## Commission proposes to improve transparency and predictability of working conditions

As part of the follow-up to the European Pillar of Social Rights, the European Commission has adopted today a proposal for a <u>new Directive for more transparent and predictable working conditions across the EU</u>. The Commission's proposal complements and modernises existing obligations to inform each worker of his or her working conditions. In addition, the proposal creates new minimum standards to ensure that all workers, including those on atypical contracts, benefit from more predictability and clarity as regards their working conditions.

Valdis **Dombrovskis**, Vice-President responsible for the Euro and Social Dialogue, Financial Stability, Financial Services and Capital Markets Union said: "The consultations of social partners confirmed the need for more transparent and predictable working conditions in the EU. This proposal respects the compromise of more secure employment in current and future types of working arrangements, allowing for flexibility, and ensuring a level playing field. This proposal fully respects national social dialogue practises, by allowing social partners to implement the new minimum requirements relating to working conditions through collective agreements."

Marianne **Thyssen**, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, added: "With today's proposal we are taking action to improve transparency and predictability of working conditions. The world of work is changing fast with a growing number of non-standard jobs and contracts. This means that more and more people are at risk of not being covered by basic rights anymore, starting from the right to know the terms under which they work. Increased transparency and predictability will benefit to both workers and businesses."

The Commission estimates that 2 to 3 million additional workers on atypical contracts will be covered and protected by the proposal compared to existing legislation. At the same time, the proposal also puts measures in place to avoid administrative burden on employers, for instance by giving them the possibility to provide the requested information electronically. The new rules will also create a level-playing field for companies, so that employers will benefit from fairer competition in the internal market, with fewer loopholes. More transparent and predictable working conditions are also important for a more motivated and productive workforce.

More concretely, the Commission aims to reduce the risk of insufficient protection of workers by:

• Aligning the notion of worker to the case-law of the European Court of Justice. Under current rules, the definitions may vary and certain categories of workers end up being excluded. By using the definition of

worker from the case-law of the Court, this Directive would ensure that the same broad categories of workers will be covered.

- Bringing within the scope of the Directive forms of employment that are now often excluded. This includes domestic workers, marginal part-time workers or workers on very short contracts, and extending it to new forms of employment, such as on-demand workers, voucher-based workers and platform workers.
- Ensuring that workers are provided with an updated and extended information package directly at the start of employment from day one, instead of two months following the starting date as is currently the case.
- Creating new minimum rights, such as the right to greater predictability of work for those working mostly with a variable schedule, the possibility to request transition to a more stable form of employment and receive a reply in writing, or the right to mandatory training without deduction from salary.
- Reinforcing the means of enforcement and redress as a last resort to resolve possible disagreements, should dialogue not suffice.

The proposed Directive would need to adopted by the European Parliament and the Council of the European Union, and be implemented by the Member States, either through legislation or by social partners' collective agreements. Fully recognising the importance of social dialogue, social partners would be able to modulate the minimum rights proposed by the Directive as long as its overall level of protection is respected.

This initiative is one of the Commission's actions to implement the <u>European Pillar of Social Rights</u>, which was proclaimed at the Social Summit for Fair Jobs and Growth in Gothenburg on 17 November 2017. More specifically, the Directive contributes to implementing Principle 5 on 'Secure and Adaptable Employment' and Principle 7 on 'Information about Employment Conditions and Protection in case of Dismissals'.

## **Background**

The Commission's proposal for a Directive on "Predictable and Transparent Working Conditions" updates and replaces the 1991 Written Statement Directive (91/533/EEC), which gives employees starting a new job the right to be notified in writing of the essential aspects of their employment relationship. After more than 25 years, this Directive does not no longer capture changing labour market realities, in particular the new forms of work that have developed in recent years. Increased labour market flexibility and a growing diversity of forms of work have created new jobs and allowed more people to become professionally active. But it also exposed some gaps in the protection of workers and, in some cases involving vulnerable workers, contributed to new forms of precariousness.

The initiative was announced in April 2017 together with the <u>European Pillar of Social Rights</u>. It is part of the 2018 <u>Commission Work Programme</u> and followed a two-stage **consultation** of social partners. The social partners did not enter into negotiations to propose their own agreement. Therefore the Commission decided to take action in line with the Treaty on the Functioning

of the European Union.

The initiative also responds to the Resolutions of the European Parliament of 19 January 2017 on a European Pillar of the Social Rights, requesting a framework Directive on decent working conditions in all forms of employment, and of 4 July 2017 on working conditions and precarious employment, calling for a revision of the 1991 Directive to take account of new forms of employment.

The European Council of 14-15 December called upon the EU legislator to progress swiftly on pending social files at EU level referring also to the initiatives announced by the Commission in its Work Programme, which includes this Directive.

The proposed Directive was prepared on the basis of a dedicated public consultation and an extensive evaluation of the existing legislation, the results of which are summarised in the impact assessment.

## **Next steps**

In accordance with the ordinary legislative procedure, this proposal will now be examined by the European Parliament and the Council.

## For more information

MEMO: Commission's proposal to increase transparency and predictability of working conditions — Questions and Answers

News item with links to legal documents on the DG Employment website

Follow Marianne Thyssen on <u>Twitter</u> and <u>Facebook</u>

Follow Vice-President Dombrovskis on Twitter: @VDombrovskis

Subscribe to the European Commission's free e-mail <u>newsletter on employment</u>, social affairs and inclusion