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POLICY KIT

with regard
to the Austrian Presidency of
the Council of the EU
1 July 2018 – 31 December 2018

July 2018

CEEP, the European Centre of Employers and Enterprises providing Public Services and Services of General Interest, represents employers and enterprises providing public services and services of general interest, since 1961. Our members are organisations active in fields such as:

- Central & local administrations,
- Healthcare,
- Education,
- Housing,
- Waste management,
- Energy,
- Transport,
- Water,
- Environment,
- Communications.

Modern public services and services of general interest (SGIs) support the fundamental goals of the EU, enabling business, cohesion, economic and social solidarity and a better quality of life for citizens. This Policy Kit, prepared considering the priorities of the Austrian presidency of the European Union, aims at presenting key CEEP positions on the main files to be discussed at EU level in the next 6 months.

A EUROPE THAT PROTECTS

SECURITY AND THE FIGHT AGAINST ILLEGAL MIGRATION

- Whilst fighting illegal migration should be a priority, it is also important to keep in mind the important work on the **integration of migrants and refugees in the European society**. As such, CEEP members, as both employers and providers of essential services, play a central role.
- On 20 December 2017, CEEP co-founded, together with the European Commission and the EU Social and Economic partners (ETUC, BusinessEurope, UEAPME, CEEP and Eurochambres) a **'European Partnership for Integration'**, laying down key principles and commitments to support and strengthen opportunities for refugees and migrants legally residing in the EU to integrate into the European labour market.
- Public services act as "first responder" on the one hand and as employer able to ensure a smooth integration into the labour market on the other hand. Our members face numerous challenges on this front:
    - **Housing**: We face serious shortages of affordable housing and accommodation for refugees, especially in cities and municipalities with already overstretched housing markets.
    - **Language**: Investing in training courses and supporting voluntary language activities is crucial.
    - **Information and training**: Across the continent, there is a perceived and real need to train the staff of local authorities and social services to deal with refugees, including information about the asylum process.
    - **Specialised services for refugees and unaccompanied children**: Many municipalities struggle to provide adequate services for asylum-seeking children and specialised services such as trauma and post-traumatic stress disorder (PTSD) treatment services.
- In this context, public services have already been severely affected by the economic crisis, leading to **weakened infrastructure for service provision and uneven financial resources for integration programmes.**
- **In terms of integration into the Labour Market, our members** are first and foremost impacted by demographic ageing. Many unfilled vacancies co-exist with high unemployment throughout Europe. We believe that the arrival of refugees has the potential to help recruit for our sectors which are struggling the most.
- We believe that the solutions will be the following:
    - **Promoting multi-stakeholder operational frameworks and structures** to assist asylum-seekers and refugees for a faster transition into the labour market and in the workplace.
    - **Setting the conditions for a more effective skills assessment and skills matching** and upgrading skills to facilitate their integration into the EU labour market (particularly through language training, VET and entrepreneurial education).
    - **Exploring innovative measures to help employment**, such as the Swedish "fast-track" set up by SALAR or advertising economic sectors with workforce shortages.

More: European Partnership for integration offering opportunities for refugees to integrate into the labour market

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SECURING PROSPERITY AND COMPETITIVENESS THROUGH DIGITALISATION

- CEEP supports the European Commission's overall objective to set a European regulatory framework that fosters the **development of the European data economy**. Public services' enterprises in all sectors are on a firm path towards digitalisation whilst their resources to support this development are scarce. Data is increasingly recognised for its economic value. Data-based products or the trading of data can provide additional income to public services' providers, which can be re-invested with the aim to accelerate their digitalisation process.
- CEEP welcomes that the proposed review of the PSI Directive **does not contain a general, automatic obligation to allow the re-use of documents** produced by public undertakings. CEEP welcomes that certain types of documents are not covered by the Directive, particularly documents which are excluded from access by virtue of the access regimes in the Member States, including on the grounds of the protection of national security, defence, or public security, statistical confidentiality as well as commercial confidentiality.
- **At the same time**, CEEP sees the need to clarify how these provisions play together with those asking public undertakings to publish data in certain cases, **especially through possible future delegated acts on high-value data sets.**
- Therefore, CEEP pleads for the revision of the PSI Directive to become a **true support tool for ongoing digitalisation, innovation and investments by public services' enterprises** and not to lead to legal uncertainty and a reduction of investments, harming the long-term provision and development of public services.

More: CEEP Key Messages on the Commission proposal for the Review of the Directive on the Re-Use of Public Sector Information (PSI Directive)"

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HIGH-CONNECTIVITY FOR ALL

- All citizens and enterprises need to **enjoy access to reliable and fast broadband connections**.
- Secondly, **broadband connections need to provide citizens with easy and affordable access to content. Internet connection is essential to attract citizens, enterprises and economic activities.**
- A specific challenge in this regard are rural areas. **Public services provide broadband infrastructure and contribute to its rapid deployment**. They also require high speed broadband infrastructure to deliver the services users expect (e.g. connectivity on the whole railway network).
- **Increasing transparency, trust and security in the digital economy is a core concern for public services' providers** which have a strong expertise in dealing with sensitive data and securing essential infrastructure. The **elaboration of clear and effective guidance** following the approval of the GDPR (General Data Protection Regulation) requires the inclusion of all stakeholders in the discussions. Furthermore, public services' providers are committed to contributing to the discussions on data ownership and liability.

More: CEEP Opinion "Harnessing the Digital Transformation of Public Services"

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General Affairs

BREXIT

- Brexit will have **fundamental political, socio-economic and legal consequences for both the EU and the UK.** These consequences will be defined by the features of the agreement that is currently being negotiated.
- It is critical that Brexit is carried out in a way that **leaves providers of public services and SGI in a position to perform their mission in the long run**. CEEP supports ensuring a level-playing field in the future EU-UK relationship, in which providers of public services and of SGIs can operate for the benefit of citizens and companies. Public procurement legislation shall deserve special attention in this regard. In general, CEEP favours maintaining good relations and tight links between the UK and the EU.
- With respect to the future EU-UK trade agreement, CEEP argues that a **comprehensive, but flexible free trade agreement with much EU acquis and deep and comprehensive content** (such as the DCFTA currently in force between the EU and Ukraine) seems most likely to be able to meet interconnection requirements and foster cooperation and common policy-making in the future.
- Furthermore, such an agreement should respect **environmental, social and security standards**. The possibility to amend the agreement in view of political or economic developments is crucial given the geographic, historical, political and economic relations between the European Union member states and the United Kingdom.

More: CEEP Opinion: Reflection on Brexit and Trade: Possible Options (to be published)

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MULTI-ANNUAL FINANCIAL FRAMEWORK 2021-2027 & COHESION POLICY

- CEEP is convinced of the **added value of the EU budget but also believes that there is room for improvement in terms of efficiency and relevance**. The financial discussions for the upcoming Multi-Annual Financial Framework should be explicitly linked to the debates dealing with a clear vision of the EU for the future. It is important to agree on the Europe we want for the future and attach corresponding resources to the established priorities.
- **Transversal principles**
    - **EU Added Value**: the EU added value should become one of the key criteria for the successful use of EU funds and thus also for the success of Cohesion Policy.
    - **Flexibility**: committed funding should remain available in the budget and re-allocated; allowing adaptation to unexpected and rapid evolution of political circumstances.
    - **Simplification and Administrative Barriers**: CEEP urges to reduce the administrative burden of EU funds management. The EU budget needs to be more efficient and focus on areas where its impact is greatest, without being hindered by burdensome rules and procedures.
    - **Going beyond GDP:** the criteria and overarching principles of EU structural funds allocation should not be exclusively based on GDP but include alternative indicators – poverty rate, youth and long-term unemployment or the activity rate of vulnerable groups – addressing some of the EU's other most pressing concerns.

- **Our Priorities for the Future MFF**
  - **Strategic Infrastructure**: public investment in key physical and social infrastructures are the main levers to foster growth; the MFF provides a key opportunity for reinforcing their financing tools such as the EFSI which are also considered by CEEP members as critical.
  - **Circular economy**: it should be a key feature in future funds because of its transversal aspects and multiple effects for citizens. Fostering innovation through circular economic solutions could enable the EU to build a new way to make business, to promote industrial research and to create new jobs whilst protecting the environment.
  - **European Economic and Social Governance**: CEEP favours greater technical assistance to all Member States in improving their institutional and administrative capacities for implementing structural reforms.
  - **Economic, Social, Territorial Cohesion and the ESF+**: CEEP members advocate for a pre-allocation of 25% of the cohesion funds to the future ESF+ and at least keeping the ESF+ budget at the level of the previous programming period (2014 – 2020). The ESF should remain an EU Structural Fund, and not be expanded to cover priorities beyond its core goals (employment, education, social inclusion and the fight against poverty).
  - **Investing in Social Dialogue**: It is urgent to develop a mechanism for monitoring and reporting on the implementation of the Code of Conduct on Partnership by the Member States and make respect of its principles an ex-ante conditionality in the preparation and implementation of operational programmes.

More: CEEP Opinion on the EU Multi-Annual Financial Framework (MFF) 2021-2027
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EUROPEAN SEMESTER

- CEEP members are favourable to **strengthening the European Semester**. The EU has since long developed its monetary union and have developed an open method of coordination to ensure that Member States' budgetary policies follow a similar direction.
- The crisis provided more opportunities for **soft coordination between the Member States' reforms and through the European Semester**. The Member States also developed peer-learning activities whilst identifying common challenges.
- CEEP promotes the **balancing between the economic and the social dimension** of the European Union through the European Semester. For this reason, CEEP and its members have been supportive of making the European Semester the main vehicle for the implementation of the Pillar of Social Rights and particularly its principles related to the access to essential services.
- The European Semester should include **employment and social inclusion benchmarks** within the surveillance framework governing economic policy coordination and structural reforms.
- **Quantifiable European employment and social targets should be integrated within the stability and growth pact**. Consequent adjustment mechanisms should be applied to reduce both macroeconomic and social imbalances, with the objective to promote **smart, sustainable growth, quality jobs, access to high-quality affordable services of general interest and the reduction of social inequalities**.
- Short-term economic efficiency must not be at the expense of **longer-term investment in social infrastructures.** Fiscal consolidation measures should be evaluated by examining their effects on growth, employment and social inclusion. Member States need to recognise that **strengthened public services help achieve effective, efficient and sustainable social budgets**.

- Finally, CEEP calls for **greater involvement of social partners in the design and monitoring of reforms** whilst ensuring that eligible actions include capacity-building for social partners engaged in reform programmes.

More: CEEP Opinion on the Reflection Paper on Deepening the EMU and CEEP Opinion on the Social Dimension of Europe

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BETTER REGULATION, SUBSIDIARITY AND PROPORTIONALITY

- CEEP pays strong attention to **upholding and implementing the principles of subsidiarity and proportionality in EU law- and policy-making**, e.g. in the shape of the discretionary autonomy of regional and local authorities in managing the provision of public services and SGIs in their remit.
- As an EU social partner recognised as such by EU institutions, CEEP members actively participate in several high-level EU law-making bodies, such as the REFIT Platform, and are in close contact with members of the High-Level Task Force on Subsidiarity and Proportionality. Questions of **appropriateness, effectiveness and efficiency of EU legislation are key stakes** for public services and SGI providers in carrying out their activity of general interest.
- Amongst the key issues is the need to address **administrative burden encountered within the application of EU public policies** (e.g. Cohesion Policy) on the ground. CEEP also favours any future reform steps aiming at removing administrative barriers, either regarding the design of the general EU policy rules or the implementation and carrying out of individual programmes and projects.

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FOREIGN AFFAIRS: THE EU IN THE WORLD

- CEEP welcomes the European Commission’s reflection paper on “Harnessing Globalisation” and **gives its support to a sustainable and innovative EU strategy to shape globalisation**, set standards and preserve the diversified European ways of living.
- Overall, CEEP believes that:
  - Services of general economic interest (**SGEIs**) and non-economic services of general interest (**NESGIs**) **play a crucial role in providing everyone with a decent lifestyle**.
  - **Sustainability and innovation** are the key concepts that provide the framework for thriving lives and entrepreneurial undertakings.
  - The world of tomorrow is not only about **digitalisation**, but also very much about the fundamental question “in what kind of society and economic order do citizens want to live, and what type of social and-economic objectives do they want to pursue?”
- Therefore, CEEP presents the following recommendations on how the European Institutions and Member States can implement their strategy:
  - **The EU should recognise the legislative provisions for services of general interest (SGI) as an Acquis+.** SGIs provide citizens with accessible and qualitative services and serve as safety nets, help build citizenship and foster communal spirit. They promote an entrepreneurship-friendly climate that fosters the development of metropolitan regions. For this reason, the EU should **invest in research** on “best practising” metropolitan regions and in transnational infrastructure networks.

- **The EU and the Member States need to invest more in research and human capital through education and concrete lifelong learning opportunities**. CEEP suggests that the **EU and the Member States should provide risk capital for innovation and pioneering spirit and establish dynamic administrative structures.**
- The EU should also better use the available resources to adapt to demographic ageing. This requires the **facilitated inclusion of ageing and disadvantaged people into the work force**. Furthermore, differences between rural and metropolitan areas must be reduced through stronger EU-wide cooperation. For a balanced lifestyle, adapting **"best practices" and considering them in legislation making is recommended**.

More: CEEP Opinion on the Reflection paper 'Harnessing globalisation': The EU in a Globalised World

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ECONOMIC AND FINANCIAL AFFAIRS

COMPLETING THE BANKING UNION AND DEVELOPING A CAPITAL MARKETS UNION

- On 29th July 2017, the European Commission published its proposal for a Regulation on a Pan-European Personal Pension Product (PEPP). The PEPP Regulation and accompanying Tax Recommendation **not only address regulatory questions, but also imply fundamental tax and pension policy questions which remain the key responsibility of the Member States**.
- CEEP sees the danger that even though the goal of the PEPP is to improve the workings of the capital markets union, it in fact is a **social policy initiative**. The PEPP Regulation together with the tax recommendation therefore not only addresses regulatory questions, but also implies fundamental tax and pension policy questions, which are key task of the Member States.
- Pension systems differ hugely across the EU, there are differences between first and second pillar pension provision and not least between the individual's need and ability to save. In addition, the understanding of what constitutes good retirement provision as well as the financial situations of the Member States and the possibilities of granting a tax framework for pension saving are very different.
- All this means that **Member States are in the best position to make decisions about their pensions systems** – this should be respected rather than being undermined by a regulation focusing on the capital markets union.

More: CEEP Statement on the Pan European Pension Product

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DEEPENING AND STRENGTHENING ECONOMIC POLICY COORDINATION

- For CEEP, the reflection paper on the future of the EMU should help to start considering the **Euro zone as a whole and not just as the sum of its individual components.** CEEP always considered public investment in key physical and social infrastructures as the main lever to foster growth for the benefit of citizens and enterprises in Europe.
- **The EMU should support a European economy that is modern, sustainable, socially just and globally competitive.** Structural improvements to the EMU should not only make the Eurozone

more robust in the event of future shocks, but also support related policies such as the European Pillar for Social Rights.

- In the short term, **completing the Banking Union and the Capital Markets Union** are the most immediate priorities for the future reform. Both are needed for our economies to improve access to the financing they need for future growth.
- **CEEP calls for greater involvement of social partners in the design and monitoring of reforms,** whilst ensuring that sufficient support is provided for capacity-building activities for social partners engaged in reform programmes.
- **CEEP believes that a macroeconomic stabilisation function at euro area level could potentially complement automatic stabilisers at national level under certain conditions**. It should take the form of automatic stabilisation and not aim at fiscal fine-tuning of the economic cycle. The stabilisation function would therefore not be a tool to actively steer the euro area fiscal stance, but rather reduce the need for euro area countries to address large country-specific shocks by using discretionary policies.
- CEEP members could see added value in **further elaborating a European treasury**, particularly to ensure minimum levels of public investments across Europe. However, CEEP expresses strong doubts about whether the EU would be politically ready to move so strongly towards federalization by 2025. This roadmap seems unrealistic in the present state of the Union.

More: CEEP Opinion on the Reflection Paper on Deepening the EMU

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EMPLOYMENT, SOCIAL POLICY, HEALTH & CONSUMER AFFAIRS

FAIR WORKING CONDITIONS FOR EVERYONE

- Public services' employers are affected by new forms of work. Social protection coverage still depends on the forms of employment, leaving many workers only partially covered, if covered at all. More and more questions arise concerning the status of workers and the social protection linked to it. **Solutions should be sought by widening the definition of employment, by strengthening support for individual self-employed and by clarifying the definition of an employer / employee relationship.**
- CEEP highlights one key success factor: social dialogue. We strongly believe that **social partners' activities on cross-sectoral and sectoral level need to be further promoted**. They have a strong responsibility to accompany the digitalization of labour markets and should be further empowered.
- One key aspect will be the **modernization of collective agreements in order to extend existing protection standards to the digital economy**.
- Concerning the Commission's proposal on the **directive related to transparent and predictable working conditions**, CEEP opposes changing the purpose of the Written Statement Directive from an information instrument to a rights-based framework Directive. The proposed requirements relating to working conditions are new rights at EU level, as they have always been core elements of national laws and collective agreements.
- The Proposal **conflicts with the principle of subsidiarity**. There are great differences between Member States regarding what constitutes balanced working conditions and how the labour market

is regulated. The proposal would constitute excessive interference with the labour market model of several Member States, especially those regulating working conditions by collective agreements.

- CEEP emphasizes the necessity to **respect the social partners' autonomy and their right to negotiate and conclude collective agreements** at the appropriate level as stated in Principle 8 of the European Social Pillars Rights.
- CEEP agrees with the principle that workers should have the right to be informed about their rights and obligations resulting from the employment relationship **in a timely and comprehensible manner**. At the same time, the obligations imposed on the employer should be **realistic and feasible. CEEP suggests several adaptations to allow for a sound application of the Directive without creating a disproportionate administrative burden for both the employer and the worker.**

More: CEEP Opinion on Transparent and predictable working conditions in the European Union Repealing Directive 91/533/EEC and CEEP Position Paper on a future European Labour authority
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WOMEN AND GENDER EQUALITY

- CEEP and its members are committed to promoting gender equality both in their role as employers and as service providers. A balanced way forward to meet the gender equality challenges would be to **take a holistic approach and focus on supportive and encouraging measures**.
- To achieve gender equality in the labour market there must be a range of **effective and well-funded public services** in place such as child- and elderly care, transport, education etc.
- One concerning issue is the fact that women are less educated to digital skills than men, they are vulnerable to the digitalisation process. According to CEEP, the key issue is then to **provide digital skills for women through life-long training and education in order for them not to be excluded from work**.
- **Women dominated professions are less paid**. This gender segregation leads to **gender pay gaps**. Specifically, if female workers are not digitally educated enough, they will be blocked in low-digitalised jobs. This will consequently increase the gender pay gap.
- To tackle those issues, CEEP recommends the following measures:
  - **Exposure of young girls to women as positive role models** in science, technology, engineering and mathematics, exposure to technology at an early age, education in digital technologies and the acquisition of digital skills are especially important for girls.
  - **Non-formal education initiatives** to promote women's and girls' exposure to technology and to support the development of ICT generic and specialist skills.
  - **Higher education programmes**, which equip young people - and especially young women - effectively with the skills needed for the ICT job market.
  - **HR procedures will also be digitalized**, enabling more transparency regarding salaries, guaranteeing non-discrimination methods in hiring and the creation of software to report sexual harassment.

More: CEEP Opinion on Gender Equality "Progressing to 2020"
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COMPETITIVENESS

SMALL AND MEDIUM-SIZE ENTERPRISES

- The **differentiation between public and private SMEs in the current EU SME Definition is contrary to Article 345 TFEU** which states that "The Treaties shall in no way prejudice the rules in Member States governing the system of property ownership". The Treaty **does not impair the ability of Member States to establish businesses as they deem appropriate**.
- **Amongst the SMEs in need of targeted measures, there are many providers of public services and SGIs at local level**. They fulfil all criteria of the current SME Definition, including their number of employees and turnover, except for the last one, specified in Article 3, Paragraph 4 of the Definition's Annex which states that SMEs with a public ownership of more than 25% are to be excluded from the Definition's scope.
- This creates important burdens for these SMEs linked both to regulatory and financial aspects. Whilst having to increasingly cope with limited resources, **local public services' enterprises** that are excluded from the Definition's scope **suffer from undue regulatory burden**.
- These SMEs must also cope with **increasing challenges in accessing financing**. In several Member States, local public services' providers that are SMEs have reported difficulties in accessing bank loans despite their public ownership and are increasingly engaged in "risky investments".
- Therefore, CEEP continues to call for an **amendment to the European SME Definition, guaranteeing equal treatment of all SMEs which fulfil the criteria regarding their number of employees and turnover, irrespectively of their ownership**.

More: CEEP Opinion "For an Inclusive EU SME Policy"

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TRANSPORT, ENERGY AND ENVIRONMENT

PROMOTING LOW-EMISSION MOBILITY

- CEEP welcomes the emphasis on the polluter pays and user pays principles to underpin the proposal. We are pleased that Member States have the flexibility to decide whether or not to introduce charges.
- We are delighted to see a broad palette of cost components including noise and air pollution and congestion. We support in principle the phasing out of time-based vignettes particularly for Heavy Goods Vehicles. However, CEEP believes that in certain circumstances there may be a case for their continuation for other types of vehicles.
- We call not only for earmarked funds to be used for infrastructure maintenance but also for reinvestment in a wide range of sustainable transport projects. We are concerned by the proposal to phase out EURO emission standards as a price determinant before new CO2 criteria have proven their effectiveness. We support continued exemption for local schemes specifically designed to reduce traffic congestion or tackle environmental problems.

More: CEEP Statement on the Commission Proposal to amend Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures ('Eurovignette Directive')

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