIC 1: [Platform work]**

- **New business models**, such as those in the platform economy, **create opportunities** for workers, self-employed, consumers and businesses.
- Yet, we also see that this type of work **may lead to precariousness**.
- **COVID-19** has reinforced the precarious working conditions, under which many people working through platforms were already operating.
- Vulnerabilities regarding for example **access to social protection and income stability** have become more visible than ever.
- The **second stage consultation of social partners closed on 15 September** and the Commission has received **14 responses of European social partners**.
- While agreeing with the overall objectives, the two sides see **possible solutions differently**.
- **Trade unions** are calling for a **binding EU-level instrument** that would focus on ensuring the correct employment status classification of people working through platforms.
- **Employers' organisations** consider that **existing EU instruments** already provide an **adequate framework** and that employment classification should be left for the national level to tackle.
- Social partners concluded that they will **not enter into negotiations**.
- Considering the scale of the challenges raised during the two stage consultation, the Commission has decided to put forward an initiative, based on a thorough impact assessment.
- One thing is certain: **Platform work is here to stay** and it has the potential to grow. So it is important to see how we secure a sustainable model for this new type of work.
- **Social partners** will have an **essential role** to play in making this initiative a success.

### **TOPIC 2: [Social Economy Action Plan]**

- The **political momentum** for the social economy is very high. Some 20 Commission initiatives have referred to the upcoming Action Plan.
- Social economy organisations put people first. This is true whether they are social enterprises, cooperatives, mutual, foundations or associations. The social economy in Europe represents some **2.8 million entities and enterprises**, over **13.6 million paid jobs** [6.3% of the working population].



- There are big variations across countries thus, a **major untapped economic potential** to develop further and to help us reinvent the economy of the future.
- The **Social Economy** Action Plan – scheduled for adoption in December - will improve the **enabling conditions** for the social economy across Europe, including improved **visibility and recognition** and **access to finance and markets**.
- We want to **enhance social investment**, support social economy actors and social enterprises to **start-up, scale-up, innovate and create jobs**, to provide more accessible services, to assist with labour market integration and up-skilling, to address environmental challenges and to strengthen communities, in particular at local level.
- Last year, a preparatory study on the Impact of the European Commission's Social Business Initiative (2011) helped us collect evidence on the impact of the earlier initiatives, the difficulties faced by social economy and social enterprises, and on the extent to which EU, national and regional policies adequately address them. Some 300 stakeholders contributed to this.
- We are also taking into account the mapping study on the social enterprise ecosystems covering 36 European countries, as well as the country reviews, policy briefs and compendia of good practices prepared in cooperation with OECD.
- The roadmap for the Action Plan on the Social Economy (open between March and April 2021) generated **133 replies**.
- The dedicated hearing of social partners which took place on 8 June provided invaluable feedback also for preparing this initiative.

### **TOPIC 3: [ILA]**

- You provided input also to two of our planned initiatives on skills: 1. The Individual Learning Accounts (ILA) and 2. The Micro-credentials.
- The European Pillar of Social Rights Action Plan has set the headline target that by 2030, **60% of working-age adults** in Europe should participate in **training each year**. this reflects the importance of **skills** for success in the labour market.
- Today in Europe, **too few people access regular learning** once they have left initial education; and many find themselves excluded from opportunities to up- or reskill because of their employment status or personal circumstances.
- The Commission initiative on Individual Learning Accounts will present a **novel approach**. It will put the individual directly at the centre of skills development.

- The Commission undertook an extensive consultation, including an open public consultation, and a Social Partner Hearing, earlier this year. The results were integrated in the impact assessment on which the initiative is based.
- While several options are being assessed, the following is clear:
  - First, the initiative will **build on and complement existing frameworks**, to amplify their outcomes.
  - Second, social partners will have an important role to play in the implementation of the initiative. Training is an essential element of collective bargaining. Social partners are in a very good position to know what kind of training is needed and should be associated to the design and delivery of these new schemes.

#### **TOPIC 4: [Micro-credentials]**

- Also in December, together with the ILA initiative, we are looking into micro-credentials:
- Across the economy, skill requirements are changing rapidly due to changes in our labour market.
- **Short learning experiences** lead to micro-credentials – which are key to accelerate the upskilling revolution. Micro-credentials offer a flexible and innovative tool for people to acquire new skills in a targeted and flexible way.
- However, there is **no commonly agreed definition of micro-credentials** and there is a **lack of standards** for their quality and transparency. The diversity of formats and providers raises questions about their value.
- The Commission undertook an extensive consultation, including an open public consultation, and a Social Partner Hearing, earlier this year and is now analysing the results. The key parameters of the initiative include:
  - **Quality** - at the core of the proposed approach.
  - Micro-credentials should by **no means replace state-recognised qualifications**. They can be used to complement qualifications and to top-up and certify people's skills in a flexible and relatively fast manner.
  - Any EU approach to micro-credentials will respect and maintain the flexibility of micro-credentials and respect the diversity of national practices.

#### **TOPIC 5: [Decent work]**

- Decent work is still not a reality for hundreds of millions of people worldwide. **Child labour** has risen for the first time since two decades to an estimated 160 million worldwide. **25 million people** are threatened or coerced into forced labour, as you could hear also our President in he State of the Union Address.
- The pandemic has worsened the situation for many workers.
- The **EU has both interest and opportunity** to play its part in shaping the global agenda on decent work. The EU economy is connected to hundreds of millions of workers in the world through **global supply chains**.
- The **Communication on Decent Work Worldwide** will inform on the EU's aspiration to champion decent work worldwide.
- We are in the preparatory stages of this initiative, and aim to set both the EU's –more strategic- approach to tackling the decent work shortcomings; as well as providing the EU's toolbox of policies acting upon global decent work challenges.
- This EU engagement includes the Sectoral Social Dialogue Committees and the action it has already taken, e.g. on the fisheries and textiles supply chain.
- At your request, the Commission stands ready to offer support to you for launching further activities.

#### **TOPIC 6: [Addressing the social and labour aspects of a just transition towards climate neutrality]**

- In June, the Member States and the European Parliament adopted the European Climate Law, which enshrines reaching climate neutrality by 2050 and reducing emissions by at least by 55% by 2030, compared to 1990, as legally binding targets for the EU.
- On 14 July, the Commission presented its new package to deliver on the European Green Deal, the so-called 'Fit for 55' package. It includes a wide range of proposals to help achieve the EU's ambitious targets and adjust relevant legislations to the increased climate ambition.
- There is no doubt that the proposed measures will have direct and indirect employment, social and distributional consequences.
- Our analysis and previous studies show that the transition can be an opportunity to create quality jobs and generate social co-benefits. To realize this opportunity, the right accompanying policies – including employment and social policies - need to be in place.

- Some parts of the package have already taken into account social fairness considerations. For instance, through the **new proposed Social Climate Fund**, Member States will provide direct income support to vulnerable households, transport users, and micro-enterprises.
- The “Fit for 55” package announced a follow up with a **proposal for a Council Recommendation providing further guidance** to Member States as how to address the employment and social aspects of a just transition to climate neutrality.
- With the Recommendation, we will aim to build on, integrate and complement these previous actions to outline
  - (1) comprehensive policy packages to ensure just transitions,
  - (2) other elements supporting policy action such as involving social partners and other stakeholders including during the implementation of the “Fit for 55” package, and
  - (3) making full use of available funding.
- **Your views on this initiative** and its substance are most welcome.
- We will soon contact you for **further details on a social partner hearing** which could take place **already in October**.

**[Closing]**

- The social and employment dimension is key on the Commission’s agenda, as showed by these initiatives.
- Most importantly, these initiatives all link, in one way of another, to social partners, and social dialogue will play a vital role.
- With this input, I am happy to hear now your views and questions!

## Defensives

1. **Social dialogue**
2. **Decent work**
3. **Social Economy Action Plan**
4. **Platform work**
5. **Skills: ILA and micro-credentials**
6. **Addressing the social and labour aspects of a just transition towards climate neutrality**

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|-----------------------------|
| 1. <b>[Social dialogue]</b> |
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***Why do only some proposals from the Nahles Report feature in the Pillar Action Plan?***

- All proposals are very valuable and the Commission is in the process of assessing them very carefully and will decide on the concrete follow-up.
- For the Action Plan, we had to be selective and we included only new actions and actions of particular importance.
- The Action Plan announces an initiative to support social dialogue at EU and national level to be presented in 2022. Preparatory work should start in 2021 in consultation with social partners.
- Other proposals relating to the Semester/RRF, the consultation of social partners and capacity-building support are of course also very important. But those are not really new and link to the priorities of the New Start for Social Dialogue.

***Will the Commission implement the proposal of social partners picked up by Andrea Nahles to create a social dialogue coordinator in each DG?***

- I think that this proposal has many merits and could potentially lead to a more coherent approach for involving and consulting social partners across the Commission.
- However, the proposal is currently still being assessed within the Commission.
- I hope that we will get clarity in the coming months.

***Will the Commission organise a meeting with cross-industry social partners to discuss the involvement of social partners in the whole planned initiative?***

- The involvement of social partners will be key to the success of the 2022 initiative.
- I would be open to such a meeting.

***Will the Commission provide more targeted support in the future for the implementation of autonomous social partner agreements?***

- I think such support is already available.
- Under the Commission's call for proposals on social dialogue, social partners can receive funding for projects related to the implementation of autonomous agreements.
- In this way, the Commission has funded or is funding a number of projects related to the implementation of your agreements on active ageing and digitalisation.

***Will the COM support the creation of two new Advisory Committees (one on employment and one on social protection)?***

- I note your request to create new Advisory Committees on employment policies and on social protection on top of the existing ones [in DG EMPL remit: 1. Advisory Committee on free movement of workers; 2. Advisory Committee for the Coordination of Social Security Systems (AdvC); 3. Advisory Committee on Vocational Training (ACVT); 4. Advisory Committee on safety and health at workplace (ACSH)]
- We need to assess the added value of such Committees.
- However, let me point out that European social dialogue is not lacking meeting opportunities and discussion fora. At this stage, I would just caution against proliferation of committees to avoid a duplication of discussions and blurring of roles.

***Will the Commission set-up a joint working group with social partners to discuss the follow-up to the EPSU judgement and the future support frame for social partner agreement?***

- It is still too early to discuss the concrete follow-up to the judgement.
- First we need to await the legal interpretation of the judgement by our legal service.
- But I can already ensure you that you will be appropriately involved and consulted on the future approach proposed by the Commission for dealing with social partner agreements.

***How will the Commission's support to social dialogue develop from now on, after the judgment of the General Court on 2 September?***

- The Commission's support to social dialogue has not changed after the judgment of the Court of Justice.
- This Commission has stepped up the involvement of the social partners in the policy and legislative process and has strongly promoted social dialogue at EU and national level over the last years. This includes considerable financial and administrative resources to support social dialogue at EU level.
- Over the last years, the Commission has also submitted 8 sectoral social partner agreements to the Council, such as in the inland waterways sector in 2014<sup>2</sup>, the work in fishing convention in 2016<sup>3</sup>, and the maritime transport sectors in 2017<sup>4</sup> which were adopted as Council Directives.
- And since the beginning of 2021, the Commission has been providing logistic support to European social partners in two sectors (Railways and Central Government) for the negotiation of a sectoral agreement in each of these sectors, at social partners' request. To this, we add the logistic support provided to the negotiations of the Autonomous Framework Agreement on digitalisation signed by the EU cross-industry social partners in June 2020.
- This Commission has already confirmed its commitment to social dialogue, which is one of the key principles of the European Pillar of Social Rights and features prominently in the Pillar Action Plan. Therefore, social partners will continue to be key drivers of the European social agenda.

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<sup>2</sup> Council Directive 2014/112/EU of 19 December 2014 implementing the European Agreement concerning certain aspects of the organisation of working time in inland waterway transport.

<sup>3</sup> Council Directive (EU) 2017/159 of 19 December 2016 implementing the Agreement concerning the implementation of the Work in Fishing Convention, 2007 of the International Labour Organisation.

<sup>4</sup> Council Directive (EU) 2018/131 of 23 January 2018 implementing the Agreement concluded by the European Community Shipowners' Associations (ECSA) and the European Transport Workers' Federation (ETF) to amend Directive 2009/13/EC in accordance with the amendments of 2014 to the Maritime Labour Convention, 2006, as approved by the International Labour Conference on 11 June 2014.

## **2. [Decent work]**

### ***Will the Communication also include policies promoting decent work in EU?***

The EU is already doing a lot on promoting decent work in the EU; that is not the focus of this Communication, which is the work of the EU on promoting decent work outside of its borders.

### ***When will the Communication be published?***

We expect the Communication to be adopted in College in the fourth quarter of 2021, it will be published immediately afterwards.

### ***Will there be a public consultation?***

The Communication covers policies that have themselves already been part of public consultations. There will be no public consultation specifically on the Communication to not duplicate procedures. But we already had a first exchange with the EU social partners on the Communication when meeting them in preparation of the International Labour Conference. We are planning to inform the social partners closely about the further progress and plan to have another meeting once the Communication is in Interservice-Consultation.

## **3. [Social Economy Action Plan]**

### ***Will the Social Economy Action Plan pay attention to third countries?***

- Yes, the Social Economy Action Plan will pay attention to third countries.
- Indeed, social economy can play a crucial role in the realisation of the 2030 Agenda and the Sustainable Development Goals (SDGs) by promoting inclusive and sustainable development through concrete social, institutional and technological innovations and practices.
- At a time when governments are searching for ways to adapt policy to better deal with complex development challenges, important lessons can be learnt from the expanding field of social economy. This comprises lessons from the experiences of producers, workers, citizens and communities worldwide that seek to enhance and transform production and consumption patterns through various forms of cooperation, solidarity and democratic self-organization putting ethics in economic activity.
- The European Commission is for instance currently working with the Service for Foreign Policy Instruments (FPI) to boost the development of the social economy's ecosystems on different continents, including impact measurement and peer-to-peer learning.



***Will the Commission propose any new European level legal forms as part of the action plan for the social economy?***

- The European Commission is aware of the challenges that some mutuals and foundations face in their cross-border activities. We are looking into different ways of overcoming them
- However, following the withdrawal of a 1992 Commission proposal on the creation of a European statute for mutuals in 2006, it appears that the necessary conditions are still not met for a unanimous endorsement of this idea by the Council.
- The proposal for the European Foundation Statute was also withdrawn in 2014 after insufficient support from a number of Member States. As the legal basis of the Statute was Article 352 of the TFEU it required unanimity in the Council. If it was proposed at this stage, it could be challenging to achieve unanimity on it among the Member States.
- The Commission is therefore working on alternative ways to promote these types of organisations in the context of the action plan for the social economy.

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| <b>4. [Platform work]</b> |
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***Does the Commission have enough competence as regards platform work?***

- Whether work is delivered online (digitally) or offline (on-location), many digital labour platforms have a cross-border dimension.
- The digital age opens up great opportunities for businesses, consumers and citizens. Platforms can make it possible for people to find new jobs and explore new business ideas, and support working across borders.
- But we need to make sure that these new forms of work organisation are sustainable and fair. Rules applying offline – from single market rules, consumer protection, to intellectual property, taxation and workers' rights – also have to apply online
- EU action can support Member States to ensure fair conditions and opportunities in platform work. It can also bring clarity on applicable rules to help explore the full potential of digital labour platforms in innovation and employment.

***How will the Commission avoid platforms from moving their businesses outside the EU/EEA as they will be asked to take more responsibility for their workers?***

- One thing is clear: the EU has the largest single market in the world, with nearly half a billion consumers and workers.
- Platforms, as other companies, know that Europe is a place of innovation as well as a Union of values, where our strong social model is cherished as much as the benefits of new technologies and cross-border freedoms.
- The key issue here is finding a balance between reaping the opportunities of the platform economy and ensuring that the social rights of people working in it are the same as in the traditional economy.
- As Commission President von der Leyen said: new forms of work must come with equal rights. The initiative will be looking into ensuring dignified, transparent and predictable working conditions and adequate social protection for people working through platforms.

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| <b>5. [Skills: ILA and micro-credentials]</b> |
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***ETUC believes that ILAs does not mean the same as ensuring the individual right for training. Don't you confuse "access to rights/entitlements" and "access to individual learning accounts"?***

- The right to training is very prominent in the European Pillar of Social Rights that has been endorsed by all Member States.
- However, we now need to go one step further and discuss concrete tools that will allow us to make progress. We see ILA as one of these tools- in addition to the other tools covered by the Skills Agenda, which notably aim to further strengthen training provision by employers.
- We have carefully listened to your arguments during the consultation phase and we will try to reflect many of these in our proposal. In particular, we are planning to put emphasis on the implementation of the ILO convention on paid educational leave to allow people attend ILA-sponsored courses during working hours.
- Validation and guidance will have to be an integral part of an ILA scheme.
- The biggest challenge will be to reach out to low-qualified adults who are the most reluctant to participate in training. Here we count on the support of trade unions.

***Do individual learning accounts bear a risk of individuals choosing training that does not correspond to labour market and company needs?***

- We agree that it is crucial to ensure the labour market relevance of training.
- However, nowadays individuals often need to manage professional transitions. We need to give them the tools to manage them. This means individuals should be able to take into account the broader labour market context, and their professional ambitions, when making training decisions.
- Every ILA needs a registry of training opportunities that are eligible for funding. One solution can be to give social partners a strong role in the governance of this registry. The impact assessment will assess the experiences with existing schemes in this respect.
- Moreover, we also need to think about the *effectiveness* of training: new digital technologies allow to personalise training more than in the past. However, individuals need to be able to take a proactive role in the selection of training to reap these benefits. ILAs can support a more proactive role of individuals in training, to better serve individual *and* labour market needs at the same time.

***Don't you "put all your eggs in one basket" with this initiative? ILAs have not yet proven their worth, you don't hear much positive things about the FR example.***

- Member States have made a lot of experiences with instruments strengthening individual demand for training in their different national contexts- even if not always called ILA. In the impact assessment, we are taking a close look at all of these experiences.
- There is also growing interest by the Member States in such instruments, as exemplified by the revision of the employment guidelines in October 2020: ultimately, all Member States are struggling with similar issues when it comes to ensuring access to training for all.
- And the recent pandemic provides an interesting example: when the crisis hit, France and Singapore had the infrastructure in place to quickly channel additional funding for skills to individuals so they could use the crisis to develop skills for the recovery.
- But let me underline that we see ILA as an interesting complement, and not substitute, to other tools so support training provision. ILA initiative should be seen in the broader context given by the European Skills Agenda.

***A main barrier to training participation is a lack of time. How can ILAs help here? Without fully implementing the ILO convention on paid educational leave, ILAs won't help.***

- Most EU Member States already have some form of paid educational leave- the problem is often one of low awareness by individuals.
- We think ILAs can tackle time constraints to training in 2 ways:
  - First, they can promote a better uptake of existing educational leave provisions in the Member States- by creating transparency about quality-assured training offers, and covering direct costs of training. Educational leave schemes offering wage replacement can also be integrated into ILAs: In France for instance, the educational leave-scheme can be mobilised through the ILA.
  - Second, ILAs give individuals the flexibility to seek training whenever it suits their needs- for instance, during short-time work in a recession.

***Is our understanding correct that the individual learning accounts would put the burden of up- and reskilling on individuals?***

- Emphasize that upskilling and reskilling is a collective responsibility of all stakeholders- individuals cannot be expected to shoulder the burden by themselves.
- The initiative on individual learning accounts will thoroughly assess which support individuals need to put their right to training enshrined in the European Pillar of Social Rights into practice.
- Point out that among adults, individual learning needs differ even more than in initial education. Hence, it is crucial to ensure that they can seek the type of training that works for them.
- Argue that the increasing offer of high quality online or blended learning offers can make training more individualised and effective, but that this requires giving individuals more say in the choice of training.

***How will individual learning accounts be financed?***

- Where they exist, the financing of individual learning accounts differs from one country to another, in accordance with strategic choices made at national level. For example, in France they are financed primarily through an employers' levy, whereas the Netherlands envisage using public financing.

- In exploring these accounts, the Commission will cover this core element, paying particular attention to ensuring that it is fit for SMEs.
- The Commission will also explore the potential for individual learning accounts to facilitate cost-sharing between different stakeholders: for instance by facilitating top-ups to the accounts of employees covered by collective bargaining agreements, or by offering targeted support to groups on the labour market with particular reskilling needs using public funds.

***How could an ILA accommodate the heterogeneous needs of different target groups (employees, unemployed, migrants etc.), and how could it address another major barrier to training participation, namely a lack of time?***

- Agree with the view that there is no “one size fits all”-solutions: specific groups need specific support, such as guidance or additional financial support. Public employment services as well as Social Partners are crucial here.
- Argue that the French ILA (« compte personnel de formation ») shows that ILA can foster the provision of integrated support, and can also create transparency about the training offer and its quality.
- Agree that a lack of time is another major barrier to training, and point out that this aspect will be included in the Commission explorations. Argue that ILA-co-funding can also be an incentive for employers to allow for training during working hours, as the French example shows.

***Do individual learning accounts bear a risk of individual choosing training without any relevance to the needs of her/his employers?***

- Agree that in light of the green and digital transitions, the world of work is changing quickly and there is a need to support individuals to get the labour market-relevant skills they need to thrive in it.
- However, emphasise that individuals should be able to take into account the broader labour market relevance of skills when making training decisions, as they may need to or want to prepare for professional transitions.
- Point out that training can better address individual needs if individuals are involved in making the training choices: learning needs and preferences differ even more among adults than in initial education, and “one size fits all” provision can be wasteful both for employers and employees.

- Further point out that social partners can be involved in the governance of the registry of eligible training opportunities to ensure that the training offers meets labour market needs. The impact assessment will assess experiences with existing schemes such as in France.

***Isn't your focus on ILA too narrow, given that ILA is only one possible tool among others?***

- Point out that the initiative on individual learning accounts is complementary to the other initiatives in the Skills Agenda which focus on other stakeholders, such as the Pact for Skills. It also builds on previous EU Recommendations such as the 2020 Council Recommendation on VET or the Council Recommendation on validation of non-formal and informal learning from 2012, whose 2020 evaluation recommends increasing support to individuals.
- Point out that there are currently systematic gaps in the adult learning support systems of Member States for groups without strong employer support: people working in SMEs, the unemployed and those in non-standard employment participate less in training, and there is little support for individuals who want to prepare for a professional transition.
- Argue that there is also a need to promote a culture of lifelong learning in many Member States by making learning offers more attractive and tailored to individual needs, and that this requires involving individuals directly.
- Recall that the initiative is in line with the revised employment guideline 6 adopted by the Council in October 2020, which adds that *“Member States should seek to strengthen the provisions on individual training entitlements and ensure their transferability during professional transitions, including, where appropriate, through individual learning accounts”*.
- Highlight that a big number of Member States (such as DE, IT, PL, LT) already has experiences with giving individuals entitlements that can be spent on a range of pre-selected training offers- usually in the form of training voucher schemes for specific target groups. The initiative aims to draw the “lessons learned” from these initiatives, while fully respecting differences in national circumstances

***Are micro-credentials intended to replace qualifications?***

- No, micro-credentials are not intended to replace qualifications. There are already thousands of micro-credentials on offer in the market. The EU approach to micro-credentials seeks only to enhance the quality, transparency and uptake of these micro-credentials as a way to support access to quality, flexible learning in line with people's needs. The EU

approach to micro-credentials will complement existing qualifications systems.

### ***Link between micro-credentials and ECVET***

- While the ECVET Recommendation has been repealed, the importance of its principles has even increased – as documented by the VET Recommendation – flexibility and lifelong learning are key and we see more and more countries making efforts to make VET (including IVET) more flexible (and modularised). The work on MC will build on the experience gained with the implementation of ECVET.
- ECVET units of learning outcomes aimed to describe a component of a qualification(s); this is not the case with micro-credentials, which are often stand-alone credentials that are not constructed or designed with regard to an overall qualification (although in some cases micro-credentials can be combined ('stacked') with other micro-credentials to create a pathway to partial or full qualifications).
- The purpose of the EU approach to micro-credentials is not to replace or create new types of qualifications or learning achievements. It also does not aim to reform the whole VET system or the entire VET provision either. It focuses on a limited segment of these short and flexible targeted courses.
- The EU initiative will reflect the growth in micro-credentials and find a common way to describe the features of micro-credentials, to ensure the trust and transparency of micro-credentials. These common features will apply to all types of micro-credentials irrespective of the sector or provider on a voluntary basis. This means that – for instance – a continuing VET provider that is eager to act on an international training market, might be interested in adhering to the EU standard on micro-credentials.
- It is also important to note that the Commission does not envisage establishing any shared points system or numerical way of describing learning outcomes for VET micro-credentials.

### ***How can an EU approach to micro-credentials ensure the quality of such diverse micro-credentials?***

- The issue of quality will underpin the upcoming EU approach to micro-credentials. The Commission is currently consulting with stakeholders and gathering evidence on practices in the market on how micro-credentials can and should be quality assured. There are already tools and standards in existence in the labour market and education and training sectors for quality assurance of credentials and our aim is that solutions will emerge through the consultation and other input that helps the Commission propose an effective approach to quality assurance.

***What is the link between micro-credentials and the initiative on Individual Learning Accounts?***

- Micro-credentials can support the operation and added-value of Individual Learning Accounts.
- Member States that develop Individual Learning Accounts can include information on recognised training opportunities that lead to micro-credentials for learners *to access through their accounts*.
- Users of individual learning accounts can get tailored suggestions of quality-assured micro-credentials to empower, upskill and reskill in line with their needs.
- Individual learning accounts, underpinned with information on micro-credentials, have the potential to close existing support gaps and increase the incentives of individuals to seek training.

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| <b>6. [Addressing the social and labour aspects of a just transition towards climate neutrality]</b> |
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***What new elements could be included in the guidance to Member States so not to deliver only a compendium of the green/social elements of pre-existing Commission guidance?***

- First of all, we think providing a coherent overview of previous guidance to Member States in this area holds an added value in itself given that this guidance was usually made as part of other, more general documents (e.g. green references in EASE recommendation, Employment Guidelines, New Industrial Strategy, Skills Agenda; employment and social references in e.g. Renovation Wave Strategy, Sustainable and Smart Mobility Strategy).
- The same applies to guidance on available EU funding in this area, where Member States face a large number of instruments that directly or indirectly contribute to ensuring a just transition.
- However, indeed, we would like to also go beyond existing guidance to fill any gaps and innovate where possible. These considerations are part of the preparatory work for the evidence basis, but relevant areas could for instance concern:
- Dedicated schemes to facilitate labour market transitions, such as income support schemes, unemployment support schemes and well-designed,



tailored public work schemes with a focus on green retraining. For instance, the ILO's "green works" initiatives could be a source of inspiration in this regard.

- Restructuring due to the green transition, including the information and consultation of workers for anticipating and managing such processes, is not explicitly incorporated in the Just Transition Fund. The EU Quality Framework for anticipation of change and restructuring of 2013 is an existing, evidence-based tool that provides guidance to national and local authorities, among others. A monitoring study of 2018 found that there is low awareness for it, especially at the national level. Eurofound's European Monitoring Centre on Change (EMCC) provides a useful up-to-date evidence base to consider this area.
- We are in the process of exploring further aspects, such as the nexus with occupational safety and health in the context of climate change adaptation, which affects some sectors in particular (e.g. outdoor workers in construction and agriculture, public service workers in emergency situations), and job quality more broadly, including the role of collective bargaining in green jobs and sectors.
- The Recommendation could put emphasis on enhancing skills intelligence, in line with a recent study by the PES Network on "greening labour markets", and ensure skills development, notably that education and training, including VET programmes and apprenticeships, are tailored accordingly, for instance with reference to operationalising green core skills and green jobs when possible.
- The Social Climate Fund recycles in principle 25% of additional ETS revenues, but energy taxation and carbon pricing revenues could be re-used for social inclusion and solidarity mechanisms much more extensively. In the proposal, we aim to recommend concrete adequate ways of recycling revenues based on the available evidence. Already at previous occasions, the Commission has recommended shifting taxes away from labour and in line with climate and environmental objectives. So this recommendation could be developed further.
- In the area of services, vouchers for enabling access to sustainable mobility is one area under consideration, and inclusive access to sustainable modes of public transportation, in both urban and rural areas, is another.

***How will the Council Recommendation link to existing governance mechanisms, notably the European Semester and the Energy Union and Climate Action Governance (i.e. Governance Regulation)?***

- The process of this initiative runs in parallel to the (high-level) discussions on the future of the European Semester. We plan to come out with a clearer picture in this year's ASGS (Annual Sustainable Growth Strategy), which will be published later this year. In the context of this initiative, this will be late but not too late to align the Council Recommendation with the ASGS, if needed.
- Moreover, the Council Recommendation can provide an added value independent of the outcomes of this process as it might not be explicitly linked to governance processes (e.g. NECPs). It would aim to present a comprehensive approach on how to ensure a just transition at national level and to provide clarifications to Member States about the available funding options in this area.

***The proposed Regulation for a Social Climate Fund lists the measures and investments (in Article 6) that are eligible for funding. How could the Recommendation link to the Social Climate Fund, while also providing “broad and pragmatic” guidance on just transition towards climate neutrality?***

- The Commission's assessment of the NECPs in 2019/2020 showed that just transition and energy poverty aspects need to be better included in the majority of plans (three quarters of the Country Specific Recommendations on just transition were not, or only partially, reflected in the final NECPs).<sup>5</sup>
- Member States might start drafting national Social Climate Plans and NECP updates already in 2022 and early 2023, so the Recommendation would be well timed to provide both broad and specific guidance to Member States (without prejudice to the future of the governance processes).
- The two national plans due in 2023-24 would be complementary: The NECPs would provide a 10-year plan to deliver on climate and energy targets until the next update (in 2033) and the Social Climate Plans would specify certain measures and investments that will be funded to deliver on the plans.

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<sup>5</sup> Details on the timeline: The SCF text foresees that Member States submit draft Social Climate Plans “from mid-2023” and final plans by 30 June 2024, in accordance with the NECPs under the Governance Regulation (MS need to submit draft NECP updates by 30 June 2023 and final NECP updates by 30 June 2024 according to Article 14 of the Governance Regulation). In late 2023 and early 2024, the Commission would need to start preparing the delegated acts on the reporting requirements under the Fund.

***Why is the environmental dimension (e.g. biodiversity, circular economy) not considered, even though the recital of the Social Climate Fund proposal announced an initiative on the “social aspects of the desired green transition”?***

- Indeed, the initiative has a focus on the climate transition and its employment and social aspects.
- DG EMPL considers that, as a direct follow-up and complement to the Fit for 55 package, it is adequate to focus on the implications of the climate and energy dimension primarily. The Social Climate Fund will support green investments in this area (e.g. energy efficiency and renovations of buildings, clean heating and cooling, and integrate renewable energy, and access to zero- and low- emission mobility). And the NECPs will also be updated in the framework of the Governance Regulation on the Energy Union and Climate Action. Already with this focus, the guidance will include many different elements that will require streamlining.
- However, we agree that the nexus between environmental aspects and employment and social aspects is very important too (e.g. air pollution, access to drinking water, sectoral links). On the one hand, some environmental elements could be part of the Recommendation where they inter-link with the climate and energy transition (e.g. entrepreneurship, green public works, OSH, access to green mobility). On the other hand, the Recommendation is only one step in the process and we consider the nexus with environmental objectives also as part of other work strands as appropriate.

## Background

1. Social dialogue
2. Platform work: result of second stage social partners consultation
3. Skills: ILA and micro-credentials: Main reactions by social partners and other stakeholders

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| 1. <b><u>[Social dialogue]</u></b> |
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[1. Social partners reactions on SOTEU]

ETUC:

*“The President talked about the importance of balance in people’s lives but didn’t put forward a much-needed directive on the right to disconnect. She said the climate transition must be fair but said nothing about the Just Transition Fund being cut in half, nor about the lack of social or employment conditions for funding in the Fit for 55 package which is seriously short when it comes to addressing energy poverty. She talked about supporting young people without announcing rights for platform workers or a ban on unpaid internships.*

*“The President did though promise a law against violence against women which is badly needed after an explosion in violence against women workers during the pandemic as well as a rise in cyber harassment including by new forms of intrusive surveillance software being used by companies to spy on people working from home.*

*“Europe is still far away from achieving the social market economy that Ursula von der Leyen talked about today. For millions of working people, life is harder now than it was a decade ago. Austerity created unemployment, dismantled collective bargaining needed for fair wages and damaged public services we all depended on during the Covid crisis. The pandemic has further exacerbated inequality.*

*“That’s the real state of the union and working people need real solutions.”*

BusinessEurope

- *tearing down all the barriers that weigh on the development of our Single Market, not only restoring pre-COVID free movement conditions as soon as possible but also tackling long-standing obstacles to the cross-border provision of services and avoiding over-prescriptive policy for harmonised European standards for goods;*
- *revitalising the multilateral system, embracing an ambitious trade and investment agenda and moving to qualified majority voting in external relations;*
- **guaranteeing that any EU framework on minimum wages fully respects national competences as well as the autonomy of social partners regarding wage setting”, Beyrer added.**

SGI Europe

*“The quality of our infrastructures, our healthcare, social security and education systems are the enablers of the economic successes of the EU. Developing the fairness of our taxation systems should help to further increase the funding for our social infrastructures. We welcome the future proposals for a European Care Strategy,*

*as well as a dedicated programme – ALMA – targeted at supporting NEETs to find temporary work experience in another Member State.”*

### SME United

*SMEUnited is ready to start negotiations with the trade unions on a recommendation for minimum wages. “We are convinced that progress in this sensitive area can only be made if competences of social partners and national legislators are respected. European legal actions will not lead to a result”, says President Alban Maggiar. “The European Commission could contribute by investing more in the capacity of social partners”, he added.*

*Furthermore, the Green Deal can be realised only if SMEs are able to master the enormous need for innovation and investments. Therefore, the required financial instruments for the necessary investments have to be provided by European and national programmes. Moreover, qualification efforts – upskilling of entrepreneurs and workers – must be taken on in joint effort as well. These are especially valid for the envisaged “Renovation Wave”, in which SMEs play a crucial role.*

### *[2. On social partner consultations]*

#### **2021:**

- 22 Feb: Hearing on sustainable corporate governance
- 26 March: Hearing on seasonal workers
- 12 April: Hearing on collective bargaining for the self-employed (with DG COMP)
- 15 April: Hearing on micro-credentials and Individual Learning Account
- 16 April: Hearing on green paper on ageing (with SG)
- 21 April : Hearing on OSH strategic framework
- 1 June: High-level meeting with EVP Timmermans and Cmsr Schmit on Fit for 55 Package (with DG CLIMA)
- 8 June: Hearing on Social Economy Action Plan
- 13 July: Hearing on the implementation of the Employers Sanctions Directive (DG HOME)

### *[3. On EPSU appeal judgement]*

- The **Court of Justice has confirmed the judgment and the reasoning of the General Court** of 24 October 2019, which had upheld the Commission decision not to put forward a social partner agreement to the Council of the EU to be transformed into EU law.
- The Court confirmed that **the Commission does not have an obligation to submit a proposal to the Council** on the basis of an agreement between management and labour (the social partners), for the purpose of its implementation at EU level. Moreover, in line with its task of promoting the general interest of the European Union, the Commission has the power of determining whether it is

appropriate or not to submit such a proposal. A different interpretation would have the effect that the interests of the management and labour signatories to an agreement alone would prevail over the task, entrusted to the Commission, of promoting the general interest of the European Union.

- The Court **underlined the autonomy of social partners** and explained the understanding of the relevant provisions of the Treaty. The duty of the Commission to represent the general interest of the Union is not called into question by the autonomy of social partners. The existence of this autonomy characterises the stage of negotiation of a possible agreement between social partners and does not mean that the Commission must automatically submit it to the Council at their request, because that would be tantamount to according those social partners a power of initiative of their own that they do not have.
- The **Court reconfirmed that the Commission has a [power of] discretion** when deciding whether it is appropriate to submit a proposal to the Council pursuant to Article 155(2) TFEU. For that purpose, the Commission carries out a complex assessment that needs to take into account, such as in the present case, potentially divergent interests and policy choices that have regard to political, economic and social considerations. As a result, the judicial review of this type of decision must be limited and is, in principle, confined to verifying that the relevant rules governing procedure and the duty to give reasons have been complied with, that the facts relied on have been accurately stated and that there has been no error of law, manifest error in the assessment of the facts or misuse of powers. At the same time, the Court found that the obligation to state reasons has been complied by the Commission and rejected EPSU's line of argument relating to the fact that the reasons given in the contested decision were incorrect or irrelevant.
- With regard to the **role of Commission Communications**, the Court held that in adopting rules of conduct and announcing by publishing them that it would apply them, an institution imposes a limit on the exercise of its discretion and cannot depart from those rules, unless it is found, where appropriate, to be in breach of general principles of law, such as equal treatment or the protection of legitimate expectations. However, in the present case, the Court did not find an explicit and unequivocal commitment on the part of the Commission to set a limit on the exercise of its power, by undertaking to examine solely certain specific considerations before submitting its proposal. This is also to be seen in the light of the exercise of a power conferred upon the Commission by the Treaty (to decide whether to submit the agreement to the Council) and of the importance of the institutional balance within which this power falls.

## **2.[ Platform work: result of second stage social partners consultation]**

- The second phase social partners' consultation was open from 15 June 2021 to 15 September 2021. In total, 14 replies from recognised social partners were received. 8 trade unions and 6 employers' organisations sent their replies.

### Trade Unions

- Trade unions generally **agree with the objectives** identified by the European Commission to ensure decent working conditions for people working in platform companies.

- More specifically, trade unions call on the Commission to propose a **Directive based on Article 153(2) TFEU** that provides for the **rebuttable presumption** of an employment status with **reversed burden of proof** and a **set of criteria to verify the status**, and maintain that such instrument should apply both to online and on-location platforms.
- Additionally, trade unions support the plan to introduce new **rights related to the algorithmic management**, notably information and consultation rights for workers and workers' representatives, exclusion of automated firing, right to data protection and privacy and portability of data.
- Finally, trade unions are also in favour of the **reporting obligations of platforms**, clarification of the applicable social legislation of the country where the worker executes his work and underline the role of social partners in collective representation and social dialogue.
- Trade unions strongly **oppose a third status** for people working through platforms. For some (ETUC, Eurocadres and ETF), the recognition of platforms as employers with sector-specific obligations is equally important and necessary as the clarification of the employment status of people working through platforms. ETUC and Eurocadres would like to see the upcoming initiative extended to all non-standard forms of work.

#### Employers' organisations

- Employers' organisations **agree with the overall objective** of the Commission. They agree that there are issues e.g. regarding working conditions, misclassification of employment status or access to information that should be tackled.
- However, they prefer that this is done at the **national level**, on a case-by-case basis and within the framework of the different national social and industrial relations systems. More specifically, employers' organisations expressed concerns about the rebuttable presumption of an employment relationship, as well as specific criteria to verify the employment status established at EU level. Some maintained that a **self-regulatory approach** by platforms themselves, combined with a dedicated forum of key actors developing **guidance** on determining employment status, would be the right approach (BusinessEurope), while others would support **non-binding measures** e.g. EU guidelines or a Council Recommendation (SMEUnited).
- Employers' organisations recognize the need to improve the information and transparency of algorithmic decisions and data privacy of people working through platforms. They however consider that the existing (P2B Regulation, GDPR) or upcoming (AI Act) legal instruments are designed for the purpose. The focus should therefore lie on efficient **implementation and enforcement** of these regulations at the national level.
- Employers' organisations further highlighted that any possible action at EU level should be in line with two main objectives: allowing genuine self-employed to be able to fully benefit from the autonomy and freedom associated with their status and support sustainable growth of platforms. It needs to respect the choice of small enterprises, and self-employed to take the entrepreneurial risk and it

should not hamper the development of innovative business models (SMEunited).

Social partners concluded that they will **not enter into negotiations**.

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| <b>3. [Skills: ILA and micro-credentials: Main reactions by social partners and other stakeholders]</b> |
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**Position of Business Europe (Sept. 2020):** *“BusinessEurope sees good potential in basing VET programmes on modules or units of learning outcomes and with particular reference to the development of micro-credentials. Micro-credentials are a flexible, demand-driven and complementary approach for training to be undertaken in way that responds to companies and workers’ needs.”*

**Position of ETUC (Oct. 2020):** *“Respect of full qualifications and quality units/modules of full study programmes while considering that micro-credentials have added value to complement full qualifications”*

*National authorities and trade unions:*

- Risk that micro-credentials replace full qualifications.
- Link to levels in the national qualifications frameworks could generate confusion as to the actual value of the micro-credential.
- No to the excessive modularisation of VET.
- Links to qualifications frameworks not clear.
- Credits don't work in VET or non-formal training, contrary to higher education. It is not possible to introduce comparable units.

*National authorities in VET and non-formal providers (e.g. companies, chambers of commerce):*

- Excessive bureaucracy to meet agreed EU standards will take away flexibility and stifle the offer of micro-credentials, de facto diminishing their attractiveness and usefulness.
- Why should private providers and VET organisations bind themselves to EU standard and limit their autonomy in developing training programmes?

### **Social Partners Hearing**

The discussion during the hearing on 15 April was **broadly positive**. Both sides stressed the potential usefulness of micro-credentials for upskilling and reskilling people, the importance of social partners' involvement in their development and of respecting national systems and practices. They also highlighted that micro-credentials should complement and not replace formal qualifications and the importance of quality assurance. Workers stated that micro-credentials should be linked to paid training leave and that special attention should be paid to inclusiveness (reaching out to low-skilled people), equal access and work-life balance. They asked for social partners' involvement in the regulation of private courses to avoid the risk of frauds.

Employers asked to avoid over-formalisation that would reduce flexibility, which is a key feature of micro-credentials, and to leave providers the choice of whether or not to adopt the EU standards. They also asked for a link to the Europass infrastructure.