

# Contribution #412

**Name:** Nordic Financial Unions

**Country:** Sverige

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**Type Of Organisation:**

**Main Area Covered By the Contribution:** Economic and financial affairs

## 1. Taking stock: the Europe 2020 strategy over 2010-14

**For you, what does the Europe 2020 strategy mean? What are the main elements that you associate with the strategy?**

NFU welcomes this opportunity to contribute to the Commission strategy for the coming years. NFU sees the Europe 2020 Strategy as a priority document regarding what focus EU policymaking issues should include. For example what aspects new regulation should take into account. The elements of sustainability, more and better jobs, and growth are in this regard essential. To achieve this, the EU needs to focus differently in some aspects, which this consultation reply elaborates on. The main points from this discussion are:

- Europe should compete in a global economy with its human and social capital as a core element. This approach embraces the European potential, increasing productivity, competitiveness and sustainable growth.
- To achieve the above point, transparency and stakeholder inclusion in EU policymaking is crucial, as well as social impact assessments in relation to regulation initiatives.
- With regard to the two points above, NFU is disappointed that the employee role is not explicitly discussed in the Europe 2020 strategy.
- The EU should work to ensure that the established financial institutions that are regulated (e.g. banks) have the capacity to provide the funding needed for the European economy.
- NFU is worried that the Commission's focus to increase funding to the economy from new and alternative sources will create new systemic risks in the financial system. The Commission should work to appropriately regulate all relevant financial institutions and to ensure a level playing field.

Nordic Financial Unions (NFU) is the voice of the employees in the Nordic financial sectors. We are an organisation for co-operation between trade unions in the banking, finance and insurance sectors of the Nordic countries. Through our eight affiliated unions in Denmark, Sweden, Norway, Finland and Iceland we represent 150 000 members - a vast majority of the employees in the Nordic financial sectors. Together, we work for sustainable financial sectors.

**Overall, do you think that the Europe 2020 strategy has made a difference? Please explain.**

NFU has so far not worked with or monitored the process of the Europe 2020 Strategy. NFU does however understand the importance of the strategy for the future. We would therefore like to comment on the future looking approach in section 2, not least in regard to NFU's expertise in financial sectors issues, which are crucial to create sustainable growth and better jobs in Europe. Please see NFU's comments in section 2 below.

**Has the knowledge of what other EU countries are doing in Europe 2020 areas impacted on the approach followed in your country? Please give examples.**

**Has there been sufficient involvement of stakeholders in the Europe 2020 strategy? Are you involved in the Europe 2020 strategy? Would you like to be more involved? If yes, how?**

**Do the current targets for 2020 respond to the strategy's objectives of fostering growth and jobs? [Targets: to have at least 75% of people aged 20-64 in employment; to invest 3% of GDP in research and development; to cut greenhouse gas emissions by at least 20%, increase the share of renewables to 20% and improve energy efficiency by 20%; to reduce school drop-out rates to below 10% and increase the share of young people with a third-level degree or diploma to at least 40%; to ensure at least 20 million fewer people are at risk of poverty or social exclusion].**

**Among current targets, do you consider that some are more important than others? Please explain.**

**Do you find it useful that EU-level targets are broken down into national targets? If so, what is, in your view, the best way to set national targets? So far, have the national targets been set appropriately/too ambitiously/not ambitiously enough?**

**What has been the added value of the seven action programmes for growth? Do you have concrete examples of the impact of such programmes? ["Flagship initiatives": "Digital agenda for Europe", "Innovation Union", "Youth on the move", "Resource efficient Europe", "An industrial policy for the globalisation era", "Agenda for new skills and jobs", "European platform against poverty"]?**

## **2. Adapting the Europe 2020 strategy: the growth strategy for a post-crisis Europe**

**Does the EU need a comprehensive and overarching medium-term strategy for growth and jobs for the coming years?**

The EU has a unique set up to work as a catalyst for sustainable growth and to foster more and better jobs in Europe after the crisis. These should be the main objectives. By setting ambitious targets for sustainable growth and good jobs, and being part of the means to achieve these, for example by well regulated financial sectors, an overarching EU strategy could play an essential role to focus on the right priorities to the benefit of the entire Europe. A collective responsibility must be taken to achieve these objectives, based on clear targets. Transparency and inclusion of stakeholders is key. A crucial part in EU's strategy for the future will be to promote the social dimension in EU policy work, something that Jean-Claude Juncker emphasised in his political guidelines "A New Start for Europe"

**What are the most important and relevant areas to be addressed in order to achieve smart, sustainable and inclusive growth?**

On a general note, Europe should compete in a global economy with its human and social capital as a core element. This approach follows the European culture and tradition, and is often described by concepts such as

**What new challenges should be taken into account in the future?**

NFU is worried that the Commission's focus to increase funding to the economy from new and alternative sources will create new systemic risks in the financial system. In the work to find and

promote new sources of funding, the Commission has an even more important task to guarantee the sustainability and safety of these, i.e. to appropriately regulate all relevant financial institutions and to ensure a level playing field. NFU agrees with the Commission's statement that it is

### **How could the strategy best be linked to other EU policies?**

NFU is disappointed that the Europe 2020 strategy does not have a stronger focus on the vital role that employees have to contribute to growth in the economy. The labour productivity gap between the EU and the US is mentioned in the document, but without the key points that will ensure productive employees, such as

### **What would improve stakeholder involvement in a post-crisis growth strategy for Europe? What could be done to increase awareness, support and better implementation of this strategy in your country?**

NFU is an organisation that works to include the employee perspective in EU institutions and EU regulation. In our view, points to improve the stakeholder involvement in Europe include: Firstly, better transparency and openness in regard to hearings, conferences and other events needs to be established. Although some of these events may be public, a clear and comprising channel for communicating them to the public and stakeholders is lacking. In conjunction with new proposed legislation, these events need to be open for broad participation and announced in due time in a clear and transparent way. Secondly, the Commission services should broaden the spectrum of stakeholders that they consult with in the early stages of the legislative process, be it on an official or unofficial basis. Thirdly, the habit of launching consultations is a good one and should continue. It is important that sufficient time is given for stakeholders to provide a response. Moreover, technical jargon should as far as possible be simplified to enable others than the financial industry's technical experts to understand the implications of the proposed rules. In the interest of democracy and accountability, the Commission could for example have an obligation to produce explanations to accompany its proposals that are understandable also for non-experts. Fourthly, the transparency and accessibility of the negotiations in the Council of Ministers must improve. Better structures for informing with the public of the status and direction of the work in the Council must be established. New ways of collecting the views of stakeholders should be explored, with a view to establishing a clear and transparent legislative process. Much could be done without changing the transparency rules and breaching the integrity of the negotiations. A web portal could for example be set up where all the non-classified material from the individual member states on any given legislative procedure is published. This is especially important in the trilogue phase, where transparency is limited and information available only to those with enough resources and contacts. The democratic legitimacy of the legislative process must improve, and maximising transparency within the existing rules could be a first and rather simple measure to achieve this goal.

### **What type of instruments do you think would you be more appropriate to use to achieve smart, sustainable and inclusive growth?**

NFU has over the years worked a lot on EU regulation, and believes it often works well to set the minimum standard of regulation throughout Europe and to promote a level playing field. In order to create sustainable development regulation has an important role in many areas. NFU is worried that the REFIT approach will be a move towards a deregulation era. The approach is a result of the Stoiber/expert group's advice to the Commission that, due to its lack of sufficient representation among a number of non-industry interests including the trade union view, was not legitimate to advise the Commission on a topic that already has huge impact on employees and other stakeholders.

**What would best be done at EU level to ensure that the strategy delivers results? What would best be done at Member State level?**

In principle, there should of course be similar demands from the EU to the different Member States and to companies. However, the design and structure should be left to Member States and/or the social partners to decide upon (depending on the national model, rules and legislation). This is a good practice both due to democratic respects and the aspect of competence, the EU cannot know what design and structure that will fit all 28 Member States. The EU decides on general objectives, e.g. through this type of strategy/policy document or by regulation. However, at least in the financial sectors, these broad objectives have during the recent years often been interpreted in the form of detailed and technical rules and guidelines in the level two of the legislation process, i.e. in the financial sectors by the European Supervisory Authorities (ESAs). It is a democratic problem that the EU, through the ESAs, gives guidelines on issues that it has not a mandate to discuss, for example remuneration policy (according to the TFEU article 153.5). But it is also the case that the EU by deciding on detailed guidelines risks interfering with the Nordic labour market parties' absolute right to autonomous and free collective bargaining.

**How can the strategy encourage Member States to put a stronger policy focus on growth?**

**Are targets useful? Please explain.**

**Would you recommend adding or removing certain targets, or the targets in general? Please explain.**

**What are the most fruitful areas for joint EU-Member State action? What would be the added value?**

**Do you have any other comment or suggestion on the Europe 2020 strategy that you would like to share?**