



August 2018
AK Position Paper

Multiannual Financial Framework 2021-2027

EU Single Market Programme

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About us

The Austrian Federal Chamber of Labour is by law representing the interests of about 3.7 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is a part of the Austrian social partnership. The Austrian Federal Chamber of Labour is registered at the EU Transparency Register under the number 23869471911-54.

The AK EUROPA office in Brussels was established in 1991 to bring forward the interests of all its members directly vis-à-vis the European Institutions.

Organisation and Tasks of the Austrian Federal Chamber of Labour

The Austrian Federal Chamber of Labour is the umbrella organisation of the nine regional Chambers of Labour in Austria, which have together the statutory mandate to represent the interests of their members.

The Chambers of Labour provide their members a broad range of services, including for instance advice on matters of labour law, consumer rights, social insurance and educational matters.

More than three quarters of the 2 million member-consultations carried out each year concern labour-, social insurance- and insolvency law. Furthermore the Austrian Federal Chamber of Labour makes use of its vested right to state its opinion in the legislation process of the European Union and in Austria in order to shape the interests of the employees and consumers towards the legislator.

All Austrian employees are subject to compulsory membership. The member fee is determined by law and is amounting to 0.5% of the members' gross wages or salaries (up to the social security payroll tax cap maximum). 816.000 - amongst others unemployed, persons on maternity (paternity) leave, community and military service - of the 3.7 million members are exempt from subscription payment, but are entitled to all services provided by the Austrian Federal Chambers of Labour.

Renate Anderl
President

Christoph Klein
Director

Executive Summary

The European Commission aims to achieve streamlining and synergy effects through a new Single Market Programme covering the competitiveness of enterprises, consumer protection, financial services, the food chain, European standards and statistics. BAK has doubts, however, as to how those objectives can be achieved given the wide-ranging topics concerned.

BAK wishes to note that there are serious shortcomings in the single market, in particular in the implementation and enforcement of Union law in the field of free movement of persons, for example with respect to the posting of workers, as well as in the social and environmental fields. BAK therefore calls for labour law, social law and environmental law to be included in the process on eliminating obstacles to the single market.

With respect to the COSME programme to promote enterprises, BAK calls for a demand-oriented emphasis and is critical of the budget increase of approximately 30% compared to the current financial period. In terms of the Consumer Programme, BAK calls for the EU to ensure that legislation of consumer protection and product safety is implemented properly and uniformly in practice. In addition, more rigorous and more frequent checks by market supervisory authorities are needed for products that are imported from third countries and sold online. BAK wishes to note the considerable increase in consumer protection tasks and therefore calls for the budget to be increased to EUR 250

million. This increase of approximately 32% would be equivalent to the increase in the budget for COSME. BAK welcomes the programme to enhance the participation of consumers and other end-users in EU policy-making in the field of financial services.

It is questionable why measures to combat animal diseases, and plant pests and measures for animal welfare through the food chain should be financed by the Single Market Programme. These measures concern primary production. BAK therefore calls for these projects to be financed from the Common Agricultural Policy budget.

BAK calls for European social partners to be suitably involved in all phases of the new Single Market Programme. Unfortunately neither social partners, nor employee representative bodies are listed in the Commission's proposal.

AK's position in detail

In the scope of the 2021–2027 multiannual EU financial framework, the Commission proposes bringing together several programmes and budget lines in the fields of competitiveness of enterprises, consumer protection, financial services, market supervision and regulation of the food chain, the development of European standards, and the production and dissemination of European statistics into a new Single Market Programme. The programme is to have a budget totalling EUR 4.089 billion for the seven-year financial period.

The European Commission hopes to achieve streamlining and synergy effects by bringing together the various initiatives. However, BAK questions how these objectives can be achieved given the wide-ranging focus of the programmes. The text of the proposed Regulation gives little indication on how these will be achieved.

Programme objectives

Article 3 of the proposed Regulation sets out the objectives of the Programme. BAK addresses in detail the following objectives specified in paragraph (2) of said Article:

In point (a), the Commission notes that it is necessary to facilitate the prevention and removal of obstacles within the internal market. It refers specifically to the implementation and enforcement of Union law in the fields of goods and services, public procurement, market surveillance, company law, contract law and extra-contractual law, anti-money

laundering, free movement of capital, and financial services.

BAK wishes to note that there are serious shortcomings in the implementation and enforcement of Union law with respect to one of the four fundamental freedoms of the single market, namely the free movement of persons. For example, violations of Union law often occur with respect to the posting of workers and may have disastrous negative effects for domestic enterprises. There are also problems with implementation of Union law in the social and environmental fields, resulting in distorted competition on the single market. BAK therefore calls for labour law, social law and environmental law to be included in the process of eliminating obstacles to the single market.

Point (b) refers to the competitiveness of enterprises, with special emphasis on SMEs. In the scope of the COSME programme, EUR 1 billion is to be spent on projects for market access, internationalisation, competitiveness, industrial modernisation, and the promotion of entrepreneurship. BAK considers that the listed measures are solely supply-oriented and calls for a demand-oriented emphasis in the Single Market Programme.

Point (d) concerns the protection of consumer interests. A high level of consumer protection and product safety is to be ensured by measures including educating consumers and businesses and by supporting consumer representative organisations and the relevant enforce-

ment authorities. In the field of financial services, the participation of consumers and other end-users in policy-making is to be enhanced. BAK welcomes that single market objective and assumes that the term “end-users” refers to consumer representative organisations. We therefore request that an explicit definition should be given in Article 2. In addition, BAK calls for the EU to ensure that legislation of consumer protection and product safety is implemented properly and uniformly in practice. In addition, more rigorous and more frequent checks by market supervisory authorities are needed for products that are imported from third countries and sold online. These checks need to be taken into consideration in the Single Market Programme.

Point (e) describes the “food chain”. BAK supports a high level of health for humans, animals and plants along the food chain. However, BAK questions why measures to combat animal diseases and plant pests and for animal welfare should be financed from the Single Market Programme. Those measures concern primary production and should therefore be financed from the Common Agricultural Policy budget.

The budget for the Single Market Programme

Article 4 of the Regulation concerns the budget for the Single Market Programme. A total of approximately EUR 4.089 billion is to be earmarked to finance the single market measures for the 2021–2027 period.

EUR 1 billion is to be provided to the COSME programme to promote the competitiveness of enterprises, with special emphasis on SMEs. In addition, funds of EUR 2 billion are earmarked

through the InvestEU programme. Compared to the budget of EUR 2.3 billion for the current period, this means a budget increase of approximately 30% for the 2021–2027 period. By comparison, the budget for the Consumer Programme of EUR 188.8 million in the current EU financial framework is slightly to be reduced to EUR 188 million in the next financial period.

In view of the additional consumer protection tasks that need to be fulfilled in the coming years according to the Commission – for example, in relation to digitalisation of the economy, the globalisation of consumer markets, and the implementation of EU rules in consumer law and the resulting increased need for advice – the budget needs to be increased considerably in BAK’s view. BAK calls for the budget to be increased to EUR 250 million. That represents an increase of approximately 32% and is therefore equivalent to the budget for COSME.

BAK welcomes and supports a separate programme to enhance the participation of consumers and other end-users in EU policy-making in the field of financial services, given the negative experiences during the global financial and economic crisis. In general, BAK welcomes the fact that the organisations Finance Watch and Better Finance are explicitly referred to as beneficiaries in point (f) of Article 10. In BAK’s view a condition for a grant of the programme should be that the beneficiaries are non-profit, non-governmental organisations that are independent from enterprises, in particular from the financial sector. The focus should be on consumer interests and the stability of financial markets and the economy.

More than 41% (EUR 1.68 billion) of the total budget for the EU Single Market Programme is earmarked for the food chain. As already mentioned above, some of the measures (such as combating animal diseases and plant pests) concern primary production and should therefore be financed from the Common Agricultural Policy budget.

BAK supports the possibility of funding of projects referred to in Article 14 through several EU programmes, such as the European Regional Development Fund, the Cohesion Fund, the European Social Fund Plus, and the European Agricultural Fund for Rural Development.

Involvement of social partners

The single market is highly relevant to businesses, workers and consumers alike. BAK demands that this fact be taken into account in the Single Market Programme. In addition, European social partners have to be suitably involved in all phases of the new Single Market Programme. Unfortunately, neither social partners nor employee representative bodies are listed in the Commission's proposal.

The participation of various actors in the respective projects is mentioned several times in relation to the EU Single Market Programme. For example, "stakeholder participation" in setting up standards is proposed in point (c) of Article 3(2). BAK proposes giving greater emphasis to the role of social partners and using the phrase "the participation of social partners and other stakeholders".

Article 8(2) describes actions for implementing the objectives of the Single Market Programme that are eligible for funding. BAK notes that businesses, citi-

zens, civil society, consumers and public authorities are listed in relation to the "creation of the right conditions to empower all actors of the internal market" in point (a), but workers unfortunately are not. There is absolutely no justification for the omission of workers from the list. BAK therefore urges the inclusion of workers in the list.

Point (b) of Article 8(2) refers to the provision of mechanisms for citizens, consumers, end-users, civil society representatives and business representatives from the Union to contribute to political discussions, policies and the decision-making process, notably by supporting the functioning of representative organisations at national and EU level. BAK is critical of the fact that employee representative bodies are not listed here either. It is imperative that they are included in the list and that they are not excluded from the political debate and the policy-making process.



Should you have any further questions
please do not hesitate to contact

Frank Ey

T: +43 (0) 1 501 651 2768
frank.ey@akwien.at

and

Peter Hilpold

(in our Brussels office)
T +32 (0) 2 230 62 54
peter.hilpod@akeurop.eu

Bundesarbeitskammer Österreich

Prinz-Eugen-Straße 20-22
1040 Vienna, Austria
T +43 (0) 1 501 65-0

AK EUROPA

Permanent Representation of Austria to the EU
Avenue de Cortenbergh 30
1040 Brussels, Belgium
T +32 (0) 2 230 62 54
F +32 (0) 2 230 29 73