

CEEP OPINION ON THE EUROPEAN PILLAR OF SOCIAL RIGHTS

Executive summary

- CEEP welcomes the new initiative of the European Commission to streamline the **Social dimension of the EMU**. The future instruments should address the urgent need to level the playing field all around Europe with the objective of fostering a society that is both **economically performant and inclusive**.
- We welcome the clear recognition of key services of general interest (**SGIs**) as **essential elements** to overcome the crisis and to move towards a deeper and fairer Economic and Monetary Union.
- The Pillar should be a **general strategic document** which is not legally binding but states different objectives that the member states, regional and local authorities, social partners and citizens should/will be committed to. A proper way forward would be for the **Principles of the Pillar to be implemented via the European Semester** and to serve as guidance during the drafting of the country reports and Country Specific Recommendations.
- The way forward is **not** necessarily for the Pillar to **produce new EU Social legislation but to make sure that the existing one is still fit for purpose**. The EU Social Acquis already encompasses 70 directives providing workers with protection and rights including: information and consultation of workers, awareness of conditions of employment, equal treatment, health and safety. Hence the problem is not quantity but quality.
- The way forward will be for the Pillar to provide an opportunity to foster a better understanding of the differences between the national industrial relations systems and to define possible common reference principles to foster convergence. CEEP calls for the **definition of common benchmarks which would promote and develop quality, accessible and affordable public services in the context of national structural reforms**.
- Respecting the **principle of subsidiarity** will be key for the success and widespread acceptance of the European Pillar of Social Rights. As a unique model that would work for every country does not exist, only member states can anticipate the implications of policy initiatives at national, regional and local level.
- The **competences in the social area lie mainly with the member states** e.g. wage formation is the exclusive competence of the member states and/or social partners, which is why they should always be the entity deciding upon which policy measures to implement to achieve the goals in the pillar.
- The **role of the social partners** will be equally critical and should therefore be integrated in the pillar in a transversal way, making it clear that social policies cannot achieve their goals and deliver sustainable effects if social partners are not fully involved in their shaping and implementation.

I. Pillar of Social Rights: what it should be

The Pillar should:

- **Promote the necessity for quality and accessible and affordable public services in the framework of European economic and social reforms. This could be achieved through a new specific benchmarking exercise.**
- **Serve as a reference framework to guide the important reform effort which has been initiated since the onset of the crisis to foster a renewed convergence between the member states. The Pillar should be complementary to the European Semester in this sense.**
- **Foster the role of social partners at national level in all the areas it covers and ensure their balanced and successful involvement in the design and implementation of reforms.**

1. The Role of public services in supporting the EU social dimension

The Pillar of Social Rights aims at overcoming the negative effects of the Eurozone crisis on the labour markets and social welfare systems of member states. Such an initiative from the European Union is welcome as it constitutes a response to the widespread criticism that surround the EU's answer to the crisis by highlighting the legacy of the Union in the social field and the protection of social rights.

Promoting a sustainable and inclusive society and fostering convergence between member states, will require establishing a proper balance between economic and social priorities in European policies. The research of such a balance is as critical as addressing the lack of implementation of existing social rights.

For CEEP's members, effective social policies, both enabling and empowering, rather than punitive and restrictive, require investment in social welfare and public services. It also requires all member states to make a real commitment to enabling social cohesion and developing a shared vision toward common general strategic objectives.

When addressing the lack of convergence, the contribution of public services' employers and providers is essential to ensure long-term anticipation of change. The provision of education, healthcare or transport services creates territorial, economic and social cohesion and constitutes a clear commitment for future economic development.

Public services are a cornerstone of the EU Social Model and have a central role to play in this process in order to ensure a good quality of life for citizens and support the development of businesses. **CEEP members believe that the Pillar should promote the necessity for quality, accessible and affordable public services in the framework of European economic and social reforms.**

Access to public services would be an effective means to address the imbalance between social and economic policies and contribute to tackling long-term unemployment, youth unemployment and gender disparity. This positive role should be clearly acknowledged and fostered throughout the implementation of the Pillar.

2. Pillar and European Semester: a renewed emphasis on quality public services through benchmarking¹

The Pillar of Social Rights aims at setting out principles which should support new benchmarking for assessing member states' performances in the field of employment and social protection. It should also serve as a reference to guide the important reform effort, coordinated by the European Semester, which has been initiated since the onset of the crisis to foster a renewed convergence between the member states.

The Pillar is not a stand-alone initiative as it builds on the Five Presidents' Report's objective to complete the Economic and Monetary Union. In doing so, the Pillar aims to give greater prominence to social considerations in the coordination of economic policies through the European Semester, highlighting the relevance of employment and social policy alongside economic and fiscal policy. **The Pillar should be complementary to the European Semester in this sense.**

In addition, benchmarking may lead to greater ownership. The lack of Country specific recommendation implementation is sometimes attributed to the top-down nature of the recommendations. Agreement on benchmarks in the European Semester framework could help foster ownership as member states would be involved in setting these benchmarks, reflecting a collective commitment.

CEEP believes that such benchmarking would make the reform agenda simpler and more specific in nature, thereby increasing transparency and accountability regarding the implementation and enforcement of reforms.

Benchmarking could also help focus attention on a limited number of crucial reform priorities, such as those that raise national productivity. Finally, member states would have leeway in how they achieve targeted outcomes as they would be able to develop their own action plans to achieve wide goals.

The Benchmarks could either be **quantitative or qualitative** depending on the issues considered. The priorities for benchmarks should be on measuring reforms' "outcome". Future benchmarks could address for instance the access to quality and affordable services of general interest (SGIs) such as childcare services and pre-school education, to housing and other basic public services.

¹ For detailed examples of Benchmarks for high performing SGIs, see Annex 1

3. Place of social dialogue and social partners

Social dialogue should be integrated in the pillar in a horizontal way, as it is an important instrument to achieve these goals and not a goal as such. This will be critical for the success rate of the Pillar's implementation. Rules decided upon by the social partners are rules supported by those who implement and respect them. Therefore, they should be regarded by nature as sustainable rules. CEEP's members will be particularly vigilant regarding the role social partners should have within these new forthcoming developments.

The Pillar of Social Rights comes after the EC initiative on a "new start for social dialogue" which intended to streamline and reinforce the role of social partners in policy making at EU and national level. This process resulted in the signature of a quadripartite statement with both the European Commission and the Dutch Presidency of the European Council.

For CEEP's members, the new EC initiative on a Pillar of Social Rights should be intrinsically linked to the new start for social dialogue. Some of the principles stated in the outline also refer to policy areas which usually involve consultation with social partners at national level. For example, the autonomy of social partners and the different national systems for wage-setting should be safeguarded and respected.

The Pillar of social rights' consultation is inclusive and addressed to all those who want to take part in the strengthening of the EU social model. We welcome the fact that the EC stated since the beginning of the consultation process that a special place should be given to the voice of social partners and for this purpose specific consultations occurred at national level. **However, we regret that for several national consultations the non-differentiation between social partners and civil societies organisations was apparent.**

Civil society might positively contribute to the pillar of social rights' consultation, however social partners should remain a privileged interlocutor of both governments and European institutions when it comes to defining the new rules governing the labour markets and the future of social protection systems. Social partners and their role is expressed in Principle 10 of the pillar. This point should also include the need for an open dialogue with social partners and to stress the capacity to negotiate and the autonomy of social partners.

A key conclusion of the new start of social dialogue was that social partners should have ownership of reform processes to ensure their balanced and successful development and implementation. Through ownership Europe will obtain the legitimacy which it lacked in the first post crisis years. The framework of the Pillar of Social Rights should also be focused on this objective.

II. Pillar of Social Rights: what it should not be

The Pillar should not:

- Be a legally binding document, but rather a general strategic and visionary document which states different objectives that the member states, regional and local authorities and social partners should/will be committed to.
- Hamper the competence of social partners in the social policy field. The Pillar should make it clear that social policies cannot achieve their goals and deliver sustainable effects if social partners are not fully involved in their shaping and implementation.
- Infringe the principle of subsidiarity which will be key for the success and widespread acceptance of the European Pillar of Social Rights.

1. The legal nature of the Pillar

There is uncertainty on how the Pillar intends to foster upward convergence between the member states and how it will relate to social policy at national level. The way forward is not for the Pillar to produce new EU Social legislation but to make sure that the existing one is still fit for purpose. The EU Social Acquis already encompasses 70 directives providing workers with protection and rights including: information and consultation of workers, awareness of conditions of employment, equal treatment, health and safety. Hence the problem is not quantity but quality.

CEEP believes the pillar should be considered as a general strategic and visionary document which states different objectives that the member states, regional and local authorities and social partners should/will be committed to. It is not suited to be a legally binding document.

The choice to exclusively address the Pillar to euro area member states, while leaving the initiative open to other countries on a voluntary basis, is also anything but self-evident. The legal sources invoked by the draft, namely the Charter of Fundamental Rights and the Treaty provisions, bind all the member states and not only Eurozone members.

CEEP considers that differences in financial and other resources between member states are crucial to consider how they will reach the goals of the pillar. This is missing in the first outline of the Pillar. Diverging resources, not least after the “new” member states joined the EU and on top of that the financial crisis, is a major explanation for the increased divergence in the EU. This is presently not visible/recognized enough. For the pillar to be recognized as an important document requires that all member states feel that they can work with it and reach the overall objectives.

For the social pillar to have a practical value, it is essential that it considers the important differences between member states, in relation to geography, demography, economies and size of the public sector. That is why a one size model will not fit. The member states are different, and this must be taken into account when forming the pillar.

2. Future interaction with the national social policies

Respecting the principle of subsidiarity will be key for the success and widespread acceptance of the European Pillar of Social Rights. As there is no unique model that would work for every country, only member states can anticipate the implications of policy initiatives at national, regional and local level.

The EU member states, with the support of the European institutions, should aim at upward convergence for the EU Social Dimension. The European treaty clearly states that social policies are implemented more effectively at member state level rather than at European level. In this way, and in accordance with the principle of subsidiarity, the role of the EU in this area is limited to supporting and complementing the activities of member states.

Essential aspects of social policies, as well as the organisation and funding of social protection systems, are the competence of member states and this should not be undermined. Many principles contained within the first layout of the Pillar of Social Rights take a prescriptive approach on matters which are of the exclusive competence of the member states. This raises questions as to the future operationalisation of the principles in particular when it will come to making them a reality at national level.

The 20 principles in the preliminary outline of the social pillar are a mix of objectives and means to reach the objectives. It is also a mix of EU and national competence. CEEP would like to see a more distinct vision between the objectives, the means and the competences. The objectives, and principles should be laid out by the pillar, but the means to achieve the objectives should be defined at national, regional and local level to define.

Some of the principles stated in the outline also refer to policy areas which usually involve consulting national social partners. For example, the autonomy of social partners and the different national systems for wage-setting should be safeguarded and respected. Labour market conditions are and must foremost be set in a national context and set by national legislation and collective agreements.

We particularly wish to highlight Article 153 TFEU, paragraph 5. “Wage setting is the Exclusive competence of the member states”. Authority and responsibility for matters relating to wage-setting rest with the member states and/or national social partners. The autonomy of the social partners and their right to conclude collective wage agreements must therefore be fully respected; any EU initiative on European wage standards must respect the principle of subsidiarity. CEEP emphasises that minimum wages vary considerably between the EU member states that apply them and would like to recall that there are member states where there is no statutory minimum wage or collective agreements of generally binding nature. In these countries, wage-setting nonetheless functions well based on tradition and practice (Principle 8 in the pillar).

III. Pillar of Social Rights: What's at stake for SGIs employers and providers

1. Adapting working time to a changing world

To adapt and face the transformations within the labour market, the working time directive should become a stable, clear and more certain legal instrument able to give the flexibility to national law or collective bargaining to address the matters which are highly dependent on national circumstances and practice of the labour law.

The Pillar aims at assessing the gaps in the EU social legislation. However, this role is already given to the better regulation agenda and particularly the REFIT process. CEEP believes that this prerogative should be maintained within the REFIT process and that the Pillar should only serve as a reference document pointing out possible gaps in existing social legislation for REFIT to assess and address, providing legal certainty and ensuring our legal tools are fit for purpose.

The European Commission in the first layout of the pillar excludes the issue of working time amongst the key issues on the table related to the modernisation of labour market systems. Today, the working time directive still implies huge problems, in terms of work organisation but also great inefficiencies from a financial point of view, for which since 2003 no solution has been found, neither by the social partners, nor by the European institutions.

Amongst the existing social regulation CEEP members believe that the Working time directive revision remains a key priority and should be more present within the Pillar to point out the legal uncertainty caused by the ECJ rulings on on-call time and compensatory rest. It is especially key to find a cross-sectoral solution to current problems for the whole labour market. The consequences of the ECJ rulings may be most severe in the health care sector but the whole labour market is affected by the rulings, not least concerning compensatory rest.

On-call time and compensatory rest provisions remain key priorities for public services providers and more flexibility for the national level regarding the reference period would be helpful. Moreover, the various ECJ cases regarding the accrual of annual leave while on sick leave and holiday pay have not always been consistent and are creating new law to deal with issues that are not addressed by the WTD.

Examples would be for instance the developments in information technology leading to more mobile, flexible working, the increase in the number of self-employed "autonomous" workers or the increase in part-time working and employees having "multiple" contracts. All these topics are present within the principles of the Pillar without pointing out the key aspect of working-time regulation.

The Pillar of Social Rights aims at taking stock of the evolution of the labour market and should, on the basis of key principles, foster working models which are fairer and more efficient. It is critical to

understand the future interactions between the Pillar of Social Rights and the better regulation agenda.

2. A renewed emphasis on Investment for Europe's productivity...

CEEP's members believe that the Pillar should also clearly serve the purpose of putting investment in the centre of the reform effort.

The Pillar should insist more on the need for public investment in SGIs. The divergences Europe is facing today are deeply rooted in the EU's structural weaknesses. Many regions in Europe have fallen behind and are now failing to attract investment and economic activity, due to a lack of infrastructure, skills and connectivity, this ends up creating a spiral of diminishing potential.

A vicious cycle is at play today: a lack of public investment in necessary infrastructure reduces regions' attractiveness to private investors, and therefore harms their capacity to collect tax revenues. This impacts their ability to invest in quality public services such as health, security, education, innovation. A renewed priority for inclusion and productivity is therefore key and that is what the Pillar should become.

Pressure on public investment means underinvestment in the long run, which can have a devastating impact on the sustainable development of Public infrastructures. Capital expenditures in infrastructure and services (energy, climate change adaptation, social and health care, housing, waste management, etc.) have a positive impact on economic growth and social cohesion. This will not only increase productivity and jobs in the long term, but also foster confidence in the overall investment climate and contribute to an inclusive society.

In this context CEEP more specifically advocates for reviewing the fiscal rules of the European Stability and Growth Pact, to ensure that growth-friendly fiscal consolidation is made into reality. This should entail that growth-conducive long-term public investments remain separate from current expenditure as investments that are to the benefit of future generations can be financed with debt and deficits, unlike consumption expenditures.

...with a focus on social investment

Social Investment is about investing in people to help them participate fully in employment and contribute to their communities. As a transversal approach, it can include diverse policy areas such as education, quality childcare, healthcare, training assistance in finding employment and combatting poverty. Targeted and adequate investments in key areas bring future economic and social benefits. The Pillar contains in its set of principles several areas which belong to social investment strategies and which could be best supported by the European Semester.

CEEP strongly advocates for going back to the principles developed in the Commission's social Investment package of 20 February 2013. The Pillar of Social Rights rightly builds upon recent initiatives such as the youth guarantee, the long-term unemployment recommendation and the skills agenda to

address anticipation of labour market needs, transition in the labour market and mobility, and the need to develop integrated approaches involving a wide range of stakeholders and services. A key aim of the Pillar should therefore indeed be to empower and enable people to enter and remain in the labour market. Unfortunately, **an important missing dimension in the draft pillar is that almost all the principles are about people already in employment. Not much is said about how to get more people into work.**

CEEP members regret that amongst the principles, too rarely the other side of the coin is mentioned, meaning the willingness from workers to participate in a constructive manner.

A key example is for instance how the Pillar deals with skills and lifelong learning agendas which are also extremely important from an employers' point of view. It is regrettable that the employer's contribution is too often narrowed down to the investments an employer must necessarily do while the efforts that the workers must put in are barely mentioned. **Indeed, a key element of success will be the willingness for the workers to participate and engage in training in a continuous effort to upskill.**

In this framework, CEEP insists on the need to:

- Ensure that social protection systems respond to people's needs at critical moments throughout their lives such as when they first enter the labour market or require care services,
- Adopt better coordinated and targeted policies enabling social cohesion,
- Improve the efficiency and effectiveness of social intervention, such as creating one-stop shops for childcare services or career advice services and reducing red-tape,
- Take a preventive approach to social exclusion,
- Upgrade active inclusion strategies through affordable and quality public services.
- Handling restructuring in a more sustainable way and provide guidance, advice and support for workers negatively affected by restructuring and reorganisation at company level.

3. Anticipation and skills change: handling digitalisation

Regarding the future of work, the importance and necessity of investment in human capital must be stressed more. New demands emerge in the labour market as new forms of jobs (continue to) develop. Transitions between education and jobs and from one job to another will be increasingly important. Here investments in human capital will play a major role and digital skills will be crucial to be able to adapt to the changing demands on the labour market.

The digital transformation has been producing fundamental changes to the EU labour market, both in quantitative and qualitative terms. It is critical to stay ahead and ensure its fairness. Public services' employers must reskill and upskill their workforce. Digital skills are now becoming ever more important in a variety of professional categories. They require training in order for the workforce to develop the skillset needed in a highly-digitalised environment. Also, leadership and entrepreneurial spirit are essential for driving the digital transformation forward.

The Pillar should also encourage national authorities to tackle the question of how to ensure that all workers and employers benefit from digital progress. A strong cooperation between education and employers' sectors is crucial to develop adapted retraining and life-long training solutions. Such a stronger cooperation should be promoted through the national strategies developed at national level.

Furthermore, the monitoring of the impact of digitalisation on jobs and working conditions, including new forms of employment needs to be developed and strengthened in all sectors.

Social dialogue at national, sectoral and local level remains a key way to address the following challenges of digitalisation:

- Labour shortages and recruitment
- Education (including school education) and initial as well as further training (in many countries social partners play a crucial role in VET curricula development)
- Working conditions, work-life balance and coping with demographic change
- Develop concepts that deal with the challenges related to the increase in self-employment and new forms of work in the sector, e.g. with a view to social security coverage, pensions, unemployment, low wage, etc.
- Handling restructuring in a more sustainable way and providing guidance, advice and support for workers negatively affected by restructuring and reorganisation at company level.

Being able to cope successfully with these challenges is also a precondition for maintaining skilled labour and increasing the innovation capacity throughout the digitalisation of our society.

Conclusion and key messages

EU social acquis

- The EU Social Acquis already encompasses 70 directives providing workers with protection and rights including: information and consultation of workers, awareness of conditions of employment, equal treatment, health and safety. Hence the problem is not quantity but quality.
- The Pillar aims at assessing the gaps in the EU social legislation. However, this role is already given to the better regulation agenda and particularly the REFIT process. CEEP believes that this prerogative should be maintained within the REFIT process and that **the Pillar should only serve as a reference document pointing out possible gaps in existing social legislation for REFIT to assess and address, providing legal certainty and ensuring that our legal tools are fit for purpose.**

Future of work and welfare systems

- Regarding the future of work, the importance and necessity of investment in human capital should be stressed more in the future rolling out of the Pillar. New demands emerge in the labour market as new forms of jobs (continue to) develop. Transitions between education and jobs and from one job to another will be increasingly important. Here investments in human capital will play a major role and digital skills will be crucial to be able to adapt to the changing demands on the labour market.
- A key aim of the Pillar should therefore be to empower and enable people to enter and remain in the labour market. Unfortunately, **an important missing dimension in the draft pillar is that almost all the principles are about people already in employment. Not enough is said about how to get more people into work.**

Role of the Pillar of Social Rights as a part of a deeper and fairer EMU

- The Pillar is not a stand-alone initiative as it builds on the Five Presidents' Report objective to complete the Economic and Monetary Union. In doing so, the Pillar aims to give greater prominence to social considerations in the coordination of economic policies through the European Semester, highlighting the relevance of employment and social policy alongside economic and fiscal policy. **The Pillar should be complementary to the European Semester in this sense.**
- For a deeper EMU, the Pillar of social rights should inspire the development of new benchmarks to compare and measure social policy developments within the framework of the European Semester. CEEP believes that such benchmarking would make the reform agenda simpler and more specific in nature, thereby increasing transparency regarding the implementation and enforcement of reforms.
- For a fairer EMU, CEEP advocates more specifically for reviewing the fiscal rules of the European Stability and Growth Pact, to ensure that growth-friendly fiscal consolidation is made into reality and to protect essential forms of expenditure such as education, health and research and development.

ANNEX 1 Benchmarking the European Semester: key principles and issues to consider for supporting SGIs delivery

CEEP Members welcomes the clear role of key public services within the Pillar's outline including healthcare, education, childcare, encompassing also a non-restrictive list of essential services as a means to foster people's activation on the labour market. It is necessary to maintain the coherence with all EU objectives and values to ensure economic, social and environmental cohesion, always keeping the balance between the European Economic and Social Model.

The EU should promote reforms which allow member states to thrive independently within the European Union. This would require reforms that increase sustainable growth, competitiveness and productivity, improve the efficiency of SGIs, and ultimately reduce vulnerabilities at national level.

On the question of public services delivery, the Social Protection Committee has already been working in 2010 on a Voluntary European Quality Framework on SSGIs, mentioning quality, availability, accessibility and affordability and may provide strong inspiration on new ways to build on the already existing tools.

Benchmarks supported by new qualitative and/or quantitative indicators would focus on measuring reform outcomes. They would also need to be sufficiently concrete, measurable, and directly under the control of policymakers.

Our understanding of benchmarks in sectors which have not been covered by specific EU-policies so far is that they are a base for knowledge exchange and deeper discussions with member states, among member states and between stakeholders.

Specific focus: The coordination of reforms at EU level should be improved in a way that promotes and reinforces SGIs delivery

CEEP advocates for the following **general principles** to be included in the coordination of reforms whenever they address SGIs functioning and delivery:

- Reinforce the economic and financial conditions which enable SGIs to fulfil their missions;
- Ensure the implementation of standards of quality, security and affordability, equal treatment and the promotion of universal access and of user's rights;
- Member states (national regional and local authorities) have the general competence and discretion to define, provide, commission and organise SGIs as well as organise their funding modalities;
- The competent authorities are free to choose the modes of management: (in house, externalized...);
- For non-economic services, the rules of the internal market and the rules of competition do not apply, for services of general economic interest the rules of competition and the rules of the internal market apply only if they do not hinder the fulfilment of their specific mission being achieved.

Example of future issues to be considered under benchmark: Sustainable investment in SGIs

Throughout the European Semester, an increasing place has been given to the concept of growth-friendly fiscal consolidation. This concept should lead to investing in essential segments of our economies to address key challenges such as long-term unemployment, youth unemployment and more broadly reinforcing the inclusion of people in society and in the labour-market.

Therefore, we expect the Pillar to reinforce this understanding and clearly streamline the added value of sustainable investment in SGIs at national, regional and local level. This may also be achieved through benchmarking and CEEP supports the following general objectives to be guide the EU investment policy in SGIs.

- Encourage member states to ensure sufficient, sustainable and predictable investments in all SGIs;
- Reinforce the Investment Plan for Europe to better target essential SGIs, including by promoting innovating funding models attracting private actors and capital;
- Incite member states to better use evidence based policy-making to monitor policies and develop reforms which deliver quality public services;
- Promote a growth friendly fiscal consolidation protecting and promoting SGIs which contribute most to productivity gains in the economy.

Example of future issues to be considered under the European Semester: Developing benchmarks for early childhood education and care

The Pillar of social rights should support the member states, through the development of specific benchmarks, to adapt the design and eligibility criteria of childcare services to increasingly diverse working patterns and to ensure access to quality and affordable childcare, children's health and the situation of most vulnerable children. Future benchmarks in the field of early childhood education and care could support their development by targeting the following issues:

- The social and family context: accessible health services for families with young children; guaranteed income, social and labour supports for low income families; and a statutory, remunerated parental leave period (combining, maternal, paternal and parental leave) around the birth of a child;
- governance quality, including one financing benchmark;
- access to services, especially access for vulnerable children;
- programme quality, particularly stressing pedagogical frameworks, professional education and support for staff, minimal staff qualifications and child vs staff ratios.

CEEP advocates for the use of the Pillar as a reference framework which could lead to the definition of new Benchmarks to support all EU member states in the reform effort. The Commission and the member states, with the support of the social partners, should provide the definition of such benchmarks. The priority should be on benchmark with a clear added value in supporting people's integration into the labour-market, the competitiveness of European enterprises and the long-term sustainability and adequacy of social protection systems.