

Call for tenders for subcontracting an expert study in the framework of the ETUC SociAll project

This is a call for a subcontractor to provide expertise in the framework of the implementation of the ETUC SociAll project.

The ETUC will publish the call on its website on 18 December 2020. The **deadline for submission of bids is Wed, 3 February 2021 at noon (12:00)**.

1. Context of the expert study: the ETUC SociAll project

1.1 Summary and objectives of the project

The ETUC has launched the EC funded project “ETUC SociAll - Social Protection for all” in 2019. The project is aimed at providing Trade Union (TU) inputs for the implementation of the Council Recommendation on access to social protection for workers and the self-employed (the Recommendation)¹ in the field of pensions and thus of Principles 12 and 15² of the European Pillar of Social Rights (EPSR).

The Recommendation encourages Member States (MS) to allow all working people to adhere to social protection systems (closing formal coverage gaps) and to accrue and take-up effective entitlements to receive adequate pensions after retirement (adequate and effective coverage).

The investigations will allow TUs to suggest reform paths for the national plans, as well as monitoring frameworks of the progress of the Recommendation’s objectives at European level. In doing so the SociAll project aims at unveiling and contrasting incoherencies and imbalances between a restrictive financial approach adopted towards pension policy and the needs of effectiveness and adequacy of pensions of an increasingly ageing population, given the current economic situation.

Via the SociAll project outputs, trade unions will provide their own policy inputs to both national governments and EU institutions for implementing the Recommendation and informing pension systems in a way that are highly inclusive, fair, solidarity-based, adequate, effective and sustainable.

The actions of the project include both national and EU level actions, and in particular:

- 12 country-based reports investigating the national reality of the social protection systems with respect to formal and effective coverage and adequacy of pensions, keeping into account the situation of the labour market, the fiscal situation of pensions

¹ Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed 2019/C 387/01. From the adoption of the Recommendation, MS have 18 months to submit plans with measures to be taken at national level.

² respectively on access to social protection and on old-age income and pensions for people in all forms of employment

systems, the existing gaps in their design, integrating trade union recommendations and guidelines for the national level

- Two EU level papers, one outlining the general context and the main challenges to access to adequate social protection; another one integrating the “lessons learnt” from national research outcomes and including EU-level recommendations for social partners and institutions
- **One expert study providing specific insights on the possible contribution of inclusive labour markets and more and better jobs (a job-rich “people’s recovery”) to the sustainability of adequate and effective pensions, in times of demographic change (this expert study is the object of the present call for tenders).**
- Other expert reports

1.2 Context of the project

Over the last decades, changes in the labour market and in the demographic situation have put social protection systems across Europe under pressure. Modern drivers of such change pertain to digitalisation, structural changes in the labour markets and world of work, flexibilization of employment, fragmentation of careers and blurred boundaries between labour market statuses and relative social protection regimes. As the world of work evolves, an increasingly large part of the workforce (some 40% of people in self-employment, in jobs not governed by standard contracts, or going through transitions between and combinations of dependent employment and self-employment³) risks to be left without access to effective and adequate social protection due to its labour market status or the type of employment relationship.

The evolutions in the world of work *de facto* hamper the capacity of workers to accrue the entitlements that are necessary to grant them effective and adequate pensions. Many national social protection systems are not appropriately equipped to face the challenges generated by the proliferations of atypical and non-standard forms of work and employment. The risk is high to perpetuate and increase inequalities in both formal and effective access to pension rights. Moreover, the increased complexity of national pension systems (articulated in different pillars and schemes) can add further problems to the effectiveness and adequacy of pensions for a huge rate of the European population.

The current reality would determine the necessity for growing groups of the workforce to take recourse to tax-funded safety nets of last resort in case of social risk, while the number of people contributing to social protection seems to be proportionately smaller.

However, in the framework of the European Semester, the fiscal sustainability of public expenditure results has been prioritised over the need of inclusiveness, adequacy and effectiveness. The priority of fiscal coordination, especially in the Eurozone, has impacted the margin of manouver for national budgets to ensure universal coverage and adequacy of pensions. Many MS have dramatically reduced to the social assistance budget. Pension

³ COM(2018) 132 final, Spasova S., Bouget D., Ghailani, D. and Vanhercke B. (2017). Access to social protection for people working on non-standard contracts and as self-employed in Europe. A study of national policies. European Social Policy Network (ESPN), Brussels: European Commission.

systems have been progressively reformed, under the pressure of the Country Specific Recommendations, shifting towards defined contribution and fully-funded logics, whereas redistributive systems are considered as not sustainable any longer, because of the ageing of the population in Europe.

The ETUC calls for a greater coherence developed between the right-based approach prescribed by the EPSR and the indications provided in the framework of the European Economic Governance. Taking into account the current economic, labour market and employment situation, the project also investigates possible reforms that could foster greater fiscal sustainability of adequate pension systems. It does so by proposing an integrated approach to equal opportunities, quality jobs, employment conditions and social protection rights, in the belief that such approach could determine a more balanced pension policy between fiscal sustainability and social rights priorities.

1.3 Context of the expert study

In the long run, issues of access, effectiveness and adequacy of pensions put the social and economic sustainability of national social protection systems at stake, especially given the current employment and demographic trends. Unequal, ineffective access to and lack of adequacy of pensions in particular deserve great attention within the European Economic Governance framework.

The EU must engage for the *adequacy of sustainable pensions for all*. In this view, an ambitious implementation of the Recommendation on access to social protection and reform the national pension systems is all the more necessary. In advocating these positions, the ETUC confirms, also in the light of the developments of the SociAll project so far, the importance of adopting a comprehensive and integrated approach, that takes into due consideration **the potential of the labour market to ensure the accrual of effective and adequate benefits and to contribute to their fiscal sustainability**.

In the past decade, the demographic trends have been considered as the main (and only) determinants of the increase of the “Costs of Ageing”. The fiscal projections up to 2030-2050 foresee the necessity to keep the public pension expenditure as stable to ensure the fiscal sustainability of public budget given the demographic challenge posed by the ageing population. Despite the massive population ageing all across Europe, this approach requires not to engage further public resources in public pensions (on which most of EU retirees can rely), but rather to increase the legal retirement age across the member states – or to reduce their adequacy, or at least to find alternative – and uncertain – strategies to try to ensure it. *De facto*, the responsibility to ensure the right to adequate pensions of an ageing population would shift from MS and national governments towards the individuals. Such trend, confirmed by the approach of the 2018 Pension Adequacy Report, *inter alia*, is confirmed by the proliferation of national reforms and EU initiatives aimed at the privatisation and the marketisation of pensions that have proliferated in the recent years.

The fiscal sustainability discourse sketched above is based on the assumption that the huge potential of raising employment rates and improving employment quality will remain unused in the next decades. However, it fails in recognising the reality of the world of work, which shows huge gaps between the legal retirement age (higher and higher) and the effective retirement age (stable and even lower in time). The fiscal approach thus fails to address the importance of working and employment conditions to support the sustainability of adequate pensions. Too

focused on the purely demographic data, such as the *old age dependency ratio*⁴, the Economic Governance approach does not consider enough the potential of improving labour market integration across all working ages and of ‘more and better jobs’ on containing the future increase of the *economic dependency ratio*⁵ - and its contribution to the sustainability of adequate systems. On the contrary, the efficiency of the labor market to provide fair remuneration, career continuity, quality employment, fair social contributions... should both allow individuals the accrual of adequate pension entitlements via their work and improve the overall sustainability of pension systems.

The European Pillar of Social Rights, proposing principles for upward convergence based on social rights suggests a strong interrelation between the rights in the world of work and employment and the fulfilment of the social protection rights. The ETUC believes that **investments** in boosting a more equal, efficient and highly inclusive labour market, able to guarantee quality jobs and fair working conditions to the EU working-age population, represents the major guarantee for ensuring both the adequacy, the effectiveness and the fiscal sustainability of pension systems. Such an approach would also make more public and tax-based resources available to fuel public safety-nets for those in need.

Such an approach is not a novelty in the EU pension policy discourse, addressed by many pieces of research⁶ as well as the White Paper on Pensions of 2012⁷, amongst other EU documents.

1.4 The Current economic and financial outlook and the Covid pandemic impact

However, creating jobs is one of the most challenging tasks ever. COVID-19 adds new challenges. The ILO forecast unemployment for 140 million people with the risk to have 340 million jobs losses after a pandemic second wave. The GDP will surely rebound, however a job-rich recovery requires economic transformation otherwise the risk is to have growth without jobs, as is already happening. It implies moves to high added value productions, people movements, especially from rural to urban area. Labour demand moves toward new skilled jobs, triggering a transition toward better remunerated jobs. More productivity is sought for higher wages and good jobs.

The pandemic context imposes to propose new paths for a job-rich recovery, that may begin with the implementation of the Recovery and Resilience Facility plans and the injection of EU funds in the framework of the New Generation EU. The ETUC priority is in fact “A People’s Recovery⁸”, and it would be important to understand how the focus on the labour market as suggested in this policy vision can also positively impact the pension policy.

2. Tasks to be performed by the subcontractor

Given the context outlined above, the subcontractor is required to develop **an expert study on the possible contribution of inclusive labour markets and more and better jobs to**

⁴ population aged 65+ to population 15-64

⁵ defined as the unemployed and pensioners as a percentage of the employed (EU Commission White Paper on Pensions 2012)

⁶ European Policy Centre ISSUE PAPER NO.72, NOVEMBER 2012, 1000 billion Euros at stake: How boosting employment can address demographic change and public deficits, Erik Türk, Josef Wöss and Fabian Zuleeg;

⁷ EU Commission, White Paper on Pensions, 2012, Chapter 2.3.

⁸ <https://www.etuc.org/en/publication/people-s-recovery-everybody-board-fairer-greener-digital-future>

the sustainability of adequate and effective pensions. The expert study will also provide a critical contribution on the pandemic impact on the labour market dimension and the potential of the foreseen funds to contribute to a people's job-rich recovery.

The paper has to be developed taking into consideration the aims of the project. For this, the subcontractor will work under the supervision and guidance of the ETUC Secretariat members in charge of the SociAll project, the ETUC Social Protection Committee and the project's Steering and Pilot Committees.

The potential of a strategy for "more and better jobs" to contain the future increase of the economic dependency ratio in the context of population ageing, will have to be developed taking into consideration existing literature and the more recent EU policy documents, also in the context of the pandemic recovery.

Specific tasks:

- Liaising with the ETUC project team for a preliminary exchange of information
- Possibly liaise with national trade unions in MS, if necessary, upon assistance of the ETUC
- Drafting a 30-page study (excluded bibliography) in English
- Preparing a power point presentation
- Presenting of the expert study to the ETUC Social protection committee and the SociAll project team via a **webinar**,
- Possible revision/adaptation of the expert study in the light of the exchange in the webinar

Attending the project's final conference and possibly presenting the study. The paper will feed the EU-level final paper as well as the final conference.

2.1. Specific background

"The ageing challenge is often illustrated by the doubling of the old age dependency ratio (population aged 65+ to population 15-64) from 26 % in 2010 to 50 % in 2050. Yet the real issue is the economic dependency ratio, defined as the unemployed and pensioners as a percentage of the employed. (...) Many countries have considerable scope for improving the future adequacy and sustainability of their pension systems by raising employment rates [with quality jobs], and this not just in the higher age groups, but also for groups ... such as women, migrants and youths"⁹.

"Raising employment levels [in quality jobs] is arguably the most effective strategy with which countries can prepare for population ageing"¹⁰.

"The best way of securing adequate and sustainable pensions is to improve labour market integration of people of working age, in good-quality jobs"¹¹.

⁹ EU Commission, White Paper on Pensions, 2012, Chapter 2.3.

¹⁰ EU Commission, Demography Report 2008, p. 144.

¹¹ ETUC, Action Programme 2019-2023, no 375.

2.2 Study content requested

The impact of the Covid 19 pandemic and the related financial plans engedg to contrast it must be kept into consideration as much as possible.

The gender (and possibly the generational) dimension(s) must be highlighted across the whole study.

The study will refer to national realities and include the rough calculations in some (5 or 6) of the countries targeted by the SociAll project (AT, BE, BG, HR, DE, FR, IT, LV, PL, RO, SE, ES), selected on the basis of geographical criteria and diversity of pensin systems, fiscal situation... The national focuses will also feed the EU level overview and policy suggestions.

In order to achieve the project's objectives, the expert study will include the following points:

1. Rough assessment of existing shortcomings regarding the labour market integration of people accross all working age.

Description of existing shortcomings in EU-27 of groups such as women, young and/or low-skilled workers, migrants, older workers + national overviews.

- Shortcomings such as unemployment, underemployment, poor-quality jobs, problems to reconcile employment and family life, etc.
- Indicators needed in order to better unveil existing labour market deficits such as employment rate in full-time equivalents, unemployment rate including discouraged job seekers.

2. Rough assessment of policy action needed in order to overcome existing shortcomings

Both specific measures in areas such as education/training, work-life balance, gender pay and employment gaps health protection, good-quality jobs, etc and needed policy orientation at macro level should be addressed (EU + national overviews)

3. Rough calculation of the potential of a strategy of “upward convergence” and “more and better jobs” for containing the future increase of the “economic dependency ratio” against the background of massive population ageing

Based on the White Paper's definition of the “economic dependency ratio” (see above), rough assessments for EU-27 andnational overviews of 5-6 Member States should be made on the current state and, primarily, on the future development of this ratio, taking into account 2 labour market scenarios for 2050:

- Standard scenario – based on the 2021 Ageing Report assumptions (https://ec.europa.eu/info/publications/2021-ageing-report-underlying-assumptions-and-projection-methodologies_en);
- High employment scenario - assuming both significantly higher employment rates at good quality jobs (especially among women, youth, immigrants and older workers) and lower unemployment and early-retirement rates.

Both scenarios should build on Eurostat's demographic forecasts (2021 Ageing Report).

Alternative assumptions with regard to employment, unemployment and early retirement to be used in the “high employment scenario” should primarily focus on the age group 20-64.

4. (Critical) remarks on the challenges, policy suggestions, possible political paths to follow related to the implementation of job-rich strategies in the light of the current context, including references to the use of the RRF and other funds as foreseeable

3. Expertise, experience and skills required

The drafting of the study requires sound and proven expertise in the following fields:

- EU pension policies, both in a national and comparative perspective;
- EU micro/macro-economic policies/public finance;
- Atypical work and self-employment and access to social protection in Europe;
- Knowledge of the fiscal mechanisms of the Semester and the EPSR and the social scoreboard (DG ECFIN policy, Age Group, Pension Adequacy Report etc.).

Sound experience in the following fields:

- Writing research studies containing sound scientific analysis and original elaboration of data;
- Successful track record of delivering in similar projects.

The acknowledgement of the outputs of the SociAll project so far (national reports, national surveys) is important for the sake of consistency of the project results.

Skills required:

- Ability to work in a multinational and multicultural environment, understanding different culture & traditions in matter of pension systems and social policies in general;
- Ability to work with and respect tight deadlines and budgetary limits;
- Proven research and presentation skills (in English);
- Proven skills in drafting studies and reports (in English);
- Good administration and excellent time management skills.

4. Time schedule and reporting

The subcontractor will be asked to sign the contract in February 2021. The final draft of the expert study in English will be delivered to the ETUC by end of March 2021.

5. Payment

The total maximum budget available for the fees of the subcontractor is as follows:

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| Contract with ETUC |
| Main activities and Meetings |

- Drafting of the 30-page study in English
- Participation in a webinar to present the study - and integrate it if necessary- and in the final conference
- Liaising with the ETUC project team and national affiliates when necessary

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| Total budget for the Expertise | 7500 € (VAT and all taxes included) |
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The subcontractor will be remunerated in various instalments (advance and final payment). This amount covers all fees but does not include the travel and subsistence costs as physical meetings are not foreseen between the applicant and the subcontractor.

The study will be duly and clearly accredited to the authors. Ownership of the results and of the written outputs (including the study produced by the sub-contractor) shall be vested in the ETUC, which shall have the right of first publication. The subcontractor may use the results and the written outputs after their publication by the ETUC, quoting the ETUC as contractor and the SociAll project.

6. Selection criteria

Bids will be evaluated against the following criteria:

- Quality of the technical proposal submitted by the bidder;
- Verifiable expertise, experience and skills (including CV) as required and described in part 3 of this call;
- Proven track record of ensuring the quality of written materials produced, both in terms of content and format (i.e. previous publications) and in the relevant subjects specified in this call for tenders;
- Financial proposal within the prescribed budget.

7. Form, structure and content of the tender

Tenders must be written in English. They must be signed by the tenderer or his duly authorised representative and be perfectly legible so that there can be no doubt as to words and figures. Tenders must be clear and concise and assembled in a coherent fashion.

Since tenderers will be judged on the content of their written bids, they must make it clear that they are able to meet the requirements of the specifications.

All tenders must include at least two sections:

- i) Technical proposal

The technical proposal must provide all the information needed for the purpose of awarding the contract, including:

- Specific information covering the technical and professional capacity, as required, in particular:
 - Description of relevant professional experience with emphasis on the specific fields covered by the invitation to tender;
 - Detailed curriculum vitae of key coordinator and of the other team members;

- A selection of the main works and/or articles published by all the experts involved, in relation to the relevant subjects specified in this tender.
 - Specific information concerning the proposed methodology for delivering the tasks listed in part 2.
- ii) Financial proposal

Prices of the financial proposal must be quoted in euros, including if the sub-contractor is based in a country which is not in the euro-area. As far as the tenderers of those countries are concerned, they cannot change the amount of the bid because of the evolution of the exchange rate. The tenderers choose the exchange rate and assume all risks or opportunities relating to the rate fluctuation.

The maximum amount available for this contract is EUR 7,500 (VAT and all taxes included).

Prices shall be fixed and not subject to revision during the performance of the contract.

8. Award Criteria

The contract will be awarded to the tender offering the best value for money, taking into account the specific objectives, requirements and selection criteria of the tender. The principles of transparency and equal treatment will be respected with a view to avoiding any conflicts of interest.

9. Content and selection of the bids

This call for tenders will be published on the ETUC website on 18 December 2020. Offers must be sent at the latest on 3 February 2021 at noon. Offers must be sent to ETUC, in electronic format (by e-mail to lmartin@etuc.org) and refer to the "ETUC SociAll project".

A committee will be formed comprising of 3 representatives of the ETUC. One or more members of this committee will initial the documents, confirming the date and time of each bid. The committee members will sign the report on the bids received, which will list the admissible bids and provide reasons for rejecting bids owing to their failure to comply with the stipulations of the tendering process.

This committee will also evaluate the tenders that have been deemed admissible. An evaluation report and classification of participation requests will be drawn up, dated and signed by all the members of the evaluation committee and kept for future reference.

This report will include:

1. The name and address of the contracting authority, the purpose and value of the contract;
2. The names of any excluded candidates and the reasons for their rejection;
3. The names of candidates selected for consideration and the justification for their selection;
4. The names of candidates put forward and justification of their choice in terms of the selection or award criteria.