FEDERATION EUROPEENNE DES EMPLOIS DE LA FAMILLE



SUMMARY FEBRUARY 2018

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1. EUROPEAN BUDGET: Eastern countries are strong defenders of European Subsidies

WHAT YOU MUST REMEMBER

- Member States begin to position themselves for the forthcoming negotiations on the EU budget.
 With notes detailing their position, governments seek to influence the reflections of the European
 Commission. Who has planned to present its proposals for the multiannual financial framework
 2021-2027 in May. Major trends are already opposing, particularly between Eastern and Western
 countries.
- 2. Poland, Hungary, Slovakia and the Czech Republic call for an increase of national contributions to compensate the departure of the United Kingdom from the EU. They fear to be the big losers of Brexit. Their objective is to avoid too important cuts in the existing policies, of which they are the first beneficiaries.

In a joint document, the four governments of these Eastern European countries (known as the Visegrad Group) are developing their vision of the future Financial Framework (MFF) of the EU for the period 2021-202. They present themselves as willing Europeans, ready to raise national contributions to the EU budget but keep actually a very conservative line. For them, the important thing is to align available resources with projects. And not the reverse. In particular, they identify new priorities (defense, security, border) that need appropriate funding, which the current economic situation allows when the previous MFF negotiations took place in the midst of the crisis in the Euro Zone.

■ FAIRER DISTRIBUTION OF SUBSIDIES

The departure of the United Kingdom will lead to a 15%loss of EU resources, which the West refuses for the moment to compensate. However, the Visegrad group members are the main beneficiaries of regional aid (Structural Funds) and those dedicated to the agricultural sector (CAP) are very important to modernize their infrastructures.

Faced with such challenges, the four governments put forward their arguments to justify keeping budgets at current levels, especially those allocated to the less favored regions. They recall that the objectives of the Cohesion Policy are in the Treaties and state that amputation of solidarity tools between regions will affect the proper functioning of the Single Market, and therefore of the EU. They also ask that subsidies remain the main mechanism for financing European projects (while for economic reasons, the Commission has been thinking for several months about extending the use of loans).

In their collective note, the four countries also call for the introduction of new criteria for allocating Community funding. They believe that the geographical balance is not respected.

MIGRATORIES STAKES

The four countries state that they will never accept that regional funds are conditioned on compliance with the rules of law or the reception of migrants. Their refusal to accept refugees on their territories in 2015 has profoundly affected the West. According to countries like France and Germany, the principle of solidarity has been broken. Paris and Berlin are tempted to use the financial pressure to prevent such behavior from happening again.



However, during the 2015 refugee crisis, Poland, the Czech Republic, Slovakia and Hungary were leading the opposition to the relocation of refugees in the EU. At the same time, Warsaw and Budapest are constantly mocking European institutions about respecting the rule of law. In such a context, Western countries have little to lose reducing the funds that go to the East, while seeing in the budget issue an ideal pressure lever.

WHAT FUTURE FOR AGRICULTURAL POLICIES (PAC)?

Regarding to the Common Agricultural Policy (CAP), the Visegrad group is equally conservative. Direct subsidies paid to farmers must be preserved, and sums aligned between East and West. The four states could thus become the first defenders of the CAP, when, for the first time, France accepts the idea of having its budget revised downwards.

2. EUROPEAN BUDGET: Western countries lead by France are opposed to Eastern positions

WHAT YOU MUST REMEMBER

- 1. Eastern position is literally opposed to what France proposes. The French government propose to lower CAP and Cohesion Policy to finance new priorities such as defence or security.
- 2. Italy proposes to introduce the rule of law and conditions of solidarity in the management of migration flows and Ireland proposes to contribute more.

FRANCE READY TO LOWER CAP AND REGIONAL POLICY BUDGET TO FINANCE DEFENSE

A government note details the French position on the post-2020 EU budget. Explaining that the EU will not be able to continue to pay to 27 what it has financed so far to 28 Member States, meaning they do not want to compensate for the loss linked to the departure of the British from the EU in March 2019 (around € 10bn per year).

On the CAP, the French position, for several decades, during the budget negotiations was immutable: not to spend more and preserve the CAP, of which the country remains one of the main beneficiaries. Now in the document, it is understood that the CAP and the Cohesion Policy could be reduced to finance the new priorities, since the equation is to do more without spending more.

For the Macron government, what counts above all is to make the EU a "collective security vector". The next MFF will first have to supplement national defense spending. An echo of the Commission's May 2017 proposal to put up to \leq 1.5bn a year for this new priority from 2021.

At the same time, spending "which represents a real European added value" and makes "the European economy more competitive" must be increased, says the French government. A term that refers to education, research and innovation, mobility of citizens in particular ... (Emmanuel Macron's program even asked to increase the budget of the Erasmus program by five).

According to Paris, the Cohesion Policy could be the priority adjustment variable they want to transform it for saving money. The idea here is to simplify it, to avoid duplication with other programs and to better target funding to territories in great difficulty, including those located in wealthy regions. From Bercy's point of view Cohesion Policy costs more than it yields.



HOW TO GET A FAIR RIGHT-RETURN?

Still, this vision is not obvious to be accepted by other States. So far, EU members have always worked out a calculator in their hand, to make sure they get as much money as possible. This is called "fair return". To achieve this, the CAP and regional policy are ideal because each State can roughly estimate in advance what it will recover.

However, it is impossible to make such calculations with programs for research, innovation or education, since they depend on projects selected every year, calls for tenders or student grants. Large net contributors to the EU budget, such as the Netherlands, Sweden or Denmark, might strongly oppose to it.

But in its working document, France is already making compromises. A hand is thus extended to Germany when the note mentions the need for the EU to "sustainably control its borders, integrate refugees and face the root causes of migration in countries of origin".

Paris ends its note by evoking the budget of the Euro Zone. Flagship proposal of Emmanuel Macron since the beginning of his mandate, it is far from unanimous. The Commission has at the moment proposed to deal with this issue with a simple budget line in the future MFF. By linking this issue to the reflection on the EU's overall budget, Paris wants to maintain the pressure and make it a negotiating lever.

ITALY INTRODUCE ITS CONDITIONS ON THE COHESION POLICY - TO INTRODUCE THE RULE OF LAW AND THE CONDITIONS OF SOLIDARITY IN THE MANAGEMENT OF MIGRATION FLOWS

Rome wants to make solidarity in the management of migratory flows a legally binding condition for having access to the funds of the future Cohesion Policy post 2020. More broadly, the Italian document unambiguously supports Cohesion policy, which continues to be a essential tool to "prevent the progressive deterioration of European solidarity" and thus "exacerbate the disaffection of the European project" among European citizens. Italy calls for the budget of the next Cohesion Policy to be at least as high as the current one. This position is in contradiction with what the European Commission currently proposes.

IRELAND DOES NOT WANT CUTS IN THE EUROPEAN BUDGET

Irish Prime Minister Leo Varadkar defended an ambitious vision of the next MFF. He stated that his country was ready to contribute more, to compensate for the departure of the United Kingdom and thus maintain the current level of expenditure for the CAP as well as for research and innovation programs. Ireland is one of the countries that has benefited the most from EU aid to develop in the 1980s and 1990s. Today, the island is a net contributor to European finances.

3. EUROPEAN BUDGET: the institutions viewpoint

WHAT YOU MUST REMEMBER

- 1. Budget Commissioner Günther Oettinger said on January 8th that he planned a reduction of 5% to 10%. Internally, the Commission consults its services to calculate the consequences of reducing the Cohesion Policy budget by up to 30%.
- 2. On 10 January 10th, the Commissioner received the support of the College of Commissioners during a first orientation debate on the MFF, including an increase in the contribution of the Member States to the European budget, to bring it back to a level between 1.1% and 1.2% of gross national income (GNI).
- 3. The Commissioner explained that the next European budget would have two challenges: to make up the budget deficit caused by the withdrawal of the United Kingdom (about 12 to 13 bn €) and to pay new priorities (about 10 bn € per year).



■ Two actions are proposed:

- ⇒ Increase the contribution of Member States to just over 1.1% of GNI

EUROPEAN FUNDING:

The Commissioners agreed that European funds and programs should be reduced, notably the CAP and the cohesion Policy. However, the Commissioner indicated that he would like to see a larger budget for the Erasmus + exchange program and the Horizon post-2020 research and innovation program.

New concept: the "Value added European"

The Commissioner added that the EU's actions would be decided over the next period using the principle of "European added value" - a concept that is still rather vague, but for which it has promised a legal clarification in the coming weeks. . . Other proposals were presented, some of which were already in the public domain, such as the creation of a set of common rules between European funds.

NO" TO A BUDGET OF THE EURO ZONE, "YES" TO NEW RESOURCES.

The Commissioner rejected the creation of a specific budget for the Euro Zone, explaining that more and more Member States will adopt the single currency over the next decade. As regards to revenue, the Commission made two proposals:

- A part of the revenue generated by the ETS system goes to the EU,
- ⇒ The introduction of a tax on plastics.

A SHORTCUTT MFF

The Commissioner hinted that he hoped that the future MFF would still be in the seven-year format, but that it would last five years from 2024. The first financial framework after 2020, will be a sort of "bridge" to the new format, which he considers more democratic because it coincides with the mandate of the Commission.

MORE DISCOUNTS

Because of Brexit, the Commissioner also expressed his hopes that the next European budget will not contain any rebates, because of budget simplification. He anticipates greater budget simplification in the presentation of the chapters, which will no longer be represented by figures, but by specific titles.

A TIGHT SCHEDULE

Finally, the Commissioner stressed the need to work quickly to ensure that the elections do not coincide with the negotiations of the MFF, which would considerably delay its implementation. The timetable will be tight: the Commission intends to present its proposal at the end of May and to reach an agreement before May 2019 right on time for the European elections.



4. EUROPEAN ELECTIONS: toward transnational lists?

WHAT YOU MUST REMEMBER

- 1. The creation of transnational lists for the next 2019 European elections was Emmanuel Macron's campaign promise. For the moment, the European Parliament voted against in a close vote on 7 February in plenary session.
- 2. The idea is also not unanimous on the side of the Member States.
- 3. The stakes are high because with the departure of the United Kingdom, 73 seats are released and their redistribution fuels greed. Member States first. Several countries will thus be able to enlarge their delegation, in particular France, which feels aggrieved since 2014. The text approved grants it five more MEP, meaning a global delegation of 79 MEPs. In total, 27 seats are distributed among 14 countries.

LEFT / RIGHT OPPOSITION

The creation or not of transnational lists, on which a small group of deputies would be elected by all EU citizens, is an old dream of the federalists, who see it as a way of reinforcing the democratization of the EU by creating pan-European political debates. The left of the hemicycle is for (social democrats, environmentalists, radical left), also supported by the Alliance of Democrats and Liberals in the center. The right is unresponsive. The European People's Party (EPP) is opposed to it, supported by Eurosceptics and the extreme right. They see it as an attack on the sovereignty of states and a project that would cut off elected representatives from these lists of citizens. For the moment, the European Parliament rejected the proposal in a close vote (368 votes to 274) on February 7th in plenary session

■ THE DIVIDED COUNCIL

Member States approval is essential. According to the treaties, governments have the last word on the composition of the hemicycle. And, huge detail: they must decide unanimously. Among the members of the Council, France is the most favorable country for the establishment of a single constituency. The project was part of Emmanuel Macron's presidential program. Since then, other countries have shown their support for the idea, such as Spain, Portugal, Greece, Bulgaria, as well as Belgium and Ireland. For the moment, Germany has remained silent.

However, the biggest obstacle could come from small countries and the East. Small countries fear that the eligible places on these transnational lists could mainly be occupied by politicians from large Member States, capable of draining many voices. France, Germany, Italy or Spain could thus recover some more MEPs. An obligation of geographical distribution within these lists could be considered to calm the reluctance.

Other fears, more political, will be more difficult to stifle. Hungary is very opposed to the project, and sees it as an affront to national sovereignty. This is also the case of the ultra-conservative Polish government. Already in 2014, the Hungarian Prime Minister had opposed the principle of "spintzenkandidaten". That is to say that the President of the Commission comes from the main political group of the Parliament, each party having nominated its candidate in advance, instead of the latter emanating from secret negotiations between the capitals.



But the crucial deadline will be the summit of February 23rd in Brussels. It will bring together the leaders of the twenty-seven Member States. Among the topics on the agenda, the upcoming European elections, the future Parliament and the question of spitzenkandidaten.

SOCIAL EUROPE

5. SOCIAL INFRASTRUCTURE: a European report on the sector

A high-level working group on investment in social infrastructure, led by former European Commission President Romano Prodi, published an alarming report on January 23rd on the decline of investments in social infrastructure. The working group suggests setting up geographic and / or thematic investment platforms for investments in the social sector to help bundle projects; create new financial instruments adapted to the social sector; develop large-scale technical assistance systems to build capacity at local, national and European levels; improve data collection for social infrastructure; and facilitate and simplify the mix of resources in the EU 28 (public, private, local, national, EU).

⇒ The report is available <u>here</u>

6. EMPLOYMENT: Member States to consider minimum provisions on leave in work-life balance

A meeting of the Working Group on Social Issues at the Council took place on the 29th January. Experts from Member States examined the key articles of the proposal for a Directive on the work-life balance of parents and carers , particularly paternity leave (Article 4), parental leave (Article 5), care leave (Article 6) and the granting of an adequate payment for this type of leave (Article 8). The discussions focused on the minimum provisions for adequate payment, in particular as regards parental leave. The experts also considered changing the arrangements for parental leave. Their discussions will continue at the Working Group level on February 20th.

■ EUROPEAN FUNDING

7. STRUCTURAL FUNDS: Commission released a guide to improve the utilization of Structural Funds and the integration of migrants

CE QU'IL FAUT RETENIR

- 1. Based on experiences gathered over the last few years, the Commission presented a guide on the 24th of January for local and national public authorities.
- 2. The purpose of this guide is to help them to implement migrant integration strategies and to increase the use of EU funds.

The project was presented by three Commissioners - Dimitris Avramopoulos (Immigration), Marianne Thyssen (Social Affairs), Corina Creţu (Regional Affairs) - who stressed the importance of integrating these people, especially at local level, and helping them to adapt their skills to the requirements of the European market.



The guide therefore seeks to improve the use of the new European funds, including the Structural Funds, Asylum, Migration and Integration (AMIF), FEAD and Erasmus and create the necessary synergies in this context.

The document explains the main stages of the use of these funds, around five priorities: reception, education, employment, accommodation and access to public services. Priority points are presented in each section, as well as European solutions and possible financial support.

The guide also clarifies the principles that must be respected, such as non-discrimination, gender balance and customized responses as needed.

⇒ The guide is available <u>here</u>

■ Public Consultations

8. EUROPEAN BUDGET: the Commission launched a series of consultations on the next MFF

CE QU'IL FAUT RETENIR

- 1. On the 9th of January the European Commission launched a series of consultations on the next MFF 2021-2027. The Commission must present its proposals on May 25th. In the meantime, stakeholders can share their views.
- 2. Budget Commissioner Günther Oettinger recalled on the 10th of January that the CAP and Cohesion Policy budgets would be cut. Only Erasmus and Horizon 2020 (research and innovation) will not decrease.
- 3. EFFE will respond to the Consultation on the future of Cohesion Policy, emphasizing its importance for the economic development of territories.

The Commission has launched a series of public consultations, which will continue until the 8th of March and will focus on:

- EU funds in the field of values and mobility;
- EU funds in the field of cohesion; EU funds in the area of strategic infrastructure;
- EU funds in the field of migration;
- EU funds in the areas of investment, research and innovation, SMEs and the single market;
- EU funds in the field of security.



■ EUROPEAN AGENDA - FEBRUARY TO JUNE 2018

	FEBRUARY IO JUNE 2018	
FEBRUARY	MARCH	APRIL
EUROPEAN PARLIAMENT 5 to 8 - Plenary Session in Strasbourg 21 and 22; 26 and 27 - Committee EMPL meeting	EUROPEAN PARLIAMENT 12 to 15 - Plenary Session in Strasbourg 21 and 22, 27 and 28 - Committee EMPL meeting	■ EUROPEAN PARLIAMENT 16 to 19 - Plenary Session in Strasbourg 25 and 26 - Committee EMPL meeting
24 - "European Learning Forum on possible ways of improvement: a vision for the future" Organised by: CEDEFOP and CESE Information available here Invitation on demand here	EUROPEAN COUNCIL 22 and 23 - European Council 15 - Council of Ministers in EPSCO ¹	■ EUROPEAN COUNCIL 17 and 18 and 23 - Council of Ministers in EPSCO
■ EFFE 12 - EFFE Bureau meeting TO GO FURTHER: 11 - presidential elections in Finland	■ CONFERENCE 1 - Presentation of the European survey on life quality in 2016 Organised by: CESE Information available here	
and Cyprus	 EFFE 12 - 2nd meeting of contributors to the White Paper 28 - General Assembly then Steering Committee 	
	TO GO FURTHER: 4 - legislative elections in Italy 18 - presidential elections in Russia	
MAY	Juin	
EUROPEAN PARLIAMENT 2 and 3 - small Plenary Session in Brussels 16 and 17 - Committee EMPL meeting 28 to 31 - Plenary Session in Strasbourg EUROPEAN COUNCIL 17 - Informal European Summit in Sofia EFFE 17- Bureau meeting (morning) 17 - Informal meeting of the Working group at the European Parliament (afternoon)	 EUROPEAN PARLIAMENT 7, 18 and 19 and 28 - Committee EMPL meeting 11 to 14 - Plenary Session in Strasbourg EUROPEAN COUNCIL 21 and 22 - Council of Ministers in EPSCO 28 and 29 - European Council EFFE Date not yet defined - Bureau meeting 	

 $^{^{\}mathrm{1}}$ Employment, Social Policy, Health and Consumer Affairs Council on social policy



APPOINTMENTS

COUNCIL

• Andrzej Sadoś has been appointed Permanent Representative of Poland to the EU. He spent the last few years to handle the activities of the International Catholic Migration Commission in Eastern Europe. Sebastian Barkowski remains the Deputy Permanent Representative, while Bogumiła Ordyk becomes Poland's representative on the Political and Security Committee.

COMMISSION

- Martin Selmayr, Jean-Claude Juncker's German chief of staff, has been appointed Secretary-General of the European Commission. It is Clara Martinez Alberola, until now assistant head of office, who will succeed her to the cabinet.
- Jean-Éric Paquet has been appointed Director General of DG Research and Innovation.
- Jean-Luc Demarty, Director General of DG Trade and Dominique Ristori, Director General of DG Energy, will remain in place. They have reached the age limit and must normally retire. But the Commission wants them to be able to finish the files in progress before they leave.

EUROPEAN PARLIAMENT

• Udo Bullmann temporarily headed the European Social Democrats Group. The German deputy is acting, the time of the election campaign in Italy, in which the current leader S & D is a candidate. If Gianni Pittella is elected on March 4, an election will be organized within the group. Udo Bullmann is particularly appreciated and influential in his political family, but in case of a new huge coalition in Berlin between the SPD and the CDU, the left wing of the S & D may be reluctant to support him.

FRANCE

The organization chart of the SGAE (French Secretariat to European Affairs) is almost stabilized - Several positions had been vacant for months. In December, the people in charge of economic and financial issues (Boris Melmoux-Eude, former head of the EU Office in the Budget Directorate, former rapporteur of the HATVP), the European judicial area (Renaud Halem, examining magistrate, former permanent rapporteur on the competition authority) and the European and national parliaments (Constance Deler, former parliamentary adviser in the cabinet of the Secretary of State for Transport Alain Vidalies) have taken up their duties. In early January, it is the steering



of the sector of coordination, modernization and links with the civil society which found its head with the arrival of Clara Augereau (former adviser of Harlem Désir with the Quai d'Orsay, passed by the PR in Brussels). The internal market sector and the position of advisor to the Secretary General (replacement of Juliette Clavière) are still not filled.



About EFFE

Créée en 2012, La Fédération Européenne des Emplois de la Famille (EFFE) présidée par Marie Béatrice Levaux repose sur la volonté de faire vivre les principes de : libre choix du mode de vie et d'accompagnement des citoyens à leur domicile ; respect du domicile privé ; responsabilité sociale citoyenne.

L'EFFE (<u>www.effe-homecare.eu</u>) promeut et défend l'emploi à domicile auprès des institutions européennes : elle s'engage à porter un modèle d'innovation sociale au service des citoyens européens grâce aux services et aux emplois de la famille au domicile, se faisant le relais de la stratégie UE 2020 en faveur d'une « économie sociale de marché durable ». Maître-mot du secteur l'inclusion sociale est au cœur du secteur des emplois de la Famille en tant que source de croissance économique grâce à la création d'emplois de masse et la lutte contre le travail non déclaré.

Marie Béatrice Levaux (FEPEM) – Présidente ; Andrea Zini (ASSINDATCOLF) – Vice-président ; Karmele Acedo (Grupo SSI) – Secrétaire générale ; Anita Poutard (IPERIA-L'institut) – Trésorière.

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