



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

# **Trade Union Memorandum**

**to the**

## **Czech Presidency** **of the European Union**

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**European Trade Union Confederation  
(ETUC)**

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## **1. INTRODUCTION**

The Czech Presidency will be at the helm of the European Union at a time of great uncertainty. The world economy is undergoing a crisis on an unprecedented scale, with unemployment likely to rise significantly, the prospect of numerous bankruptcies in the private sector, and economic activity in many countries either stagnant or in decline. The European dimension of the crisis brings into focus key issues such as a recovery plan for the European economy, tougher regulations in the banking and financial sectors, a European industrial policy, climate change and energy policies in the context of sustainable development. A *New Green Deal*, as Barack Obama is proposing, is necessary, but so is a New Social Deal which sets out to develop a new system on the rubble of its predecessor, a system that is less alienating, less divisive, fairer, and less of a lottery in which the winner takes all. This New Social Deal needs to be truly European and inclusive. Action taken on the demand side at the European and national levels has to be stepped up. Moreover, workers and unions must be included in this New Social Deal by strengthening collective bargaining to avoid another round of 'beggar-thy-neighbour' policies.

The EU Presidency is having to operate within a special institutional context due to the forthcoming end of the mandates of the European Commission and the European Parliament, with European elections scheduled to take place from 4 to 7 June 2009, the ongoing Lisbon Treaty ratification process, and Ireland's proposals to overcome the negative outcome of the referendum. The Czech Republic will be the 26th Member State to ratify the Lisbon Treaty, which is supposed to enter into force by the end of 2009. The legislative activity of the EU will slow down and the process of appointing the future European Commission will start immediately after the elections.

The overarching motto of the Czech EU Presidency is "A Europe without barriers", the key issues being competitiveness, the four freedoms and liberal trade policy, translated into three priority objectives, namely the 'three Es': the economy, energy and external relations. "A Competitive Europe (economy), Tackling Energy and Climate Change (energy) and An Open and Secure Europe (external relations)". Other prominent issues are "sustainable energy" and "budget review". So far, the programme is devoid of social priorities and there would appear to be no need to adapt the programme to fresh challenges following the financial markets' crash. The ETUC strongly disagrees with this approach.

On top of all this, the Czech Presidency will also have to deal with a few 'leftovers' of the French Presidency, including the Working Time Directive, the European Private Company and Health Services.

The run-up to the European Parliament elections will provide an opportunity to lobby for a stronger European project which is more socially oriented and better serves its citizens and workers. Despite the growing importance and mounting responsibilities of the European Parliament as a key player, past figures suggest that voter turnout is declining with each European election, having dropped from 63% in 1979 to only 46% by 2004. This shows that the intention of bringing citizens and workers closer to Europe's key actors has not been realised. Various scenarios are possible: stagnation, with a Liberal right-wing majority in the European Parliament or a drop in turnout with stronger Far Right and Far Left parties. But many European citizens are simply not aware what is at stake. The absence of more confrontational debates in the European Parliament reflects the lack of real political choices and is undermining the visibility and credibility of the European Parliament as a key actor. The focus on institutional questions, such as whether the Lisbon Treaty will enter into force before or after the elections or if the election will take place under Nice Treaty rules are not major concerns or of serious political interest outside

Brussels. A central problem is the ‘time lag’ between the decisions taken in Brussels and Strasbourg at an early stage and the discussions much later on in national arenas and national parliaments. European political parties do not yet run Europe-wide campaigns, though they do try to coordinate various national campaigns a little bit.

Furthermore, the Europeanisation of the labour market needs a suitably European response. There is a widespread feeling that Europe has failed to protect people either against the negative effects of globalisation or against the financial crisis. Faced with the financial crash, Europe came up with an intergovernmental response and the French Presidency of the Council took the lead. This prompted many European citizens to question Europe’s added value. The European Commission seemed over-stretched and not up to the new challenges, so the Member States staged a comeback. The European Parliament remained largely silent. The new recovery plan is a modest step in the right direction, but the financial momentum it generates may well prove insufficient and a genuine European industrial policy is still required.

Given the need to resolve the institutional blockage and provide a clear response to the negative impact of various EU decisions on workers’ rights, the ETUC has proposed a) that a *social progress protocol* be annexed to the Lisbon Treaty, to assert the primacy of fundamental rights over internal market rules; and b) launching a review of the Posted Workers Directive. On both scores, the Commission and the EU Presidency have yet to provide clear responses, having so far given only vague, evasive assurances. The ETUC expects the Czech Presidency to promote a clear discussion and take affirmative action regarding these proposals.

## **2. IMPACT OF THE FINANCIAL CRISIS**

### **Economic and social consequences**

The economy is already in the grip of a recession. Moreover, confronted with a need to steadily reduce the excessive debt leverage of banks and households over the next few years, we face the prospect of a prolonged economic depression. Workers will be hit very hard and there will be massive job restructuring. After more than a decade of wage moderation, salaries will come under even greater pressure.

However, a time of crisis is also a time of choice. The meltdown of ‘casino capitalism’ is offering us opportunities to stop basing growth and jobs on speculation and asset-price bubbles; to create a financial sector that serves jobs and productive investments, rather than the other way around; to rebuild distributive justice by ensuring that we have fair tax systems, strong collective bargaining systems and strong public services; to create real, tangible competitive advantages by investing in the ‘greening of the European economy’; and to strengthen and extend unemployment benefit systems to give security to workers in a labour market currently experiencing intense turmoil.

The ETUC is calling upon the Czech EU Presidency to give priority to the handling of the financial crisis by developing European action, cooperation and solidarity. This will entail the following in particular:

- Securing the de facto implementation by Member States of the national stimulus plan of 1.2% of European GDP. The ‘free rider’ behaviour of countries trying to export themselves out of the crisis at others’ expense is to be roundly condemned.
- Addressing the lack of a European framework for national stimulus plans by transforming the Commission’s recovery plan into a truly European one. The EU needs to step up the

demand-side action stemming from the European level, secure finance to stimulate national economies and provide workers with a New Wage Deal by strengthening collective bargaining to avoid another slew of ‘beggar-thy-neighbour’ policies.

- Making progress on a clear policy agenda of re-regulating financial markets to make sure that such a crisis does not happen again (European Credit Ratings Agency, reform and control of bonus payment systems, a visible public hand to steer credit and liquidity, doing away with tax havens and bringing offshore, off-balance-sheet activities back within the scope of banking reporting standards).
- Organising a Tripartite Social Summit to discuss these issues as well as the role and input of European social partners, in particular with a view to the G-20 meeting on international finance scheduled for April in London.
- Scheduling a second, additional meeting for policymakers to discuss the macroeconomic dialogue during the EU presidency.

### **3. MAIN AREAS OF ACTION FOR THE CZECH EU PRESIDENCY**

#### **Priorities of the EU Presidency: Is the social dimension visible?**

The economic crisis that the world is currently experiencing makes social policies all the more important. The Social Package proposed by the Commission in July 2008 must be seen against the backdrop of jobs being shed and workers and citizens facing greater insecurity. Accordingly, the ETUC urges the Czech EU Presidency to do what it can to push through the social legislation needed to make workers feel more secure and also to place greater emphasis on the social section of the Growth and Jobs Strategy. Urgent action is needed to rebalance internal market rules and fundamental rights, remedy the loopholes in the Posting Directive and play a positive role in the negotiations on the Working Time Directive.

### **4. SOCIAL EUROPE**

Below are outlined some of the proposals that the ETUC would like to see taken up and developed by the Czech EU Presidency.

#### **Social Progress Protocol**

The ETUC is calling for a **Social Progress Protocol** to be attached to the Treaty as soon as possible. Such a protocol should clarify the facts that, under European Treaties, the internal market is not an end in itself, but is meant to help improve the living and working conditions of workers and citizens, and that social progress is the guiding principle that should govern all its actions and policies. Consequently, fundamental social rights may never be regarded as hierarchically less important than economic freedoms. Indeed, the opposite is the case.

The ETUC also wants to see the inclusion of the so-called ‘Monti clause’ in all legislation on the internal market, to ensure that the implementation of the four fundamental freedoms of that market does not impede collective bargaining rights or hinder the right to strike as defined by national legislation.

#### **SOCIAL AGENDA**

##### **European Globalisation Fund (EGF)**

When the European Globalisation Fund is reviewed and as one of the instruments to help overcome the present economic crisis it should be enlarged and turned into a fund designed to assist all workers facing the painful prospect of losing their job, irrespective of whether the threat to their job stems from globalisation or from the ongoing economic crisis. More resources should be made available, the criteria regarding the number of redundant workers (1,000) should be downwardly adjusted, and the involvement of the social partners should be structurally guaranteed.

### **Transitional measures re the free movement of workers**

The right to work in another country is one of the four fundamental freedoms in the EU. Following the positive signal given by the Commission based on its report proving that the free movement of workers is good for Europe's economy, the Member States should decide, if they haven't already done so, to fully open their borders to workers from new Member States.

### **Transnational collective bargaining**

If companies' internationalisation and globalisation are to be managed properly, it is clear that the transnational level of bargaining will become important for anticipating and resolving problems associated with corporate restructuring and delocalisation. The ETUC welcomed the Commission's document presented on 2 July 2008 but found it still insufficient in numerous areas. The ETUC will take part in a joint action with the social partners, but at the same time deems it essential that European institutions promote the development of transnational collective bargaining and that the Czech Presidency places the emphasis on preparing the ground for a wider European initiative in this domain.

### **Active inclusion**

Whilst the ETUC welcomes the European Commission's initiative to ensure that active inclusion is featured on the renewed Social Agenda, it has its doubts about the effectiveness and appropriateness of the chosen instrument, a recommendation, bearing in mind the challenges facing us in the domain of inclusion and the resources at our disposal.

This is why, in a crucial first stage, the ETUC is supporting the proposal to strengthen the Open Method of Coordination (OMC), which it claims should shore up and enable the application of the principles and criteria set out in Recommendation 92/442/EEC dated 27 July 1992. This support will supposedly also entail regular evaluations based on common indicators (yet to be defined), enabling comparisons between the different measures taken and a more precise assessment of the initiatives in force in different Member States. These evaluations of the effectiveness of the measures taken to attain such nationally set objectives should be followed by recommendations specific to each Member State depending on the headway (or lack of progress) made.

The ETUC calls upon the Czech EU Presidency to seize the opportunity presented by the Round Table on poverty held last October and base its actions on the conclusions of the work done by the Social Protection Committee in a bid to boost the Member States' commitment to eradicate poverty within the EU.

The ETUC has launched talks with employers in the context of the European social dialogue with a view to promoting a more inclusive European labour market.

### **The posting of workers**

The ETUC has repeatedly voiced deep concerns about the negative impact on the living and working conditions of workers around Europe of recent rulings by the European Court of Justice (ECJ). In particular, the outcomes of the Laval, Ruffert and Commission v Luxembourg cases have raised major questions on how the Member States and trade unions across Europe will be allowed to establish and defend labour standards in an era of globalisation. An urgent assessment on the need to review the Posted Workers Directive is crucial with a view to securing equal treatment of migrant and local workers. The European Parliament addressed these issues in a report adopted by a broad majority on 22 October 2008 (see its report entitled “Challenges to collective agreements in the EU”). The Commission's forum on 'Workers' rights and economic freedoms' organised on 9 October 2008 also considered the need for a review.

The ETUC urges the Czech EU Presidency to promote an in-depth debate within the Council on the revision of the Posted Workers Directive. For although the directive was adopted by a large majority in the European Parliament and the Council, the recent ECJ rulings challenge the original intention of the European legislator, so a fresh democratic debate must now be launched.

### **Subcontracting**

The ETUC urges the EU institutions to take the necessary steps to clarify the rights and obligations of parties involved in subcontracting chains to avoid depriving workers of their ability to effectively assert their rights, especially where cross-border subcontracting goes on. The ETUC is thus renewing its call for a European instrument that regulates the joint and several liability of main contractors and intermediaries, at least where the payment of tax, social security contributions and wages is concerned.

## **PENDING LEGISLATIVE PROPOSALS**

### **Working Time Directive**

After the recent vote in the European Parliament on the second reading of the revised version of the Working Time Directive, which rejected the agreement reached in the Council in June as unacceptable on all major counts, the ball is now in the court of the Council, which will soon have to decide whether it is ready to enter into conciliation talks with the Commission and Parliament. In the ETUC's view, the least that a revision of the Working Time Directive should do is ensure that individual opt-outs do not remain in place forever and that balanced solutions are developed to deal with on-call time in the workplace, while respecting the relevant ECJ rulings. Moreover, it should be impossible to annualise working hours without proper safeguards regarding workers' health and safety and their rights to information and consultation. The Working Time Directive is an important cornerstone of Social Europe, and it must not be allowed to become an instrument of systemic competition between Member States at the expense of workers' health and safety.

The Czech EU Presidency will have a key role to play as an honest broker mediating between positions that are currently very far apart. The ETUC is therefore calling on the Czech government to play a strong, positive role in the conciliation process.

### **Directive on pension portability**

Under the French presidency, no initiative was taken in this domain. During the legislative process the proposal for a directive became a proposal on “improving workers' mobility”, thus de facto ruling out the possibility of having portable rights (despite the fact that their absence had been considered one of the obstacles to mobility).

Nonetheless, this must be taken up again by the presidency, to enable substantial improvements in three areas:

- Reducing the provisions relating to minimum periods for the acquisition of rights (i.e. a maximum period of two years);
- lowering the age of those included (to under 21);
- facilitating the involvement of the social partners in monitoring professional pension schemes (regardless of the body managing them).

These changes are vital for achieving the stated objective of this proposal for a directive, namely improving workers' mobility.

### **Reconciling work, private and family life**

The social partners have already launched negotiations on reconciling work, private and family life, which are focussing especially on revising their agreement on parental leave with a view to strengthening its provisions. This issue is also of major importance in the context of the demographic challenges facing the EU. Depending on the timetable of the social partners, the Czech Presidency can play an important and supportive role in the final stages of these negotiations, leading to the transposition of a revised directive.

As part of its package on reconciliation presented in October 2008, the Commission has proposed revising the Pregnant Workers Directive, to improve its provisions on the duration of such leave and the remuneration received during it. The Czech Presidency should support this legislative process. In other policy areas, such as the provision of childcare and care for the elderly, the Commission and social partners agree that more action is needed at both the EU and national levels and should be supported by the Council.

### **Non-discrimination outside the workplace**

In July 2008 the Commission came up with a proposal for a draft directive designed to prevent and combat discrimination outside the workplace and covering discrimination on grounds of age, sexual orientation and religion. The ETUC views this as a clear case of 'better regulation' that will prevent the existence of rival rules governing different types of discrimination which could in turn give rise to legal and practical inconsistencies or cause problems in cases of multiple discrimination. A broad directive covering all the grounds for discrimination cited in Article 13 of the Treaty would send out the strong message to the EU Member States and their citizens that stamping out discrimination is an essential prerequisite for the construction of a modern, cohesive society. With our ageing populations, the mounting ethnic and religious diversity of our societies, and surging intolerance of people of different sexual orientations, the main objective must be to establish a strong, consistent body of law protecting all our citizens from discrimination throughout the European Union. Since a directive of this kind needs unanimous support in the Council, the Czech Presidency should do everything it possibly can to convince the other Member States in the Council of the need to back such an initiative.

### **Migration**

The ETUC favours a comprehensive policy at EU level on migration, integration and development, offering legal channels for migration while at the same time rigorously applying and enforcing labour standards and guaranteeing equal treatment with local workers. In keeping with this, the ETUC warns against a piecemeal approach that could lead to a two-tiered migration policy, with fewer or no rights at all for less-skilled migrant workers.

In this context, the ETUC welcomes the initiative for a framework directive on rights for migrant workers as an important step in the right direction. The ETUC strongly encourages the Council to adopt this directive and thereby maintain the robust principle of equal treatment with national workers, particularly with regard to the wages and working conditions applying in the place where the work is actually done.

The ETUC stresses that the 'Blue Card' initiative must not lower standards among the workers already in Europe or stop investments in their training. Furthermore, the initiative must not be seen as replacing the policies and incentives designed to invest more in schemes aimed at getting currently unemployed immigrants into high-skilled jobs.

The ETUC has expressed concerns about the proposal for a directive on sanctions for employers employing 'illegal' immigrants. If this directive fails to offer legal channels for immigration and provide immigrants with a way out of illegality, it may turn into another instrument that hits migrant workers the hardest. Having said that, the ETUC resoundingly supports the principle of back-payments, the introduction of joint and several liability, and effective mechanisms for dealing with complaints and imposing sanctions. The ETUC thus urges the Czech EU Presidency to do its utmost to maintain these elements and thereby ensure that the directive does not become a toothless instrument.

## **5. CLIMATE CHANGE AND ENERGY**

### **EU policy on climate change**

The ETUC stresses once again its support for an environmentally ambitious and socially sustainable European climate policy contributing to the reduction of up to 30% of emissions by 2020.

The EU's Climate Change Package represents a significant step forward. However, new employment-related and social measures will be required to realise full employment and positive social benefits.

The ETUC is calling on the Czech EU Presidency to consider matching the Climate Change Package with a 'Just Employment Transition Package', which would include the following:

- A White Paper on climate change, skills and jobs, setting out practical proposals for promoting coordinated action by the Member States in support of training in new skills in sectors such as energy efficiency and renewable energy.
- The creation of a European 'low-carbon-adjustment fund' for switching to a low-carbon economy to provide measures supporting the adjustments to be made by workers affected by climate change measures. This fund would be partly financed by the revenues earned from auctioning off permits.
- A comprehensive assessment of the impact of the Climate Change Package on energy prices and employment, on a sector-by-sector basis, with particular attention paid to the most vulnerable categories of workers and households.

### *Copenhagen Conference*

The ETUC urges the Czech and Swedish EU Presidencies to work intensively towards achieving a fair, ambitious and inclusive agreement in Copenhagen that paves the way for cutting global emissions by 85% by 2050 (compared to 1990 levels).

Developed countries must take the lead in reducing emissions and commit to firm targets of at

least 25%-40% below 1990 levels by 2020, in line with the recommendation made by the IPCC. The fastest-developing emerging countries should undertake to control their emissions. In addition, the industrialised countries must pledge to provide funds, clean technologies and training to help developing countries meet their new commitments.

The new global agreement should explicitly recognise ‘Just Employment Transition’ measures – retraining, compensation, unemployment benefits, social protection and labour rights – as essential for attaining agreed targets.

Fiscal reorientation needs to take place within a fair, redistributive tax system to ensure sustainable development and provide funding for adaptation and mitigation strategies.

#### *Adaptation to climate change*

Europe needs a strategy for adapting to the unavoidable impact of climate change. The Czech Presidency should urge the European Commission to come up with strong proposals for mainstreaming adaptation, including it in all European policies and programmes, including the recovery package.

#### *The European Energy Policy*

Little progress has been made in moving the European Energy Policy forward. The ETUC reiterates that energy must not be left to market forces alone. A genuine European industrial energy policy is needed that encourages investment in smart grid infrastructure, secures high-quality jobs, protects vulnerable consumers against energy poverty and ensures stakeholders’ democratic participation in national regulators and the Agency for the Cooperation of Energy Regulators (ACER).

## **6. THE SOCIAL DIMENSION OF THE INTERNAL MARKET**

### **Strategy regarding the internal market**

A Commission Communication on the internal market in the 21st century pledges to take its social dimension seriously once again, announcing a strategy for Services of General Interest (SGIs). The ETUC fears that this communication merely pays lip service to public services and it therefore expects the Czech Presidency to transform the well-intentioned words and declarations into concrete actions. For example, the strategy it proposes for SGIs is unsatisfactory.

When the ETUC accepted the internal market as the EU’s pivotal project, the Commission promised and delivered a strong social dimension, including an ambitious social policy agenda, a series of legislative initiatives on health and safety at work and gender equality, and measures designed to promote social dialogue. The EU’s internal market strategy was not just about competition, but entailed a balanced approach, whereby the social agenda was deemed part of the internal market, not just a marginal or even an ‘extraneous’ factor.

But in the late 1990s the Commission changed its tack, and its present strategy focuses solely on trying to complete the internal market by promoting liberalisation and privatisation. Little or no importance has been attached to the social dimension and there has been no self-criticism regarding liberalisations and privatisations. The internal market must not be allowed to yield benefits for businesses alone; it must also serve workers’ interests. The ETUC expects the Czech Presidency to push strongly for tangible progress in this domain and take steps aimed at guaranteeing greater legal clarity and security for public services. The ETUC insists that the Monti clause (Council Regulation 2679/98)<sup>1</sup> be incorporated into all legislation governing the internal

market. This would ensure that no application of the four fundamental freedoms of the internal market ends up impeding the rights to collective bargaining and the right to strike enshrined in national legislation. Already incorporated into some sectoral legislation, the Monti clause is an effective instrument for guaranteeing that a balance is maintained between the completion of the internal market and the preservation of a high level of social welfare.

ETUC expects the forthcoming ‘Altmark Package’ on state aid and initiatives on institutionalised public-private partnerships, concessions and public procurement to take account of the new provisions of the Treaty. Other important topics will be the implementation of the Services Directive and respect for the spirit of compromise, for instance, the full, unambiguous exclusion of social services. The Member States must ensure that points of single contact deliver information on social and labour legislation, employment rights, collective agreements, health and safety requirements, social security schemes, environmental legislation and taxation in the Member States and also that reasons to do with public order, public policy, public safety and public health or the need to protect workers or the environment are used to justify non-discriminatory regulations and rules governing policy.

### **Health and social services**

The Commission has confirmed that for now it has no intention of legislating on **social services of general interest**. Since the services in question are primarily aimed at people and have a clearly social dimension (enabling the application of the social rights set out in the Charter of Fundamental Social Rights), they must not be governed by the law of the market and competition. Moreover, limits in their application have to be clearly defined at EU level. The ETUC calls up on the Czech EU Presidency to continue the work started by its French predecessor to enhance the legal security of these services.

Where health care is concerned, the ETUC notes the proposal for a directive on cross-border health care, made on 2 July 2008.

However, it expects the Czech Presidency to come up with initiatives aimed at substantially improving that directive. The ETUC believes it is essential to make sure that this proposal for a directive does not in fact result in:

- the questioning of public health policies, which are the responsibility of each Member State;
- the endangerment of financial viability;
- ‘two-speed’ access to health care systems, on the one hand for those who can pay for the best care (including abroad), and on the other for those who can’t;
- the deterioration of working conditions for staff and conditions for improving their professional qualifications;
- sacrificing health on the altar of the rules of the market, yet reinforcing its role as a specific key element in the construction of social Europe, in the implementation of fundamental social rights and in the fight against poverty and social exclusion.

### **Company law: The European Private Company (SPE) and cross-border transfers**

Whilst the ETUC encourages initiatives that improve market conditions for businesses and welcomes any proposals designed to improve the market performance of SMEs, it is adamant that the flexibility of SMEs must not be enhanced to the detriment of workers’ rights to sit on the Boards of their companies. The ETUC is therefore calling for vital modifications to be made to the proposed Statute for a European Private Company. It is crucial that the SPE Statute be

accompanied by rules governing minimum standards re workers' participation rights. The most appropriate approach would entail complementing the SPE Statute with a separate directive on workers' rights, following due consultation of the European social partners.

It is equally essential to ensure that businesses do not abuse the opportunities offered by the internal market to evade their legal obligations. Accordingly, the ETUC is renewing its call for the urgent adoption of a 14th Company Law Directive on cross-border transfers of registered offices, with a view to preventing the establishment of 'letterbox' companies. Such an initiative is an essential prerequisite to the adoption of the SPE Statute.

## **7. TRADE AND EXTERNAL RELATIONS**

### **Trade and external relations**

The ETUC notes that external relations will be among the priorities of the Czech Presidency. The ETUC believes that such policies must contribute towards sustainable growth, the development of social partnership and decent work, the promotion of EU values like those set out in the EU Charter of Fundamental Rights, and universal respect of international conventions, especially those adopted by the ILO. The EU Presidency must react swiftly and robustly on our behalf against any violations of human and trade union rights, wherever they occur.

We understand the ambition of the Czech Presidency to speed up the accession process for countries in the Western Balkans. Enlargement provides a unique opportunity for disseminating our values and we have strongly supported the process. However, it must not serve to undermine our social model, so we are demanding full compliance with the requirements concerning Community laws and practices, particularly in the area of social dialogue.

We look forward to the EU deepening and widening its relations with the new US Administration, notably with a view to both parties presenting robust positions on climate change at the Copenhagen Conference later in the year. We reiterate our demand that the ETUC and the American Federation of Labor-Congress of Industrial Organizations be given equivalent status to that enjoyed by employers in relation to the Transatlantic Economic Council. We hope that this request will be approved by the EU-US Summit in Prague.

Strong chapters on sustainable development, including social and environmental standards, must be incorporated in all EU bilateral trade and association agreements, with effective provisions aimed at ensuring implementation and the social partners' involvement. This applies in particular to the bilateral trade agreements currently being negotiated with South Korea, India, ASEAN countries and Ukraine, as well as to the Economic Partnership Agreements concluded with ACP countries, which should be negotiated with a view to underpinning regional integration and sustaining local production. The same considerations apply to the partnership and cooperation agreement that the EU is currently negotiating with China, which should also include a strong chapter on sustainable development, including respect for the ILO's Core Labour Standards. The ETUC, together with the Canadian Labour Congress, insists that we be informed and consulted about ongoing discussions on a closer economic partnership.

Countries that have recently been granted GSP+ status should be monitored closely to ensure the full application of all core labour standards that are prerequisites for enjoying the benefits of such status, failing which they should be suspended from the system.

If the Doha Round negotiations are resumed, we insist that the final WTO Ministerial Statement mandates a WTO follow-up work programme on trade and employment that covers the links between trade, decent work, core labour standards and development and is, to be monitored by a WTO committee or working group.

We also support the Eastern Partnership (EaP) approach being promoted with Ukraine, Moldova, Georgia, Armenia, Azerbaijan and Belarus, provided that positive progress is made regarding human and trade union rights. The ETUC is calling for the inclusion of a social partners' forum among the institutional features of the EaP. The ETUC would like to be involved in the discussions leading up to the EaP Summit scheduled for the spring, as this would ensure that workers' voices are heard and that a social dimension is included in the process. The ETUC was successful in securing the establishment of a Social Dialogue Forum as part of the development of the Union for the Mediterranean and is calling for the work in that context to continue. This also provides a good example for the EaP to follow.

### **Trade Defence Instruments (TDIs)**

The ETUC firmly opposes any attempt to undermine the EU's current commercial defence system, which up to now has proved effective and is in line with all the rules imposed by the WTO. The ETUC demands that the unions be given the right to lodge complaints within the framework of the EU's commercial defence instruments' procedures, as is the case in the United States.

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