

# WorkYP Newsletter

No. 4  
Spring 2022



# WorkYP Mid-Term Conference

Dear readers,

We are delighted to present the fourth issue of our Newsletter!

In the last months the Consortium has worked hard to produce some important deliverables, some of which were presented at the Project's mid-term Conference, held in Bologna last 22nd March 2022. These deliverables are key for the outcomes of WorkYP, since they constitute building blocks for the final deliverables and conclusions of the Project.

The present Newsletter is dedicated to these deliverables. It compiles the interventions that took place at the mid-term Conference. The reader will find summaries of the presentations at Bologna that have been prepared by the speakers at the event. These summaries constitute an excellent synthesis of that Conference and, at the same time, an overview of some of the Project's most relevant deliverables.

Enjoy the reading!

## Harmonization of EU Labour Law (Mijke Houwerzijl and Ane Aranguiz, Tilburg University)

In the first intervention, a draft of the Project's deliverable dealing with the level of legal harmonization at the EU for each VUP (Vulnerable and Underrepresented Persons) was presented. To this end, several instruments of EU labour law protecting workers in the EU were discussed.

At least for VUP 1 (low-skilled workers in low-wage sectors) and VUP 3 (atypical workers), Professor Houwerzijl and Dr. Aranguiz found that the adopted rules on labour law harmonization seemed to have had a positive impact on the working conditions of workers. On the other hand, Member states still retain a major discretion in adopting labour law standards, therefore resulting in an uneven protection between citizens across countries. Moreover, the speakers identified that some of the guarantees, particularly in the case of atypical forms of employment, are far too minimalistic to offer the necessary protection for VUP 3. In the cases of VUP 2 (dependent self-employed) and VUP 4 (casual and platform workers), the analysis is more pessimistic. The authors found little to no protection for this part of the workforce under EU law. Yet, they highlighted that some more recent developments aim at changing this reality. In any case, it was argued that harmonization for these groups is still in its infancy and so far unable to cope with the increasingly dynamic world of work trends.

## Adequate wages across the EU: a shield against in-work poverty? (Giulia Marchi, University of Bologna)

In the second intervention a deliverable on the concept of adequate wages was presented. This deliverable departs from the idea that although the introduction of a framework for minimum wages is not a remedy in coping with in-work poverty, at least not as a sole-standing policy, due to the weak connection between low wages and poverty, still adequate minimum wages are a necessary safeguard. Therefore, this must be a policy priority, as it is a social and economic necessity. A fair and adequate wage – even more than a minimum wage – is significant for many reasons: to make work pay, to prevent unfair competition, and, as established in many international law instruments and at national level, as a matter of human dignity. In addressing the issue of the functions of adequate wages, it must also be considered the importance of guaranteeing a reasonable standard of living: fair and adequate wages not only enable workers to sustain themselves, but also reduce inequalities and foster political participation.

At EU level, a Directive on Adequate minimum Wages would be a crucial step in ensuring the dignity of work across the EU. However, the proposed directive risks being “a missed opportunity”, not considering the social function

of minimum wages: the “equation” between collective bargaining coverage and adequacy of minimum wages, and between fairness in relation to the wage distribution and adequacy in providing a decent standard of living is at least challenging in the light of ensuring a proper adequate wage that protects workers and their families from the risk of poverty and enables a dignified existence.

In the attempt to provide a benchmark notion of fair and adequate wages that may be helpful in the fight against in-work poverty, it must be considered that, being in-work poverty is a multidimensional concept, any EU initiative on this issue should pursue two goals at the same time: “fairness” and “adequacy”. The first one identifies “the quality of treating people equally or in a way that is right or reasonable”, while the latter refers to “the fact of being enough or satisfactory for a particular purpose”. A combined approach may be more appropriate to identify what a fair and adequate wage should be. In order to ensure the fairness of wages, it seems important to take a relative distribution-oriented approach – as the one adopted within the EPSR and proposed in the EU directive – consisting in using an indicative reference equal to 60% of national median wages or 50% of average wage. However, adequacy cannot be exclusively linked to a given percentage of median or average wages, as it may still not be enough to ensure a decent living standard. Thus, an absolute or needs-based approach, considering the cost of living, based on countries specific basket of goods and services, should also be adopted. Since this absolute approach may be more problematic to be inserted in hard law provisions – due to the difficulties in identifying cross-country comparable baskets of good and services – at EU level, the assessment of adequacy of wages through an absolute approach may be embedded in the European Semester. In fact, Country-specific recommendations have proved to be one of the most appropriate instruments to consider Member states’ characteristics, and, in addition, it would be less intrusive in national systems and social partners’ autonomy. The creation of a “living wage commission” – involving trade unions and employers’ organisations, civil-society stakeholders, and academics – would be useful in the identification of goods and services to be included in the basket, in the assessment of this combined approach, as well as in the elaboration of further policy proposals concerning measures that can ensure households an adequate standard of living.

## In-work poverty: a gender-sensitive approach (Marta Capesciotti, Fondazione Giacomo Brodolini)

The third intervention presented the Project’s deliverable focused on the gender dimension of in-work poverty. Labour market conditions and poverty are not neutral in terms of gender, and neither are the policies adopted to tackle this major social issue. Women still face several barriers in successfully integrating the labour market in Europe and are mostly responsible of care tasks within the household. This situation is even harsher when women present other personal characteristics that subject them to possible discriminations, including their ethnic origin, migration background, disability and sexual orientation.

The main conclusion of the analysis presented suggests that revision of the in-work poverty indicator may be necessary to adequately capture the gender dimension of in-work poverty. In fact, female workers are more at risk of underpaid and underqualified jobs but they do not appear to be more at risk of in-work poverty compared with their male counterparts. This paradox is probably the result of the methodology adopted for the ‘at risk of in-work poverty’ indicator, which is based on the household rather than on the individual, assuming an equal distribution of resources and power among the household’s members.

## Comparative analysis of national experiences (Christina Hiessl, Goethe University Frankfurt)

The fourth intervention presented the preliminary findings of the deliverable “In-Work Poverty in Seven European Countries: Comparative Analysis of National Experience”. In so doing, it discussed the role and design of measures to tackle in-work poverty as part of an overall policy approach in the seven European countries included in the WorkYP Project (Belgium, Germany, Italy, Luxembourg, the Netherlands, Poland, and Sweden). The intervention illustrated the diversity of pertinent regulation in the different countries under study, as well as the difficulties of linking regulatory particularities of a country to empirical insights. The presentation drew some

tentative conclusions about common features regarding the situation of Vulnerable and Underrepresented Persons (VUPs), as well as country-specific particularities. For each of the four VUP groups as defined in the WorkYP Project, it pointed out the legal and socio-economic factors determining those groups' prevalence among the national workforce, as well as the main instruments to address their poverty risks in the seven countries studied.

## Access to adequate social security protection for working poor (Eleni De Becker, University of Leuven)

In the fifth intervention access to adequate social protection for the working poor was discussed. The presentation drew from the comparative report on social security, drafted by the KU Leuven. The comparative report on social security focuses on the level of protection provided by the member states involved in the Project for each of the four VUP Groups. In doing so, the report studies the protection in case of sickness and unemployment. In most EU social security schemes, the protection for short-term income replacement benefits is often still closely tied to the standard employment relationship (full-time employment with indefinite duration). As a result, atypical workers and self-employed persons are often confronted with a lack of formal, effective and adequate access to social protection. On the basis of those findings, the KU Leuven team highlighted some possible pathways for the EU to act and to strengthen the social protection of the four VUP Groups.

Dr. De Becker gave an overview of the impediments in design of the national social security systems for the four VUP Groups. In a second part, she touched upon some of the different pathways for the EU in strengthening the social protection for the different VUP Groups, as discussed more in detail in the comparative report. More attention at EU level is needed for the multifaceted dimension of in-work poverty for the different VUP Groups. Furthermore, more attention should also go to adapting social protection for (a)typical workers, considering their specificities. The presenter pointed out the need to further develop the EU definition on what constitutes an 'adequate' social security benefit. Currently, the EU framework remains silent on this point. Lastly, the need to rethink how social security systems are financed was highlighted, in particular for those workers who work only a limited number of hours per week. A broader income base for social security purposes could help in this regard. In the coming months, the proposals in the comparative report on social security will be further developed by the University of Tilburg in a position paper, considering the EU competences and the current EU framework.

## Recommendations to Member states: direct and indirect measures to tackle in-work poverty (Florence Tornincasa, EAPN)

In the sixth and final intervention, some preliminary recommendations and measures addressed to the EU member States to tackle in-work poverty were presented. The European anti-Poverty Network (EAPN), as a partner of the WorkYP project, is currently working on a report that will identify policy priorities and feasible actions that Member states should adopt to tackle in-work poverty. The policy recommendations will primarily draw upon the comparative analysis carried out by Goethe University of Frankfurt, as well as other project and wider sources.

Tackling in-work poverty is a complex problem for member states. Nevertheless, there is an urgent need for national governments to act against in-work poverty. Although there are significant variations on the level of risks of in-work poverty (IWP) across Member States, some common features can be identified. Risks are concentrated amongst low-paid workers, especially in sectors with a significant proportion of low-paid people, and even more so, amongst atypical workers. These groups are the focus of the Project WYP. Risks are concentrated also amongst particular demographic groups.

Evidence shows that getting people into work, and a 'work first' approach, has not reduced overall poverty rates, and may have increased risks of IWP. It is time to revisit the overall approach to income protection and labour market insertion.

A challenge for any attempt of reform is that individuals earn wages and salaries, but poverty is measured at household level and many income support measures are delivered at that level. This can draw a veil over labour market disadvantage, for example for women and young people, and over unequal distribution of household resources. There is a new balance to be struck in labour market regulation and social policy development, between individual rights and income support to households.

Although more specific recommendations will need to wait to the final report, at the mid-term Conference EAPN presented some preliminary general recommendations seeking to improve wages and employments conditions, social security and social assistance for all workers, including the in-work poor. Among these, the most relevant are:

- Aiming for the statutory adequate minimum wage to progress to a 'living wage' and to extend statutory minimum wages to the solo self-employed, who are completely left without protection
- More coherent and extensive inclusion of atypical workers in collective agreement arrangements, and in particular addressing the competition law impediment to collective action by the non-entrepreneurial solo self-employed
- Improving access to social insurance to flexible workers and address the exclusions of non-entrepreneurial solo self-employed and casual/ platform workers, whether by modernising the notion of 'employee' or other approach
- Providing universal family benefits that cover the additional cost of children Therefore, having better family benefits and adequate, affordable, accessible (including in poor areas) child and dependent care are central to combating poverty in households with children
- Having a universal guaranteed minimum social assistance income as it is the floor under all other incomes, with the ambition to progress towards a level that keeps households out of poverty
- Addressing the cost-of-living crisis and introducing social-fiscal support for housing, utilities and transport, health and care costs.

## Follow us – stay updated

