



*Employers entrusted to deliver
Sustainability Growth Innovation*

Position Paper

First-phase consultation of social partners under Article 154 TFEU on possible direction of EU action to improve working conditions, health and safety at work and implementation of workers' rights – Quality Jobs Act

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29 January 2026

Introduction

SGI Europe takes note of the launch of the first stage consultation of European social partners under Article 154(2) TFEU: “*on the possible direction of EU action to improve working conditions, health and safety at work and the implementation of workers’ rights,*” in the context of the announced Quality Jobs Act.

Representing employers delivering services of general interest across Europe, SGI Europe’s members operate in key areas such as energy, water, transport, healthcare, social care, education, housing and waste management, often under specific public service obligations and continuous service requirements. Legislation and public finances set the framework for how we as employers can deliver in terms of quality jobs. Job quality should not come at the expense of service quality, which is crucial for resilience and competitiveness. To that end, job quality, service quality and productivity need to be carefully balanced.

Likewise, job quality is a multidimensional and context dependent concept, best addressed through social dialogue and approaches adapted to national, regional, sectoral and workplace realities as mentioned in SGI’s Opinion on the Quality Jobs Roadmap in June 2025.

SGI Europe notes positively the emphasis placed on feasibility, proportionality, simplification and the avoidance of unnecessary duplication of existing EU legislation in the Commissions consultation document. The recognition of the diversity of labour markets and institutional settings across Member States, as well as the central role of social partners, provides an important basis for this first stage consultation.

As employers, SGI Europe members share the objective of promoting good working conditions, safe and healthy workplaces and effective implementation of workers’ rights. At the same time, any reflection on possible EU action must carefully balance social objectives with operational realities and the capacity of employers to deliver both quality jobs and high-quality services across diverse contexts.

Through this contribution, SGI Europe aims to engage constructively in the orientation phase foreseen under Article 154(2) TFEU. Our views are guided by the principles of subsidiarity and proportionality, by the importance of prioritising implementation and enforcement of existing frameworks, and by a strong commitment to effective and autonomous social dialogue at all appropriate levels.

1) Do you consider that the issues and possible areas for further EU action are correctly identified in this document?

General assessment of the consultation

SGI Europe considers that the issues identified in the first-stage consultation are broadly relevant. As highlighted in SGI Europe's Opinion on the Quality Jobs Roadmap, job quality is not a fixed or uniform concept, but a multidimensional and evolving process shaped by national, sectoral and local realities, as well as by the interaction between employers and workers.

In this respect, SGI Europe welcomes the overall framing of the consultation, which avoids rigid interpretations of job quality and recognises the diversity of labour markets, institutional settings and service delivery models across the European Union. As previously underlined by SGI Europe, attempts to impose a single prescriptive EU level model would neither reflect this diversity nor contribute effectively to improving working conditions in practice.

SGI Europe also notes positively the consultation's emphasis on subsidiarity proportionality as well as on competitiveness and the need to reduce administrative burdens. However, while the consultation repeatedly refers to these objectives, the link between them and concrete policy options remains unclear. Greater clarity on how potential EU action would contribute to simplification and competitiveness would provide a stronger and clearer basis for any future EU action and help avoid the risk of cumulative regulatory complexity.

Protecting jobs requires a regulatory environment that is workable and predictable for employers delivering services of general interest. This calls for a regulatory culture that supports competitiveness and productivity while ensuring the continuity and quality of services to citizens. In this context, any initiative should be consistent with the Commission's objective of reducing unnecessary administrative burdens.

Furthermore, many of the most effective levers for improving job quality lie at national, regional or sectoral level, where social partners are best placed to identify challenges and develop context sensitive solutions. In line with the approach advocated in the Quality Jobs Roadmap opinion, SGI Europe considers that the EU should primarily enable, support and coordinate, while avoiding duplication of existing frameworks and legislation.

The consultation rightly highlights the importance of ensuring the effective implementation and enforcement of the EU acquis. SGI Europe has consistently stressed that tangible improvements in job quality depend less on the multiplication of new regulatory instruments than on the coherent application of existing rules, legal clarity and predictability for both employers and workers.

Finally, SGI Europe strongly supports the central role attributed to social partners throughout the consultation. As emphasised in the roadmap opinion, quality jobs are best developed through structured social dialogue, shared responsibility and trust between the social partners. Strengthening the capacity of social partners and supporting dialogue at the appropriate level should therefore remain a cornerstone of any reflection on possible future EU action.

2) Do you consider that EU action is needed to address the identified issues? If so, what should be the direction and scope of that action?

Algorithmic management and AI at work

SGI Europe recognises that the increasing use of digital tools, including AI based systems, in the organisation and management of work raises awareness related to transparency, human oversight and health and safety.

In this respect, SGI Europe underlines that algorithmic management in employment is already largely addressed by a substantial and evolving EU legislation. The General Data Protection Regulation establishes core safeguards related to automated decision making, transparency, access to information and the right to human intervention. The AI Act introduces specific obligations for high-risk AI systems used in employment, including requirements on risk management, human oversight and information to affected persons, while prohibiting certain practices in the workplace. In parallel, the EU occupational safety and health framework requires employers to assess and prevent risks to workers' physical and psychosocial health, including those linked to work organisation and the use of digital tools. Taken together, these instruments place direct responsibilities on employers as controllers or deployers and require safeguards to be integrated into organisational and management practices.

The consultation document highlights that issues related to algorithmic management and automated decision-making are addressed through several legal frameworks, including data protection and labour law. Clarifying the legal basis of any potential future measures is important, as this has direct implications for the role of social partners and the ability to regulate working conditions through collective agreements. Where issues fall outside labour law, there is a risk that the scope for collective agreements at national and sectoral level may be reduced. In practice, the application of safeguards contained in the EU legislative framework can be complex. The scope and intensity of obligations often depend on legal thresholds, system classifications and national implementation choices, which may lead to fragmentation and legal uncertainty for employers and workers alike. The interaction between different regulatory instruments, combined with the ongoing implementation of the AI Act, further reinforces the need for clarity and coherence. Against this background, SGI Europe considers that the consultation rightly emphasises feasibility, workability and the avoidance of overlapping or duplicative requirements. This assessment is consistent with the Commission's broader approach reflected in the Digital Omnibus proposal, which seeks to improve coherence, simplification and effective implementation across the EU digital acquis to ensure that regulatory safeguards deliver results in practice.

SGI Europe also takes note of the European Parliament's recent report on algorithmic management and artificial intelligence at work. While the report acknowledges the relevance of existing EU legislation and highlights proportionality and social dialogue, SGI Europe does not share its approach and proposal for a new horizontal regulatory instrument. In particular, proposals to generalise models developed for particular forms of work like platform work to all employment relationships risk disregarding the diversity of workplaces, sectors and organisational realities and may lead to unnecessary regulatory layering. Priority should therefore be given to consolidating the implementation of the existing framework, ensuring coherence between instruments and assessing implementation experience before drawing conclusions on the need for additional binding measures.

In several parts of the consultation, the concept of "workers" is also used in a broad manner, including in contexts related to algorithmic management and digitalisation. While SGI Europe recognises the need for adequate protection, greater clarity is needed regarding the personal scope of any potential measures. In particular, it is important to avoid developments that could blur the distinction between employees and self-employed persons or lead to the emergence of intermediate categories, as this could have significant

implications for established collective bargaining structures, especially in systems where collective agreements apply exclusively to employees.

In this context, social dialogue plays a central role in translating legal obligations into effective workplace practices. Joint monitoring by the European social partners of the implementation of the Autonomous Framework Agreement on Digitalisation shows that, across Member States and sectors, social partners have addressed the use of digital technologies and AI through concrete instruments such as collective agreements, joint recommendations and workplace procedures. These processes have focused on transparency, human oversight, data use and workplace monitoring practices, as well as the management of psychosocial risks, while allowing adaptation to organisational and sectoral realities. Experience also shows that social dialogue is key to defining appropriate safeguards and limits and that outcomes depend less on the existence of new rules than on the capacity of social partners, the quality of dialogue and access to practical guidance.

On this basis, SGI Europe considers that any further reflection at EU level on algorithmic management and AI at work should prioritise clarification, coherence and support for effective implementation. This includes promoting the exchange of good practices and providing guidance to help employers and workers navigate existing obligations. Such an approach would promote effective implementation of existing frameworks avoid overlapping obligations and fully respect the role of social partners.

Occupational safety and health

For employers delivering services of general interest, ensuring safe and healthy working environments is both a legal obligation and a prerequisite for service continuity, workforce resilience and public trust.

SGI Europe underlines that the existing EU occupational safety and health (OSH) acquis already provides a robust and adaptable framework to address risks linked to digitalisation, including those associated with algorithmic management and the use of AI at work. The OSH Framework Directive is based on a risk assessment and prevention logic that is deliberately technology neutral and capable of accommodating new and emerging risks, including psychosocial risks related to work intensity, autonomy, predictability and organisational change.

In line with the Commission's consultation document, SGI Europe considers that the main OSH challenges linked to digitalisation and AI arise from work organisation rather than from the technology itself. Psychosocial risks such as stress, work intensification or blurred boundaries between work and private life should therefore be addressed at the workplace level rather than through prescriptive or uniform solutions.

Recent peer reviews of Member States' approaches to psychosocial risks at work support this assessment. They show that across participating Member States, such risks are addressed through risk assessment obligations under the Framework Directive 89/391/EEC, complemented by preventive measures, inspectorate guidance and social dialogue, rather than by technology-specific rules. The peer review also highlights that the main challenges relate to implementation capacity, awareness, enforcement practices and access to practical tools, particularly for small and medium-sized enterprises, rather than to shortcomings in the legal framework itself. These findings support an implementation-first approach and caution against reopening the OSH acquis or introducing new horizontal EU-level obligations.

SGI Europe also acknowledges the seriousness and persistence of sexual harassment and violence at work, as reflected in the evidence cited by the Commission, and recognises the need for more effective prevention and response in workplaces. Recent EU initiatives, including the 2024 "*directive on combating violence against women and domestic violence*", strengthen victim protection and criminal-law responses. Sexual harassment is also covered by the EU OSH framework and the social partners' Autonomous Framework Agreement on

Harassment and Violence at Work, which provide a basis for preventive action through risk assessment, workplace procedures, training and dialogue. Priority should therefore be given to strengthening implementation and trust in reporting mechanisms before drawing conclusions on the need for additional binding measures.

In addressing psychosocial risks, it is essential that the regulatory framework remains coherent, workable and focused on prevention in real working environments. Any revision of EU OSH legislation, including the Workplace Directive and the Display Screen Equipment Directive, should therefore be carefully assessed in light of their original scope and purpose. In line with the opinion of the Advisory Committee on Safety and Health at Work, particular caution is required to avoid extending instruments designed for physical workplaces under the employer's control to telework or home-based settings, which are better addressed through risk-based OSH principles, work organisation and social dialogue. Modernisation should enhance clarity and implementation, without blurring legal boundaries or undermining the technology-neutral and risk-based approach.

Employer responsibility in the field of OSH must also remain clearly defined and limited to what is under the employer's control, particularly where work is performed outside traditional workplaces. Experience from telework arrangements shows that intrusive or unrealistic obligations undermine feasibility and trust without improving safety outcomes. Risk assessments should therefore rely on cooperative and non-intrusive methods, supported by information, training and worker involvement.

Finally, social dialogue plays a central role in translating OSH obligations into effective preventive practices. Employers and employees play a crucial role in securing healthy working environments especially when it comes to psychosocial risks. That is why, across Member States and sectors, social partners have developed tailored approaches to address psychosocial risks and digital work organisation through collective agreements, joint tools and guidance adapted to operational realities. This confirms that improving OSH outcomes depends less on additional regulatory layers than on effective implementation, access to practical guidance and a strong prevention culture at workplace level.

Subcontracting

As an important starting point, SGI Europe reminds that the existing robust EU labour law acquis is equally applicable to every worker in EU and equally the responsibility lies on every employer in EU, whether in subcontracting or not. SGI Europe recognises that subcontracting is a widespread and legitimate feature of modern labour markets and plays an important role in the delivery of services of general interest, notably by enabling access to specialised skills, flexibility and continuity of service provision. At the same time, SGI Europe acknowledges that labour abuses and therefore unfair competition may occur in subcontracting chains. However, the existence of such risks does not point to a regulatory gap at EU level. As long as enterprises and workers operate within the European Union, the EU acquis applies, and subcontracting relationships are already governed by a comprehensive set of EU and national instruments. Challenges observed in subcontracting chains therefore do not constitute a horizontal issue of employment conditions or health and safety that would justify action under the Quality Jobs Act. Rather, they point to the need for more effective enforcement of existing rules and adequate resources for labour inspection and compliance mechanisms, particularly in sectors where subcontracting is widely used.

A recent legal study conducted for the European Employers' Institute (Sinander, 2025) confirms that EU law already relies on three main mechanisms to address labour law risks in subcontracting chains: direct liability, equal treatment of workers and reporting and transparency obligations, rather than structural restrictions on subcontracting itself.

The same study underlines that limiting subcontracting chains to a fixed number of tiers would constitute an unprecedented and blunt legislative approach at EU level, with a disproportionate impact on SMEs and competition, and significant risks of legal uncertainty. Such general restrictions have repeatedly been found incompatible with EU law by the Court of Justice, which has stressed the need for proportionate, case-by-case approaches rather than blanket limitations.

Commission-supported work on socially responsible public procurement further demonstrates that social and labour considerations, including responsibility along subcontracting chains, are already widely applied in practice across Member States under the existing procurement framework. Evidence from the “Buying for Social Impact” initiative shows that effective outcomes depend primarily on implementation capacity, guidance and risk-based application, rather than on additional mandatory EU-level requirements.

Against this background, priority should be given to strengthening enforcement, improving guidance and supporting effective implementation of existing rules, including through targeted and sector-sensitive approaches where risks are highest, while fully respecting the role of social dialogue.

Just transition

SGI Europe considers just transition to be a central labour market and workforce challenge arising from the constant transformations of labour markets including green and digital transitions, with increasingly visible impacts on restructuring patterns, skills needs and territorial cohesion. For services of general interest, just transition is inseparable from workforce availability, service continuity and affordability at local and regional level, making it a fundamentally territorial and operational issue.

At EU level, just transition objectives are already addressed through a dense policy and governance framework, including the Council Recommendation on a fair transition, the Employment Guidelines and the European Semester, as well as dedicated monitoring and analytical tools. The Commission’s recent Recommendation on strengthening human capital confirms that skills shortages, anticipation of change and workforce adaptation constitute significant challenges for the green and digital transitions. Rather than identifying regulatory gaps, it underlines the need for better coordination, investment in skills, improved skills intelligence and closer alignment between labour market policies, education and training systems, employers’ needs and competitiveness objectives. This diagnosis supports an implementation and governance focused approach to just transition.

Evidence from EU-level exchanges further reinforces this orientation. The 2024 Tripartite Exchange Seminar organised by Eurofound, together with Cedefop, the European Environment Agency and the European Training Foundation, highlighted the central role of social dialogue in anticipating change and managing transition impacts on employment, skills and working conditions. The seminar also showed that while just transition is increasingly addressed through social dialogue agendas, its embedding remains uneven across Member States, pointing to the need to strengthen processes and capacities rather than develop more policy instruments.

In this context, SGI Europe welcomes the development of EU-level monitoring and foresight structures, including the European Fair Transition Observatory. Such initiatives can help consolidate evidence, improve anticipation of labour market and skills impacts and support policy coordination. Additionally, the Just Transition Platform must be maintained and expanded. It serves as the vital knowledge hub that facilitates the exchange of best practices and technical assistance, ensuring that the transition is supported by a continuous and stable framework of expertise.

SGI Europe will actively contribute to these processes and sees them as an appropriate means to assess implementation challenges and inform future reflection, rather than as a precursor to immediate new binding obligations.

The diversity of transition pathways across sectors and territories, the need for Member States to be actors in ensuring the right employment and labour market policies, social partners contributions and joint work such as collective agreements and funds, combined with the already dense EU policy and funding landscape, argues against a one-size-fits-all legislative approach. Priority should instead be given to strengthening governance, social dialogue, skills anticipation and the effective use of existing instruments.

EU funding instruments play a crucial role in supporting just transition objectives. The Just Transition Fund and the Social Climate Fund provide essential support for reskilling, job transitions and mitigating social impacts, particularly in vulnerable regions. At the same time, it is important to ensure that these instruments remain accessible to local and regional service providers, are well coordinated with skills and employment policies, and are aligned with real workforce and service delivery needs. Funding should act as a supportive lever for implementation and adaptation, not as a channel for introducing new horizontal conditionalities.

At this first stage of consultation, SGI Europe therefore considers that priority should be given to strengthening coherence and effective use of existing instruments, improving monitoring and anticipation capacities, and reinforcing structured social dialogue at sectoral and territorial level. Any further EU reflection on just transition should build on evidence and implementation experience, without pre-empting legislative outcomes or social partner negotiations.

Enforcement and the role of social partners

SGI Europe underlines that effective enforcement of EU labour legislation depends not only on formal compliance mechanisms, but on how implementation is anticipated from the drafting stage and onwards. Experience shows that directives which explicitly recognise the role of social partners in their implementing provisions enable smoother, more proportionate and more effective application at national and sectoral level. By contrast, insufficient anticipation of how social partners contribute in practice can lead to legal uncertainty, uneven application and unnecessary friction at workplace level.

Against this background, SGI Europe considers it essential that any future Quality Jobs Act provides for a systematic and meaningful role for social partners in its enforcement and implementation clauses, in full respect of national traditions and social partner autonomy. Collective bargaining and joint implementation mechanisms should be recognised as key vectors for translating EU objectives into workplace realities, complementing public enforcement while strengthening ownership, legal certainty and compliance.

SGI Europe also recognises the role played by labour inspectorates in some Member States for the effective implementation of EU labour law. Their effectiveness, however, depends primarily on adequate resources, skills and institutional capacity, rather than on the extension of formal powers.

Labour inspection remains a national competence, embedded in diverse institutional and legal traditions across Member States. EU action should therefore focus on supporting capacity-building, guidance, exchange of good practices and cooperation, including with social partners, while avoiding one-size-fits-all approaches. In this context, the European Labour Authority (ELA) can play a constructive supporting role, notably by facilitating cooperation and coordination in cross-border situations. Looking ahead to the forthcoming Labour Mobility Package in 2026, any reflection on the mandate of the ELA should reinforce this supportive function, rather than duplicating or centralising enforcement responsibilities.

In this context, SGI Europe underlines the importance of avoiding one-size-fits-all approaches to enforcement. EU labour legislation should continue to provide a clear legal framework while leaving sufficient room for Member States and social partners to adapt implementation to specific national, sectoral and workplace circumstances, as exemplified by the risk-based approach of the OSH framework. Effective enforcement does not require harmonisation down to the smallest detail. On the contrary, excessive uniformity risks undermining simplification efforts, competitiveness and the quality of services delivered to citizens.

3) Would you consider initiating a dialogue under Article 155 TFEU on any of the issues identified in this consultation?

Conclusion and way forward

SGI Europe welcomes the Commission's reflection on how to promote quality jobs. Across the different themes addressed in this response, several transversal messages emerge clearly.

Improving job quality requires a pragmatic and differentiated approach that reflects the diversity of sectors, workplaces and national industrial relations systems. While the challenges identified by the Commission are real, they interact with an already extensive EU labour law framework. Priority should therefore be given to effective implementation, coherence and simplification, rather than to the introduction of new horizontal regulatory instruments.

Social partners through social dialogue and collective bargaining remain central to delivering quality jobs in practice. Experience across the areas covered by this consultation confirms that solutions developed and implemented with the involvement of social partners are more proportionate, more effective and more sustainable. This applies equally to policy design, implementation and enforcement.

SGI Europe also underlines the importance of focusing on capacity, governance and practical tools. Strengthening skills, guidance, cooperation between actors and the use of well-designed digital instruments can significantly improve outcomes on the ground, while supporting legal certainty and reducing administrative burden.

With regard to the possibility of negotiations under Article 155 TFEU, SGI Europe recalls that this first-stage consultation takes place in parallel with ongoing discussions on the EU social partners' Work Programme. The issues addressed are closely linked to workplace realities and therefore fall within the scope of social dialogue. However, it is premature at this stage to determine whether any of these topics would be best addressed through direct negotiations between social partners. This question should be explored further in the coming months, including in the context of the second-stage consultation.

SGI Europe remains committed to engaging constructively with the Commission and the other European social partners on the most effective ways to support quality jobs across the European Union.