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## **Consultation response from LO, FTF and AC regarding the EU-Commission's proposal for the establishment of a European Pillar of Social Rights**

LO, FTF and AC (Akademikerne) have received the consultation regarding the Communication from the European Commission on a European Pillar of Social Rights and have the following comments:

On 26 April 2017, the European Commission presented its proposal for a European Pillar of Social Rights. The proposal is part of the Commission's work to "build a more inclusive and fairer Union".

### **Generally**

LO, FTF and AC welcome the Commission's initiative. It is, generally, positive that the Commission wants to develop a European Pillar of Social Rights which takes into consideration the new challenges and conditions on the European labour markets and which will build on the existing instruments, principles and values, including the Charter of Fundamental Rights.

We highly commend the attempt underlying the Commission's initiative, the Pillar of Social Rights, to seek solutions to a number of the challenges that globalisation, digitization, wage dumping and unemployment that European citizens are facing. We therefore appreciate the Commission's focus on strengthening social dialogue which is a crucial precondition for a well-functioning labour market.

At the same time, it is very positive that the Commission, with this initiative, acknowledges that that economic development should result in greater social progress and cohesion and that, in addition to ensuring decent conditions and a social safety net, social policy and labour market policy should also be conceived as productive factors that maximise job creation and human capital, among others.

LO, FTF and AC share the Commission's view that, in spite of recent improvements in economic and social conditions across Europe, the continent is still struggling with

the aftermath of a decade of economic crisis. This includes challenges relating to long-term unemployment and youth unemployment as well as increasing risks of poverty in many of the EU's member states. LO, FTF and AC also agree to the need for the EU to respond and adapt to new challenges facing society.

The Commission suggests that, in principle, the Pillar of Social Rights should apply directly in the euro area. LO, FTF and AC acknowledge that there may be a need to improve the function of the EMU as well as the upward convergence within the euro area. Meanwhile, LO, FTF and AC are concerned about such a separation between euro area and non-euro area member states, and therefore find that the initiative should be open to all EU member states. Whether or not Denmark should join the Pillar is still too early to say.

### **The presentation of the Pillar and the individual chapters**

It is currently not clear which legal status the proclamation with the twenty principles will have. One of the EU's social objectives is to promote the well-being of its peoples (Article 3 TEU). The Union shall act only within the limits of the competences conferred upon it by the Member States in the Treaties to attain the overall social objectives set out therein (article 5(2) TEU). The use of these competences shall be in accordance with the principles of subsidiarity and proportionality (article 5(3) and 5(4) TEU). Article 153(5) of the Lisbon Treaty establishes that pay, the right of association, the right to strike or the right to impose lockouts are not EU-competences. These areas are therefore solely a national competence.

With regard to article 152 of the Treaty, a European Pillar of Social Rights must, naturally, respect this distribution of competences between the EU and the member states and, not least, take into account the diversity of national systems and traditions and the autonomy of the social partners.

LO, FTF and AC can therefore, with reference to article 151 of the Lisbon Treaty, generally, support a European Pillar of Social Rights consisting of a set of key principles that, using benchmarking, among other things, can underpin an upward social convergence that contributes to improvements for European workers.

Assuming that the above distribution of competences is fully respected, LO, FTF and AC currently have the following comments to the individual chapters in the draft proclamation on the European Pillar of Social Rights:

#### **Equal opportunities and access to the labour market**

Labour market access is an important precondition for the individual and for the welfare of society. The labour market must therefore be open and inclusive so that as many as possible can, according to their abilities, participate on the labour market. LO, FTF and AC therefore support initiatives that can promote equal opportunities and access to the labour market - including training and education, lifelong learning, equal opportunities and non-discrimination.

In so far as equal opportunities is concerned, LO, FTF and AC would like to point out, in this connection, that equal opportunities in the labour market and in the family, in

addition to being an aim in itself, would also create growth and better utilization of the resources of both parents. The work to promote better opportunities for fathers to take paternity leave and strengthen the work-life balance by working for welfare benefits as well as flexibility and agreements that accommodate the needs of the family is therefore important to LO, FTF and AC.

In connection with the above, it is important that any initiatives based on the Pillar cannot set aside collective agreement terms, which is why they must be able to be implemented by agreements.

### **Fair working conditions**

Meanwhile, there is a high need for further strengthening the influence of the social partners by supporting and extending collective bargaining and the right to organise. It is therefore positive that the Pillar recommends that the social partners be consulted regarding the design and implementation of economic, employment-related and social policies - Just as it is positive that the Pillar tries to promote social dialogue and collective bargaining.

LO, FTF and AC agree with the Commission that the Pillar should respect national practises and the autonomy of the social partners, not least when it comes to questions pertaining to pay. For the same reason, we cannot support the wording in item 7b regarding information about employment conditions and protection in case of dismissals. In our opinion, this is a national matter.

LO, FTF and AC share the Commission's concern that the so-called atypical forms of employment can be used to circumvent the ground rules that apply to businesses and on the labour market. Circumvention must always be fought. LO, FTF and AC, however, cannot support an actual ban against atypical employment. Instead, LO, FTF and AC work to improve conditions for atypical employees so that they are ensured decent (health and safety) conditions, a decent living during their working life, continuous skills' development as well as a pension that allows them to withdraw from the labour market after a long working life.

It is positive that the Commission underlines that good occupational health and safety is an important part of a good working life. Strengthening occupational health and safety is an important precondition for ensuring more, good years on the labour market. In this connection, LO, FTF and AC look forward to specific and ambitious proposals from the Commission that can underpin a rising level of protection in the EU. - Not least in connection with the ongoing revision of the directive on carcinogens as well as initiatives that prevent a poor physical and psycho-social working environment.

### **Social protection and inclusion**

It is positive that the Commission supports a broad effort regarding social security and employment etc. However, in this connection, it is worth noticing that a number of the affected areas, including employment policy and unemployment benefits, are national competences.

However, the EU can work to promote upward convergence while fully respecting the autonomy of the social partners as well as the national latitude of the member states, including the possibility to preserve existing systems and rules in connection with which a distinction is made in certain areas between the levels of security offered. In a Danish context, this could be in relation to the Danish rules on a waiting period, requirements for income levels in order to obtain the right to unemployment benefits etc.

As for the specific principle regarding unemployment benefits, LO, FTF and AC see no reason to accentuate that the benefits must not constitute a disincentive to finding new employment quickly. Such wordings throw unnecessary suspicion on the unemployed.

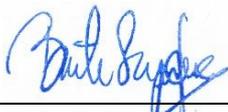
We have noted that the provision in item 14 relates to minimum income and not minimum wage. It is crucial that any principle on minimum income is not applied in order to, by a roundabout way, introduce the minimum wage and thereby circumvent the Danish model and the autonomy of the social partners.

### **Summary**

The proposal for a European Pillar of Social Rights is an important initiative. A bigger focus on the social area in the EU can contribute to raising the social standards across the EU and can contribute to fighting social dumping. It is crucial that the Pillar respects the distribution of competences laid down in the Treaty of Lisbon, including, not least, the national labour market models and their diversity and traditions as well as the autonomy of the social partners.

LO, FTF and AC therefore, generally, support a European Pillar of Social Rights based on a number of general principles that can underpin an upward social convergence in the EU.

Yours faithfully,



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Bente Sorgenfrey  
*President of FTF*



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Lars Qvistgaard  
*President, Akademikerne*



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Arne Grevsen  
*First Vice President, LO*