

## Defining Quality Work: An ETUC action plan for more and better jobs (ETUC Resolution)

Adopted at the ETUC Executive Committee on 13-14 December 2017

### Introduction

Europe still needs more jobs, but it also needs better jobs. The ETUC has consistently highlighted the injustice of bad jobs and of insecure work. The 2015 Paris Congress committed the ETUC to developing a “*definition of ‘quality work’ with individuals at the centre to be elaborated at European level, encompassing agreed quality-of-work indicators*” (Paris Congress Action Plan, para. 61). This Resolution represents the honouring of that commitment.

The following resolution builds on previous work of the ETUC, including the 2015 position paper, ‘Towards a European strategy for quality employment’.

The ETUC Executive is requested to adopt the six -point working definition which has been developed by the ETUC Employment and Labour Market (ELM) committee and comment on the action plan envisaged to take the definition forward.

The definition encapsulates the following points, with an action plan to develop these as indicators and benchmarks over the coming two-year period:

- Good wages
- Work security via standard employment and access to social protection
- Lifelong learning opportunities
- Good working conditions in safe and healthy workplaces
- Reasonable working time with good work-life balance
- Trade union representation and bargaining rights

The overall objective is to raise the profile of work quality at the European level and make it a key feature in guiding and assessing employment policies across Member States.

Social Europe is at clear cross-roads. As the ETUC has made clear, if the EU is to be constructive and relevant for the next 60 years, it must refocus its efforts on developing a positive social agenda. The demand for more and better jobs is stronger than ever and the ETUC stands ready with clear proposals on how we can work together to deliver this.

We completely reject the proposition that there is trade-off to be made between more jobs and *better* jobs. And we are not alone. Across Europe we are confronted with the clear evidence of the positive reinforcement that well-functioning labour markets provide to both the quantity and quality of jobs. This includes the inclusiveness of labour markets by tackling all forms of discrimination.

The Member States that have performed best in recent years in terms of tackling unemployment are largely the very same countries that record the highest levels of work quality, according to the European Working Conditions Survey 2015<sup>1</sup>.

This is not a coincidence and there are huge lessons to be drawn from this experience. Particularly noteworthy are the Member States whose labour markets are now recognised as in ‘critical situation’ by the Commission and EPSCO Council in the Joint Employment Report<sup>2</sup>. These are countries with proliferations of precarious work and poor-quality jobs; they are countries with high levels of unemployment—particularly long-term unemployment (more than 12 months)—and the associated problems that this entails. The inequality, the exclusion of under-represented groups, the risks of poverty and so forth. They also have lower levels of collective bargaining coverage.

In September 2017, Eurofound<sup>3</sup> research report ‘Estimating labour market slack in the European Union’ further highlighted the weakness of judging labour markets by headline unemployment rates alone—a point equally valid for employment rates—as declines in unemployment rates have been matched by increases in labour market slack. Put simply, the gap between the amount of work available and the amount that workers need is growing. Less work is being shared around more thinly, which is a clear consequence of chronic underinvestment.

Not only do unemployment and poor-quality work co-exist, they are the clear product of austerity economics – it is the very same Member States that have been placed under extreme pressure, and in several cases direct intervention via the ‘Economic Adjustment Programmes (so called Troika bailouts), that now have both these profound labour market problems in abundance. However, even beyond these few Member States the mantra of a particular one-dimensional variant of ‘structural reforms’ has stripped workers of certainty in the pursuit of ‘labour market flexibility’ while not putting the security mechanisms in place to facilitate transitions into new jobs in new sectors.

Instead, they have cut active labour market policies, cut unemployment support and cut social protection. Perhaps most damagingly of all for long-term sustainability, they have prevented trade unions from performing our rightful role in protecting working people from the effects of these demands by decimating collective bargaining and social dialogue.

This cannot continue. Quality work will only be promoted across Europe if we have a clear strategy to achieve it. We demand more and better jobs because the benefits extend far and wide and we seek to use this document as a point of departure to work with employers and the European institutions to enact it for the benefit of all.

### **Pushing the case for quality work**

Quality work is delivered by strong European economies; not by those choked by overly-restrictive debt servicing rules and chronic underinvestment.

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<sup>1</sup> Brief overview available in many languages: <https://www.eurofound.europa.eu/publications/report/2016/working-conditions/sixth-european-working-conditions-survey-overview-report>

<sup>2</sup> For a succinct overview see ‘Evidence in Focus’ from 14 March 2017:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2757&furtherNews=yes>

<sup>3</sup> Available : [https://www.eurofound.europa.eu/sites/default/files/ef\\_publication/field\\_ef\\_document/ef1711en.pdf](https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1711en.pdf)

Creating quality jobs across all Member States should be a key priority for EU economic governance, but there must be action plans in place to deliver them, rather than simply asserting that you want them.

As the ETUC noted in our 2015 position paper, 'Towards a European strategy for quality employment', the European Employment Strategy is failing to deliver because *"too many of those in work face a precarious employment situation, plagued by job insecurity, low-wages and exclusion from basic social protection: precarious contracts such as zero hours contracts, false self-employment, unpaid internships and undeclared work are growing negative features of the labour market."*

The case for everybody in Europe having access to quality work is overwhelming. Despite all the mistakes of the last decade and the misguided austerity policies Europe remains the largest single market in the world with the highest social standards. It is therefore inexcusable to not build upon these solid foundations to create sustainable jobs for the future which offer dignity to all.

The social case for a renewed focus on work quality remains clear to all trade unionists. We exist for the very purpose of improving the working lives of workers. However, there is a deeper social case which extends beyond our priorities and that make this a priority for all employers and governments. The proliferation of bad jobs leads to a precarity that is not limited to the workplace. People who don't have reliable and rewarding work environments, who are trapped by economic uncertainty, tend not to make the happiest citizens able to contribute to their communities. Society as whole suffers as disengaged people drift out of the labour market. Recent research from the ETUI has demonstrated how the absence of employment protection legislation and decent support for the unemployed is an indicator of support for far-right parties<sup>4</sup>. The case for robust labour market institutions is therefore irresistible.

Yet, there is too a very strong economic argument to spreading quality work far and wide: it can play an important role in contributing to the output and the competitiveness of the EU. Better quality work providing citizens with more money in their pockets to spend and boost local economies; with access to well-funded lifelong learning opportunities to develop themselves as workers and as people; and the freedom from the fear of poverty that too many workers currently experience. More quality work means confronting inequality head-on.

### **Building alliances**

The commitment to improving work quality is not limited to the workers' movement either. At various points in recent years it has gained the support of European level employers' organisations and the EU institutions (Parliament, Commission and Council) in accepting that 'job quality' needs to be a priority, in tandem with the obvious need to create more jobs.

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<sup>4</sup> <https://www.etui.org/Publications2/Working-Papers/Why-far-right-parties-do-well-at-times-of-crisis-the-role-of-labour-market-institutions>

However, the commitment has been patchy and inconsistent – one example being the 2015 revision of the 2010 European Employment Guidelines for achieving the Europe 2020 targets which dropped the explicit reference that had appeared in the 2010 guidelines, “*Guideline 8: Developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning.*” Instead, it became subject to a renewed commitment to ‘flexicurity’ in the 2015/16 version.

The recently released final report of the government-commissioned Taylor Review into modern employment in the UK produced wholly inadequate proposals – not the game-changer that was required. Despite this disappointment, within the report work quality was addressed via a model developed by the European research project QuInnE (Quality of jobs and Innovation-generated Employment outcomes). The ETUC has been a partner in this research project, which shows in how close their definition is to our own:

- Wages;
- Employment quality;
- Education and training;
- Working conditions;
- Work life balance; and
- Consultative participation & collective representation.

The fact that this has been used in a high-profile review commissioned by a government that is no friend of the trade union movement shows how much we may be pushing at an open door in pushing work quality up the agenda.

We already have in place the *Framework Agreement on Inclusive Labour Markets* (2010)<sup>5</sup> agreed via European Social Dialogue. This included a commitment of “*social partners to work together to promote inclusive labour markets, to maximise the full potential of Europe’s labour force and to increase employment rates and to improve job quality*”. This provides a significant basis on which to build and demonstrates that there is a broader appetite for tackling the issue of quality work.

The improvements in the economies of Europe since this agreement provide scope to go further and really test how serious employers are in their commitment. This highlights how important it is to push the agenda as employment rates, in general, recover across the EU.

### **What is quality work?**

The point-of-departure for developing our definition was the ETUI’s Job Quality Index<sup>6</sup>. Over several years this has been established as a leading tool in debates over job quality. This was selected amongst several alternatives as the best basis on which to build, with some amendments that made it more suitable to the political demands of the ETUC as campaign organisation and European social partner.

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<sup>5</sup> [https://resourcecentre.etuc.org/spaw\\_uploads/files/FA%20ILM.pdf](https://resourcecentre.etuc.org/spaw_uploads/files/FA%20ILM.pdf)

<sup>6</sup> <https://www.etui.org/Publications2/Working-Papers/Job-quality-in-the-crisis-an-update-of-the-Job-Quality-Index-JQI>

If we are to achieve the objective of quality work we must be clear on our definitions: employment and work were once virtual synonyms but are now moving further apart from one another every year, thanks to the growth of online platforms and self-employment, along with a mushrooming of the number of contract types across Europe.

It is clear that well-functioning labour markets that respect the autonomy of social partners deliver the high numbers of jobs that are needed (what we might term quality employment) *and* the high-quality jobs that provide workers with fulfilment, flexibility and good wages. They are mutually re-enforcing. Therefore, in defining 'quality work' we actually also demand quality jobs and employment. High quality standard employment remains the best route to a fair economy.

Following extensive work in the ETUC ELM committee, it has been agreed that as pilot initiative the definition of quality work should consist of the following features:

- Good wages
- Work security via standard employment and access to social protection
- Lifelong learning opportunities
- Good working conditions in safe and healthy workplaces
- Reasonable working time with good work-life balance
- Trade union representation and bargaining rights

For different groups of workers, each of these points will have varying levels of priority. The challenges facing workers in different workplaces are not the same – however the work that needs to be promoted across the EU is work that has good standards in each of these areas. In addition, far too many workers still face additional barriers due to discrimination.

Within each headline area, benchmarks can be identified allowing us to assess changes in the labour markets of Europe. These are to be developed in the coming months by the ETUC ELM committee, as explained in the following section on 'Taking quality work forward'. This will explore how, for example, how a commitment to lifelong learning opportunities in the abstract can be realised as paid days off for training for workers; or how psycho-social risks workers face in workplaces can be ameliorated by a political commitment to safe and healthy workplaces.

The job of the ETUC at this stage is to sketch out the common identified characteristics. There are deep and intractable challenges to work quality across the EU which manifest differently in each Member State. Beyond Member States, we have seen different employment sectors hit harder than others by economic shifts, globalisation and automation. This includes public services, on which austerity has inflicted huge job losses, and which often have large majorities of women workers. These nuances have been reflected in working our sectoral federations in developing this agenda.

### **The labour market challenges**

The current state of many European labour markets is simply not promoting standards in these areas. In addressing this, the starting point must be a clear identification of the challenges that our labour markets face from a structural, technological and political perspective.

The national level is the most appropriate for ETUC affiliates to go into detail in this regard as the challenges are so varied and unique. However, there are several that must already be highlighted from the European level, owing to their prevalence.

The key structural challenge to European labour markets that represent a barrier to quality work is the sheer amount of unemployment and underemployment that persists. While levels of output have generally recovered to pre-crisis levels this is not the case for unemployment rates which remain historically high and particularly for hours worked per worker, which lags further still. For unemployment of more than 12 months it is reducing more slowly, suggesting that it is becoming structural. Almost half (46%) of unemployment in the EU today is long-term.

The second key challenge relates to technological changes in the form online platform work, digitalisation of economies and the automation of an expanding range of work. These shifts have the potential to actually *improve* work quality as monotonous and repetitive jobs are done by machines. However, this will only be the case if (and this is a big *if*) fair and secure labour market transitions are put in place to redeploy such workers through robust commitment to developing the digital skills of the new economy. This again reinforces the importance of dialogue and the critical role that trade unions must play – and stand ready to play.<sup>7</sup>

Finally, there is the difficult political challenge of the future of work in Europe. It is clear that the flexibility that is increasingly demanded of workers in Europe needs to be shared more equitably with employers and with the state. For too long those with the weakest shoulders have borne the heaviest load. If there is to be a fundamental decline in the amount of work that is available, then policies need to be put in place that recognise this and stop allocating too little to some workers and too much to others.

Here there could be a role for minimum income scheme, as outlined in our Paris Action Plan, or agreeable alternatives across Europe so that the unreliable sources of work always increase living standards rather than condemning people to a precarious life of poverty.

We need high quality jobs, produced by high quality labour markets. This is not a zero-sum game and quality work will not magically appear. We need to build it.

### **Taking quality work forward: an action plan**

European workers do not want a definition of quality work so that it can sit on a shelf in Brussels; it must be accompanied by action.

This action can be divided between, firstly, what we are resolving to do as a European trade union organisation and, secondly, what we want others to do, most notably the European Commission but also employers where possible.

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<sup>7</sup> For more detail, see the recent 'ETUC Resolution on tackling new digital challenges to the world of labour, in particular crowdwork': <https://www.etuc.org/documents/tackling-new-digital-challenges-world-labour-particular-crowdwork#.WifDU0qnGUk>

The ETUC has several courses of action for pursuing our quality work agenda. Firstly, we are launching a process for identifying the best indicators and benchmarks to capture the real challenges of poor-quality work.

To this end, the ETUC secretariat has submitted a bid for funding by the European Commission for a research project to explore this.

The objectives of the project are to collate current information on work quality across Europe before moving on to identify the gaps that exist by:

- Sketching a comprehensive picture of work quality in Europe according to the six-point workers' definition
- Identifying conceptual strengths and weaknesses in this definition
- Identifying the industrial relations institutions that currently promote or impede quality work
- Identifying the role that European Economic Governance and Employment Strategy have had in supporting or undermining these in past, and what they can do in the future.

If granted, the project will run for 2 years from January 2018 with a final report due at the end of the period, making recommendations of how the specific gaps in Member States and sectors can be addressed. These can also be divided thematically so as to identify specific challenges for groups of workers e.g. young workers, older workers or those in declining industries.

The ETUC ELM Committee will be the steering group of this project, which also includes five partner research organisations from five different Member States.

Beyond this project, work quality will be a key benchmark for us in evaluating any EU employment initiative. In this regard, the ETUC definition on quality work should be used as a tool to track progress on delivering the Commission's stated aim of a Triple-A rated Social Europe. We must raise the profile of work quality and put it to the forefront of policy-making.

In the first instance, this would mean via our ongoing dialogue mechanisms with the Commission on the European Semester, including developing initiatives that emerge in relation to the European Pillar of Social Rights (EPSR). As the ETUC has consistently highlighted European economic governance has repeatedly overlooked the issue of work quality despite references in employment guidelines. It has ultimately played no significant role in the issuing of Country Specific Recommendations.

A concrete example of how this can be pursued is by pressing the Commission to incorporate indicators identified by the ETUC ELM committee (as well as the connected project) into the Social Scoreboard that they have released to track progress in relation to the EPSR. This has many positive aspects but lacks some key indicators to track work quality – some potential examples of which are provided in the annex below. We will then decide how best to pursue these indicators to maximise their impact.

Finally, while we will continue to pursue our own broad-based agenda on work quality we want to use it to push the Commission to adopt its own ideas on the subject. This will force the topic up the agenda of economic governance and the European Employment Strategy. Only by doing so will we have any hope of reversing the declines in living standards that too many workers in Europe have endured for too long.

**Annex:** Examples of *potential* indicators for benchmarking

Below are hypothetical examples of how the definition could be mobilised as trackable indicators to assess employment policy outcomes. This is illustrative only and does not prejudice the forthcoming work of the employment committee in this field.

<b>Work quality headline</b>	<b>Potential Indicator</b>
Good wages	<ul style="list-style-type: none"> <li>- <i>increase in the local median wage for men</i></li> <li>- <i>increase the local median wage for women</i></li> </ul>
Work security via standard employment and access to social protection	<ul style="list-style-type: none"> <li>- <i>reduction in involuntary temporary employment for women</i></li> <li>- <i>reduction in involuntary temporary employment for men</i></li> <li>- <i>reduction in involuntary part-time employment for women</i></li> <li>- <i>reduction in involuntary part-time employment for men</i></li> </ul>
Lifelong learning opportunities	<ul style="list-style-type: none"> <li>- <i>an overall increase in the median number of days of paid leave for training or education per worker</i></li> </ul>
Good working conditions in safe and healthy workplaces	<ul style="list-style-type: none"> <li>- <i>a reduction in the number of workers taking days off sick</i></li> </ul>
Reasonable working time and good work-life balance	<ul style="list-style-type: none"> <li>- <i>an overall increase in the number of days of paid parental leave per worker</i></li> <li>- <i>a reduction in percentage of workers working more than 48 hours</i></li> </ul>
Trade union representation	<ul style="list-style-type: none"> <li>- <i>an increase in collective bargaining coverage</i></li> </ul>