



50 Proposals for a Fairer EU



United Federation of
Workers in Denmark

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A Fairer EU

Dear reader,

The European Union has undoubtedly brought prosperity and progress to Europe. However, it has also created challenges. Some of these challenges are caused by the EU. Some by the Member States. Some have a global cause. Some have a local cause. Some of the challenges have been solved by the EU. Others still have a long way to go. In some of challenges, the EU has a key role to play. Others challenges are not within the scope of the EU's competencies – but rather the Member States'.

3F calls for a Europe that is fair for the workers, the companies, the climate and the citizens. A Europe in which we develop the European project, improve the conditions of the workers and safeguard the national collective bargaining models that continue to be a pillar of the European cooperation.

In this context, 3F has put forward a series of proposals on how to get the EU on board for:

- Fair mobility without dumping
- A fair labour market
- Fair representation with respect for national differences
- A fair future

In short – 3F calls for the EU to be fairer for all.

Enjoy the read!

Per Christensen
President of 3F

&

Peter Kaae Holm
President of 3F's Green Group
and responsible for EU policy in 3F





Fair mobility without dumping

Better rules to combat social dumping

Social dumping is one of the biggest threats to European workers today. In Denmark there are many examples of exploitation of mobile and migrant workers. On construction sites, in food delivery, in transportation, on the farms and greenhouses, in the cleaning and in the fishing industry. Therefore, we need an extraordinary effort in the EU and in the Member States to combat social dumping, to ensure fair mobility and achieve real “equal pay for equal work at the same workplace”.

Social dumping is one of the biggest threats to European workers today.

3F therefore works for:

1. A revision of the Public Procurement Directive to ensure enforcement of national and European labour rights and health and safety standards. This can be done by strengthening the requirements for social clauses in public procurement, by prioritising social aspects in the prequalification of tenders and by increasing the possibility for social partners to engage in dialogue with tenders before, during and after the contract' closure.
2. A revision of the Temporary Agency Work Directive to strengthen decent working conditions and equal treatment for temporary agency workers and other temporary workers. The revision must include the certification of temporary work agencies wishing to operate in the single market, including a registration in a new European register linked to the European Labour Authority. In addition, temporary work agencies that do not comply with the requirements of the Directive on Decent Working Conditions and Wqual Treatment should be banned from operating in the single market. Moreover, the user undertaking must be held liable as an employer in the event of circumvention through de facto temporary work via enterprises.
3. Prevent the exploitation of skilled and unskilled third-country nationals across the EU, by restricting execution of work and services in other Member States to one which issued work and residence permit. In this context, speculation in abuse of posted third-country nationals can be reduced by reinforcing control of posting companies, including temporary work agencies specialised in posting third-country nationals. Additionally, we want to ensure that foreign companies operating in the EU are subject to the same state aid rules as EU companies, to prevent unfair competition and unrealistic offers.
4. A guarantee that agreements of industrial arbitration and rulings issued in one Member State are legally recognised in other Member States and that penalties can effectively be recovered, to ensure legal certainty within the single market.
5. The adoption of a social progress protocol as an addendum to the Lisbon Treaty, to ensure that the collective and social rights are not subordinated to the economic freedoms in the single market.



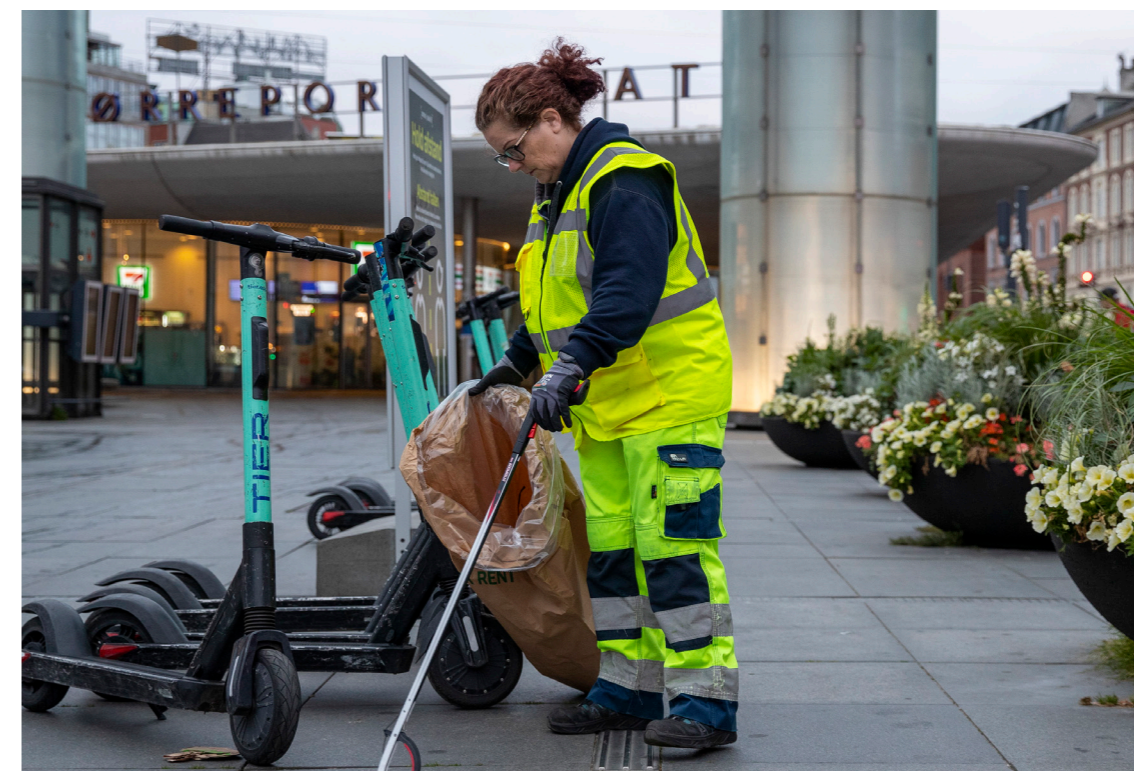
Reinforce control of social dumping

Many mobile workers work temporarily in other Member States as self-employed, posted workers or as hired labour. Unfortunately, this group of workers is often victim of circumventions of collective agreements and established labour rights combined with creative use of social security and taxation methods and organised illegal labour-hire. Therefore, it is important to strengthen national and cross-European enforcement of national, European and international rules and collective agreements concerning mobile workers. This will enable the identification, monitoring and penalisation of companies that violate European, national and local regulations on pay and working conditions.

It is of utmost importance that we strengthen European enforcement of national, European and international rules and collective agreements concerning mobile workers.

3F therefore works for:

6. The introduction of a digital European Social Security Number or a European Social Security Pass with the provision for a physical European Personal Labour Card for employees, self-employed and subcontractors. This will provide access to information on which employer the individual worker works for, where and how their social security is registered, where they are taxable etc. This will allow for effective enforcement of social security, tax payments, workers' rights and fair mobility – thus contributing to decent pay and working conditions corresponding to local standards.
7. Ensuring an efficient European Labour Authority (ELA) combating social dumping and undeclared work across borders. It is crucial for 3F that ELA respect national labour market models and the central role of social partners in the enforcement. In addition, 3F calls for a well-distributed and easy-to-understand case-description format in all languages, accessible information for national social partners, an effective and timely case procedure, the creation of national labour market liaison units, control of legal posting, a special awareness of third-country nationals and platform workers, geographical representation in ELA's staff and the division of competences in the EU.
8. The establishment of a European exclusion mechanism to exclude contractors and subcontractors who repeatedly engage in social dumping, money laundering, organised crime, illegal labour-hire or engage in human trafficking. This will make it easier for contracting entities, public authorities and social partners to navigate in the field of suppliers. This includes the development of a real-time database in ELA, to ensure validity of the information provided by companies operating across borders.
9. The effective implementation and enforcement of relevant EU initiatives targeting the regulation of cross-border workers with respect for labour market models and social partners autonomy. This includes the Posting of Workers Directive, the Transparent and predictable working conditions Directive, the ECJ judgement CCOO vs. Deutsche Bank (C-55/18) and the Directive on Work-Life Balance.
10. A committed enforcement of the Mobility Package with the effective implementation of electronic enforcement solutions such as camera surveillance at borders and smart tachographs. 3F also calls for an increased focus by authorities on compliance with the national roadside inspections in EU Member States.



Improve workers' rights in EU trade agreements

More than 36 million jobs in the EU are related to export to countries outside the EU. ¹ Trade is a driver for economic growth and a key priority for the EU. 3F believes that, as a global actor, the EU should not only take responsibility for workers' rights in Europe, but also across the globe. We want to ensure that the EU's trade agreements do not promote unfair working conditions nor unfair competition. Instead, the agreements should act as a lever for a global business model that is sustainable and responsible both in terms of labour rights, the environment and climate impact.

3F therefore works for:

11. Efficient requirements to ensure that the EU's trade partners meet international labour rights standards, especially the ILO conventions. This implies clear requirements that third countries ensure that foreign workers receive equal. These requirements must be matched by promises of market access, assistance and technical expertise, for example through development aid, training and support to capacity building of institutions.
12. The introduction of prior approval tools for EU trade agreements including economic incentives. In practice, this will mean that the EU can stipulate numerous requirements to be met before an agreement can be ratified and enter into force.
13. Ensuring that violations of ILO conventions and other worker protection provisions are met with tangible financial sanctions. Amongst these, a gradual implementation of trade preferences (e.g. lower tariffs), will, combined with the implementation of ILO conventions, act as a strong incentive. In this regard, the social partners in the country should be consulted, to assess whether ILO conventions are implemented and complied with.
14. Due diligence as an integral part of EU trade agreements, to ensure greater responsibility throughout the supply chain. Due diligence should be based on the UN Guiding Principles on Business and Human Rights and the OECD guidelines for Multinational Enterprises.
15. That the social partners and civil society are an essential part of the monitoring via the established consultative forums (Domestic Advisory Group). This necessitates significantly more resources for the consultative forums and the civil society organisations that actively participate in them.



A fair labour market

Strengthen working conditions for non-standard workers

40 percent of European workers are atypically employed as temporary workers, fixed-term employees, solo self-employed, part-time employees or workers on platforms.² For three million of them, platform work currently provides their primary income and this type of work is growing rapidly globally. Unfortunately, most workers on platforms do not have decent pay and working conditions. The main problem is that too many digital labour platforms deliberately avoid their employer responsibilities, by claiming that they are running an intermediary platform business. Consequently, many workers on platforms become false self-employed. This creates unfair competition and pressure on pay and working conditions in fairly operating companies. The challenges are particularly pronounced in the transportation, service and construction sector, but, are spreading rapidly these years, posing a threat to established wage and working conditions, collective agreements, existing labour market models and workers throughout the EU.

3F therefore works for:

16. That workers on platforms and other non-standard workers are categorised as employees through a broad EU concept of “worker”, in line with national labour market models and by the introduction a rebuttable presumption of an employment relationship whereby platform workers are considered as employees rather than self-employed.
17. Rejecting any kind of third category of workers in the EU, so that workers on platforms and other non-standard workers do not “fall between two stools”, thus neither enjoying the freedom of the self-employed nor the rights of the employees.
18. That the EU actively supports its Member States in protecting workers in short-term and precarious forms of employment. This is to ensure genuine “equal pay for equal work at the same workplace” for the vulnerable group of temporary, platform, fixed-term and part-time workers. Furthermore, EU initiatives within the labour platform sector should be extended to cover the wider group of unprotected non-standard workers.

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Improved transition opportunities and employee protection

The European labour market is undergoing profound changes. Entire sectors are closing, while new jobs are being created due to COVID-19, digitalisation, automation and globalisation. As a result of this, European workers must adapt to a changing labour market. Therefore, ambitious investment in the workforce is crucial to ensure that nobody is left behind, by improving the individual worker’s access to employment, adult education and training.

3F therefore works for:

19. Increasing the funding for upskilling skilled and unskilled workers as well as young people outside the labour market (NEET) through the Just Transition Fund, the European Social Fund+, the European Globalisation Adjustment Fund, the Youth Guarantee, the Digital Europe Programme and the Erasmus+ Programme.
20. A revision and better enforcement of the Directive on Transfer of Undertakings, to re-call and re-boost its original purpose of protecting workers and ensuring that this protection covers all affected workers.
21. Improving transition opportunities for workers affected by globalisation in the event of pandemics, relocation of workplaces, trade sanctions from third countries, Brexit etc.

A better and safer work environment

Today, far too many people are exposed to unnecessary physical or psychological occupational hazards. Eight percent of all cancer cases are due to occupational exposures, and every year up to 3,300 Europeans die in work-related accidents.³ This can be prevented, if the safety and welfare of workers were prioritised over profit. Therefore, we must make it impossible to compete on poor working conditions for both companies and the EU Member States.

3F therefore works for:

22. Lower exposure limits for a minimum of 50 substances in the Directive on Carcinogens and Mutagens at work and inclusion of reprotoxic substances in the Directive.
23. The introduction of a strategy to make Europe free from asbestos, including strengthening the Asbestos Directive and developing action plans at a European and national level for the safe removal of asbestos, among others in the context of the energy renovation of buildings.
24. Initiatives to prevent accidents at work, including by applying health and safety clauses in public procurement.
25. An increased focus on avoiding physical and psychological burnout through a comprehensive Directive on Workplace Ergonomics, as well as the introduction of a directive on the psychological working environment.
26. Inclusion of platform work in the Framework Directive on Health and Safety at Work, including all types of worker status - both employees and self-employed.
27. Adoption of clear targets to strengthen and update EU’s health and safety regulation and to actively prevent a reduction in protection, as a result of initiatives stemming from the REFIT programme.

Fair representation with respect for national differences

Respect for national collective bargaining models

In collective bargaining labour market models, such as the Danish and the Swedish, flexible collective agreements provide ample scope for individual companies to adapt their agreements to the needs of the company and its workers. This model is rooted in an equal relationship between the social partners based on rights in the collective agreements. This is by no means the case in all EU Member States. If the EU is to contribute to higher wages or better social protection in the individual Member States, it is of utmost importance that it is in full respect of the Treaty and of the specific labour market models and welfare schemes in the individual Member States.

3F therefore works for:

28. Ensuring that all EU legislation, institutions and initiatives respect national collective bargaining systems, collective agreements and the right to take collective action. The respect for Article 153(5) of the Treaty is central. It clarifies that the EU has no competence on wage formation or collective bargaining. This approach must underpin all initiatives emanating from the Social Pillar.
29. Avoiding a Directive on European Minimum Wages which neither respects the Treaty nor the division of competences between EU and its Member States. This would be detrimental to well-functioning collective bargaining models.
30. An effective and balanced Pay Transparency Directive ensuring that women and men in the EU receive equal pay for equal work but not undermining the collective bargaining models.

3F works to ensure that all EU legislation, institutions and initiatives respect national collective bargaining systems, collective agreements and the right to take collective action.



Strengthen collective representation

The relatively high level of pay and working conditions in Denmark is essentially due to a collective agreement model which is rooted in the principle that the social partners negotiate the collective agreements. But the case of Denmark is not the case of all EU Member States. Therefore, collective bargaining models need to be strengthened and promoted at a European level, with greater involvement of the social partners in all relevant legislation and its enforcement.

3F therefore works for:

31. Investment in long-term capacity building for national and sectoral social partners through EU funds, projects, programmes and mentoring schemes.
32. The extension of the country-specific recommendations to include the involvement of the social partners in wage-setting mechanisms and bargaining structures.
33. The inclusion of social dialogue in the European Commission's impact assessments when preparing and presenting new policy proposals and initiatives.
34. The earmarking of EU funds to support marginalised groups and regions through increased employment initiatives and the fight against poverty with the participation of social partners.
35. A better representation of European and national social partners in EU agencies, public authorities, committees and institutions, in order to ensure practice-oriented initiatives and legislation which takes the various European labour market models into account.
36. An improved sectorial social dialogue at EU level with more comprehensive and timely involvement of the European and national social partners. This includes the drafting and political processing of proposals concerning social, labour market and educational policy as well as equality issues.

Combat the exploitation of welfare benefits across borders

3F supports fair free movement of labour in the EU. Unfortunately, some employers systematically exploit their employees' passive social benefits by including them as parts of the salary package and thereby facilitating social dumping. These employers are exploiting both their employees and the national welfare schemes.

3F therefore works for:

37. A genuine active labour market connection in a Member State (such as the current 296 hours of employment in Denmark) remains the condition for social benefits entitlement.
38. That the portability period of unemployment benefits from one Member State to another remains three months. This is to promote an active labour market policy across borders and active job seeking.
39. Preventing employers' speculation in bringing social benefits across borders as a salary supplement.



A fair future

A green transition for all

There is an undeniable need for a green transition – locally, nationally and globally. It is important for the European workers and for future generations. The COVID-19 crisis has been costly, but the climate crisis will quickly become the same – in terms of lives, jobs and incomes. 3F works to ensure that the green transition develops businesses, workers and communities in the EU, rather than dismantling them.

3F therefore works for the following elements in the European Green Deal and the Fit for 55-package:

40. Adequate funding in climate policy proposals, to avoid that climate action leads to increased inequality and unemployment. The EU green transition must not happen at the expense of EU funds targeting employment, upskilling and poverty reduction.
41. Ensuring that there are timely and qualified training and upskilling offers for those directly and indirectly employed in jobs which are particularly affected by the green transition.
42. Active involvement of social partners and employees in the transition process, as they have valuable knowledge and expertise from the workplace, on the sectors, human concerns and skills requirements.
43. A level playing field for companies involved in the green transition, both inside and outside the EU, including a climate tax on goods coming from outside the EU (CBAM). This to prevent that that EU's climate action simply exports emissions out of Europe. Such an EU climate tax on third country goods must be designed in a way that compensates low-income groups, for the percentage of additional consumption.

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A smart and inclusive digital transition

Economic crises and transitions often have a skewed social impact. During an economic crisis, the groups affected the most are the young, the skilled and unskilled workers, the elderly, non-western immigrants and their descendants. Following the COVID-19 crisis, millions of workers have lost their jobs, many businesses have lost turnover and parts of the public sectors are still under pressure from this extraordinary situation. At the same time, the EU is facing a comprehensive digital transition. For 3F, it is crucial that workers do not pay the price of the COVID-19 crisis and the digital transition, but that the recovery and the transition must benefit the many, not just a few.

3F therefore works for:

44. Ensuring that the national social partners are actively involved in the implementation and monitoring of national recovery plans and the evaluation of Member States' compliance with the European and national digital targets. This also implies involvement in responding to and achieving the European Commission's country-specific recommendations.
45. A special effort on digital adult education and training in the context of the implementation of EU's recovery plans, including ensuring sector-specific and basic IT skills among low-skilled and skilled workers and allocating funds for labour market-oriented programmes targeting digitalisation.
46. Ensuring that the EU bases its approach to digital trade on the free exchange of data with the protection of personal data. It is essential that tools developed generate knowledge and information about the possible consequences of increased digital trade in this field.

Combat tax evasion

While more Europeans are forced to take on underpaid part-time and full-time jobs in order to make a living wage, the recent years' countless tax scandals have exposed a global class which ignores all regulations, in the endless pursuit of maximising profits. The common denominator for these scandals and acts of fraud is that there are increasingly less funding for our common welfare. Put simply, the tax scandals annually cost every EU citizen EUR 1,920. ⁴ In February 2021, the EU removed the last of the world's worst tax havens from its own list, but, the battle against tax havens is far from over.

3F therefore works for:

47. Effective EU economic and trade sanctions against tax havens countries and mandatory financial reporting in all countries in which companies have subsidiaries, as well as a strengthened EU tax list that includes genuine tax havens, including EU Member States.
48. Systematic monitoring of tax evasion and VAT-speculation through creative corporate structures such as letterbox companies, sole proprietorships, temporary work agencies, and through transfer-pricing.
49. The introduction of a turnover tax on Tech Giants such as Facebook and Google, who pay unreasonably low taxes in Europe, amounting to just 0.03% and 0.8%, respectively.
50. A tax on financial transactions (FTT) to mitigate harmful speculation, create greater stability on the single market and ensure that the financial sector contributes to society.



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3F United Federation of
Workers in Denmark

3F
United Federation of
Workers in Denmark
www.3f.dk

Copenhagen
Kampmannsgade 4
1790 Copenhagen V
Denmark

Contact 3F's head of EU-affairs
Nadja Abeln Olsen at
nadja.olsen@3f.dk

Brussels
Rue du Luxembourg 47-51
1050 Brussels
Belgium

Contact 3F's Senior EU consultant
Nadia Deis at nadia.deis@3f.dk