

**T**he tenth edition of “[Luci sul Lavoro](#)” took place in Montepulciano from the 11th to the 13th of July 2019. The yearly festival is organized by [EIDOS](#) (Istituto Europeo di Documentazione e Studi Sociali) with the support of the municipality of Montepulciano. The aim of the festival is to focus the attention of policy-makers and different stakeholders on the multiple challenges that the labour market faces nowadays. During the three-day festival, several aspects of the labour market are discussed among representatives of trade unions, employers’ associations, policy-makers, researchers, and academics, all at the national, European and international levels. The title of this year’s festival was ‘Between sustainability and innovation: which future for the labour market?’.

**Unsurprisingly, the European Union has earned a prominent space in the three-day debate.** Indeed, the opening debate of the festival, organised by the [European Trade Union Confederation](#) (ETUC), was called ‘A new social contract for Europe and the world’. Luca Visentini, recently confirmed in his role as General Secretary of the ETUC, opened his speech by reiterating the importance of the European dimension in the future of work and the labour market. Notably, he stressed that the next Commission’s mandate will be decisive for working people and that the new Parliament has the responsibility to make the EU a better place and one that is based on democracy and social justice, quality jobs and higher wages, and on socially fair and just transitions to a low-carbon and digital economy. According to the ETUC General Secretary, this should be the basis of a new social contract for Europe, and trade unions should play a prominent role. Indeed, stronger and more widespread collective bargaining, social dialogue, and workers’ participation in every EU country is essential to achieving a fairer Europe and more democracy. In the years of the crisis, the adoption of austerity measures, together with the effects of globalisation, strongly undermined the stability of national welfare states. At the same time, the dismantling of the nation-based welfare systems has been accompanied by an increased fragmentation of the labour market, which was characterised by a progressive drop of the unionisation rate. Only, one third of European workers are affiliated with a trade union. This is in contradiction with the ILO convention 98 concerning the right to organise and collective bargaining. The same alarm was raised by Sharan Burrow, the General Secretary of the International Trade Union Confederation, who reminded us that out of around 2.9 billion workers in the world, only 60 per cent have a formal contract and less than half of those are covered by a trade union. In this scenario, the European Union can and should be a leader of change and a force for social progress.

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Against this background, according to Visentini, **Europe needs new economic policies to boost growth that benefits everyone.** A first step was made during the Juncker Commission with the proclamation of the European Pillar of Social Rights, the relaunch of the social dialogue, and the European Fund for Strategic Investments. These three initiatives were decisive for the outgoing Commission to gain credibility and legitimacy and to consolidate the relationship between the Commission and the trade unions. Thanks to this, it was possible to deliver on the ambitious implementation agenda of the Social Pillar, which included the adoption of a new Work-Life balance directive, the revision of the Posting of workers directive, the Directive on Predictable and Transparent Working Conditions, the introduction of a new European Labour Authority, the Carcinogens and Mutagens Directive, and the Council recommendation on access to social protection for workers and self-employed. Also, Visentini stressed the importance of the ‘socialisation’ of the European Semester for the coordination of employment and social policies and the attempt to mainstream the Social Pillar, also in the proposal for the next Multiannual Financial Framework (MFF), through the new European Social Fund Plus and the strengthening of the European Adjustment Globalisation Fund.

This said, the leader of the ETUC stressed that **the achievements of the past five years are not enough and more efforts are needed to heal the wounds of the economic crisis** and prepare for the challenges of the labour market ahead, such as the digitalisation, the advent of new technologies, the ageing of population, and the proliferation of non-standard employment contracts. As stressed by Stefano Castrignanò, from Italian Welfare, who participated to this first roundtable debate, these challenges should be addressed as soon as possible both at the national and European levels, because they already represent a structural problem for the sustainability of national welfare states. Notably, he mentioned the problems related to the sustainability of the pension system, the necessity to rethink the role of second-pillar pension schemes, the need for lifelong learning programs and a long-term care strategy, and the urgency of tailor-made policies for care-givers and work-life balance policies. Such strategies – according to Castrignanò – must be coordinated between the national and European level with the full involvement of trade unions and take into account

the heterogeneity of the European industrial relations systems. In this regard, the capacity of small and medium or micro-enterprises to respond to the new welfare needs of their workers is lower than that of bigger enterprises. This might represent a problematic factor, especially in countries such as Italy where 95% of the business structure is characterised by small and medium enterprises with low trade union coverage. In fact, only half of the workers in Italy benefit from the corporate welfare system's services.

Against this backdrop, the conclusion of the first roundtable was that a new European social contract must take into account all of these challenges in order to deliver an ambitious agenda that is able to continue the work which was started during the Juncker's mandate and meet the expectations of the European citizens.

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How to do this was the object of a second roundtable entitled 'Welfare and Sustainability', which was organised by the European alliance '[Stand up for the Social Pillar](#)', Group [Italian Welfare](#), and [Up-DAY.IT](#). 'Building the European Pillar of Social Rights in Italy' was chaired by Professor Ilaria Madama (University of Milan). This roundtable was divided into two parts, the latter part was explicitly dedicated to the role of the European Union and the European Pillar of Social Rights in providing concrete answers to the challenges mentioned above. The introductory speech was given by Michael Morass from DG Employment, Social Affairs and Inclusion, who presented the scope and the objectives of the European Pillar of Social Rights. The goal of this initiative, which he defined as a 'strategic answer of the Commission to the social crisis and the increasing deficit of legitimacy experienced by the EU institutions in the aftermath of the crisis', is twofold. First, it is to consolidate and update the existing EU social acquis. Second, to act as a compass to guide future initiatives aimed at promoting a process of upward convergence towards better working and living conditions in the European Union. Concretely, the Social Pillar consists of a list of twenty principles structured around three headings: 'Equal opportunities and access to the labour market', 'Fair working conditions', and 'Social protection and inclusion'. Such principles are not legally binding, but all member states and the EU have committed themselves with the interinstitutional proclamation of the

Social Pillar in Gothenburg on 17 November 2017.

From a European perspective, Mr Morass identified three areas of action for the implementation of the Social Pillar: the social regulatory, the coordinative, and the redistributive areas. With regard to the first area, the Commission promoted the adoption of three distinct packages of initiatives: the “Labour Mobility Package” (March 2016), the “Pillar Package” (April 2017), and the “Social Fairness Package” (March 2018). Altogether, the Commission proposed the adoption of six legislative texts, which are a ‘blend of old and new elements’. It revised pre-existing legislative initiatives (i.e., the Posting of Workers Directive, the Carcinogens and Mutagens Directive, and the Coordination of social security systems Regulation), proposed to replace existing measures (i.e., the Work-Life Balance Directive to replace the Directives on Maternity protection and on Parental leave and the Directive on Predictable and Transparent Working Conditions to replace the Written Statement Directive), and introduced genuinely novel actions (i.e., the Regulation to establish a European Labour Authority). The renewed legislative activism of the European Commission was followed by the adoption of all the proposed acts by the end of the parliamentary legislature (May 2019); the only exception was the Regulation on Coordination of social security systems. Regarding the coordinative arena, the Juncker’s Commission introduced two main novelties with the aim of mainstreaming the Social Pillar principles within the European Semester. The first consists of a set of social indicators (i.e., the Social Scoreboard) to monitor the implementation of the Social Pillar. The second novelty consists of strengthening the involvement of social partners in the consultation process and, for the first time, extending the latter to the civil society. The results of these novelties consist of devoting increased attention to social and employment issues in the recommendations addressed to member states both in the 2018 and 2019 Semesters. Finally, regarding the redistributive area, Mr Morass illustrated the proposal of the Juncker’s Commission for the next MFF. He presented the new European Social Fund Plus, which is a merger of five existing programmes (European Social Fund, the Fund for European Aid to the most Deprived, the Youth Employment Initiative, and finally the Employment and Social Innovation (EaSI) and Health programmes) and he illustrated the new InvestEU, the proposed program for strategic investment for the next MFF, which has a dedicated part for social investments that is supposed to mobilise up to € 50 billion of public and private investments.

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After the introductory speech of Mr. Morass, Liina Carr, ETUC Confederal Secretary, intervened to explain the position of the European Trade Union Confederation and, notably, to illustrate the ETUC proposals and expectations regarding the upcoming Commission's mandate. Overall, Ms. Carr showed a positive attitude towards what the Juncker's Commission has done during its mandate and explicitly recalled the positive collaboration between the Commission and the trade unions. However, this was only a first positive step for the ETUC. It is important that the next Commission will continue with a clear agenda for the implementation of the Social Pillar. **Quality jobs, higher wages, just transition, and social justice are the four priorities of the trade unions.** According to Ms. Carr, the EU needs new economic policies to boost growth that benefits everyone. Progressive and sustainable economic reforms must be implemented, making the EU economic policy 'Semester' fair and more social, relaunching public and private investment, creating tools to protect working people from economic crisis and shocks. All working people in Europe deserve a pay raise to address wage gaps and to boost sustainable growth and competitiveness. To raise wages and achieve better standards of living and work for all, the solution is collective bargaining negotiations between employers and trade unions for fair wages and working conditions, particularly at the branch level, in each and every sector and country. The transition towards a low-carbon and digital economy have to be managed so that no one is left behind. This means having an EU level industrial policy and EU tools to face job disruption and transformation linked to decarbonisation, digitalisation, automation, and globalisation. The proposal of the ETUC is to transform the European Globalisation Adjustment Fund into a fully-fledged European Transition Support Fund and to adopt a EU directive on access to social protection for all workers, including non-standard and precarious workers such as workers in digital platforms and the gig economy and the bogus self-employed.

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After the intervention of Liina Carr, Giuseppe Guerini, president of the European confederation of industrial and service cooperatives, presented the project Stand Up for the Social Pillar, which brings together social economy enterprises and organisations including cooperatives active in industry and services, trade unions, pro-European organisations, and social NGOs. CECOP-CICOPA Europe, the European Movement, the ETUC, the Social Economy Europe and Social Platform are among the founding members. Its mission is fourfold: ensuring that the Social Pillar delivers results that improve people's lives and builds support for a more social, inclusive, and fairer EU; encouraging its implementation at national and European level; promoting social investments, social rights, social economy, the adoption of legislation, and democratic dialogue with policy makers as means of implementing the Pillar; and spreading the knowledge about the Social Pillar. In his speech, Mr Guerini underlined that **the cooperative movement has been asking for a more social Europe for many years** and the Pillar of Social Rights is certainly a “good start” to meeting those demands. Notably, he stressed that this initiative has been important to raise awareness among the member states on the need for a more social Europe and to demonstrate that business activities, investments, and the social dimension can be combined to create growth and development. From the side of the cooperatives, Mr Guerini called for the recognition of the strategic role that social economy enterprises can play by freeing up the potential they can bring into play. Also he stressed the necessity to recognize the cooperatives' active contribution to sustainability and the development of the local economies. According to Mr Guerini, this ability must be supported with regulatory policies. An example case concerns the 2014 Procurement and Concession Directive, thanks to the provision of social clauses and reserved contracts for enterprises involved in work integration of disadvantaged people. Another proposal concerns a decrease in the taxation level for social enterprises, notably through facilitation and taxation mechanisms. According to Mr. Guerini, ‘this does not just mean reducing taxes nor is it a question of losing revenue from the State taxes, because what seems lost on the one hand can be greatly increased by savings and efficiency, for example in reducing poverty’.

On their side, both of the newly elected Member of the European Parliaments participating in the roundtable, Daniela Rondinelli and Brando Benifei, agreed on the necessity of fully implementing the Social Pillar as a priority during their mandate.

Daniela Rondinelli, the newly elected MEP with the Five Stars Movement (5SM), who has a trade unionist background and is now a member of the Employment and Social Affairs committee in the EP, declared that among the priorities of the 5SM is the establishment of a European minimum wage directive. Indeed, one of the principles of the Social Pillar states that ‘workers have the right to fair wages that provide for a decent standard of living’ and ‘Adequate minimum wages shall be ensured, in a way that provides for satisfying the needs of the worker and his or her family in the light of national economic and social conditions, whilst safeguarding access to employment and incentives to seek work. In-work poverty shall be prevented’. According to Ms Rondinelli, this directive should ensure that each worker in the EU receives a decent wage. This can be established through national wage floors through legislation. These floors should respect an EU minimum threshold of the respective national average wage. Moreover, **Ms Rondinelli stressed the importance of completing the revision of the regulation of social security systems**, which was not approved by the former Parliament. A third priority consists of the revision of the 2006 directive concerning the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation. The objective of this is to achieve a fully-fledged equality between men and women wages. Finally, Ms Rondinelli proposed to revisit the 1992 Directive on Maternity Leave, with the aim of guarantying each woman at least 20 weeks of maternity leave that is compensated at least at the level of the last monthly salary.

Brando Benifei, re-elected MEP with the Democratic Party, stressed the centrality for his party for a fully-fledged implementation of the Social Pillar, and he proposed the definition of a Social Action Plan. As former rapporteur for his political group in the European Parliament on the European Social Fund (ESF) Plus, he reiterated his commitment in raising the funds for the ESF Plus, which has the objective of introducing a new policy tool to combat child poverty and social exclusion, namely a European Child Guarantee. Such a scheme would serve to co-finance member state reforms aimed at guarantying each European child access to five fundamental rights: free healthcare, free education, free early childhood education and care, decent housing, and adequate nutrition. The second priority for Benifei is to invest in young generation formation by tripling the funding dedicated to Erasmus Plus with an ad hoc measure to make the program more inclusive and affordable, especially for more vulnerable groups. Mr Benifei proposed the adoption of a European directive on minimum wage, notably, recommending the establishment of national wage floors, through legislation or collective

bargaining, with the objective of attaining at least 60 % of the respective national average wage. Moreover, he proposed to establish a European Unemployment Benefit Re-insurance Scheme, as proposed by the former Italian government's finance minister, Pier Carlo Padoan. Such a scheme would fulfil a double function. From an economic perspective, a European Unemployment Benefit Scheme is an automatic institutional mechanism that provides counter-cyclical stabilization to the economy while acting as a shock absorber in the event of asymmetric and/or symmetric shocks. From a social point of view, it would alleviate the burden of unemployment by providing income security and, at the same time, it would demonstrate European solidarity to citizens in a visible and tangible way. To realize these objectives, **Benifei stressed the importance of working together, in the spirit of the Alliance 'Stand up for the Social Pillar'**. He recalled the importance of this strong collaboration between multiple actors in the past legislature to implement the Social Pillar.

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The final speaker of the roundtable was Cinzia Del Rio, Director of the international department of [UIL](#), an Italian confederal trade union centre and a member of the European Economic and Social Committee Workers' group (II). Following Benifei's suggestion to define a Social Action Plan, Del Rio indicated further initiatives that should be taken in order to guarantee the full implementation of the Social Pillar. In the legislative area, the proposal is to revisit the Information and Consultation of Employees Directive 2002/14/EC that requires undertakings to inform and consult employees on significant changes to businesses in a standing procedure, typically called a work council. She welcomed the proposal for a directive on minimum wage, but she stressed that it should be defined together with social partners and, notably, trade unions. Regarding the coordinative arena, Del Rio pointed out the existing structural asymmetry within the Semester and called for the introduction of new social and employment indicators to measure social imbalances both within and between member states. Moreover, she called for a formalized consultation and participation of the social partners in the Semester process. Del Rio then explicitly proposed the establishment of a



Social Imbalances Procedure within the Semester. The latter would consist of an incentives mechanism at the EU level to help (financially or technically) member states who are experiencing severe social imbalances that might hamper their internal cohesion or have negative spill-over effects on other member states. Finally, with regard to the budgetary area, Del Rio proposed to create a European Transition Support Fund with the aim of supporting workers made redundant because of major structural changes in world trade patterns due to globalization or to the negative effects of the global economic and financial crisis on employment and with personalised measures that are tailored to the needs of individual redundant workers. Also, she proposed to increase the allocation for InvestEU and to review the criteria to access EU guarantees. Finally, **Del Rio proposed the adoption of a Golden Rule for public investment with the aim of excluding social-investment related expenditure from the calculation of the national deficit.**

At the end of the roundtable, all the speakers agreed that the next Commission will have a rich and busy social agenda if it wants to meet the expectations of multiple stakeholders and address the challenges of challenges of the labour market. In this regard, the newly appointed president of the European Commission Ursula Von der Leyen seems to have sought proposals from the rich basket offered in Montepulciano during the debates over the future of the European social agenda. While committing herself to an ambitious social agenda that includes the implementation of a European Unemployment Re-insurance Scheme, a European Minimum Wage Directive, a European Child Guarantee, and a flexible interpretation of the Stability and Growth Pact, which aims to receive the support of the left-wing groups in the European Parliament. Certainly, she has positively met part of the expectations that emerged in the three-day debate in Montepulciano.