

Europe Report

Swedish Presidency – An Assessment

The Swedish Presidency, led by Prime Minister, Fredrik Reinfeldt, presided over a momentous period in the European Union, steering it through its constitutional crisis over the Lisbon Treaty, getting agreement on the newly created top jobs and firming up the EU's position on climate change, in advance of the Copenhagen summit in December. He also attempted to bolster the EU's structures for dealing with the economic crisis.

Other issues dealt with during the six months included environmental problems in the Baltic Sea and the inclusion of certain Baltic States in Europe's borderless Schengen zone.

The Lisbon Treaty finally came into force on 1 December. The second Irish Referendum in September had approved the Treaty but then the Czech Republic, the only other country that had not ratified, tabled fresh demands, but after receiving clarification on the application of the Charter of Fundamental Rights, Czech President, Vaclav Klaus finally completed his country's ratification of the treaty. There were concerns that new demands may have come from other states, but in the event this did not happen and the Treaty came into being.

New President and Foreign Minister – The Swedish premier then had the tricky task of implementing the Treaty, firstly having to gain agreement on the newly created top jobs – a standing president of the European Council and a high representative for foreign policy, which would also act as vice-president of the commission. Agreement at first seemed impossible, with several European politicians, including Tony Blair, being promoted for one or other of the jobs. After two weeks of manoeuvring, during which Mr. Reinfeldt publicly criticised France and Germany for attempting to stitch up a deal, Belgian Premier Herman Van Rompuy was chosen as the President and Britain's little-known, Catherine Ashton a surprise, last-minute choice as the new foreign policy supremo.

Economic Crisis – A Financial Supervision system was put in place with three new supervisory bodies being created. However, a complicated appeals process means that member states have a veto on any decisions, under certain circumstances and the Parliament is unhappy with this. The EU has attempted to end the inappropriate bonus culture and brought in clear principles for the phasing out of support measures for the financial markets.

A new growth strategy to 2020 has been laid down, focussing on a green economy, stronger competitiveness, increased investment in research and education, full employment and a high level of labour supply and long-term sustainable public finances.

Climate Change – Copenhagen Conference - With Climate Change as a major priority for the presidency, Sweden's objective was to ensure that the EU continued to take responsibility for combating its effects and to act in unison at the UN Climate Change Conference in Copenhagen in December. Mr Reinfeldt, along with many others, had hoped that a legally binding agreement on climate issues could be reached.

He did succeed in reaching a unified EU position, although opponents said that the target figure was too little and the offer of 20% greenhouse gas cuts by 2020 should have been increased to 30%. They did offer belatedly to agree to increase to 30% but only if other countries made comparable efforts.

In the event, as we all now know, no binding agreement was reached and the whole show continues next year in Mexico with a date still to be set.

Foreign Affairs. The Swedish Prime Minister and Foreign Minister both called for action to assist the Palestinians, during their term in office, with the Foreign Minister, Carl Bildt calling for East Jerusalem to be declared the future capital of an independent Palestinian state. Other members were more subtle and called instead for talks on the status of Jerusalem, but despite this differing approach, Israel tried to stop certain EU governments backing the proposal, leading Carl Bildt to describe Israel as a country of "divide and Rule".

Relations between Sweden and Israel suffered further strain when a report appeared in a Swedish newspaper accusing the Israeli army of stealing organs of dead Palestinians and Mr Bildt was obliged to call off a visit to Israel, due to take place in September.

At the very end of the year, the Swedish Presidency issued a statement in response to further apartment construction in East Jerusalem and urged Israel to reconsider their plans as "it prevents the creation of an atmosphere conducive to resuming negotiations on a two-state solution."

Tories

Following the European Elections David Cameron delivered on the promise to his right wing and took the UK Conservative members of the European Parliament out of the mainstream centre-right grouping and formed an extremist alliance known as the European Conservatives & Reform Group (ECR). The UK Tories main partner in this, the fourth biggest grouping in the Parliament, is the Polish PiS Party – a Party condemned as homophobic after they banned gay rights marches in Poland. In addition, the leader of this new alliance is Michal Kaminski of the PiS. Polish newspapers have reported that Kaminski was part of a group that tried to prevent the Polish President from apologising for the massacre of hundreds on Jews in Poland in July 1941 and he is widely regarded as anti-semitic. Jewish leaders throughout Europe condemned the new alliance.

David Cameron was said to be very disappointed when the Lisbon Treaty was ratified before he had the opportunity to hold a referendum and promised new laws to ensure that referendums had to be held prior to any further transfer of powers to the EU, if returned to power. If elected, he also plans to negotiate a full opt out from the Charter of Fundamental Rights; greater protection against EU encroachment into the UK's Criminal Justice System and restoration of UK control over social and employment legislation, which he sees as

damaging to the British economy. This would include legislation such as the Working Time Directive, particularly in the public service and health and safety laws.

Legislation/Employment Issues

Equality Summit.

At the Equality Summit held in Stockholm in November a joint declaration to combat discrimination in the EU was presented by the ETUC and Social Platform entitled “Fight discrimination and guarantee equality for all”. The declaration called for new legal and policy initiatives to be introduced into the EU institutions and Member States, with greater involvement of social partners and especially trade unions and organised civil society.

Wage and Social Spending Cuts

The ETUC has criticised the current trend of using wage and public spending cuts as a method of solving the current economic crisis. At a meeting of the Macroeconomic Dialogue, John Monks said that the ETUC was worried EU governments would act too prematurely risking the recovery across the zone.

Update on Posting of Workers Directive

Throughout the latter part of the year, the ETUC continued to press for a revised Directive but EC President, Jose Manuel Barroso has now advised that there is no support for this amongst Member States and he would prefer a new regulation which he believed could solve outstanding issues. An ETUC expert group on the Directive is due to report soon and the ETUC will use the report to push for the revision they believe is needed to counter the effects of the four adverse ECJ cases which has diluted the protection for workers posted to other countries.

Patient Mobility Directive (Cross Border Healthcare)

UNISON and EPSU have continued to campaign against successive European Court of Justice (ECJ) rulings which have attempted to undermine the social ethos and social purpose of healthcare systems like the NHS by defining them as “economic” rather than “social” ventures. The above Directive is meant to promote consumer or “patient” rights to receive healthcare across the EU in countries of their choosing. However, the Directive is based on Single Market provisions, rather than on public health provisions, which means that it is more about protecting rich patients’ mobility and the rights of healthcare providers to decide how and where they will operate. UNISON and the EPSU want the legal base of the Directive shared equally between the commercial and the social purpose.

Negotiations on the Directive are currently stalled, with ministers unable to reach agreement, although the main sticking point appears to be the inclusion of non-contracted health care providers into the scope of the Directive and on the definition of which country should pay for pensioners who live in another country and seek health care in a third country. This mainly includes the Mediterranean countries and since Spain opposes the provision, it is unlikely to be resolved during the Spanish presidency.

New Directive on Parental Leave adopted

In November, the Employment and Social Affairs Council adopted a political agreement on proposals for a replacement Directive on Parental Leave. The agreement improves several provisions in the previous agreement, including increasing the length of parental leave from three to four months, strengthening it as an individual right, by making at least one month fully non-transferrable; offering workers the right to request flexible working arrangements when returning from maternity leave which must be considered and responded to by the employer and gives protection against less favourable treatment for those who take advantage of this right.

Working Time Directive (WTD)

Following the failure of the proposed revisions to the WTD in April, the European Trade Union Confederation (ETUC) adopted a resolution calling for a period of reflection and for the European Commission to follow through with infringement proceedings against those member states that are significantly failing to implement the current Directive. The European Commission is believed to be considering launching a consultation with the European social partners to come up with new proposals to revise it, but the ETUC is adamant that any future revision must include an end to the opt out as well as acceptance that on-call time in the workplace must be counted as working time.

EU Staff Pay Dispute

Civil servants working for the European Commission are in dispute following the refusal by 15 member states, including the UK, to agree to award the staff a 3.7% pay increase, suggesting instead that it be halved to 1.85%. The annual pay settlement was agreed by governments in 2004 and is an automatic mechanism based on the average of pay for civil servants in 8 member states, including the UK. Politicians from the 15 countries blocking this year's settlement say that the increases should be decreased this year because of the current financial crisis. The European Commission is considering taking legal action to have the council decision annulled at the same time as the dispute is set to be escalated with staff from the European Parliament joining in and plans to disrupt various hearings of the Commission and Parliament business coming into force.

Spanish Presidency: January – June 2010

The Spanish rotating presidency will have to come to terms with the new legal framework, following implementation of the Lisbon Treaty and its new layer of governance, whilst continuing with the old system of rotating presidencies.

Spain's prime minister, Jose Luis Rodriguez Zapatero will have to steer a path to see how this will work in everyday practice so that he and the newly appointed EU President, Herman Van Rompuy can avoid duplication of roles. Under the new system, Mr. Zapatero and his government will be responsible for the day-to-day running of the bloc, including chairing nearly all of the monthly ministerial meetings in Brussels. Mr. Van Rumpuy's role will be to represent the EU externally at summits and to provide the political impetus to

the meetings of EU leaders. However, this may not be as easy as it sounds and there is plenty of scope for disagreement throughout the six months.

Dealing with the economic crisis will be the number one priority for the Madrid term of office, with proposals for a 10-year strategy on the table but much negotiating still to be done, not least of these, having to ensure that the financial supervision structures agreed in December are made into workable laws. They will also have to take forward the international agreement from the Climate Change summit in December prior to the next conference in Mexico during the year.

One of their other priorities will be an attempt to tackle gender specific violence, creating a European overview in the fight against domestic violence and addressing judicial issues to protect women from violence. Spain also wants to have a “non-discrimination directive” approved during its term of office.

On international issues the Spanish Presidency plans to boost EU counter-terrorism activities, following the attempted plane bombing on Christmas Day, on a US-bound plane which took off from Amsterdam and the attempted murder of a Danish cartoonist by a Somali extremist. The international meeting in London to discuss extremism in Yemen will be the first step in this plan, with member states believing that the EU must develop a strategy for dealing with threats from Yemen.

The Spanish President also wishes to see a viable Palestinian state established in 2010 by negotiation with all parties, although they would prefer not to be forced into a situation of having to choose whether to recognise a Palestinian state that was formed by a Palestinian unilateral declaration of independence, which Palestinian officials have said they intend to take in the near future.

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