

FINALLY, THE CZECHS ARE ALLOWED TO WORK IN AUSTRIA AND GERMANY WITHOUT A WORK PERMIT!

Free movement of workers is one of the basic freedoms of the European Union. Germany and Austria applied the transitional period for free movement of workers from EU-8 (Member States that have joined the EU in 2004, excluding Malta and Cyprus) till the last moment, i.e. end of April 2011. On 1st May, the transitional period was automatically abolished at the end of the third phase. Although the initial worries of immigrant influx have not

been confirmed, the decision was not made on voluntarily basis by the two countries concerned. A number of studies and EC reports show that the opening of labour markets had mainly positive impacts on EU-15 economies. Only few proofs exists that the EU-8 workers stood behind a dramatic decrease in wages in one of the EU-15 Member States or that the EU-15 workers would lose their job because of EU-8 immigrants. *(see more on page 2)*

New president of Confederation of Industry of the Czech Republic



At the April General Assembly, Confederation of Industry of the Czech Republic (SPCR) elected new Board of Directors and new President – Mr Jaroslav Hanák. President Hanák has been very active within SPCR in the previous years as first vice-president. On international level Mr Hanák represents Czech industry and employers towards BUSINESSEUROPE and Czech transport sector towards IRU – International Road Transport Union.

EU Transport needs effective co-modality and completed internal transport market

White Paper on Transport from March 2011 proposes to modernise and decarbonise transport sector in order to create a competitive and sustainable transport system and to create a genuine Single European Transport Area without internal barriers. Over 35 participants representing European institutions, Member States and business sector agreed during the debate on 3rd May 2011 there was a need for concrete and better-analysed measures in the paper as well as better cooperation on sustainability between the EU and Member States.



From left: Jan Němec of the Czech Permanent Representation to the EU, Olga Sehnalová, MEP, Petr Jonák of AWT Group, Marc Billiet from IRU

“The Czech Republic welcomes the EC White Paper, especially the differentiation between various modes of transport and support to infrastructure across the EU”, said Jan NĚMEC, transport attaché in the Czech Permanent Representation to the EU “However, when talking about greening and sustainability of transport we have to make sure that we do not lose competitiveness”, added Němec. “Greenhouse Gas emissions from passenger transport count around 60% of EU transport emissions and 1/4 of total transport emissions comes from urban transport,” said Gergely SÜLYÖK, EC economic analyst. Almost 96% of transport depends on oil, which is expected to become more expensive. Therefore, there is a need for change in the transport system. Transport will need to use less of cleaner energy and need to efficiently exploit a multimodal, integrated and ‘intelligent’ network. Olga SEHNALOVÁ, Member of the European Parliament’s Committee on Transport and Tourism and newly appointed White Paper’s shadow reporter of S&D informed stressed: “There is a need for public and political support which will encourage all actors to participate in and cooperate on the creation of a Single European Transport Area.” Business assesses the White Paper slightly less optimistically. *(see more on page 2)*

>NEW SCIENTIFIC CENTRE

New Technology Park and the Centre for Technology Transfer will be established in Jihlava by 2014. The Scientific Centre will be focused on Energy and will probably become one of the key technological institutes in the Czech Republic. The centre will create 50 job vacancies and support the development of young talents in energy sector. The project is co-financed by Ministry of Industry and Trade through the Operational Programme “Enterprise and Innovation”.

>REINFORCEMENT OF ENERGY-EFFICIENT BUILDINGS

The Czech Republic intends to gradually increase energy efficiency standards for new buildings in four stages from 2013 until 2021. New buildings should have minimum energy requirements needed for their operating. The State will present the best example – all new buildings will be obliged to consume almost no energy by 2019.

>PROGRAMME “FREE ROADS”

On 30th March 2011, Ministry of Transport announced the competition for the freight carrier. If they shift freight journeys from road to rail, they can be awarded. The Ministry wants to encourage more environmentally friendly modes of transport in order to meet the EU standards and also to reduce traffic on the road.

>INNOVATION VOUCHERS

South Moravia Innovation Centre has opened the registration for its innovation vouchers enhancing cooperation between the industry and research institutions. The innovation vouchers help small and start-up businesses to pay for know-how needed for their innovation and further development. Maximum cost coverage is 75%.

Free movement of workers



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Since 1st May 2011, Austrian law against social and wage dumping has entered into force. The law was proposed on the request of Austrian trade unions that worried about insufficient protection of domestic labour market and about decrease in wages after the "opening" of the market to EU-8 workers. The law set up sever sanctions for employers who apply very low wages that do not respect collective agreements between social partners. The sanctions can rise from EUR 5000 to 50 000 per each employee with "insufficient" salary (or from EUR 10 000 to 100 000 in case of a repetitive violation of law). The aim is, therefore, to align the conditions on Austrian labour market between local and foreign employers. Unlike Austria, Germany is not planning any new law for protecting domestic market after its opening to EU-8 workers. In Germany, employers are already obliged to pay defined tariffs in specific sectors according to collective agreements. In case of absence of collective agreement, the salary should not be less than two thirds of the agreed tariff. The

Germans do not expect any important influx of the Czechs to their labour market. Since January 2009, many Czechs have already been working in Germany as it opened its labour market to university graduates and other experts. Last year, 14 000 Czechs worked in Germany and 5,500 in Austria. At the same time, German labour market lacked 400 000 experts such as doctors, nurses, engineers but also craftsmen. According to the Association of German Chambers of Industry and Commerce' (DIHK) survey, 16% of employers lacked qualified workers last year. Therefore, new labour force coming from abroad is needed. German chambers are also preparing a system of qualification recognition ("Anerkennungsgesetz"). There are about 350 different professions in German profession system, 110 out of them cover the crafts (butcher, carpenter, baker, and others). The chambers will be responsible for the recognition of qualifications i.e. examining and complementary training for applicants. From now on, Czech labour seekers will only subscribe themselves on German/Austrian labour office without the necessity to ask for labour and residence permit and register with job agencies.

EESC corner Budgetary supervision in Eurozone

World economic and financial crisis brought to light a need for better coordination and enhanced supervision in EU economic policy and its Monetary Union. Key instrument for the coordination and supervision of national fiscal policies is the Growth and Stability Pact. Its preventive mechanism shall ensure cautious fiscal policies carried out by EU Member States. From now on, the Member States will have to present their Stability and Convergence programmes describing the process to reach midterm budgetary targets defined as a percentage of the GDP in structural references. The Member States who are not able to reach their midterm budgetary targets are expected to reach the latter annually by 0.5% of their GDP in structural references. The proposed reform of the preventive mechanism keeps the current midterm budgetary targets and convergence requirements out of 0.5% GDP annually and introduces new principles for cautious fiscal policy. The annual growth of national expenses should not exceed the planned cautious midterm growth of the GDP. The Member States who will not comply with the abovementioned growth of expenses and will not take the appropriate measures on the receipts side, will receive a warning by the European Commission or, worse, a recommendation by the Council to take corrective actions. The aim of the corrective actions is to prevent important errors in budgetary policies. The Member States will have to avoid excessive public finance deficit (3% GDP) and public debt (60% of GDP) under the threat of financial sanctions applied by the European Commission. The European Economic and Social Committee welcomes the proposed measures, however it highlights that the proposed preventive and corrective measures should be deeply examined. The EESC deems that the fiscal rules should thoroughly reflect three facts. Firstly, they should take into consideration the matter of the quality of fiscal actions from the point of view of important influence of the receipts and expenditures mechanism to the supply side of the economy. Secondly, they should more accentuate preventive than corrective approach. Thirdly, they should be aware that the mechanisms based on incentives are more efficient than mechanisms based only on repressive measures.



Marie Zvolská,
Member of the
EESC – Group I

Future of European Transport



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"BUSINESSEUROPE supports the general objective of the White Paper to achieve sustainable transport" said Anna CONSTABLE, Adviser for the Internal Market Department. In this context a blend of initiatives is needed relating to infrastructure, transport vehicles and equipment, ICT solutions, network services and operational and administrative procedures. The emphasis should be on creating conditions for effective co-modality and completing the internal market for transport – not a forced modal shift. Marc BILLIET, Head of EU Goods Transport and EU Environmental Affairs Department of IRU – International Road Transport Union stressed that the White Paper lacks concrete measures. "The aims



From left Gergely Sulyok of the European Commission, Anna Constable of BUSINESSEUROPE, Jan Němec of the Czech Permanent Representation to the EU, Olga Sehnalová, MEP

of earlier White Paper have not yet been fully achieved, we have to make sure we succeed this time," said Billiet. "We need a resource-efficient transport system with all transport modes; forced modal shift does not work", he outlined. It is important to increase efforts to reduce the environmental footprint of commercial road transport at source. Ambitions of the White Paper go into a good direction however they are far from reality. The Member States keep their protective measures. "When introducing locomotives to the Internal Market (only to four countries) we are confronted with burdensome red tape. We need to ease the access to the Internal Market by cutting red tape and enhance cooperation across the EU," added Petr Jonák, Director of Corporate Communication Department of AWT Group. He stressed as well the importance of competitiveness while adopting new environmental legislation. The event was organised by CEBRE, Czech Permanent Representation to the EU and AWT Group.

CEBRE CALENDAR:

- CEBRE Debate on Free Movement of Workers, 17th May 2011 (Prague)
- Round Tables on Industry – University Co-operation, 25th May 2011 (Ostrava, CZ)
- Sector Seminar on SME's, 26th May, 2011 (Brussels)

AVAILABLE
IN BRUSSELS!

