

# European Paritarian Funds of Social Protection – Challenges & Opportunities

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Association Européenne des Institutions Paritaires  
European Association of Paritarian Institutions



**SuSodCo 1<sup>st</sup> Virtual Capacity Building Event**  
**Seminar 9.12.2020**

# The European Association of Paritarian Funds – AEIP

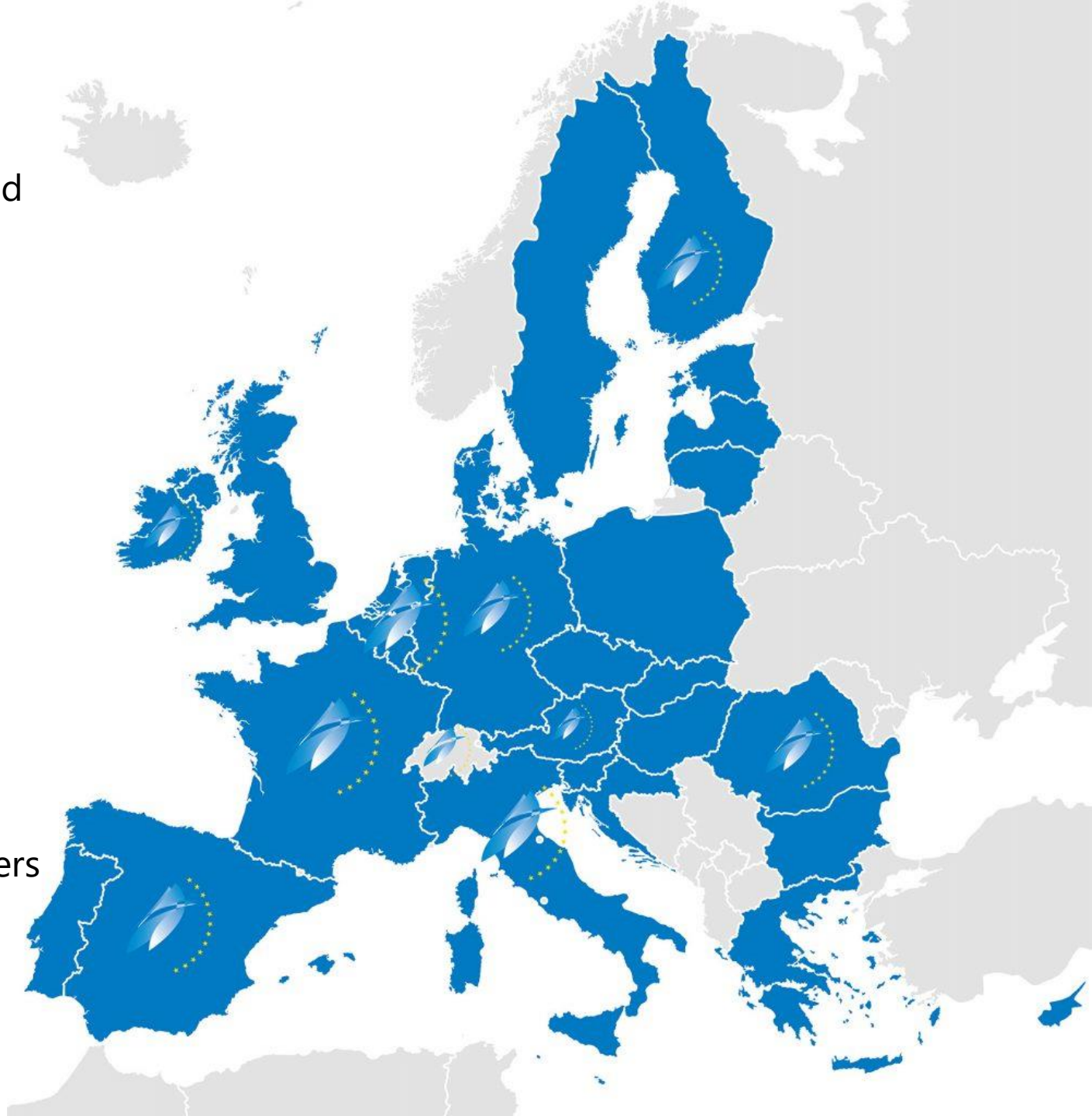
**AEIP** is a Brussels-based advocacy organization, representing Social Protection Institutions established and managed by employers and trade unions on a joint basis within the framework of collective agreements.

**All AEIP members are:**

- Based in an EU MSs
- Paritarian institutions
- Non-for-profit
- Long-term institutional investors

**AEIP currently has:**

- 29 members from 12 EU Countries
- 80 million European citizens covered by AEIP members
- 1200 social protection providers represented
- 1300 billion assets under management



## Working Group Paritarian Pension Funds


## Stream: Coordinated Retirement Schemes

Gathers representatives of EU Coordinated Retirement Schemes in the first pillar of social protection.

## Stream: Occupational Pension Funds

Encompasses all issues surrounding the paritarian 2nd pillar pension institutions and the related Directive on Institutions for Occupational Retirement Provision (IORP II Directive).

## Working Group Paritarian Healthcare Insurers & Provident institutions

Consists of paritarian healthcare insurers and provident funds.


## Working Group Paritarian Funds in the Constructions Sector:

## Paid Holiday Schemes & Health and Safety at Work Schemes



AEIP WG on Paid Holiday represents schemes which provide benefits both to domestic and posted workers within the construction industry.

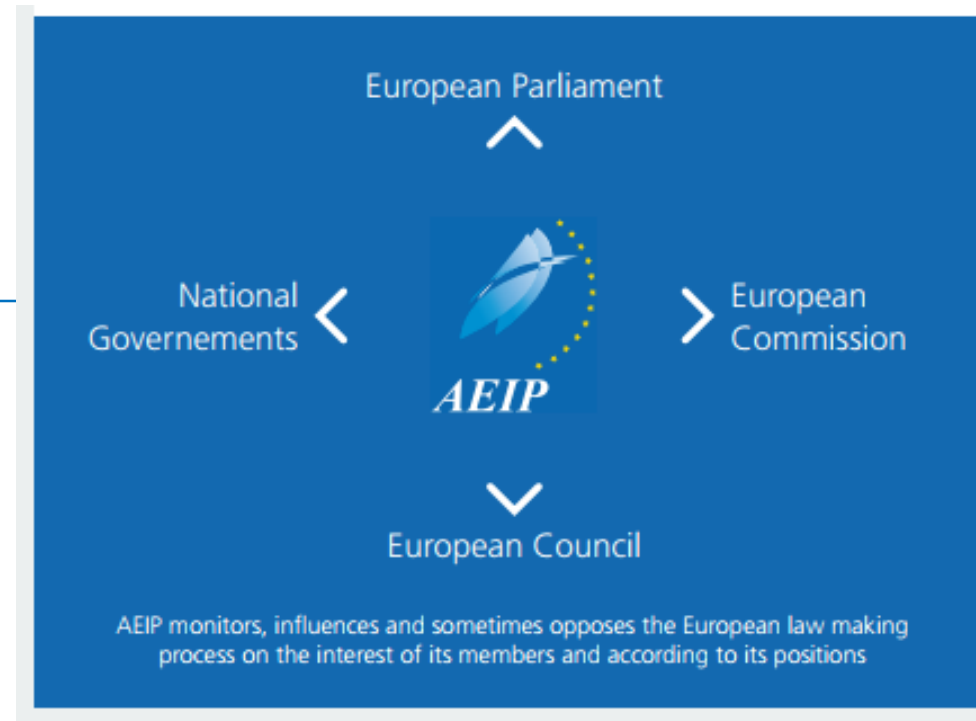
AEIP WG on Health & Safety at Work focuses on the promotion of best practices in prevention or occupational health & safety in the construction sector.

AEIP Joint Working Group on the Construction Sector – includes both EFBWW and FIEC as members.

AEIP – an observer in the EC Sectorial Social Dialogue of the Construction Sector since 2018.

Signed a formal Protocol of Cooperation - European Social Partners of the Construction Sector since November 2017.

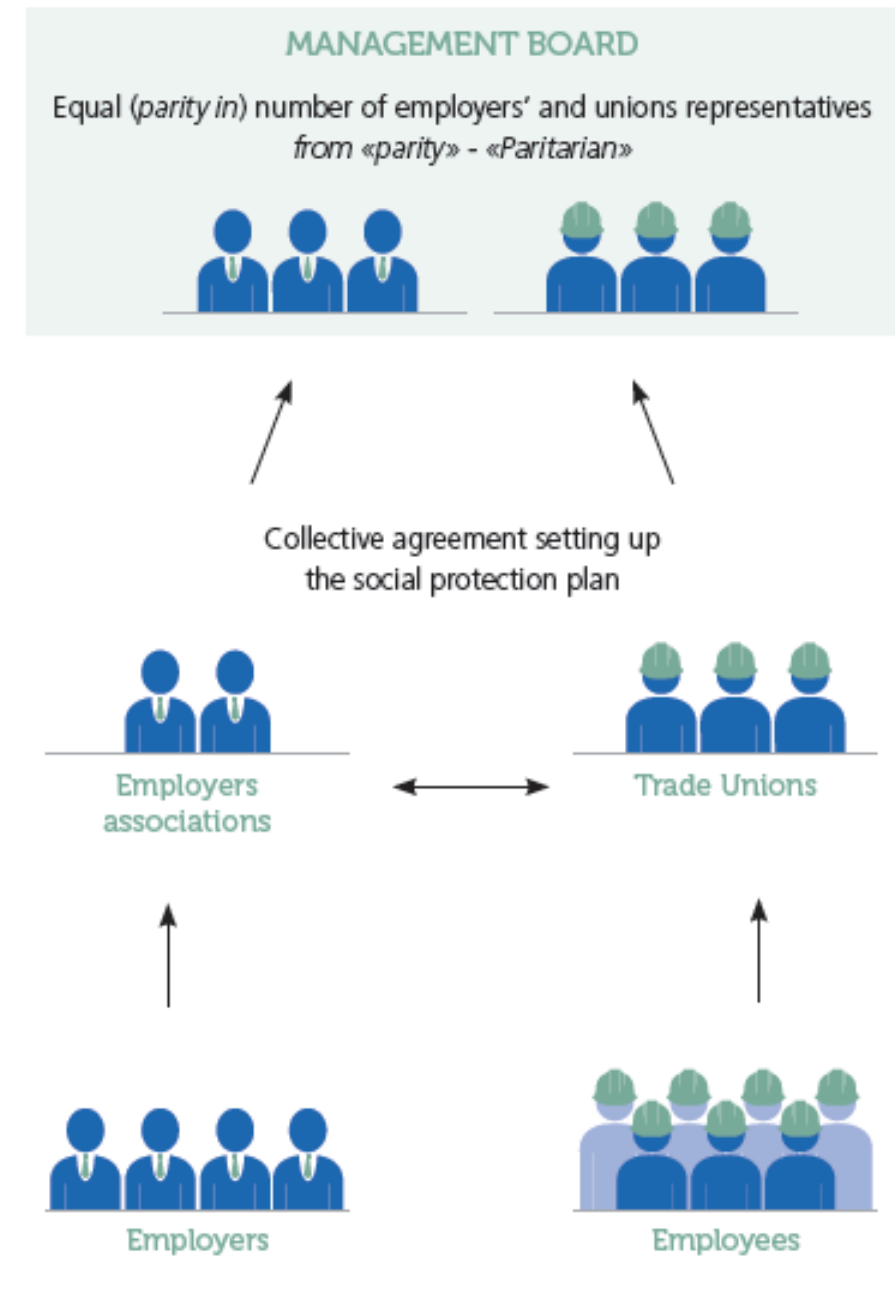




# Setting up Paritarian Funds of Social Protection

# Paritarism: Theory & Practice & Criteria

- ✓ A Paritarian Institution is created by a **collective agreement**
- ✓ Provides a **social protection cover**
- ✓ Paritarian managements -> achieved through the composition of the **Management Board and/or Supervisory Board**
- ✓ Operates on the basis of the **alignment of views and common will** of the social partners
- ✓ An **institutionalization of the right to self-regulation**, under the legal framework of the state





## Paritarian institutions in Europe country/topic matrix

	presence	pensions	paid holidays	health care	health & safety	education/training	employment	
AUSTRIA	yes		x				x	
BELGIUM	yes	x			x	x		
BULGARIA	yes				x			
DENMARK	yes	x			x	x		
FINLAND	yes	x					x	
FRANCE	yes	x	x	x	x	x	x	
GERMANY	yes	x	x		x			
GREECE	yes				x	x		
ICELAND	yes	x						
IRELAND	yes	x						
ITALY	yes	x	x		x	x	x	
LIECHTENSTEIN	yes	x						
LUXEMBOURG	yes	x			x			
NETHERLANDS	yes	x			x	x		
NORWAY	yes							
ROMANIA	yes		x		x	x		
SPAIN	yes				x			
SWEDEN	yes	x		x	x			
SWITZERLAND	yes	x						
UK	yes	x	x					

# Why building up paritarian institutions?

- ✓ Joint / collective management
- ✓ The 'not-for-profit' character = coverage of risks is all-encompassing
- ✓ *Better promotion of general welfare by ensuring adequate protection of social groups through effective representation*

## **Paritarian schemes in the construction sector – added-value:**

- ✓ Better prevention and decreasing accident rate
- ✓ Improved working conditions
- ✓ Adequate social protection corresponding to actual needs of workers
- ✓ Better equipped to address sector specific challenges, specific needs & emerging trends
- ✓ Higher potential to address common challenges

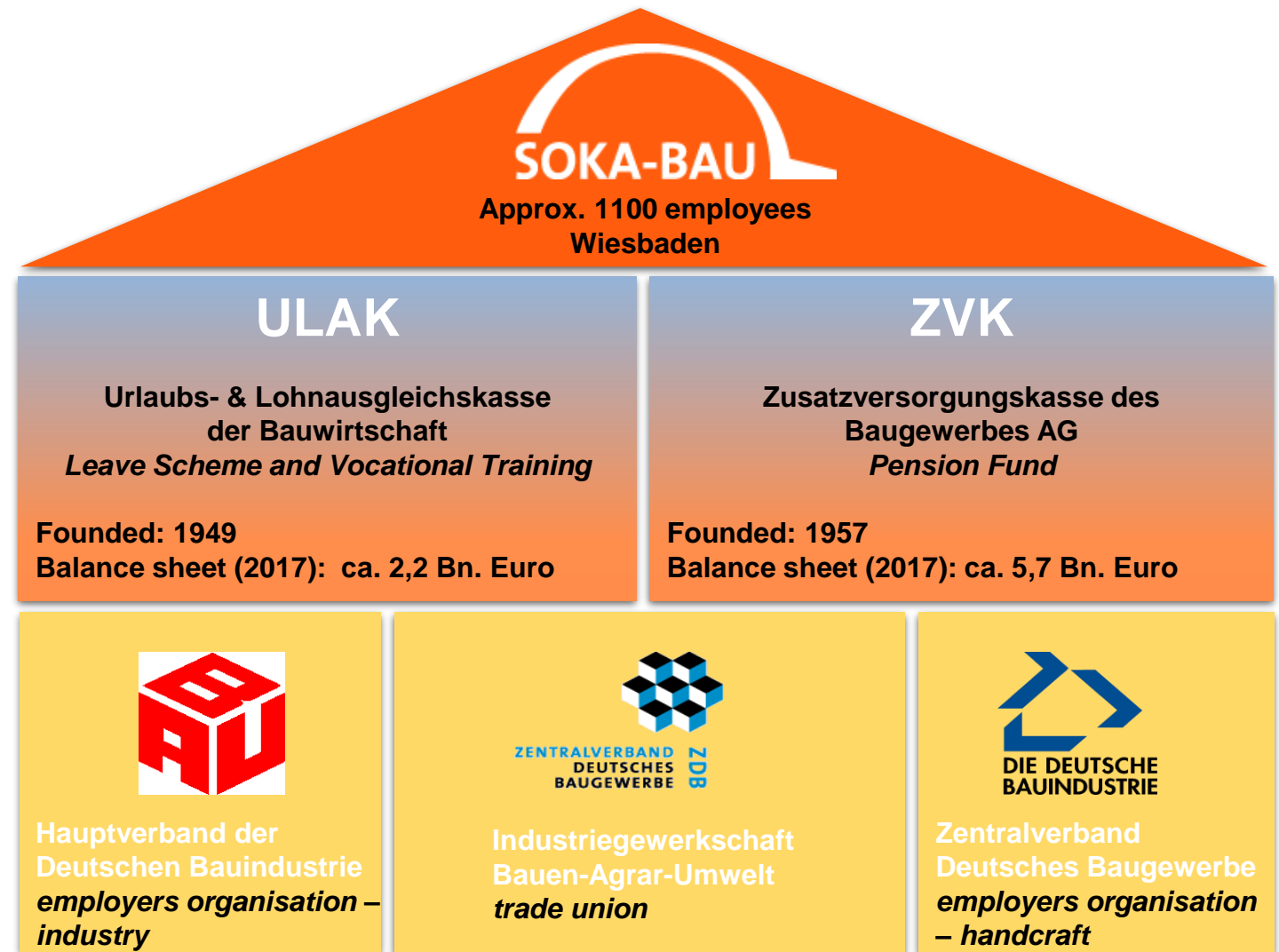
# Paritarism in France

- ✓ Legal basis for collective bargaining since 1919 & Accords de Matignon 1936 (collective agreements valid for the parties involved & general validity by the State)
- ✓ Law of 1946 - Collective Agreements with general validity – after approval of the Minister of Labour it becomes automatically a public regulation for the entire occupation or branch of industry
- ✓ Law of 2007 – introduced the obligation of the Government to consult with employers and trade unions on any legislation in the field of industrial relations, employment and training.



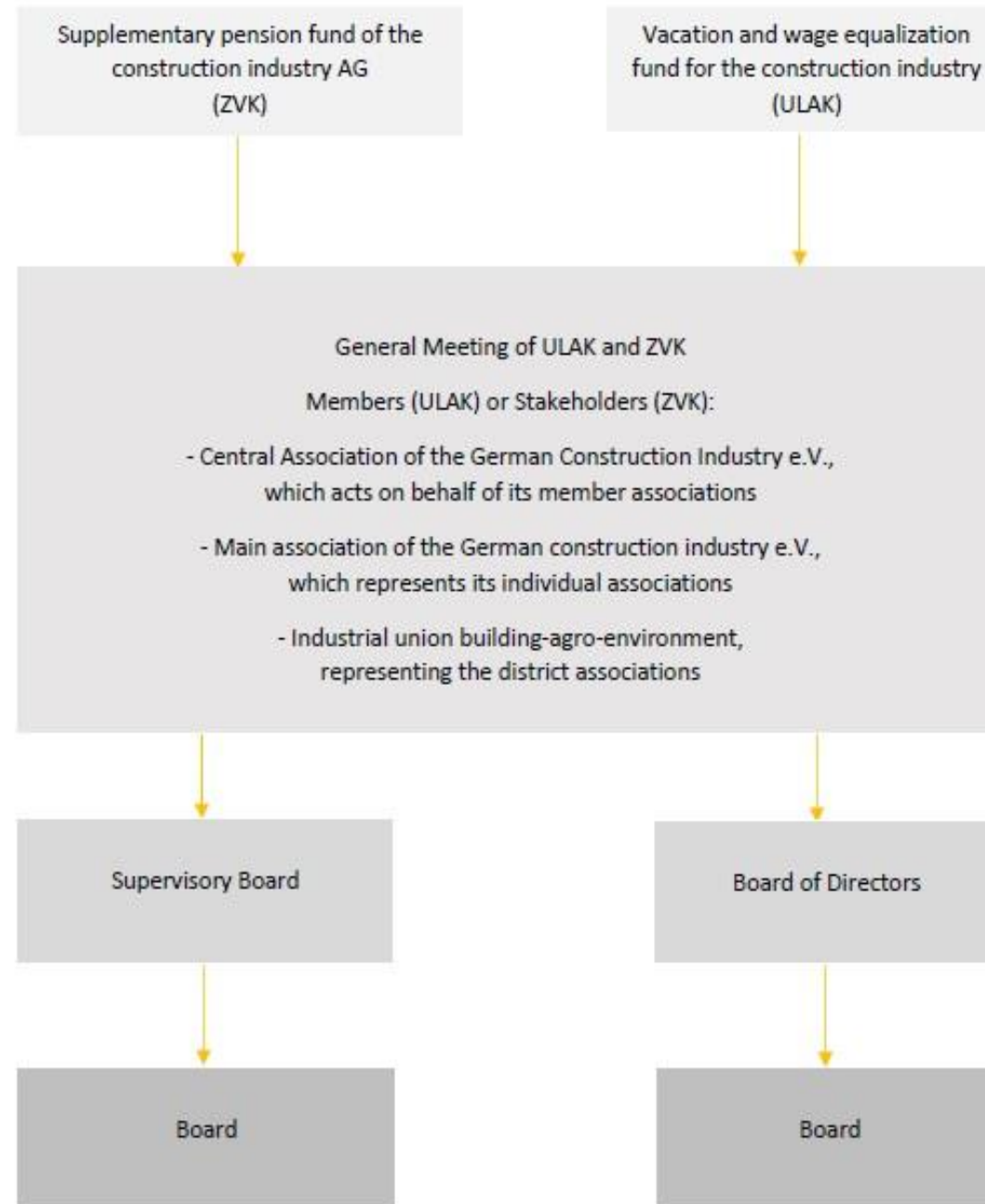
# SOKA-BAU – German Paritarian Institution in the Construction Sector

- ✓ Legal basis – Collective Agreement Act, Art. 4
- ✓ Collective Bargaining Autonomy Strengthening Act, November 2014
- ✓ Consist of a **paid - leave scheme & vocational training scheme** (ULAK) and a **supplementary pension fund** (ZVK)



# SOKA-BAU – German Paritarian Institution in the Construction Sector

- ✓ ZVK-Bau and ULAK are institutions of the parties to the **collective bargaining agreement of the construction industry**
- ✓ Through the **General Assembly**, the parties to the collective agreement supervise the activities of the paritarian institution and participate in the decision-making process the Supervisory Board, the Board of Directors, etc.



# Challenges & Opportunities

# State of Play – Challenges

## General:

- ✓ The growing workforce of non-standard workers who are not represented at all is an additional element which poses a challenge to the paritarian model
- ✓ The evolution of the demographic situation in the EU – population ageing (less people in employment are funding a systems that ensures coverage of more people)
- ✓ Slow economic growth & low interest rates environment – EU MSs are faced with the big challenge of financing their social security systems in the medium and long-term
- ✓ Adequacy vs. Sustainability of Social Protection Systems (balance between social vs. economic)

## Specific:

- ✓ Substantial decreases in trade union membership “de-unionization”
- ✓ Different situation in CEECs – on average lower union density than EU14 average (14%), *except Slovenia and Croatia*
- ✓ Changing economic conditions (no predictability)
- ✓ New forms of work – less likely to be unionized
- ✓ Digitalization of the construction sector – need to improve adaptability skills of workers
- ✓ Highly competitive environment – European & Global markets

# State of Play – Opportunities – Future Perspective

## General:

- ✓ Long-term perspective reconciling adequacy vs. sustainability – an agreement between the government and social partners is the best way to ensure a balance between solidarity and coverage
- ✓ Paritarian institutions are able to provide flexible and tailor-made solutions against the rising sector specific challenges of the labour market (e.g. vocational training)
- ✓ Can act as an instrument for understanding the changing needs of workers (work-life balance, etc.)
- ✓ Modernization, innovation and digitalization of social protection – a task for Social Partners/ paritarian institutions of social protection
- ✓ Cooperation with other paritarian institutions – big market with similar challenges and existing expertise with many best practices





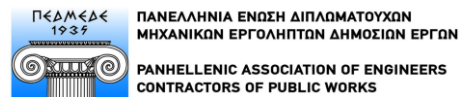
# Thank you!

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Chamber of Construction and Building Materials Industry of Slovenia



FEDERATION OF THE BUILDING CONTRACTORS ASSOCIATIONS OF CYPRUS

European Federation of Building and Woodworkers



КАМАРА НА СТРОИТЕЛИТЕ В БЪЛГАРИЯ  
BULGARIAN CONSTRUCTION CHAMBER