

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 8 February 2021. The **deadline for submission of bids is 12 March 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 foresees that Member States (MS) submit their National Action Plans by 15 May 2021, aimed at ensuring that all working people can adhere to social protection systems (closing formal coverage gaps) and can accrue and take-up effective entitlements, finally receiving adequate social protection benefits - among which pensions (adequate and effective coverage).

The investigations will allow TUs to suggest reform paths for the national plans, as well as frameworks for monitoring 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,

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

keeping into account the situation of the labour market, the fiscal situation of pensions 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 insights on the social protection contributory systems across Europe and their capacity to support 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 the social assistance budget.

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.

The ETUC calls for a greater coherence developed between the right to adequate pensions prescribed by the EPSR and the fiscal policy 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.

2. Indications for the bidder

2.1 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 greater attention** within the European Economic Governance framework.

The EU must engage for the *adequacy of sustainable pensions for all*:

Principle 15 of the EPSR: Old age income and pensions

*Workers and the self-employed in retirement have the right to a pension commensurate to their contributions **and** ensuring an adequate income. Women and men shall have equal opportunities to acquire pension rights.*

Everyone in old age has the right to resources that ensure living in dignity.

Principle 12 of the EPSR: Social protection

*Regardless of the type and duration of their employment relationship, workers, and, under comparable conditions, the self-employed, have the right to **adequate** social protection.*

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 what has emerged from the developments of the ETUC SociAll project so far: the importance of adopting a comprehensive and integrated approach, that takes into due consideration **the potential of the labour market and of the design of pension systems 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 MS – or to reduce their adequacy, or at least to find alternative – and uncertain – strategies to try to ensure it.

The restriction to public budgets for pension expenditure in the view of the demographic trends have forced many MS to rely on contributory schemes more and more to finance the future pensions.

Pension systems have been progressively reformed, under the pressure of the Country Specific Recommendations, shifting from pay-as-you-go 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.

In the trade union assessment, these trends seem to have **shifted the responsibility to ensure the right to adequate pensions of an ageing population from MS and national governments onto the individuals and their capacity to accrue contributions for their future pensions.** Such trend 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 – as witnessed in the Pension Adequacy Report 2018.

2.2 Questions concerning contributory schemes

The debate linked to the cost of labour and contributory obligations is quite lively, given the sometimes high contribution rates that are foreseen in some MS. However, **in spite of even high rates paid by workers and employers, relying on current contributory systems for future social protection** does not seem to solve major issues and raises **questions** on pensions:

- With regards to the **contributory capacity**: what are the contributory rates applied across Europe, with respect to different pension pillars? How do they differ in quantitative terms? What do they cover?
- With regards to the **fair allocation of the contributory obligations**: how are contributory rates shared between employers and the workforce?
- With regards to **different groups of workers and their employers**: how do contributory rates differ for workers hired with a standard employment contract and the self-employed workers? And how do contributory rates differ for employers relying on these different forms of contractual employment relationships?
- With regards to the **capacity of contributions to support the fiscal sustainability of pensions**: how far the contributory-based schemes are able to provide sustainability to the systems, provided they should be adequate?
- With regards to **pension adequacy**: in the current schemes, are contributory-based systems likely to ensure dignified pensions in the future?
 - o Do **wage/remuneration levels** and the length and continuity of their careers allow standard employed and self-employed workers the capacity to accrue significant entitlements?
 - o Does the **design of the contributory systems** impact the adequacy of pensions in the redistribution phase?

- With regards to the **economic and interest trends**: how do contributory-based systems perform in a context of low interest rates?

The ETUC SociAll project will greatly benefit from an expert study displaying data, explanations and country comparisons providing elements to answer these questions and feed the EU level debate.

2.3 The current economic and financial outlook and the Covid pandemic impact

The measures undertaken during the pandemic waves to overcome its effects on jobs and employment often imply cancellation and waiving of contributory obligations both on employees and employment. These measures could be taken into account in looking at the post-Covid context and its impact on the future adequacy and sustainability of social protection entitlements.

3. Tasks to be performed by the subcontractor

3.1 Lists of tasks

Given the context outlined above, the subcontractor is required to develop **an expert study providing insights on the social protection contribution systems across Europe, their performances and their capacity to support the sustainability of adequate and effective pensions**

- **Given the demographic change**
- **Given the current outlook of the labour market and wage/remuneration levels**
- **With respect to standard employees and self-employed workers**
- **In a gender perspective**

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.

Specific tasks:

- Liaising with the ETUC project team for a preliminary exchange of information
- Possibly liaise with national trade unions in MS, if necessary, with assistance from the ETUC
- Drafting a 30-page study (excluded bibliography) in English, including conclusions and indications for policy making
- Preparing a power point presentation
- Presenting of the expert study to the ETUC SociAll 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

3.2 Study content requested

The study will provide a comparative analysis of European contribution rates and social security financing mechanisms. It will refer to national realities and include the outlook of 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 social security systems, pension systems, fiscal situation...

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

- Selected data, figures and qualitative material able to provide hints for answering the questions listed in paragraph 2.2, in line with the project and the study specific context;
- Specific contribution rates for first, second or third pillar pension systems;
- Allocation of contributory obligations on workers, employers, both;
- Differences between employees and the self-employed;
- How the pension amounts are calculated (Pay-as-you-go system (in proportion to last salaries and seniority) / Point system / Contributory system (in direct relation to the amount paid in)).

The impact of the Covid 19 pandemic and the related financial plans engaged to contrast it should 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 contain, as far as possible, (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 in draft National Recovery and Resilience Plans and other funds as foreseeable. The national focuses will also feed the EU level overview and policy suggestions.

4. 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.

5. Time schedule and reporting

The subcontractor will be asked to sign the contract in March 2021. The final draft of the expert study in English will be delivered to the ETUC by 23 of April 2021.

6. Payment

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

Contract with ETUC	
<u>Main</u> activities and Meetings	
<ul style="list-style-type: none"> • 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 	
Total budget for the Expertise	8,000 € (VAT and all taxes included)

The subcontractor will be remunerated in two 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.

7. 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.

8. 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 8,000 (VAT and all taxes included).

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

9. 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.

10. Content and selection of the bids

This call for tenders will be published on the ETUC website on 8 February. Offers must be sent at the latest on 12 March 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.