



European Trade Union Confederation (ETUC)  
Confédération européenne des syndicats (CES)

# ETUC NEWSLETTER

N°20  
October 2007



Dear readers,

The Lisbon European Council recently reached agreement on the European Union Reform Treaty.

Although this text represents progress compared to the Treaty of Nice, it is still a step backwards from the draft Constitutional Treaty, which we supported and which we helped shape with our contributions. The social dimension pays the price of this lack of European ambition. The Reform Treaty is still the best treaty to date, but the ETUC regrets that it represents a wasted opportunity to give a boost to social progress, a vital necessity if we hope to see citizens subscribe to European integration.

Immigration was also at the heart of the European debates. The European Commission has proposed two draft directives: on socio-economic rights and on the admission of highly skilled migrant workers. The ETUC considers that the EU must offer legal channels of immigration regardless of skills level, while guaranteeing the same treatment for all workers.

At its meeting in Lisbon, the Executive Committee approved, by a majority of its members, the social partners' joint analysis of the main challenges ahead for the European labour market. This analysis was presented at the Tripartite Social Summit on 18 October. At that time, we reiterated the key message of the social partners' analysis, namely that the social dimension of the single market must be strengthened as a matter of urgency and that the quality of jobs and of employment contracts must be top priorities.

John Monks  
General Secretary

## Data of the month

**26%**

Without social transfers, 26% of the European population would be at risk of poverty.  
(Source: Eurofound).

## Summary:

- **ETUC in action** p.2
- **Trade union Agenda** p.4
- **Focus on the EU and trade union positions** p.5
- **EU Agenda** p.8
- **Dossier: the European Company** p.9
- **You may be interested** p.13
- **ETUC in pictures** p.15

**Sign** our petition for high-quality public services, accessible to all

[www.petitionpublicservice.eu](http://www.petitionpublicservice.eu)

## ETUC in action

### SOCIAL DIALOGUE

#### ● **Social partners' joint analysis: key recommendations of the European trade union movement**

The European social partners (CES, CEEP, BUSINESSEUROPE and UEAPME) published a [\*\*joint analysis of the key challenges facing the European labour market\*\*](#).

The [\*\*ETUC welcomed this joint document\*\*](#). Its core message is that the social dimension of the internal market urgently needs to be strengthened. In this perspective, **it is necessary to complement job protection systems with employment security measures, improve job protection for vulnerable workers, promote stable employment relationships**, improve the quality of jobs and support an autonomous social dialogue.



### CAMPAIGNS – ETUC

#### ● **Petition for public services, accessible to all**

**Sign our petition for high-quality public services, accessible to all**

[www.petitionpublicservice.eu](http://www.petitionpublicservice.eu) 

As the [\*\*recent postal sector liberalisation clearly shows\*\*](#), the European Commission is continuing with **its strategy of dismantling public services** - a very negative move for the economic and social cohesion of the European Union.

The European trade union movement is proposing a moratorium on liberalisations and the drawing up of a framework directive to safeguard services of general economic interest.

More than **470 000 European citizens have already signed the ETUC [petition for public services, accessible to all](#)**.



### On the offensive against musculoskeletal disorders

In cooperation with the Health and Safety Department of the ETUC Research Institute (ETUI-REHS), the European trade union movement has launched a campaign against musculoskeletal disorders (MSDs) that today affect more than **one in three European workers across all sectors**.



### OFFENSIVE AGAINST MUSCULOSKELETAL DISORDERS

Musculoskeletal disorders are medical conditions that affect the muscles, tendons and nerves. They comprise **Europe's most widespread occupational disease**, and European workers' main health complaint. The ETUC organised a **conference in Brussels on 9-10 October** to mark the launch of the campaign.

The European trade union movement is hoping to put pressure on the European Commission to put a **draft MSD Directive** back on the European agenda.

## CAMPAIGNS – OTHERS



### European action day for journalists' rights



On **5 November**, the European Federation of Journalists (EFJ), a member of the ETUC, is organising a European action day to defend journalists' rights and promote quality journalism.

Several activities will be organised by EFJ members at national level. For more information: [efj@ifj.org](mailto:efj@ifj.org)

## MAJOR MEETINGS – CONFERENCES



### ETUC Executive Committee in Lisbon

17-18/10/2007 – On the eve of the [European Council](#), the ETUC Executive Committee met in Lisbon. A [declaration on the draft EU reform treaty](#) was adopted and presented to the **Portuguese Prime Minister, José Socrates, who attended the first day of the meeting**.

The [social partners' joint analysis of the key challenges facing the European labour market](#) was adopted and presented to the Tripartite Social Summit.



## Trade Union Agenda

### October - November 2007

|               |  |   |
|---------------|--|---|
| 09-10/10/2007 | Conference « MSD: ETUC goes on the offensive against European workers' biggest health problem » (Brussels)           | <a href="#">Conference Agenda</a>       |
| 17/10/2007    | ETUC Steering Committee (Lisbon)   |   |
| 17-18/10/2007 | ETUC Executive Committee (Lisbon)  |   |
| 24/10/2007    | Meeting of the Group II « Workers » of the European Economic and Social Committee (Brussels)                         |   |
| 24/10/2007    | Meeting of the « Press and communication » departments of the ETUC, ETUI-REHS and federations                        |   |
| 26-27/10/2007 | Trade Union Conference EU - Africa (Lisbon)  |   |
| 28-31/10/2007 | LO Denmark Congress (Copenhagen)   | <a href="#">Congress Agenda</a>         |
| 30/10/2007    | Extraordinary meeting of the Group II « Workers » of the European Economic and Social Committee (Brussels)           |   |
| 05-07/11/2007 | Eurocop Congress (Brussels)  |   |
| 07/11/2007    | Social Partners' joint press conference : joint analysis of key challenges facing European Labour markets (Brussels) | <a href="#">Press conference Agenda</a> |
| 09/11/2007    | Joint press conference ETUC and Mayor of the City of Brussels on Public Services (Brussels)                          | <a href="#">Press conference Agenda</a> |
| 12-14/11/2007 | BNS Congress (Bucharest)   |   |
| 20/11/2007    | Extraordinary meeting of the European Economic and Social Committee bureau (Lisbon)                                  |   |
| 28-29/11/2007 | Eurocadres General Assembly (Brussels)   |   |
| 30/11/2007    | EAKL Congress (Tallin)   |   |

## Focus on the EU and trade union positions



### No social progress through the new treaty

22/10/2007 - EU heads of state and government reached [agreement on the EU reform treaty](#). Even if it puts an end to two years of institutional paralysis, the **new treaty does not boost social progress, and represents a missed opportunity to relaunch Social Europe**. The **social partners' exclusion from the negotiation process**, the **reduced status of the Charter of Fundamental Rights** and the **inclusion** of a clause which strengthens the blocking possibilities of a minority of Member States (**Ioannina clause**) are the elements that most concern the European Trade Union Confederation.



[ETUC press release](#)



[EU Council press release](#)



### Blue card for highly skilled migrants: the ETUC has serious doubts

23/10/2007 - The European Commission proposed two **Directives on socio-economic rights for third country workers and the admission of highly skilled workers**. The common European approach on migration must offer legal channels for migration at all skills levels, **while at the same time rigorously applying and enforcing labour standards and guaranteeing equal treatment with local workers**.

The introduction of a Blue Card for highly skilled migrants must not lower standards among workers already in Europe, or stop investment in their training.



[ETUC press release](#)



[Commission press release](#)



[Text of the two draft Directives](#)



### ETUC at the Tripartite Social Summit



John Monks, José Socrates – Portugal Prime Minister and Ernest Antoine Seillière, BUSINESSEUROPE President. Source: Council

18/10/2007 - John Monks and Wanja Lundby-Wedin led the ETUC delegation that participated to the **Informal Tripartite Social Summit in Lisbon**.

The European trade union movement presented its own position on **flexicurity**. It finds the Commission's analysis unbalanced and based primarily on flexible contracts and easy-firing. By contrast, the **ETUC demands stable employment relationships and quality jobs**.

*"With the European labour market already capable of a process of 'creative destruction', destroying around 4% of jobs and creating 5 to 8% of new ones every year, the most urgent issue is how to ensure the European labour market can offer more security for workers," declared John Monks.*



### Job quality has to be a political priority in Europe

10/10/2007 – **One third of workers in Europe find themselves in a job that is below their level of skills and qualifications.** Faced with this situation, **Europe and its Member States should invest more in people and skills.**

This is the key message from the interim Commission report on the Lisbon national reform plans. The ETUC shares this view but insists also that **European business needs to create good quality jobs so that skilled workers are matched with productive positions.** The Commission and the Council have to raise working standards and make job quality a real political priority.



### Euro: for a competitive exchange rate with the dollar

01/10/2007 – The euro has risen above the level of €1.40 to the dollar and its value continues to increase. This **situation could be detrimental to growth and job creation within the Euro zone.**

The ETUC [urged the European Central Bank \(ECB\)](#) and the ECOFIN Council, which shares responsibility for Euro exchange rate management, to be extremely vigilant.



[ETUC press release](#)



[ECB press release](#)



### Postal service liberalisation: universal service in danger

02/10/2007 – The Council of the European Union approved the **total liberalisation of the postal market by 2011.** But it has given no clear indication of how to safeguard the future of these services in rural, mountain and island-dwelling areas.

**This new sector liberalisation puts a question mark over the future of universal service and shows once again that the European Commission lacks a clear vision for public services.**

Before every sector liberalisation, European leaders [should define a clear legislative framework](#) to guarantee respect for principles such as equal access, high-quality services, fair prices, universality, security and social justice.



[ETUC press release](#)



[Council press release](#)



### On the offensive for revision of the European Works Council Directive

The European Commission is about to launch the second **consultation step in the process of revising the European Works Council (EWC) Directive.**

Revision of the EWC Directive is a priority **for the European trade union movement.** The **ETUC and its affiliates are on the alert and will be monitoring evolutions.**

## **A VIEW ON THE WORLD**



### **Burma: the EU sanctions are too soft**

09/10/2007 – The Burmese military junta that has held power for more than 40 years has violently repressed the peaceful demonstrations calling for the return of democracy.

**The ETUC and the International Trade Union Confederation (ITUC)** called on the European Union to adopt tough sanctions **against the military junta. The sanctions put in place up to now by the European Union have been too half-hearted** and have not included the oil and gas sector, which is the main source of international income for the junta. It is clear that **any sanctions regime which does not include oil and gas lacks effectiveness and credibility.**



### **ETUC at EU-Africa trade union summit**

26/10/2007 – ETUC Deputy General Secretary Maria Helena André and several European trade union representatives attended the **Europe-Africa trade union summit**.

**Social dialogue, employment, respect for workers' rights and migration and economic partnership agreements (EPAs)** were the major issues at the meeting.

The trade union summit adopted a **political declaration** in preparation for the political EU-African Union summit which takes place on 8 and 9 December.



[ETUC press release](#)



[Speech by Maria Helena André at trade union summit](#)

## EU Agenda

### October - November 2007

|               |   |  |
|---------------|---|--|
| 01-02/10/2007 | Transports, Telecommunications and Energy Council (Luxembourg)  | <a href="#">Council Agenda</a>         |
| 01-02/10/2007 | Informal Meeting of Justice and Home Affairs Ministers (Lisbon)   | <a href="#">Meeting Agenda</a>         |
| 04/10/2007    | Informal Meeting of Ministers for Gender Equality (Lisbon)  | <a href="#">Meeting Agenda</a>         |
| 04/10/2007    | Ministerial Forum EU/Western Balkans (Slovenia)   | <a href="#">Meeting Agenda</a>         |
| 08/10/2007    | Eurogroup (Luxembourg)  | <a href="#">Meeting Agenda</a>         |
| 09/10/2007    | ECOFIN Council (Luxembourg)   | <a href="#">Council Agenda</a>         |
| 10/10/2007    | EU/South Africa Troika (Pretoria)   | <a href="#">Meeting Agenda</a>         |
| 10-11/10/2007 | Mini-Plenary Session at the European Parliament (Brussels)  | <a href="#">Plenary Session Agenda</a> |
| 11/10/2007    | EU/ECOWAS Troika (Ouagadougou)  | <a href="#">Meeting Agenda</a>         |
| 15-16/10/2007 | General Affairs and External Relations Council (Luxembourg)   | <a href="#">Council Agenda</a>         |
| 18-19/10/2007 | Informal Meeting of Heads of State and Government (Lisbon)  | <a href="#">Council Agenda</a>         |
| 24/10/2007    | Plenary Session at the European Economic and Social Committee (Brussels)  |  |
| 26/10/2007    | EU/Russia Summit (Mafra)  | <a href="#">Summit Agenda</a>          |
| 30/10/2007    | Environment Council (Luxembourg)  | <a href="#">Council Agenda</a>         |
| 05-06/11/2007 | EuroMed Ministerial Meeting of Ministers of Foreign Affairs (Lisbon)  | <a href="#">Meeting Agenda</a>         |
| 07-09/11/2007 | Joint EU/US Conference on Health and Safety at Work (Cascais)   | <a href="#">Conference Agenda</a>      |
| 08-09/11/2007 | Justice and Home Affairs Council (Brussels)   | <a href="#">Council Agenda</a>         |
| 12/11/2007    | Eurogroup (Brussels)  |  |
| 13/13/2007    | ECOFIN Council (Brussels)   | <a href="#">Council Agenda</a>         |
| 15-16/11/2007 | Education, Youth and Culture Council (Brussels)   | <a href="#">Council Agenda</a>         |
| 19-20/11/2007 | General Affairs and External Relations Council (GAERC) - Including Defense and Development Ministers (Brussels) | <a href="#">Council Agenda</a>         |
| 22/11/2007    | EU-ASEAN Summit   | <a href="#">Summit Agenda</a>          |
| 22-23/11/2007 | Competitiveness Council (Brussels)  | <a href="#">Council Agenda</a>         |
| 23/11/2007    | ECOFIN Council (Budget) (Brussels)  | <a href="#">Council Agenda</a>         |
| 23-24/11/2007 | Informal Meeting on Territorial Cohesion and Regional Policy (Ponta Delgada)                                    | <a href="#">Meeting Agenda</a>         |
| 28/11/2007    | EU-China Summit (China)   | <a href="#">Summit Agenda</a>          |
| 29-30/11/2007 | Conference on Social Dialogue in Europe (Lisbon)  | <a href="#">Conference Agenda</a>      |
| 30/11/2007    | EU-India Summit (India)   | <a href="#">Summit Agenda</a>          |

## Dossier

### Representation of European workers: the European Company or 'Societas Europaea' (SE)

We are coming across **the expression 'European Company' or its acronym 'SE'** more and more frequently, alongside the names of major enterprises, such as **Allianz SE, Strabag SE, SCOR SE, Fresenius SE or Porsche SE**.

What does this mean exactly? **What is a 'European Company'? What are its implications for European workers, and in particular, for their rights to information, consultation and participation within the enterprise?**

This dossier will endeavour to answer these questions and will concentrate on the **definition of the 'European Company'**, its **impact on the cross-border representation of workers within enterprises** and the issues involved.

#### The emergence of the 'European Company'. Its advantages.

**Under Regulation EC 2157/2001 and the directive on worker involvement, 2001/86/EC, a European Company (SE)<sup>1</sup> is a limited liability company governed by Community law directly applicable to all the Member States. It can be set up by enterprises on a voluntary basis only within the territory of the European Union.**

**Since October 2004**, the date of the entry into force of the European legislation, at least **96 SEs have been set up, affecting over 300,000 workers in 17 European countries**.

Without going into the details of the creation of an SE, **what is fundamentally new is the transnational character of the composition of an SE** (the setting up of an SE must affect companies in at least two EU Member States), the possibility to merge with other companies **and the possibility of changing its headquarter together with the registered seat more flexibly within the EU**.

The creation of a legal framework allowing the establishment of an SE may have significant advantages for enterprises operating in the internal market. The point is that it reduces the costs of the administrative and legal procedures<sup>2</sup>.

**At the same time, the setting up of an SE opens up a new area of action for the representation of European workers within multinationals.**



The research network on worker participation in the European Company (SE)

<sup>1</sup>The acronym 'SE' refers to the Latin name 'Societas Europaea', applicable throughout the European Union.

<sup>2</sup>Administrative simplification and cost reduction are not the only elements behind the choice of an SE. Some companies prefer to opt for this solution to show their European identity in the framework of an internationalisation strategy.

## Dossier

### Worker representation within an SE

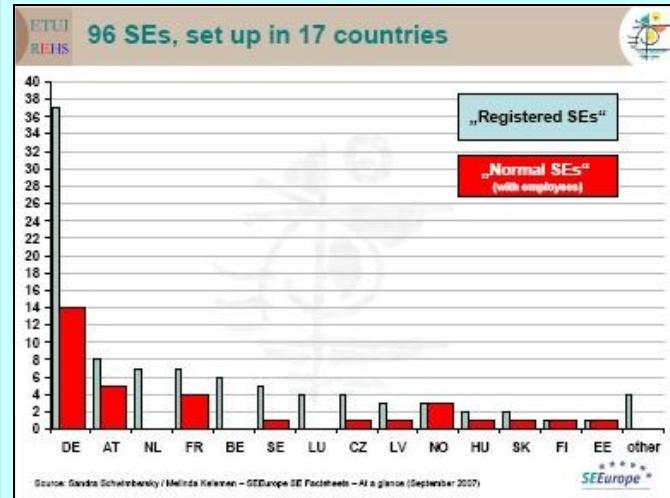
The regulation creating the SE was accompanied by a **directive 'supplementing the Statute for a European company with regard to the involvement of employees'**. Because of the existence of this text, **an SE cannot be set up without an agreement concerning worker involvement<sup>3</sup>**.

According to the said directive, **worker involvement includes the rights to information, consultation and participation**, through which employees' representatives 'may exercise an influence on decisions to be taken within the company' (Art. 2, Dir. 2001/86/EC).

In this way, the representatives of workers within an SE (**SE Works Council**) are informed in time about questions relating to the company, and can express their opinions. In cases where the provision of board level representation pre-existed (this is the case in 18 out of 27 EU member states and in Norway) and were applied in practice, the SE-legislation provides for a "before-after principle" which means the employees in such SEs have the right to elect or appoint some members of the Board (participation).

**The directive on SEs thus creates an additional layer of European representation.** These provisions remain fundamental to the European trade union movement, and **open up a fresh perspective for transnational representation of workers in enterprises.** **Thanks to the advent of the SE, as is the case with Allianz, a system which also operates in countries where the existing provisions are more restrictive, the representation of workers' interests is expanding.**

### Some problems persist



The setting up of SEs does sometimes raise some problems.

**Even if the European legislation is trying to ensure that the constitution of an SE is not used unfairly to evade rights to representation, it does only define what happens at the time when the company is founded, without saying clearly what will happen afterwards. For example, there would be a problem if an SE, with no agreement governing worker involvement, were to acquire another company which did have participation.**

**In parallel, a large number of SEs with no workers ('shelf SEs' or 'empty SEs') have been set up<sup>4</sup>.**

<sup>3</sup>In line with the directive, if the management and the employees do not succeed in securing an agreement, minimum standards of representation will be applied.

<sup>4</sup>To justify this situation, the founders of these 'shelf SEs' state that they have no employees on their establishment site.

## Dossier

The point is that out of the **96 SEs registered to date, we find that only 32 have concluded, or striven to conclude, an agreement on worker participation.** This means that the national bodies have often registered SEs which have **not provided proof of the involvement of their workers, and how that involvement should be organised**, which is at odds, according to the European trade union movement, with the European rules introducing the SE.

**The state of a company on its creation is currently fundamental for the future of the rights of the workers within that company. What would happen if an SE with no workers, and thus with no provision regarding their representation, were subsequently to acquire a company which did employ people?** Under that sort of scenario – which has never yet arisen – the SE would be subject to the application of the provisions in force in the acquiring company, where **no worker involvement would be ensured.**

The information on SEs provided by the Member States is often **partial and limited**, the enterprise's corporate purpose is not even mentioned and there is no information regarding the setting in place of an agreement on worker representation.

With the imminent implementation of the directive on cross-border mergers (2005/56/CE) in December 2007, we are anticipating an increase in the number of European enterprises making use of the European legislation to flexibly cross over intra-Community borders.

**The uncontrolled application of the European legislation on SEs might be used to crush rights which already exist under national law**, notably in the case of 'shelf SEs'. The ETUC condemns the fact that an SE can be created without providing proof of a commercial activity.

### **The commitment by the European trade union movement**

Despite these problems, **we can list some very important positive examples for European workers employed in SEs.**

The example of **Allianz SE** illustrates this situation: the agreement on **worker involvement within the SE has meant that each of the 160,000 or so employees benefits from effective participation rights.** On the supervisory board of Allianz SE, we find representatives of workers of German, French and English origins, exercising a European mandate.

The case of **SCOR SE**, a new European company based in France, is equally emblematic: **two workers' representatives were accepted on to the board when the SE was set up, whereas French legislation did not provide for this.**

There has been a sizeable step forwards for many workers who previously lacked such rights at the national level in the enterprise.

**While taking account of the great potential that exists for the transnational representation of workers within an SE, the European trade union movement remains vigilant regarding the concrete application of the European legislation.**

## Dossier

The European trade union movement has asked the European Commission to **pay very close attention to the application of the European legislation on companies** and to **set up a register of SEs** which, for the sake of avoiding any abuses, would provide details on the enterprises set up pursuant to the European legislation. **This register should also indicate whether an agreement with the workers exists, and if so, on which subjects.** European legislation must ensure that there are no loopholes which would allow enterprises to evade the existing participation rights. In line with the [plan of action approved by the Congress in Seville](#), 'the ETUC will demand that the European Commission put in place a mechanism which can guarantee the principle of "portability" of existing workers' participation rights in all cases of mobility of the company or parts of it'. According to Reiner Hoffmann, ETUC Deputy General Secretary "obligatory workers' involvement at company level makes EU social model visible for employees and brings European citizenship down to the workplace. Agreements reached in important companies to establish an SE prove that worker involvement is not the devil for companies or investors".

### Useful links:

- Section of the ETUC site on '[Participation, information and consultation of workers](#)';
- [Site of the European Trade Union Institute for Research, Education and Health and Safety ETUI-REHS\) dedicated to worker participation in Europe](#);
- [Benchmarking Working Europe 2007](#)
- [FAQ on the European Company](#);
- [Interview with Geoff Hayward, representative of the workers on the supervisory board at Allianz SE](#) (Also available in [German](#) )

### For more information:

**Norbert Kluge** – ETUI-REHS researcher: [nkluge@etui-rehs.org](mailto:nkluge@etui-rehs.org)  
**Michael Stollt** – ETUI-REHS researcher: [mstollt@etui-rehs.org](mailto:mstollt@etui-rehs.org)

## You may be interested

**We inform you that from December, the layout of the ETUC newsletter will change. We called on a graphic designer in order to make our newsletter more attractive and to better reflect the new editorial line that we have adopted.**

### **CALL FOR CONTRIBUTIONS**

To make our monthly newsletter more dynamic, **we are invite you to give us your contributions.**

If you have any short news, pictures or events which would be of interest for our readers, please contact our Editorial Committee at the following address: [dmelli@etuc.org](mailto:dmelli@etuc.org)

### **ORGANISATION**

#### **● A new member for the ETUC**

The European Trade Union Confederation has a new member: [the Democratic Labour Federation of Cyprus \(DEOK\)](#).

The ETUC now has 82 trade union organisations in affiliation from 36 European countries.



#### **● Creation of the ETUC, ETUI-REHS and federations network in the communication field**

24/10/2007 - The press and communications departments of the ETUC, the European Trade Union Institute for Research, Education and Health and Safety (ETUI-REHS), and the European Industry Federations (EIFs) have met to exchange views on major issues and share their respective good practices. **The network will get together regularly from now on, to keep each other in touch with their respective activities and discuss ways of working together** to strengthen the European trade union movement's impact.

### **SPEECHES AND CONFERENCES**

#### **● John Monks' speech to the London School of Economics**

At a **conference organised in London by the London School of Economics**, John Monks made a contribution on **the relationships between Europe, globalisation, migration and workers**.



[John Monks' introduction](#)

#### **● Joint conference: Competitiveness in a Global Economy – A Challenge to Trade Discipline?**

The ETUC and other trade union and employers' organisations are holding a joint **conference on competitiveness in a global economy** in Brussels on 8 November.

More information: <http://www.etuc.org/a/4135>

## You may be interested

### **AUDIOVISUAL**

#### **Trade unions without borders – New ETUC film**

A new [film dedicated to trade union transborder cooperation](#) is available on the ETUC website.

This film, which was shown at the ETUC's Seville Congress, has dual English and French subtitling and lasts 15 minutes.



[Download the film](#)

### **PUBLICATIONS**

#### **Women in trade unions: bridging the gaps**

A new ETUC publication about women in trade unions is now available in English and French.



[Read the publication](#)

#### **Publications – recent Commission documents**

The following reports are now available:

- Communication "[The European Interest: Succeeding in the age of globalisation](#)" (03/10);
- [The Commission's Work Programme for 2008](#) (23/10);
- [Communication on the outcome of the Public Consultation on the Commission's Green Paper "Modernising labour law"](#) (23/10);
- [Communication on undeclared work](#) (23/10).

The European Commission plans to issue these publications in November 2007:

- Competitiveness report (05/11);
- Enlargement - the state of play and the way forward (06/11);
- Autumn Economic Forecasts (09/11);
- Communication on Trade Defence Instruments Reform (20/11).

## The ETUC in pictures



**John Monks at the press conference following the Tripartite Social Summit, Lisbon, 18 October 2007 (Source: EU Portuguese Presidency)**

**Please pass this newsletter on to your colleagues and contacts**

### **Editorial Team**

*Managing Editor:* John Monks  
*Editor-in-chief:* Patricia Grillo  
*Editors:* Daniele Melli, Kate Holman