UNEMPLOYMENT AND PENSIONS PROTECTION IN EUROPE:  
THE CHANGING ROLE OF SOCIAL PARTNERS  
Executive Summary

1. Scope and partners

In recent years, occupational welfare – social benefits and services provided by the social partners (employers and trade unions, by themselves or with the participation of other players) to employees on the basis of an employment contract over and beyond benefits – has been at the core of a debate between social partners. Occupational welfare (henceforth OW) is at the crossroads of welfare reforms and the changing social dialogue institutions, both of which are at the core of what is called the ‘European Social Model’ and its reform and are thus highly significant for social partners and policymakers alike.

‘Unemployment and Pensions Protection in Europe: The Changing Role of Social Partners’ (PROWELFARE\(^1\)) was a two-year European Commission project\(^2\), examining the role of social partners in welfare protection through occupational schemes. The project covered two policy areas (unemployment and pensions) and three economic sectors (manufacturing, the public sector and private services) in nine countries: Austria, Belgium, Germany, Italy, the Netherlands, Poland, Spain, Sweden and the United Kingdom. Conceptual clarification, a more systematic collection of data as well as an in-depth analysis of the evolution of OW schemes, their outcome and governance were the main activities. The project aimed at providing up-to-date information on OW to social partners and EU and national policymakers while contributing to the dialogue between stakeholders and practitioners on the present and future prospects for OW.

Coordinated by the European Social Observatory (BE), PROWELFARE involved ten other partners: Università Politecnica delle Marche and Fondation Di Vittorio (IT); the University of Oxford (UK); the University of Amsterdam, AIAAS (NL); Fundacion 1º de Mayo (ES); the Institute of Economic and Social Research (WSI) in the Hans-Böckler-Stiftung (DE); AK Europa, the Brussels office of the Austrian Federal Chamber of Labour (AT); Uppsala University (SE); the Institute of Public Affairs (ISP) in Warsaw (PL); and finally, the European Trade Union Confederation (ETUC).

2. Three main objectives

The PROWELFARE project aimed at shedding light on occupational welfare (OW) and its evolution. It discussed the risks and opportunities for social partners and advanced suggestions for a fruitful debate on OW among them, trying to avoid a simple dichotomisation of the debate between those ‘against’ and those ‘in favour’ of OW. The project had three specific goals. First, to provide conceptual clarification, to systematically collect information – including through case studies\(^3\) – on the nine countries under scrutiny, and to define a new classification/typology for the comparative analysis of occupational welfare in Europe. Second, to develop a more in-depth analytical framework to show the interplay between public and occupational welfare on the one hand, and between social dialogue and OW on the other hand, while also looking at the complex

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\(^1\) The acronym refers to ‘PROviding WELFARE through social dialogue.
\(^2\) Project funded under budget heading 04 03 01 08. Industrial Relations and Social Dialogue - Call for Proposals VP/2014/004.
\(^3\) The project partners used a range of data sources: information and data collected through the limited secondary literature available; the text of collective agreements and regulations providing the legal framework for occupational welfare; interviews with stakeholders; and finally surveys and research carried out by social partners themselves, public institutions and private consulting firms.
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governance of OW schemes. And third, to disseminate knowledge and improve social dialogue through national workshops and European events, media and publications.

3. Key results: clarification, analysis, dissemination

• Conceptual clarification and systematic collection of information

The project proposed a new definition of OW and led to nine Country Reports on OW (further developed into as many OSE Working Papers) with detailed information (based on primary and secondary sources) on its origin, trends and outcomes in the countries under scrutiny. A common database focusing on occupational pensions was delivered.

• In-depth analysis: substantive findings

The project resulted in a number of publications analysing the main traits of OW and their determinants on the basis of the information collected by the national partners:

- 9 ‘Research’ Papers covering each of the countries involved and published in the European Social Observatory (OSE) Working Paper Series;

- 3 ‘Analytical’ Papers, similarly published in the OSE Working Paper Series, respectively on the interplay between statutory schemes and OW and their distributional consequences; the role of OW in industrial relation systems; and the governance of OW.

- The final research output has been collated in an edited volume, to be published by the European Trade Union Institute (ETUI) at the beginning of 2017.

The PROWELFARE research project provided the opportunity for a wide comparative study of OW in Europe. Such a study represents a unique source of information for practitioners and analysts. The project led to the following main findings:

- OW plays an important role in many countries and has grown almost everywhere in the last two decades, especially in the field of pensions. However, the development of OW is not linear. The scope of OW varies across policies (more widespread in pensions than in unemployment protection); and between countries. Overall, we distilled four different country clusters from the analysis: 1) Sweden and the Netherlands, characterised by an ‘encompassing’ system of OW; 2) the UK, Germany and Belgium, with a ‘wide and segmented’ system of OW, based on voluntarism; 3) Southern Europe (Italy and Spain) and Austria with a ‘limited and segmented’ system; and 4) Poland, a one-country cluster where occupational welfare barely exists.

- During the economic crisis (2008-2014), the two policies under scrutiny in the project witnessed differing trends: occupational pensions grew in importance in most Continental, Nordic and Anglo-Saxon countries, while remaining relatively unchanged in Southern and Central-Eastern Europe, as well as in Austria. In the field of unemployment protection, the crisis did not have a major effect on the trends in OW provision, even if some schemes were used to ‘cushion’ the negative consequences of the crisis on employment (at least in Austria, Germany and Italy).

- There is no evident and automatic trade-off between public welfare provision and occupational welfare: a weaker statutory welfare protection does not lead to increased occupational welfare. The reverse is also true: high-level statutory protection does not imply limited OW. The interplay between statutory and occupational programmes is indeed rather complex and depends on both welfare and industrial relations institutions.

- Both the regulatory and administrative functions in OW are shared by different players/institutions rather than being the sole responsibility of the social partners. This results in a complex governance of
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OW, a sort of ‘welfare chain’. Interestingly, the European Union (EU) is increasingly involved in the field of occupational pensions and unemployment protection.

- OW entails opportunities for the players involved. OW can help trade unions to recruit new groups of workers. OW also has the potential to improve workers’ conditions and lives, to enhance employee motivation (and therefore company performance) as well as to boost collaboration between social partners.

- Some real risks are involved in developing OW, for workers, stakeholders and policymakers: inequalities in access to social benefits (in many countries OW only applies to the ever-shrinking number of workers in regular employment), high budgetary costs for the state, high administrative costs and risks of mismanagement. Essentially, social partners risk losing their autonomy in the administration of OW schemes, possibly creating incentives to weaken the welfare system and to fragment employees’ conditions on the labour market while providing only limited forms of protection.

- Eventually, the risks and opportunities of OW can be managed through a ‘realist’ approach, which should start by developing more systematic statistical data collection regarding OW and fiscal welfare⁴, their scale and their impact on workers’ social rights.

• Dissemination of knowledge with a view to improving social dialogue

The 12 working papers published in the OSE Working Paper Series were the key instrument for diffusing knowledge accumulated throughout the project. The forthcoming edited volume will help to disseminate detailed analyses of OW in the countries under scrutiny and its main comparative trends. The interim and final results of the project were discussed – under close scrutiny of the international Steering Committee – in six project meetings held between 12/2014 and 11/2016⁵.

Key research outputs have been distributed through the project’s dedicated website, the partners’ websites and LinkedIn pages, the video of the Final Conference, live-streaming of both the mid-term and final conference, regular tweeting (#PROWELFARE) during all events and the public roundtable discussions during the Madrid, Vienna and Warsaw National Workshops (see footnote 5). In each of these events, representatives of the EU and national policymakers and stakeholders debated the main research findings addressing the present and future challenges on OW. A number of national events and publications – not budgeted by the project but involving the project partners – further contributed to dissemination.


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⁴ The notion fiscal welfare refers to the distribution – or more specifically the redistribution – of finances throughout an economy by means of taxes, subsidies and benefits.

⁵ Kick-off meeting in Brussels (13 February 2015), national workshop in Madrid (11-12 June 2015), mid-term meeting in Brussels (3-4 December 2015), second national workshop & public roundtable in Warsaw (5-6 May 2016), third national workshop & public roundtable in Vienna (30-31 August 2016) and final conference in Brussels (22 November 2016).