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Employment Committee

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Political opinion on the coordination of social security systems

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The Danish Parliament submits the following opinion on the Commission proposal for a revision of the rules on the coordination of social security systems (COM(2016) 815).

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The European Affairs Committee and The Employment Committee have considered this proposal.

A *majority* of the committees comprising the Social Democratic Party, the Liberal Party, the Red-Green Alliance, Liberal Alliance, the Socialist People's Party and the Conservative Party wish to make the following comments:

1. It is positive that the Commission establishes that the Danish rule on a minimum of 296 hours' work within 12 weeks as a precondition for entitlement to unemployment benefits can be maintained. However, it needs to be clarified whether the entitlement to unemployment benefits can be obtained either through the necessary employment requirement or through three months' membership of an unemployment insurance fund, or whether both requirements need to be met.

2. The majority reject the Commission proposal that the three months' right to seek work in another EU Member State should be extended to six months.

3. The majority cannot support the Commission proposal that frontier workers after 12 months' employment in a Member State are to have unemployment benefits paid by the Member State of most recent employment.

4. The majority find it unacceptable that the Commission has not included the proposal for indexation of child allowances to the extent these allowances are paid to children in another EU Member State.

5. The majority find it positive that Member States, also in future, cannot be directed to pay social benefits to economically inactive EU citizens over and

above the practice that follows from the rulings of the Court of Justice of the European Union.

6. The majority find that the extent and consequences of the following items of the Commission proposal need to be clarified: This applies to the consequences of the new changes regarding long-term care benefits, the relation to the definitions of the Posting of Workers Directive, as well as a number of administrative provisions in the implementing Regulation. The majority have called on the Danish Government to participate in the negotiations on the above-mentioned basis.

The majority have, furthermore, called on the Danish Government to examine at EU level whether it is possible to sharpen the Danish practice with regard to the concept of EU migrant workers in relation to the practice used in the other Member States.

A *minority* of the committees comprising the Danish People's Party point out that the Danish People's Party are fundamentally opposed to the free movement of labour in the EU which, with the accession of a number of East European countries and the increasing economic and social differences resulting from this, constitutes a continuously growing problem, contributing to putting pressure to bear on Danish wage earners' pay and working conditions.

The minority underline that the socioeconomic consequences of the large inflow of labour from, primarily, East European countries will at best be neutral for Danish society, but will in actual fact probably constitute a net loss in that unemployed Danes will be kept out of the job market.

It is the opinion of the minority that it should be up to Denmark itself to decide on who and how many foreigners should have access to the Danish labour market and, as an absolute minimum, what social benefits and social security systems those in question can qualify for.

In relation to the proposal for amending Regulation 883, the minority specifically take note that the proposal in many ways will aggravate existing problems regarding the free movement of labour and will not address the challenges which Denmark has drawn attention to.

The minority find it unacceptable that the Commission proposes to extend the duration of the export of unemployment benefits and to make the Member State of most recent employment responsible for the payment of unemployment benefits to frontier workers. This will make it even more attractive to speculate in benefits. Similarly, it will make it virtually impossible

to check whether recipients of these benefits are in actual fact available to the labour market.

Fundamentally, the minority are of the opinion that entitlement to child allowance should be based on the earning principle laid down in Danish legislation according to which entitlement to the allowance must be earned. Similarly, the children whose parents receive the allowance must reside in Denmark.

The minority find it unacceptable that the EU Commission not even as an absolute minimum contemplates the possibility of letting Member States index the child allowance, but the minority underline that this naturally is not sufficient as it is a requirement under Danish law that the children reside in Denmark.

The minority find that in the forthcoming negotiations on a revision of the Regulations referred to, the Danish Minister for Employment must aim at removing the worst elements of the Commission proposal.

At the same time, the minority point out that access to cross-border welfare benefits is already a giant step in the direction of a social union – and access to these should be removed for example in the perspective of future negotiations on amending the Treaty base of the EU.

Another *minority* of the committees comprising the Alternative and the Social Liberal Party support the Commission's overall aim and objective of revising the Regulation to strengthen cross-border workers' right to freedom of movement and to strengthen their legal certainty, as well as to achieve fair and equitable burden sharing between Member States. The Alternative and the Social Liberal Party want to see an Internal Market where not only economic rights are highly prioritised but also professional and social rights. The Alternative and the Social Liberal Party find that the Commission proposal amending the Directives is a step in this direction.

The Alternative and the Social Liberal Party welcome the Commission's decision not to include any indexation of the child and youth allowance as the Alternative and the Social Liberal Party are of the opinion that the principle of equal treatment applies in this case where cross-border workers pay taxes on their earnings and in so doing contribute to society where they work. Furthermore, the Alternative and the Social Liberal Party find that indexation of the child and youth allowance will prove a measure that is far too bureaucratic.

The Alternative and the Social Liberal Party find it positive that the Danish earning principle governing entitlement to unemployment benefits based on a

minimum of 296 hours' work within 12 weeks can apply within the proposed revision, and that there is a wish to change the principle of equal treatment in order to establish that economically inactive citizens have no automatic access to social benefits. Similarly, the Alternative and the Social Liberal Party find it positive that unemployed persons will now be able to bring unemployment benefits with them to another EU/EEA Member State in order to seek work for at least six months as this will enable the unemployed to seek other jobs than today. The Alternative and the Social Liberal Party also support the Commission proposal that frontier workers after 12 months' employment in a Member State are to have unemployment benefits paid by the Member State of most recent employment.

The Alternative and the Social Liberal Party find that there is a need for clarification of whether all social benefits can be exempted from the principle of equal treatment as well as clarification of the relation to the definitions of the Posting of Workers Directive and the consequences of the new changes regarding long-term care benefits.

The Alternative and the Social Liberal Party support the free movement of labour and are not of the opinion that the present Commission proposal will be an obstacle for Member States to pursue their own employment policies.

Yours sincerely

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Chair of the European Affairs Committee

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