

## **The Committee's examination**

### **General issues**

#### *The Communication from the Commission*

The Commission begins its Work Programme by stating that the European Union is confronted with the challenge of a generation. The financial crisis affects families, businesses and communities across Europe. According to the Commission, there is a broad consensus that the EU's overriding priority must be to foster a sustainable and job-rich economic recovery. Success needs an active partnership between the EU institutions and the Member States. In drawing up the Commission Work Programme for 2012, the Commission has juggled the need to respond to urgent new needs as a result of the crisis, and the ongoing long-term need for structural reform, with the aim of shaping a prosperous and sustainable Europe for the future. Most of the initiatives have a long-term perspective whose goal is to promote competitiveness, help address the social costs of the crisis, and drive recovery towards a sustainable future. The Commission intends to prioritise proposals which can have a swift impact on growth and jobs, and make a real contribution to the recovery of European economies.

#### *Considerations of the Committee on Foreign Affairs*

The Committee on Foreign Affairs has a double task regarding the European Union. The Committee is responsible, for example, where necessary for the Riksdag's preparation of overall issues concerning the European Union. Furthermore, according to the Riksdag Act, the Committee's remit includes monitoring EU issues within its area of responsibility as a specialist committee. Pursuant to Chapter 10, section 5 of the Riksdag Act, the Chamber has referred the Commission's Work Programme for 2012 to the Committee for examination and a written statement. The purpose of a statement is to create debate on an issue at an early stage and to set out different opinions which may be of value in the continued processing of the issue. The statements are to be seen as preliminary viewpoints expressing prevailing opinions in the Riksdag at the time the statements are addressed. The statements are not legally binding on the positions subsequently taken by the Riksdag or the Government. However, a statement does give the Government an opportunity to check at an early stage whether the standpoints it takes in work at EU level have the support of the Riksdag.

The Committee on Foreign Affairs considers, as does the Government, that the Commission's Work Programme is an important document for being

able to identify, at an early stage, issues that will arise on the EU's agenda in the short to medium term. This makes it easier for Member States to plan EU work and contributes towards openness in the EU's legislative process. It is thus also a document that provides an overview of which EU issues the Riksdag may need to return to during 2012 and the following year. The specialist committees in the Riksdag have listed opinions on a number of issues linked to the Commission's Work Programme in statements already agreed on. Annex 2 to this statement contains a list of a total of 40 statements submitted by the Riksdag's committees since February 2011.

The initiatives set out in the Commission's Work Programme are largely focussed on managing the financial crisis and economic recovery through the Europe 2020 strategy and the internal market, but they also contain measures to tackle other challenges such as climate, the environment, asylum and migration, etc.

Tackling the crisis and long-term initiatives to increase the EU's competitiveness will demand a great deal of time and attention on the part of the EU's institutions and Member States in the years ahead. In this context, the Committee on Foreign Affairs wishes to emphasise the importance of safeguarding an open Europe. Openness must be a guiding principle in all the EU's areas of collaboration, including migration, free trade and development cooperation. The Union must keep its doors open in its contacts with other countries in the enlargement process as well as in the Eastern Partnership and the Euro-Mediterranean Partnership. The principle of safeguarding an open Europe should thus be fundamental in all the initiatives and programmes that the Commission intends to launch during the remainder of its mandate period.

In its comments on the Commission's Work Programme 2012 below, the Committee on Foreign Affairs has chosen to address four main areas in line with the Commission's prioritised themes.

- Building a Europe of stability and responsibility
- Building a Union of sustainable growth and solidarity
- Giving the EU an effective voice in the wider world
- Smart regulation and effective implementation

### **Building a Europe of stability and responsibility**

#### *The Communication from the Commission*

The Commission places great emphasis on measures to manage the debt crisis and to turn the economy around towards growth and increased employment. The implementation of the Europe 2020 strategy and the economic governance package are important elements in this work. According to the Commission, there is a need to act with urgency and determination to implement and frontload reform.

One important element in this work is financial sector reform. The Commission states that the vast bulk of key initiatives are already adopted or on the table, including proposed legislation on derivatives, credit rating agencies, capital requirements, sounder and more transparent securities markets and tackling market abuse. The Commission considers that the EU should have the clear ambition of completing the reform during 2012. Additional proposals

will be presented during 2012, including legislation to enhance investor protection, and revision of the rules governing collective investment schemes (UCITS).

The Commission also states that the EU's growth agenda is a central contribution it can make to restoring public finances. The Commission emphasises that taxation is primarily the competence of Member States but that EU action, e.g. the proposals on energy taxation, the Financial Transaction Tax and the Common Consolidated Corporate Tax Base (CCCTB), can help Member States' work to make sure that the European social model can be financed in the future. In 2012 the Commission will be laying the groundwork for a modern VAT system able to lighten the bureaucratic burden for SMEs operating cross-border. A strategy to help Member States tackle tax havens will also be proposed. Furthermore, the Commission will put forward a proposal to ensure the protection of EU financial interests by criminal law.

### *Considerations of the Committee on Foreign Affairs*

At its summit on 30 January the European Council agreed on a treaty on closer economic union, known as the fiscal compact. The aim is that the new fiscal compact will minimise the risk of Europe ever again entering a financial crisis. At the summit, Sweden and 24 other Member States stated their intention to join the compact, which will mean more stringent budget rules for the euro countries. EU countries outside the euro zone which sign the treaty are not covered by the rules until they introduce the euro. They can voluntarily undertake to comply with parts of the rules of the treaty and may attend at least one euro summit per year. Under the agreement, EU countries outside the euro zone must also be informed of preparations prior to, and the results of, euro summits. The Government has said that it intends to return to the Riksdag in autumn 2012 with a bill containing a proposal to approve the treaty on closer economic union. Swedish participation in the fiscal compact does not affect Sweden's status in terms of any future entry into the euro.

In its statement, the Committee on Finance asserts the importance of regaining respect for the Stability and Growth Pact. Long-term responsibility for public finances and economic stability in the Member States is of central importance, both for retaining faith in financial policy and for preventing large and drastic cuts to welfare systems.

Regarding the trend in the finance market area, the Committee on Finance welcomes the Commission's work to create a successfully functioning finance sector and considers that the areas that the Commission proposes for legislation in 2012 are relevant to this work. The Committee on Finance emphasises, however, that certain measures are not suitable for full harmonisation at EU level, such as the Commission's proposals for a Regulation on prudential requirements for credit institutions and investment firms (COM(2011) 452 final), which was the subject of subsidiarity review in autumn 2011. The Committee on Finance highlights in its reasoned submission, which subsequently received the backing of the Riksdag, that it must be up to the Member States themselves to raise the level of the fundamental capital requirements if they consider this to be necessary to guarantee financial stability at national level. In the view of the Committee on

Finance, the proposal in its current state conflicts with the principle of subsidiarity.

The Committee on Finance is also opposed, with the support of the Committee on Taxation, to the Commission's proposal to introduce two new instruments, a tax on financial transactions and a new form of VAT-based tax. This question has previously been addressed in the Committee on Finance's statement on the EU's long-term budget (2011/12:FiU14).

The Committee on Foreign Affairs concurs with the views of the Committee on Finance on these issues.

## **Building a Union of sustainable growth and solidarity**

### *The Communication from the Commission*

The Commission states that restoring sustainable growth and job creation requires positive action at EU and national levels to support competitiveness and social inclusion. The Commission further states that the Single Market is the EU's most important vehicle for growth and job creation. For this reason, the importance of swift consideration of the twelve key proposals of the Single Market Act is emphasised. Work on implementation and enforcement in the Single Market will deepen in 2012.

Another key lever for economic growth mentioned by the Commission is completing the internal energy market by 2014. New proposals on railway liberalisation are also anticipated and, according to the Commission, will help modernise and decarbonise European transport through increased competition, and offer new, more innovative and customer-oriented services to passengers. The digital internal market will be developed, and the Commission intends to submit a proposal with the aim of promoting cross-border e-commerce. In the consumer field, proposals are expected on new product safety measures and joint rules on complaints.

The Commission states that job creation remains one of the greatest challenges for Europe today, and the EU can make a key contribution to this with the flagship initiatives presented within the framework of the Europe 2020 strategy and the proposals for the new European Social Fund, the Globalisation Adjustment Fund and the Erasmus programme. The Commission will set out how the EU can contribute to addressing youth unemployment, including action to promote the mobility of young job-seekers.

In 2012 the Commission will work further towards a resource-efficient and low carbon economy. The Commission further emphasises the importance of adopting the proposed Energy Efficiency Directive and the regulation on investments in energy infrastructure. A proposal to enhance the framework for nuclear safety and a strategy to accelerate the development of renewable energy in the EU internal market are also on the cards. The Commission will also continue to work to reduce greenhouse gas emissions at global level. New measures to help to achieve climate and energy targets are promised.

The Commission further states that providing security and justice in a Europe without internal frontiers is one of the biggest priorities for the EU today and that the EU must press ahead with the delivery of the Stockholm Programme, including finding resolution on key issues such as asylum and

cyber security. A specific strategy to prevent and fight against trafficking in human beings will be proposed.

*Considerations of the Committee on Foreign Affairs*

The Committee on Foreign Affairs states that in spring 2010 the Riksdag decided on a statement on the future strategy Europe 2020 (utl. 2009/10:FiU29). The statement by the Committee on Finance, which received the support of the Riksdag, addresses a number of areas linked to the Commission's Work Programme for 2012, including emphasising the importance of research to long-term economic development, the importance of financial instruments in environment policy and the issue of women's participation in the labour market. The Committee on Foreign Affairs considers that the statement by the Committee on Finance remains valid and wishes to emphasise the importance of the urgent measures that must be implemented as a result of the financial crisis being supplemented by long-term measures to increase the EU's competitiveness. In the view of the Committee on Foreign Affairs, the internal market is an important instrument for achieving sustainable growth and creating jobs in Europe, and the Committee therefore welcomes the fact that Denmark, during its EU presidency in spring 2012, has as one of its most important priorities the development of the EU's Single Market, partly by creating a successfully functioning internal market for digital products and services. The Committee on Foreign Affairs also welcomes the fact that the Danish presidency highlights respect for labour law and labour protection as a condition for free movement and a functioning internal market.

The Committee on the Labour Market emphasises in its statement that the EU, if it is to meet the double challenge of an ageing population and a high proportion of people outside the workforce, must exploit its labour potential to the full. Increased employment will have a double impact by both stimulating opportunities for growth and improving long-term public finances. The Committee on the Labour Market states that it is primarily the Member States which must rise to this challenge. Employment and labour market policy is, and must remain, a national responsibility. According to the Committee on the Labour Market, it is important that the Swedish Government opposes a trend in a supra-national direction on labour market issues in future EU work. This particularly concerns protection of the Swedish model in the form of respect for the autonomy of the labour market partners and the agreements they have contracted with each other.

In its statement, the Committee on the Labour Market underlines that it is necessary to increase women's participation in the job market to make Europe a competitive economy with high growth and employment. The Committee on the Labour Market also welcomes the Commission drawing attention to unfounded pay differentials between women and men, but states at the same time that, in order to achieve the objectives of the Europe 2020 strategy, it would be desirable if the Commission's central employment policy initiatives were more clearly characterised by a gender equality perspective. Furthermore, the Committee on the Labour Market highlights the importance of making it easier for disabled people to enter the job market. Regarding young people's routes to work, it is stated that it is of particular importance to

address the group of young people who risk permanent exclusion from the labour market, while also emphasising that the issue of how the situation of young people in the labour market is to be improved is primarily a national responsibility in which the role of the EU should be supportive and supplementary. In its statement, the Committee on the Labour Market also asserts that a good work environment is an important competitive factor in the global economy of the future and welcomes the Commission's announcement of several proposals to improve the work environment.

Finally, the Committee on the Labour Market states that Europe should embrace a more open labour market, both within the Union and in relation to the rest of the world. At the same time, the Committee emphasises the importance of the principle that the Member States, within the framework of EU law, have the opportunity to safeguard and develop their respective labour market models to help to reconcile the advantages of the free movement of labour with social responsibility and good working conditions.

Above, the Committee on Foreign Affairs has raised the importance of safeguarding an open Europe and in this context agrees with the view of the Committee on the Labour Market that a more open labour market must be embraced. At the same time, as the Committee on the Labour Market asserts, the Member States must have an opportunity to develop their own labour market models. The Committee on Foreign Affairs backs the view of the Committee on the Labour Market that labour market policy is and should remain a national responsibility, while the Member States are nevertheless able to share their experiences and inspire one another to improve. In other respects too, the Committee on Foreign Affairs supports the views of the Committee on the Labour Market in its statement.

Regarding the environment and climate issues, the Committee on Foreign Affairs welcomes the fact that the Commission, according to its Work Programme, will continue to work to reduce global emissions of greenhouse gases and contribute towards concrete results at the UN Rio+20 summit on sustainability and green growth. The Committee on Foreign Affairs intends to address international environmental issues in more detail, including Rio+20, during spring 2012 (2011/12:UU12). The Committee welcomes the fact that the Government, via Aid Minister Gunilla Carlsson, has invited the Riksdag to broad participation in the Government's delegation to Rio+20.

The Committee on Foreign Affairs welcomes the fact that the Commission intends to press ahead with the delivery of the Stockholm Programme (2010–2014) adopted during the Swedish presidency in 2009. The Committee stated in its examination of European Neighbourhood Policy (2011/12:UU5) that the programme stands for a safer and more open Europe in which the rights and needs of individuals are safeguarded and where the individual and his or her rights are an important starting point. The programme sets out how the EU should work to guarantee respect for fundamental freedoms and integrity while at the same time guaranteeing European security. The programme encourages the EU's institutions to support and promote the work of the Union and the Member States against impunity and combating genocide, crimes against humanity and war crimes and, in conjunction with this, promoting cooperation with the International Criminal Court (ICC.).

## **Giving the EU an effective voice in the wider world**

### *The Communication from the Commission*

The Commission emphasises that the EU must be ready to react to a changing global environment. The Commission states that adapting to the changing global environment and shaping the world order requires the EU to connect the external and the internal elements of its policies. Trade, development, diplomacy, enlargement, neighbourhood policy and crisis response form the backbone of the Union's external action. They can yield their full potential when they are exercised together with internal policies such as the Single Market, climate policy, energy policy and monetary policy, all of which have major implications for the outside world.

The Commission further states that European prosperity relies on global competitiveness. Though the overall objective for the EU's trade policy remains the successful conclusion of ongoing multilateral negotiations, the interests of European businesses and consumers also need to be promoted through bilateral agreements with third-country partners. For these reasons, a possible free trade agreement with Japan is being explored as well as an investment agreement with China.

The Commission further states that solidarity is a fundamental European value and that the EU is the world's largest donor of development assistance. Rapid and efficient delivery of the revised EU Development policy with particular focus on the Millennium Development Goals is therefore important.

The enlargement process will continue during 2012 and the Union is preparing to welcome Croatia as the 28th EU member.

### *Considerations of the Committee on Foreign Affairs*

The Committee on Foreign Affairs states that the EU holds a special position in Swedish foreign and security policy and agrees with the Commission's assessment that to increase its influence in the global arena, the EU must link its internal policy with external measures. In this context, the Committee on Foreign Affairs wishes to highlight the importance of the EU's measures on the international stage being based on the principles set out in the Lisbon Treaty (Article 21.1), i.e. democracy, human rights, gender equality and solidarity, as well as respect for the principles of the charter of the United Nations and of international law.

Greater influence from the European Union in the global arena also presupposes an ability to respond to a number of challenges in the Union and in its vicinity. Both enlargement and European Neighbourhood Policy are issues which must continue to be prioritised on into the future.

Contributing towards the development of democracy and economic integration in neighbouring countries is one of the most central tasks of EU foreign policy. During the year, the Committee on Foreign Affairs submitted a statement on European Neighbourhood Policy (2011/12:UU5). The Committee points out, *inter alia*, that events in the southern Mediterranean and the overview of Neighbourhood Policy carried out in 2010 show that the EU's support for political reform in the area in general has hitherto had a limited

effect. In the view of the Committee on Foreign Affairs, the EU must learn from the mistakes made in Neighbourhood Policy up until now and shape a policy which is better focussed on supporting democracy. The advantages of greater cooperation with the EU must be made clearer to neighbouring countries and their citizens.

The Committee on Foreign Affairs considers that rapid and efficient application of the EU's new development policy should be prioritised. In this context, the Committee particularly wishes to emphasise the importance of consensus between policy areas, of a clearer gender equality principle and of the Commission actively working to mobilise aid resources such that the EU's combined aid objectives can be achieved by 2015.

In its report 2011/12:UU1, the Committee on Foreign Affairs asserted the need to review the European Security Strategy from 2003 to ensure that it better meets today's challenges and constitutes strategic guidance for the EU's engagement in international issues. In this context, the Committee wishes to highlight the importance of developing the EU's capacity to prevent conflict and to mediate and to increase the effectiveness of initiatives through consistent application of the instruments at its disposal.

### **Smart regulation and effective implementation**

#### *The Communication from the Commission*

The Commission emphasises that its right of initiative and its responsibility as guardian of the Treaty give it a particular responsibility for ensuring that EU legislation works well at every stage, that legislation meets the highest quality standards of effectiveness and efficiency and that regulatory burdens are as light as possible.

Regarding the EU's multi-annual budget framework, the Commission states that it has proposed a modern budget designed to complement national spending, where there is clear added value of acting at European level.

In 2012 the minimum time for public consultation will be extended from eight to twelve weeks. The change will improve the ability to ensure that all stakeholders have an opportunity to give their opinions on measures. Regarding administrative burdens, the target of a 25 per cent reduction will have been exceeded by the end of 2012. Efforts to reduce the administrative burdens further will continue, however. The Commission will particularly look at the impact of EU regulation on small enterprises and propose, where relevant, exemptions or tailored solutions for micro-enterprises. The Commission will also present the first results of its regulatory fitness checks.

#### *Considerations of the Committee on Foreign Affairs*

In order to tackle the challenges faced by the European Union, the implementation of the Union's policy needs to be improved by making the available instruments more effective and modernising them to adapt to the challenges of today and tomorrow. The Committee on Foreign Affairs therefore welcomes the Commission's plans to work towards greater efficiency and to simplify current legislation.

Regarding the way in which new proposals from the Commission are handled, the Committee on Finance has emphasised in its statement that the principles of subsidiarity and proportionality are an important component of EU cooperation and underlined the importance of these being followed. As shown in Annex 2, during 2011 the Riksdag addressed a large number of subsidiarity matters. However, the Committee on Finance points out that it is essential that proposals from the Commission which are to be subjected to subsidiarity review and which comprise both a directive and a regulation be submitted to the national parliaments at the point when both pieces of legislation have been translated into all EU languages. Cases have arisen where the eight-week deadline has started to run for one of the proposals before the other has been translated, which has considerably delayed the work of the Committee on Finance in completing a thorough subsidiarity review. Furthermore, the Committee on Finance wishes to draw attention to the fact that Article 5 of the Protocol on the application of the principles of subsidiarity and proportionality states that draft European legislative acts shall be justified with regard to the principles of subsidiarity and proportionality. The Committee on Finance finds it highly unsatisfactory that such reviews have been omitted or have been deficient regarding several of the Commission proposals which it has addressed because it is more labour-intensive to subsequently attempt to find justification for the draft's compatibility with the subsidiarity principle in the already tight schedule of eight weeks applicable to subsidiarity reviews. The Committee on Foreign Affairs agrees with the views of the Committee on Finance and underlines the importance of the Commission constantly reviewing its processes to tackle these problems.

In this context, the Committee on Foreign Affairs also wishes to draw attention to the views of the Committee on the Constitution in report 2005/06:KU10. Here the Committee on the Constitution finds that a large proportion of the rules that are significant to the citizens of Sweden and to economic life in the country now comprise EU law. The Committee on the Constitution finds it particularly urgent that the Swedish approach in Union cooperation should involve forcefully asserting the requirements of simplicity and clarity. The Committee on Foreign Affairs agrees with this assessment.

Regarding the EU budget, the Committee on Finance considers in its statement that it agrees with the Commission that the EU budget should be reformed and modernised and particularly asserts the importance of EU budget policy being characterised by restraint. Furthermore, the Committee on Finance refers to its statement 2011/12:FiU14 which states that it is positive that the Commission's budget proposal means increases in areas that contribute to growth and have clear European added value such as infrastructure investments and research, and that cuts are proposed in agriculture and cohesion policy. However, the Committee on Finance states, *inter alia*, that it is critical of the Commission's proposals regarding the size of the budget, which, in the view of the Committee on Finance, should be frozen in real terms. The Committee on Foreign Affairs agrees with the view of the Committee on Finance.

The Commission's Work Programme has otherwise not given rise to any specific processing or any specific observations.