



EUROPEAN PARLIAMENT

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Committee on Employment and Social Affairs

2013/2075(INI)

26.9.2013

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Economic and Monetary Affairs

on the Annual Report on EU Competition Policy
(2013/2075(INI))

Rapporteur for the opinion: Françoise Castex

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SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas competition policy seeks to ensure the smooth running of the internal market and a level-playing field, to protect consumers from anti-competitive practices and to optimise pricing; whereas the purpose of competition policy is not to micromanage but to enforce clear and fair rules within which market forces can effectively function;
- B. having regard to the essential role of public action, public investment and services of general economic interest (SGEIs) in ensuring social cohesion, particularly at a time of crisis;
- C. whereas the European Union is particularly concerned about youth unemployment in the single market, and whereas young people bear the brunt of unemployment caused by under-performing markets;
- D. whereas Article 14 TFEU establishes that codecision should be used to secure the conditions, particularly the economic and financial conditions, for the operation of SGEIs;
- E. whereas Protocol No 26 to the TFEU guarantees wide discretion to public authorities in providing, commissioning and organising SGEIs;
- F. whereas the Altmark judgment¹ establishes four criteria for distinguishing between compensation for a public service and state aid;
 - 1. Notes that the principles of subsidiarity, democratic control and promoting public interest are founding principles of the European Union;
 - 2. Recalls the implementation, in 2012, of the State Aid Package; notes with satisfaction certain measures creating exemption from notification obligations for public investments; calls on the Commission to take stock of the implementation of the Package, including the possible quantitative and qualitative effects on jobs and services for citizens, in view of the fact that the crisis is continuing to damage the economy;
 - 3. Stresses that, in line with the general principles of the Treaties (non-discrimination, equal treatment, proportionality), the Member States and local authorities must be free to decide how social services of general interest (SSGIs) are financed and organised; in this context, draws attention to the Union's social objectives and to the need to promote the quality, accessibility and effectiveness of these services, irrespective of whether they are provided by public or private operators;
 - 4. Notes the Commission's speed of response in ensuring that numerous banks were rescued and remained in operation in 2012 and putting in place a temporary emergency regime; considers that it should be possible to adopt the same approach to help other crisis-hit

¹ Judgment of the Court of Justice of the European Union of 24 July 2003 in Case C-280/00, Altmark Trans and Regierungspräsidium Magdeburg.

industrial sectors;

5. Notes that the Union is faced with major challenges in the fields of reindustrialisation, energy transition and digital equipment, which call for considerable investments; considers that companies, focused on short-term profit, are generally less able to guarantee the long-term investments necessary for a return to sustainable, inclusive growth; considers that it is the responsibility of public authorities to promote these investments, which have significant employment potential; takes the view that competition policy must not act as a brake on these ‘investments of the future’; further notes that European labour markets suffer from a mismatch of skills and that social investments in education, training and up-skilling designed to counter youth unemployment complement, rather than contradict, the goals of competition policy;
6. Points out that competition policy should be implemented in accordance with Article 9 TFEU, which states that in defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment; considers that this horizontal clause is extremely influential for the purposes of interpreting EU law and making decisions as regards sectors that have been hit by the crisis and have suffered widespread job losses; emphasises the need to have zero unemployment as the main goal of policies managing restructuring processes alongside the recognition that policies must deliver appropriate solutions for each and every worker, taking into account the fact that over decades global competition and company restructuring have led to the loss of employment in manufacturing industries in the Union, particularly among the low-skilled;
7. Highlights the importance of revitalising Europe’s industrial sectors by means of investment in modernising production tools and implementing a competition policy which will enable industrial groups on a global scale to emerge;
8. Welcomes the Commission’s support for the deployment of broadband infrastructure throughout Europe which will generate economic competitiveness and social cohesion; wonders whether digital services in Europe can be classified as SGEIs;
9. Underlines the importance which should be given to taking social and environmental criteria into consideration in public procurement procedures;
10. Is convinced that a social convergence policy can be implemented in close coherence with robust economic and competition policies;
11. Questions the notion of ‘inappropriate aid’ introduced by the Commission, calls for the criteria defining effective aid to be specified and for a clear indication to be given of the rules which apply when Member States, local or regional bodies or the private sector make investments in various sectors providing economic or social services or a mixture of both; notes that the Court of Justice has found that economic efficiency is irrelevant for assessing the compatibility of funding with the common market;
12. Recommends that the Commission evaluate the interaction between competition policy on the one hand and the objectives of EU environmental, social and economic policies on the other, bearing in mind the difficulties faced in ensuring appropriate access to finance for the private sector and the social economy, achieving the 2020 targets and adhering to the

budgetary and fiscal constraints required by the stability and growth pact;

13. Takes the view that the social economy and activities which contribute towards specific social, economic and environmental objectives should benefit from a degree of flexibility or their own set of special rules on state aid, bearing in mind the specific nature of their operation and objectives, given that supporting non-profit organisations and SSGIs does not cause market distortions; stresses that competition policy should not be used as a pretext for undermining SSGIs in the Member States;
14. Takes the view that subsidiarity has an important role to play in the social-housing sector and that Union competition policy should not hinder the drafting of national rules aimed at promoting social integration;
15. Considers that the type of dialogue engaged in by the Commissioner for Competition cannot replace genuine democratic control by Parliament; stresses that parliamentary control is all the more necessary since, under competition policy, the Commission monitors decisions taken by democratically-elected national and local authorities; also underlines the need to develop a better dialogue between the Commission, the Member States, local and regional authorities and civil society;
16. Takes the view that ensuring a level-playing field for companies in the internal market also depends on combating social dumping, which should be regarded as an anti-competitive practice; believes that the Commission should look out for intra-EU dumping practices, whereby a firm, internationally or domestically, sells units below the production price to bankrupt one or more competitors; believes that the Commission should therefore strive towards upward convergence of Member States in terms of economic and social performance; underlines the need for structural reforms to include an overhaul of the taxation system in order to combat fraud, tax evasion and tax havens;
17. Reiterates its call for codecision on competition rules via interinstitutional agreements and in a forthcoming amendment of the Treaty;
18. Reiterates its call on the Commission to include a specific section on the impact of EU competition policy on employment and social affairs in future reports.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	26.9.2013
Result of final vote	+: 34 -: 3 0: 0
Members present for the final vote	Edit Bauer, Heinz K. Becker, Pervenche Berès, Vilija Blinkevičiūtė, Philippe Boulland, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Minodora Cliveti, Emer Costello, Frédéric Daerden, Sari Essayah, Richard Falbr, Marian Harkin, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Verónica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Csaba Óry, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Ruža Tomašić, Traian Ungureanu
Substitute(s) present for the final vote	Françoise Castex, Philippe De Backer, Anthea McIntyre, Ria Oomen-Ruijten, Evelyn Regner, Birgit Sippel, Csaba Sógor, Tatjana Ždanoka