



European Pillar of Social Rights

December 2016

Ibec's main business sectors are:

Alcohol Beverage Federation of Ireland

Financial Services Ireland

Food and Drink Industry Ireland

ICT Ireland

Telecommunications and Internet Federation

Irish Medical Devices Association

PharmaChemical Ireland

Retail Ireland

Small Firms Association

Industrial Products.

Key messages

- Ibec welcomes the opportunity to comment on the consultation for the European Pillar of Social Rights and the 20 principles outlined therein.
- The reality of developing a coherent structure to outline the social objectives and rights in the EU separate from economic challenges and opportunities may however pose difficulties and would benefit from a broader approach which recognises the importance of employment and growth.
- Given that the European Union already has a Charter of Fundamental Rights and a Treaty of the European Union in place, Ibec would question what the proposed European Pillar of Social Rights offers that the former do not already achieve. Further, there are clear aims on relevant issues set out within the Charter which, following the Lisbon Treaty, received enhanced status. Therefore if particular issues need to be re-examined that may be the preferred focus.
- Throughout the consultation document there is a lack of reference to the more than 70 directives already adopted by the EU or to international law ratified by member states which protect workers and provide them with significant rights in key areas such as terms and conditions of employment, disability, health and safety, social dialogue, gender equality and equal treatment.
- While the Commission acknowledge in their explanatory note that the Pillar does not re-state or modify existing rights and touches on areas which are within the competence of the EU to legislate as well as those under member state's responsibility, Ibec submits that the Pillar Principles overstep and infringe the principles of subsidiarity and proportionality in many cases. It is imperative that the organisation and financing of social systems in particular, the competence of member states, are not undermined. There appears to have been an unwelcome shift away from the approach that emphasised national law and practice.
- A genuine and appropriate social dimension of the EU could help underpin convergence. However, Ibec submits that the focus should only be on convergence towards the outcome, i.e. restoring competitiveness, growth, employment and productivity. A more thorough analysis of the real reasons behind the lack of convergence would also be required as this is not due to a lack of social ambition in the member states, rather a lack of structural reforms in some countries.

- While the Commission have recognised that rapid demographic changes, advances in technology and changes in work will provide new challenges to member states they appear to have failed to acknowledge the fact that different member states will experience these in different ways and at different times. For example, it is inequitable to expect a member state to invest heavily in childcare if this is not a relevant issue for them due to a declining birth rate.
- It is important to remember that some member states are only just emerging from the economic recession and need the discretion to invest in only areas that will benefit their people, organisations and society. Imposing a blanket approach on various social issues could hamper their recovery and take public finances from where they could be more appropriately utilised. It seems entirely inappropriate to set targets for member states who are experiencing completely different economic circumstances.
- There are concerning inconsistencies within the language in the Pillar. While some of the language within the Principles is vague and uses terminology such as “adequate” and “encouraged” which are open to interpretation, other sections are too prescriptive. It is difficult to see in this light how the pillar could be effective in this area. Indeed, this inconsistent language raises questions and confusion as to exactly what the true aims of the Pillar are.
- In many cases, the Pillar fails to identify who is expected to fund particular measures; the employer or the state.
- A number of the Principles have conflicting elements – for example while some encourage flexibility and work-life balance others call for greater certainty with regards to employment contracts. These elements are not always mutually available. This reflects the ongoing tension for employers in the labour market whereby on the one hand employers are coming under increasing pressure from many workers to provide flexible working arrangements and part-time work and on the other has been a focus on the perceived exploitative nature of flexible working arrangements.
- Following recent events it has been suggested that other member states could consider similar action. In this regard Ibec would question whether it is a wise policy response to converge member states further and potentially create a situation that may encourage other member states to consider their position in the EU.

- Ibec notes that the Pillar will be non-binding in nature. Ibec agrees that given the vague and, at times, inconsistent nature of the Pillar, it would be inappropriate for it to have a legally binding status. However, given that the Pillar touches on areas in respect of which there is already a significant level of legally effective regulation, Ibec questions the need for this Pillar. If the Commission feels that the existing regulation is lacking in certain areas, it would appear to Ibec, that it would be better placed analysing and addressing any specific shortcomings within the existing form of regulation.

Introduction

Today the EU has a robust and extensive *social acquis* which includes a breadth of legislation that recognises fundamental social rights, protects workers and addresses the basic standards to which all employers must comply. Rather than considering new legislation or regulation in this regard it would be important to consider what is already in place and whether it is fit for purpose and implemented in a manner which supports a recovering/post recession EU. What is causing social problems across Europe is not a dearth of policy and regulation but rather a lack of focus on competitiveness. We need to ensure that supports for growth, competitiveness and flexibility within the labour market are embedded in regulations in light of the demographic changes, skills demands and shortages, digitalisation and changing ways of working. This Social Pillar, rather than a document implemented in isolation, should be included as part of an overall approach to economic growth and competitiveness as this would enable and encourage employment creation and the sustainment of our social systems. This outcome would address the most pressing challenges facing our economies such as unemployment and poverty and thus generate real improvements in people's lives. The narrow view taken by the proposed Pillar ignores the fact that the most effective means of improving the social dimension is through growth and competitiveness. In participating in this consultation process, Ibec will comment on the approach contained in the Preliminary Outline of a European Pillar of Social Rights and its views on the proposed principles and outcomes.

Principles of the European Pillar of Social Rights

Chapter I: Equal opportunities and access to the labour market

1a All persons shall have access to quality education and training throughout the life course to acquire an adequate level of basic skills and key competences for active participation in society and employment. Low skilled young people and working age adults shall be encouraged to up-grade their skills.

Ibec views education policy as a continuum. The origins of successful higher education or lifelong learning outcomes can be traced as far back as the quality of early childhood education and the inculcation of an appetite for learning throughout the system. There is a compelling economic and social case for new initiatives to raise levels of education skills among adults. Basic skills should be a priority. It is worth bearing in mind that 20% of the EU working age population has low literacy and low numeracy skills, skills that increase employability. Their level of earnings and security in employment are adversely affected by low levels of proficiency in basic skills. However the makeup and challenges facing different members may require different focus with some needing greater targets and investment in part-time/flexible learning while others may require further education service plans or vocational education. Notwithstanding the importance of valuing all academic disciplines for the reasons outlined above, expertise in STEM subjects is necessary to drive our economic competitiveness and to provide the foundations for future prosperity. It may be difficult to precisely predict the jobs of the future but we can be confident of an ever-increasing demand for science, technology and engineering skills. There is a global shortage of STEM skills and modern democracies need scientifically-literate citizens in order to make well-informed decisions regarding major global issues such as climate change, sustainability, energy, and food security.

2a Equal treatment shall be ensured, regardless of employment contract, unless different treatment is justified on objective grounds. Misuse or abuse of precarious and non-permanent employment relationships shall be prevented.

There exists significant legislation to protect the rights of workers and ensure their equal treatment in the workplace.

Certainly, no situation of abuse or exploitation of workers should ever have to be tolerated. However, it appears to Ibec that the Pillar fails to acknowledge the broad spectrum of employment law remedies which are already available under EU law to employees who feel that they have been exploited or dealt with in an overbearing manner by an employer.

In a more general sense, it is crucial that any debate regarding so-called precarious employment relationships is evidence based and acknowledges that within the apparently small cohort of workers who work in non-traditional employment relationships, there is a huge range of differing circumstances.

2b Flexibility in the conditions of employment can offer a gateway to the labour market and maintain employers' ability to swiftly respond to shifts in demand; however, the transition towards open-ended contracts shall be ensured.

Ibec concurs that flexible working patterns can suit modern work-life patterns as increased globalisation, digitalisation and the rise of the services economy has led to changes in business needs as regards the provision of labour across the economy. Indeed Ibec notes that many employers are experiencing a significant increase in demand for flexible working arrangements from employees. As well as providing flexible working arrangements for employees who want them, employers in certain sectors (such as retail, hospitality, education, elder care, health care and social care) depend heavily on non-traditional, flexible working arrangements in order to satisfactorily meet customer needs and regulatory requirements. Traditional, full-time contracts across the board would simply not match the flow of work or enable employers in these sectors to respond to the needs of consumers and service users and the requirements of the business.

This cannot be ignored or legislated against if member states are to remain competitive. In fact EU Directives regarding part-time, fixed-term and agency workers have significantly restricted the ability of companies to diversify their employment relationships with employees. The reality is that despite their need to, companies have very few avenues open to them to retain people to work on a flexible basis. It is important that reforms that facilitate flexibility and different contractual forms are available to employers and employees to ensure greater employment prospects. Furthermore Ibec is of the view that

the presumption that flexible contracts are, in all cases, less stable, protected or secure is misconceived. Where abuses in or exploitation as regards terms or conditions of employment are felt to exist, there are robust mechanisms available across EU employment law to deal with these infractions.

Ibec is concerned that a number of the Principles have conflicting elements – for example while Principles may encourage flexibility some call for greater certainty (2b) while others call for greater work-life balance (5c). This highlights the challenges employers face navigating the existing legislation and regulations.

3a All working age persons shall have access to individualised job-search assistance and be encouraged to take up training and up-skilling in order to improve their labour market or entrepreneurial prospects and faster job and professional transitions.

3b The preservation and portability of social and training entitlements accumulated during the career shall be ensured to facilitate job and professional transitions.

The degree to which direct Government intervention can create employment in any economy is limited. Labour market recovery is more likely to follow a restoration of competitiveness in areas such as wage costs and energy, and an improved business environment. Ultimately it is business which provides the new job opportunities, but the EU can help by ensuring the optimum conditions are in place for enterprise to prosper and by addressing specific blockages and obstacles to job creation while supporting individuals to access these opportunities.

4a All people under the age of 25 years shall receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education.

4b It shall be equally ensured that registered long term unemployed persons are offered in depth individual assessments and guidance and a job integration agreement comprising an individual service offer and the identification of a single point of contact at the very latest when they reach 18 months of unemployment.

Ibec fully supports the implementation of the Youth Guarantee as well as the guidance supports to be offered to help the labour market activation of long term unemployed people. Ibec would welcome further opportunities for the sharing of best practice, support for vocational training initiatives and awareness raising opportunities across the EU.

5a Gender equality in the labour market and education shall be fostered, ensuring equal treatment in all areas, including pay, and addressing barriers to women's participation and preventing occupational segregation.

5b All parents and people with caring responsibilities shall have access to adequate leave arrangements for children and other dependent relatives, and access to care services. An equal use of leave arrangements between sexes shall be encouraged, through measures such as the provision of remunerated leave for parents, both men and women.

5c In agreement between employers and workers, flexible working arrangements including in the area of working time shall be made available and encouraged, taking into account both workers and employers needs.

Ibec agrees that gender equality in the labour market and education needs to be fostered. Challenges facing Irish and global economies alike require further attention to be given to the labour market participation rates, in particular those of females. Gender gaps remain substantial and labour markets and access to economic opportunities across the world remain divided along gender lines. An increase in female participation could help boost growth and mitigate the downward pressure on labour supply and the impact of a shrinking workforce and growing skills shortage. To enable greater female labour market participation requires an integrated set of policies to promote and support female employment. To address this we need to strengthen incentives for women to enter the labour market, such as in Ireland providing more affordable, available and high-quality childcare and reducing the high marginal income tax rates for second earners. However, the challenges facing an Irish economy are very different to other member states requiring efforts to be tailored to the appropriate challenge rather than having a Europe wide response.

EU law has given rise to a range of national measures protecting those raising families and engaging in the workplace both under equality legislation as well as protections afforded on the organisation of working time. The Equal Treatment Directives (Council Directive No. 75/117/EEC on the approximation of laws of the Member states relating to the application of the principle of equal pay for men and women and Council Directive No. 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion) support the ability of individuals to reconcile work and family life.

It is unclear from Principle 5b who would pay for the remunerated leave for men and women and what duration is determined as “adequate”. For example, Ireland has one of the most generous leave periods for women in Europe (26 weeks paid maternity leave, 16 weeks unpaid and 18 week parental leave) however research tells us that while paid leave helps mothers of young children reconcile work and family life, leave beyond an estimated 20 weeks of full pay actually has a negative effect on female participation as it may weaken labour market skills and damage future career paths and earnings making it problematic for mothers to return to the labour market. Furthermore, over time the career gap can extend and a “motherhood penalty” can occur due to interrupted employment and loss of

experience and salary increments that would be gained while in employment. This can contribute to gender pay gaps and the imbalance of women in decision-making roles in organisations.

6a Labour market participation of under-represented group shall be enhanced, ensuring equal treatment in all areas, including by raising awareness and addressing discrimination.

Given the significant body of legislation governing this area it is hard to see how this Principle will achieve what the Equality Directives have not already achieved. Once again the focus needs to be on implementation and ensuring compliance with the legislation already in place.

Chapter II: Fair working conditions

7a Every worker shall be informed in written form prior to the start of employment on the rights and obligations derived from the employment relationship.

7b If there is a probation period, the probation period shall be of a reasonable duration; prior to its start, workers shall receive information on its conditions.

7c Dismissal of a worker is to be motivated, preceded by a reasonable period of notice, and there shall be an adequate compensation attached to it as well as access to rapid and effective appeal to an impartial dispute resolution system.

Ibec acknowledges the need to ensure good working conditions but would query the need for a change to the format of being informed of the rights and obligations derived from the employment relationship as there have been no particular signs of failure to comply with the Written Statement Directive that is already in place. Again, Ibec is of the view that the focus should remain with ensuring full compliance with the current rules rather than interfering with them through this Pillar.

Ibec also notes that the Commission are currently evaluating the Written Statement Directive and is unsure as to where the Pillar's proposals would fit in with such a review. In any case, it is Ibec's view that an evaluation of the current Directive is, if required at all, a more appropriate method of addressing any concerns which exist regarding the communication to workers of the rights and obligations of an employment relationship.

Ibec is concerned that the provisions of Principle 7b risk contravening the principle of subsidiarity. As has been acknowledged by the Commission, member states are primarily competent for the definition of their employment policies. As such, rules regarding the termination of employment are a matter for each member state. Ibec questions whether the EU has the competence to drive reforms in this area at national level.

The language surrounding Principle 7c is quite vague and it is unclear as to the breadth of what exactly it refers to. For example, does dismissal of a worker include dismissal by virtue of redundancy or gross misconduct? Furthermore, does this Principle intend to encourage the provision of compensation arising from the dismissal itself or simply the provision of social welfare for those employees who lose their jobs? In Ireland, there is a generous social welfare system in place. Furthermore, employees who lose their jobs due to redundancy are already entitled to substantial statutory redundancy payments. However, it would seem, to Ibec, ill-conceived to extend this right of a lump sum payment on termination to employees who are dismissed due to gross misconduct. Furthermore, there is already strict legislation in place governing the manner in which a contract of employment may be terminated. Therefore, it is difficult to see any clear benefit to further regulating this process. It is also unclear as to what constitutes and who will fund the adequate compensation. For some member states such benefits may not be in their power to provide.

8a All employment shall be fairly remunerated, enabling a decent standard of living. Minimum wages shall be set through a transparent and predictable mechanism in a way that safeguards access to employment and the motivation to seek work. Wages shall evolve in line with productivity development, in consultation with the social partners and in accordance with national practices.

Ibec supports the minimum wage as a principle and recognises that it should increase as economic circumstances improve and in line with productivity. It is vital however, that the minimum wage is appropriate, competitive and affordable while also taking into account changes in the cost of living. An inappropriately high minimum wage can yield a reduction in employment, hours worked, new job creation, business investment and ultimately an organisation's survival. A lack of competitiveness in this regard can particularly impact the young and low skilled workers. Minimum wage setting must be evidence-based and take into account labour market conditions, international competitiveness and cost of living.

Benchmarking could be relevant and useful to ensure job creation and labour market integration is facilitated as Ireland's minimum wage remains high by international standards, the 5th highest in the EU.

9a An adequate level of protection from all risks that may arise at work, with due support for implementation, notable in micros and small enterprises, shall be ensured.

There are a significant number of Directives in place with regards to health and safety at work. These Directives already impose onerous obligations on employers to ensure the health and safety of its workers. This Principle is quite vague and Ibec questions the value of such a vague principle given the need for health and safety to be legislated for in a very specific way that identifies and addresses the relevant risks to a particular organisation, industry and sector (as it is currently).

10a Social partners shall be consulted in the design and implementation of employment and social policies. They shall be encouraged to develop collective agreements in matters relevant to them, respecting national traditions, their autonomy and right to collective action.

10b Information and consultation shall be ensured for all workers, including those working digitally and/or operating across borders, or their representatives in good time, in particular in the case of collective redundancies, transfer, restructuring and merger of undertakings.

Freedom of association which, of course, includes the right to disassociate, features in the Irish Constitution and in the Charter of Fundamental Rights of the European Union. Given that this right is provided for at the highest level it is unclear as to what this Principle could add to the area.

Ireland enjoys a voluntarist industrial relations tradition which means that employers who want to deal with a trade union can do so and employers who do not want to do so do not have to. There are forums in place to deal with disputes and there are mechanisms to deal with exceptional circumstances. This voluntarist nature of trade union recognition and collective bargaining in Ireland is fundamental and, indeed, has been recognised by the European Court of Human Rights as an entirely legitimate one. Therefore, while Ireland actively promotes voluntary collective bargaining between workers and employers, any attempt to impose collective bargaining or mandatory trade union recognition would be

resisted and, in any case, would likely fall foul of the constitutional right to disassociation, which has been recognised by the courts. Ibec therefore welcomes the reference to respecting national traditions in this Principle and is of the view that such respect of national traditions is crucial when it comes to collective bargaining.

Similarly with regards information and consultation there are three directives governing this area; Directive 98/59/EC relating to collective redundancies, Directive 2001/23/EC relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses and Directive 2002/14/EC establishing a general framework for informing and consulting employees. Ibec notes that this Principle advocates for information and consultation in particular in the case of collective redundancies, transfer, restructuring and merger of undertakings. However, Ibec cannot see how the existing EU Directives are lacking in this regard. As such, Ibec questions whether a significant impact could be made through this Principle. In both cases the focus needs to be on implementation and compliance with the existing robust protections.

Chapter III: Adequate and sustainable social protection

11a Social protection benefits and services shall be integrated to the extent possible in order to strengthen the consistency and effectiveness of these measures and support social and labour market integration.

Ibec is concerned that this Principle may risk contravening the principle of subsidiarity. The principle of subsidiarity requires the EU not to take action unless it is more effective than action taken at national level. As certain member states are only just coming out of the economic recession and are not in a position to engage in social protection benefits and services to the same, or in some cases any, extent as other members, Ibec questions whether action at EU level is appropriate in this regard.

12a Everyone shall have timely access to good quality preventive and curative health care, and the need for healthcare shall not lead to poverty or financial strain.

12b Healthcare systems shall encourage the cost- effective provision of care, while strengthening health promotion and disease prevention, in order to improve the resilience of healthcare systems and their financial sustainability.

12c All workers, regardless of contract type, shall be ensured adequately paid sick leave during periods of illness; the participation of the self-employed in insurance schemes shall

be encouraged. Effective reintegration and rehabilitation for a quick return to work shall be encouraged

13a Pensions shall ensure all persons a decent standard of living at retirement age. Measures shall be taken to address the gender pension gap, such as by adequately crediting care periods. According to national specificities, the participation of the self-employed in pension schemes shall be encouraged.

13b Pension systems shall strive to safeguard the sustainability and future adequacy of pensions by ensuring a broad contribution base, linking the statutory retirement age to life expectancy and by closing the gap between the effective retirement and statutory retirement age by avoiding early exit from the labour force.

Globally we are experiencing a decreasing birth rate and ageing populations are yielding a decline in the proportion of people of working age in the EU. This has significant implications for the pool of skilled labour in the workforce as well as the sustainability and future funding of pension, social welfare and healthcare systems. The rising dependency ratio increases the importance of increasing labour force participation and employment. Europe will go from having four people working for every retiree currently to a ratio of 2: 1, assuming current retirement practices continue. However, it is important to note that different member states are experiencing this phenomenon at different rates, for example, while the age of the Irish population is increasing (the number of 65 year-olds is set to increase by over 50% by 2026), it has a median of 36 years which remains well below the average in the EU of 42.2 years. The Principle must, therefore, take account of the fact that the acuteness of this demographic challenge varies across member states.

14a Action to support the unemployed shall include the requirement for active job search and participation in active support combined with adequate unemployment benefits. The duration of benefits shall allow sufficient time for job search whilst preserving incentives for a quick return to employment.

This Principle is quite similar to that of Principle 4. Ibec supports the need to make work an economically attractive option for individuals and the connection of unemployment benefits to job search, upskilling or reskilling, as appropriate, to encourage a quick return to the labour market. It could be useful to have benchmarking between member states on the different experiences of social benefits, active support and the success in helping people back into employment.

15a Adequate minimum income benefits shall be ensured for those who lack sufficient resources for a decent standard of living. For those of working age, these benefits shall include requirements for participation in active support to encourage labour market (re)integration.

16 Persons with disabilities shall be ensured enabling services and basic income security that allows them a decent standard of living. The conditions of benefit receipt shall not create barriers to employment.

Ibec supports the Principle concerning disability. It is imperative that social welfare systems and labour market activation measures are adjusted to ensure no disincentives occur for individuals with a disability wishing to work/return to work. This may include factoring in the need for partial capacity for work to our systems and avoiding the loss of necessary benefits such as a medical card or other ancillary welfare payments on taking up employment which could be a significant obstacle for some individuals.

Research finds that in general people with disabilities have lower levels of education than the population at large. A fully integrated labour market activation approach to education, training and employment needs to be formulated for people with disabilities to ensure they have the same opportunities to compete for jobs in the labour market.

17a Access to quality and affordable long-term care services, including home-based care, provided by adequately qualified professionals shall be ensured.

17b The provision and financing of long-term care services shall be strengthened and improved in order to ensure access to adequate care in a financially sustainable way.

18a Access to quality and affordable childcare services, provided by adequately qualified professionals, shall be ensured for all children.

18b Measures shall be taken at an early stage and preventive approaches should be adopted to address child poverty, including specific measures to encourage attendance of children with disadvantaged backgrounds.

Quality early child care and education has a myriad of benefits for children and parents alike. Research tells us that it provides the foundation of wellbeing and education, skills development and subsequent learning for children and thus sets them up for lifelong learning. The cognitive development of children, particularly children whose backgrounds are deprived, show significant improvements during their participation in high quality childcare from age 2 onwards, narrowing the gaps between disadvantaged children and

their peers. Research points to the long term benefits in the form of education, crime and welfare savings as well as increased taxes due to higher earnings of parents. It is also associated with better health for children, less need for social interventions and greater civic contribution. The EPPE/EPPSE study among others has shown that the benefits of high quality early care and education persist to at least age 14 in relation to both academic outcomes (especially math's and science) and social-behavioural outcomes (e.g. motivation, self-confidence, empathy, impulsiveness, anti-social behaviour). The OECD's analysis of the 2009 international PISA rankings finds that 15 year old educational attainment is higher for those who attended pre-primary education with the highest results occurring in countries with high quality early education systems which have high levels of public investment. In addition the availability of quality and affordable childcare services has a significant effect on the labour market participation of females which in turn has a direct positive impact on lower child poverty levels.

19a Access to social housing or housing assistance shall be provided for those in need.

Protection against eviction of vulnerable people shall be ensured, and support for low and medium income households to access home property provided.

19b Shelter shall be provided to those that are homeless, and shall be linked up to other social services in order to promote social integration.

Ibec support this Principle however currently the strict EU fiscal rules place unnecessary and inappropriate restrictions on investment. This is hampering investment in particular in social housing from an Irish context.

20a Affordable access to essential services including electronic communications, energy, transport, and financial services, shall be ensured for all people. Measures to support access to these services shall be available for those in need.

The language contained in this Principle is quite vague and in need of further definition. For example when referring to access, what is affordable access? What constitutes "those in need", is this people who are unemployed, below a certain income threshold, older people, people with a disability? How is access to be ensured – is it through direct intervention on price controls or subsidies or free provision and who pays for these services? There are also

major challenges in this Principle to other member state and EU goals and objectives. For example when talking about access or supporting access to energy what does this mean for other goals such as carbon neutrality and commitments to the reduction of emissions? Ireland continues to provide fuel allowances for fuel poor households in receipt of social welfare. Its implementation of the Energy Efficiency Directive emphasises the meeting of a renovation strategy which helps fuel poor households become more energy efficient through retrofits. A focus on energy efficiency is a win-win solution as it not only reduces emissions but it increases affordability for individuals.

Conclusion

Europe is globally the region with the highest level of social well-being and social equity with a well developed social acquis and over 70 directives protecting workers and their rights in key areas. The Principles raise some valid points but we would question whether a Pillar is the best way to address those points. There is no need for further legislation in this field, rather if there are specific concerns, the existing regulations could, as is the practice of the Commission, be evaluated to ensure they are fit for purpose in this new recovering EU economy. Ibec believes this to be a more appropriate, and a more effective method of addressing the concerns identified in the Pillar. An integrated focus on competitiveness and growth will create jobs and in turn address many of the challenges identified throughout this Pillar.

To address the key social and economic challenges outlined (demographic challenges, changes in the natures of work, digitalisation and skills shortages), member states need to address the structural reforms necessary in their own labour markets to:

- Ensure a greater match between skills and job opportunities both in our education systems and labour market activation measures;
- Enable a range of employment contract types to facilitate the changing demands of employers and employees alike;
- Make quality and affordable childcare available to encourage greater female labour market participation;
- Support our social protection systems in light of the demographic challenges and long-term unemployment while ensuring the removal of disincentives to work;

The EU has an important role to offer in supporting these national reforms through awareness raising and highlighting of good practices that may be appropriate to other members. Any action taken by the EU must respect the principle of subsidiarity and the division of competences of member states.

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