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C O N T E N T S

New action for growth, governance and stability

On 23 November 2011, the European Commission unveiled two new Regulations aimed at further strengthening the surveillance mechanisms in the euro area, as well as a Green Paper on presenting options for euro Stability Bonds.

These new proposals aimed at drawing a line under the eurozone debt crisis by granting Brussels sweeping new powers to scrutinise national budgets and, in extreme cases, "administer" countries struggling with uncontrollable debt levels.

The proposals came in the form of two new regulations which – once adopted by eurozone member states and the European Parliament – will be directly applicable under national law.

The two new regulations include proposals:

- Requiring independent debt forecasts to be used by eurozone states in assessing their budgets;
- For all eurozone countries to submit draft budgets each year to the Commission by 15 October for approval;
- For the Commission to assess the drafts and then issue an assessment, with the power to request changes and a redraft; and
- For member states to have the power to ask that the Commission answer to national parliaments for its budget changes or recommendations

The blueprint also suggest that when a country is assessed by the Commission and other eurozone countries to be in a distressed state, superior administrative control should be given to the EU Executive to monitor its finances.

These changes should be implemented using article 136 of the Lisbon Treaty, which allows eurozone countries to adopt budget surveillance rules for themselves, without requiring the approval of those outside the single currency area.

The stricter budgetary surveillance plans came alongside a Green paper on Stability bonds. The green paper analyses the potential benefits and challenges of three approaches to the joint issuance of debt in the euro area. The paper sets out the likely effects of each of these approaches on Member States' funding costs, European financial integration, financial market stability and the global attractiveness of EU financial markets. It also considers the risks of moral hazard posed by each approach, as well as its implications in terms of Treaty change. Stability Bonds are seen by some as a potentially highly effective long-term response to the sovereign debt crisis, while others are concerned that they would remove the market incentive for fiscal discipline and encourage moral hazard.

With the adoption of this package the European Commission is accelerating its efforts for economic renewal, with moves to further strengthen euro area governance, safeguard future financial stability and boost growth and employment.

The package also contains the 2012 Annual Growth Survey setting out the economic priorities for the coming year in terms of budgetary policies and structural reforms. The 2012 AGS is the starting point for the second European Semester of economic governance. The key message of the 2012 Annual Growth Survey is that, faced with a deteriorating economic and social situation more efforts are needed to put Europe back on track and sustain growth and jobs. The Survey calls for the EU and Member States to focus on five priorities: pursuing differentiated, growth-friendly fiscal consolidation; restoring normal lending to the economy; promoting growth and competitiveness; tackling unemployment and the social consequences of the crisis; and modernising public administration.

On 9 December 2011, Heads of State summit in Brussels will consider scope for treaty changes, including those that might introduce Eurobonds.

More information is available here:

The proposed Regulation strengthening surveillance of budgetary policies in euro area Member States:
http://ec.europa.eu/commission_2010-2014/president/news/documents/pdf/regulation_1_en.pdf

The proposed Regulation strengthening economic and fiscal surveillance of euro are a countries facing or threatened with serious financial instability:

http://ec.europa.eu/commission_2010-2014/president/news/documents/pdf/regulation_2_en.pdf

Green paper on Stability Bonds:

http://ec.europa.eu/commission_2010-2014/president/news/documents/pdf/green_en.pdf

2012 Annual Growth Survey:

http://ec.europa.eu/commission_2010-2014/president/news/documents/pdf/ags_en.pdf

ETUC negotiating on Working time directive

The European Trade Union Confederation (ETUC) and several employers' organizations (BusinessEurope, the European Center of Enterprises with Public Participation - CEEP, and the UEAPME - SMEs) informed László Andor, European Commissioner responsible for Employment, Social Affairs and Inclusion, that they will open negotiations on reviewing the working time directive. The talks will start in December and may last up to 18 months.

The first negotiation meeting is scheduled for December 8, 2011, when the bargaining parties will search for a “bargaining space” which currently, given the respective terms, seems rather tight. Indeed, after the European Commission’s second-phase consultation, the European social partners said they were ready to open talks in preparation for an agreement which would become a directive.

However, after everyone presented their claims, the chances that it will lead to anything seemed quite jeopardized as they were so different – not to say conflicting. The main problem is that there are few joint issues between these two large organizations in their respective mandates. Employers want to tackle the issue of on-call time to add flexibility to the calculation of inactive on-call time, which the ECJ’s jurisprudence fully considers as working time – and the ETUC won’t put this into question.

Oliver Roethig, UNI Europa’s Regional secretary will represent UNI Europa in the negotiating team.

European Commission Work Program 2012

On 15 November EU Commission President Barroso presented the Commission’s 2012 Work Programme. The Work Programme lays out plans for new legislation to be proposed during 2012. President Barroso called the list of proposals a “blueprint for stability and growth” but the plans have been criticised for the lack of ambition towards addressing the social impact of the crisis. With a number of legislative proposals on issues such as the environment, technology, small businesses and the single market, the list of 129 planned initiatives fails to address core social objectives.

On employment issues, the Commission only commits to nonbinding strategy papers on topics such as job creation and on health and safety.

The program mentions a Green Paper on Restructuring and Economic Adjustment, which looks like it is replacing the consultation of the social partners on the anticipation of change and socially responsible restructuring, although it was announced.

The Commission also announced that, next year, it intends to implement its draft directive on the protection of supplementary pension rights (ex-portability), introducing common rules for obtaining and keeping the rights, grounded at the Council of EU Ministers since 2007. The White Paper on pensions, which follows the Green Paper on the same subject, should be adopted by the end of the year.

More information is available here:
http://ec.europa.eu/atwork/programmes/index_en.htm

Commission wants better quality credit ratings

Credit rating agencies are major players in today's financial markets, with rating actions having a direct impact on the actions of investors, borrowers, issuers and governments. Despite the adoption of European legislation on credit rating agencies in 2009 and 2010, recent developments in the context of the euro debt crisis have shown our existing regulatory framework is not good enough. Therefore on 23 November 2011, the Commission has put forward proposals to toughen that framework further and deal with outstanding weaknesses. The new rules call for greater transparency, accountability and independence in the credit rating system.

For more information: http://ec.europa.eu/internal_market/securities/agencies/index_en.htm

Posting of workers

The publication of the proposals on the revision of the Posting of Workers Directive and the new Monti II clause has been postponed until January 2012.

Commission's proposal on Financial Transaction Tax

On 28 September the Commission presented a proposal for a financial transaction tax in the 27 Member States of the European Union. The tax would be levied on all transactions on financial instruments between financial institutions when at least one party to the transaction is located in the EU. The exchange of shares and bonds would be taxed at a rate of 0.1% and derivative contracts, at a rate of 0.01%. This could approximately raise €57 billion every year. The Commission has proposed that the tax should come into effect from 1st January 2014.

Many business and financial organisations have reacted negatively to the proposal for the financial transaction tax and the UK government has expressed strong views about the negative impact of the tax while the Swedish Finance Minister has also stated his concerns about how a non-global implementation would drive financial institutions to other areas of the world.

The proposal has received some support, however. The European trade union movement is fully supporting this proposal.The French and German governments have stressed its importance; and other nations, including Austria, Belgium, Norway and Spain, are known to support the proposal.

The Commission proposal requires unanimity from the 27 Member States in order to pass. But it would be expected that the UK Government will use its power of veto to block the implementation of this proposal, unless the tax was to be introduced globally. Additionally, the likelihood of the tax being agreed upon globally by the G20 seems unlikely, with the United States currently adverse to such a transaction tax. Therefore, without global consent, and the UK willing to use its right to veto against the proposal, it seems unlikely that the proposal will be brought into effect across the entire EU.

At the same time, it is clear that the concept of a financial transactions tax has much support within the Commission and significant political support from within the EU. It should therefore be assumed that the efforts to introduce a tax along the lines of the proposal will continue. One option that the Commission has suggested that it would consider if the UK did exercise its right of veto would be to implement the taxation initially in the Euro-zone. A successful implementation of the tax, even in a reduced geographical area, might provide support for the tax and persuasion for global implementation at future meetings of the G20.

ETUC temporary campaign

The European Trade Union Confederation (ETUC) campaign should start in the course of the first quarter of 2012. In the meantime, the ETUC decided to already hold the ground denouncing firmly all the measures taken on the pretext of necessary Governance and austerity to the detriment of workers. The idea would be to post all this information on the ETUC website under the banner “Too much is too much”.

At the same time, ETUC will post and support all its affiliates' action days organised in the coming weeks under the slogan “For a better and fairer future”.

For more information, click here : http://www.etuc.org/a/9315

New rules for more efficient, resilient and transparent financial markets in Europe

The Commission on 20 October 2011 published a proposal to review the MiFID Directive, and to introduce a separate Markets in Financial Instruments Regulation (MiFIR) to make the requirements more binding and harmonized across member states.

These proposals aim to make financial markets more efficient, resilient and transparent, and to strengthen the protection of investors. The new framework will also increase the supervisory powers of regulators and provide clear operating rules for all trading activities. Similar discussions are taking place in the United States and other major global financial centres.

European Parliament rapporteur Markus Ferber (EPP, Germany) is expected to present his draft position in the spring of 2012 – negotiations between the institutions will most likely take until the end of 2012. His office has released a one page questionnaire for stakeholders input. (Deadline 12 January 2012) The new rules in the regulation would apply nearly immediately after publication of the agreement; the changed directive will need to be implemented in member states during 2013 and 2014.

More information is available here:
http://europa.eu/rapid/pressReleasesAction.do?
reference=IP/11/1219&format=HTML&aged=0&language=EN&guiLanguage=en

In addition, UNI Europa is chairing the Finance Watch MiFID working group which had its first meeting on 17th November. For more information, please contact the UNI Europa finance secretariat.

Council adopts position on single permits for third-country nationals

On 24 November 2011, the Council of the European Parliament adopts its first reading position on a text which had been agreed upon with the European Parliament. The new rules would simplify admission procedures for third-country nationals to reside and work in the EU and facilitate the control of their status. Parliament must now formally adopt the directive.
This text will be the first legislative instrument in the field of legal immigration adopted under the rules of the Lisbon Treaty.

For more information: http://consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/jha/126315.pdf

Corporate Social Responsibility: a new definition, a new agenda for action

On 25 October 2011, the EU Commission released a new policy document entitled “A renewed EU strategy 2011-14 for Corporate Social Responsibility”. The European Commission's new strategy on corporate social responsibility is part of a package of measures on responsible business aims to help enterprises achieve their full potential in terms of creating wealth, jobs and innovative solutions to the many challenges facing

For more information: http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=7010

More information is available here: http://europa.eu/rapid/pressReleasesAction.do?

ETUC initiatives on Collective Bargaining Coordination and Transnational Company Agreements

In view to achieve a proper coordination of collective bargaining which is a core issue of the mandate received in its last Congress in Athens, ETUC is launching two initiatives directly involving European Trade Union Federations.

The first initiative concerns the need to enhance the co-operation between ETUC, national confederations, European federations and national federations on the issue of collective bargaining. To achieve this, 6 regional seminars have been scheduled with ETUC members with the aim to take stock of the coordination structures at all levels at national level and cross-border level. These seminars will be organized in the course of January 2012.

The second initiative is the establishment of a working group to follow up the work made by the Expert Group on Transnational Company Agreements whose work came to an end last October. This valuable work, led by the European Commission, lays the foundation for increasing the trade union debate on removing obstacles that today are hampering a larger diffusion of TCAs. In particular the working group will focus on European-wide Company Agreements.

The ECJ limits the possibility for employees to accumulate entitlements to paid annual leave during absence for illness

It seems that ECJ is trying to contain the impact of one of its case laws, the mostly vividly criticized by employers. In a ruling rendered in early 2009, the European judges laid down the principle that the national provisions providing for the lapse of the right to paid annual leave not taken because of illness were contrary to Community law. One can easily imagine what this means in case of absence, should holiday and holiday pay continue to accrue during sickness absence. Since it precisely had to rule in a similar case, the ECJ recognized as valid, in a ruling rendered yesterday, November 22, a national provision providing for this lapse after a certain time. In doing so, it is limiting the possibility for employees to accumulate entitlements to paid annual leave during a long-term absence for illness.

For more information:
http://curia.europa.eu/jcms/upload/docs/application/pdf/2011-11/cp110123en.pdf

2012 EU Budget

On 19 November, the EU's national governments and MEPs have reached a deal which will see the EU's budget for 2012 increase by 2.02% next year compared to 2011.The agreement still has to be approved by the whole EP and by Council.

Timetable of meetings

Parliament committee meetings
For all European Parliament committee meetings' agendas and meeting documents, see the committees' homepage.

Parliament plenary sessions
30 November 2011 – 1st December 2011 in Brussels
12-15 December 2011 in Strasbourg
For all plenary sessions' agendas and documents, see the European Parliaments' homepage.

UNI europa Legislative Report

UNI europa is the European trade union federation for skills and services. We represent 330 trade unions and 7 million workers in Europe. Our Legislative Report is published 10 times per year with detailed but concise information on the progress of a number of different legislative proposals.

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UNI europa
Rue de l'Hôpital 31
1000 Brussels
Belgium
Tel: + 32 2 234 56 45
Fax: + 32 2 235 08 70
Sabrina.demarchi@uniglobalunion.org
www.uni-europa.org