

European CSR news for the postal sector



POST EUROPE
YOUR LINK TO POSTAL EXPERTISE

Does the proclamation of the European Pillar of Social Rights signal a shift in EU direction?



On 17 November during the Social Summit for fair jobs and growth in Gothenburg (Sweden), leaders of the EU Parliament, Commission, Council and Member States proclaimed the European Pillar of Social Rights. This was the first meeting in twenty years to be held at this level that was specifically devoted to European social issues.

Twenty principles and a scoreboard

Twenty key principles, structured around three categories, namely, equal opportunities and access to the labor market, fair working conditions, and social protection and inclusion combine to build the social pillar that aims to guide European and national policies so they move towards social objectives. The pillar primarily addresses the Eurozone Member States so that currently sub-optimal social convergence can gain effective momentum. The social pillar is not a binding instrument although the EU Commission does link it with recent legislative measures such as on parental leave (c.f. article Post&You No. 12) and upcoming legislation on workers minimum rights (c.f. article Post&You No. 12). Monitoring will come about via a dashboard that can assess changes in the Member States' social performance'.

Social elements within economic governance

The twenty principles are also a way to rectify an ongoing policy bias in recent years towards public deficit reduction that has, on occasions, led to reforms, which have not taken social cohesion effects sufficiently into account. To correct this they have to be included in the European Semester, the EU's cycle of economic and fiscal policy coordination and part of the European Union's economic governance framework, which significantly influences the Member States' social models. The EU Commission underlines that analyses and recommendations from every reform delivered to the Member States will increasingly focus on social considerations and report on social indicators.

On 22 November the press statement from the EU's European Semester Autumn Package, which defines guidelines to be included in the EU Member States' economic and budgetary policies, reported that the twenty principles had been taken into account and that priority was being given to reforms aimed at workers' skills acquisition and promoting fair working conditions.

*The CSR circle team
wishes you all the best
for 2018*



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EU & you



Revision of the directive on the posting of workers

On 23 October, European Labour Ministers secured a compromise on the proposal to revise the EU Directive on the posting of workers (c.f. article Post&You No.9). The agreement between the 28 Member States, which had many divergent opinions on the topic, is a noteworthy step forward that even a year ago seemed very unlikely.

The 1996 EU Directive on the posting of workers in particular aimed at safeguarding key labour rights for workers who were temporarily posted by employers to EU Member States other than the Member State within which the employees regularly carried out their activities.

Equal pay and posted worker time limits

Despite opposition votes cast by Poland, Hungary, Lithuania and Latvia, the agreement that was secured enacts the principle of 'equal pay for equal work'. The agree-

ment intends for posted workers to receive the same pay as local workers, including bonuses and other elements of mandatory pay rather than just the minimum wage, as it is currently the case. EU Ministers also agreed to limit the length of a posting to 12 months (from 24 months currently) with a possibility of extending this to a total of 18 months. This agreement has opened the door to negotiations with the European Parliament, which may secure an agreement at its first reading during the first quarter of 2018.

Transport pays the price of compromise

This compromise agreement came at a significant price, which is that the new legislation will not apply to road transportation. Current rules regulating this sector will continue to apply until the Directive on the posting of transport drivers is adopted, although this outcome still remains uncertain. Several Eastern European States have made this derogation a 'redline' issue.



A European apprenticeship framework

This framework contains some fourteen criteria that EU Member State governments and stakeholders have to implement in order to improve apprenticeships. Currently, the EU Member States still have to approve the European Commission's framework recommendation.

The criteria guarantee that apprenticeship programs are adapted to labour market needs and bring benefits to both apprentices and employers alike. The proposal especially underlines that apprenticeship achievements have to be defined such that they can guarantee 'a balance between specific job-linked competences and key skills that promote both personal development and career development throughout the apprenticeship period, thereby enabling apprentices to adapt to changing career profiles. In addition, the EU Commission recommends putting in place nationally recognized certificates that are also referenced in line with the European certification framework in order to enable intra-EU career path mobility.

The EU Commission recalls that the European Alliance for Apprenticeships has already provided 750,000 apprenticeship positions and at least 390,000 positions have already been provided under the Youth Guarantee program. The ErasmusPro initiative aims to accompany 50,000 apprenticeship placements abroad during the period 2018-2020. Before the framework can come into effect the Member States have to approve the EU Commission's recommendation.



The European Commission proposes a 'Clean Mobility Package'

On 8 November, the European Commission presented a series of measures destined to speed up the transition towards low CO₂ emissions vehicles. Noteworthy is the move to revise the Clean Vehicles Directive so as 'to promote clean mobility solutions in public procurement tenders.'

In a bid to kick-start investment and innovation in clean vehicles the European Commission announced a series of intermediary targets for lowering CO₂ emissions in relation to the 2015 Paris Agreement. Emissions from newly registered vehicles in the EU should have fallen by 15% in 2025 and by 30% in 2030 as compared with 2021 levels.

The EU Commission also recalled that it had initiated a process to revise the 2009 Directive on promoting clean and energy efficient vehicles, which requires public bodies to take into account environmental and energy impacts when purchasing vehicles and when awarding public procurement tenders. The revision is part of the goal to bolster the public market's potential to stimulate the market in clean vehicles.

In addition to this is an action plan on an EU-wide deployment of adequate infrastructure in relation to alternative fuels as well as a revision to the directive on combined transport so as to promote multi-modal goods transportation.





European Posts



A new collective agreement for Poste Italiane

On 30 November, and following almost two years of negotiations, Poste Italiane's social partners have renewed the national collective agreement, covering 140,000 workers at Poste Italiane.

It intends for a monthly salary rise of €103 on average and a lump sum payment of €1,000 in compensation for 2016 and 2017. "Company welfare will be bolstered by way of supplementary health care paid for by employers' contributions. This new agreement makes progress on several fronts including the right to disconnect, the certainty of knowing that if a worker who is the sole financial contributor to a family passes away then that worker's partner or child will be subsequently employed, solidarity based leave donations for colleagues in need, and new standards to promote parental leave, which can be split into hours and taken until the child reaches six years of age instead of the current three years of age.

In addition, the agreement includes a workplace harassment protocol, which according to the trade unions, 'places Poste Italiane amongst the most progressive companies in the country on this aspect'. It also includes a protocol on dynamic employment-based policies such fixed term hires moving to indefinite employment contracts, transitioning from part-time work to full-time employment, career changes and recruitment. Unions also hail an understanding that was signed in parallel to the agreement that intends for 6,000 hires including transition from fixed term contracts to indefinite contracts and moving from part-time to full-time employment. The unions continued stating that 'These measures depend on striking a balance between the company's labour costs and economic results via non-disruptive worker-oriented policies such as leave incentives'.



New agreement for PostNL staff

On 30 November, PostNL eventually secured an agreement with the union organization that addresses salaries, travel costs and the generation pact.

Agreed with all of the union bodies within the company, the agreement intends for a 3% salary increase to be disbursed in four stages and which is 0.4% more than had been initially intended. The small group of employees that did not benefit from the new travel expenses arrangement, will receive compensation for a period of five years instead of the original three. Provi-

sions allowing older employees to lower their working time (via the generation pact) will extend to a greater number and will now impact some 300 staff, 100 more than initially intended. These employees will be able to choose to work at 60% whilst receiving 80% of their salaries and paying their pensions contributions from this income base. The principle of replacing workers who lower their working time within this framework was also enacted. The new agreement runs from 1 April 2017 until 31 December 2018 and it also includes labour mobility incentives within PostNL.



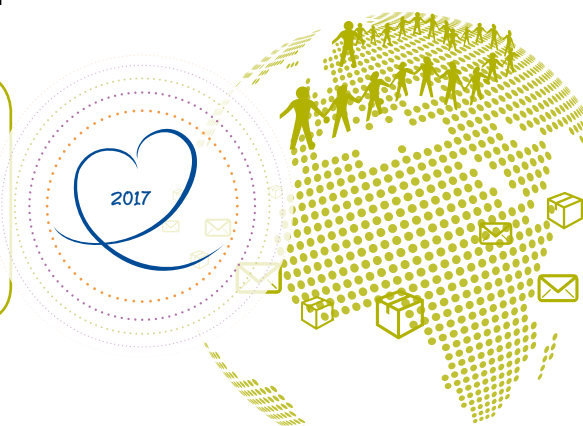
An agreement to save Post Danmark

Sweden and Denmark have secured an agreement to bail out Post Danmark, the PostNord subsidiary that was established in 2009 via a merger between the Swedish and Danish postal operators. Both of the company's principal shareholders have agreed to refloat Post Danmark in support of its new production model.

Since 2000, letter volumes in Denmark have plummeted by about 80% resulting in negative operating income since 2012. Falling volumes have also been exacerbated by the Danish government's digitalization policy drive, which encourages state administrations and public bodies to rely on digital documentation instead of physical postage. Yet Post Danmark has to continue providing 'full postal services'. Another problem lies in the employment status of many of Post Danmark's employees. As former civil servants they are entitled to receive 'special leave conditions' amounting to almost three years of salary when being laid off. Post Danmark has been looking for a longtime to effect significant business reorganization but was unable due to these financial consequences that it just could not absorb. The bailout plan implies implementing a new production model for Post Danmark because it ensures deliveries of both letters and parcels. Staff numbers are expected to fall from 10,000 currently to 6,000, with 1,000 leaving each year. Both countries have agreed to begin analysis on both how to manage costs in the future and on their universal service obligations.

The 2017 CSR Coups de Cœur Awards, rewarding innovative initiatives divided in three different categories, have this year been given during the PostEurop plenary session held in Bucarest on the 28 September. The laureates of this edition are:

- **Category Environment:** bpost for its "Beepost" initiative
- **Category Society:** Posti which improves road safety through digitalization
- **Category Employees:** Le Groupe La Poste accompanying caregivers' employees.



News from member States



Estonia: better parental leave for fathers

Already known for being one of the most generous countries in terms of parental leave, Estonia has decided to go even further in making this provision more flexible and attractive for fathers to take-up. From 1 July 2018, paternity leave is to be extended from the current 10 days to 30 days. Fathers will be able to decide to take-up their leave allowance at the same time as mothers, or singly. Parental leave will be more flexible and will allow for alternating leave time and work time periods until the child's third birthday and finally, parental leave compensation can be cumulated with income up to a given ceiling.



Romania: social security contributions transferred to employees

On 8 November, and by way of emergency ordinance, Romania's government implemented a reform until then unseen in Europe, which transfers the whole burden of social security contributions onto employees. Currently, employers pay the equivalent of approximately 22.7% towards social security, whilst employee contributions are approximately 17%. From 1 January 2018, the combined contributions will be lowered to 35% instead of the current 39.7%, however all of the burden will be born by employees. Thus employees will see their current gross pay be reduced by both their own 'employee' contributions and these contributions that had formerly been paid by employers. Employers will continue to

deduct the sums and pass them on to the State. Employers will only have to pay a new 2.5% salary tax called the 'solidarity' tax.

In Romania employees' work contracts are most often based on gross salary. This additional employee contributions burden will significantly reduce employees' net salaries and although unions are understandably outraged, companies too appear to be embarrassed by the move. Businesses are finding it difficult to see how in the name of social peace they will be able to avoid raising gross pay in order to maintain previously operating net pay levels. The government's reform has sparked a wave of protest through the country.



United Kingdom: different employment status for Uber and Deliveroo workers

While on 10 November the Employment Appeals Tribunal ruled that Uber drivers were indeed 'workers', four days later on 14 November the Central Arbitration Committee (CAC), the arbiter of union recognition disputes, ruled that Deliveroo riders could not be represented by a trade union body because they were 'self-employed'. Key to this decision, which has run counter to several recent rulings on drivers and riders is a contract clause that allows Deliveroo riders to be substituted for any particular

delivery. This 'substitution' ability is incompatible with the subordinate relationship that characterizes an employee relationship. As a result the IWGB (Independent Workers Union of Great Britain) union's claim to be recognized and as such be able to negotiate for this group of workers was impossible.

UK labor law recognizes two categories of dependent workers, namely 'employees' and 'workers'. The 'workers' subordinate relationship is much looser and 'workers'

only benefit from minimum rights such as the minimum wage, paid leave, and anti-discrimination protection. Nonetheless, the 'worker' category does not appear to be looking to embrace those operating in the gig economy, as evidenced by the CAC decision, as it is only on a case by case basis and only after detailed examination of relationship contracts and practices that a such workers can be placed under this level of protection. Difficult to conclude any general rule in this context.

AGENDA

- 18 & 19 January: Second seminar of the SDC (Social Dialogue Committee) project "Promoting social sector in the postal sector in an enlarged Europe", Vilnius
- 1 & 2 February: RADAR meeting, Luxembourg
- 8 March: Management Board of PostEurop, Brussels
- April: 3rd seminar of the SDC project, Athens
- 29 & 30 May: SDC workshop "Trend research in the postal sector in 2030", Paris

