

January 2012



Citizens **Information Board**
information · advice · advocacy



EU Supplement

This supplement covers the significant EU developments from mid-September 2011 to mid-December 2011 in the broad areas of social policy, consumer policy and citizens' rights. It also covers changes to the economic decision-making process which came into effect in 2011 and proposals for further changes.

There is further information about almost all the issues mentioned on the Europa website: www.europa.eu. In some cases, we give the extended website address. The Official Journal of the EU may be accessed via eur-lex.europa.eu.

Social Policy

Temporary agency workers

The EU Directive on temporary agency workers (see EU Supplement, October 2011) came into effect on 5 December 2011. The Directive is in effect even though the implementing legislation has not yet been passed in Ireland. This means that temporary agency workers must get equal treatment with directly recruited staff from 5 December 2011 in relation to working time, rest breaks, night work, annual leave, public holidays and pay. In the proposed legislation, pay has been defined as basic pay, piece rates and premiums in respect of shift work, overtime, unsocial hours and Sunday work. It will not include occupational pensions, sick pay schemes, benefit-in-kind, bonuses or schemes for financial participation.

The Directive allows unions and employers at national level to agree that there should be a qualifying period before the Directive applies. No such agreement has been made so no qualifying period applies.

Further information is available from employmentrights.ie.

Missing children hotline

Directive 2009/136/EC which, among other things, requires member states to make every effort to establish a missing children hotline (116000) came into effect on 25 May 2011.

The allocation of specific numbers in the 116 number range of numbers, which are reserved for services of social value, is managed in Ireland by the Commission for Communications Regulation (ComReg). ComReg invited suitable service providers to apply for the setting up of services of social value under the specified numbers. No provider applied to establish the 116000 hotline. Neither the Government nor ComReg is obliged to provide this service itself.

The Minister for Children and Youth Affairs has committed to the establishment of the hotline in 2012. She has established a project team from relevant departments and agencies to examine how best to operate the hotline in the context of the demand for the service. The project team will also establish the extent to which services, including Garda and victim support services can be mobilised to provide for the hotline.

EU funding programmes

Many of the EU funding programmes are in effect for the period to the end of 2013. The Commission has published proposals for new or similar plans for the period 2014–2020. These are published in the context of continuing negotiations on all aspects of EU financing for the period 2014–2020. Final decisions on all of these programmes will be made by the Council and the European Parliament. The following are among the proposals which have been published:

INSIDE: Justice and Home Affairs Programmes p2, Health and Consumer Programmes p2, Stability and Growth Pact p3, European Stability Mechanism p4

Creative Europe

The Commission has proposed that funding for the arts, culture, heritage and related areas will be provided through a new programme called Creative Europe for the period 2014–2020. The new programme incorporates, among other things, the current Culture and MEDIA programmes. It is proposed that the programme will have a budget of €1.8 billion for the period. The new programme includes a financial guarantee facility in order to enable small operators to access bank loans.

Web: ec.europa.eu/culture/creative-europe.

Erasmus for All

The Commission has proposed that the new Erasmus for All programme will have a budget of €19 billion for the period 2014–2020. This programme would bring together all the current EU and international schemes for education, training, youth and sport. It would replace the Lifelong Learning Programme (Erasmus, Leonardo da Vinci, Comenius, Grundtvig), Youth in Action, Erasmus Mundus, Tempus, Alfa, Edulink and the bilateral cooperation programme with industrialised countries.

Web: ec.europa.eu/education/erasmus-for-all.

Europe for Citizens

The Commission has proposed that the new Europe for Citizens programme, which aims to increase citizens' awareness and understanding of the EU, will have a budget of €229 million. It will support, among other things, town-twinning, citizens' groups and debates and discussions on EU-related issues.

The Commission has already proposed that 2013 be designated as European Year of Citizens.

Justice and Home Affairs Programmes

The Commission has proposed that the existing six funding programmes in the area of Justice and Home affairs be consolidated into two programmes – the Justice Programme and the Rights and Citizenship Programme. The existing programmes are the Civil Justice Programme, the Criminal Justice Programme, the Fundamental Rights and Citizenship Programme, the Daphne III Programme, the Drug Prevention and Information Programme and the "Anti-discrimination and Diversity" and "Gender Equality" sections of the Programme for Employment and Social Solidarity (PROGRESS).

It is proposed that the Justice Programme will have a budget of €416 million and will aim to ensure that EU legislation in civil and criminal justice is effectively applied. It will promote actions to help ensure proper access to justice for people and businesses in cross-border legal cases in Europe and it supports EU actions to tackle drugs and crime.

It is proposed that the Rights and Citizenship Programme will have a budget of €387 million. It will aim to help to make people's rights and freedoms effective in practice by making them better known and more consistently applied across the EU. It will also promote the rights of the child, the principles of non-discrimination (racial or ethnic origin, religion or belief, disability, age or sexual orientation) and gender equality (including projects to combat violence against women and children).

The new programmes will support activities such as:

- Training for judges and lawyers so that they can apply EU law and rights in practice
- Strengthening EU cooperation on justice and rights issues through networks of legal practitioners, non-governmental organisations and policy-makers
- Practical tools for citizens and businesses to apply their rights and access justice
- National and European campaigns to inform people of their rights guaranteed under EU law and help them apply them in practice

Web: ec.europa.eu/justice/newsroom/news/20111115_en.htm.

Migration and Security

The Commission has proposed that the six funds which are currently available in this area will be consolidated into two. The current programmes are the Integration of Third Country Nationals, the European Refugee Fund, the External Borders Fund, the European Return Fund and the two specific programmes; Prevention of and Fight against Crime (ISEC) and Prevention, Preparedness and Consequence Management of Terrorism and other Security-related risks (CIPS).

It is proposed that the Asylum and Migration Fund will have a budget of €3.9 billion and will support actions addressing all aspects of migration, including asylum, legal migration, integration and the return of illegal migrants. It is proposed that the Internal Security Fund will have a budget of €4.6 billion and will support the implementation of internal security and the EU approach to law enforcement cooperation, including the management of the EU's external borders.

Web: ec.europa.eu/dgs/home-affairs/index_en.htm.

Health and Consumer Programmes

The Commission has proposed a new Health for Growth Programme with a budget of €446 million. This will aim to support the member states to achieve the following objectives:

- Develop innovative and sustainable health systems
- Increase access to better and safer healthcare for citizens
- Promote health and preventing disease
- Protect citizens from cross-border health threats

Web: ec.europa.eu/health/programme/policy/index_en.htm.

The Commission has proposed a Consumer Programme with a budget of €197 million. It will aim to:

- Enhance product safety through effective market surveillance
- Improve consumers' information, education and awareness of their rights
- Consolidate consumer rights and strengthen effective redress, especially through alternative dispute resolution
- Strengthen enforcement of rights cross-border.

Web: ec.europa.eu/consumers/strategy/programmes_en.htm.

Maritime and Fisheries Fund

The Commission has proposed a new European Maritime and Fisheries Fund (EMFF) to replace the current European Fisheries Fund. It will help deliver the objectives of the reform of the Common Fisheries Policy, promote sustainable fishing and help coastal communities to diversify their economies. It is proposed to have a budget of €6.5 billion.

Web: ec.europa.eu/fisheries/reform/index_en.htm.

LIFE Programme

The Commission has proposed that the new Programme for the Environment and Climate Action – LIFE will have a budget of €3.2 billion. It will broadly continue the existing LIFE+ programme but will have new features including a new sub-programme for climate action.

Web: ec.europa.eu/environment/life/index.htm.

Economic decisions

In the January 2011 issue of *EU Supplement*, we described the complex involvement of the EU with national governments in making economic decisions. Here we describe the changes that have been made during 2011 and the proposals for further change. The full scope of the proposals for further change is not yet clear but it is expected that they will be clarified in the near future and brought into effect in 2012.

Stability and Growth Pact

The Stability and Growth Pact (SGP) sets out the rules which national governments must keep in respect of government debt and deficits. New rules came into effect on 13 December 2011. There are five Regulations and one Directive (sometimes called the *six-pack*).

The main requirement of the SGP is that the level of government debt must not be more than 60% of Gross Domestic Product (GDP) and the government deficit must not be more than 3% of GDP except in particular circumstances. This remains the basic rule for the present. The new rules are mainly about how this requirement is enforced.

If a member state is in breach of this requirement, the *Excessive Deficit Procedure* comes into operation. This means, among other things, that the member state in question is subject to overall EU surveillance and must comply with the EU decisions on how to deal with the problem. At present, 23 of the 27 member states of the EU are in this procedure. In practice, the procedure has been put in place when the deficit requirement is not met; it has not been used when the member state is in breach only of the debt requirement. Member states are given a transition period to meet the requirements but they must make progress towards the objective during the transition period.

Since 13 December 2011, financial sanctions will apply to euro-area member states that do not take adequate action to deal with their problems. A decision to apply a financial sanction can be made by what is called the *reverse qualified majority* voting procedure. In general, EU decisions are made in the following manner: the Commission makes a proposal, the European Parliament and the Council then decide on that proposal by means of a qualified majority. Any decision to impose a financial sanction is taken differently:

- the Commission makes a recommendation to the Council
- the Council then imposes the financial sanction unless a qualified majority of its members vote against it.

The Excessive Deficit Procedure is no longer limited exclusively to breaches of the deficit requirement; it may be used in cases where the debt requirement is not met even if the deficit requirement is. Again, member states will be given a transition period to work towards the requirement. Ireland has until 2015 to meet the deficit requirement and until 2018 to meet the debt requirement.

The new rules also include further measures aimed at helping to prevent member states getting into deficit and debt problems. These mainly involve rules about budgets and limits on public expenditure.

A new *Excessive Imbalance Procedure* has been introduced to deal with economic problems other than debt and deficits (for example, major changes in international investment, exports, labour costs, private sector debt or housing costs). This involves the Commission and the Council intervening at an early stage to prevent imbalances occurring and then setting requirements for correcting those imbalances. Failure to correct may result in financial sanctions in the same way as failure to address the deficit and debt requirements. Decisions on these will also be taken by reverse qualified majority.

Proposed new regulations

The Commission has published the 2012 Annual Growth Survey which sets out what it considers ought to be the EU's economic priorities for 2012. In that context, it has also proposed two new regulations on economic and budgetary surveillance in the euro area. These involve further changes to the rules on the SGP.

The Citizens Information Board provides independent information, advice and advocacy on public and social services through citizensinformation.ie, the Citizens Information Phone Service and the network of Citizens Information Services. It is responsible for the Money Advice and Budgeting Service and provides advocacy services for people with disabilities.

Head Office

Ground Floor t + 353 1 605 9000
George's Quay House f + 353 1 605 9099
43 Townsend Street e info@ciboard.ie
Dublin 2 w www.citizensinformationboard.ie

The proposed regulation on the surveillance of budgetary policies in eurozone member states would require these countries to present their draft budgets at the same time each year and give the Commission the right to assess them. The Commission could issue an opinion on them or could request that they be revised if they were inconsistent with the SGP. Eurozone member states would be required to have independent fiscal councils and to base their budgets on independent forecasts.

The other proposed regulation deals with strengthening economic and fiscal surveillance of eurozone countries facing or threatened with serious financial instability.

It is expected that these proposals will be agreed quickly and will come into effect in 2012.

European Stability Mechanism

The European Stability Mechanism (ESM) was agreed in November 2010. It is the permanent crisis mechanism to safeguard financial stability in the euro area. It was originally intended that it would be set up in 2013 but the European Council has now decided to establish it in July 2012. It will not be subject to unanimous decision-making as was originally intended.

The establishment of the ESM required a change to the treaties governing the EU. This change was agreed by the Council and it must be ratified by the member states before July 2012. It is not entirely clear whether or not a referendum is required in Ireland on the issue.

Initially it was intended that there would be private sector involvement in the ESM but this has now been removed.

The ESM will replace the temporary European Financial Stability Facility (EFSF). However, the EFSF will continue to operate until 2013. In March 2012, the Council will reassess the overall ceiling for the EFSF and the ESM (currently €500 billion).

Proposed intergovernmental treaty

The European Council has agreed what is described as a fiscal compact which is currently being drafted as an intergovernmental agreement between 26 of the 27 member states. It is not proposed that it will amend the treaties governing the EU but that it will constitute a separate international agreement between the 26 states. The full text is not yet available and it is not clear whether or not its ratification will require a referendum in Ireland.

The fiscal compact requires that national budgets should be balanced. "Balanced" is defined as an annual deficit of not more than 0.5% of GDP. Member states must legislate for this at constitutional or equivalent level. The European Court will be given the power to assess whether or not appropriate legislation is in place.

The rules in relation to the Excessive Deficit Procedure are described above. The new compact provides that this procedure will apply in a stricter way to the euro area member states.

Other developments

Financial Transactions Tax

The Commission has published proposals for a Financial Transactions Tax. The Commission's plan is that the proceeds of this tax would go to fund the EU itself.

State aid

The temporary crisis rules on state aid for banks which were introduced in 2008/9 have been extended and made stricter. Banks are required to submit restructuring plans to the Commission before they can get state aid. They also have to pay fees for certain state guarantees.

Web: ec.europa.eu/competition/state_aid/legislation/temporary.html.

Credit rating agencies

The Commission has published proposals for a directive and a regulation to further regulate credit rating agencies. These will add to the existing regulations - Regulation (EC) 060/2009 and Regulation (EU) 513/2011.

Web: ec.europa.eu/internal_market/securities/agencies/index_en.htm.

Citizens Information

LOG ON
www.citizensinformation.ie

LO-CALL
1890 777 121 Open Mon to Fri, 9am to 9pm

DROP IN
For your local centre see Golden Pages listing