

Study on the European Pillar of Social Rights – state of play in 2024

Preliminary findings

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Panel 1: New Action Plan on the implementation of the European Pillar of Social Rights



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Introduction to the study

- Objective of the study:
 - Evaluate the transposition and implementation of four EPSR-related Directives
 - Transparent and Predictable Working Conditions Directive (TPWCD)
 - Work-Life Balance Directive (WLBD)
 - Adequate Minimum Wages Directive (AMWD)
 - Gender Balance on Company Boards Directive (GBCBD)
 - Identify legislative gaps and enforcement barriers
 - Highlight best practices in Member States
 - Provide insights and recommendations ahead of the 2025 EPSR Action Plan review
- Scope of the study:
 - 14 Member States: Austria, Belgium, Czechia, Denmark, France, Germany, Italy, Ireland, The Netherlands, Poland, Portugal, Romania, Spain, Sweden.

Methodology

- EU-level Desk research
 - Desk review of EU legislation, impact assessments, policy documents, studies, etc.
 - Interviews with key stakeholders carried out (ETUC, Business Europe, ETUI, DG EMPL, DG JUST) ETUC, Business Europe, ETUI, DG EMPL, DG JUST)
 - Further interviews to be planned with other orgs, such as EU agencies, NGOs, European /international associations.
- National-level Desk research (ongoing)
 - Desk research on national legislation, case law, enforcement practices, and policy developments in 14 Member States
 - Interviews with national stakeholders (government bodies, social partners, enforcement bodies)
 - Development of national reports
- Comparative analysis to identify best practices and refine policy recommendations
- Planning:
 - EU-level desk research completed – some interviews to take place
 - National level desk research and consultation commenced and ongoing
 - Final report to be submitted September 2025

EPSR Action Plan

- **Achievements to Date**
 - Clear and measurable EU-wide targets set (employment rate, training participation, poverty reduction).
 - The EPSR, along with various EU strategies, have driven a wave of social legislation, particularly with regards to the four Directives under scope.
- **Challenges and Limitations**
 - Inconsistent implementation of the Directives across Member States owing to differences in resources, political priorities and national policies.
 - Reliance on 'soft' governance instruments, limiting impact without binding measures.
 - Structural barriers, such as institutional capacity limitations, impacting enforcement.
- **Possible areas for improvement (based on interview data)**
 - Stronger alignment between social and economic policies to ensure competitiveness and fair social protection go hand in hand
 - Better implementation mechanisms, including clearer guidelines for Member States
 - Stronger social dialogue to ensure that policies reflect real labour market needs and are supported by both workers and employers
 - A focus on housing and sustainability, which are increasingly important for social inclusion, but not yet fully integrated into the EPSR framework



Transparent & Predictable Working Conditions Directive

- Achievements:
 - Improved transparency on working conditions, extended coverage (including platform workers)
 - Limitations on probationary periods, rights to training, predictability in schedules
- Implementation Gaps:
 - Issues in some MS - *Spain: Still facing infringement proceedings; delayed parliamentary approval of transposition law.*
 - Ambiguity of "worker" definition: creates disparities (e.g., limited coverage for platform workers in Italy and Spain).
- Enforcement Challenges:
 - Differing national labour market systems (Nordic collective bargaining vs. centralized systems elsewhere)
 - Limited resources and capacities of national enforcement bodies

Work-Life Balance Directive

- Achievements:
 - Introduction of at least 10-day paid paternity leave across EU.
 - Non-transferable parental leave (min. 2 months each parent), substantially boosting fathers' participation:
 - New rights: Poland: Fathers' parental leave uptake rose significantly from 1% (2015) to 7% (2023).
- Introduction of carers' leave and flexible working rights, supporting work-life balance for carers.
- Implementation Gaps:
 - Significant delays and partial implementation (e.g., Belgium, Ireland)
 - Restrictions in flexible working arrangements, unpaid/limited carers' leave in practice
- Enforcement Challenges:
 - Cultural stereotypes limiting uptake (especially fathers' parental leave)
 - Administrative complexities and insufficient information dissemination

Adequate Minimum Wages Directive

- Achievements:
 - Clear EU-wide adequacy benchmarks: (60% median wage or 50% average wage).
 - Significant minimum wage increases (*e.g., Romania, set to reach approx. €814/month by 2025*).
 - Mandatory national action plans for countries below 80% collective bargaining coverage, strengthening negotiation frameworks (*Poland, Romania*).
- Implementation Gaps:
 - Strong political/legal opposition (*Denmark, Sweden—court case regarding subsidiarity principle violation*).
 - Economic concerns raised by employers regarding wage increases, potential impacts on employment.
- Enforcement Challenges:
 - Weak and/or underfunded labour inspection systems. (*e.g. Italy experienced a 30% staff cut from 2007 to 2020; Romania identified as having untrained staff and inadequate financial resources; France, Belgium and Portugal report inadequate funding*)
 - Potential circumvention practices (*e.g., increased use of temporary contracts and misclassification of workers*).



Gender Balance on Company Boards Directive

- Achievements:
 - Introduced minimum gender quotas for corporate boards (40% non-executive directors)
 - By 2022, several MS already met or exceeded targets (*France, Italy, Netherlands, Denmark, Portugal, Spain*), due to previously set quotas
- Implementation Gaps:
 - Slow or partial transposition in several Member States (*Ireland, among others not within the scope of the study*)
 - Limited scope: focus on non-executive roles leaves executive leadership underregulated (e.g., France and Germany meet non-exec targets but fall short on executive boards).
- Enforcement Challenges:
 - The Directive allows Member States to define sanctions, potentially leading to variation in enforcement strength.
 - Slow pace of cultural and structural corporate change

Preliminary conclusions

- The EPSR remains a cornerstone of the EU's commitment to fairness, equality, and social inclusion, but its political momentum appears to be weakening, especially in the aftermath of the COVID-19 crisis, with macroeconomic and competitiveness objectives increasingly dominating policy debates.
- The Action Plan's reliance on soft governance tools and voluntary commitments limits its effectiveness, particularly regarding poverty reduction, social protection, and access to affordable housing.
- Progress towards the 2030 EPSR targets (employment, training, poverty reduction) is uneven. While the establishment of measurable targets was widely welcomed, concerns remain regarding insufficient structural reforms and investment in key social policy areas.
- The Social Scoreboard is generally regarded as a useful monitoring instrument but could be improved by integrating additional indicators on job quality, housing adequacy, and access to essential services.

Preliminary conclusions

- **Transparent and Predictable Working Conditions Directive (TPWCD)**
 - Directive a significant step forward in improving working conditions, particularly for non-standard and precarious workers.
 - Transposition delays and definitional ambiguities (e.g., “worker”, “reasonable notice”) limit its effective application (particularly for platform/casual workers).
- **Work-Life Balance Directive (WLBD)**
 - Has contributed to improving leave entitlements and promoting more balanced caregiving roles.
 - Delays in transposition and partial implementation (especially regarding flexible working arrangements and carers’ leave) have been identified.
 - Cultural barriers and entrenched gender norms continue to limit fathers' uptake of parental leave.
 - Awareness of rights among workers remains insufficient in many Member States.

Preliminary conclusions

- **Adequate Minimum Wages Directive (AMWD)**
 - Has triggered positive developments in several Member States, including notable minimum wage increases and reinforced collective bargaining mechanisms.
 - Concerns identified regarding the capacity of some Member States, especially in Central and Eastern Europe, to conduct wage adequacy assessments.
- **Gender Balance on Company Boards Directive (GBCBD)**
 - Has generated renewed attention to gender diversity at board level.
 - Early transposition has occurred in several Member States, but uneven ambition, limited coverage (executive boards largely excluded), and variable sanctioning regimes may reduce its impact.
 - Interviewees stressed that progress on numerical targets alone will be insufficient without parallel cultural change and measures to foster diversity beyond gender.

Preliminary conclusions

- **Cross-cutting challenges**
 - Diverging national models and traditions, especially regarding collective bargaining and labour market regulation, continue to complicate the uniform implementation of all four directives.
 - Administrative capacity limitations, especially in countries with weaker labour inspectorates and judicial systems, hinder effective enforcement.
 - Vulnerable groups, including women, platform workers, informal carers, and workers in atypical employment, remain at risk of being left behind despite the progress achieved through recent directives.
 - The 2025 review of the Action Plan represents a critical opportunity to address implementation gaps, consider stronger enforcement tools, and balance soft governance with more binding commitments where necessary.

For more information

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