

POLICY PAPER

BRUSSELS, MAY 2010

On May 27th the Scottish Chambers of Commerce accompanied the British Chambers of Commerce on a policy delegation to Brussels. The day began at the European Commission, meeting with Mr László Andor, European Commissioner for Employment, Social Affairs and Inclusion. The meeting was Chaired by Dr Adam Marshall, Director of Policy and External Affairs, BCC and attended by representatives from across the BCC network. Legislative topics for discussion included the Working Time Directive, Agency Workers Directive and Pregnant Workers Directive.

Of particular concern was the retention of the Opt-out agreement as part of the Working Time Directive, which allows UK businesses to work over the prescribed 48 hours per week. The Opt-out is of particular importance to UK wide SMEs and industries in Scotland such as Oil and Gas, hospitality and tourism whose work schedules can be unpredictable and subsequently rely on the flexibility provided by the Opt-out. The Commissioner acknowledged the WTD requires review and its current structure is unsustainable. He noted that no action will be taken until a full Social Impact Assessment has been conducted. To date, a first stage consultation for the WTD is underway which is said to take into account the 'new world of work'. Should the Commission decide EU action is necessary, a second stage will be launched in consultation with the social partners at EU level. Overall, the Commissioner agreed that there will be no large scale changes to employment law in the short to medium term and that regulation and red-tape needs to be revised.

Other areas of discussion included:

- The necessity of reducing the administrative burden to EU businesses;
- SMART growth, which provides sustainability from both an environmental and economic perspective;
- The significance of Barroso's SMART regulation and the need for a careful impact assessment;
- Reconsideration of EU monetary policy due to recognised cultural and economic diversity.

During the second half of the day the delegation met with Counsellors Peter Green (Social and Environment) and Martin Jones (Competitiveness and Markets), UK permanent representation to the European Union. Their remit involves negotiating European Commission dossiers on behalf of the UK. As part of our discussions, the group were able to advise the Counsellors on how EU legislation affects UK businesses from a grass roots level. Again, the WTD was highlighted as an area of substantial importance for UK business, and the implications of the Opt-out. The Agency Workers Directive was also flagged as an area for further investigation.

At an EU level, several ministers from the newly formed Coalition have already visited Brussels which suggests active involvement is likely during their five year term. Major issues facing the EU presently relate to the state of the economy and the lack of an explicit European message in the form of the next 'Big Idea'. It is generally conceded that the EU is driving a defensive agenda and the availability of venture capital at a Member State level is a problem. Additionally, the Europe 2020 economic strategy, which stresses the need to be Smart, Sustainable and Inclusive, has been met with a reasonable response. As part of this strategy, an increased spend on R&D is a priority, along with developing a low carbon infrastructure and a shift to greater flexibility, particularly with regard to fiscal policy.

The SCC and BCC will continue their dialogue with Brussels to ensure the voice of UK business is heard.