

The European Pillar of Social Rights

Discussion paper of the German Social Insurance dated 26th November 2020

The German Federal Pension Insurance (DRV Bund), the German Social Accident Insurance (DGUV), the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband) and the national associations for statutory health and long-term care insurance have come together because of their common European policy interests to form the "German Social Insurance - Working Group Europe".

The German Social Security represents the interests of its members vis-à-vis the bodies of the European Union (EU) and other European institutions and advises the relevant players in the context of current legislative proposals and initiatives.

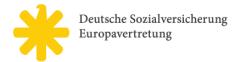
As part of Germany's statutory security system, health and long-term care insurance, pension insurance and accident insurance offer effective protection against the consequences of major life risks.

I. Preliminary remark

The European Pillar of Social Rights (EPSR) aims to improve equal opportunities and access to the labour market and to create fair working conditions. It also aims to improve social security and social inclusion. In addition to the continuing economic and social inequality within and between the EU Member States, it is, above all, the changed living and working conditions as well as demographic developments that make it necessary to reorient the social dimension in Europe.

The EPSR is a political instrument that can achieve positive effects while respecting the nation-state's powers to shape its own affairs. In conjunction with the European Semester, the EU has an instrument at its disposal with which it can make targeted recommendations for the further development of social aspects in the Member States.

With the newly created Next Generation EU development instrument, the EPSR will become more important as a social management instrument as the development funds can also be tied to the fulfilment of recommendations under the EPSR.



This is because, in the wake of the pandemic, Member States should give priority to supporting workers and their incomes and to social protection measures.

To support the implementation of the EPSR and to prepare its action plan to be presented in early 2021, the European Commission has launched a broad debate with all countries and regions of the EU and all its partners. In 2016, the umbrella organisations of the German Social Insurance welcomed the establishment of the EPSR. They continue to participate even now with constructive proposals in the discussion opened by the EU Commission. In doing so, they focus on those areas that are of particular importance to the institutions responsible for statutory accident, pension, health and long-term care insurance.

II. Comments

1. Chapter II: Fair working conditions

1.1 Principle 9: Work-life balance

"Parents and people with care responsibilities have the right to adequate time off work, flexible working arrangements and access to care and support services. Men and women shall have equal access to special leave for care or assistance duties and shall be encouraged to make balanced use of it."

Against the background of demographic developments, it is important to enable as many people as possible to participate in working life. Low birth rates and rising life expectancies are the driving forces behind demographic change, which will place a heavy burden on social security systems. Measures that promote a healthy work-life balance help to increase the number of employees subject to social insurance contributions and relieve the burden on social security systems.

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 welcomes measures that promote an appropriate work-life balance, increase women's participation in the labour market and reduce the gender pay gap.



1.2 Principle 10: Healthy, safe and appropriate working environment and data protection

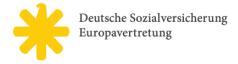
"Workers have the right to a high level of health and safety at work.

Workers have the right to a working environment that meets their professional needs and enables their prolonged participation in the labour market.

Employees have the right to the protection of their personal data as part of their employment."

The EU has extensive legislation in the field of health and safety at work, setting common minimum standards for the protection of workers and representing an important aspect of its social acquis. This provides a good basis for the upward convergence pursued with the EPSR with regard to a high level of health and safety at work and a working environment which meets the professional needs of workers and enables their prolonged participation in the labour market.

- welcomes the European Commission's plans to present an updated EU strategic framework for occupational safety and health for the 2021-2027 period. This framework aims to contribute to improving the health and safety of workers at work, including the prevention of occupational accidents and preventable work-related illnesses, avoiding the costs of medical and vocational rehabilitation and improving the sustainability of social security systems.
- also welcomes the intention to include new risks, such as those arising from new forms of work, new technologies and digitisation and the COVID-19 pandemic. The opportunities offered by new forms of work, new technologies and digitisation should also be taken into account.
- suggests a revision of occupational health and safety directives, which are
 no longer up to date in the light of technological progress, digitisation and
 changes in the organisation of workplaces, such as Directive 90/270/EEC
 on the minimum safety and health requirements for work at display work
 stations.



- supports in this respect the continuous revision of Directive 2004/37/EC on the protection of workers from the risks related to exposure to carcinogens or mutagens at work and supports, in principle, the updating of exposure limit values on the basis of new scientific knowledge.
- calls on the EU Commission to raise public awareness of the issue of prevention of cancer at work in the context of its future European plan to combat cancer.
- calls on the Commission to promote prevention in the workplace and to
 place greater emphasis on the benefits of effective prevention, including
 from an economic point of view¹. The aim must be the prevention of fatal
 and serious accidents at work and occupational diseases in line with "Vision Zero".

2. Chapter III: Social security and social inclusion

2.1 Principle 12: Social security

"Regardless of the nature and tenure of their employment, employed persons and, under comparable conditions, self-employed persons, shall have the right to appropriate social security."

The German Social Insurance sees the social protection of solo self-employed persons and platform workers as a special challenge, which is primarily addressed to the Member States. For this reason, the announcement by the EU Commission to make binding regulations on working conditions and social security for this group of people is viewed with caution. Though the EU should intervene as platform work often has a cross-border character.

- recommends pursuit of approaches of central reporting obligations for income from platform work, such as the project of a "Single Digital Window".
- suggests that Member States continue to implement the Council Recommendation on access to social security on the basis of appropriate indicators.

 $^{^1}$ See "Return on Prevention"-Studie der IVSS; https://publikationen.dguv/widgets/pdf/download/article/2799 $_{4/9}$



- advocates intensifying the exchange of best practice between the Member States with a view to involving the sole trader self-employed and platform workers as fully as possible in the social security system. Self-employed people are often not covered against loss of income due to illness or lack of orders. This should be addressed as a priority.
- believes that particular emphasis should be placed on innovative solutions in financing. It must be examined whether and how platforms and their customers can be held accountable.

2.2 Principle 15: Retirement income and pensions

"Retired employees and self-employed persons have the right to a pension that matches their contributions and ensures a decent income. Women and men are equally entitled to pension rights."

In the European social model, public pension systems play a central role in securing pensions. Depending on the Member States' preferences, they are supplemented by occupational and private pension schemes. Strong pension systems and a fulfilling working life on the basis of fair wages are guarantees for a successful retirement.

In view of the demographic change and economic conditions, all systems are faced with the challenge of financing adequate benefits on a sustainable basis. Solutions must primarily be found in a better and more inclusive world of work, so that those insured can acquire sufficient entitlements and be flexible in their retirement. It is often gaps in the employment biography or the pursuit of low-paid jobs that later have a negative effect on the pension.

One of the key features of any pension system is the definition of the statutory retirement age. In the past, it has been raised significantly almost everywhere; further increases for the future are being discussed. This should be done in an open democratic discourse at Member State level. Automatic adjustment formulas, such as linking the retirement age to the development of life expectancy limit the Member States' options for action and therefore, should be more flexible.

It seems more targeted to facilitate the extension of working life. This will be achieved not only by raising the statutory retirement age but also by increasing



participation in the workforce beyond the working life. Therefore, it seems necessary to supplement the existing health and safety regulations with workplace and job management especially in the case of strenuous or dangerous occupations.

The German Social Insurance

 expressly supports EU measures aimed at promoting the participation of women in the labour market, improving the work-life balance and reducing or eliminating the gender pay gap.

2.3 Principle 16: Healthcare

"Everyone has the right to timely, high-quality, affordable healthcare and medical treatment."

The COVID-19 pandemic has shown not only how vulnerable European countries are but also how important it is to work together on public health. The nation-centric approach is not a suitable strategy for fighting the crisis.

EU citizens should continue to be able to benefit from European unification in the future, for example directly through a functioning health insurance system for stays in other EU countries within the framework of the regulations on the coordination of social security systems. There is potential for the best possible health and nursing care in these regions through cooperation between health systems, especially in border areas.

But they also benefit indirectly from the good cooperation between Member States, not only in the field of health protection but also in the approval of medicines or in the development of strategies to combat diseases such as cancer.

The potential offered by Europe should be exploited. This concerns, for example, the evaluation of medicines and medical devices or the use of digitisation and artificial intelligence (AI), e.g. for joint research on health systems or healthcare.

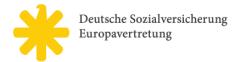
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 welcomes the fact that the EU Commission's pharmaceutical strategy aims to address key problems in the supply of medicines and to give people in



Europe access to essential medicines. It is essential to create a framework in which prices especially of new medicines can be capped, and innovative medicines can be made available in not-so-well-equipped health systems. European market approval must be subject to the condition that manufacturers also supply Europe-wide.

- suggests that the potential of digitisation should be tapped to the full in order to create transparency regarding the availability or unavailability of medicines and to enable Member States to increase supply reliability at reasonable cost by means of coordinated stockholding strategies.
- welcomes the fact that the European Medicines Agency (EMA) is to take
 on tasks in monitoring the supply of medicines and vaccines and working
 to prevent bottlenecks in the supply of medicines. In this context, a common understanding of the medicines considered to be essential should be
 developed across Europe.
- recommends removing obstacles to ensure that medicines are available across borders and that the benefits of the single market are fully exploited. The electronic package leaflet is a good example.
- appeals to the EU Commission, in the forthcoming revision of the regulations on orphan drugs, not to lower the existing standards for initial approval in the so-called accelerated procedure and to allocate funding specifically to drugs that are still neglected today, namely drugs for very rare niche diseases.
- supports joint efforts to promote the development of new antibiotics and prevent the development of antibiotic resistance.
- demands that the new regulations for medical devices and in vitro diagnostics be implemented swiftly and comprehensively after the one-year delay caused by COVID-19, so as to ensure uniform standards of medical care for all patients in Europe.
- supports the joint and Europe-wide development of prevention and protection against diseases and, in this connection, the strengthening of the European Centre for Disease Prevention and Control (ECDC).
- emphasises the importance of jointly combating cancer in Europe, developing prevention and early detection, securing access to important therapeutic agents and jointly developing cancer research via Horizon Europe
- underlines that there is great potential for improving healthcare and health systems through the use of AI and their use in European cooperation. The use of AI must be discussed specifically in relation to ensuring the integrity of life, basic human rights, transparency, non-discrimination and the final decision by the human being.



 welcomes the fact that the European Health Data Space is intended to bring together relevant data throughout Europe in order to create added value for research on medical and health services. To ensure that this is done in a practical way, the socialh insurance institutions of the Member States should also be involved.

2.4 Principle 17: Inclusion of people with disabilities

"People with disabilities have the right to income support that ensures a dignified life, services that enable them to participate in the labour market and social life, and a working environment adapted to their needs."

- welcomes the initiative of the European Commission to present a new strategy on the rights of people with disabilities 2021-2030 to ensure their social and economic integration and participation in society without discrimination and in full respect of their rights and to contribute to the implementation of the UN Disability Rights Convention (UN CRC).
- stresses the importance of implementing the right of people with disabilities to work enshrined in the UN BRK, including those, who acquire a disability while working, including the possibility of earning a living through work freely chosen in an open, inclusive labour market and working environment.
- considers the implementation of the right to work to be of the utmost importance to enable people with disabilities to achieve maximum independence and full inclusion and participation in social and professional life.
- supports Commission activities, such as the EUvsDiscrimination Campaign on reasonable accommodation in the workplace for people with disabilities and the guide published on the topic, which aims to improve the understanding of what 'reasonable accommodation in the workplace' means and to contribute to the exchange of experience on how to put it into practice.
- calls for people with disabilities to be involved in all measures to combat
 the effects of the COVID-19 pandemic and for the new EU strategy to ensure that the EU is prepared for the future crisis and that all measures are
 fully accessible to people with disabilities.
- suggests improving data collection and reporting in order to allow proper assessment of the results of the objectives pursued by the EU strategy.



2.5 Principle 18: Long-term care

"Everyone has the right to affordable and high-quality, long-term care services, in particular home care and services close to home"

Long-term care is a separate policy area in only a few Member States. Only four Member States have long-term care insurance as an independent pillar of social security. There is a clear divide between the countries in the north and south and from west to east. In many countries, competences and responsibilities are fragmented and are found in both the health and social sectors. There is no uniform understanding of what care services are. Entitlements to benefits vary greatly from country to country between benefits in kind and cash benefits. Home care dominates in a number of countries, whereas it is inpatient care in others - the latter is often unaffordable. The proportion of informal care is high. This has consequences for family incomes, women's employment, pension entitlements, etc.

European societies are ageing. Care systems provide security and support for the ageing society. From a European perspective, long-term care is also an instrument of social cohesion. The study "Challenges in long-term care in Europe", commissioned by Directorate-General EMPL in August 2018² has clearly shown the several links between the very different care systems and their manifold effects. This happened against the background of an unsatisfactory data situation. Therefore, improving the availability and comparability of data in the EU in order to generate relevant information for the further process - also in the context of the EPSR - is fundamental for further discussion.

- welcomes the fact that the Green Paper on ageing also addresses the question of the extent to which social systems are sufficiently prepared for the ageing of European societies.
- recommends to this end that the monitoring process with regard to longterm care be improved and that appropriate indicators be proposed.

² <u>Challenges in long-term care in Europe – a study of national policies 2018</u>