



# ETUC

## NEWSLETTER

EUROPEAN TRADE UNION  
CONFEDERATION

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Dear Readers

14 February 2006 will always be a day to remember in the history of European trade unionism and the building of Social Europe. That day, 50,000 of us went to Strasbourg to demonstrate against social dumping and the neo-liberal Europe hidden behind the original Bolkestein Directive proposal. The Euro-demonstration in Strasbourg was a great success. We marched peacefully yet with determination, and we delivered a clear message to the Members of the European Parliament meeting in plenary session: social dumping is not acceptable to European workers and citizens!

The European Parliament voted in favour of a compromise that has buried the Commission's original proposal once and for all, and opened the way towards a stronger social foundation for Europe. We welcome that.

But the game is not over yet. Although we have won a crucial battle for European workers, nonetheless the neo-liberal tendency is still active in many cases at national, European and international levels.

The forthcoming Spring Summit on 23-24 March will tackle questions relating to employment, growth and the Lisbon Strategy. In the spirit of 14 February, we remain watchful and ready to act, to ensure that this step forward on behalf of European workers is not suddenly reversed.

John Monks  
General Secretary

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## EU NEWS

### **ETUC in favour of open labour markets with better social protection – 8/02/2006**

On 8 February the European Commission published its [Report on the Functioning of the Transitional Arrangements for the free movement of workers](#) from the countries that took part in the last wave of EU enlargement (1 May 2004).

Following this report the Council will review the functioning of the transitional measures set up by 12 of the 15 pre-enlargement EU Member States, with the exception of the United Kingdom, Ireland and Sweden. In the [Resolution](#) adopted by the Executive Committee on 5-6 December 2005, the ETUC calls on Member States and the European institutions urgently to invest in measures for proper management and basic order on the national and European labour markets, based on the principle of equal treatment. In many countries, transitional measures have a counterproductive effect: they create and maintain a situation of second and third-class citizenship for workers from the new Member States. This stimulates unfair competition on wages and working conditions, an increase in undeclared work and false self employment which disturbs local and sectoral labour markets, as well as exploitation and discriminatory treatment of workers from these countries.

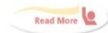
The ETUC supports an open labour market based on four key conditions: **equal pay and working conditions for work of equal value on the same territory; respect for national collective bargaining and industrial relations systems; equal access for all workers to social benefits; and proper mechanisms including the social partners for monitoring and enforcement.**

The ETUC welcomes the emphasis in the Commission's report on the need for Member States to strengthen the monitoring and enforcement of social regulation, but regrets that it has not taken up ETUC demands to strengthen social protection at national and EU level.

[ETUC press release](#)[EU Commission press release](#)

### **Urgent need to consolidate the social dimension of sustainable development – 13/02/2006**

On 10 February the European Commission published a [Report on the links between employment and environment policies](#). The European Trade Union Confederation (ETUC) welcomes the Commission's report and urges it to draw the necessary conclusions when developing its policies. For the ETUC, the report clearly demonstrates that improving the environment can make a positive contribution to the creation of jobs, better working conditions and reducing social inequalities.

[ETUC press release](#)

### **Services Directive: a victory for European workers - the initial Bolkestein proposal is dead – 16/02/2006**

During the last plenary session (13-16 February), the European Parliament adopted a new draft text of the Services Directive by 394 votes for, 215 against and 33 abstentions.

This vote meant that the European Parliament approved, by a large majority, the compromise agreed by the main political groups, at the same time burying the initial Bolkestein proposal and putting a [new text](#) in its place.

The European trade Union Confederation, [has consistently demanded major amendments to the initial project](#). *"This vote shows clearly that MEPs have succeeded in finding a compromise that allows for the opening up of the services market, while at the same time safeguarding the European Social Model, even if there are still some improvements to be made," declared ETUC General Secretary John Monks.*

The majority of the ETUC's demands have been met:

- **labour law is excluded**, and in particular issues linked to the posting of workers;
- **sensitive sectors such as temporary work agencies and private security**

**services are excluded;**

- **fundamental rights to collective bargaining and action are respected;**
- **services of general interest and some services of general economic interest, such as healthcare, are excluded;**
- **the country of origin principle has been abolished**, enabling Member States to exercise better supervision and apply rules to protect the public interest.

This is the first stage. The ETUC remains mobilised, with a view to consolidating this firm progress and achieving further improvements.



[ETUC press release](#)

[EU Parliament press release](#)

## **2006: European Year of Workers' Mobility – 20/02/2006**

On Monday 20 February, the European Commission officially launched the European Year of Workers' Mobility. At the same time, the Directorate-General for Employment and Social Affairs put online [a new Eures internet portal](#) aimed at making it easier for people to seek work across borders. The most recent figures show that only 2% of European citizens work in a different EU Member State to their country of origin.

Free movement for people and for workers, as laid down in the Treaty, is [a priority for the ETUC](#). A Commission report on the implementation of the plan of action for skills and mobility (February 2004) indicated that even if some obstacles to free movement have been removed, or soon will be, many of them still remain very much in force.

## **The European Union must put in place a proper energy policy – 28/02/2006**

The ETUC took part in the first meeting of the European Commission's High Level Group on Competitiveness, Energy and the Environment on 28 February. Attending the meeting, ETUC General Secretary John Monks emphasised the need for a coherent European energy policy to be put into effect. The risk lies in not giving priority to the security of supply and playing a part in the privatisation of the regulation of energy provision, giving sole authority to the commercial market. Europe needs a coherent approach to energy policy, as well as a long-term vision – essential in a sector that requires high capitalisation. Four weeks away from the European Council on energy, and the publication of a Green Paper on European energy policy, it is important that the Commission and the Council clearly indicate the choices for the future that they have in mind to govern this key sector.



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## ETUC NEWS

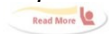
### **ETUC Steering Committee - 9/02/2006**

The European Trade Union Confederation (ETUC) Steering Committee met on 9 February in Brussels. The main items on the agenda were the Services Directive and the Euro-demonstration on 14 February. The General Secretary informed committee members of the latest efforts in Parliament to find a compromise on amendments to the draft directive. The Steering Committee went on to discuss the 2006-2008 Work Programme of the European Social Partners, which will be formally adopted at the spring summit. Committee members also agreed the ETUC's response to the European Commission report on the implementation of the Directive on the posting of workers in the framework of the provision of services.

### **Euro-demonstration on the Services Directive - 14/02/2006**

European trade unions mobilised in force for the demonstration called by the European Trade Union Confederation (ETUC) on the eve of the European Parliament's vote on the first reading of the Services Directive. About 50,000 workers from all over Europe made the journey to Strasbourg to demonstrate for more social Europe.

John Monks, General Secretary of the ETUC, said: *"The strong presence of demonstrators here today is a clear signal to European and national decision-makers that trade unions are a political force to be reckoned with. We turned up in our droves two days before an important vote and we will be present at each stage of the development of this directive."*

[ETUC campaign on the Services Directive](#)[Strasbourg demonstration photo gallery](#)[John Monks' speech](#)

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## EU Agenda

### February - March 2006

●	1-2/02/2006	'Mini-plenary' session at European Parliament (Brussels)	<a href="#">Plenary session agenda</a>
●	13-16/02/2006	Plenary session at European Parliament (Strasbourg)	<a href="#">Plenary session agenda</a>
●	14/02/2006	ECOFIN Council (Brussels)	<a href="#">Council agenda</a>
●	14-15/02/2006	Plenary session at European Economic and Social Committee (Brussels)	<a href="#">Plenary session agenda</a>
●	15/02/2006	EU-Russia Summit (Vienna)	<a href="#">Summit agenda</a>
●	20-21/02/2006	Justice and Internal affairs Council (Brussels)	<a href="#">Council agenda</a>
●	23/02/2006	Education, Youth and Culture Council (Brussels)	<a href="#">Council agenda</a>
●	27-28/02/2006	General affairs and External relations Council (Brussels)	<a href="#">Council agenda</a>
●	09/03/2006	Environment Council (Brussels)	<a href="#">Council agenda</a>
●	10/03/2006	Employment, Social Policy, Health and Consumer Affairs Council (Brussels)	<a href="#">Council agenda</a>
●	13/03/2006	Competitiveness Council (Brussels)	<a href="#">Council agenda</a>
●	13-16/03/2006	Plenary session at European Parliament (Strasbourg)	<a href="#">Plenary session agenda</a>
●	14/03/2006	ECOFIN Council (Brussels)	<a href="#">Council agenda</a>
●	15-16/03/2006	Plenary session at European Economic and Social Committee (Brussels)	
●	16-17/03/2006	Informal Meeting of Education Ministers (Wien)	<a href="#">Meeting agenda</a>
●	20-21/03/2006	General affairs and External relations Council (Brussels)	<a href="#">Council agenda</a>
●	22-23/03/2006	'Mini-plenary' session at European Parliament (Brussels)	<a href="#">Plenary session agenda</a>
●	23/03/2006	Tripartite Social Summit (Brussels)	
●	23-24/03/2006	European Council (Brussels)	<a href="#">European Council agenda</a>
●	29-31/03/2006	Informal Meeting of Youth Ministers (Bad Ischl)	<a href="#">Meeting agenda</a>

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## ETUC Agenda

### February - March 2006

●	2-3/02/2006	Trade union press meeting (Brussels)	
●	09/02/2006	ETUC Steering Committee (Brussels)	
●	08/02/2006	Extraordinary meeting of the "Employees" Group of the European Economic and Social Committee (Brussels)	
●	09/02/2006	Press conference on the Services Directive (Brussels)	
●	14/02/2006	Services Directive Demonstration (Strasbourg)	<a href="#">Demonstration programme</a>
●	14/02/2006	Press conference linked to the demonstration (Strasbourg)	
●	1-4/03/2006	CGIL Congress (Rimini, Italy)	<a href="#">Congress programme</a>
●	04/03/2006	TALO Congress (Tallinn, Estonia)	<a href="#">Congress programme</a>
●	06/03/2006	ETUC conference on Lisbon Strategy and Sustainable Development (Brussels)	<a href="#">Conference programme</a>
●	14/03/2006	ETUC Steering Committee (Brussels)	
●	14-15/03/2006	ETUC Executive Committee (Brussels)	
●	15/03/2006	ETUC press conference (Brussels)	
●	15/03/2006	Employees Group Meeting at the European Economic and Social Committee (Brussels)	

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## Communications



### **Press conferences on the Services Directive – 9 and 14/02/2006**

As part of its campaign on the Services Directive, the European Trade Union Confederation (ETUC) organised two press conferences on 9 and 14 February. Forty-four journalists came to the first, in Brussels. The second took place at the European Parliament in Strasbourg after the Euro-demonstration, with around 100 journalists attending. At both press conferences, ETUC General Secretary John Monks and Confederal Secretaries Catelene Passchier and Jozef Niemiec presented the European trade union movement's position on the debate taking place in the European Parliament on the Directive.



### **Publications- recent Commission documents**

The following reports are now available:

- [Proposal for a renewed Inter-Institutional Agreement – Agreement on Budget discipline](#) (01/02)
- First [report on the current state of play of transitional arrangements on the free movement of labour from new Member States](#) (08/02) ;
- [Internal Market Scoreboard](#) (21/02);
- [Annual evaluation of the stability and convergence programmes](#) (22/02);
- [Proposal for an European Institute of Technology](#) (22/02).

The European Commission plans to issue these publications in March 2006:

- Proposal for an European Fund for Global Adjustment (01/03)
- Green Paper on European Energy Policy (08/03)

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## Interview



### **Time to "smell the roses" - We talk to Stephen Hughes**

Stephen Hughes is Labour MEP since 1984. As co-chair of the European Parliament Trade Union Intergroup, and a member of the Employment and Social Affairs Committee, he has been working closely with trade unions on the Service Directive and other important policies.



#### **1) On 16 February the European Parliament voted in favour of significant amendments to the draft Services Directive.**

**What do you think of this compromise and are you optimistic about how the Commission and the Council will now react?**

**SH:** It was a hard-won compromise, but a very successful one. If someone had told me just four weeks ago that we would get such a good outcome I would not have thought it possible.

The key breakthrough is in Article 16, where we got rid of the Country of Origin Principle. In Article 1 we have a clear exclusion of labour law. In Article 2 – OK – services of general economic interest [SGEIs] are still in, although certain ones like education and social services are excluded. But even where we do have SGEIs in, they will be subject to the country of destination rules.

Overall it was a tremendous result, and covered most of the issues we had on our checklist of concerns about the original awful proposal from the Commission.

Am I optimistic? Well, we are already hearing some disturbing things from Commission representatives. Internal Market Commissioner McCreevy will lead on this, so I hope he will stand by his word that where Parliament adopted amendments by a good majority they would be reflected in the Commission's revised opinion. In that case I would be happy because we should see a decent revised proposal going to Council.

It is too early to predict the Council response, but I hope that we can get agreement.

#### **2) The Services debate in Parliament indicated once again the growing influence of the EP in European policy-making. Do you regard this as important for the future of the EU, and if so why?**

**SH:** It did indeed show the growing influence of the Parliament. It is vitally important that this is widely recognised. I hope it will boost participation in future parliamentary elections, and foster greater understanding of the important work being done week-in and week-out by MEPs.

In November we voted through the REACH package dealing with chemicals. That was a very difficult issue and the Commission didn't help by its own revisions, which were not far-reaching enough. We did a marvellous job as a Parliament in transforming that package, and creating – against all the odds – something acceptable to workers, trade unions, consumer bodies and industry.

Again, on the Services Directive, we have changed something that was highly dangerous and unworkable into a useful framework for completing the internal market in services in the EU. It was a very important step forward for the European Parliament as an institution.

#### **3) In the run-up to the last EP session, the ETUC worked closely with a number of MEPs, providing information and briefing on the trade union point of view. What is your view of this collaboration?**

**SH:** It was absolutely invaluable in persuading a number of members, who were not clear on the detail, just how important this directive was, and highlighting key points such as labour law, SGEIs, the Country of Origin Principle, posting of workers and temporary agency work. By the time we reached the vote these issues were very clear in the minds of members due to the clear, focused briefing we had from the ETUC. I was worried that we would see a wide range of trade union inputs, which could lead to confusion, but the ETUC managed that very well.



We did have input from a range of trade unions in the form of a highly successful, peaceful demonstration on St Valentine's Day in Strasbourg, with 50,000 participants, which had a tremendously positive effect. When it was announced in the plenary chamber while the debate was going on there was warm applause from all quarters. The ETUC was highly successful before the vote. What it must be equally good at now is communicating to the world at large what that vote meant. It's a step forward for the completion of the internal market and job creation, the very things governments want to see. We are not the problem, we are part of the solution: the left and the trade unions working together with the progressive centre-right. We have to work together to communicate how successful this is for all of us.

**4) Could the EP vote on the Services Directive be an opportunity for relaunching and winning popular support for Social Europe?**

**SH:** I certainly think so – if we communicate clearly what we are about. Someone said to me that Bolkestein was the best thing to happen to the trade union movement and Social Europe in years, and it's true. We saw trade unions mobilised in an almost unprecedented way. There can't have been a trade unionist anywhere in the EU who wasn't aware that this was a crucially important vote.

This is a significant victory. A defeat would have been cataclysmic for Social Europe, potentially undermining conditions in all regions of the EU. We have stopped that, and we have shown that it's possible to continue with successful completion of important elements of the internal market in a socially sensitive, supportive way.

So yes, it could be an important turning point. I hope the Commission and the Council will take it as a signal of what sort of Europe we – the majority in the European Parliament – want to see in the years ahead.

**5) The Parliament voted to exclude temporary work agencies from the draft Services Directive, with a view to separate legislation in this area. Will this make it possible to break the stalemate on the Temporary Agency Work Directive?**

**SH:** This directive has been blocked in Council for a very long time now. I think the services vote might take us forward. But I was disturbed by a conversation I had with the new Director-General of Employment who said it should merely cause us to think what we do next, suggesting that maybe the Commission would withdraw it, or reconsult the social partners, or whatever.

I think we should allow a little time to pass. The large operators will now begin to lobby hard those governments that have been forming the blocking minority. They want some certainty for their future operations. They have no fear of the directive and they see that it would give them considerable benefits. In the meantime, they feel unfair competitive pressure from the cowboy operators in the temporary agency work sphere. They will press very hard, I think, and will be knocking on the doors of the heads of state who are forming that blocking minority. I have hopes that we will see that move in the months ahead.

**6) Revision of the Working Time Directive is one of the European trade union movement's current priorities, but since the EP vote in May 2005 the Council has been unable to agree a new proposal. How do you see this developing?**

**SH:** I am less optimistic about this moving very quickly. The Austrian Presidency has dropped it down the Social Affairs Council agenda, from March to June. In my honest opinion – I don't want it to seem that I see the UK at the centre of everything – but we have a major problem until the handover of power from Tony Blair to his successor Gordon Brown. Brown insists the opt-out is necessary for the successful operation of the UK labour market, but he is absolutely wrong. We have offered the annual averaging of working time, which gives firms the flexibility they need. Although it leaves some 9% of UK workers currently working more than an average 48 hours every week, that number is falling quite quickly. If we were to adopt the Working Time Directive in the form the Parliament outlined at first reading with, say, a transition period of six, seven or eight years, the problem would probably have disappeared in the UK before the transition period was up.

This would reflect the Irish experience. They had a similar pattern of working time to the UK but they committed themselves to bringing it down to an average of less than

48 hours over a five year transition period, and they succeeded. I know the UK could do the same.

Although a number of new Member States have come in to support Britain in its blocking minority position, I do believe that the UK is key. Brown is going to resist until he has the reins of power, but then we may be able to sit down and talk to him and he may accept the logic of our arguments.

Another important question is whether the informal deal between Gerhard Schroeder and Tony Blair will stick. Germany is an important part of that blocking minority, but Angela Merkel has a mind of her own, and it may dissolve. That could also help matters. The directive is stuck for now, but hopefully we will see some movement.

**7) What's your opinion of the current 'period of reflexion' on the EU Constitution? What future do you envisage for the Constitutional Treaty?**

**SH:** The period of reflection is absolutely essential, but it is not being put to good use in a number of Member States. Certainly in my own there is very little active involvement of government in trying to get a positive message across.

I think this period will continue into 2007. There will be changes of government and leadership that may remove some major impediments. I hope by then we will have begun to get across to the people the benefits of the Constitutional Treaty. It's absolutely essential to ensure smooth decision-making at European level in a Europe of 27 Member States or more.

We need to think more carefully about how we sell the Constitutional Treaty to the people. The use of the word 'constitution' is probably a mistake. It's just a treaty, like others that have already been adopted, but it has tremendous advantages: for example Part 2, the Charter of Fundamental Rights, which clearly states the rights of all Europeans.

We have to nail the lie that this was an exercise in transfer of power to European level. There is a clear demarcation, and there is an enhanced role for national parliaments. All of us involved in politics need to be putting these positive benefits across.

We need progress, like with the Services Directive, to show people that Europe is something useful for them, for their life and work, rather than a problem. We need to double underline the future strength and stability of the European Social Model. It's an important part of delivering change within the EU.

**8) The services debate focused on the crucial role of services of general interest in Europe. Is there now a need for a new directive to regulate this sector?**

**SH:** Absolutely. I don't know how many years we have been calling for a Framework Directive on Services of General Interest – up to a decade. It should have been in place before the proposal came from DG Internal Market.

We need to think more carefully about how we present our case to the world at large. We – the trade union movement – were portrayed as an impediment, a barrier, as Luddites standing in the way of progress, but we are not. The people causing the problems for completing the internal market are the right-wing governments and some people inside the Commission. They are their own worst enemies.

Imagine, if we had had in place a Framework Directive on Services of General Interest, a good, solid Temporary Agency Work Directive, and a strengthened Posted Workers Directive, how much more receptive everyone would have been to the proposal to complete the internal market in services.

Over the years, we have not been trying to present barriers, but ways to move this whole enterprise forward. What we did on services last week was an important part of that overall crusade.

This is why we need a balance in the implementation of economic and social policies at European level. We have had a very unbalanced approach in recent years – the Service Directive was a classic example – so I hope governments will now wake up and smell the roses, and see that if we work together we can indeed move forward.

\* Stephen Hughes is also a substitute member of the European Parliament Committee on the Internal Market and Consumer Protection.

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« Services for the people » Eurodemonstration photogallery -14/02/2006

## We were 50 000 demonstrating in Strasbourg!!!



### **Editorial team**

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