



European Parliament Hearings of Commissioners Designate

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CESI suggestions for questions related to the promotion of
Social Europe by the new Commission

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**Questions to Commissioner designate for Employment, Social affairs, Skills and Labour
Mobility, Marianne Thyssen, EMPL**

On social affairs

What do you consider to be the “big” social dossiers for your mandate? What do you consider to be “small” things in employment and social affairs? What place does the Commissioner see for the introduction of minimum wages across Europe? What role does the Commissioner see for European unemployment insurance? What future does the Commissioner see for the Maternity Leave Directive?

Juncker wants to see the EU becoming bigger and more ambitious on big things, and smaller and more modest on small things.

In Jean-Claude Juncker’s political plan ‘New Boost for Jobs, Growth and Investment’, the incoming European Commission President believes in making more public funding available and what’s more better using the EU budget, in order to stimulate private investment in the real economy. To achieve this, more focus, smarter investment, more flexibility and less regulation are among the priorities set out. The fact that the new Commission intends to be more modest on regulation is a worrying development. Employment and social protection should be considered as a focal point and priority area for the Employment and Social Affairs portfolio. More flexibility must not mean more precarious working conditions. The new portfolio for “Better Regulation” should not strip back workers’ rights. One concrete worry of this happening is in the area information and consultation of workers. On the contrary, workers’ rights must be enhanced.

Jean-Claude Juncker has already informed MEPs of his favourable attitude to minimum wages and a minimum income, with him favouring the putting in place of a so-called minimum “social” wage in all EU member states. Further clarification on this issue from the Commission-designate is crucial. For CESI, a minimum wage must be set at EU level as a frame for each member state, corresponding to a minimum percentage of a national median wage. This minimum wage in Europe must be above the poverty line, even in countries which already have fixed a minimum wage. Every worker needs a decent wage. The minimum wage in Europe must be the object of debate and negotiation with the social partners, preferably by means of a European framework agreement. The negotiations, discussions and agreements on national minimum wages must be conducted and concluded on a national level, in respect of the European framework on a minimum wage including all workers’ representatives.



On public services

*How will the Commission work at European level to ensure adequate investment in public services?
How will the new Commission ensure public services are protected from deregulation or privatisation?
Does the Commission intend to continue its programme of modernisation of public administration?*

Jean-Claude Juncker underlined the importance of public services in his address to the European Parliament on 15 July 2014.

Protecting public services means not subjecting them to damage inflicted through the EU's regulatory or international free trade agreements, such as CETA, TiSA or TTIP. The EU's construction of a single market has been obsessed with competition. Public services guarantee a framework for sound economic and financial development, while setting the frame for wealth, democracy, the rule of law and non-discrimination. Public administrations and public services are the fundamentals of social Europe. They need protection from unilateral deregulation, liberalisation and privatisation. Public services need a high level of quality, safety and affordability, equal treatment and universal access.

Year after year in the context of the European Semester, the European Commission publishes Country Specific Recommendations. Year after year, these recommendations underline the need to modernise public administrations. There are serious concerns to be considered in terms of how the Commission precisely views modernisation. Modernisation of public administration must not be used as a backdoor excuse for solely reducing the size of public administrations through austerity measures and cuts. Modernising public administrations should not simply equate to the reduction of public sector employees.

Questions to Commissioner designate for Economic and Financial affairs, Taxation and Customs, Pierre Moscovici, ECON

On tax fraud and tax evasion

How will you ensure that tax fraud and tax evasion are given sufficient resources and political will to raise revenues, adding more money to the public purse? What place does the Commissioner see for the introduction of minimum wages across Europe? What role does the Commissioner see for European unemployment insurance?

All need to contribute their fair share. This is one of Jean-Claude Juncker's political guidelines for the upcoming Commission.



Tax fraud and tax evasion cost up to 1 trillion euros in Europe. With less money in the public purse, citizens are paying a high price for those escaping the social contract on which society is built. Europe's social models need sustainable public expenditure and sufficient revenue. Tax systems must work effectively in order to achieve this. Tax administration staff collects the crucial resources needed to implement economic and social policies. These resources need to be protected by better tax administration cooperation across Europe with transparent tax systems which are easy to understand, by fighting short-termist budgetary visions which cut staff numbers and resources in tax administration and by improving VAT reforms by recognising the need for exemptions which contribute to society's well-being such as exemptions for public services.

On VAT

Will the European Commission push for the deletion of reduced VAT rates? Does the Commissioner intend to go ahead with plans to include public bodies in the list of those subject to VAT?

The European Commission is currently in the midst of reviewing current VAT rules on the public sector. In answering to a Commission consultation, CESI is clear that simplification of regulation can in no way be at the expense of the quality of public services, nor should it put an additional financial burden on users. CESI equally strongly opposes any reform which has a negative impact on public employment, especially in times where job creation is lagging behind.

In 2011, the European Commission launched a debate to question the appropriateness of VAT treatment of public bodies and the exemptions which have been deemed in the public interest for over 30 years. The review and possible revision of VAT rules on the public sector has been deemed a priority for the Commission's work in creating a 'simpler, more efficient and more robust VAT system in the EU'. Where it can foster greater tax cooperation amongst European administrations and where tax fraud and tax evasion can be more easily fought, simplification of legislation is welcomed by CESI. However, there is no trade off when it comes to specific missions of the public bodies.

The new proposed rules cannot come into force at the expense of the most vulnerable taxpayers, namely salaried workers. With this in mind, CESI is firmly opposed to revising tax exemption for public bodies listed in the VAT Directive. The European Commission is in the midst of reviewing current VAT rules on the public sector. In answering to a Commission consultation, CESI is clear that simplification of regulation can in no way be at the expense of the quality of public services, nor should it put an additional financial burden on users. CESI equally strongly opposes any reform which has a negative impact on public employment, especially in times where job creation is lagging behind.

The exemption is also in line with the Treaties' Protocol 26 on service of general interest, including the guarantee of high levels of quality, safety and affordability. Now more than ever, in the current



economic climate, the provision of high quality public services needs to be maintained, if not built upon, in order to protect the most vulnerable taxpayers.

Questions to Vice President designate for the Euro and Social Dialogue, Valdis Dombrovskis, ECON/EMPL

On social dialogue

Does the Commission intend to continue to mainly use social dialogue as an instrument to legitimise yet more pronounced austerity measures? How will the new Commission ensure that all workers' voices are heard, after years of stripping back social dialogue? What concrete actions will you take to ensure social dialogue in the public sector returns to pre-crisis levels, following several damaging years of industrial relations as admitted in the Commission's own 2012 Industrial Relations report?

Jean-Claude Juncker has stated he wants to be the President of Social Dialogue.

Information and consultation is not only a fundamental right of workers but also a means of enhancing trust and securing better anticipation of change. The needs and expectations of employees can fit side by side with those of employers when social dialogue works in this way. The crisis saw the abandonment of these important values. Imposed reforms are unsustainable and will not succeed with full and effective information and consultation, particularly in the public sector where stability is crucial. To prevent these damaging and unworkable practices, public sector employees should be granted full information and consultation rights when merging the three Directives dealing with information and consultation under the REFIT programme. Currently, public sector workers remain the only excluded sector. Trade unions must also be fully consulted prior to any restructuring. This is particularly important for so-called programme countries that are subject to reforms in exchange for financial assistance.

On EMU

How will you work towards securing a genuine social dimension in Economic and Monetary Union? Which concrete "new approach", as seen as necessary in Juncker's political guidelines, do you envisage for the European Semester or for the social dimension to Economic and Monetary Union (EMU) in general?

Insufficient attention has been paid to Europe's social dimension. The European Social Model has been at best neglected, at worst dismantled. This has led to a situation where Europe's policies do not take notice of the social impact or the human factor. Europe is fast becoming a cold, economic



project. The crisis has seen EU countries undergoing intense economic and fiscal reform. The social impact of the crisis has been devastating. Social rebalance and a strong social agenda are crucial to sustainably overcoming the crisis. To secure a genuine social dimension, all social partners need to be included in an open and democratic European Semester. Monitoring social developments which inform and lead economic policy direction, as opposed to economic policy dictating social policy, will help respect fundamental social rights in economic policy measures.

Questions to Vice President designate for Better Regulation, Frans Timmermans, Open Conference of Presidents (all MEPs)

On 'better regulation'

What is the Commissioner's definition of Better Regulation? How will the Commissioner approach his term in office in terms of the REFIT programme, in particular with regards to the information and consultation of workers?

Through the REFIT programme, the European Commission called for the fusion of the 1998 collective redundancies Directive, the 2001 transfers of undertakings Directive, and the 2002 Framework Directive on information and consultation of workers, thus merging legislation on the information and consultation of workers. Not only is the public sector unfairly excluded by such legislation, but in addition there has been a suggestion to cancel the planned consultation from the 'High Level Group on Administrative Burdens', consultation with the social partners particular being foreseen in the Treaties. The Commissioner must in the first instance reduce the gap between public sector workers, who are unfairly affected by restructuring. The Commission must also guarantee the planned consultation goes ahead, regardless of any recommendation from an opaque and transparent body in the Commission such as the High-Level Group on Administrative Burdens.

Questions to Commissioner for Justice, Consumers and Gender Equality, Věra Jourová, JURI/LIBE/FEMM/IMCO

Why did the Council publish the latest strategic guidelines regarding security and justice with the European Parliament not in place and what role does it see for the European Parliament in shaping policy in this area? What is the Commission's planned work programme in implementing the strategic guidelines?



As the EU's only democratically elected body, the European Parliament has an important role to play in shaping policy in justice. In its Conclusions of 26-27 June 2014, the European Council has adopted the new "Strategic Guidelines for Legislative and Operational Planning for the coming years within the EU's Area of Freedom, Security and Justice (AFSJ)". Given that the European Parliament had yet to fully take shape following the 2014 elections, this permitted no input from the new European Parliament in these guidelines. The European Parliament should have a clear and defined role in shaping policy in this area.

Questions to Commissioner for Migration and Home Affairs, Dimitris Avramopoulos, LIBE

Why did the Council publish the latest strategic guidelines regarding security and justice with the European Parliament not in place and what role does it see for the European Parliament in shaping policy in this area? What is the Commission's planned work programme in implementing the strategic guidelines? To what extent will the Commissioner encourage Member States to consult practitioners working in the field in areas such as the European Border Guard Teams, as set out in Juncker's mission statement?

As the EU's only democratically elected body, the European Parliament has an important role to play in shaping policy in security. In its Conclusions of 26-27 June 2014, the European Council has adopted the new "Strategic Guidelines for Legislative and Operational Planning for the coming years within the EU's Area of Freedom, Security and Justice (AFSJ)". Given that the European Parliament had yet to fully take shape following the 2014 elections, this permitted no input from the new European Parliament in these guidelines. The European Parliament should have a clear and defined role in shaping policy in this area.

For any policy to work in practice, those who implement the policy must be aware, comfortable and sufficiently informed and trained on how implementation should occur. In the case of the European Border Guard Teams, it is crucial that practitioners who are understand the field of cross-border security are fully consulted on how this policy will work in practice. The European Commission should do everything in its power to encourage member states to consult with social partners in the area of security policy.



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