



Dear Colleagues,

I am delighted to introduce the first edition of the ETUC newsletter, which should appear every two months from now on.

We decided it was important to have a regular publication presenting an overview of our activities, our decisions and the context within which we are developing.

So the aim of the newsletter is to:

- Take stock of current social developments at European level and our reactions to them;
- recap on the ETUC's agenda (Executive Committee meetings and various events such as conferences, demonstrations, etc.);
- provide information on work in progress on social dialogue and everything falling within the remit of the Lisbon Strategy;
- develop other areas, for instance by presenting a special dossier on a specific topic (this month focusing on the 'Danish Model'), or including a section on communication (press and publications) or an interview.

After the summer break, September promises a very busy agenda. The British EU Presidency recently decided to convene an informal European Council in October on the sustainability of the European Social Model. The European trade union movement must seize this opportunity to call for the European Social Model it wants to see applied to all the citizens of Europe.

Union leaders attending the summer school held in Florence at the beginning of July all highlighted the social and economic problems currently facing Europe. So this European Council represents a real challenge for us, and we must do all we can to ensure that our voices are heard, whilst at the same time responding to workers' concerns.

The ETUC is ready to rise to this challenge!

John Monks
General Secretary

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EU News



Working Time Directive: conclusions of the Council

The Employment and Social Policy Council, which met on 2-3 June, did not approve the resolution on the [reform of the Working Time Directive adopted by the European Parliament](#) last May. The ETUC deplores this opposition by a small blocking minority comprising the United Kingdom and Germany, amongst others. The ETUC also regrets the Commission's attitude, in not adopting the compromise agreed by Parliament in its [amended proposal](#) in the Council. The ETUC believes this approach undermines workers' rights and is out of step with the need to restore European citizens' confidence in the Union.

[ETUC press release on the conclusions of the Council](#)[Conclusions of the Employment and Social Policy Council](#)

Financial Perspectives 2007-2013: position of the European Parliament

At its plenary session on 8 June, the European Parliament adopted a report on the Financial Perspectives 2007-2013. That report, which was drawn up by German MEP Reimer Böge of the European People's Party (EPP), will serve as a basis for negotiations with the Council during debates on the annual budgets. The report is similar to the proposal made by the Commission in 2004, but will allocate more funding to policies on active citizenship, justice and security.

[European Parliament report on financial perspectives 2007-2013](#)[ETUC response to the Commission proposal](#)

The Constitutional Treaty: after the referendums

At the Executive Committee meeting on 14-15 June, the ETUC conducted an in-depth analysis of the reasons that had prompted the French and Dutch to vote against ratifying the Constitutional Treaty.

The Executive Committee adopted a declaration on the future of European integration and called upon European decision-makers to act responsibly with regard to the ratification process.

Fears of a neo-liberal Europe and of increasingly precarious jobs were some of the reasons behind the rejection of the Treaty. Whilst confirming its support for the current text of the Constitution, the ETUC called upon the governments of the Member States to restore confidence in European integration by promoting economic development that does nothing to damage social cohesion within the Community. If we are to meet the challenges of globalisation, Europe must incorporate the social dimension into all its policies by adopting a clear programme for investing in research and innovation. The Executive Committee demanded that urgent steps be taken to meet workers' specific needs effectively and underpin the Union's process of consolidation and enlargement.

[Declaration on the future of European integration](#)

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European Council of 16-17 June 2005

The breakdown of talks at the European summit on 16-17 June is indicative of the deep crisis currently affecting the European Union. Besides an inability to reach agreement on the Financial Perspectives 2007-2013, the Union also has to contend with both the rejection of the Constitution by two of its founding members and a clear failure to meet the Lisbon objectives. The crisis is linked to differences in outlook regarding the future of European integration, with some advocating political and social union, and others merely favouring a free-trade area. ETUC is calling for and supporting the launch of a major debate on the future of the European Union and opposes any moves to revert to a nationalist approach.

[ETUC press release on the European Council](#)[Luxembourg Presidency press release](#)

Speech by Tony Blair in the European Parliament

The UK prime minister spoke to the European Parliament on 23 June. He introduced himself as a passionate pro-European, recognised the importance of a social Europe, and attacked those who criticise him for dismantling political union or portraying him as someone who wants to stifle debate or prevent change and modernisation. The ETUC welcomes this change of tone, which promises some room for manoeuvre in the future, and stresses that Euroscepticism will not help to move Europe forwards. This new situation may be the only positive result of the referendums: whilst there are widespread fears about the pace of change and the effects of globalisation, only a strong European Social Model – the basis for a new European consensus – can garner popular support for changing Europe and make people confident about the future. Yet the UK government's attitude to recent social measures (e.g. keeping the opt-out to the Working Time Directive and blocking the proposal for a directive on temporary agency workers), and its apparently uncritical support of the proposed Services Directive, are partly to blame for this image. Consequently, the ETUC calls on the UK Presidency to initiate a major debate about the European Social Model, and reiterates that striking a balance between a dynamic economy and social protection has driven Europe forward to success in the past and can do so again in the future.

[Prime Minister Tony Blair's speech to the European Parliament](#)[Priorities of the UK Presidency](#)

REACH: consensus on new guidelines

On 24 June, the [Environment Council](#) reached a consensus on strengthening REACH by adopting an agreement in principle on the field of application of authorisation and the search for alternative solutions for replacing dangerous chemicals. In addition, the future European Chemicals Agency will have to compile a list of chemicals that will require authorisation. Since the European Parliament is expected to adopt its opinion at the first reading in early autumn, the consensus reached in the Council means that it may be possible to reach a political agreement before the end of the UK Presidency.

[ETUC declaration on REACH](#)

Luxembourg says yes to the European Constitution

In the [referendum](#) held on 10 July, the Luxembourg electorate voted in favour of adopting the Constitution by a 56.52% majority. This makes the Grand Duchy of Luxembourg the thirteenth EU Member State to ratify the Constitutional Treaty.

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ETUC News



ETUC Executive Committee meeting on 14-15 June 2005

The Executive Committee met on 14-15 June 2005 to run through a very full agenda, owing to the current political and economic climate in Europe. The main focus was on analysing the rejection of the Constitutional Treaty in France and the Netherlands. A [declaration](#) on this topic was adopted by a large majority of the Committee's members. Just before the European Council meeting, the ETUC called on European decision-makers to work to restore people's confidence in Europe by promoting a genuine policy of social cohesion. With regard to [European social dialogue](#), the Committee adopted guidelines to be followed during negotiations with employers and also a position on restructuring and employment. The revision of the [EU Sustainable Development Strategy](#) and the contribution to the [green paper on demographic change](#) were also debated at length. Two documents were adopted.

[ETUC Resolution on restoring confidence in Europe](#)

Presentation of the Trade Union Memorandum to the UK Presidency

John Monks, ETUC President Candido Mendez and a delegation of ETUC officers met with Prime Minister Tony Blair on 28 June to hand over the Trade Union Memorandum, a list of trade union priorities for the UK Presidency of the European Union.

Tony Blair has assumed the six-month EU Presidency at a difficult time for European integration, with crises on the budgetary, political and economic fronts. ETUC is convinced that the only way of getting Europe back on track is to enhance the EU's social dimension.

The Memorandum raises a series of important questions that the ETUC will use to test the UK Presidency's real commitment to a social Europe, as proclaimed by Tony Blair in his speech to the European Parliament. The directives on [working time](#), [temporary agency workers](#) and [services](#) are some of the European trade unions' top priorities, along with gender-related issues, matters relating to the sustainable development strategy, and [REACH](#). As regards 'better regulation', the ETUC is stressing the crucial role played by the social partners in the areas covered by Article 137 of the Treaty and is calling for issues linked to the demographic challenge and restructuring to be incorporated into the European Social Dialogue.

[Meeting with the UK Presidency of the European Union](#)[The Trade Union Memorandum](#)

ETUC Summer School – 1-2 July 2005 – Florence

On the 1-2 July, the European Trade Union Confederation (ETUC) organised a [Summer School](#) for European trade union leaders in Florence. The aim of this high-level meeting was to examine, and exchange views on the current situation and the future of the European trade union movement. It focused on three main themes: trade union organisation in a changing world; demography, social cohesion and the future of the welfare state; and restructuring and relocation.

These issues constitute the major challenges confronting European trade unions at this time. The UK Presidency's announcement that it will hold a European Council meeting in the autumn on the European Social Model offers the ETUC an opportunity to reaffirm its views on the type of society it is demanding for workers in Europe.

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Lisbon Strategy

Time to invest in recovery

The ETUC Executive Committee has called on EU leaders to take firm measures to restore confidence in Europe's flagging economies.

In a [resolution](#) adopted on 14-15 June, the Committee emphasised that strengthening social Europe is crucial for boosting growth and productivity. It urged the European Council to launch a new European Growth Initiative, committing Member States to draw up national recovery plans and invest 3% of GDP in priority areas highlighted by the Lisbon Agenda, such as research, education and training, active labour market policies, social housing, clean technologies and renewable energy.

The rejection of the EU Constitution in France and the Netherlands shows that European workers will not accept a 'levelling down' approach to globalisation or employers' attempts to cut wages, extend working hours and aggravate insecurity in a bid to compete with countries like China and India on their own terms. Europe has to move in the opposite direction, building on the skills and productivity of its workforce to compete in the world market. If the EU is serious about 'more and better jobs', it is unacceptable that a quarter of the Europeans who are at risk of poverty are in work, but unable to earn a decent living.

Several years of wage moderation have kept EU inflation at an all-time low. But squeezing pay will do nothing to induce the much-needed rise in demand and boost growth. The EU's Lisbon revival failed to take account of this crucial aspect.

The Executive Committee called for a much more serious response to fears about restructuring and delocalisation. Some jobs may be lost, but every retrenched worker should have the right to counselling, retraining, and personalised support to find new work. The Committee also opposed doing away with National Employment Plans and subsuming employment policy within national reform plans. Finally, it called for greater emphasis to be placed on gender equality and family-friendly policies, to enable women in particular to fulfil their employment potential.

[ETUC and the Lisbon Strategy](#)[Lisbon Strategy Fact sheet](#)

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Social Dialogue

How to ease the pain of restructuring

The ETUC welcomed the European Commission's [Communication on Restructuring and Employment](#), adopted on 31 March.

However, at its meeting in June, the Executive Committee agreed that the communication does not go far enough in setting out a proactive strategy for involving workers and managing the problems of restructuring and relocation. The ETUC also has serious reservations about how the Commission is consulting the social partners on restructuring, linking this with the overdue revision of the European Works Council Directive.

Trade unions are not opposed to change, but believe it must be justified and managed in a socially responsible way that takes account of workers' as well as employers' and shareholders' interests. Trade union representatives must also be actively involved in anticipating – rather than just reacting to – restructuring, through their regular involvement in corporate decision-making.

The Commission initiative puts restructuring back on the EU agenda, which is a good thing. It also sends out a number of positive messages and acknowledges the crucial role played by the social partners, in both the public and private sectors. The ETUC welcomed the social partners' involvement in a new [Forum on Restructuring](#), which held its inaugural meeting on 23 June, and the establishment of an internal European Commission task force to coordinate the activities of the various DGs.

Another constructive idea concerns better use of the Structural Funds, the research and development budget, and other EU financial instruments to help anticipate and deal with problems.

However, the Commission sets the bar too low. The ETUC's objective is zero unemployment resulting from restructuring by supporting each affected individual. This means ensuring better access to lifelong learning at all levels of the workforce, improving people's skills and making workers more adaptable. It also necessitates the provision of personalised counselling, training and job placement, with adequate social support provided during the retraining period.



[Social dialogue and industrial relations](#)

Mid-term review of the ETUC Gender Equality Plan 2003-2007

The 2003 ETUC Congress in Prague approved an Equality Plan, including provisions for monitoring and evaluating its implementation. The Plan tackles specific gender equality issues as well as gender mainstreaming, calling for the inclusion of the gender dimension in other policies.

It focuses on three objectives. It outlines measures designed to achieve each of them, and includes provisions for follow-up and evaluation. A mid-term report on the implementation of this plan must be submitted to the ETUC Executive Committee, and a full evaluation report presented at the next Congress.

To fulfil these requirements, the ETUC has sent a questionnaire to all member organisations, to be completed before 1st October. The questionnaire is also addressed to the ETUC. The Executive Committee will receive a report of the conclusions.

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Dossier

The Danish Social Model

As Europe debates which path to follow to achieve the elusive objectives of economic growth and full employment, some people are pointing to the Nordic countries as potential role models, and especially to Denmark. Henning Jørgensen, the Danish Director of the Research Department at [ETUI-REHS](#), explains why.

Denmark benefits from the highest level of economic prosperity in the European Union (Gallie & Paugam, 2000), not only amongst people with jobs, but also amongst the unemployed. It boasts the highest employment rate in the EU (close to 80%) and, since the early 1990s, whilst unemployment has risen in countries like Germany, in Denmark it has fallen to just over 5%.

All this comes as no surprise to Henning Jørgensen. "A universal welfare state does something different to people than the deregulated Anglo-Saxon system or the strict job protection of Southern Europe", he explains, "but we must avoid 'selective downloading'. The model depends on one important thing: an institutionalised system of cooperation between actors in society within the welfare state framework".

The key to Denmark's success is the concept of 'flexicurity'. "This means ensuring high mobility in the labour force, whilst simultaneously conducting an active labour market policy and offering people a strong social security network". Levels of job protection in Denmark are the lowest in the EU, bar the UK. "It is not difficult to hire and fire people in Denmark", says Jørgensen. Average job tenure is equally low, with one third of workers changing jobs every year. Yet there is no feeling of insecurity in the labour market, because high benefit levels and social protection give people the confidence to move. "It gives people a feeling that society is taking care of them."

Average unemployment periods are short. Since 1994, Denmark's active labour market policy has prioritised education and retraining, delivered through a tailor-made action plan for every job-seeker. The country invests a higher share of its GNP in this policy than any other in the EU, and Jørgensen maintains that the results speak for themselves. "We invest in people, and whether you are 49 or 59, you still have the ability to adapt". High-quality public childcare also helps to ensure a high employment rate for women.

Since employers do not pay social contributions, welfare provisions are funded from taxation, but in spite of this tax levels are no higher in Denmark than in some other EU countries, insists Jørgensen. This system achieves a wealth redistribution effect, making Denmark "an egalitarian society" according to Jørgensen. He believes the mobility of the Danish workforce has enabled it to deal with delocalisation better than many other EU countries. "We are used to job creation and destruction. We are a small, open economy". The number of new jobs created currently outstrips those lost.

"This is not paradise", cautions Jørgensen, however. Ethnic discrimination is a major problem in the Danish labour market, and immigrants account for 50% of people on social assistance. Could the 'Danish Model' work in other Member States? It would not be easy without a universal welfare state and close cooperation between the respective actors. The latter, especially, cannot be built up overnight, but require years of frequent interaction to establish mutual trust.

Denmark has a long tradition of unionisation. The first collective agreement there dates back to 1899, and union membership stands at over 80%. The trade unions' role as active players in the Danish model is crucial. Yet Jørgensen warns that reforms now under discussion could undermine all this, weakening the role of the social partners. Ironically, he says, the government is drawing the wrong conclusions from experiences in the UK and the Netherlands, so at the very moment that eyes are on Denmark as a possible example to hold up to other EU countries, its successful flexicurity model finds itself under threat.

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Agenda



ETUC **Agenda**



July 2005

- 1-2/07/2005 ETUC/ETUI Education Top Level Summer School (Florence, Italy)
- 5-8/07/2005 CISL congress (Rome, Italy)
- 8-10/07/2005 ETUC Summer School (Krakow, Poland)

[Top Level meeting agenda](#)
[Congress agenda](#)
[Summer school program](#)



EU **Agenda**



July 2005

- 1/07/2005 Start of the UK Presidency
- 4-7/07/2005 EP plenary vote on ROME II, Progress and European Social Found
- 7-8/07/2005 Employment Informal Council (Belfast)
- 10/07/2005 Luxembourg Referendum on European Constitution
- 11-12/07/2005 Competitiveness Informal Council
- 12-13/07/2005 Education ministerial Conference
- 15/07/2005 ECOFIN Council (Brussels)
- 18/07/2005 General Affairs and External Relations Council (Brussels)

[PM Speech to the EP](#)
[UK Presidency Priorities](#)
[Plenary agenda](#)
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Communication

ETUC in the news

One important task for ETUC is to make the voice of trade unionists heard across Europe, through media coverage, especially on controversial issues of real importance to European workers, like working time and public services.

Through its press conferences and press releases, website and publications, ETUC regularly expresses its point of view and argues on behalf of its 60 million affiliated members. In May, the European Parliament's vote on the revised Working Time Directive was the big story of the month as far as the ETUC was concerned, and received very extensive coverage especially in the UK, where the contentious 'opt-out' is widely applied.

On 4 May, ETUC organised a press conference in Brussels, and articles featuring trade union reaction and comment appeared in the *Financial Times*, *Times*, *Guardian Daily Telegraph*, *Scotsman*, *Evening Standard*, *Sun*, and were distributed via Press Association and Bloomberg news services. General Secretary John Monks was interviewed on the BBC's Today programme and *The World at One*, to coincide with the vote in the European Parliament.

There was also wide coverage in the French media, with articles appearing in *Le Monde*, *Libération*, *Les Echos*, *I'Humanité*, and *Le Nouvel Observateur*. France 3 and Agence France Presse (AFP) reported on ETUC's press conference and press release. Publications that picked up the story in other countries included *El País* (Spain), *Le Soir* (Belgium) and *Tageblatt* (Luxembourg). The intense debate on the European Constitution continued in France in the final run-up to the referendum.

Leading newspapers that drew on the ETUC's opinion included *Le Monde*, *I'Humanité*, *Libération*, *Le Nouvel Observateur*, and *Les Echos*. In Germany, too, the *Süddeutsche Zeitung* interviewed Deputy General Secretary Reiner Hoffmann. Coverage of John Monks' contribution to the French Socialist Party's 'yes' rally in Paris appeared in *La Libération*, *Le Figaro* and *El País* (Spain), and in the wake of the referendum, *Libération*, *La Tribune*, TF1 and AFP all picked up on ETUC's reaction. *Die Zeit* (Germany) and *Het Financieele Dagblad* (the Netherlands) also published extensive interviews with John Monks.

European Employment Strategy: evaluation of the contribution made by trade union organisations – Publication of the ETUC report

The ETUC report evaluating trade union organisations' contribution to the [European Employment Strategy](#) (EES) has just been published. The report brings together and analyses the conclusions of four seminars on the topic held between February and April 2005, in the run-up to the European Employment Strategy Mid-Term Review. It examines in detail how trade union involvement in the 25 Member States affected the NAPEs (National Action Plans on Employment), and highlights the positive aspects and also the limitations of this approach. By comparing a range of national case studies, the report gives an overview of the different facets and varying scope of trade union initiatives on employment issues and their impact on national social dialogue. This analysis will enable the ETUC to draw up a number of demands designed to make the EES more effective, especially after [the recent Commission proposal on Integrated Guidelines for Growth and Jobs](#).

[Read the ETUC report](#)

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