



Northern Ireland  
Assembly

Committee for Employment and Learning

# OFFICIAL REPORT (Hansard)

European Commission Legislative Proposals  
2012

4 July 2012



That oversight of seafarers from some aspects of labour law is largely the result of European Council decisions that were taken during the legislative process. It does not appear to correspond to any openly stated objective reason or purpose. Essentially, there was an oversight when the original directives were drafted, and the rights and needs of seafarers were missed. The proposal aims to rectify that.

The exclusions resulted in a lower degree of protection being offered to seagoing workers, including those who worked in sea fishing and maritime transport, compared with that being offered to onshore workers. The main objectives of the proposal are to improve the EU legal framework for workers in the seafaring professions in order to contribute to the creation of more and better jobs in the sector; to grant seafaring workers a degree of legal protection equivalent to that enjoyed by workers who are covered by the general scope of a number of directives; and to achieve more equal legal treatment of EU seafarers across the member states and put an end to unjustified exceptions.

It should be noted that adoption of the directive would have potential economic benefits, as it would contribute to enhancing the overall attractiveness of the sector and bring more EU workers into it. However, it could also add to the administrative burden on maritime companies, because they would have to meet additional requirements.

Northern Ireland has a relatively small maritime sector compared with other EU regions and nations, and the adoption of the legislation could have some impact on the sector. The Committee may wish to ask the Department about that, if it is being consulted on in that area.

The consultation stage of this proposal is completed, and it is expected to be adopted in the fourth semester of 2012. The paper that I provided states that it is the second semester of 2012, but that has changed in the past few weeks.

I will now move to the Commission recommendation on child poverty. The recommendation will support the EU and member state efforts to tackle child poverty. As part of that, it will lay out common principles for effective policy intervention in key areas, including support to families.

Research on child poverty has indicated the significant negative impact that it has on a child's lifetime outcomes. As is stated in the EU road map on the recommendation:

*"Children growing up in poverty and social exclusion are less likely than their better-off peers to do well in school, enjoy good health and realise their full potential."*

As I am sure the Committee is aware, helping children in poverty gives them a better lifetime strategy and improves their economic outcomes and those of society itself.

The initiative will support the EU and member states' efforts to prevent and tackle child poverty by proposing a policy and analytical framework based on common principles and guidelines to address effectively child poverty in key policy areas, such as support to families, services and participation in society. It will also provide a set of child-specific indicators that can be used by member states and at EU level for future in-depth reviews.

Child poverty falls under the remit of the Office of the First Minister and the deputy First Minister (OFMDFM), but the initiative has a number of cross-Department actions, including consideration of access to the labour market for parents and for those in education and training, in areas such as essential skills development to allow people with young children who are living in poverty to access training to get them into further employment.

The initiative is intended to inspire and orient the actions of public authorities and stakeholders involved in the various policy areas that are covered by the initiative. It will support member states' efforts to alleviate child poverty by establishing a framework under which member states can compare policies, monitor outcomes and benchmark performance.

It should be noted, of course, that Northern Ireland has its own child poverty strategy, which was published in March 2011 and includes the aim to support more parents to be in work that pays or pays better. That and other priorities will be met by focusing on key policy areas such as childcare, education and employment and skills in a similar manner to the European Commission proposal. The proposal, if adopted, will help reinforce the strategy here in Northern Ireland and offer a framework that can be benchmarked against other EU strategies.

The use of active labour market policies and the importance of education fall, in part, under the DEL remit. Again, I ask the Committee whether it wants consultations in that area. It is expected that that recommendation will be adopted in the fourth semester of 2012.

**The Chairperson:** Eóin, this is great, but we can read the recommendations. Tell us what is in it. It is great work, but just tell us what we need to know.

**Mr Murphy:** The final framework that I looked at is a framework directive on the European research area. It is intended to remove obstacles to mobility and cross-border co-operation —

**The Chairperson:** Hold on a second. Pay attention, you two. I am getting a bit of flak from my left.

**Mr F McCann:** We were listening, until you interrupted him. *[Laughter.]*

**The Chairperson:** Sorry, Eóin.

**Mr Murphy:** The framework directive is intended to remove obstacles to mobility and cross-border co-operation in the pursuit of an efficient integrated European research area. In 2000, the European Commission developed the European research area, and the framework is intended to develop it and integrate it within member state countries. It is meant to be the basis for achieving strategic policy coherence and co-ordination between the EU member states, with the overall aim of increasing the efficiency of the research system. That would be through better exploiting the potential for cross-border synergies and complementarities, which, basically, is allowing researchers better ability to cross between universities and research organisations in Europe, so that we are able to share ideas and be involved in knowledge transfer. That will increase the capacity in Europe for research.

**The Chairperson:** Why do you think this is a priority for us? Why did you pick it?

**Mr Murphy:** Part of it looks at universities and building capacity within universities, so that they are able to be involved with knowledge transfer. If Queen's wanted to work with a university in Strasbourg, for instance, it would be able to move people between the universities more easily, and there is a framework under which it can operate, as opposed to having to go out and make contact itself. There is a way of getting access to them. The whole point of it is that Europe will be able to hit its 2020 target for becoming a knowledge economy. As Northern Ireland has a big focus on moving from its previous manufacturing economy to a knowledge economy, it would have quite beneficial impacts for us, especially as we have Queen's, the University of Ulster and a lot of the larger companies, such as the aerospace companies.

**The Chairperson:** I was just interested in your thinking. We are guided by you, so it is something that we will pick up on. Is there anything else you would like to tell us?

**Mr Murphy:** No; that covers the framework.

**Mr F McCann:** If he did, he would not say anyway.

**The Chairperson:** Do you have this sort of trouble in your department? *[Laughter.]* This is a really interesting role that you have got yourself into and on which you have given us a heads-up. We will, of course, take on board the recommendations that you have made to ask and see about a consultation. There are a couple of other issues. You talked about prioritisation. We had the employment package, reforming the European employment services, or EURES, which is medium to high.

**Mr Murphy:** It is non-legislative. EURES is medium to high within the non-legislative initiatives, if that makes any sense. It is like an employment service. It is to encourage job mobility in Europe, and it provides information on job vacancies in 31 European countries. It is part of the free movement of workers within Europe. The reform could have impact with regard to allowing people in Northern Ireland to travel across Europe for posts.

**The Chairperson:** You talk about other things related to higher education. That is the sort of thing that, I think, is useful for me. There is the internationalisation of higher education. Given that our

universities and FE colleges are behind the trend in respect of getting international students, what does that mean for us?

**Mr Murphy:** Well, again, it links into the knowledge economy and the development of that. So the objective of the internationalisation strategy is to:

*"Support the ... higher education sector in creating more knowledge and innovation and responding to the "talent crisis" by enhancing its international attractiveness and presence worldwide",*

so it is encouraging universities to have more of an international role. It is similar to the European research area stuff. It is about bringing top-quality researchers into universities in Europe and into Northern Ireland so that it enhances its profile slightly.

**The Chairperson:** I will come back to that, but Pat has a question.

**Mr P Ramsey:** Thank you very much for that, Eóin. What is the economic value of the Youth on the Move programme? How do young people from Northern Ireland take advantage of it to work in Europe or get involved in the Youth on the Move flagship initiative? Are there any more details on that?

**Mr Murphy:** With Youth on the Move itself, there is a lot of information. Again, it is similar to the free movement of workers, so it is about encouraging young people from areas such as Northern Ireland to go out, experience life in other European countries and build up experience in those areas. The Youth on the Move card is designed to make that a bit easier. It is still in the consultation phase.

**Mr P Ramsey:** So it has not commenced yet? It says here that there will be help with travel and accommodation needs.

**Mr Murphy:** Yes. It is to make it easier to get out and about, but it has not commenced yet.

**Mr P Ramsey:** Fair enough. Thanks.

**The Chairperson:** Right. We will just take a few bits and pieces. There is a huge amount of work there, but although much of it is of interest to us, because Eóin has done the sifting, it is maybe not something that we can put time into. Has the Committee any areas that it wants to ask the Department about or that we want to take on ourselves?

**Mr Douglas:** I thank Eóin for the presentation. Is it possible to get his wee report in our Committee packs?

**The Committee Clerk:** It is tabled, and it is in your tabled papers.

**Mr Douglas:** Thank you very much.

**The Chairperson:** Sammy, have a look through it, and I think we need to ask Eóin about it. We can ask him what does this or that mean, and three sentences from him will explain it.

**Mr Douglas:** Just a quick question then. It talks about the principle of the free movement of workers, and you say that there will be an impact across the land border. Will that have a positive or negative impact, Eóin?

**Mr Murphy:** I would say it will be positive. The free movement of workers is a big part of the European Union strategy, and it is to encourage things such as knowledge transfer, so that companies and individuals have the ability to move across borders without being hit by issues such as taxes or differences in employment rights. It facilitates that movement, and by doing so, it encourages trade and helps build up economic development in an area. Before initiatives like that were put in place, there were a lot of difficulties, and it would have been a much longer process to get people through. Now, there is no need for visas, and it is quite simple to get across borders. Those benefits make it easier to transfer across borders.

**Mr Douglas:** Thank you. That is it.

**The Chairperson:** I am going to ask just one other question, but Eóin has made certain recommendations. He said we might like to write to the Department to find out what is going on. Do I have agreement for the Clerk to action the points recommended?

*Members indicated assent.*

**The Chairperson:** Right, so we have that. Eóin, you did not talk about the tabled paper.

**Mr Murphy:** Is that the Key European Union Issues paper? Would you like me to cover it?

**The Chairperson:** I would. It is really quite interesting.

**Mr Murphy:** I will be brief. The paper covers a very big area. It gives a brief overview of the current state of the EU, which, I am sure the Committee is aware, is in flux almost constantly. Every week there is another big development. The paper provides a quick look at the major events of the last six months, such as the UK going back into recession, the EU jobless rate rising once more and the signing of fiscal pacts.

It then looks at unemployment in Europe, which is ever increasing. Areas such as Greece and Spain have massive rises in unemployment. The UK employment rate is up from 5.5% in March 2007 to 8.1% in March 2012. Northern Ireland has seen a slight drop in its unemployment rate, but it is significantly higher than it was previously. There have also been big increases in youth unemployment, with Spain, in quarter 1 in 2012, at 60% unemployment. As with anything, youth unemployment especially is going to have a knock-on effect for years to come. As I am sure you are aware, there will be people who become NEET, drop out and become economically inactive. It is going to have a big impact.

There was a very recent announcement in Europe, within the past week, about an investment package of £120 billion. That will look at economic growth and unemployment and try to put investment packages in place in European countries. How that is going to be divided up is to be agreed at the end of July. That should, hopefully, have a very good impact and encourage growth in those areas.

**The Chairperson:** That is an area that the Committee is particularly interested in. Perhaps it is a bit more for you to think on Eóin. The question for us is the comparability of unemployment rates across the EU. Although we have 20,000 people unemployed, we have 46,000 NEETs. Is the way that we categorise them important? I do not get the sense that we are a highly employed part of the world. Look at Spain's problems. I think that we have the same problems.

**Mr Murphy:** Part of the problem with unemployment, certainly in Northern Ireland, is that, although it is not as high as that in some UK regions or some European countries, when people are employed, they are generally at the bottom end of the pay scale. There is no denying that there is high unemployment: 6.8% and 7.1% is very high, especially as it was down to 4.3% a few years ago. At that stage, we were one of the best performing regions in the UK. However, we have other issues. We have a relatively low median wage rate in comparison with other UK regions. Although people were being employed, a lot of people were employed part time, which was taking them off benefits. That and other issues were being masked by a low unemployment rate.

**The Chairperson:** That is interesting. We probably do not have time to talk about it now, but we should be part of the initiatives coming forward from Europe to tackle Europe's issues, even though, on the prima facie evidence, we do not have as big an unemployment issue as perhaps other countries. If you could articulate that argument, supported by some research, that would be useful. Then, we can decide how we can come in on that.

**Mr F McCann:** I want to go back to the report. It mentions something that came up last week when NICEM was doing a presentation about the posting of workers. It talked about the seafarers and the way that they are treated. I cannot remember whether we actually got an explanation of why that is the case. It says that it is because there is a small number here, but it also says that any legislation coming in will have little impact on seafarers here. I cannot understand that. If legislation is coming in to make life better for people, surely, regardless of whether there is one —

**The Chairperson:** Who said that it is not going to have an impact?

**Mr F McCann:** Table 1 of the legislative proposals says:

*"This would have a limited impact ... due to the small population of seafarers."*

**Mr Murphy:** I marked it down as having limited impact because it will impact on a small number of people. I looked at employment as a whole and compared it to that.

**The Chairperson:** So it might have a high impact for the individuals concerned?

**Mr Murphy:** In certain communities, it will have a high impact.

**The Chairperson:** Do you want us to get more detail on that, Fra?

**Mr F McCann:** It was something that came up last week when we were talking about the Filipino community.

**The Chairperson:** I agree with the way that you put it forward, Eoin, but David and Fra have raised a point. Just a wee bit more detail on that would be useful.

**Mr Allister:** Why, in the briefing paper, when dealing with the Six Pack, do you choose to comment only on what are perceived to be the negatives of the United Kingdom not being part of the treaty on stability, co-ordination and governance, with no room at all given for any explanation of the obvious benefits of us not being part of it? Why is the paper quoted in that way?

**Mr Murphy:** That is just an oversight on my part, to be honest. I was going on the information that is available. However, I can revise that for you.

**Mr Allister:** I certainly would find a paper that gives more than one viewpoint on whether it is good or bad to be in the stability pact more helpful than one that plays up only the perceived and, I think, nonsensical negative points.

**The Chairperson:** I think the point has been made, Jim. You will appreciate that Eóin is doing a huge amount of work across a big area. It is quite right that you bring it up. But, Eóin, we appreciate the work that you are doing on this.

**Mr Murphy:** I will revise the paper and put the alternative argument, or positive benefits, in.

**The Chairperson:** The last bit I would like to ask you about is Horizon 2020 and framework programme 7. A letter is out from the Minister of Enterprise, Trade and Investment telling us about a call for framework programme 7 in July. Basically, that means that it still has a load of cash left that it cannot move. One section in your paper covered the innovation fund. That assumes, presumably, that the budget is agreed. It is not agreed yet, is that right?

**Mr Murphy:** Not at far as I know. A lot has still to be done up until 2014, when it will be up and ready to run. There is an estimated budget of £80 billion for Horizon 2020.

**The Chairperson:** According to the paper, it is a strategy that will, amongst other things:

*"provide £54m funding for University research and investing in collaborative ... engagement ... to establish eight spin-out companies."*

That is taken from DETI's economic strategy?

**Mr Murphy:** Yes.

**The Chairperson:** So, that is our strategy, not the European strategy.

**Mr Murphy:** Yes, that is the economic strategy.

**The Chairperson:** I just think that it is an area that, again, could warrant a bit more investigation as to exactly what it is we need to do to help the universities in particular. That comes back to all the other issues you brought up here. We will write to the universities about the higher education initiatives mentioned in Eóin's report and ask whether it makes any material difference to the way that they want to go forward and what they would like to do.

Eóin, thank you for a really good overview. I absolutely take on board that there is a wealth of information and you have to do your best to be concise. I want to give you a bit of encouragement. I think that it is a really good paper, but we need somebody to tell us what is relevant or of interest. The Committee members can read the rest of the report and decide for themselves. However, this has been really useful. I commend you for your work, and hope that you can follow up on what I suggested. Thank you very much indeed.