



# Your View on the EU

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UNISON EU referendum

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Information for members

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March 2016

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## **Your view on the EU European union referendum**

### **UNISON branch consultation – members' information sheet**

**March 2016**

#### **1. Frequently Asked Questions**

##### **What is the UNISON branch consultation on the EU referendum?**

The increased focus on the EU referendum on June 23 2016 will be an opportunity for members and branches to debate what are the key issues for trade union members to consider in the EU referendum vote.

The UNISON branch consultation on the EU referendum is an opportunity to give branches a say on what position, if any, UNISON should take on the referendum.

To help with the branch consultation UNISON has provided additional information in this Frequently Asked Questions (FAQs) section and more detailed policy information on UNISON's policies towards the EU. This will help members and branches understand more clearly what the issues and implications are when debating whether the UK should stay in or leave the EU and the impact of any decision on UK workers and trade unionists.

##### **Why is UNISON consulting with branches?**

UNISON has historically been against the EU single currency (the EURO) and the role of the European Central Bank but has been for a positive Social Europe. However, neither UNISON's National Executive Council (NEC) nor National Delegate Conference (NDC) currently has a position on the EU referendum.

This is because it will be the first time in 40 years since the last 1975 referendum on joining the EU, that the UK public has been asked to vote on whether the UK should remain (stay in) or leave (get out) of the EU. It is therefore the first time in a generation that trade unions need to consider

what the issues important to workers and trade unionists are in the referendum campaign.

That is why this branch consultation is important and aims to be as wide and as inclusive as possible. The information collected from the branch survey will be used to assist the NEC in developing any policy and campaign decisions, including NDC emergency motions, on the EU referendum in the run up to the referendum date.

### **What is the European Union (EU) referendum and who can vote?**

The Conservatives' 2015 election manifesto promised to hold, by the end of 2017, a nationwide referendum on whether or not the UK should stay in or leave the European Union. The date is now set for June 23 2016.

The EU referendum will allow everyone of voting age in the UK to vote on whether the UK should leave or stay in the European Union. This will include British, Irish and Commonwealth citizens over 18 who are resident in the UK, along with UK nationals who have lived overseas for less than 15 years. Citizens from EU countries - will not get a vote apart from Ireland, Malta and Cyprus - and commonwealth citizens in Gibraltar will also be eligible.

The referendum will be a vote, giving a "Remain" or "Leave" answer to the question. Whichever side gets the most votes cast is considered to have won.

### **EU referendum question**

***Should the United Kingdom remain a member of the European Union or leave the European Union?***

Remain a member of the European Union

***or***

Leave the European Union

### **When is the European Union (EU) referendum going to be held?**

Thursday 23 June 2016.

### **What are the Electoral Commission rules governing communications and campaigns in the EU referendum agenda?**

The rules of the 'regulated period' for communicating information or campaigning during the EU Referendum start on 15 April 2016. This branch consultation does not fall within the EU Referendum regulated period and therefore will be treated as a normal branch consultation. After 15 April the

rules which specifically govern what organisations can do, and the calculations of any campaign spending limits, will begin.

Under the Political Parties Elections and Referendums Act 2000, as amended by the European Referendum Act 2015, there are rules about what organisations can do in the run up to the referendum. These rules **are not** the same as the rules in general and local elections or the rules set out in the Lobbying Act.

It is important therefore that after 15 April branches do not conduct their own local campaigns on the EU referendum which may attempt to 'influence a particular outcome' without further guidance from the UNISON NEC.

**Rules on third party (trade union) campaigning at referendums include:**

- Any activities of trade unions campaigning for one outcome or another.
- Communication with members is **not** exempt from the spending limits unless it can be shown that the communication is not intended to 'influence a particular outcome'. If the communication promotes an outcome in the referendum it will have to be declared.
- This could include, for example, spending on member e - magazines, newsletters and emails.
- Referendum campaigns are not covered by trade union political fund rules. Unions can spend ordinary funds on referendum campaigning.
- The spending limit above which UNISON will have to register with the Electoral Commission as a 'registered campaigner' is £10,000.
- There is one limit for UNISON as a whole for all of the UK.
- Like at general elections, third party campaigners have to declare the costs of materials and staff time too.

More EU referendum campaign guidance will be produced after the NEC's decision on UNISON's EU referendum campaign.

## **2. Information on UNISON EU policies**

### **What is UNISON's position on the UK's membership of the European Union (EU)?**

UNISON has debated the value and benefits of UK membership for trade unions and workers since the UK voted to join the EU in 1975 by a 2–1 majority in favour. The EU was called the European Economic Community (EEC) at the time. This debate has continued at each key change of the EU development with treaties such as the Maastricht Treaty in 1992 and the Lisbon Treaty in 2009.

### **UNISON's previous debates on the EU**

Since its founding National Delegate Conference in 1993, this union has carefully examined the operation and the policies of the European Union. In particular our union has been concerned with the economic policies that the EU as an institution has adopted, and the way in which these policies have been have been embedded into the European constitution.

UNISON has a positive view of public spending, arguing that it is economically and socially vital, and is not an economic liability. This positive view is included in UNISON's constitution. Like our colleagues in EPSU- the European federation of Public Service Unions – we share a belief that public spending has had a positive effect for over a century. Public spending supports economic growth through investment in infrastructure, through supporting an educated and healthy workforce and through redistributing income to increase the spending power of poorer consumers. It directly supports employment of public service workers and indirectly through the employment by contractors supplying goods and services.

The purpose of public spending is to achieve public objectives - ensuring universal education and universal access to healthcare, and economic objectives such as full employment. UNISON would argue that market mechanisms fail to deliver the public services that countries need. This is supported by the economic history of the last 100 years.

It is against this background that UNISON conferences have debated the development of the European Union. Specifically our conferences have taken a view of every major EU treaty over the past 23 years, from Maastricht at the founding conference in 1993, through the Amsterdam, Lisbon and the constitutional treaties and the Services Directive and have consistently criticised and opposed the content of those documents, based on our beliefs about public services and public spending.

### **The critical view of the role of the European Central Bank**

In the 1990s UNISON opposed the creation of a single European currency (the EURO) and a European Central Bank (ECB). We feared that the strict rules of the Bank and currency membership would interfere with any government plans to expand social provision and public spending. With other policies such as the Growth and Stability Pact, the ability of European states to determine for themselves the level of government borrowing that determines the level of public spending, is detrimentally affected.

This pressure directly reduces investment in public services and pushes governments toward other ways of providing services through privatisation. The results have unequivocally resulted in growing unemployment and pressure to lower wages. As long ago as 2003 the EU Commission was announcing that comprehensive reforms are necessary to place both pension systems and health and social care on a long term financially stable footing by limiting public sector exposure.

These policies have not changed at all over time but instead become embedded in a series of treaties that govern the economic activity of EU states. This means that the economic policies have been concentrated on interest rates and the stability of prices, not maximising economic growth or employment. The main driver of these policies is not the democratic governments but the European Central Bank, which is independent of governments and from political influence, a development that UNISON has criticised as fundamentally undemocratic.

UNISON argues that such policies have contributed to the failure of the EU to respond to the crisis following the economic crash of 2008. UNISON has been critical of the overarching emphasis on austerity policies combined with a drive toward greater competition, market liberalisation and a downward push on wages. We criticised the ECB continued emphasis on “price stability” while treaty changes enshrine the concept of “balanced budgets”.

The real consequences have been seen in the austerity measures being put into place and seen in countries such as Portugal, Spain, Italy and most particularly Greece, where living standards are drastically cut, and public services slashed, while public assets are privatised. Unemployment levels have increased, particularly among young people. The measures included cuts in state benefits, cuts in pensions, cuts in public jobs and services and cuts in the pay and conditions of public service workers.

UNISON has also been alert to attacks on trade union rights that have flowed from the EU reforms to ensure “labour market flexibility” and to annul collective agreements that impede this. As the ETUC noted in 2012, “to achieve wage flexibility, labour market institutions that are perceived as being rigid should be eliminated. All in all these changes amount to a fundamental assault on democracy welfare and trade union rights”.

Europe’s unions pledged to say NO to a Europe of Austerity, a pledge reiterated by UNISON in rejecting the necessity for working people to bear the

brunt of these economic policies, and believe that what is necessary across Europe is a bold policy of public investment to stimulate demand and jobs as opposed to the status quo that is bringing misery to millions.

### **The positive view of the EU Social model**

The main debate across the labour movement since the 1970s has been about the willingness of trade unions to support EU membership based on the benefits of "Social Europe" that acts as a counterbalance to the EU's internal market economy. Social Europe, or the European social model, can simply be understood as a common vision many European states have for a society that combines economic growth with high living standards and good working conditions, best exemplified by the Nordic countries such as Denmark, Sweden and Norway.

To promote monetary, economic and social cohesion between the EU member states, workers have rights and benefits in exchange for certain competitive freedoms for business.

### **The EU Social Model – the trade off between workers and business**

<b>Social provisions for workers</b>	<b>Competitive freedoms for business</b>
Commitment and promotion to full employment	Freedom to move goods, services and capital around the EU member states
Social protections for all citizens through welfare and social security and protection of public services	Elimination of trade barriers and regulation standards between EU Member States
Social inclusion and combating of social exclusion through equalities and human rights	Remove import restrictions and internal custom levies between EU Member States
Improved living and working conditions	Regulate state intervention in the market and 'Fair, transparent and competitive' rules in public procurement
A 'Social Dialogue' between management and labour	Sector social dialogue representation within EU decision making structures
The Charter of Fundamental Rights of the European Union which enshrines certain political, social, and economic rights for European Union (EU) citizens and residents into EU law <i>(N.b the UK has an opt out protocol from parts of the Charter)</i>	Recognition of trade union collective bargaining rights and labour laws

The 'social model' approach is embedded within the EU consultative decision making structures through trade union representation on various 'social

dialogue' committees for certain industrial sectors. In addition European Works Councils (EWC) brings together employee representatives from the different European countries in which a multinational company has operations.

This means, for example, that UNISON members who work for EDF Energy are represented in the EDF European Works Council and in the wider electricity sector social dialogue. UNISON is a member of EPSU, the European Federation of Public Service Unions, which represents 210 independent trade union organisations representing more than eight million workers in public services in Europe. EPSU is a recognised trade union social partner in social dialogue with employers in local government, hospitals, education, gas and electricity for example.

Along with EPSU UNISON also works with the wider ETUC (European Trade Union Confederation) influencing both EU policy, making representations at various EU committees and working with MEPs to influence the decisions of the European Parliament.

While opposing EU austerity UNISON supports the concept of Social Europe and a European social model that recognises the need for trade unions and social and employment legislation to protect workers within the EU's internal market. UNISON, along with the wider European trade union movement, is opposed to any attempt to weaken or dismantle Social Europe.

Below is a summary of what UNISON says on key EU policies and the social vision of Europe that UNISON works to promote in Europe:

### **Economic prosperity**

UNISON, along with other unions, is concerned that since the 2008 economic downturn and banking crisis the EU has introduced austerity measures that have infringed on social rights and seen the sanctioning of public service cuts and deeper privatisation of public services. Austerity measures have been a priority for the EU rather than an economic growth strategy providing decent jobs and decent pay. Along with cuts to public services there has also been a reduction in the social provisions for workers to guarantee improved living standards such as the erosion of welfare benefits, affordable housing and rents and pensions.

As an anti-austerity alternative UNISON campaigns for an EU economic growth strategy that will promote growth and jobs in the EU. This would include:

- Protection of quality public services.
- A new EU social progress clause to protect social provisions in EU agreements.
- An EU investment plan that could create 11 million decent jobs.



- More workplace democracy and recognition of trade unions and collective bargaining.
- Modernising labour laws to cover new developments such as zero-hours contracts, the 'sharing economy' and the growth of domestic work.
- Raising public taxes through challenging corporate tax evasion schemes and the use of tax havens.
- Raising public taxes through taxes on transactions made by financial institutions, such as the Robin Hood Tax.

In many parts of the UK the EU is seen as a positive force for funding infrastructure, jobs and training in the areas of greatest need. The EU has also supported the Northern Ireland peace process and encouraged cross border trade between Northern Ireland and the Republic of Ireland.

### **Public services**

The EU internal market is based on liberalisation and competition, for example the EU has played a role in liberalising markets and encouraging competition in energy, transport and postal services. It has also restricted companies receiving public subsidies in the national interest through state aid rules. However, the EU treaties and legislation are 'neutral' on public ownership or provision. The treaties do not refer to public services as such and there is no legal definition or protection for them in EU law.

A protocol to the Lisbon Treaty did recognise that 'services of general interest' (ie public services) are part of the European social model and that national, regional and local authorities have the right to introduce, adopt, maintain or repeal any measures with regard to commissioning, organisation, funding and provision of public services.

Public bodies that award contracts for outsourced or privatised services are covered by the EU's Public Procurement regulations. These rules make it clear that there are no EU regulations to force the privatisation of public services. It is completely the choice of a member state. However if a member state does allow for privatisation then they have to follow EU rules.

In the latest set of rules (2014 Public Procurement Directive) the EU voted to put more emphasis on the use of social criteria (for example paying the living wage) and environmental (eg energy efficiency) criteria to award contracts. This was to remove the practice of public authorities just using 'price only' criteria in awarding those contracts to prevent the 'race to the bottom' in outsourcing public services.

The UK government however, decided not to take the EU opportunity to mandate the use of social (employment) criteria and 'price only' still remains in the UK public procurement regime despite its detrimental effects to quality service provision and workers' terms and conditions. Without the EU public procurement rules it is not clear how the UK government would fund and run public services or operate the privatisation of public services.

UNISON campaigns to promote and protect quality services in the UK and EU with its sister public service unions, through EPSU, for fair and progressive taxation, good governance, trade union recognition and effective regulation.

### **Workers' rights**

The EU has the world's largest internal market and is the biggest trade bloc and as such plays a major role in the lives of working people. It is crucial therefore that it provides beneficial employment rights for all workers across Europe. As a result the EU, through a variety of legislation, seeks to balance the benefits for business with strong rights and protections for workers that employers and governments have to follow.

UK workers are protected by EU labour laws:

- TUPE (Transfers of undertakings) rights when an organisation (eg a public service) is being outsourced or transferred.
- Collective redundancies and right to consultation.
- Minimum paid annual leave – 28 days a year.
- Fair treatment rights for agency and temporary workers.
- Pregnancy and maternity leave rights.
- Parental leave.
- Working time which includes a maximum of a 48 hour week unless you agree otherwise, and minimum rest breaks each day.
- Equal treatment, equal pay and part time workers' rights
- Health and safety regulations.

The UK sadly has been among the most active opponents of European employment rights - only grudgingly accepting many of the social aspects when it has been forced to. UNISON is campaigning for the UK government to maintain the highest standards of EU workers' right for UK workers. The government often appears to views these employment rights as 'red tape' for business and getting in the way of 'flexible workforce'.

In some cases the UK government will only adopt the minimum requirement of workers and employment rights into UK law. We have already seen this

government water down 'unfair dismissal' rights, and break up the employment tribunal system.

In some cases, such as enforcing holiday and equal pay rights, taking cases to the European Court of Justice (ECJ) has helped UK and EU workers win important victories. In other cases, however, we have seen the ECJ restrict and stop strike action against EU companies that operate in more than one country and to stop public bodies setting minimum wage standards in their procurement tenders because it interferes with right of a company in another EU country to bid to bring in a lower paid workforce.

On top of this we have seen the current UK government also attempt to weaken trade union voices in the workplace through the Trade Union Bill (2015), attacks on trade union facility time and weaken TUPE regulations in 2013 by allowing employers to re-negotiate changes to collective agreements one year after employees have transferred to a new employer.

UNISON does not believe that the current UK government can be trusted with the protection of our workers rights.

### **Global trade treaties**

The EU is currently negotiating new rounds of free trade and investment agreements. Among these are:

- CETA – Comprehensive Economic Trade Agreement between the EU and Canada.
- TTIP- Transatlantic Trade and Investment Partnership between the EU and USA.
- TISA – Trade in Services between the EU and 23 other countries.

The three treaties are similarly seeking to remove trade barriers, liberalise the trade in services – including public services – widen and make market access to those services easier. At the heart of the treaties is protection of the rights of foreign investors, particularly through a special private court system which will sit outside sovereign nations' judicial systems, known as ISDS or a newer version called ICS. Finally the treaties aim to reduce 'regulatory barriers' to trade through the 'harmonisation' of standards such as labour laws, health and safety, environmental and consumer standards.

All three agreements attempt to include public services in the trade of services in the global market. In the past the EU has explicitly excluded public services from trade agreements but has not done so in these trade agreements.

UNISON therefore is campaigning against these trade agreements unless public services are removed completely, not just partly, from all the chapters and rules in the trade agreements. In particular rules such as 'ratchet' and 'standstill' clauses and the proposal for a court systems to protect foreign private investment (ISDS or ICS) are seen as a huge threat to the sovereign right of countries to run their public services as they like at all times, without fear of having to compensate foreign investors in these private courts, if they make any changes.

UNISON is also against the trade treaties because they currently do not provide any enforcement mechanisms to address breaches of workers' rights and labour laws by either global companies or countries. Without the ability to enforce workers rights and labour laws there will be an increase in global 'social dumping' whereby multinational corporations move production to those countries with the lowest standards.

There are also no enforcement mechanisms to address environmental breaches by companies or countries and attempts to 'harmonise' or create 'regulatory coherence' of standards are viewed as a serious threat which will more likely lower standards rather than improve them and drive them up.

Overall these three treaties represent a deregulation agenda and a threat to public services and public sector workers.

UNISON is calling therefore for both UK MPs and EU MEPs to oppose the ratification of these treaties unless the European Parliament can remove the inclusion of public services and the court systems of ISDS and ICS, include in the treaties enforcement mechanisms to protect labour standards, workers rights and collective agreement rights and finally protect EU regulatory standards in consumer, health and safety, environmental regulations.

The UK government is a major supporter of these three treaties and if there is a Leave (Brexit) vote then the UK government will no doubt continue negotiating bilateral agreements.

Leaving the EU will not protect UK public services or workers from free trade agreements. Given the government's preference for global deregulation and its agenda to open up public services to further privatisation, bilateral treaties made by the UK rather than the EU may even be more of a threat to public services than these current treaties.

## **Equalities and human rights**

The EU has a variety of legislation that covers both equality and human rights. Equality rules prohibit direct and indirect discrimination as well as harassment and victimisation on the grounds of race, religion or belief, age, gender, sexual orientation and disability.

In the public sector the EU has legislated for a 'public sector duty' on public authorities to undertake Equality Impact Assessments (EIAs) on services (including changes to services) and the public service workforce to make sure that services and employment practices are non discriminatory and promote equality.

The Equal Treatment Directive (2009) also ensures equal treatment across the four equality strands of age, sexual orientation, religion or belief and disability in the areas of social protection, including social security and health care; education; and access to and supply of goods and services which are commercially available to the public, including housing and transport.

This applies to both public authorities and private sector bodies providing goods and services. The directive also allows organisations to take positive action measures to compensate for disadvantage on any of the four grounds.

In relation to human dignity, freedom, democracy, equality and respect for human rights these are embedded in all EU treaties, and the European Convention on Human Rights (ECHR) has been signed by all EU countries including the UK government. These rights include:

- working to promote the rights of women, children, minorities and displaced persons.
- promoting human rights to help prevent and resolve conflicts and, ultimately, to alleviate poverty.
- opposing the death penalty, torture, human trafficking and discrimination.
- defending civil, political, economic, social and cultural rights and freedoms of speech.
- Working to put human rights at the very heart of EU relations and trade agreements with other countries and regions.

There is also an EU Charter of Fundamental Rights with a clear and strong statement of EU citizen's rights. The UK has an opt-out from certain provisions of the Charter

Overall the current UK government has appeared reluctant to promote equality legislation and its record appears to show that instead it views equality legislation as a burden on business. In 2012 David Cameron 'called

time' on public sector duty obligations to undertake EIAs and has greatly reduced equality obligations set out in the UK Public Sector Equality Duties (PSED).

UNISON believes that the PSED and EIAs are a beneficial transparent process for both employees and service users to ensure that cuts to public services are not discriminatory to either workers or service users.

The government has also greatly reduced the budget of the UK Equalities and Human Rights Commission, reduced the length of any EIA consultations that public sector authorities have to undertake, done very little to address concerns over equal pay and equality for pregnant and working mothers, made it harder to bring judicial reviews calling them a waste of tax payers' time and introduced tribunal fees to deter people from bringing discrimination claims to tribunals.

Currently the government is reviewing the UK commitment to the European Human Rights Convention (which stems from our membership of the Council of Europe, not the European Union). This will have serious implications for people and groups defending their rights against discriminatory welfare reforms and public service cuts.

UNISON campaigns to make sure that both European equality and human rights are adopted not just as a minimum standard by the UK government but also calls for the government to go further to maximise social protections and justice for equality groups when appropriate to promote social inclusion and cohesion.

Given the government's reluctance towards EU provisions in equality and human rights it is not clear if there is a 'Brexit' what the current government will replace them with for UK citizens.

### **EU Migration, benefits and social cohesion**

There is often confusion about migrant workers. The majority of migrants in the UK are non-EU migrants and therefore the EU referendum will have no impact on migration policy for these workers.

The EU enshrines both 'free movement' and 'equal treatment' for all EU workers. This means that EU workers are allowed to move across open borders as job seekers and take jobs and enjoy the same equal treatment of those workers in that country.

For example:

- If UK workers get paid at least the minimum wage then so will EU workers.
- If UK workers get in-work benefits (for example family tax credits) to top up low wages then so do EU workers.

This 'equal treatment' also applies to the two million or so British citizens living within the rest of the European Union (EU). It is important that the EU commitments to freedom of movement for workers and equal treatment should be maintained. If businesses – trade in services, goods and capital – are allowed to move freely in Europe then the same freedom has to apply equally to workers.

Businesses in the EU are allowed the freedom to seek 'fair and open competition' to maximise their profits and this often means they will look for the cheapest labour costs (lowest wages).

Without the free movement of workers, workers would have no freedom to move to other areas offering higher wages and protections. This ability to move their labour freely puts more pressure on business to offer fairer wages across all of the EU forcing wages up overall not down.

Without a worker's right to free movement there is a tendency to create conditions known as 'social dumping'. This is when companies seek to move to those countries with the lowest wages and employment protection thereby creating a 'race to the bottom'. This is why the role of trade unions in representing and organising workers across the EU is important to maintaining wages and living standards for all EU workers.

UNISON believes that solving workers' anxieties around migration requires serious action on low pay and insecure work. Employers need to work with unions to agree to decent levels of pay, and decent contracts for their workers so they are not working too few hours to make ends meet. This needs to happen not just in Britain but across the entire EU.

Low wages and a lack of decent jobs are currently forcing many workers to leave countries in other parts of Europe to work in countries like Britain and Germany. This is why European unions are calling for a pay rise across Europe.

Meanwhile, regions feeling the pain of cuts to public services require austerity to be reversed and serious urgent investment by the UK government is needed. There are EU funds available to the UK to support such investment

such as the European Regional Development, Social and Globalisation Funds, but the UK does not make full use of them.

By contrast, Germany is using European Social Fund money to support regions with an increased number of migrants, as well as to support trade unions to set up offices to offer migrant workers advice to protect them from undercutting.

### **Section 3: What next?**

#### **What will happen if the UK public votes to 'Leave' the European Union?**

This is sometimes called 'Brexit'. If the UK votes to leave the EU no one is quite sure what will happen next or how long it will take to leave the EU. A majority 'Leave' vote will only give the prime minister permission to begin to negotiate the UK's withdrawal from the EU Treaties it has signed up to.

The referendum does not give the –prime minister permission to renegotiate a new UK relationship with the EU. Therefore how the UK and the EU then re-negotiate new terms of a relationship or a new status for the UK to have access to the EU's internal market will have to be decided by the UK government.

After a vote to leave the UK government could for example decide to apply to join the European Free Trade Association (EFTA) which would enable the UK to be part of the European Economic Area (EEA). This would allow the UK to participate in the EU's internal market without being an EU member, although the UK would still have to adopt almost all the relevant EU legislation other than laws regarding agriculture and fisheries.

The EEA's "decision-shaping" processes enable them to influence and contribute to new EU policy and legislation from an early stage but they have no vote in the EU Council or Parliament. EFTA countries also have to pay for access to the EU's internal market so the UK would still contribute to the EU budget but would not be able control how the budget is spent.

One EFTA member, Switzerland, has not joined the EEA, but has a series of bilateral agreements with the EU which allow it also to participate in the internal market. This is another option the UK government could take.

Finally it is not clear how the devolved administration in Wales, Scotland and Northern Ireland will respond if the UK public vote for a leave or 'Brexit' vote.

#### **What will happen if the UK public vote to 'Remain' in the European Union?**

If the vote to remain wins then the UK government would work with the EU to implement the 'reforms' it has negotiated. UNISON will continue to put



forward the need for more progressive social provisions and workers' rights and the protection of public services to be placed at the core of EU economic growth strategies and global trade agreements.

### **What does UNISON think of the main Remain and Leave campaigns?**

UNISON is not impressed with either campaign so far. The Remain campaign ignores some of the threats in the current EU to Social Europe, public services and workers rights. The Leave camp is concentrating mainly on issues of migration, asylum and eligibility for state benefits that do not address the real challenges the country faces.

## **4. The government's EU reform proposals and what UNISON thinks**

When David Cameron pledged to hold a referendum he said that he would first seek to make reforms (rule changes) to the way the European Union works and the rules that the UK has to follow as a European Union member. This way, the government claimed the UK would be getting a better deal out of EU membership.

These reforms were agreed by the other EU member states that make up the EU Council in February 2016. UNISON does not believe that these agreed reforms are helpful to public service workers and UNISON's views are below.

The EU Council agreed to four key reforms in the UK government's negotiations:

### **1. Sovereignty**

The UK government has secured a clear legal statement that the UK can 'opt out' and not be committed or obliged to further political integration. This will be incorporated in an EU treaty change. Alongside this 'opt out' will be the full implementation of EU's commitments to subsidiarity. This is where the EU may only make laws where 'action of individual countries is insufficient'. National parliaments will also be able to club together to block new EU laws if 55% of national EU parliaments object to any new EU legislation introduction.

This so called 'red card' system will require the EU to abandon or modify any newly proposed measure. This goes slightly further than the current position, but in practice hardly alters the existing balance of powers between member states and the EU as a whole.

### **UNISON's view:**

The reforms should have concentrated on creating decent jobs and good

wages, fairness at work and sustainable growth rather than tinkering with vague Treaty notions on what an 'ever closer union' might mean. Trade unions will campaign to ensure that the UK government or any other member state does not try to use these powers to weaken workers' or trade union rights and will continue to campaign for a better Europe based on a stronger social model.

## **2. Competitiveness**

The EU has agreed to "make all efforts to fully implement and strengthen the internal market" and to take "concrete steps towards better regulation", including by cutting red tape.

### **UNISON's view:**

This is nothing new as the EU is already implementing its 'REFIT' programme which is already reviewing and removing so called 'unnecessary and burdensome' regulations. UNISON considers this proposal to be simply a further attempt at deregulation and is sceptical of any real benefits to business, workers, health and environmental protections or consumers that this will bring. UNISON will continue to oppose measures such as REFIT or measures that require privatisation of public services.

## **3. Non - discrimination against non - euro zone economies**

In relation to the eurozone Britain can keep the pound while being in Europe and its business can trade with the eurozone bloc without fear of discrimination. Countries outside the eurozone, such as Britain, will not be required to fund euro bailouts and will be reimbursed for central EU funds used to prop up the Euro. The City of London will have safeguards put in place for Britain's large financial services industry to prevent eurozone regulations being imposed on it.

### **UNISON's view**

While it's important to ensure that the 'City of London' is not in any way discriminated against by unfair or detrimental Euro zone financial decisions this should not be used to block or restrict rules which provide for more effective reform and regulation of the finance sector in the UK.

Challenging tax evasion schemes and the use of tax havens by large corporations and financial institutions and introducing financial tax reforms such as the 'Robin Hood Tax' by the EU should be followed in the 'City of London' to benefit the UK public.

What people want from the EU is secure decent jobs and good wages and fairness at work. This reform does not address any of these issues and appears

to put the interests of the City ahead of the needs and aspirations of the rest of UK workers. Corporations who don't pay their fair tax should be dealt with.

#### **4. EU 'migrant' benefits**

Child benefit can now be indexed so that EU migrants can still send child benefit back home, but they will get a lower amount, if the cost of living in the country where the child is living is lower than in the UK. The new rules will apply immediately for new arrivals, and for existing claimants from 2020. The EU Council has also agreed that member states will be able to introduce an "emergency brake" on welfare payments to EU migrants. Member states can notify the EU that an 'exceptional situation' exists on such a huge scale that it affects essential aspects of its social security system and excessive pressure on the proper functioning of its public services.

To justify the UK reduction of in-work benefits to low-paid EU migrant workers the government has made 'spurious' claims that UK in-work benefits system have created a pull-factor (huge attraction) for migrants coming to the UK and that this is now an 'exceptional situation' faced by the UK. The EU has agreed the UK would be "justified" to trigger the emergency brake without delay after the referendum, if the UK votes to stay in the EU.

The UK will be able to limit in-work benefits for EU migrants during their first four years in the UK and new arrivals will have their tax credits phased in over four years. This so-called "emergency brake" must be released within seven years - without exception.

#### **UNISON's view:**

EU migrant workers are allowed to freely move around the EU to look for work and take jobs. Only 3% of all workers in the EU actually use the right to move freely around Europe to work. The majority of migrants in the UK are non-EU migrant workers and therefore this reform would have no effect on attempting to 'control' the pull factor of those migrants seeking to find jobs in the UK. Non-EU migrants are often working in public services where there are skills shortages such as in the NHS.

There are an estimated 2.7 million EU nationals in Britain. The government's own figures (DWP February 2015) show about 6% of the total of all welfare benefits are claimed by EU migrants. However, it is likely that this is not just an exclusive figure for EU nationals as it also includes couples where one partner is a British national and the other is an EU national. (The DWP and HMRC have not disclosed how many British nationals are included in its published figures.

The majority of data shows that EU nationals are only a small proportion of the benefits caseload totalling:

- £530m of “in-work” tax credit payments which amounted to 1.6% of the total UK tax credit bill (DWP 2013)
- 2.5% of DWP administered benefits (DWP 2014)
- 7% of the tax credits caseload (HMRC 2014)
- 318,000 “EU families” (singles and couples) received tax credits in 2014
- Of these 267,000 of these were in-work tax credits (HMRC 2014).

Therefore, there is no evidence that benefits are a real ‘pull’ factor attracting these workers specifically to the UK. Overall migrants pay more in tax contributions than they claim in benefits or use public services.

It would be better to tackle low pay, exploitation and undercutting in the UK by bad bosses rather than tinkering with low paid EU workers’ in-work benefit entitlements. If EU migrants were paid decently then top up - in work benefits would not be needed. EU trade unions are calling for a decent pay rise for workers across all of Europe too. This would mean that workers would not want to move as much to find decent paid work if they can find it in their own countries.

Furthermore the proposals fail to address the real problems of huge funding cuts to public services which is why there may be a perceived view that local services are unable to cope with EU workers.

## **5. How to take part in your branch consultation**

Now you have had the opportunity to look at this information pack on the EU referendum, please read the five survey questions below. Every member now has an opportunity to contribute their views on these questions and take part in their branch consultation.

Your branch will be in contact with you to let you know how you can participate in your branch consultation. Each branch will return one response on behalf of all their branch members.

Thank you for taking part in this important consultation. Your branch’s contribution will influence the final policy and campaign position of UNISON on the referendum.

Details of how to respond are in the Branch Secretary Guidance note giving Survey Monkey web address, password, or postal address.

**The deadline for the branch consultation is 5 April 2016.**

If you have any questions about the UNISON referendum consultation or UNISON policy please contact:

Allison Roche, UNISON policy officer

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E-mail: [a.roche@unison.co.uk](mailto:a.roche@unison.co.uk)

## UNISON branch EU referendum consultation questions

### 1. How important do you think the European Union is to UNISON?

Answer	Tick a box
Very important	
Important	
Not important	
Not at all important	
Not sure/Undecided	

### 2. What issues are the most important for UNISON members in the EU referendum?

EU referendum issues	Please rank in order: (1 being the most important and 6 being the least important)
Public services	
Economic prosperity	
Workers' rights	
Equalities	
Migration, equal treatment and welfare rights	
Global trade treaties	
Other (please state)	

3. In other constitutional debates, UNISON has provided materials for members to highlight relevant issues, while respecting that the decision on such a vote will be an individual decision. Would your branch want UNISON to provide general campaign information on the EU in this way?

Answer	Tick a box
Yes	
No	
Don't know	

### 4. Do you think UNISON should choose a particular side in the EU referendum?

Answer	Tick a box
Yes	
No	
Don't know	

If Yes to Question 4 please answer Question 5

### 5. If UNISON did campaign for one side only, which side should it be?

Answer	Tick a box
Remain - To stay in the European Union	
Leave - To get out of the European Union	



