



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

# **Trade Union Memorandum**

**to the**

## **Swedish Presidency** **of the European Union**

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**European Trade Union Confederation  
(ETUC)**

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## **1. INTRODUCTION**

The Swedish Presidency will be confronted with a series of important challenges. The current economic crisis, with unemployment shooting up rapidly, the second Irish referendum, the UN Climate Change Conference in Copenhagen, and the implementation of the Lisbon Treaty are amongst the issues that will be on the top of the agenda.

Clearly, the first and biggest challenge will be to steer Europe through the financial, economic and social crisis and to table regulation for the financial markets, so that never again will it be possible to repeat the reasons for the current situation. In its Paris Declaration, the ETUC asked for a New Social Deal to maintain existing jobs and to create the conditions for the creation of more and better jobs.

A second major challenge is to ensure a successful outcome of the Irish Referendum and a smooth transition from the Nice Treaty to the Lisbon Treaty. This will have a highly political importance and will imply a change in the current orientations and a new political impetus: once the Lisbon treaty enters into force, the European institutions will stop working under the premises of a “free market economy” and start working towards a “social market economy”; “competition” will no longer be an end in itself but one means – amongst others - to achieve the European objectives; “full employment” and solidarity must return to the top of the agenda. Furthermore, qualified majority voting will be extended and the Parliament will see its powers reinforced, including the right of veto over the Commission President’s appointment.

The third challenge is the climate change agenda. The EU is the only entity in the world having the capacity for direct and co-ordinated action; therefore, it must be a leader and not a follower. High time has come for Europe to invest, in the next three years, an annual 1% of European GDP providing for more and better jobs, the promotion of innovation, research and development and employment in key industries, investing in new, green and sustainable technologies, sustaining high quality public services, providing workers with the qualification needed for tomorrow’s low carbon economy, within green technology and better qualified jobs.

At the institutional level, the Presidency will have to operate within a context that includes the constitution of a new European Parliament (the 7<sup>th</sup> since the first direct elections in 1979), a new European Commission and new Treaty rules. After the June European Council, it became clear that the formal decision to appoint the new Commission President will be taken in the autumn, probably once the Lisbon Treaty enters into force and after the presentation of a programme by the candidate to the post of President.

Sweden is confronted with an extra challenge related to the fact that it is not a member of the Euro group, composed by 15 countries that have to respect the principles of the Stability and Growth Pact. This renders it more urgent to complement the institutional set up with a coordination device for crisis management. The growing pressure to return prematurely to a budget consolidation path might well be counterproductive, although the Commission has already announced that it intends to open excessive deficit procedures in the autumn, including a deadline by which the situation must be corrected. Such a decision will necessarily imply that Member States will not be able to benefit from a possible economic recovery and it will also damage public services. In a moment of crisis, social policy and public services throughout Europe must be preserved, strengthened and not be undermined by a rigid implementation of the Stability Pact, forcing premature and important cuts in budget deficits as soon as economic activity shows some signs of recovery.

The results of the European elections have shown that in some countries the parties of the extreme right have taken some ground. These parties have a nationalist, racist and xenophobic attitude towards migrant workers. The ETUC considers that one of the reasons for this lies in the recent decisions of the ECJ which have elevated free movement above upholding collective agreements and allowed undercutting and unequal pay to develop. In order to regain the workers' support to the EU it is urgent to balance workers rights against internal market rules. The ETUC expects the Swedish Presidency to correct the current silence from the Commission and the previous Presidency through the promotion of a wide debate and action in this respect. For its part, the ETUC has already presented several proposals in this respect such as to annex a social progress protocol to the Lisbon Treaty, in order to assert the primacy of fundamental rights over the single market rules, and to start a recast of the Posting Directive.

The ETUC makes appeals to the Presidency to attach a social progress protocol to the Treaties and thus to provide a guide to the ECJ about the need to uphold fundamental rights in the single market. If not, the pressure on trade unions to turn against the single market will intensify; this will only add to the difficulties in the current crisis. The impression that "laissez faire" is the guiding principle on these matters is spreading and the ETUC hopes it can find enough support to correct that.

## **2. IMPACT OF THE FINANCIAL, ECONOMIC AND SOCIAL CRISIS**

### **THE NEW SOCIAL DEAL AND THE ECONOMIC AND SOCIAL CONSEQUENCES OF THE CRISIS**

As said before, the Swedish presidency will have to manage the European response to the jobs crisis. The European Trade Union Confederation is calling on the Swedish presidency to start the process towards a new social deal in Europe, that will lead to more social justice and more and better jobs. This objective must be an integral part of the discussions on the Post 2010 Lisbon Strategy, starting this autumn. The ETUC wants to play an active part in the discussions, definition and implementation of policies affecting social and employment fields, and is calling for:

**More and better jobs: investment in an expanded European recovery plan** to mobilise a new drive for growth and jobs. The ETUC demands the European Council and Commission to draw up a European investment plan totalling an annual 1% of GDP for each of the three following years to provide more and better jobs, to promote innovation, research and development, to help employment in key industries, to invest in new, green and sustainable technologies, and to maintain vital public services.

**European solidarity as a protection against the excesses of financial capitalism:** Effective regulation of financial markets, a fair distribution of wealth, and no return to casino capitalism or to the 'business as usual' of the past 20 years in financial markets is crucial. The ETUC demands a major increase in European social spending enlarging the activities of the European structural funds, notably the European Social Fund and the European Globalisation Adjustment Fund. Tax competition coming from deregulated markets must also be tackled because it threatens Social Europe.

**Stronger welfare systems to provide more security and avoid social exclusion:** the ETUC demands a meaningful and a strong European Social agenda: to maintain people in jobs with robust income and to ensure protection to workers as well as an appropriate training. Cutting benefits is not the way forward.

**Better pay and stronger collective bargaining:** the ETUC rejects wage freezes and nominal wage cuts. It is vital as demand collapses to protect purchasing power. The ETUC is therefore seeking a strengthening of collective bargaining and wage formation institutions with the European Central Bank (ECB) also committed to more and better jobs. The ECB must be involved in growth and full employment, not just price stability. The ETUC demands an advisory board of European social partners to the ECB.

### **3. MAIN AREAS OF ACTION FOR THE SWEDISH PRESIDENCY**

**The Priorities of the Presidency – is the social dimension visible?**

The ETUC regrets that the social dimension of Europe does not seem to be amongst the priorities of the Swedish Presidency. In its programme, the Presidency refers to pending proposals on patient mobility, reconciliation of work and family life, health and safety of pregnant workers and the directive on equal treatment. No new initiatives or the launch of new debate areas are expected. In our view, the European Union should be sending a clear signal of understanding and action regarding the most pressing concerns of European workers in a moment of rising unemployment.

### **4. SOCIAL EUROPE**

Hereunder, some of the proposals the ETUC would like to see taken up and developed during the Swedish Presidency of the EU.

#### **MOBILITY**

##### **Social Progress Protocol**

As mentioned before, the European Court of Justice (ECJ) judgments in the Laval, Viking, Rüffert and Commission v Luxembourg cases are a threat to workers in terms of unfair competition on pay and working conditions and of unequal treatment between migrant and local workers. Similarly, the ECJ limits the possibilities for certain Member States to safeguard the role of collective bargaining in dealing with the effects of increased cross-border mobility.

To remedy the harmful effects of these rulings, the ETUC will continue to call for a Social Progress Protocol to be attached to the Treaties. Such a Protocol should clarify the fact that, under the European Treaties, the internal market is not an end in itself, but is meant to contribute to the improvement of 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.

## **Posting of workers**

The recent ECJ rulings mentioned above have raised major questions on how Member States and trade unions across Europe will be allowed to establish and defend labour standards in an era of globalisation. It is crucial that Member States are allowed to implement the Posted Workers Directive not only in accordance with their national traditions but also fulfilling its initial objectives, i.e. to strengthen workers' protection in the single market and to guarantee a climate of fair competition.

The ETUC urges the Swedish EU Presidency to launch a wide debate on how to restore the original aims of the Posted Workers Directive. For the ETUC there are no doubts that, although the directive was adopted with a large majority in the European Parliament and the Council, the recent ECJ rulings challenge the original intention of the European legislator. The ETUC will present its recommendations for its revision under the Swedish Presidency.

## **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, and asks the Swedish presidency to support this.

## **HEALTH AND SAFETY**

Every year, around 160.000 workers die in the European Union for the lack of adequate prevention against occupational hazards. The context of the economic crisis can have a negative impact with a lower priority being given to a better quality of working conditions.

The ETUC expects the Swedish Presidency to call on the Commission to launch the necessary initiatives to address the current situation resulting from the growing precariousness in the labour market and to present the necessary legislative proposals, following the 2nd stage consultation of the social partners on musculoskeletal disorders (MSD) and the exposure to carcinogens, mutagens and substances toxic for reproduction. Considering their major impact on the health of workers, MSD is the prime source of complaint by European workers; in order to support the implementation of REACH, it is urgent to have a legislative initiative in order to expand the scope of the present directive on carcinogens and to extend the list of mandatory occupational limit value. The Swedish Presidency can also play a positive role in supporting the Commission activities for the preparation of the revision of the directive on electromagnetic fields in the work environment.

The ETUC would also like to draw the attention of the Presidency to the need to ensure that the action programme for reducing administrative burdens in the European Union, focusing on a number of priority areas proposed by the Commission in the field of health and safety and major industrial accidents prevention, does not bring a reduction in the obligations of employers regarding risk assessment and the principles of information, consultation and participation of workers.

## **ACTIVE INCLUSION**

Following the European Commission's presentation a year ago of its Renewed Social Agenda and subsequent recommendation on active inclusion, ETUC is renewing its call for the implementation of ambitious policies in this domain within the European Union. Active implementation is all the more important because the crisis facing us over the past 10 months and more has given rise to fresh forms of exclusion and exposed large numbers of workers to the risk of falling into poverty.

Accordingly, ETUC wants the Swedish Presidency to make a strong commitment in this domain, placing people and social issues at the heart of any measures designed to combat the crisis, and move towards prioritising strong, solidarity-based public social security systems, in line with the Paris Declaration adopted by ETUC at the end of May.

ETUC also wants the Swedish Presidency to confirm and implement the recommendations adopted by the European Parliament last April in its report on the active inclusion of people who have left the labour market.

## **TRANSNATIONAL COLLECTIVE BARGAINING**

Transnational collective bargaining has developed substantially in recent years, owing to the greater mobility of multinational groups in the new dimension of world trade.

The ongoing economic crisis will further accelerate this mobility, as evidenced by the fresh wave of mergers, restructuring and delocalisation in virtually all domains of European industry: the automotive sector in particular, more generally the metalworking industry, but also the banking sector, the construction industry and the textile sector.

The problems arising in the bargaining agenda concern the difficulty of following up properly at national level because the agreements in question lack any European legal status. Furthermore, neither the procedures involved in launching the bargaining process at this level, nor the identity and representativeness of the actors to obtain a mandate and to sign a transnational agreement are clear. And the same can be said of the associated appeal procedures.

The Commission included this issue in its 2005 Social Agenda, with the idea to give such agreements an optional legal status, if requested by the social partners. But since drafting a Communication as a basis for opening a consultation procedure with the social partners, it has now pared back some of its major, but less ambitious objectives, such as the aim of setting up a Group of Experts including representatives of the social partners for a two-year mandate, with a view to organising a monitoring system, arranging a way of analysing the development of transnational collective bargaining, and holding seminars twice a year.

The ETUC considers this initiative useful, but at the same time find it inadequate, bearing in mind the strategic value of this issue and the changes that are currently occurring in this domain.

The ETUC believes that a strong political initiative is needed to set the ball rolling once again in this connection.

## **NEW AND PENDING LEGISLATIVE PROPOSALS**

### **Working Time Directive**

After the recent failure of the conciliation between European Parliament and Council, the revision of the Working Time Directive is now back where it was in 2003. The ball is now in the court of the Commission again. In ETUC's view it should take action – after 9 years of postponing taking proper responsibility – to implement and enforce the current Directive, as interpreted by the ECJ. The Court has, in a series of consistent case-law since 2000, confirmed time and again that on-call work in the workplace must be considered as 'working time': this must be enforced by all available means.

In ETUC's view, there is no good reason for rushing to a new proposal for revision and it would be wise to leave this issue to the new Commission. In any case, any new proposals should at least ensure that the individual opt-out will be abolished and that balanced solutions are developed to deal with on-call time in the workplace while respecting ECJ decisions. Also, it should be impossible to annualize working hours without proper safeguards regarding the health and safety of workers and their rights to information and consultation.

The Working Time Directive is an important cornerstone of Social Europe, which should not become an instrument of regime-competition between Member States at the expense of workers' health and safety. The Swedish Presidency will have an important role to play to ensure that no simplistic, unbalanced or piecemeal solutions are put on the table.

### **Directive on the portability of occupational pension rights**

Under the last two EU presidencies, no initiative was taken in this area. Nonetheless, problems remain, and these require swift solutions if we want to see effective mobility of workers within the European Union.

According to the ETUC, the solutions in question should cover at least three points: (i) to scale back the provisions governing minimal periods for acquiring rights (i.e. a maximum period of 2 years); (ii) and the age of inclusion in schemes (under 21 years of age); (iii) and facilitate the social partners' involvement in monitoring occupational pension schemes (irrespective of the body managing them).

### **Reconciliation of work, private and family life**

The issue of reconciliation of work, private and family life is of major importance in the context of the demographic and economic challenges facing the EU. The Swedish Presidency is urged to play a proactive role, in line with its wide experiences and achievements in this area, to support strong policies and measures aiming at improving work-life balance for women and men. Social partners have finalized their negotiations on the revision of the parental leave agreement to strengthen its provisions. This agreement needs to be transposed in a revised EU Directive and then implemented in Member States. The ETUC expects the Swedish Presidency to play an active and supportive role in this process.

In the framework of its package on reconciliation presented in October 2008, the Commission has proposed to revise the pregnant workers Directive, to improve its provisions on length and payment of the leave. The revision is currently stuck in the European Parliament, and there are significant problems with some proposals of the Commission in Council as well. The Swedish

Presidency should support the legislative process and help find appropriate solutions where necessary. In other areas of reconciliation policies, such as the provision of childcare and eldercare, Commission and social partners agree that more action is needed at EU and national level, which should be supported by the Council. Investment in care infrastructures is especially important in this period of economic crisis, to maintain women's jobs in public and private services, as well as continue to support working parents to combine work and care.

### **Non-discrimination outside employment**

The draft Directive to prevent and combat discrimination outside employment, covering discrimination on grounds of age, sexual orientation and religion is currently discussed by the EU institutions. The ETUC supports this initiative because it will avoid different rules governing different grounds of discrimination that may give rise to legal and practical inconsistencies or could cause problems in situations of multiple discriminations. A broad directive covering all the grounds mentioned in Article 13 of the Treaty will give a strong message to the Member States of the EU and their citizens that a modern and cohesive society cannot be build based on discrimination. With the ageing of the population, the growing diversity of our societies in terms of ethnic origin and religion and the increasing intolerance against people because of their different sexual orientations, a strong and coherent body of law - protecting citizens from discrimination wherever they are in the EU – should be the priority target. The ETUC strongly disagrees with those, namely employers, who say that this Directive is a 'luxury' that business cannot afford because of the economic crisis. Equality and diversity are not just a cost or administrative burden, but also a potential asset helping companies to remain or become more sustainable and competitive. The Swedish Presidency should develop efforts in order to gain the support of Member States to this initiative.

### **Migration**

ETUC is in favour of 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. This approach should be reflected in the EU migration policy for the next five years.

The Stockholm program to be adopted under the Swedish presidency is supposed to be the operational follow-up of the European Pact for Asylum and Migration solemnly signed in 2008. When drafting this Pact, Member States were primarily interested in fighting (irregular) migration instead of exploring solutions for common governance of migration flows. ETUC would strongly regret if the Stockholm agenda would take a similar approach, focussing on repressive measures regarding irregular migration and neglecting to develop proactive migration policies, offering legal channels for migration and promoting proper integration policies.

Such an approach may have undesirable side effects, such as feeding into increasing sentiments of intolerance, xenophobia and racism in most EU Countries. A disproportionate emphasis on illegal migration could also become an excuse for violating international obligations on asylum. ETUC calls on the Swedish Presidency to play a leadership role in the EU to immediately stop the current inhumane practices against groups of migrants washing ashore on the coasts of southern EU Member States, who are currently not even allowed to enter the EU territory, in an attempt to prevent potential asylum seekers to apply for asylum. The Swedish Presidency should remind the EU institutions and other Member States of the obligations under international Treaties and conventions, and ensure the full and inclusive protection of refugees in accordance with international human rights obligations and its own Charter of Fundamental Rights.

Regarding economic migration, ETUC draws attention to the following priorities.

- The draft ‘Rights’ Directive should be urgently adopted.
- To encourage Member States to implement measures to protect and assist third country nationals on the territory where they were employed, and prevent a one-sided focus on attempts to send home all those who have lost their jobs. The rise in unemployment levels will not only reduce possibilities for regular immigration but also increase the numbers of third-country nationals who will lose their jobs and often the related work- and residence permits. Often, migrants are not entitled to adequate social protection to the same extent as local workers and thus it is necessary not to underestimate the impact of the crisis on immigrants. There is a real risk of generating higher numbers of irregular migrants and an increase of poverty among them, undermining social cohesion in certain regions with high unemployment and a high presence of migrants.
- The European Commission has announced three new proposals for directives to be issued under the Swedish Presidency: temporary admission of Seasonal Workers, Intra Corporate Transferees and Remunerated trainees. ETUC asks the Swedish presidency to take into account some trade union concerns:
  - these new legal proposals should not divert the attention from the adoption of the ‘Rights’ Directive
  - in the absence of a more comprehensive policy on legal migration, these Directives can have a negative impact on labour markets and a fair management of labour mobility. Therefore, ETUC asks the Swedish Presidency to consult and involve the social partners in the further development of these proposals.
  - taking into account the strong concerns trade unions have about the directive on seasonal workers, which would allow third country nationals to come and work in the EU for periods up to 9 months per year (!), ETUC urges the Swedish presidency to carefully check if and in what form such a directive should be developed at all.
  - concerning ICT’s and remunerated trainees, and taking into account the already existing problems with the implementation of the Posting Directive within the internal market context, the ETUC invites the Swedish EU Presidency to critically assess the proposed scope of the Directive and demand that the conditions of employment of transferred workers should be governed by host country laws and collective agreements.

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

### **EU climate change policy**

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 Swedish 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 of 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.
- The creation of a consultative committee of the European social partners on climate change and policies
- The development of means of negotiations, in particular at the territorial level, in order to design new industrial policies contributing to a low carbon economy.

### **Copenhagen Conference**

The ETUC urges the Swedish, Spanish and Belgian 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 and develop ‘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 Swedish 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**

### **Health and Social services**

#### **Social Services**

The issue of the legal security of social services remains open. ETUC believes it is important that such security is guaranteed, especially at this particular time when providers of such services are in such high demand. In actual fact, these services are primarily aimed at people and have a clearly defined social dimension. On the one hand, they pave the way for the application of social rights enshrined in the Charter of Fundamental Social Rights; on the other, they enable very specific answers to be given to those individuals within the Union who are particularly socially vulnerable today. This is why it is inconceivable that they should be governed by the law of the market and competition, and any limits on their application must be clearly defined at EU level. The Swedish Presidency should take this matter in its hands.

#### **Healthcare**

Regarding healthcare, ETUC duly noted the proposal for a directive on cross-border healthcare dating from 2 July 2008 and the improvements made to it when it was adopted at the first reading by the European parliament last April. The ball is now in the court of the Council.

Consequently, ETUC expects the Swedish Presidency first and foremost to confirm the headway made in Parliament's debate, especially with respect to:

- confirming the skills of Member States in organising their health system and defining and setting conditions for gaining access to healthcare;
- limiting cross-border mobility to that of patients;
- maintaining equal treatment for national patients compared with migrant patients.

These improvements are actually capable of shoring up and safeguarding national healthcare systems, whilst at the same time permitting patients to make use of their right to move about freely and at guaranteeing them maximum healthcare.

Nonetheless, ETUC is intent on securing another two substantial improvements: (i) the first concerns the issue of prior authorisation. ETUC believes this must remain the rule when it is required, because it is a legitimate instrument for regulating access to national healthcare systems whilst also maintaining their financial balance. In other words, ETUC wants the wording of Article 8 paragraph 3 of the draft directive to be reviewed; (ii) The second improvement eyed up by ETUC concerns the directive's legal basis, which we believe should be completed by adding a reference to Article 152 of the Treaty, as this would unequivocally shore up the social dimension underlying healthcare systems and not confine them solely to internal market considerations.

#### **Company law: The European Private Company (SPE)**

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. In particular, it is crucial that the SPE Statute be accompanied by rules governing minimum standards on workers' involvement. It is also essential that the SPE does not put national legal forms – and the participation rights that are attached to it – under pressure. A cross border dimension and minimum capital requirements are therefore essential prerequisite to the establishment of an SPE.

The ETUC supports the position of the European Parliament adopted with an overwhelming majority on 10 March 2009 and urges the Swedish Presidency to promote such an approach in the Council.

### **Cross border transfers**

It is essential to ensure that businesses do not abuse the opportunities offered by the internal market to evade their legal obligations that would otherwise be applicable under national law. 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 any further development of European company law, including in particular the adoption of the SPE Statute.

## **7. ENLARGEMENT**

The ETUC welcomes the accession of candidate countries provided they meet accession criteria of democracy, human rights and respect for and protection of minorities.

On what concerns Turkey, the Commission's assessment pointed out that the serious violations of trade union rights must be stopped if Turkey should join the EU.

The ETUC emphasises the need for the Swedish Presidency to assure human and trade union rights in the framework of negotiations. The ETUC also expects to be consulted when the social chapter is opened in the negotiations.

## **8. TRADE AND EXTERNAL RELATIONS**

### **Trade and External Relations**

The ETUC believes that trade and external relations policies should 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.

The ETUC supports current EU enlargement negotiations as a unique opportunity for disseminating our values. However, this must not serve to undermine our social model, and we demand full compliance with Community laws and practices, particularly in the area of social dialogue.

The ETUC notes with interest the intention of the presidency to promote as a priority an EU strategy for the Baltic Sea. We insist that trade unions be fully consulted in that process, notably through the Baltic Sea Trade Union Network that has been campaigning for fair and well functioning labour markets in the region. The ETUC and BASTUN including the Federation of Independent Trade Unions of Russia (FNPR) call for the inclusion of a social dimension anchored in social dialogue in relations between the EU and the RF. The ETUC supports 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. We call for the inclusion of a social partners' forum among the institutional features of the EaP on the same lines as the Social Dialogue Forum set up as part of the development of the Union for the Mediterranean, the work of which should also be promoted.

Strong chapters on sustainable development, including social and environmental standards, must be incorporated in all EU bilateral trade and association agreements, with effective provisions to ensure implementation and social partners' involvement. This applies to the bilateral trade agreements currently being negotiated, notably with South Korea and India, as well as to the Economic Partnership Agreements with ACP countries, which should underpin regional integration and sustain 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 supports the promotion of regional integration, linked to social guarantees, in association agreements notably with Central America and the Andean Community. We are concerned that in the latter case bilateral negotiations towards Free Trade Agreements have been undertaken following the failure of unified negotiations with the Community. We oppose such an FTA being reached with Colombia, given the violations of trade union rights in that country.

We look forward to the EU deepening and widening its relations with the 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 – the agenda of which should be widened and made more strategic. We hope that this request will be approved by the EU-US Summit planned during the Presidency. The ETUC, together with the Canadian Labour Congress, insists that we be informed and consulted in the context of ongoing discussions on a closer economic partnership.

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.

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