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More inclusive labour markets for more
adequate pensions – a key tool for achieving
the EPSR pension targets

Current shortcomings in terms of labour market integration: job quality and working conditions

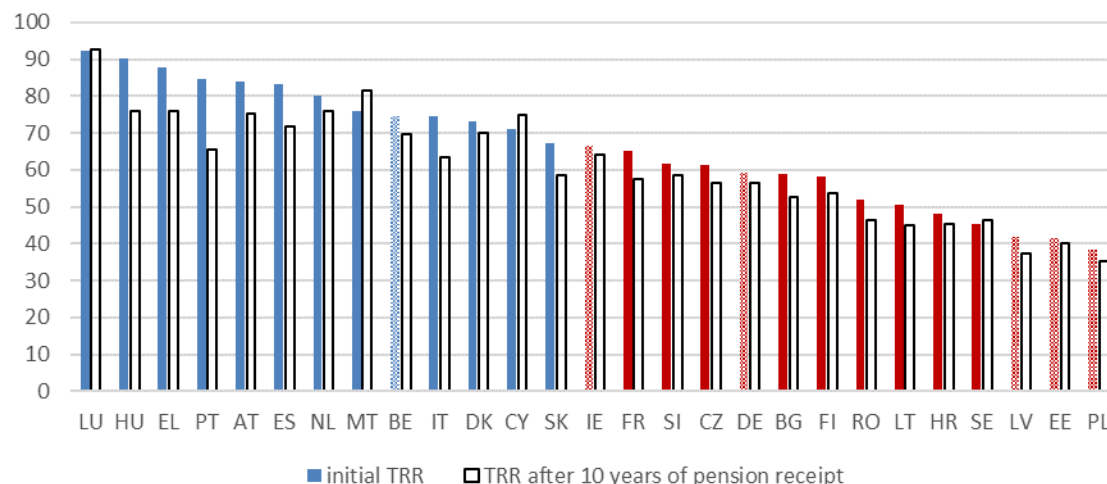
- Reasoning: LM shortcomings immediately translate into inadequate pension benefits in the future
- Issue of inconsistent use of term ‘quality of work’ – different approaches to define job quality (e.g. ETUI European Job Quality Index)
- Overall employment growth, but main issues persist: youth unemployment, temporary jobs, NEETs, low wage earners, involuntary part-time workers etc.
- Spread of (new) atypical forms of work, accelerated by digitalisation: telework, working from home, ‘bogus’ self-employment, platform work, working in the gig economy, marginally part-time work etc.

Policy measures (national and EU level) needed for improving labour market integration

- Sustainable LM integration requires effective worker protection systems (including pension systems), also for non-standard workers!
- Active labour market policies against the background of new challenges (socio-ecological and technological transformation etc.)
- Labour shortages refer to sectoral LM shortcomings (low pay, bad working conditions) rather than the pure need for skills
- Encompassing and effective social dialogue tends to enhance social protection
- EU level: Impact of
 - Adequate Minimum Wages Directive
 - Guidelines on collective agreements by ‘solo’ self-employed people
 - Youth Guarantee Programme; Disability Employment Package etc.

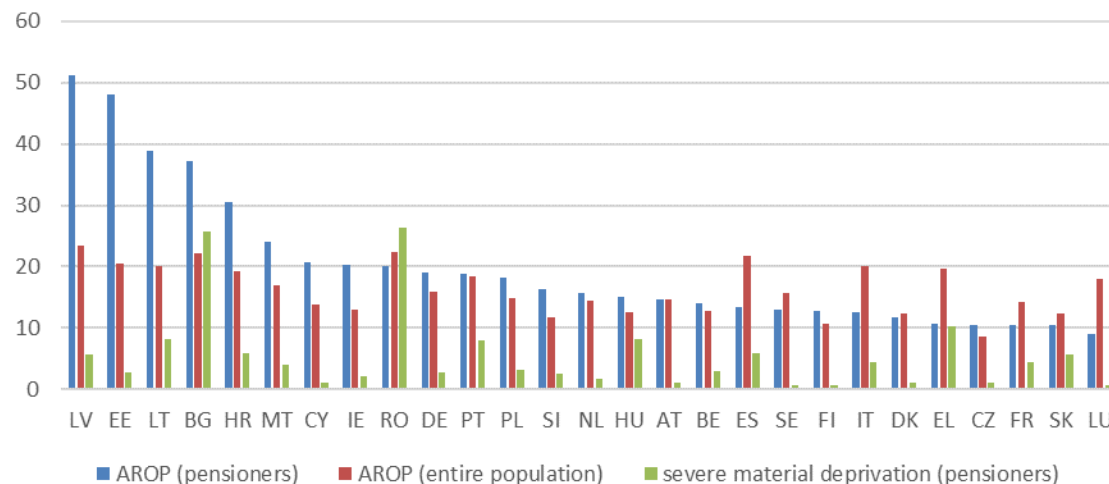
Hand in hand: good careers, strong systems

- Despite huge differences, European pension systems mirror careers: good retirement incomes require decades of well-paid and well-insured work
- However, “good careers” have to come together with good systems, and many nations are and will be lacking these:



Sufficient and achievable pensions?

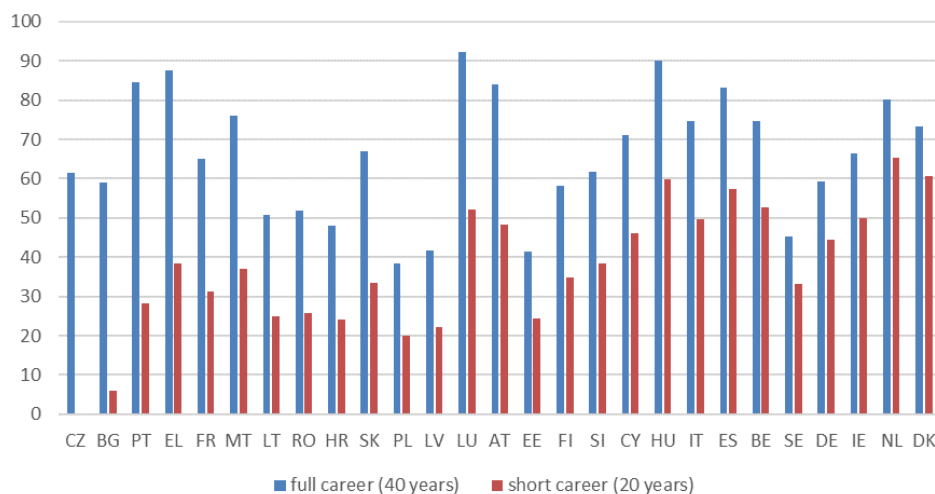
- While current pensioners often enjoy adequate income levels, difficulties stemming from problems on labour markets and in pension systems are clearly visible



- At the same time, current workers face high and rising pensionable ages and difficulties to achieve full careers

Better work, better pensions

- As pension systems honour “good careers”, they tend to “punish” for absence and lower wages. But of course, this also leaves ample room for improving entitlements by improving labour market integration!



What needs to be done

- Labour market integration and job quality: Georg
- Pension systems:
 - include everyone and every hour of work
 - ensure sufficient (not just poverty-avoiding!) benefit levels
 - provide compensation in cases like unemployment, low wage, caring for relatives or early incapacity
- Pension system analysis: Be more realistic with
 - “true to life” TRRs better reflecting wage profiles and “early exit”
 - a sober perspective on funded systems

Thank you for your attention!

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