

## MEMORANDUM

# The Danish Government's views on the forthcoming action plan to implement the European Pillar of Social Rights

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### Overall remarks

The European Union is a global role model for the social market economy, combining high employment, a high degree of social equality and sustainable growth, in accordance with Articles 9 and 151-161 of the TFEU, and the European Social Charter.

Since the European Pillar of Social Rights (hereinafter referred to as "the EPSR") was proclaimed at the Social Summit in Gothenburg on 17 November 2017, it has served as a compass for the development of the EU social dimension. In the Strategic Agenda for 2019-2024 the EU Member States declares that: *"The European Pillar of Social Rights should be implemented at EU and Member State level, with due regard for respective competences."*

The reference to implementation at different levels and the respective competences is key, because the EPSR addresses a number of issues related to the Member States' different labour market models and social protection systems. These differences require policies that take into account the situation in the individual Member States, including the involvement of the social partners. It is necessary to ensure regulation and reforms that works in practice.

It is thus crucial for Denmark that further work based on the principles of the EPSR must continue to respect the division of competences between the EU institutions, the principle of subsidiarity, and the different labour market models, including the role and autonomy of the social partners.

In addition, it must be borne in mind that the principles of the EPSR are not legally binding. It follows that concrete proposals for regulation at EU-level regarding the principles of the EPSR must be treated as separate proposals according to the normal procedure.

Denmark has a number of suggestions for new initiatives inspired by the 20 principles of the EPSR that could be included in the forthcoming action plan to implement the EPSR. The proposals are elaborated below and include, among other things, lifelong learning, social dialogue, safety and health at work, free and fair movement. Reference is also made to the two attached non-papers on a European ID card and social dialogue.

It should be noted, that any references below to proposals from the Commission - presented or forthcoming - should not be taken as an expression of a detailed Danish position and therefore do not prejudge the Danish position on the specific proposals.

It should also be noted that in recent years a number of initiatives have been adopted that contribute to support the principles of the EPSR. This includes the European Accessibility Act, the ongoing updates of the Directive on the Protection of workers from the risks related to exposure to carcinogens or mutagens at work, the Directive on transparent and predictable working conditions, the Council Recommendation on access to social protection for workers and the self-employed, ELA, a greater focus on the social dimension in the European Semester and the Council Conclusions on improving the working and living conditions of seasonal and other mobile workers.

It is important that we jointly make these initiatives work in the best possible way. It is therefore a key task over the next few years to focus on the implementation and enforcement of the existing regulation, especially to support the goal of free and fair movement.

Finally, the ESPR can continue to serve as a compass, including as part of the Open Method of Coordination and the European Semester. But as the Commission also points out in the consultation on the action plan to implement the EPSR, action at EU level is not enough to deliver good social outcomes. The Member States, the regions, the local authorities, the social partners, the enterprises and the civil society organisations all play crucial roles at their various levels in delivering good social outcomes. This is especially the case when it comes to designing and delivering on labour market policies and reforms with the aim of enabling more people to participate in the labour market on decent terms.

### **Suggestions for additional initiatives related to the principles of the EPSR**

#### *Lifelong learning, reskilling and education (principles 1 and 4):*

It is vital to ensure a workforce that is continuously adapted to changes in the labour market so that no one is left behind. It is vital at all times, but the need is emphasised by the green transition, the digital transition, and as part of the recovery from the COVID-19 pandemic. Denmark, therefore, supports the focus on lifelong learning and upskilling within existing funding of relevant programs of the European funds, in particular, the European structural funds. In addition, it is key to focus on ensuring all young people's education or employment, so Denmark supports the continued work on the Youth Guarantee.

#### *Gender equality and equal treatment (principles 2 and 3):*

All people should have the same opportunities to unleash their full potential in relation to education, the labour market, and society in general. This applies regardless of gender, race or ethnic origin, religion or belief, disability, age, or sexual orientation. Denmark, therefore, supports the Gender Equality Strategy 2020-2025, just as Denmark welcomes the Commission's LGBTI + Strategy.

*Social economy enterprises (principle 4):*

Additional efforts should be made to ensure that people on the margins of the labour market are able to become part of the working community. One element in this may be support for employment in social economy enterprises. Denmark, therefore, looks forward to the Commission's forthcoming proposal for an action plan for the social economy.

*The balance between rights and obligations (principle 5):*

The balance between rights and obligations is a crucial element of the flexicurity approach. This balance should be considered when planning regulation in the field of employment. However, it is crucial that the overall design of the labour markets, including both the passive and active labour market policies, and the social systems continue to remain a matter of national competence.

*Free and fair movement (principles 5, 6, and 10):*

The free movement of people and services is a prerequisite for a strong and competitive EU. Free movement makes it possible for enterprises to prosper, people to succeed, and societies to progress. But it is not enough to ensure that movement is free. We also need to ensure it is fair. Fair for the worker, fair for the businesses, and fair for the society at large. Fraud, abuse, and exploitation of workers are continuous challenges.

Denmark calls for a European ID Card, a European blacklist, and a social protocol. The possible European ID Card is addressed in the attached non-paper. The European Labour Authority should effectively strengthen cross-border cooperation and enforcement and help the Member States identify fraud and abuse concerning e.g. bogus-self employment, letter box companies and unlawfully obtained social benefits. In addition, seasonal and posted workers should be some of the key target groups of ELA's risk assessment, inspection, and enforcement activities.

*Platform economy workers (principle 5):*

The platform economy can contribute to foster labour market participation for people at the margins of the labour market, but the working conditions for platform economy workers must not lead to a race to the bottom. Decent working conditions should be ensured for all in the platform economy. The main responsibility for ensuring decent working conditions should remain within the Member States, while the key EU focus should be on enforcement and exchange of best practices. It is therefore vital that the coming initiative on improving the working conditions of platform workers respects the role and competences of the Member States and the different labour market models, including those where social partners are responsible for pay and working conditions.

*Wages and social dialogue (principles 6 and 8):*

Every worker in the EU should be able to make a decent living when working full time. For the sake of the individual worker but also for the sake of fair competition in the internal market. Denmark recognizes the challenges in this area and supports the purpose of the proposed initiative on minimum wage. However, binding EU-measures on minimum wage runs the risk of undermining well-functioning labour

market models where wages are set exclusively through collective bargaining, and where the social partners negotiate wages without political interference. Instead, a lot can be done by creating non-binding incentives to promote social dialogue in Member States. In this regard, a number of initiatives could be taken at the EU level in terms of awareness-raising, exchanging best practices, identifying opportunities and obstacles and making recommendations, supporting capacity building, creating incentives, etc. These possible measures are described in the attached non-paper on social dialogue.

*Occupational Safety and Health (principle 10):*

It should be the aim that no one gets ill from going to work. Denmark calls for an increased focus on and transparency of the implementation and enforcement of existing regulation concerning occupational safety and health. In the future, there must also be a focus on “classic” issues like the improvement of the working conditions, including for instance the continuous updating of the Directive on the protection of workers from the risks related to exposure to carcinogens or mutagens at work. The forthcoming proposal for a New Occupational Safety and Health Strategy should also address “new” issues such as the psychosocial risks.

*Early childhood education and care (principle 11):*

Early childhood education and care (ECEC) of high quality is an important element in ensuring children’s well-being, learning, and development. ECEC of high quality is important for all children; however, research shows that ECEC of high quality is especially important for the development and learning of children in vulnerable positions. In addition, accessible and affordable quality ECEC is critical in relation to supporting equal labour market participation for both women and men. There is therefore a continued need to focus on reaching the Barcelona targets.

*People with disabilities (principle 17):*

All people should be offered the possibility to be included in general society, including in education and the labour market. Therefore, Denmark looks forward to the Commission’s forthcoming proposal for a European disability strategy post 2020 and supports the vision of an implementation of the UN Convention on the Rights of Persons with Disabilities in the EU.