

European CSR news for the postal sector



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The European Union is dealing with new realities in the world of work



How can the labour law be adapted to successfully integrate new social and economic realities? This is the question posed to both at European and national levels.

Re-evaluating EU social acquis in order to handle the new world of work

The European Directives drafted between the seventies and nineties addressed very different issues in the world of work from those of today. For the European Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne Thyssen, «employment relations corresponding to the new occupational models are blurring the traditional concept of employers and of jobs», that places a question mark over the means to «reaffirm essential individual rights in the labour market, regardless of their status» (i.e. salaried employees or self-employed workers).

Ms. Thyssen chose to launch an initiative on the Directive that particularly addresses the definition of 'employment relation'. Directive 91/533 called the 'written statement' on information for workers on essential elements of their employment relationship is thus in the process of being assessed (c.f. page 2) to see if it remains relevant in the modern world of work. With this, the Commissioner is to all intents and purposes examining the concept of the term 'worker'; a term that features in all European texts on labour law, none of which provides an EU definition, and which refers to and reflects diverse national realities.

Member States are also mobilizing

At the national level, these major changes have driven governments to make changes to their own labour laws and reforms are already underway to ensure essential rights for independent workers. In Italy a draft law looks to establish a new specific status for independent workers so they can continue to benefit "from a modern system of rights and social protection" (see page 4).

In addition national regulations also look to introduce significantly greater flexibility in terms of working time along the lines of Finland (see page 4). Intended regulatory reforms in Lithuania also look to allow for greater flexibility as well as more diversity in employment contracts, in exchange for guarantees, especially with regards to wages (see page 4).



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EU & you



Harmonising the concept of the worker in Europe

The European Commission launched in January a process of assessing the Directive on the employer's obligation to inform workers of the conditions that apply in the employment contract or to the employment relationship. This initiative aims at harmonising the concept of the worker so as to incorporate new forms of employment.

Directive 91/533 called the 'written statement' requires employers to communicate, in writing, to salaried workers, the essential elements of the employment relationship with the aim of preventing any violation of their rights. The Commission launched a public consultation, which closed in April, to carry out the evaluation. Stakeholders' opinions on the efficiency of this Directive were solicited, especially as regards the fundamental changes that have occurred in the labour market where the variety of employment

relationships has increased.

In terms of diversity, the European Commission refers to telework, temporary work, zero-hours contracts, staff and work sharing, and voucher based work (special vouchers in Italy and the 'recibo verde' system in Portugal), transition management, remote working and collaborative working. Yet the Directive only requires the member States to implement the employers' obligation to provide written information for salaried employees, a concept which itself varies from one country to another. The European Commission is thus examining the relevance of extending this requirement to new forms of work for all member States. It would represent a first step towards harmonising the definition of 'the worker', which is currently being left up to national legislation and which creates distortions in terms of social guarantees between member States.



A revision to the legislation on the posting of workers

On 8 March the European executive presented a 'targeted revision' to the 1996 regulations on the posting of workers. The text primarily contains measures that aims to narrow pay gaps between local and posted workers. For this revision of the 1996 European Directive, the President of the European Commission, Jean-Claude Juncker, had promised to introduce the idea of 'equal pay for equal work'. Without actually citing for this principle the project establishes that all the host countries' regulations in terms of pay structure must also apply to posted workers, whereas the 1996 European Directive only requires that minimum salary levels be upheld. In addition the text corrects other gaps in the 1996 Directive, such as the absence of maximum periods for any one posting as well as the absence of any reference to interim or temporary workers.

The proposed revision intends that any one posting cannot exceed twenty-four months. Besides it imposes the principle that posted temporary workers are also given equal treatment (which is currently optional at the national level). Finally, the revision allows the member States to adopt legislation that requires businesses to sub-contract only to service providers that respect sector collective agreements.

Debate on the project is expected to be difficult because a large sections of the member States are fiercely opposed to it. In fact during the summer of 2015, several Central and Eastern countries wrote to the European Commission saying that they found revising the 1996 legislation to be premature in so far as barely a year ago a Directive was adopted that aims to improve monitoring of posting workers.



European social partners' common position on social dialogue

The European social partners are committed to raise their level of influence by working together. During the tripartite summit meeting that took place in March 2016, social partners, with the European Trade Union Confederation (ETUC) on the unions' side and BusinessEurope, the European Centre of Employers and Enterprises (CEEP) for public companies, as well as the European Association of Craft, Small and Medium-Sized Enterprises (UEAPME) for employers' came sharing common positions on current issues. This meeting, held on the eve of each European summit meeting, is destined to allow European social partners to exchange their opinion before the Heads of State meet.

At this summit meeting progress was noted in terms of the European Commission's commitment to working with the social partners at all levels both in the lead up to and following reforms. Unions and employers' organisation presented a joint declaration that calls for social dialogue and collaboration with social partners to be at the heart of how European institutions function. The declaration also recalls the role of the European Commission in set up a framework suitable for developing a culture of social dialogue and requests that the member States do the same at the national level. Other joint statements address integrating refugees, industrial policy and digitisation.





European Posts



PostNord Denmark's agreement to reduce labour costs

Following persistent negative results as a consequence of a dramatic drop in postal volumes the operator has sought to adapt its collective agreements in a bid to bolster competitiveness vis-à-vis its competitors. PostNord Denmark estimates this will save it more than €21 million.

Given the economic difficulties that ensued following the drop in postal volumes, the group had the possibility of terminating 27 out of the 34 local agreements. In December 2015, as a way of avoiding further deterioration in working conditions the Hong Kong Post & Kommunikation union (administrative staff) and the 3F Post trade union (postal workers, transporters, etc.) signed agreements going back on certain acquired advantages. In exchange the company commits not to proceed with outsourcing before 2020, unless absolutely necessary and in the case a compensation would be given to

those employees affected for an amount of up to 60,000 crowns (€8,038).

For example, the agreement concluded with Hong Kong Post & Kommunikation, doing away with paid meal breaks (20 – 29 minutes) except for those employees who have to be available during the breaks and who cannot leave their work stations. Specific payments for paid leave will drop from 1.5% to 1% for regular employees and from 2% to 1% for senior staff. The number of free days from within 'the maintaining seniors at work framework' will be lowered from six to five days for senior workers between age 57 and 59 and from 20 to 15 days for those aged 60.

The agreement also intends for compensations such as ten extra free days in 2016. Finally, it establishes a competences development fund focusing on workers' skills, both for current employees and those made redundant due to falling postal volumes.



An agreement to limit the number of redundancies at Posti

On 16 March Finland's postal operator, Posti, announced it had succeeded in an agreement with the unions for delivery, sales, customer services staff, and Group and Operations administration personnel, which led to a reduction in the number of redundancies originally planned.

Negotiations led to a better support program for worker redeployment and requalification "Uusi polku" (New Path), a retirement program and arrangements for voluntary departures. In the end 679 jobs will be saved instead of the 860 as originally planned and 198 employees will be moved to part-time jobs.



Social data from the report on the Postal Directive's implementation

The European Commission report on the application of the Directive on postal services published in November 2015 has provided an understanding of the initial effects of liberalisation of the market in terms of economic, social, technological, and quality of service effects. By including social considerations, the European Commission is showing that it is increasingly taking the issue of social changes and developments in the sector into account, and especially via work carried out by the European Social Dialogue Committee for the postal sector. The report refers to the effect of both falling letter volumes on jobs

as well as in the context of increased modernisation and automation. According to the Universal Postal Union, the total headcount of postal services operators fell by about 250,000 in the years between 2008 and 2013, with an average drop by 4.4% across the 28 member States between 2012 and 2013. The postal sector nevertheless remains a big employer with some 1.2 million employees in 2013.

In terms of managing the downsizing in the number of employees, the report also refers to the fact that "modernisation has been managed in a socially responsible

way together with the trade union. Offering early retirements and voluntary departures have been used to minimise the number of compulsory redundancies." The European Commission nevertheless remarks that "there have, however, been significant increases in the proportion of part-time employees in some member States and overall there is a trend towards more flexible forms of employment contracts." Overall the analysis confirms the fact that although modernisation in the postal sector has meant adapting, until now the postal sector has not had to experience a radical social transformation.





News from member States



Lithuania: a foreseen reform to labour regulations

Lithuania's Parliament is in the process of examining its major reform since 2001. The text in question looks to review conditions over temporary employment contracts by allowing recourse to such contracts during a two-year period for the same position, or during a five-year period for different positions. In addition it introduces new types of employment contracts such as project work contracts, shared work contracts (where more than one worker performs the same function) and multiple employers' contracts. Certain provisions also improve employees' situations. The most significant of these is the requirement for employers to study requests for flexible working hours and to manage hours worked that take into account the employee's own personal and social preferences. Pregnant women and parents of young children will have the right to work from home up to 20% of their working time. Employees with a three-year career service will be able to work on a part-time basis for a maximum of one year. Their requests should in principle be approved while the reasons for any refusals might be linked to production issues. In addition the reform intends for the minimum pay to only apply to unskilled work, and skilled workers must be paid above this threshold level. The reform introduces the notion of salary 'floors' for skilled workers. The new law will also allow for an increase in the working week from 48 to 60 hours and this is being put forward as a positive for employees' pay. Other provisions include curtailing the notice period for redundancy and lowering redundancy compensation.



Italian government introduces smart working

In January Italy's Council of ministers adopted a draft law instigating a new status for independent work that aims to implement "a system of rights and modern social protection." Females working on an independent basis would be able to continue working during their statutory five months maternity leave period without relinquishing their social security paid maternity benefits. In addition the draft introduces a set of obligations for clients in a dominant position. Finally, considering that training is an essential right, the draft allows independent workers to cover 100% of their training costs.

The second section of the draft law also introduces a legal framework in a bid to

develop smart working. This type of work that certain Italian companies are trialling goes beyond the physical constraints of the workplace because the work can be carried out anywhere as well as regular working hours once working time limits are adhered to. The draft law intends for recourse to this form of work to be subject to a written agreement between the parties, which can be revoked once a minimum of one month's notice is given. Workers are guaranteed equal treatment and employers must give written guarantees respecting standards in terms of data protection and occupational health and safety. Workers, for their part, should take into account prevention measures as outlined by employers.



An agreement to boost growth in Finland

On 29 February Finland's social partners came to an agreement on a certain number of measures related to employees' social conditions in a bid to improve growth and to combat unemployment. The agreement named the "social contract" or "the competitiveness pact" is the result of difficult negotiations. They were conducted under pressure from the government warned that if the talks failed it would use legislation to impose drastic measures such as reducing leave times and lowering salaries as well as raising social contributions charges.

The agreement introduces a wage freeze until 2017, an increase in annual working time of 24 hours and a 30% reduction in holiday bonuses paid to public sector workers. Besides it foresees a 1.2% increase in employee pensions contributions and an increase in employee unemployment insurance contributions of 0.85% in both 2017 and 2018. Correspondingly, employers will see their social contributions payments lowered, which effectively results in the burden of contributions payments formerly made by employers being transferred to employees.

AGENDA

- **24-25 May 2016:** Final conference of the Social Dialogue Committee project, Bucharest
- **1 June 2016:** PostEurop Management Board, Brussels
- **20 September 2016:** PostEurop Plenary, Istanbul

