

European Commission  
President of the European Commission  
José Manuel BARROSO  
B-1049 Bruxelles  
Belgien

**European Affairs Committee**

Christiansborg  
DK-1240 København K  
Tel. +45 33 37 55 00  
Fax +45 33 32 85 36  
www.ft.dk  
ft@ft.dk

**Response to the European Commission's consultation on the future "EU-2020" strategy – COM(2009) 647**

13 January 2010

Dear Mr. Barroso,

Contact  
Morten Knudsen  
Principal EU Advisor  
Dir. line +45 33 37 36 95

Please find below a joint response from the Danish Parliament's Trade and Industry Committee, Science and Technology Committee, Labour Market Committee, Environment and Regional Planning Committee and European Affairs Committee to the European Commission's consultation on the future "EU 2020" strategy.

The Committees have considered the Commission's working document on the future "EU 2020" strategy at several meetings and have agreed on the following consultation response to the Commission.

**Opinion on the European Commission's consultation paper on the future "EU 2020" strategy**

The Committees find the Commission's EU 2020 working document on a post-Lisbon strategy a good foundation for the forthcoming debate aimed at finding solutions to the economic and social challenges faced by Europe.

The Committees also find that national parliaments should play a central role in determining potential national objectives aimed at realizing the new strategy. They note that the Commission proposes each Member State sets national five-year objectives.

The question of future binding objectives for EU Member States and proposed sanctions on Member States failing to meet these objectives is currently being mooted, for example by the Spanish presidency. In the opinion of the Committees, such an idea is not a good one.

**A flexible and socially protected labour market**

The Committees appreciate the emphasis the Commission working document places on the central role to be played by flexicurity in the development of a green and inclusive knowledge economy, including the flexibility and social

protection which is evident in the Danish welfare model. The Committees also stress the importance of an active labour market policy and the increased need for education and skills development, prerequisites for meeting the challenges of the future both in terms of competitiveness and of securing increased and sustainable employment. Finally, the Committees emphasize that it is essential the Commission continues to focus on fair and equal competition without social dumping.

#### Enterprises and a green strategy for growth

According to a majority in the Committees (consisting of Venstre, Dansk Folkeparti and Det Konservative Folkeparti) Denmark, in the context of the EU 2020 strategy, is at present engaged in a transformation towards a strategy for green growth aimed at ensuring continued growth and prosperity in the EU, including Denmark. There are numerous initiatives and proposals on how to transform the European economy. The EU is therefore seen as playing a central role as policy coordinator as the EU 2020 strategy takes shape.

The EU 2020 strategy must give priority to increasing investments in a way which will ensure the EU is a global leader in the exploitation of green technologies, green growing enterprises and markets. The transition to a green economy is key to the competitiveness and growth of the EU. At present there is a global market in environmentally efficient goods and services estimated at over three billion euro, and that figure is increasing.

One way of helping companies is first of all to strengthen the basis for the development of low carbon technologies. Here, Member States should take advantage of their excellent research environments, and Denmark should become even better at commercializing new knowledge. In addition, green enterprises, including SMEs and entrepreneurs, should have access to both public and private venture capital. We must also become better at and more focussed on establishing public-private partnerships.

In addition, the internal market must be regulated in a way which allows the EU to offer world-leading framework conditions for green enterprises. In developing new instruments the EU should always balance environmental and economic considerations and remove unnecessary administrative burdens. At the same time, the EU must ensure that essential consumer information is made available in order to heighten demand for energy efficient products and solutions.

Finally, the transformation to a greener economy must be reflected in EU relations with the rest of the world. It is important that the EU becomes more outward-looking, exchanging ideas with others to increase the application of new green international standards in the market.

### Strengthening education and research

A majority in the Committees (with the exception of Dansk Folkeparti and Enhedslisten) support focussing on the need for continuous improvement in all education and training in order to realise the objective of education for all. Denmark has an official target of 95% completing upper secondary general or vocational education by 2015, and 50% completing higher education.

There is also majority support for continuing to improve the conditions and opportunities for innovation and creativity. This would include, if required, improvements in the EU system for intellectual property rights along with safeguarding and improving access to loans.

A majority is in favour of the EU establishing a real online internal market, noting that internet access and use of the web is indispensable in a knowledge and information society.

Research and innovation budgets must take priority over more traditional types of subsidies. Priority must also be given to basic research as this may contain vital knowledge pertaining to the future.

Finally, the majority agree it is vitally important, both for citizens and for society as a whole, that employees possess the requisite skills and qualifications to enable them to contribute to and benefit from a knowledge-based economy while at the same time positioning themselves in order to anticipate the skills and qualifications needed in the future.

## **Minority opinions**

### *Minority opinion on the use of sanctions*

A minority in the Committees (Det Radikale Venstre) express a willingness to discuss more binding objectives for EU Member States in relation to the future EU 2020 strategy.

### *Minority opinion on energy and energy security*

A minority in the Committees (Socialdemokraterne) have expressed the following opinion:

In order to realize the Lisbon strategy we need a comprehensive and deliberate shift in the energy supply to sustainable energy sources.

Such a move requires planning in order to apply the best alternative energy solutions locally, regionally and nationally. These solutions are a prerequisite for companies or individuals to establish themselves with the confidence that energy supplies will be secure and their investment profitable.

There must be provision of information on relevant and realistic energy supply options for local areas and municipalities.

The solutions offered must also be commercially viable and market-proven, otherwise citizens will not have confidence in their technical performance and financial viability.

Sustainable energy solutions must also be supported through a deliberate tax policy.

The Government should initiate a systematic dissemination of alternative energy solutions in order to encourage citizens' interest in participating in this major push towards a sustainable energy supply. The authorities should also help transfer knowledge and technology from research laboratories to sustainable technological, economic and environmental schemes and solutions.

In addition to energy gains, Denmark should seek further benefits in the form of developing new associated products and by creating employment in the application of sustainable energy solutions. By adopting such an approach, a positive energy policy may also produce a positive industrial and labour market policy.

Only by providing positive support for market-based energy solutions will the Lisbon objectives become a reality.

#### Minority opinions on employment, education and training

A minority in the Committees (Socialistisk Folkeparti) have expressed the following opinion:

The minority emphasize the need for the European Union and its Member States to develop a competitive green and inclusive knowledge-based economy with more and better jobs. Here, the minority put particular emphasis on:

- the increased need for and investment in education, skills development and research to encourage productivity, competitiveness and more and better jobs in EU Member States
- in this connection, the European post-Lisbon strategy should forge an employment policy emphasizing objectives and indicators for enhancing workforce skills, lifelong learning and increased quality of employment
- in the coming years EU legislation on the environment, energy, climate, consumer information, research and the internal market should become mainstream in order to create the most favourable framework, competition and market conditions for socially and environmentally sustainable enterprises and jobs
- Europe's post-Lisbon strategy should comprise a set of considerably more forceful and tangible suggestions as to how the EU and its Member States can and should fight tax havens and tax dumping in the EU by adopting common decisions on a minimum tax base and minimum tax rates for companies.

#### Minority opinions on the labour market

A minority in the Committees (Socialdemokraterne) would like to add the following comments on the Commission's working document:

In order to avoid social dumping and unfair competition it is important for Denmark to work towards achieving a common European set of rules.

In the first place the objective of free movement of labour must not take precedence over the right of foreign workers to earn a decent wage and to enjoy working conditions which are not a risk to health and safety when working in another EU country or for a foreign employer. It is also important to maintain social welfare and deter companies from competing with each other by paying less than the agreed wage rates and avoiding payment of VAT and tax.

Socialdemokraterne advocate fair and equal competition not just in terms of pay-related matters but also in terms of equality in the field of social rights and working environment. This is particularly relevant in three areas:

1. the transport industry
2. the building and construction industry
3. slaughterhouses.

Unfortunately, for some years now, the transport sector has been characterized by the flagging out of a large number of Danish hauliers, precisely because competition is based on unfair wages and working conditions, the latter without any regard for the rules on rest periods, especially in a number of Eastern European countries.

In recent years, the building and construction industry has experienced massive problems in establishing proper pay, tax and working conditions. There have been several cases of foreign companies employing unregistered and illegal workers when operating on Danish soil; often it is impossible to take these companies to court in their home countries. An important task is to ensure that throughout Europe attention is paid to whether companies operating at EU level comply with the rules. If they do not comply, it must become easier for such companies to be taken to court in their home countries.

The use of badly underpaid, sub-contracted workers in slaughterhouses to the south of Denmark poses a considerable risk to the Danish labour market model; in the longer term, it could well mean historically well-paid jobs in the Danish industry being lost and moving to European low-cost countries. The EU must therefore fight the social dumping which leads to the closure of several Danish slaughterhouses and the sacking of thousands of slaughterhouse workers. Transporting animals over long distances also leads to reduced animal welfare and an increased, transport associated environmental impact.

Another minority (Socialistisk Folkeparti) would like to add the following comments on the Commission's working document:

Socialistisk Folkeparti emphasizes the need for the European Union and its Member States to develop a competitive green and inclusive knowledge-based economy with more and better jobs. In this context, Socialistisk Folkeparti is particularly concerned

- that the social summit planned for March 2010 be postponed till June 2010 as a sufficiently thorough consultation on and improvement of the Commission's working document cannot realistically be completed in time for the March 2010 summit

- that the new Commission, expected to take office in February 2010, should be given sufficient time to improve the present working document. Were the old Commission to complete the matter, the task would be rushed
- that, consequently, the deadline for responses to the Commission's consultation be postponed till 15 April 2010
- that the Europe 2020 Agenda should aim to guarantee a *real* right to high-quality vocational training for all young people. The working document does not recommend a real right; however it does contain many well-intentioned words
- that the Europe 2020 Agenda should contain far more action-based and tangible objectives aimed at putting an end to the poverty suffered by almost 80 million people in the EU
- that the Europe 2020 Agenda should contain far more action-based and tangible suggestions on how the EU and its Member States can and should fight tax havens and tax dumping in the EU through common decisions on the minimum tax base and minimum tax rates for companies
- that the Europe 2020 Agenda should contain new and clear indicators for the creation of a sustainable and competitive learning economy with the provision of more and better jobs
- that the Europe 2020 Agenda should add new indicators for the quality of working life - and set the objective of increasing its quality - while at the same time creating more equal life chances both in and outside of working life
- that better safeguards are implemented to ensure that, for example, the right to strike in individual Member States is not curtailed directly or indirectly by EU legislation, and that the Posting of Workers Directive is subjected to a selective revision to make it a greater disincentive to social dumping.

A third minority (Enhedslisten) would like to add the following comments to the Commission's working document:

The climate crisis and the economic crisis clearly show that things go wrong when market forces are allowed a free reign. Enhedslisten wants the needs of people and the environment to take undisputed precedence over the consideration of companies seeking profits.

As in the case of the Folketing deciding to put children's health first in the case of Bisphenol A in feeding bottles, we also believe matters concerning decent pay and working conditions should come first in cases concerning the labour market.

Therefore we must safeguard the right of trades unions to take industrial action in defence of equal conditions for everybody working in the country and also ensure that public authorities demand of their contractors that they adhere to collectively agreed pay and working conditions. Similarly, private agents should take responsibility for their subcontractors paying wages in accordance with collective agreements while also paying VAT, tax etc.

The social dumping made possible by the decisions of the European Court of Justice in the cases involving Laval, Ruffert and others is detrimental to the wish to increase the welfare of Europe's citizens. Only the companies which compete on the basis of offering the worst possible conditions will benefit from these decisions; in the long run, Europe will not be able to compete with other parts of the world by offering the poorest terms.

Instead, we should work towards developing a sustainable labour market which everybody can join, even if they cannot contribute fully but may only offer 30% job capacity.

Equally, we should work for an increase rather than a decrease in social protection. Experience from the Nordic model clearly shows that this leads to more welfare for more people. Decreasing social protection leads to poverty, removing people even further from the labour market.

According to a fourth minority (Det Radikale Venstre) there is a need for labour market reform in all EU countries. It is particularly important to get more women into the labour market. The strategy should therefore set the EU the target of increasing the employment rate to 75% overall and to 65% for women by 2020.

#### Minority opinion on enterprises and the economy

A minority in the Committees (Det Radikale Venstre) are of the opinion that it will require the interplay of many factors for Europe to become a leading, knowledge-based, competitive and sustainable economy. Important objectives include:

- completion of the internal market. All existing national legislation should be carefully examined to find and remove barriers to free movement as such barriers in the internal market are an impediment to growth. This applies to goods, services and the movement of people
- making Internet in the home a civil right. Broadband is an important element in the infrastructure of the European economy. The EU must take responsibility for rolling out 4G broadband across Europe. This will further e-commerce, knowledge sharing and competitiveness.



### Minority opinion on strengthened education and research

A minority in the committees (Det Radikale Venstre) believe that the EU should become a world leader in knowledge and innovation, as knowledge is a prerequisite for growth which, again, is a prerequisite for prosperity. Therefore, the EU 2020 strategy should include the following concrete objectives:

- Research: Half the world's top 20 universities should be European. One way of achieving this goal would be if all EU countries meet the objective of spending 3% of GDP on research
- Education: By 2020, 90% of all young people in Europe must have completed upper secondary general or vocational education, while 45% of all young people in Europe must have completed higher education
- Innovation: Innovation must be strengthened by establishing a European industrial PhD system.

### Minority opinion on the environment

As regards this area, a minority in the committees (Socialistisk Folkeparti) have expressed the following opinion:

Socialistisk Folkeparti agrees that a new direction must be found and feels that, on the whole, the Commission working document points the right way forward. However, the party believes the strategy should be complemented by some concrete reflections and recommendations. The next generation of environmental policies in the EU strategy should be drivers in the development of cleaner products and technologies based on the *cradle to cradle* principle.

### Environmental technology

Environmental technology (broadly defined as products, technologies and knowledge) should become Europe's leading export commodity at a faster rate than sunset technologies and products around the world are phased out. Only this way can Europe gain a real edge on competitors. This objective can only be achieved if European industry and the goods it produces become subject to stricter regulations so that, in general, environmental technology remains ahead of the level outside the EU.

### Transparency

Socialistisk Folkeparti recommends a strategy which puts emphasis on involving the population, organisations etc. in a transparent process to ensure that

- the consideration of EU projects and legislative proposals etc. is based on objective knowledge of their impact on resources, ecological services, health, nature and the environment, while not disregarding the economy, employment and social conditions, and that this underlying knowledge is apparent from the overall, publicly accessible basis of decisions
- when the proposal put forward by the Commission and the governments deviates from what is most favourable from a scientific, economic or social point of view, this must be apparent and the basis of such decisions be made accessible to the public. By clearly setting out and giving their reasons for any deviations from the most favourable choice, the governments and the Commission have the opportunity to explain how they set their priorities.

### Key drivers

“In developing a new vision and direction for EU policy, we need to recognise that conserving energy, natural resources and raw materials, using them more efficiently and increasing productivity will be the key drivers of the future competitiveness of our industry and our economies.”

Accurate targets and firm deadlines for governments, manufacturers and other players are fundamental drivers in the transformation to more sustainable products and production environments. Such targets and deadlines are necessary in order to measure the efficiency of the adopted instruments. They are also a prerequisite for allowing industry to implement investments in a timely and considered manner. Add to this that they are a key element in Europe's ambition to become a net exporter of environmental technology and in putting this technology at the forefront of the EU's exports.

Damaging subsidies are negative drivers, both within the EU framework and in Member States; they should be identified and phased out.

The strategy should consider the potentially harmful impact of products on environment and health in order to ensure that sustainable products without harmful chemicals become *“the key drivers of the future competitiveness of our industry and our economies.”*

Targeted campaigns running simultaneously in each Member State may serve as efficient eye-openers, especially if these are carried out in collaboration with and between relevant industries and organisations (“The EU should compete more effectively and increase its productivity by a lower and more efficient consumption of non-renewable energy and resources in a world of high energy and resources prices, and greater competition for energy and resources. This will stimulate growth and help meet our environmental

goals.”). A good example is energy renovation of buildings where a targeted campaign comprising stricter requirements and information about European and national subsidies might well contribute to reducing energy consumption and creating jobs.

Potential synergy gains should be highlighted. An example: the efforts to adapt to climate change in Europe should involve other considerations such as preserving biodiversity, conserving and building water resources while preventing pollution with nutrients. We should also focus on how climate adaptation may contribute to a reduction in the emission of climate gases, for example through carbon sequestration in soil and by changing farming methods to take account of biodiversity etc.

Another minority in the Committees (Det Radikale Venstre) believe that growth without regard to sustainability will destroy our options in the longer term. Therefore, the EU should further sustainability, making the limiting of temperature increases to 2°C or less an integral part of the European economy. The following three objectives would add sustainability to the EU 2020 strategy:

- the EU should further the cradle-to-cradle principle, e.g. via labelling schemes
- at least half of all energy research funding should go towards research into and development of renewable energy and better utilization of energy
- EU Member States' contribution to an international climate fund should be partly or wholly financed through a levy on bunker oil and aviation fuel.

Yours faithfully,

Knud Christensen  
Chairman of the  
Labour Market Committee

Hans Chr. Schmidt  
Chairman of the Trade  
and Industry Committee

Marianne Jelved  
Chair of the Science  
and Technology Committee

Anne-Marie Meldgaard  
Chair of the European Affairs Committee

Steen Gade  
Chairman of the Environment and Regional Planning Committee