



COMMON MINIMUM STANDARDS FOR UNEMPLOYMENT INSURANCE SYSTEMS IN EU MEMBER STATES

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SARAH BRÜCKNER, AUSTRIAN FEDERAL CHAMBER OF LABOUR

STARTING POINT

The EU suffers from a social deficit.

- **EU labour markets are currently recovering. BUT unemployment rates vary from 3% to 20%.**
- **2016: 23,4 % of the EU population at risk of poverty or social exclusion (EU-SILC)**
- **Deterioration of social protection in EU Member States in the course of the financial crisis**
- **Upward convergence is needed**

→ What to do?

- **Changes in economic policy as well as in social policy**
- **Concrete proposals are needed**
- **The European Pillar of Social Rights (EPSR) has been proclaimed in November 2017, but it is a non-binding document.**
- **The unemployed are especially at risk of poverty. Measures that aim at securing people's living standard are necessary. → **Common minimum standards for unemployment insurance systems in EU Member States.****

EUROPEAN PILLAR OF SOCIAL RIGHTS

- **13 – The unemployed have the right to adequate support from public employment services to (re)integrate in the labour market and **adequate unemployment benefits** of reasonable duration, in line with their contributions and national eligibility rules. Such benefits shall not constitute a disincentive for a quick return to employment.**
- **European Semester – (draft) employment guidelines 2018**
- **1 – Everyone has the right to quality and inclusive education, training and **life-long learning** in order to maintain and acquire skills that enable them to participate fully in society and manage successfully in the labour market.**

UNEMPLOYMENT BENEFITS

- **Protection from poverty**
- **Automatic stabiliser**
- **Debate on the deepening of the EMU: An EU unemployment benefit scheme as an automatic stabilising mechanism for the EURO zone is **not** the subject matter of this concept.**

COMMON MINIMUM STANDARDS

Proposed minimum standards

- net replacement rate / duration / coverage rate / training entitlement

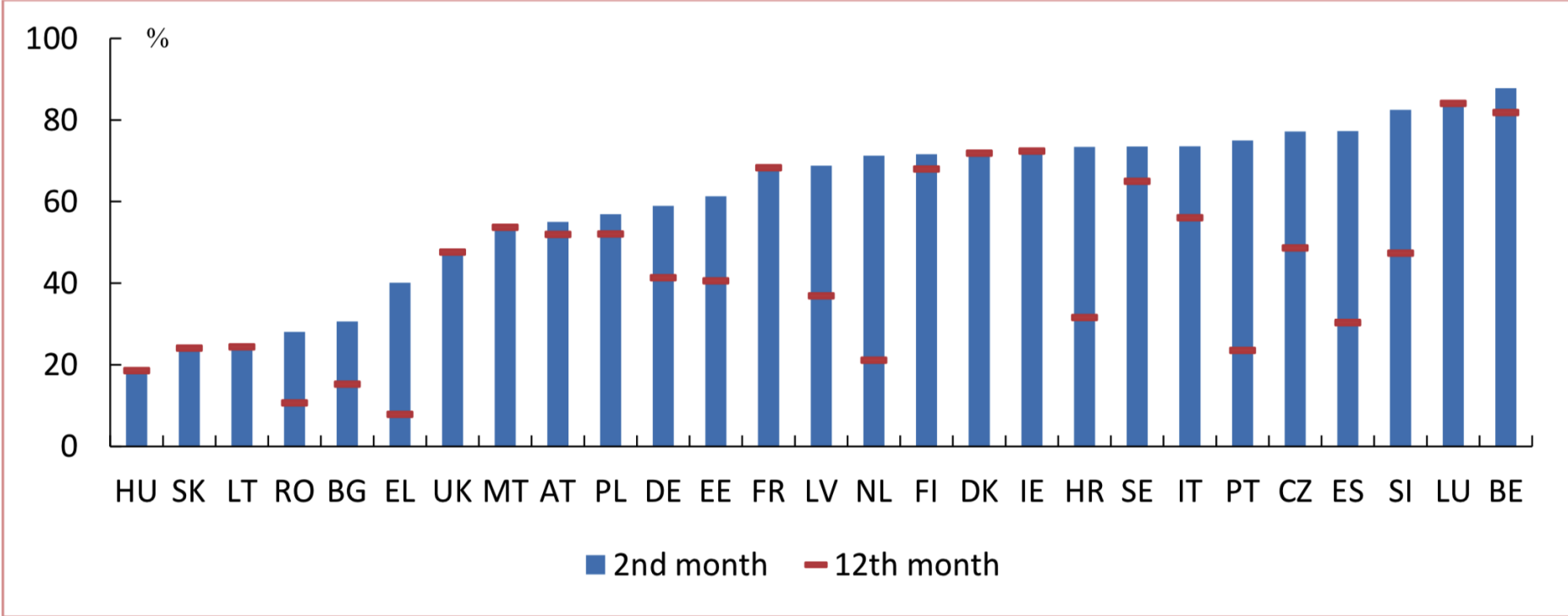
Proposed legislative measure

- Directive based on Art 153 TFEU (requires unanimity in Council)

Time frame

- Member States shall reach minimum standards within a set period of time (eg 20 years) after the Directive enters into force.
- There needs to be a **non-regression clause**.
- Social protection of those not entitled to unemployment benefits is **not** the subject matter of this concept.

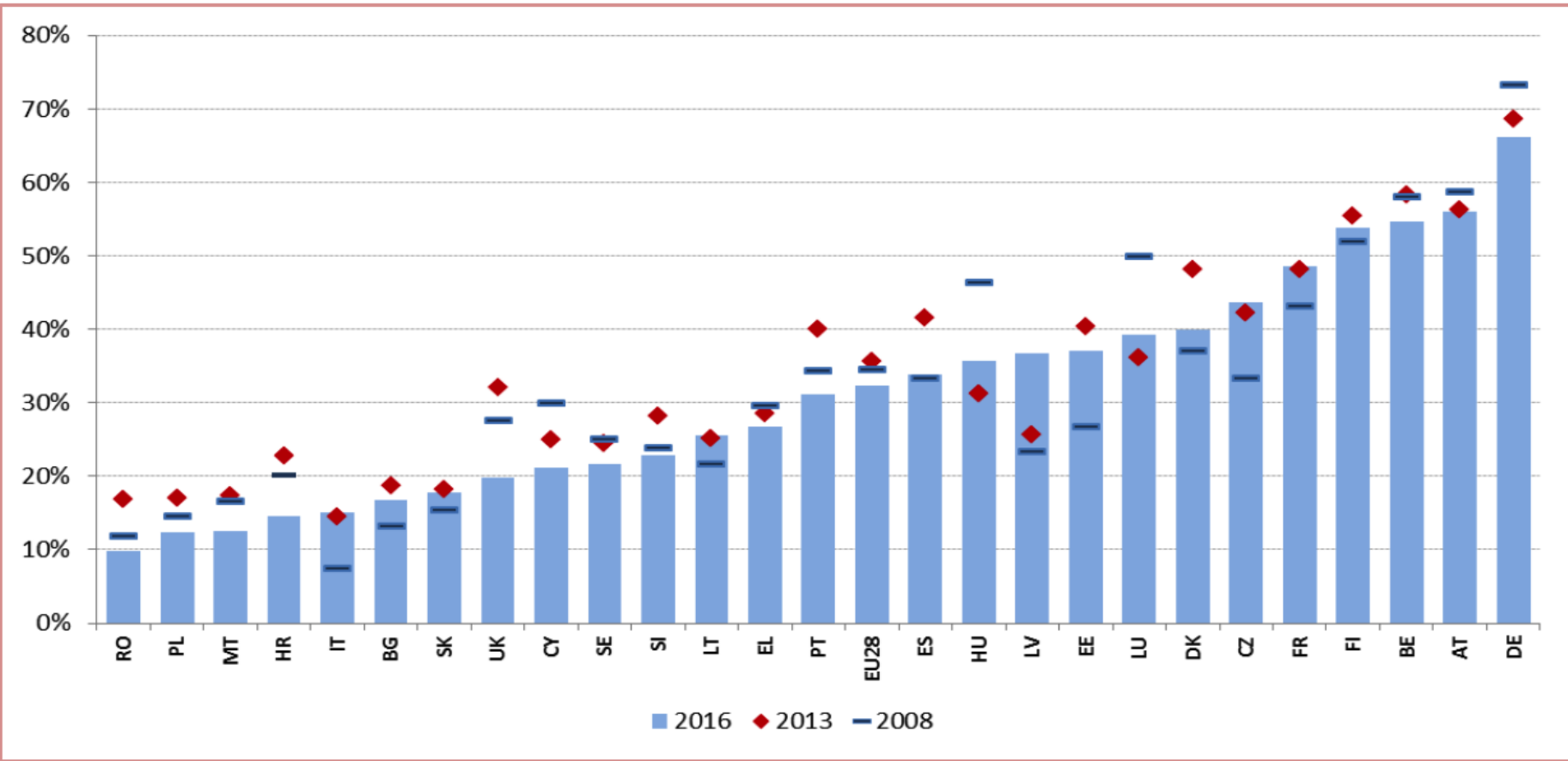
Chart 6. Net replacement rate of unemployment benefits at 67 % of Average Wage, January 2016



Source: European Commission based on OECD tax-benefit indicators.

Note: The calculation is for a worker at 80% of the average wage, with one year of contributions (2nd and 12th months of receiving benefits). The chart includes all the different income components, including unemployment benefits and other benefits (such as social assistance and housing benefits).

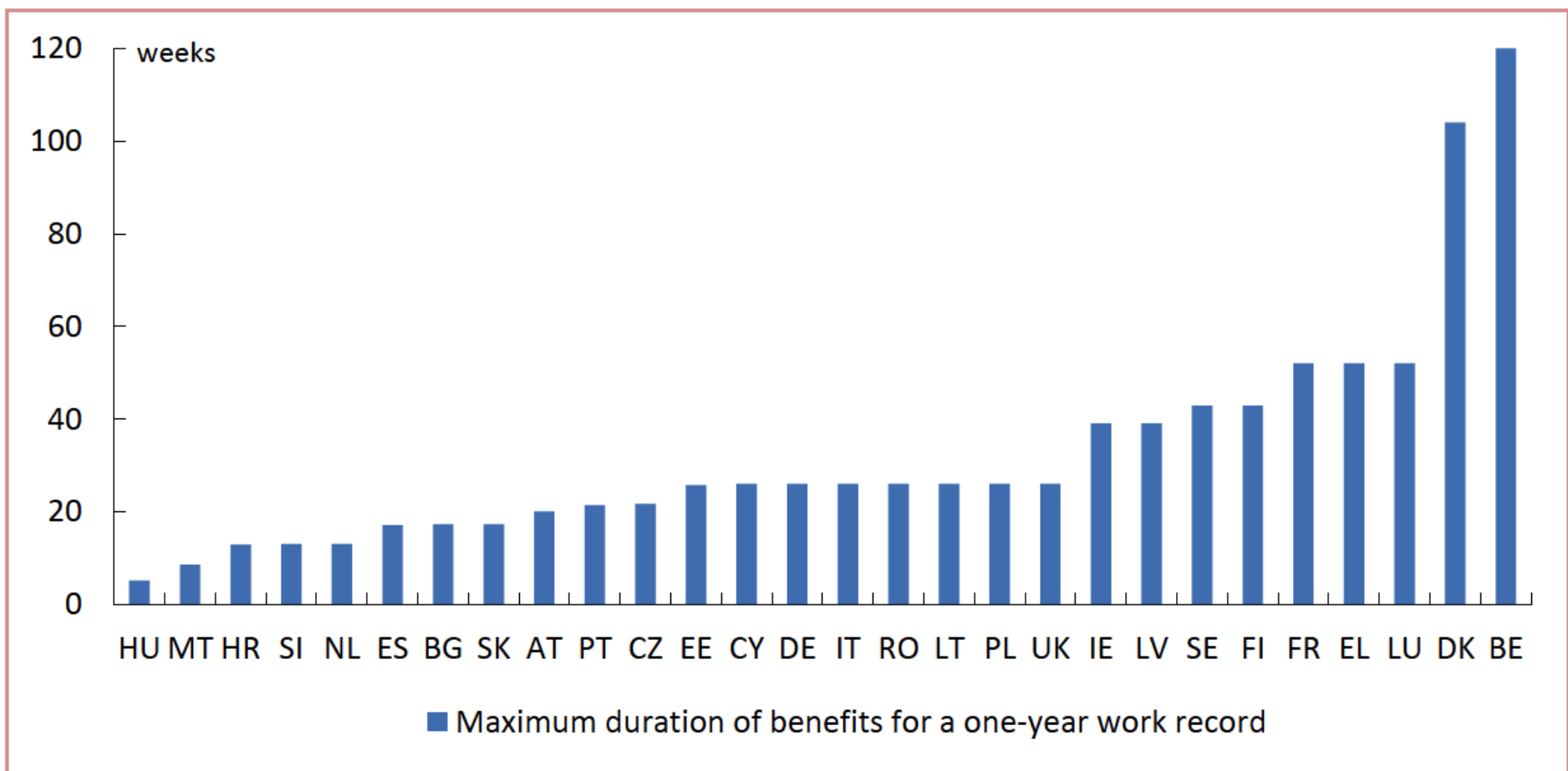
Chart 2. Coverage of unemployment benefits for short-term unemployed (in 2016, 2013 and 2008)



Source: Eurostat.

Note: data for Ireland, the Netherlands and Austria are not available. Change is expressed in points.

Chart 5: Maximum duration of benefits for a one-year work record, January 2017



Source: The Mutual Information System on Social Protection database and national legislation (for Spain, Italy and France).

Note: In Belgium, there is no limit on the duration of benefits. In many countries (Czech Republic, Germany, Lithuania, Portugal), the benefit duration also depends on age, with the duration for the youngest age group being shortest, as shown in the chart. In Portugal, a contribution period of 15 months instead of one year is used. In Slovakia, the duration shown is for people with fixed-term contracts, otherwise it is six months. In Poland, duration also depends on e.g. the regional unemployment rate.



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