

Nicolas Schmit

Jobs and Social Rights

Hearing due to be held on Tuesday 1 October at 09.00 hours.

European Parliament committee responsible: Employment and Social Affairs (EMPL).



Nicolas Schmit was elected to the European Parliament in 2019 from Luxembourg. He belongs to the Progressive Alliance of Socialists and Democrats (S&D) Group and sits on the Committee on Employment and Social Affairs. He joined the Luxembourg government as Minister Delegate for Foreign Affairs and Immigration in 2004, then became Minister of Labour, Employment and Immigration in 2009, and served as Minister of Labour, Employment and the Social and Solidarity Economy from 2013 to 2018.

Born in 1953, Schmit studied economics and international relations at the Institut d'études politiques in Aix-en-Provence and was awarded a PhD in economics from the Aix-Marseille Faculty of Law and Economics. After holding a research post in international economic relations, he started his diplomatic career as an attaché in the Prime Minister's office in Luxembourg, before moving to the Foreign Ministry. From 1990 to 1992, he held the post of adviser to the Permanent Representation of Luxembourg to the European Union in Brussels. He was involved in the Intergovernmental

Conference preparations that led to the Maastricht Treaty. From 1992 to 1998, he headed the Department of International Economic Relations and Cooperation in the Ministry of Foreign Affairs. From 1998 to 2004, he served as Luxembourg's Permanent Representative to the EU. During this period, he was also the Luxembourg prime minister's personal representative at the Intergovernmental Conference preparing the Treaty of Nice, and he represented the Luxembourg government as a deputy member at the meetings of the European Convention on the Future of Europe.

This is one of a set of Briefings designed to give Members of the European Parliament an overview of major issues of interest in the context of the hearings of the Commissioners-designate. The full set of Briefings can be found at: https://epthinktank.eu/commissioner_hearings_2019

Background

Many of the powers relating to employment and social affairs belong to the Member States. However, employment promotion, improvement of living and working conditions, fair social protection, social dialogue, the development of human resources with a view to achieving a high and sustainable level of employment, the fight against exclusion and the strengthening of Europe's social dimension are objectives shared by the European Union and the Member States.

The EU has a number of levers at its disposal to promote this social dimension:

- legislative instruments laying down: minimum EU standards on working conditions, health and safety at work, the free movement of workers, social security coordination;
- financial instruments: the [European Social Fund](#) (ESF), the [Employment and Social Innovation Programme](#) (EaSI), the [European Globalisation Adjustment Fund](#) (EGF), the [Fund for European Aid to the Most Deprived](#) (FEAD), and the [Youth Employment Initiative](#) (YEI);
- policy instruments: the [European employment strategy](#), the [European Semester](#), the [open method of coordination](#), the [European Pillar of Social Rights](#), and EU-level agreements between unions and employers;
- decentralised EU agencies: the European Centre for the Development of Vocational Training ([Cedefop](#)), the European Foundation for the Improvement of Living and Working Conditions ([Eurofound](#)), and the European Agency for Safety and Health at Work ([EU-OSHA](#)), as well as the newly established European Labour Authority ([ELA](#)).

In addition to the EU institutions and Member States, many other stakeholders are involved in formulating and monitoring employment policy: the various labour market actors, organisations representing social and economic interest groups, non-governmental organisations and civil society organisations representing particular groups. As the European Commission President-elect outlines in her [mission letter](#), the Commissioner for Jobs and Social Rights will work under the guidance of the Executive Vice-President for an Economy that Works for People, and will be supported by the Commission's Directorate-General for Employment, Social Affairs and Inclusion.

Recent developments

Significant legislative progress was made during the eighth parliamentary term (2014 to 2019), not least on labour mobility, fair working conditions, work-life balance and equal opportunities. A [European Platform tackling undeclared work](#) was launched in May 2016. The platform focuses on the prevention, deterrence and combating of undeclared work and the reporting of undeclared jobs. A [labour mobility package](#) was launched to support labour mobility and tackle abuse. As part of this package, an enhanced [European Network of Employment Services](#) (EURES) was set up in 2016 to reflect new mobility patterns, technological changes and recruitment channels.

The [targeted review of the Posting of Workers Directive](#) was completed in 2018 and brought changes in three areas: equal pay for posted and local workers, including subcontractors; more coherent rules on temporary agency workers; and long-term posting. The main aim of the directive is to establish a balance between a level playing field for business and social protection for workers.

The [revision of the Social Security Coordination Regulations](#) was launched in 2016. It aims to ensure that the rules on social security coordination respond to recent social, economic and political developments in EU countries. The proposal focuses on areas that have not been covered satisfactorily and where improvements are needed: economically inactive citizens' access to social benefits, long-term care benefits, unemployment benefits and family benefits.

A [social fairness package](#) was launched in 2018 to support the implementation of the 20 principles of the European Pillar of Social Rights. It consisted of a proposal for a [European Labour Authority](#), which became operational in 2019 with the goal of complementing and facilitating the implementation of initiatives on the posting of workers and social security, so as to ensure fair

mobility and fight abuse. There was also a proposal for Council recommendation to improve access to [social protection for workers and the self-employed](#).

A new directive on [transparent and predictable working conditions](#) (Written Statement Directive) was adopted in 2019 with the aim of ensuring that workers are provided with an updated and extended information package on their obligations and working conditions when they take up employment. It establishes new minimum standards to ensure that all workers, including those on atypical contracts, benefit from more predictability and clarity as regards their working conditions.

With the [New Skills Agenda for Europe](#) (June 2016), several measures were proposed and have been successfully put in place. Among the most important are: a [Skills Guarantee](#) to help low-skilled adults acquire a minimum level of literacy, numeracy and digital skills and progress towards an upper secondary qualification; a review of the [European Qualifications Framework](#) to make better use of all available skills in the European labour market; the [Digital Skills and Jobs Coalition](#) to support cooperation among education, employment and industry stakeholders; and the revision of the [Europass framework](#), offering people better and easier-to-use tools to present their skills and get useful real-time information on skills needs and trends.

Priorities and challenges

Public opinion

According to [Eurobarometer surveys](#), EU citizens' support for greater EU involvement in health and social security policy area grew from 63 % in 2016 to 69 % in 2018. In 2018, 38 % of citizens judged the EU's involvement in health and social security policies as adequate.

Despite significant legislative progress in several areas, such as labour mobility, equal and fair working conditions and extended social protection, there is more to do. The next Commission will have to address the following challenges, among others:

- Social protection schemes will need to be further harmonised and adapted to new labour market realities (i.e. declining numbers of manufacturing jobs and increasing numbers of atypical contracts and ['platform workers'](#)). Coordination of social security systems is a major file that is still pending from the last parliamentary term.
- In 2017, the European Commission published a study initiated by the European Parliament, which discusses different options as regards the implementation of a common [European Unemployment Insurance Scheme](#) and concludes that such a scheme could be established within the boundaries of the existing Treaties.
- The EU institutions jointly proclaimed the [European Pillar of Social Rights](#) in November 2017, setting out the EU's commitment to [fair wages](#) for workers. This includes ensuring adequate minimum wages for all workers, to allow them to have a decent standard of living.
- In its [proposal for the 2021-2027 multiannual financial framework \(MFF\)](#), the Commission plans to boost funding to improve workers' employment opportunities and strengthen social cohesion through an enlarged 'European Social Fund Plus'. This would serve as the EU's main financial instrument for implementation of the Social Pillar and would concentrate investment in education, employment and social inclusion. It would merge the existing ESF, the YEI, the FEAD, the EaSI and the Health programme. The Commission proposes to allocate €101.2 billion in current prices (€89.7 billion in 2018 constant prices) from the EU budget to the ESF+.

European Parliament

Treaty basis and European Parliament competence

The legal basis for employment and social policy is formed by Article 3 of the Treaty on European Union (TEU); Articles 9, 10, 19, 45 to 48, 145 to 150 and 151 to 161 of the Treaty on the Functioning of the European Union (TFEU); and Articles 5, 12, 15, 21, 23 and 26 to 35 of the EU Charter of Fundamental Rights. Under the ordinary legislative procedure (co-decision), which covers among others all areas of economic and social policy, Parliament is co-legislator with the Council.

The European Parliament has played an active role in formulating employment and social policy in order to strengthen the fight against unemployment and improve working conditions.

- In the context of the adaptation of social protection schemes to atypical working contacts, in June 2017 the European Parliament adopted a [resolution](#) on the European agenda for the collaborative economy. In this resolution, Parliament underlines the importance of securing the fundamental rights and adequate social security protection of collaborative economy workers, including the right to collective bargaining and action.
- When it comes to the consultation of workers, since 2009, Parliament has adopted [three resolutions](#) dealing specifically with workers' rights in the area of information and consultation, and a [resolution](#) on the European Pillar of Social Rights, part of which addresses matters relating to the information and consultation of workers.
- Parliament has also asked the Commission to consider introducing a European social security card or other EU-wide document, subject to strict data-protection rules, to make it easier to exchange data, and to carry out a pilot project for a European early-warning system on undeclared work.
- At EU level, there is broad consensus that action is needed to lift children out of poverty and to promote children's well-being. In November 2015, Parliament adopted a [resolution](#) on reducing inequalities, with special focus on child poverty. In 2017, Parliament went a step further, requesting the Commission to implement a preparatory action on establishing a possible child guarantee scheme.
- Ahead of the Commission's budget proposals, Parliament adopted a [resolution](#) in March 2018 that stressed that the next MFF should address specific priority challenges, such as youth unemployment, poverty and social exclusion.

FURTHER READING

Bassot E., [Unlocking the potential of the EU Treaties: An article-by-article analysis of the scope for action](#), EPRS, European Parliament, 2019.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2019.

Photo credits: © European Union, 2019; European Parliament - EP, 2019.

eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)

