

The argument for social and employment competence (Q1 – Q3)

1. To what extent is EU action in this area necessary for the operation of the single market?

EU level action in the field of employment and social legislation is not necessary for the operation of the single market.

All efforts must be made to promote the interests of businesses, particularly SMEs and micro-enterprises to have greater access to the opportunities afforded by the single market.

The Commission should be taking measures to sweep away restrictive practices and obsolete measures, in order to help businesses take advantage of the single market.

2. To what extent are social and employment goals a desirable function of the EU in their own right?

It is extremely important that all legislation and initiatives at EU level are proportionate and evidence based.

Social and employment goals that add little or no value to the work already undertaken by the British Government, particularly in the area in health and safety should not be tolerated.

The EU must avoid putting gesture politics above robust policy making.

The EU2020 strategy sets out key employment targets for Member States, but EU action, particularly in the form of legislation is not necessary to help Member States achieve this goal.

3. What domestic legislation would the UK need in the absence of EU legislation?

The British government will always be better placed to make decisions whether or not to legislate on areas of social policy.

EU legislation which is the result of a compromise between 28 Member States can result in the introduction of blanket laws across the EU that even with the best intentions are disproportionate and fail to address the core needs of each Member State.

Britain already has an exemplary health and safety records, with latest figures showing that we have the lowest rate of fatal injury of all the Eurostat countries.

Other figures published showed that the unemployment rate in Britain has fallen to 7.1% below the EU average. In Britain there are nearly 30 million people aged over 16 in work, which is up by 275 000 on the previous year. In Britain it is flexibility in our labour market that has helped to achieve low levels of unemployment and not EU legislation.

Impact on the national interest (Q4 - Q7)

4. What evidence is there that EU action in social policy advantages the UK?

Any EU action in social policy will limit the British government's ability to address its own social policy bottle necks.

By obliging the British government to implement various "one size fits all" directives and regulations, EU action in the field of social policy will, with the best of intentions, add disproportionate and overly burdensome requirements on British businesses, particularly SMEs and micro-enterprises, which will limit their ability to grow and create jobs.

5. What evidence is there that EU action in social policy disadvantages the UK?

The EU has introduced various pieces of legislation, strategies and growth plans - none of which can be attributed to job creation in Britain.

Much of the health and safety regulation that applies to businesses in Britain stems from EU Directives. According to one study, 41 of the 65 new health and safety regulations introduced between 1997 and 2009 originated in the EU, and EU Directives accounted for 94 per cent of the cost of British health and safety regulation introduced between 1998 and 2009.

Not all member states have the same social policy problems, which makes it difficult and impractical for the EU to seek to take harmonised action to address 28 different social policy issues.

6. Are there any other impacts of EU action in social policy that should be noted?

EU action in social policy can help raise awareness among Member States of particular social issues. However, attempts to reconcile the needs of a diverse range of Member States can result in the introduction of blanket laws that are disproportionate and can have serious unintended consequences.

As much as half of all legislation affecting British businesses originates in Brussels. While the British Government has done much to tackle the cost of regulations. There needs to be a shift in focus at EU level away from more legislation and more towards initiatives that will help Britain enhance competition, hold down labour costs and boost productivity, ultimately bringing an end to an overregulated labour market.

7. What evidence is there about the impact of EU action on the UK economy? How far can this be separated from any domestic legislation you would need in the absence of EU action?

Most EU legislation has an impact on the British economy either directly or indirectly. For example, implementation of the temporary agency workers directive will have a big financial impact. A recent analysis estimated that it would cost British firms more than £1.8 billion a year to implement the directive. The typical small business will have to pay an extra £2,493 a year, increasing to £73,188 for large firms.

Since its implementation in 2008, publications of the Commission's own European Vacancy Monitor have shown a sudden and dramatic collapse in temporary posts in those Member States that have enacted the Directive. In France, Germany and the Netherlands, there had been substantial growth in temporary vacancies up until the implementation of the temporary agency workers directive, after which vacancy figures fell by up to one-fifth. In France, job vacancies in leading temporary-work agency, Randstad, fell by more than 20 per cent over a two month period. The direct correlation between the date of implementation and the fall in temporary vacancies seems indicative of the damage to job opportunities.

It is important for the British economy that businesses remain competitive. A flexible and responsive labour market is one of the reasons that we have seen 1.4 million jobs created since May 2010. EU legislation such as the temporary agency directive will discourage British businesses from hiring flexible workers. Such meddlesome gesture politics from Europe risks economic recovery.

Future options and challenges (Q8 - Q12)

8. How might the UK benefit from the EU taking more action in social policy?

Employment and social legislation is best decided at a national level. All EU action must respect the principle of subsidiarity and proportionality.

9. How might the UK benefit from the EU taking less action in social policy, or from more action being taken at the national rather than EU level?

A reduction in EU action would offer an opportunity to allow Britain to make greater targeted decisions about the most effective way to tackle our own social policy bottlenecks.

Actions in social policy are better and more efficiently delivered by individual Member States through their own social programmes, and their regional and local authorities, who are best placed to identify and meet the social needs of their citizens.

10. How could action in social policy be undertaken differently? For example, are there ways of improving how EU legislation is made e.g. through greater adherence to the principles of subsidiarity and proportionality or the ways social partners are engaged?

The EU could undertake action in social policy in the following ways:

By using innovative non legislative measures that would facilitate mutual learning and cooperation among member states.

By ensuring that those who are responsible for impact assessments are different from those who are responsible for drafting proposals.

By establishing an independent regulatory policy committee, to assess costs and benefits of new regulation.

By making full use of the European Parliament's Impact Assessment Unit to think through the impact of changes and proposals that MEPs make.

European social partners could focus their activities on a limited number of key issues where they can add value to member states actions. They should adapt and change to meet the changing needs of both businesses and member states.

The EU should address the democratic legitimacy of the EU by ensuring greater clarity and awareness around social partner agreements, including the use of independent impact assessments on social partner agreements.

11. How else could the UK implement its current obligations in this area?

The British Government can continue to maximise their influence on EU policy through early engagement, by ending gold-plating of EU legislation and working with likeminded Member States to push for a repeal of obsolete or inefficient legislation.

The Government can continue to simplify health and safety law without reducing the protection of workers. There are ways in which we can simplify guidance, making the process for compliance much more straightforward and clear.

The Government can also continue to safeguard various opt-outs from EU legislation particularly on the Working Time Directive.

12. What future challenge/opportunities might the UK face in this area and what impact might these have on the national interest?

Legislators have a responsibility to ensure that any regulations or proposals put forward encourage job creation and do not impose disproportionate or ill-considered burdens on business.

The Commissions recent initiatives including 'Think Small First' principle, the 'SME test', the REFIT programme and the 'Top 10' most burdensome laws - all represent opportunities for Britain to work towards a review or a repeal of legislation that is obsolete or inefficient. For example, the 'Top 10' initiative identified the Working Time Directive and the Temporary Agency Directive as either too complex or placing disproportionate requirements on SMEs.

The challenges facing Britain will be to ensure that we create an environment of better regulation.

It is important that Britain opposes any attempt by the EU to encroach on policy areas that are a national responsibility.

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