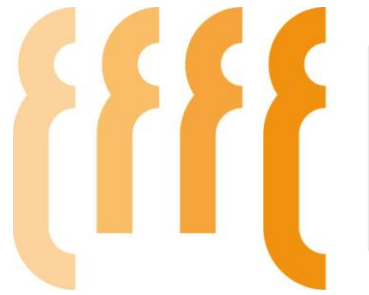


# FEDERATION EUROPEENNE DES EMPLOIS DE LA FAMILLE



EUROPEAN  
FEDERATION  
FOR FAMILY  
EMPLOYMENT  
& HOME CARE

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JULY 2018

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## ■ EUROPEAN POLICY FRAMEWORK

### 1. EUROPEAN COUNCIL: flawed agreement on the migration issue and adoption of the distribution of seats in the EP after Brexit

#### WHAT YOU MUST REMEMBER

1. The twenty-eight leaders of the European Union (EU) managed to agree on the migration file, after nine hours of negotiations on Friday 29 June. The stated objective is to better protect the EU's borders and to reinforce the reception rules. The Twenty-Eight agreed on the establishment of reception centers on the European soil, on a voluntary basis and to look into the establishment of reception facilities located outside the EU, after the conclusions. But Donald Tusk, President of the Council held to nuance Friday the signature of this agreement. For him, he is "way too early to talk about success".
2. On 29 June, the EU Heads of State and Government approved the composition of the European Parliament for the period 2019-2024.

#### ■ STRUCK AGREEMENT ON THE MIGRATORY ISSUE

The leaders have agreed to set up a "voluntary" system of "controlled" centers in Europe, with the aim of trying to manage in a less chaotic way future ships arriving from Libya and entering international waters and that, in respect for the Law of the Sea, the Europeans must help.

In these centers, a distinction would be made "swiftly" between illegal migrants to be expelled and legitimate asylum seekers, who could be spread across the EU, again "on a voluntary basis". It on this topic of "hot spots" of new generation, on which the Twenty-eight have stumbled for hours.

Another point of agreement found: the idea of "landing platforms" outside the EU. This concept is borrowed from the United Nations High Commissioner for Refugees. It is still vague. These centers could be located in North African countries. We do not know if they will accept. The head of Moroccan diplomacy, Nasser Bourita, said on the 28<sup>th</sup> of June that his country rejected the idea of such centers. The Albanian president also objected. Tunisia is not in favour either.

The agreement also calls on Member states to "take all the necessary internal measures" to prevent the movement of migrants between EU countries, these "secondary movements" often converging on Germany, where they are at the heart of the political debate and which weakens Angela Merkel.

The Twenty-Eight will continue to work on a reform of the Dublin Convention, supposed to create a more equitable sharing of refugees, but its conclusion is not fixed. "A consensus must be reached on the Dublin Regulation to reform it on the basis of a balance between responsibility and solidarity, taking into account people landed as a result of search and rescue operations," the statement published Friday morning said.

#### ■ THE EUROPEAN COUNCIL ADOPTS THE DISTRIBUTION OF THE SEATS OF MEPS AFTER THE BREXIT

EU Heads of State and Government approved on June 29<sup>th</sup> the composition of the European Parliament for the period 2019-2024. The number of MEPs will increase from 751 to 705. Of the 73 seats currently allocated to the United Kingdom, 27 will be divided among 14 states (including 5 additional ones for France). 46 are reserved for future enlargement of the EU. The European Parliament voted overwhelmingly in favor of these changes.

The Council conclusions are available [here](#)

## 2. EUROPEAN ELECTIONS: some French parties start thinking about the future

### ▪ FRANCE INSOUmise WITHIN A EUROPEAN COALITION FOR AN "ALTERNATIVE" DURING THE MAY 2019 POLL

The movement "Now the people!" Was launched in April in Lisbon by the French party as well as Podemos (Spain) and Bloco de Esquerda (Portugal). He was joined on June 27th by the Red and Green Alliance (Denmark), the Left Alliance (Finland) and the Left Party (Sweden). The coalition intends to propose an "alternative" to the "terrible pincers" formed by the liberals and the extreme right, according to the leader of the Left, Jean-Luc Mélenchon. The French hopes to rally other parties by September, in anticipation of the campaign for the European elections of May 2019.

Moreover, the left party leaves the European left. At the party's July 1<sup>st</sup> conference, the French Left Party (PG) voted overwhelmingly to leave the European Left (EL). They no longer wish to belong to the same European political group as Syriza, the party of the Greek Prime Minister Alexis Tsipras, whom they consider a "representative of the austerity line".

### ▪ THE FRENCH PARTY "LES REPUBLICAINS " (LR), LAURENT WAUQUIEZ PRECISE ITS EUROPEAN THOUGHT, INCOHERENCE PERSISTED

After two Tribunes signed by various elected officials, the president of LR comes back on the vision of his party for Europe in an interview with the French daily, Les Échos. Laurent Wauquiez wants the competition policy to be revised, to facilitate the mergers of European companies to deal with the Chinese. "Community preference must become the cornerstone of European integration. Europe must relearn how to hunt in packs," he says. However, he wishes "to return to the fact of giving all the keys of the commercial negotiations to the European Commission, our role is to defend the French interests". Such a measure would call into question the coherence of the customs union and therefore of the single market, which are the two foundations on which the EU is based.

## 3. GERMANY: the Chancellor saves her position by reaching an agreement with her Minister of the Interior

German Interior Minister Horst Seehofer (CSU) will not resign. After several weeks and especially two days of open crisis with Chancellor Merkel, he feels able to stay at his post. A decision related to the agreement on the migration issue found in extremis on the evening of July 2 with the Chancellor. The day before, the CSU leader had proposed his resignation to Angela Merkel, before changing his mind. The compromise provides the establishment of transit centers at the border between Germany and Austria. Asylum seekers arriving in the country but already registered in another European state will settle there while waiting for their expulsion to the country of registration. The Social Democrats of the SPD, members of the coalition, have yet to validate this compromise. This conflict was a new episode of tension within the ruling coalition. The CSU is still right for the elections in Bavaria on October 14th. According to polls, the party in power in Munich would get only 34% of the vote, against 48% in the last election, because of the rise of the AfD on the far right. Shocks that weaken Angela Merkel and threaten the coalition in place in Berlin.

#### **4. POLAND: European Commission opens infringement case against Poland for controversial judicial reform**

On July 2 the Commission sent a letter of formal notice to Warsaw on the eve of the forced retirement of Supreme Court judges. The Polish authorities have one month to respond to the allegations against them. The Commission considers that the judicial reforms threaten the independence of the Polish justice vis-à-vis the government led by the ultra-conservative PiS. A procedure for violation of the rule of law against Warsaw was opened in December 2017. In this context, Poland was auditioned by its peers on Tuesday June 26. They must now decide how to proceed.

In his speech to the European Parliament on July 4, Polish Prime Minister Mateusz Morawiecki rejected the criticisms against his government of respect for the rule of law. He believes that each country can organize its judicial system as it pleased. Vice-President of the European Commission Valdis Dombrovskis reiterated the need to review some of the reforms in Warsaw, which in his view jeopardized the country's democratic balance. So far, none of Mateusz Morawiecki's declarations of goodwill have materialized through legislative changes.

For him, it is necessary to review the distribution of powers within the EU. He said that the future of the European Union does not necessarily lie in more transfers of sovereignty to Brussels. The process could be reversed to address the concerns expressed at the ballot box, he said. Coming from the ranks of the ultra-conservative right, Mateusz Morawiecki believes that the only democratic legitimacy lies in the national parliaments. Despite his criticisms of the EU, he hopes that the main European policies will continue, especially those financed by the common budget, of which Poland is the first beneficiary (€ 100bn between 2014 and 2020). The Polish Prime Minister sees the fight against tax evasion and tax fraud as one of the priorities for the EU, both for economic reasons and for regaining citizens' trust.

#### **5. AUSTRIA: The government puts back on the table the project of a center for the detention of migrants outside the EU**

The Austrian far-right Minister of the Interior, whose country chairs the EU Council, tried everything at an informal meeting with his European counterparts on July 12. He returned to an idea rejected by the European Council of June. Herbert Kickl wants to create "return platforms" in countries outside the EU for migrants who have been denied asylum in Europe. And this, outside the control of UNHCR (Office of the High Commissioner for Refugees) and IOM (International Organization for Migration), as evoked by European leaders.

#### **6. CZECH REPUBLIC: Parliament gives confidence to new Czech government**

The government of Andrej Babis has obtained the investiture of the Parliament in the night of Wednesday 11 to Thursday 12 July. He is at the head of a coalition between his party, ANO (liberal), and the Social Democrats. These two formations do not have a majority in Parliament. The support of the Communist Party has been decisive in putting an end to the temporary work that has been ensured since the elections of October 2017 and won by ANO. Czech President Milos Zeman appointed a new coalition government led by Andrej Babis on June 27.

#### **7. HUNGARY: The Orban case embarrasses the EPP**

The EPP's position on the continuation of Fidesz, the party of the Hungarian Prime Minister, Viktor Orban, in his ranks has not changed for the time being. Indeed, it is necessary that 7 political parties from 5 different countries officially express the need to discuss the subject so that the debate takes place internally. Yet, one year into the European elections, all the

leaders of the European People's Party recognize that Viktor Orban's policy deeply divides members of the political party on his respect for the rule of law. He also attacked NGOs funded by the American-Hungarian philanthropist Georges Soros.

In a speech addressed to the Hungarian minority in Romania, Viktor Orban details his vision of the future Europe and presents himself as the opponent of Macron. "I give you all the advice to focus all our strength on the European elections of 2019," he says. The sixty-eight elite "clears". It is replaced by the "ninety-five", this "anticommunist generation, Christian committed, national sensitivity," he says. In his opinion, every European country must be free to "protect the Christian culture", "reject the ideology of multiculturalism", "protect the traditional model of the family" and "affirm that every child has the right to a father and a child. "protecting the markets and branches of its economy that it considers strategic," "protecting its borders and has the right to reject immigration" and "being committed, for the most important issues, to the principle" a state, a voice ". "We do not want a Europe led by France," he also told the German newspaper Bild on July 26.

## ■ SOCIAL EUROPE

### 8. MIGRATION: Austrian Presidency's priorities on migration divide MEPs

Austrian Chancellor Sebastian Kurz presented his three priorities on July 3 in Strasbourg as part of the Austrian Presidency of the EU Council, which began on July 1. It is about fighting illegal immigration, ensuring the prosperity and European prospects of the Western Balkans. The part "protection of the borders of the European Union" divided the opinion.

On the political side, the emphasis has been placed on the need for the EU to protect its external borders in order to fight illegal immigration more effectively, and indeed some MEPs have seen a way to protect Christianity.

In the center and left, Kurz has been accused of diverting attention from the real problems, such as job insecurity and growing social inequality by fanning fears and making migrants, even though arrivals have significantly decreased since 2015.

Referring to the results of the recent EU summit, Kurz praised the "paradigm shift" among European leaders who finally acknowledged the need to "monitor external borders so as not to have internal borders". in the EU. He pleaded for a strengthening of the European border and the Coast Guard (Frontex) and "advice" for NGOs helping migrants in the Mediterranean.

### 9. ITALIAN SOCIAL SECURITY AGENCY (INPS): fewer domestic workers as a whole but more Italians (+6.9%)

As the overall number of domestic workers decreases slightly (-1%), dropping to a total of 864,526 units, the number of Italian housekeepers and caregivers, increases instead. With the complicity of the economic crisis and of a contracted job market, the number of Italians engaged in domestic work attained 232,563 units (+6.9%) in 2017 compared to 217,536 in 2016. This snapshot of the Italian domestic work situation was provided by the National Social Security Agency (INPS) which, on June 21, published the latest Statistical Observatory figures on domestic workers, also pointing to a previous increase in the number of Italian domestic workers from 2015 to 2016, while the trend for the category has been declining since 2013.

More specifically, Italian-born care workers have exceeded 88,000 units, growing by as much as 17.3%, while the number of housekeepers, 143,837 units, has only risen by 1.13% since 2016. A situation determined by an increasingly aging country, where the number of non self-sufficient individuals in need of assistance is increasing. Even when considering the situation

as a whole, the total number of domestic workers fell (from 490,576 to 469,922) when the number of care workers rose (from 382,238 to 393,478, + 2.94%).

In 2017, Eastern Europe is the geographical area of origin of 378,258 workers, almost half (43.8%) of the total number of foreign workers. Among the Eastern European workers, carers (224,350 units) prevail over housekeepers (153,509). After Italy and Eastern Europe, the area of origin with the highest representation of domestic workers is the Philippines (69,325) with a clear prevalence of domestic workers (58,858) compared to carers (just over 10,000). Domestic workers are by a large majority women, 88.3% (763,257 units) while men account for 11.7% (101,269). Geographically, the north-west is the area employing the highest number of domestic workers in Italy, with 29.7%, next comes the Centre with 28.5%, then the North-East with 19.9%, followed by the South with 12.6% and finally the Islands with 9.3%. The predominant age group is between 50 and 54 years (over 147,000 units) followed by the 45-49 years age group (142,393).

For those wishing to obtain further information, the [complete report](#) is available in the section "Studi Statistici-Dossier Inps" in our "Rubriche".

#### **10. ISTAT ANNOUNCES A 'DEMOGRAPHIC BOMB': 20 mln elders by 2050**

The Italian population, in continuous growth over the last hundred years, is now decreasing and, at the same time, is aging faster than ever: in 2050 the Italians will be 2.5 million less and the over 65, today a quarter of the population, will have become more than a third, that is, 20 million people, of which over 4 million will be over 85 years old. This is the 'picture' taken by Istat, the Italian Statistics Institute, for Italia Longeva, a National network on Aging and Active Longevity.

An "aging bomb", as it has been defined, ready to explode as early as 2030 if not properly managed: the increase in life expectancy will determine an increasing need for long-term assistance due to pathologies as well as a growing number of non self-sufficient individuals exposed to the risk of loneliness and social exclusion. In this way, spending for social security, elderly care and long-term assistance could grow inexorably; at the same time, the productive force of the country will decrease, with not enough young people to care for the elderly: if today three workers support an elderly, tomorrow there will only be two left.

"This data refers to simple projections based on the current situation - warns Giorgio Alleva, the Istat President - and while not neglecting a significant margin of uncertainty, there is no doubt that the prospective framework raises the issue of structural sustainability for the whole country".

"Families, pillar of the Italian welfare, will become fewer and fewer, - remarks Roberto Bernabei, President of Italia Longeva - and since the current social and health services cover only a quarter of the requirements, there will be an increasing need for integrated caring services, new forms of mutuality and a probable return to a community spirit. As for disabilities, which in 2030 are expected to affect 5 million elderly people, the problem is destined to become tomorrow's real emergency and the major economic sustainability issue for Italy. The disabled require long-term care that, in 2016 alone, accounted for 15 billion euros in expenditure, 3 and a half billion of which came out of the families own pockets".

"Over the next 50 years - says Tito Boeri, President of INPS - the most non self-sufficiency vulnerable generations from one fifth will become one third of the Italian population. A response to the growing demand for long-term care based almost entirely on the contribution of families is unthinkable. We need policies aiming at reconciling work and family responsibilities, that modulate aid according to the needs. In this respect for example, it could be appropriate to review, according to the effective needs in terms of assistance, the Law 104/92, with regards to leaves of absence.



## **11. SOCIAL EUROPE: Few agreements in the social field under the Austrian Presidency of the Council of the EU**

Although the legislative work will be intense, the Austrian Presidency of the EU Council is considering only a few agreements as part of its mandate in the social field, judging by its agenda for the next six months.

They therefore indicated that they wished to "continue" negotiations on the various legislative acts currently under way, including the work life balance directive, the Directive on transparent working conditions and in addition to the Regulation on the coordination of social security systems. These three major issues were agreed at the last Employment and Social Policy Council (EPSCO). Austria also wishes to make progress on the Directive on equal treatment and non-discrimination, as well as on the initiative to improve access to social protection for all workers and the self-employed.

Among the other agreements envisaged is the accessibility to products and services Directive, which is currently the subject of interinstitutional negotiations.

### **▪ DIGITAL PLATFORMS**

Austria also wants to place digitalisation in the social field at the heart of its action to fight against "distortions" of competition and to better protect workers. In this respect, the Presidency would like particularly to focus on working conditions and employment with digital platforms (such as Uber). In this context, the Austrian Presidency would like to work with social partners and NGOs to exchange current best practices. The main results of this "informal" discussion will then be sent to the Council for consideration.

## **12. ESRP: Commissioner Thyssen gets active on implementation and civil society actors mobilize**

Marianne Thyssen, the Commissioner for Employment and Social Affairs, stressed at a conference in Sofia on 27 June, the need for all stakeholders (Member States, local and regional authorities, civil society and partners social partners) to assume their share of responsibility in order to implement the European pillar of social rights. She pointed out that Member States were primarily responsible for social policy, adding that the Commission could help through monitoring and guidance, but that there was no priority without investment. In this regard, the Commissioner highlighted the alignment of the "European Semester" budget process with the principles of the pillar, which is "at all levels".

In the exchange of views, the renewed European Semester, with a stronger social chapter, received wide support from the Member States. Some, including Sweden, the Netherlands and Croatia, stressed the importance of the respect of the subsidiarity principal.

The social partners, stressed that the ministers of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) should play an active role in the discussions on the next multiannual financial framework. Some deplored the cuts in the area of Cohesion Policy.

### **▪ CREATION OF A NEW ALLIANCE TO ACCELERATE THE IMPLEMENTATION OF THE EUROPEAN PILLAR OF SOCIAL RIGHTS**

Several trade unions, economic actors and civil society have set up the "Stand Up for Social Foundation" alliance. It will support the implementation of the European Pillar of Social Rights (PEDS), adopted in Gothenberg in November 2017 in response to "difficulties" in achieving this initiative. Its aim is to encourage national governments and all the different stakeholders to implement the principles of the pillar by promoting social investment, the social economy and the adoption of an appropriate legislation. The alliance also seeks to improve communication on the pillar to citizens. The alliance brings together CECOP-CICOPA Europe,

the European Movement, the European Union, the Social Economy Europe and the Social Platform.

### **13. DIGITAL: Member States tend to favor the European level for the regulation of digital platforms**

At an informal meeting hosted by the Austrian EU Council Presidency in Vienna on 19 and 20 July, an electronic survey was held among national delegations to determine the best approach for working on digital platforms.

Survey results: 66% believe that the best solution to face the challenges related to the rise of digital platforms would be to adopt a European regulation, while 20% prefer to continue to use the national channels of work regulation on digital platforms and 11% believing that a soft law approach would be preferable. Only 3% of the votes were in favor of keeping things as they are.

Before the debate, Commissioner Thyssen quoted figures: 2% of the population in Europe receives income for their work via digital platforms, more than 40% of European workers are self-employed or atypical.

During the debate, most ministers would have recognized the need to act in a "balanced" way to better protect workers while allowing the creation of new types of jobs. Some national delegations stressed the need to highlight social dialogue. Others have raised tax issues.

Estonia presented a concept introduced in its country of "self-employed" to cover the great diversity of workers on the platforms (up to ten different types). Several countries, including Ireland, have noted the lack of information of these workers on their rights. Others, such as France, stressed the need to spread good practices in the fight against gender inequalities.

During the workshops, Germany reported the lack of information on the number of atypical workers at national and international level, as well as the number of hours worked and the hourly and monthly wage.

The employment impact of robotization was also discussed by ministers. In the interventions, some would have suggested to modify the rules of health and safety at work, and mentioned the varied impact of the robotization in the various territories. This last point was raised by Portugal, which focused on the role of cohesion policy.

### **14. DIRECTIVE ON WORKING CONDITIONS: Member States opt for a very flexible definition of "workers"**

Member States decided on Thursday, 21 June, at the adoption by the Employment and Social Policy Council (EPSCO) of the Working Conditions Directive, that the definition of "worker" should be established in accordance with the legislation and national practices.

The Directive establishes a number of "minimum rights" that will apply to all EU workers who have an employment contract or employment relationship recognized by the legislation, collective agreements and / or current practices in each Member State.

This amendment does not satisfy Commissioner Thyssen, who believes that this would create a great deal of legal uncertainty. The Commission, wanted an EU-wide definition based on the criteria developed by the Court of Justice of the EU (CJEU).

Member States have also agreed to partially exclude fishermen from the scope of the Directive, in particular as regards information to be provided on the employment relationship.

Other major changes made by the Member States include:

- Exclusion of certain public sector professions such as armed forces, police, judges, prosecutors and investigators;



- a two-step mechanism for communicating labor relations information to workers: a first calendar week for the most basic information and a second deadline for the rest of the information;
- a waiver for those working up to five hours a week during a four-week reference period.

Hereto, the Commissioner express reserves about both the length of time workers should be given information, which seemed too long for essential information, and the number of hours worked to qualify for a derogation from directive is too restrictive.

## 15. WORK LIFE BALANCE : Member States empty the Directive of its substance

### WHAT YOU MUST REMEMBER

1. The "work-life balance" directive proposes that each parent, at the birth of a child, be entitled to four months of paid leave up to the level of sickness benefits. France strongly opposes it.
2. COREPER on 13 June, bringing together the permanent representatives of the EU, left two political points unresolved:
  - Transferability between the father and mother of parental leave
  - Compensation arrangements and vacation periods
3. At the EPSCO on Thursday, 21 June, EU Member States agreed on non-transferable paid parental leave with pay set at an "adequate" level of a month and a half. Unsurprisingly, the Directive has been considerably watered down by the Member States.
4. On 11 July MEPs from the EMPL Committee voted on David Casa's report with a level of paid paternity leave at 80% of gross salary and 78% for parental and care leave.

***At the EPSCO Council on Thursday 21 June, EU Member States agreed on non-transferable paid parental leave with pay established at an "adequate" level of a month and a half. Unsurprisingly, the Directive has been considerably watered down by the Member States.***

The deadline for the non-transferable period is two months, which means that the last two weeks of the non-transferable period will not be subject to a payment obligation. The agreement was born from a proposal by the Romanian delegation seeking a compromise between a group of Member States in favor of a non-transferable period of two months, including Greece and Portugal, and another group Member States one month, such as the Netherlands, Latvia and Austria. The European Commission wanted a non-transferable pay period of four months.

National delegations also agreed on "adequate" remuneration for paternity leave and parental leave. On this point, the Commission has proposed that the leave be paid at the same level as the sickness benefit in force in each Member State.

In general, delegations relaxed the Commission's proposals to the dismay of the institution. For example, paternity leave lasts for ten days around the birth of the child, but the level of remuneration will be entirely left to the discretion of the Member States.

Similarly, the age of the child in relation to the demand for flexibility of working time will also be left to the Member States, whereas the current directive sets it at eight years.

Member States have also opted for a bridging clause: where a Member State has a more favorable regulatory framework for a given type of leave, it may request derogations for other types of leave.

Career leave will no longer have a fixed duration (the Commission has proposed five days) or a minimum wage. As for the deadline for transposition of the directive, it was set at three years against the Commission proposal of two years.

The general compromise orientation has not struggled to obtain a qualified majority. Only the Netherlands and Denmark would have voted against, and Poland and Hungary would have abstained.

**On 11 July MEPs from the Employment and Social Affairs Committee of the European Parliament adopted the draft report by David Casa (EPP, Malta) with a comfortable majority (34 votes in favor, 14 against, 4 abstentions) with a level of paternity leave paid at 80% of gross salary and 78% for parental and care leave.**

Negotiations with the Council should be difficult as Parliament's position is very different from the Member States's. Interinstitutional negotiations should focus on a number of controversial issues such as the remuneration issue. On this point, Member States have opted for more flexibility. MEPs defined the proposed non-transferability period for parental leave at four months, as opposed to the two months recommended to the Council (including one and a half months paid). The maximum age of the child to take parental leave and changes to work has been set at 10 years when Member States have removed any reference to a specific age.

MEPs also changed the definitions proposed by the Commission to cover same-sex couples. MEPs have also widened the scope of application to cases where a person may seek the assistance of a family member to the second degree through blood ties or affinity links, including children adoptive parents, children cared for by that person or his partner, recognized as such by national legislation (for example in the context of a civil partnership). It should also be noted that for parental leave, MEPs have introduced some flexibility for SMEs and micro-enterprises.

#### **16. ELA: The scope of the European Labor Authority arouses a debate among MEPs**

On 11 July, members of the European Parliament's Employment and Social Affairs Committee (EMPL) were divided in their first exchange on the regulation establishing the European Labor Authority. The main issue is the scope of the authority.

The rapporteur for the text, Jeroen Lenaers (EPP, Netherlands), includes in his proposals that the scope of the authority as provided for by the European Commission should be reduced to one task: to ensure the respect of the right of the EU. He expressed doubts about the addition of other tasks such as the provision of information or employment services.

According to him, these tasks should be entrusted to the competent regional or national administrations. Here, the member suggested creating one-stop shops for businesses and workers in a cross-border situation.

This proposal was not well received by the shadow rapporteur, Georgi Pirinski (S & D, Bulgaria), who believes, on the contrary, that the scope of the authority "should not be limited or restricted". He said that if the role of the authority was solely focused on respect for European rules, it would overshadow its role as coordinator.

Nevertheless, he wished to specify the jurisdiction of the authority with regard to the division of powers. In addition, he advocates clarifying the organizational structure in order to:

- o sort out the structures grouped under the authority to keep only those that really contribute to coordination;
- o better coordinate the committees, commissions and networks related to worker mobility;
- o and safeguard the platform to fight undeclared work.

The European Commission defended its position and explained that, to be effective, the role of the authority could not be limited to simply respecting European rules. Communication and dissemination of information for businesses and workers was part of the role of the authority as a precautionary measure.

Lenaers also wants to question the voluntary nature of the participation of the national authorities and prefers a binding solution to achieve the objectives set.

Like the debates in the Council, several MEPs expressed their concern about respect for subsidiarity. Some mentioned the particularly thorny issue of the seat of authority. In particular, it was requested that it be located in one of the "new" Member States.

The schedule is tight: a vote in committee is planned on October 18th.

### **17. EMPLOYMENT: According to the Commission, automation could affect up to 69% of jobs in some Member States**

According to a series of studies compiled by the European Commission in its annual review Employment and Social Development in Europe (ESDE), published on Friday 13 July, between 37% and 69% of jobs could be affected by automation in the future.

The report also brings good news: the macroeconomic situation is good, the level of employment of Europeans is still rising (although the total number of hours worked remains below the pre-crisis level ) and declining poverty. However, the report also highlights the challenges posed by two phenomena that destabilize the labor market: - the digitization of employment and automation.

This is "polarizing" the employment: middle-income employment is gradually being reduced to the benefit of high-income and low-income jobs. Another finding is that the demand for highly skilled workers is always higher in low-income jobs. This phenomenon has apparently accelerated since 2011 due to the explosion of digital platforms.

Collaborative platforms could represent a "bigger problem" in the future - not to mention the decline in the quality of work: loss of autonomy, outsourcing, forced entry to self-employment (with reduced social coverage) and uncertain legal protection agreements. Overall, the Commission thus finds an inversely proportional relationship between the digitization of employment and job satisfaction.

Especially, routine jobs are directly threatened by the rise of robotics, the number of robots having quadrupled in 25 years (with Germany at the forefront in the automotive industry). The Commission says that non-routine jobs will be threatened in time, although the institution remains undecided about the scale of the destruction.

The Commission quotes figures ranging from 6% in Germany to 69% in the Czech Republic, but considers that the impact could be higher given the recent breakthroughs in artificial intelligence. Thus, it first provides for destruction in the manufacturing sector, then in agriculture, but very quickly in services. In addition, robots are becoming less expensive, which costs less than a human worker.

A positive point of the phenomenon is that robotics should generate a surplus of productivity and offset the consequences of the aging European population.

The report is available [here](#)

## ■ EUROPEAN FUNDING

### 18. POST 2020 FUND: Rapporteurs are appointed on several dossiers

#### ■ FINANCIAL FRAMEWORK 2021-2027: EUROPEAN PARLIAMENT APPOINTS FOUR RAPPORTEURS

Isabelle Thomas (S & D, Generation.s), Gérard Deprez (ALDE), Janusz Lewandowski (EPP) and Jan Olbrycht (EPP) were instructed by the Conference of Presidents to draft an interim report on the next Multiannual Financial Framework of the EU (2021-2027). With this report, Parliament hopes to weigh in the negotiations between the states.

#### ■ TWO PARLIAMENTARY COMMITTEES WILL WORK ON THE INVESTUE FUND

On 5 July, the Conference of Presidents of the Parliament approved the co-responsibility of the Economic Affairs (Econ) and Budget (Budg) Committees for the examination of the legislative proposal for the creation of a single European fund for investment. Italian socialist Roberto Gualtieri (Econ) and Portuguese conservative José Manuel Fernandes (Budg) are expected to be rapporteurs.

#### ■ A NEW DEFENSE FUND

The proposal of the European Commission to create a permanent fund, from 2021, to finance research, innovation and the development of new capabilities in the military field will be examined in the coming months in Parliament, within the commission of Industry (ITRE). The report should be entrusted to the Polish Zdzislaw Krasnodebski. He comes from the ranks of PiS, the governing party in Warsaw, known for its commitment to NATO. His work will be under the supervision of at least 3 French MEPs. François Grossetête (LR), Dominique Riquet (UDI) and Édouard Martin (Social Democrats) will be the shadow rapporteurs on the text.

#### ■ FUTURE COHESION POLICY

Constanze Krehl and Andrey Novakov will be co-rapporteurs on the general regulation "Structural Funds". Younous Omarjee is shadow rapporteur for GUE (unitary left). The other shadow rapporteurs are Ruza Tomasic (Croatia) for the CRE, Iskra Mihaylova (Bulgaria) for the Liberals, Monika Vana (Austria) for the Greens and Rosa d'Amato of the 5-star Movement for the EFDD.

### 19. JUNCKER PLAN: exceeds its initial target of 315 billion euros of investment

#### WHAT YOU MUST REMEMBER

1. Launched in 2015, the European Fund for Strategic Investments (EFSI or Plan Juncker) aimed to inject an additional € 315 billion of investment into the European economy. The scheme, with an initial capital of 21 billion, operated through a leverage effect. The plan was extended in 2017, aiming for a total investment of 500 billion euros.
2. The European Commission wants to set up a new investment fund of € 650bn over seven years for the period 2021-2027 to replace the EFSI. It was presented on June 6, 2018 by the Vice-President of the Commission, Finland's Jyrki Katainen.
3. The stated objective is to fund more while the departure of the United Kingdom puts the finances of the EU under pressure.

The European Commission and the European Investment Bank (EIB) Group have kept their commitment to mobilize € 315 billion of additional investment under the European Investment Plan, the Juncker Plan. Supported by a European Union budget guarantee and the EIB

Group's own resources, 898 operations have been approved, which is expected to generate € 335 billion in investment in all 28 EU Member States. This is more than the initial target of € 315 billion set in 2015 at the launch of the EFSI, which helps to fill the investment gap caused by the economic and financial crisis. 700 000 small and medium-sized enterprises should benefit from improved access to finance. Given the success of the EFSI, the European Council and the European Parliament agreed last year to extend its duration and increase its capacity to € 500 billion by the end of 2020.

▪ **EIB AND SMALL MEMBER STATES HOLD THEIR SLATE AGAINST THE GOVERNANCE OF THE FUTURE INVESTEU FUND**

The first interstate discussions around the future InvestEU program reveal major difficulties in the management of the future fund. The European Investment Bank (EIB) is not fooled by the idea of no longer being the only loan manager, as is currently the case with the European Fund for Strategic Investments (EFSI). At the same time, small states are concerned about the possibility for national development banks to participate directly in the program. They fear that this will disproportionately affect the institutions of large states, such as the French BPI or the German KfW, and leave other with fewer resources behind.

**20. ESF +: MEPs worry about strengthening the link between ESF + funding and the European semester after 2020**

**WHAT YOU MUST REMEMBER**

4. The European Social Fund should be transformed into ESF + for the next 2021-2027 programming, according to the Commission's proposal presented on 29 May.
5. Resulting from the merger of several funds, the ESF + should receive € 101.2 billion over the period, with a more direct link to the "European semester" (the Commission's annual reform recommendations).
6. The debate is launched in the European Parliament, an own-initiative report will be voted in October

The ESF (European Social Fund), which celebrated its 60th anniversary last year - making it one of the EU's historic policies - is about to be reformed in the framework of the draft budget 2021-2027. In its proposal for a regulation presented on 29 May, the Commission intends to rename it "ESF +". A superlative that reflects its merger with several other funds:

- YEI (Youth Employment Initiative)
- the European youth guarantee,
- the European Fund to help the most deprived,
- the EU Program for Employment and Social Innovation (EaSI)
- the EU program for health.

It should receive 101.2 billion euros over the next seven years. Added to this is 1.6 billion euros for the globalization adjustment fund, which is the subject of a separate regulation.

▪ **MORE DIRECT LINK WITH THE "EUROPEAN SEMESTER"**

Through this merger, the Commission promises "a more flexible and simpler version of the current European Social Fund". "For example, integrating aid of the most disadvantaged in the ESF + will benefit eligible people through a better combination of material assistance and overall social support".

The ESF +, which has been the subject of a separate presentation from that of the Cohesion Policy, is different. It will now support the implementation of the European Pillar of Social Rights presented end of April 2018. If the Commission claims a "refocusing on the concerns of citizens", it is increasingly difficult to see a territorial dimension.

The Commission wants a "more direct link" with the European Semester (the recommendations addressed each spring to the Member States to carry out their reforms). This was a matter of great concern to the representatives of the communities, in particular the Committee of the Regions, which was disturbed at its last plenary session. Member States will have to allocate "sufficient shares" of their ESF + resources to meet these challenges and to respond to these recommendations, knowing that these often revolve around labor market reform or vocational training. Signposting to these recommendations will be done at the beginning of the program with a mid-term evaluation.

#### ▪ **THREE AREAS OF INTERVENTION**

In addition, the ESF + will pursue three main areas of intervention:

- "education, training and lifelong learning",
- "the efficiency of labor markets and equal access to quality employment"
- "social inclusion, health and the fight against poverty".

Of the 101.2 billion euros in appropriations, 100 will be subject to "shared management" with the Member States. The Commission asks that countries with a high proportion of dropouts and needs in employment or in training (the "Neet" in the European jargon) devote 10% of ESF + credits to the employment of these young people. 25% of the credits will have to be invested in the field of social inclusion and the fight against poverty. The Commission also believes that the ESF + is the "right tool" for funding actions on migrants integration.

In addition, the remaining € 1.2 billion will be executed under direct management: € 761 million for employment and social innovation and € 413 million for health. The Commission wants to focus on innovative and cross-border projects, such as workers mobility.

Regarding to the globalization adjustment fund, which is the subject of a separate regulation, the Commission plans to reduce the eligibility threshold from 500 to 250 laid-off employees. Created in 2007, the fund raised 611 million euros and helped 147,000 laid-off workers, according to the Commission. It has been activated several times in the context of social plans in France, for car manufacturers or their subcontractors, or Air France or Mory Ducros.

#### ▪ **THE DEBATE IS LAUNCHED IN THE EUROPEAN PARLIAMENT**

The rapporteurs of the draft opinion report of the European Parliament, Mercedes Bresso (S & D, Italy), Constanze Krehl (S & D, Germany) and Rosa D'Amato (EFDD, Italy), opposed the suspension of European funding, with a debate in Parliament's Committee on Regional Development on 10 July. Several MEPs have again rejected the imposition of macroeconomic conditions, questioning how such a measure would be implemented and the risk of renationalisation of programs.

The draft opinion will be voted on 9 October at a special meeting of Parliament's committee.



## **21. REGIONAL INNOVATION: Commission extends actions to support regional innovation**

On 10 July, the Commission announced that EU will continue the joint initiative launched in 2014 with the European Parliament to support innovation in low-growth and low-income regions.

The initiative concerns Romania, Bulgaria, Poland, Hungary, Greece, Italy, Portugal, Spain and Croatia. The initiative is coordinated by the Commission (more specifically by the DGREGIO) and the Joint Research Center.

It aims to help the regions concerned effectively tackle existing obstacles such as the interaction between different economic communities and universities in the context of the implementation of smart specialization strategies.

The program is developed jointly with the European Parliament and was implemented during the period 2014-2016. It has been extended once for two years.

The initiative has a budget of € 3 million for 2018 and 2019. This initiative is in addition to the Stairway to Excellence initiative, which aims to consolidate smart specialization strategies for the next budget cycle.

## ■ EUROPEAN AGENDA - JULY TO DECEMBER 2018

JULY	SEPTEMBER	OCTOBER
<p>■ <b>EUROPEAN PARLIAMENT</b>  <b>2 to 5</b> - Plenary Session in Strasbourg  <b>11 and 12</b> - Committee EMPL meeting</p> <p>■ <b>EUROPEAN COUNCIL</b>  <b>1<sup>st</sup></b> - beginning of the rotating presidency of Austria  <b>19</b> - Council of Ministers in EPSCO</p>	<p>■ <b>EUROPEAN PARLIAMENT</b>  <b>6, 18 and 24</b> - Committee EMPL meeting  <b>10 to 13</b> - Plenary Session in Strasbourg</p> <p>■ <b>EUROPEAN COUNCIL</b>  <b>10</b> - Council of Ministers in EPSCO</p> <p>■ <b>EUROPEAN COMMISSION</b>  <b>24 to 26</b> - Active and healthy aging <a href="#">forum</a> in Bilbao</p> <p>■ <b>EFFE</b>  <b>6</b> - Meeting of the informal working group at the European Parliament  <b>24 and 25</b> - Policy visits for the PRODOME project (Paris)</p>	<p>■ <b>EUROPEAN PARLIAMENT</b>  <b>1<sup>st</sup> to 4 and 22 to 25</b> - Plenary Session in Strasbourg  <b>8, 9 and 18</b> - Committee EMPL meeting</p> <p>■ <b>EUROPEAN COUNCIL</b>  <b>18 and 19</b> - European Council  <b>11 and 12</b> - Council of Ministers in EPSCO</p> <p>■ <b>EFFE</b>  <b>22</b> - Orientation Council</p>
NOVEMBER	DECEMBER	
<p>■ <b>EUROPEAN PARLIAMENT</b>  <b>12 to 15 and 28 and 29</b> - Plenary Session in Strasbourg  <b>5 - 19 and 20 - 26 and 27</b> - Committee EMPL meeting</p>	<p>■ <b>EUROPEAN PARLIAMENT</b>  <b>10 to 13</b> - Plenary Session in Strasbourg  <b>3</b> - Committee EMPL meeting</p> <p>■ <b>EUROPEAN COUNCIL</b>  <b>6 and 7</b> - Council of Ministers in EPSCO  <b>13-14</b> - European Council</p>	

## ■ APPOINTMENTS

## COMMISSION

- **Jyrki Katainen** will not seek the Presidency of the European Commission. The Vice-President of the Commission in charge of Investment recognizes he had thought about it, but made the choice not to embark on this new political adventure. His name had been circulating for a few months in Brussels as a possible Spitzenkandidat (head of list) for the European People's Party (EPP). The former Finnish Prime Minister believes that his compatriot and successor to the head of the country, **Alexander Stubb**, would make a very good candidate for the EPP.
- Belgian Commissioner **Marianne Thyssen** will leave politics at the end of her mandate. The Belgian Commissioner for Employment and Social Affairs since 2014, has particularly focused on the reform of posted workers. Member of the Flemish Christian Democrat Party, she had previously served four terms as MEP.

## About EFFE

Created in 2012, the European Federation for Family Employment (EFFE) chaired by Marie Béatrice Levaux is based on the principles of: free choice of lifestyle and support of citizens in their homes; respect for the private home; social and citizen responsibility.

The EFFE ([www.effe-homecare.eu](http://www.effe-homecare.eu)) promotes and defends home-based employment within the European institutions: it is committed to bringing a model of social innovation to the service of European citizens through the services and jobs of the family at home, relaying the EU 2020 strategy for a "sustainable social market economy". Social inclusion is the keyword and remain at the heart of the sector as a source of economic growth through the creation of mass jobs and the fight against undeclared work.

**Marie Béatrice Levaux** (FEPEM) - President; **Andrea Zini** (ASSINDATCOLF) - Vice President; **Karmele Acedo** (Grupo SSI) - Secretary General; **Anita Poutard** (IPERIA-The Institute) - Treasurer.

### CONTACT :

Aude Boisseuil, General Delegate ([aboisseuil@fepem.fr](mailto:aboisseuil@fepem.fr)) - +336 26 08 21 66

