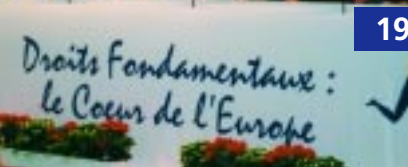




1999



2000



2001



2002

# Report on Activities

1999/2002

MAKE EUROPE WORK  
FOR THE PEOPLE





# 10<sup>th</sup> Congress

Prague  
26-29 MAY 2003



# Summary

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# Introduction

This report provides an overview of the ETUC policy directions and main activities since the Congress last met in Helsinki in 1999.

During this period, major events took place in Europe: the entry into circulation of the single currency and the launch of the Lisbon strategy; the conclusion of the accession process for ten new member states; the proclamation of the Charter of Fundamental Rights and the establishment of the European Convention to prepare a Constitutional Treaty of the EU, just to mention those of the utmost importance.

The ETUC has been playing an active part in all these developments, upholding the European social model, its values and policies as well as constantly fighting for full employment and better jobs. We must recognise however that in this respect, we have been often on the defensive side and that the outcome is still falling short of our demands.

In the promotion of worker's rights and conditions, some results have been achieved both through EU legislation and social dialogue.

The information and consultation rights at the workplace have been extended and consolidated and two agreements of a voluntary nature, have been signed with the European employers federations, to regulate teleworking and to promote training.

The failure to reach an agreement on temporary agency work has been regrettable but it has not put at stake the Social Dialogue operations. A new negotiation on stress at work is about to start and the multiannual social partners programme, recently agreed, is establishing a framework for future developments.

The gradual but constant expansion of social dialogue at sectorial level is also to be considered a step forward. An industrial relations system is slowly taking shape at European level.

Finally, the ETUC has increased its representativity and membership through new affiliations; put in place a framework for collective bargaining coordination at European level; proved on multiple occasions its capacity to mobilise transnationally in support of common demands; established itself as a social actor which both employers and European Institutions must reckon with.

The ETUC meeting at Congress in Prague thirty years after its foundation, is the voice of a strong and unified movement which can look confidently to the challenging times ahead.

*Emilio Gabaglio*  
General Secretary

\* The ETUC Executive Committee resolutions are published in separate booklets and can be found on the ETUC website ([www.etuc.org](http://www.etuc.org)) under "Resolutions".









# 1. The economy



## 1.1 Evolution and trends

In this period, as in previous ones, the ETUC's economic work has been dominated by the pursuit of more and better jobs, and by attempts to build European instruments of economic governance to support and to complement those at the national level that have been losing their effectiveness as European integration has gathered pace. Some progress has been made.

In particular, the introduction of the Single Currency in the European Union on 1 January 1999 represented an undoubted regime change – and one which contributed to economic success in 1999 and 2000 when growth rates of 2.8% and 3.4% were achieved. With monetary policy being a European and no longer a Member State responsibility, one of the ETUC's key objectives has been to develop a constructive relationship with the new European Central Bank, particularly through the Cologne Macroeconomic Dialogue.

As we foresaw in our early support for EMU, once monetary union had been established it became somewhat easier to make the case for developing the other leg - economic union, and indeed March 2000 saw the adoption of a comprehensive economic strategy by the Lisbon European Council, which included the goal of full employment.

Unfortunately, soon after the Lisbon Strategy was being adopted, the underlying situation became less favourable. In 2001 growth fell back to 1.5%, and then to only 0.8% in 2002. It became clear that despite having created the Single Market and then the Single Currency, Europe still lacked its own starter motor and growth engine, and remained excessively dependent on what happened first in the USA. However, the bursting of the technology and stock market bubbles and the corporate scandals, which had significantly contributed to the new recession, did at least lead to a greater questioning of the neo-liberal economic model and its central tenants of deregulation and 'trust the markets'.

On a more positive note, 2001 and 2002 saw the EU adopting the goals of sustainable development, with social and environmental objectives being placed on a par with economic ones, and then to a major review being launched of the Stability and Growth Pact with the prospect that a more balanced and effective instrument of economic governance would emerge.

## 1.2 The Lisbon Strategy

As 1999 began, the ETUC was calling for lower interest rates and for concerted budgetary measures to prevent the Asian economic crisis spreading to Europe. On the monetary side, the new European Central Bank did reduce interest rates to 2.5 % in April 1999; and then on the budgetary side the Cologne European Council in June 1999 adopted the 'European Employment Pact'. This was designed to improve the effectiveness of the policy-mix by better coordinating the existing economic policy process – Luxembourg for Employment, and Cardiff for structural policies – and by establishing a new 'Cologne Macroeconomic Dialogue' which would involve Ecofin, the Commission, the ECB, and the European Social Partners (see later).

The ETUC expressed its readiness to play its part in the Pact since it was recognised that the outcomes of wage negotiations affected the overall macroeconomic policy mix, and since trade unions were already engaged positively in modernising labour markets through the Luxembourg Employment Strategy. However the ETUC insisted that the autonomy of the collective bargaining partners should not be threatened and that the other determinants of the policy mix – monetary and budgetary policy – should also be on the agenda.

In the event, as 1999 proceeded the idea of a coordinating pact progressively lost ground to that of introducing a new overarching strategy. Thus in March 2000 the Lisbon Strategy was adopted, and the Pact was effectively buried. During the Strategy's preparatory phase some governments had attempted to push just an 'economic reform', deregulation, agenda, but the strategy which finally emerged was, as the ETUC had sought, a broad and integrated one of economic and social renewal.

The Strategy set the EU "a new strategic goal for the next decade: to become the most competitive and dynamic knowledge-based economy capable of sustainable economic growth with more and better jobs and greater social cohesion". And, vitally important for the ETUC, the goal of full employment – to be achieved by 2010 - re-entered the political vocabulary

A great deal of the Strategy was concerned with a number of specific industrial or structural policy objectives and targets were set, relating inter alia to the information society and telecommunications, to R&D, to energy and transport, and to financial markets, and it was agreed that progress in meeting them should be reviewed annually at a special Spring European Council. This marked a significant change: hitherto governments had generally tried to avoid setting targets which they had seen as 'hostages to fortune'.

Again, the Strategy was different in what had immediately preceded it in that it also had a macroeconomic dimension with, for



example, an annual growth objective of 3 % being set. The Luxembourg Employment Strategy was strengthened with the addition of new targets relating to full employment, while the Broad Economic Policy Guidelines were refocused more on the medium term. The Strategy also covered social inclusion, with the sorts of procedures that had been developed in the Luxembourg employment strategy – now called the 'open method of coordination' – being applied.

The ETUC's evaluation of the Summit praised the importance given to full employment and social cohesion, and to the need for more coordination and policy coherence generally, but was more cautious about the structural and internal market-related proposals, insisting that reforms be consistent with the values and needs of the European Social Model.

The first Spring review and revision of the Strategy took place in Stockholm in March 2001 under the title 'Full employment in a competitive union'. That in itself was a positive sign, and the adoption of extra employment targets was a positive sign. However, the macroeconomic dimension of the revision was weak, and even at that time independent forecasters were suggesting – in the event more correctly than the Commission – that growth was slowing, (and certainly wouldn't reach the 3 % target) leading the ETUC to be concerned that the Strategy would already be knocked off course.

In June 2001, the ETUC was critical that the Broad Economic Policy Guidelines (BEPG) for 2001-2 were based on the assumption that the slow down in the US economy would have only limited adverse effects on the EU economy, and that therefore no proposals for adjusting the policy mix were made. With its 25 basis point interest rate cut in May 2001, the ECB had belatedly began to roll back the over tightening of monetary policy that had taken place the previous year. However, a co-ordinated budgetary policy response, taking into account the deteriorating overall situation and the specific needs of individual Member States, was also required. The automatic stabilisers should be allowed to work, there should be a more effective use and coordination of tax policies, and public investment should be reinvigorated.

With regard to the medium term, the ETUC recognised the importance of structural reforms. Increased investment in education, training, and life long learning were particularly important. However, it was regrettable that the BEPG were very cautious on whether EU growth potential had increased despite an expert report for the Commission having concluded that growth potential is now probably closer to 3% than to the old figure of 2.25%. Moreover, the ETUC said that if a too cautious macro-economic policy mix was followed, with the economy performing sub-optimally as a result, the chances of getting on to a higher growth path could be lost.

Finally, the ETUC said with Lisbon having decided that the BEPG should have an essentially medium term orientation, the EU lacked a mechanisms for addressing immediate problems. The ETUC supported the proposals the Commission had made earlier that year (February 2001) that Member States should inform each other and the Commission of possible policy changes before they were made; that assessments of the economic situation should be improved through holding more frequent EcoFin and Eurogroup meetings, through developing better statistics and indicators, and though the Commission making more regular evaluations of the policy mix; and that EcoFin and the Eurogroup should adopt new 'rules of conduct' to determine which economic policy instruments should be activated when the policy mix had to be adjusted in a timely fashion. The ETUC insisted that the time had also come to review the 1997 Stability and Growth Pact (SGP) and its relationship to the BEPG.

At the time of the second review of the Strategy, in Barcelona in March 2002, there was official recognition that there had indeed been a slowdown in 2001 but there was already confidence that the worst was over. The Barcelona conclusions recognised that the overall Lisbon objectives could only be achieved with balanced and simultaneous efforts in the economic and social fields, but there was no agreement on the immediate need for coordinated initiatives to support economic activity. The Commission was, however, given a mandate to make proposals by the end of 2002 on how to improve economic coordination.

By the Autumn of 2002 the Commission did accept that the effects of the bursting of the new technology and stock market bubbles, of corporate scandals, and of 'September 11' and the possibility of war in the Middle East, had more severely dented economic confidence around the world than it had hitherto thought – and both the Council and the ECB made similar admissions. The ETUC wrote to its 'policy mix partners' – the Commission, Ecofin, the ECB, and the European employers – stressing that if action was not taken to improve recovery prospects there would be a risk that companies would make major cut backs, that unemployment would then soar, and that the demand-reducing effects would destroy the Lisbon Strategy and plunge Europe into the sort of deflationary crisis that Japan had struggled with for over a decade.

The ETUC firstly urged the ECB to re-start the process of bringing down interest rates – with an initial substantial reduction and then with further cuts as necessary. With low inflation and the rise of the euro against the dollar, monetary policy had become too tight generally but particularly in core of the European economy – and it had become clear that the problems of core-Europe had to be specifically addressed since the health of the whole depends upon doing so. At the beginning of December 2002, the ECB reduced rates by 50 basis points. Secondly, with regard to the budgetary authorities, the ETUC welcomed proposals the

Commission had made to interpret the SGP 'intelligently' (see later) but said that the European economy could not wait until these proposals were formally adopted by the Spring 2003 European Council. Individually and collectively, Member States had to pursue budgetary policies which ensured that the level of demand in the European economy was consistent with an early recovery.

In late 2002, the European institutions agreed that both the Employment and Economic Guidelines should be put on the same timetable (hitherto the former had been adopted in December, and the latter in June each year) so that they could be considered in parallel by the Spring European Councils (together with a Commission 'synthesis' report evaluating progress on the Lisbon Strategy as a whole). There was also agreement that the Social Partners should be consulted before each Spring meeting through a new concertation body called 'the tripartite social summit'. This body would replace the Standing Committee on Employment which had proved to be incapable of being transformed into an effective organ of concertation between the European public authorities and the social partners on the range of subjects that went to make up the Lisbon strategy.

### 1.3 The Stability Pact

The SGP was adopted by the European Council at its Amsterdam meeting in June 1997 because the provisions of the treaty related to budgetary discipline in the run-up period to EMU and not to afterwards as well. Thus the Pact was essentially an updating of the treaty's 'excessive deficit' provisions (art. 104c) and its transitional provisions (109e).

At that time, the ETUC expressed concern that the concept of coordination was being viewed in negative terms – ie how to press, and possibly to sanction, governments into meeting stability objectives, rather than how to encourage them to pursue growth and employment objectives as well. The ETUC insisted, first, that the pursuit of nominal objectives relating to the price stability and budgetary balance be complemented by real objectives relating to growth and employment; secondly, that the Stability Pact become a Growth, Employment and Stability Pact; and thirdly, that the Pact be interpreted in a non-mechanical fashion. 'Growth' was indeed added to the title of the pact, but this in now way reflected in its content.

With 1999 and 2000 proving to be recovery years and with deficits falling, the Pact didn't become a political issue. This changed in 2001-02 as the economic slowdown began to push the deficits of some countries close to the Pact limits - and even beyond.

In June 2001, the ETUC decided to make a public comment and wrote to the Commission and European Council presidents saying that the time had come to review the Pact and its relationship to the BEPG. Rather than having two procedures, rules on stability and excessive deficits ought to be integrated into the BEPG as the central economic coordination procedure for the Union. The opportunity should also be taken to reach an agreed interpretation of Article 104.3 of the Treaty which said that in determining whether a Member State had an excessive deficit, the Commission '...shall take into account whether the government deficit exceeds government investment expenditure...'. The ETUC proposed that the 'golden rule' which existed in some Member States should be formally adopted. A distinction would then be made between government investment and government consumption expenditure so that the former would not be included in calculations on whether a deficit should be regarded as being 'excessive'.

The Pact was also on the agenda of the ETUC Employment Committee's first summer school in Sweden in July 2002. By this time, the provisions of the Pact were at the heart of the EU economic debate. The consensus arrived at in the Committee was that :

- the emphasis on correcting budgetary imbalances should be on action during upturns rather than during downturns ;
- the objective of budgetary balance should be assessed on a cyclically adjusted basis ;
- the focus should be more on the quality of public finances than just on quantitative targets (relating to the golden rule of investment in particular) ;
- Member States with low debt should have greater flexibility on deficit levels since long-term sustainability is primarily a debt rather than deficit issue.

These conclusions (including others on other reforms to EMU) were reported to all affiliated organisations, and were used in the ETUC's formal submission to the European Convention, which was adopted by the Executive Committee as its October 2002 meeting.

In November 2002, the Commission came forward with its own proposals for 'intelligently' interpreting and implementing the Pact. The Treaty had to be respected, and thus the deficit and debt objectives of 3% and 60%, but: budgetary situations should be interpreted in underlying terms; temporary deviations in underlying budgetary situations could be envisaged in Member States where debt levels were below 60% if the deviations were related to investment and structural reform; Member States which hadn't already reached the objective of

'close to balance or in surplus' should do so in steps of at least 0.5% of GDP per annum; fiscal loosening should be avoided in good times; and specific debt reduction strategies in Member States which had not reached the 60% target.

The fact that the Commission's proposals were going in the same direction as the ETUC's was welcomed but it was stressed that coordinated budgetary action to promote recovery couldn't wait for the Spring 2003 European Council decision on the Commission's proposals.

## 1.4 Macro-Economic Dialogue

The Macroeconomic Dialogue was established by the Cologne European Council in June 1999 as part of the 'European Employment Pact' which was supposed to ensure coordination between this new process and two existing ones – Luxembourg for employment and Cardiff for structural policy. Fairly quickly, however, the 'umbrella' function was assumed by the Lisbon strategy (March 2001).

The purpose of the Dialogue was to enable the parties which in practice determined the macroeconomic policy mix – the ECB for monetary policy, the Council [Ecofin and Labour ministers] and the Commission for budgetary policies, and the Social Partners for wages – to meet regularly to assess the policy mix and to enable each party to have an accurate expectation of the others' likely actions. No attempts are made to reach joint positions.

Starting in the Autumn of 1999, the Dialogue has been meeting four times a year – twice at technical level and twice at political level. The macroeconomic working group of the Social Dialogue (made up of just the Social Partners with a Commission chair) has continued to meet, and has often served to prepare Cologne meetings.

It has to be recognized that the Dialogue hasn't played a crucial role in the overall decision making process – and the ECB and the budgetary authorities would no doubt say, with some justice, that it was never intended to. Nevertheless, it has helped ensure that the ETUC's voice is heard, and hopefully better understood, in key places – and it has helped us to better understand the perspective of others, and in particular that of the Bank (especially since it is a new institution).

The ETUC has often had to be critical of the Bank's policies, and particularly for waiting too long before responding to a poor economic climate by reducing interest rates, but we recognize that that Europe without a European central bank would be worse off

than Europe with one. At least there has been European monetary governance; the same can hardly be said for economic governance. The move to EMU has also helped reinforce the European dimension of collective bargaining.

For its part, the ECB has regularly argued that achieving and maintaining stability would help create the conditions for sound economic development – and would be good for trade unions too. Any weakening of the Bank's anti-inflationary credibility would in fact create a more unfavorable bargaining situation. A decrease in prices was not the aim, and the dangers of deflation just as much as of inflation were recognised. The Bank did not respond mechanistically to short term events. Unemployment in Europe was seen as being predominantly structural and the contribution that monetary policy could make to reducing it was therefore limited. Monetary policy did need the support of sound fiscal policies. Appropriate wage settlements had made a major contribution to reducing inflation and in assuring stability. This should continue with wage increases being closely related to the trend increase in productivity and be consistent with price stability.

The Dialogue and the Bank have been kept regularly informed about the ETUC's work to coordinate collective bargaining on the basis of the guideline which is based on compensation for inflation and productivity and which takes account of the Bank's stability target. However, trade unions were increasingly concerned at the deteriorating wages share of GDP, and at increasing income and wealth inequality: whether wage moderation continued would in part depend on the policies pursued by the monetary and budgetary authorities.

Experience gained from the Dialogue formed the basis of the proposals for reforming monetary governance which the ETUC made to the European Convention in October 2002:

- the inflation target currently set by the ECB should instead be set by Ecofin in co-decision with the European Parliament on a proposal from the Commission ;
- the treaty should oblige the ECB to promote full employment and growth, as well as stability ;
- ECB decision making procedures should be made more transparent with minutes being published ;
- a formal advisory committee including the Social Partners should be established.

With regard to the budgetary authorities, at technical level Dialogue meetings the representatives of the Commission and of the Economic Policy Committee, the Economic and Financial Committee, and the Employment Committee – all senior nation-

al civil servants have been active and useful exchanges have resulted, but at the political level the president of Ecofin has tended just to act as chair and not as the active spokesman for the Council positions.

## 1.5 Taxation

Virtually every ETUC statement on the economic situation has made the case for a stronger European dimension on tax policy partly because taxation constitutes one of the principal instruments of economic management – and hence a better coordination of European economic policy depends on progress in this area. However, the ETUC has also sought to formulate policy with regard to particular taxes since what any Member State can achieve increasingly depends on the positive or negative actions of other countries.

Since 2000 the ETUC has issued an Annual Taxation Report. Knowing the sensitivities of member organizations on tax issues, the basis for this work has been the Helsinki Congress resolution. The first Report dealt with the macroeconomic role of taxation, tax and gender, qualified majority voting, company and savings taxation, taxation and pensions, value added taxation, taxation

on e-commerce, energy and eco-taxation, stock options, tax havens, state aids, and tax administration. The Reports for 2001 and 2002 followed developments in these areas, and added new sections as appropriate - the former also dealt with the Tobin tax, and the latter with Commission proposals for harmonizing car registration taxes (they were opposed).

These reports have of course been presented to the European Institutions, and circulated to all interested parties. On the basis of the Reports, the ETUC has made specific submissions to the Commission on company taxation (we argued inter alia that action was required on tax rates and not just tax bases), and our support for a progressive shift to eco-taxation was expressed at the Johannesburg world summit on sustainable development in 2002 and in various speeches. In our submission to the European Convention, the ETUC reiterated support for qualified majority voting with regard to provisions for the harmonization of legislation concerning minimum corporate, capital, and environmental taxation.





## 2. Employment and labour market

## 2.1 European Employment Strategy

The objective of becoming within the next decade the most competitive and dynamic knowledge-based economy capable of sustaining economic growth with more and better jobs and greater social cohesion, set by the Lisbon European Council, in March 2000, has had important consequences in a number of EU policies that are directly or indirectly linked to employment and labour market issues, including education and vocational training. It has also influenced ETUC's work and policies over the last period.

In its memorandum to the Lisbon European Council the ETUC called for full employment for men and women to become the EU's new strategic goal. After the Single Market and EMU objectives in the 1980s and the 1990s, ETUC considered it necessary to start a new phase in the European policy, which should put people at the centre of EU's policies, building on the strong aspects of the European social model in order to achieve more and better jobs.

In line with decisions taken by its 9th Congress, ETUC also stated that in order to achieve the full employment objective, targets should be set for economic growth, for the employment rate as well as for the unemployment rate. Furthermore, the ETUC called for a better consistency and synergy between the Broad Economic Policy Guidelines and the Employment Guidelines, so that the European Employment Strategy becomes a broader employment strategy and not just a labour market instrument as well as for it to remain the main instrument to contribute to the improvement of the functioning of the labour market and of the overall employment situation in the European Union.

The conclusions of the European Council did follow ETUC's proposals concerning full employment, clearly stating that the strategy agreed upon was designed to create the conditions to reach full employment and to create the knowledge-based society. This Summit represented an opportunity to build a real European Employment Pact, based on policies for economic growth, structural reform and the better functioning of the labour market and thus guaranteeing the coherence and integration of the currently distinct Luxembourg, Cardiff and Cologne processes into a single strategy for full employment.

The demand for full employment was and it still remains realistic due to progress made since the adoption of the European Employment Strategy in November 1997 and its contribution to the reduction of unemployment levels in the EU. The European Employment Strategy has contributed to the creation of 10 million new jobs, with 3 million extra jobs in 2000 alone.

Between 1997 and 2002 the Employment Guidelines have seen a certain evolution, although with little changes. The

four pillar structure (employability, entrepreneurship, adaptability, equal opportunities) remained unchanged, even if in terms of substance a number of new topics were added, such as quality of employment, employment in services, ageing of the workforce, the territorial dimension, labour market response to new technologies, statistics, benchmarks and indicators, while topics like equal opportunities between women and men and the mainstreaming across the four pillars, the promotion of lifelong learning strategies or taxation have gained more importance.

Following the Lisbon and the Stockholm European Councils six horizontal objectives were introduced, setting the 2005 and 2010 targets for the overall employment rate, the employment rate of women and of older persons; calling for the need to ensure that policies across the four pillars contribute to maintain and to improve quality in work; the introduction of coherent and comprehensive lifelong learning strategies alongside with the need to promote a culture of shared responsibility between the different actors; the development of partnership with the social partners for the implementation, monitoring and follow-up of the EES; the need to consider that all guidelines have an equal value and thus their implementation has to be done under an integrated approach; the call for Member States and the Commission to strengthen the development of common indicators to evaluate progress, to underpin the setting of benchmarks and the identification of good practice as well as an invitation for the social partners to develop appropriate indicators, benchmarks and statistical databases in view to their reporting on progress in the actions for which they are responsible.

Although the ETUC was behind most of the changes that were introduced in the Employment Guidelines throughout the years, we also recognise that they have become more complex. Our influence has been exercised through our contacts with the European Commission and the Employment and Labour Market Committee. Unfortunately, at the level of the Labour Market Group of the Social Dialogue the social partners have not yet been able to prepare joint inputs to the European Employment Strategy process.

In June 2000, the European social partners have jointly published a Compendium of Social Partner initiatives, relating to the Employment Guidelines of the European Employment Strategy. This report on Factors for Success examines joint initiatives taken by the social partners in the Member States, particularly in the light of the balances struck between flexibility and security through practices which both meet employers' concerns about productivity and competitiveness and workers concerns about job quality and pay. Based on this positive experience, the Work Programme of the European Social Partners 2003-2005 includes the elaboration of annual



reports on social partner actions in Member States to implement the employment Guidelines.

In any case and from a trade union point of view this is very relevant, the Employment Guidelines have kept a relatively good balance between employment and unemployment problems, between prevention and activation policies and measures, as well as regarding the importance of active as opposed to passive policies. They also emphasise the role of lifelong learning, its contribution to the management of change by both workers and companies and for the promotion of mobility, the employment potential in the services sector and the need to fight against undeclared work. The promotion of equal opportunities at all levels, the preparation for demographic changes and the need to create the conditions for older workers to remain in the labour market, on the importance of the jobs/environment interface and the need to implement the European Employment Strategy at all levels of intervention utilising the European Social Fund as its main instrument for financing are also matters that will contribute to a better functioning of European labour markets.

One of the important features of the Employment Guidelines is linked to the key role that partnership plays in their implementation. At present, the guidelines include several references to the social partners' role and responsibilities and we agree with most of these. The ETUC is ready to take up this challenge. However, the expectations about what trade unions can do at national and European levels in terms of developing specific indicators and benchmarks or in supporting statistical databases to measure progress in the actions for which we are responsible, are probably too high. Also the little or no enthusiasm from the part of certain employers organisations to play a constructive role has not allowed the social partners to fully contribute at all levels for a more successful implementation of the Employment Guidelines.

The ETUC considers that employment and labour market responsibilities are shared between the social partners and public authorities at all levels. Nevertheless and in practical terms, although we could observe some positive progress concerning the association of the social partners to the definition and the implementation of the Employment Guidelines, this has not been fully respected in a systematic and consistent way by all Member States.

The Employment Package for 2000 included for the first time Member State specific recommendations. The ETUC considered this to be a significant step in the direction of fully implementing Article 128 of the Amsterdam Treaty. However, while there were 22 Employment Guidelines, the recommendations only covered 8 areas of action. ETUC considered that specific employment recommendations to Member States should

address all major shortcomings rather than just concentrating on some areas. The deficiencies in relation to the functioning of partnership and the insistence on the almost exclusive responsibility of the social partners regarding the lack of progress on the adaptability pillar were not acceptable. ETUC's position in this respect has been very clear from the outset: if the negotiation route between the social partners fails, public authorities should be ready to bring forward framework legislation. Public authorities at all levels must assume their responsibilities.

In December 2001, the High Level Task Force on Skills and Mobility submitted its report to the European Commission, following the process launched in February 2001 by the Commission's Communication on the New European Labour Markets and the conclusions of the Stockholm European Council. This report represents the basis of the Commission's Action Plan for Skills and Mobility, adopted by the Barcelona European Council in March 2002.

As a result of this work, Guideline 6 in the 2002 Employment Guidelines refers to the identification and prevention of emerging bottlenecks, in particular by developing the job-matching capacities of employment services, developing policies to prevent skills shortages, promoting occupational and geographical mobility, and enhancing the functioning of labour markets by improving databases on jobs and learning opportunities which should be interconnected at European level.

The Action Plan had the merit of bringing back to the European debate the issue of skills and mobility, presenting concrete actions for implementation, setting out a timetable and proposing the assessment of the 25 actions at each Spring European Summit.

The ETUC believes that the social partners should be closely associated to the evaluation of the execution of the 25 actions set out in the Action Plan and for that reason, this is one of the actions foreseen in the social dialogue pluriannual programme, adopted by the social partners in the end of November 2002.

The Action Plan attributes considerable importance to the role of occupational and geographic mobility in promoting European labour markets and increased job opportunities. The ETUC considers, however, that the underlying idea that by strengthening occupational and geographic mobility we can solve the employment problem is an illusion if new jobs are not created at the same time.

Besides the issue of mobility, the ETUC has also dedicated attention to the links that must be established between employment and labour market policies at different levels. In 2002 and within the

framework of its employment policy project, the ETUC has launched a survey to its member organisations and the ITUCs. The main objective of the survey was to analyse the participation of trade unions in the partnerships for the “management” of the labour market at local (Local Employment and Development Initiatives), territorial (Territorial Employment Pacts) and cross border (EURES-Cross border partnerships) levels, to identify the strengths and weaknesses, as well as the reasons for trade union participation in such projects. The establishment of links between these projects and the European Employment Strategy, the 4 pillars and their transposition into the National Action Plans for Employment was also part of issues under analysis. The conclusions of the survey were presented during a Seminar organised by the ETUC in June 2002. The final report issued in November 2002 not only present the final conclusions of the survey and the debates, but also represents a contribution to define, in the frame of the evaluation of the EES, our proposals to “feed” the employment guidelines with regard to the territorial and local dimensions.

In view of the enlargement of the European Union, we consider that the future Member States should be effectively integrated into the European Employment Strategy and through their own national action plans, elaborated in cooperation with the social partners, devise active labour market mechanisms, adapted to their needs and leading to the promotion of structural change, economic and social progress. The Joint Assessment Papers and the Employment Policy Reviews are a good instrument to start this process.

### The future of the European Employment Strategy

The evaluation of the European Employment Strategy was launched in 2002 and will be finalised in 2003. For the ETUC the European Employment Strategy must continue to be a key instrument for expressing the values of the European Social Model, which balances competitiveness and solidarity. The stocktaking has confirmed the ETUC's existing view that Member States' employment and labour market policies benefit from having common European objectives, and from being able to profit from each others experiences. The Strategy has helped focus attention not just on the need to improve employment and to fight unemployment, but to do so through positive and active rather than though punitive and passive measures.

The ETUC considers that the EES needs to be strengthened in order to meet the Lisbon objective of full employment by 2010 as well as those relating to social cohesion, knowledge and innovation. While agreeing with the challenges identified by the European Commission – to raise employment and participation rates, to improve quality and productivity, and to promote an inclusive labour market - the ETUC considers that the importance of lifelong learning should also be highlighted together with a “flexi-security” approach in order to meet the objectives.

Furthermore and in order to be fully operational, the EES must be better known at national, regional, local and enterprise levels. In that respect, the creation by the national administration of national committees, with social partners representation, to prepare and to monitor the implementation of the Employment Guidelines would be of extreme significance. In order to allow for the social partners to play fully their role. Member States should use part of the funds dedicated to ESF technical assistance to support actions by the social partners in relation to the EES. This would also allow for a greater synergy between the operations of the ESF and the EES.

## 2.2 Education and training

The ambitious objectives set by the Lisbon European Council of making Europe the most competitive economy in the world based on full employment, social cohesion and knowledge, has put the issue of more and better investment in innovation, knowledge and human resources as well as of quality in delivery of education and training systems back and on the top of the EU agenda.

The knowledge-based society cannot be created without people, or against people. If Europe wants to make a difference vis-à-vis other parts of the world, it must invest more and better in the development of competences and qualifications of its citizens and workers.

The ETUC has been defending this objective for a number of years. We have been insisting on the need to create the conditions for every citizen to have access to high quality continuing training as one of the key tools that would allow each and every person to master change in a context of greater geographical or occupational mobility, resulting from changes in the nature and organisation of work and work processes.

We still insist on the need to recognise at national and European levels the right of access to lifelong learning together with the collective conditions that must be put into place, if Europe wishes to become a knowledge-based economy and where individuals can become more easily adaptable, employable and flexible. This has to be in the interest of all, the individual, the society and the economy.

This is even more urgent when one looks at figures that show that in the year 2000, only 60.3% of the Europeans aged 25 to 64 had attained at least upper secondary school education, or that only 8% of workers in the same age group has participated in education and training or that 18.5% of young people left school without formal qualifications. This is in total contradiction with the objectives set in the Lisbon Council or in the employment guidelines and clearly shows that Europe is



still lagging behind in terms of higher investments in education and training or in establishing national targets to promote access and participation.

The challenges calling for the upgrade in the qualifications and competences of workers are multiple. They result from the introduction of new technologies and especially information and communication technologies, introducing new and quicker forms of production and services delivery, affecting all sectors and companies of all sizes, creating new demands on education and training systems and opening up new perspectives for those workers that have already attained a significant level of qualifications and an easier access to further knowledge and to multi-skilling. There are also deep the changes in the nature and organisation of work, in the structures of companies, which require the participation and active engagement of all employees. In order to do this successfully, they need to be better trained and constantly update their competences and qualifications beyond the purely technical ones, but also social competences. There are still the effects of globalisation or of the use of ICT in the so-called traditional sectors, provoking industrial restructuring with a dramatic impact on employment, affecting millions of workers and a number of European regions; this contributes to less and not to more economic, social and territorial cohesion.

The development of the e-economy also represents a challenge for everyone and it should not leave behind those who have low skills levels. Its implementation requires an integrated approach, linking the introduction of ICT, the spreading of Internet and affordable access, with high quality education and training, research and development. It also requires new organisational changes inside companies and it provides for a better relationship between technological and organisational development.

The ETUC has been drawing the attention of European institutions to the need to promote reliable prospective analysis of the employment potential of the e-economy, including its gender aspects or the sectorial and territorial dimensions. It is unacceptable that while there are still extremely high levels of unemployment, touching both the non-qualified and the highly-qualified, several sectors and regions of Europe suffer from skills shortages. This shows clearly shows that still little attention is being given to forecast and to anticipate skills needs in territorial, sectorial and company level. It also shows a growing mismatch between supply and demand for new competences and skills as well as the inadequate and insufficient level of coordination and cooperation between education, training and guidance systems, the social partners, the employment services and companies.

On the other hand another important feature that characterised the current period is that apart from lagging behind in terms of investment by companies in research and development,

European employers are not investing enough in the development of skills and qualifications of their workers, especially in the promotion of the use of ICT, nor in the necessary match to be made between the skills available and needed by the enterprise in relation to its business strategic plan. Recent European data shows that although 45% of blue-collar workers and 73.5% of white collar workers use a computer in the normal course of their work, only 22% have received ICT training and only 16.7% have followed a training programme paid for by the company. This clearly shows that the objectives established by the Lisbon European Council are not being complied with and instead of pursuing the road of high skills, high quality jobs, high levels of inclusion Europe is following a road that will lead to disaster! However, Member States' governments are not playing their part either. No action has been taken on the definition of the national targets that should be set in terms of an annual increase in percentage of GDP for human resources development, as agreed by the Lisbon European Council.

In terms of the social partners' responsibilities, it shows that the promotion of lifelong learning of the workforce has not had appropriate attention at the level of social dialogue or in collective bargaining. The ETUC has insisted on the need for workers, their representatives and employers to develop new joint commitments; they must understand the importance and benefits arising from more learning. For companies, the promotion of lifelong learning implies higher productivity, higher competitiveness; for workers, it implies career development, better wages, better working conditions. In one word, lifelong learning inside companies is one of the elements contributing to match in a better way the request for more flexibility from the part of employers and that of more security from the part of the workforce.

Bearing this in mind, the ETUC has promoted the idea that a new understanding, new rights and responsibilities have to be promoted if lifelong learning is to become a reality and part of the European culture, contributing to attain the objectives of rising productivity, profitability, competitiveness, full employment, high skills job quality, employability but also a fairer distribution of income and a better reconciliation between work and family life. This implies the development of innovative and integrated approaches, as well as greater synergies between the different policies and those responsible for their implementation, both at national and European levels.

This new approach involves changes in education and training systems, it requires greater cooperation between the different actors, the definition of their levels of responsibility as well as new forms of management, information, consultation and participation. The ETUC has opposed itself - and will continue to do so - to those who consider that the individual is the only one to be made responsible for his/her employability without taking into

consideration that others, like public authorities at all levels and employers, also share a big part of the responsibility. However, the ETUC recognises the important role that individuals are asked to play, in terms of their openness to learning or in their contribution in terms of motivation and time for learning.

This brings us to the need to recognise and to value the learning acquired. Formal, non-formal and informal learning are becoming more and more related. The skills acquired, independently from the place where this happens must be given value to, they must be recognised and make part of an individual's "luggage" when moving jobs inside the same company, within the same sector or country or even when exercising the right to the European geographical mobility.

Over the last period and especially following the Lisbon European Council, vocational education and training has seen some progress in terms of the implementation of increased cooperation at the European level.

The report on the "Concrete Future Objectives of Education and Training Systems" endorsed by the Stockholm European Council (March 2001) has identified new areas for joint actions at European level, based on three strategic objectives: the improvement in the quality and effectiveness of education and training systems, facilitating access for all to education and training systems and opening up education and training systems to the wider world. The adoption by the Barcelona European Council of a work programme of the Objectives of education and training systems in Europe together with the development of enhanced cooperation in the field of vocational education and training (the Bruges-Copenhagen initiatives) constitute a renewed hope and hopefully the move from discussion to action at the European level.

The ETUC is actively participating in the different working groups that have been set in order to define the best way to move forward in order for "European education and training to become a world quality reference by 2010". It is too early to judge the results that may be achieved in the priorities that have been established at the European level, particularly in the fields of transparency, information and guidance, recognition of competences and qualifications and quality assurance.

Also important to note that under the Danish Presidency, the European social partners have been invited to take part in the Interministerial conference that has adopted "The Copenhagen Declaration" on enhanced cooperation in vocational education and training. Following a proposal presented by the European social partners at this Conference, an informal Trilogue meeting between the Education Council Troika, the European Commission

and the European social partners has been established. Together with the already existing informal meetings between the European social partners and the Labour and Social Affairs Ministers and ECOFIN, this new structures dialogue with Education Ministers completes the three pillars that are at the basis of the Lisbon strategy.

Apart from playing an active role influencing the development and implementation of EU policies in the area of education and vocational training within a lifelong learning perspective and closely associated to other EU social policies through our active participation in the Advisory Committee for Vocational Training, the European Social Fund Committee, CEDEFOP and to a lesser extent in the Advisory Board of the European Training Foundation, the ETUC has also promoted the debate with its affiliated organisations. Over the last period we have been able to deepen the cooperation, the understanding, the exchange of experiences as well as to promote a wide agreement on what trade unions consider to be the challenges posed by high quality education and training systems.

Just like it happens in relation to Member States, also within the trade union movement it is not taken for granted that this is an easy task. National systems, practices and industrial relations are based on deeply rooted traditions and cultures, being at present under a process of adjustment and reform in order to meet the new challenges Member States and the EU are confronted with.

This was one the main objectives of the Conference on Lifelong Learning organised by the ETUC in 2002, a few weeks prior to the Barcelona European Council and to the conclusion of the social partners Framework of Actions for the Lifelong Development of Competences and Qualifications.

In reality, the agreement reached at the level of the social dialogue represents an important step forward in terms of the social partners' contribution to attain the Lisbon objectives in view of the creation of the knowledge-based society. It should also be seen in the light of current developments within national level social dialogue on lifelong learning, as presented in the overview published by the ETUC following the Valencia Conference.

The main challenges for the ETUC and the European trade union movement in the near future lies in the success of the implementation of the Framework of Actions and in our capacity to make the necessary links between the cross-sectorial social dialogue, the initiatives developed by the sectorial social dialogue in this field and the work that is being developed at the European level under the auspices of the European Commission.





### 3. Economic and social cohesion

## Structural funds and regional policy

During the period under review the two most significant events concerning economic and social cohesion policy were, on the one hand, the implementation of the new programming period following the adoption of the new regulations on Structural Funds for the period 2000-2006, which have integrated a number of the ETUC proposals presented in the framework of the negotiations on the Agenda 2000 and, on the other hand, the publication of the Second Report on economic and social cohesion (January 2001), launching the debate on the content and objectives that this policy should have in the European Union after enlargement, while describing at the same time the situation with regard to cohesion in the Member States and the candidate countries.

The Commission's proposals relative to the enlarged European Union's future economic and social cohesion policy, and in particular with regard to the financial resources which should be devoted to it, will be presented in the Third Report, at the end of 2003.

The ETUC has participated actively in the debates organised by the Commission on the future of the European Union's economic and social cohesion policy, in particular the 2nd Forum on Economic and Social Cohesion, held in 2001, the seminar on the "Union's priorities for the regions: defining Community added value" as well as the seminar for members of the Committee of the European Social Fund, which were held in 2002.

Reinforcing economic and social cohesion is one of the European union's three objectives, alongside Economic and Monetary Union and the accomplishment of the Single Market.

This commitment must be reinforced in an enlarged Europe. The principles of cohesion and solidarity are included in the treaty and are two of the most important means of ensuring the integration of peoples and territories.

The ETUC has continued to defend the idea that the fundamental principles of the future economic and social cohesion policy in an enlarged European Union must be social justice and social equity, the promotion of the European social model, real economic, social, territorial and inter-regional cohesion, supported by high-quality services of general interest, solidarity and equal rights between workers and citizens irrespective of gender.

We have endeavoured, through our actions, to link Community economic and social cohesion policies, the Lisbon strategy in favour of employment and, therefore, the implementation of the European Employment Strategy and the European Social Inclusion Strategy, within which the social partners play a major role. Although it is true that the Community's structural policies have changed since those strategies were launched, it is also true

that these should be more a key mechanism for reinforcing the economic growth potential in urban and rural regions which are lagging behind in terms of development, and declining industrial regions, as well as for developing the skills and qualifications of individuals, thereby increasing the possibilities of creating more and better jobs and, in the long-term, curbing unemployment.

The ETUC believes that the objectives fixed both in Lisbon and in Stockholm must be maintained and pursued systematically in the framework of the cohesion policy, namely the knowledge-based economy, competitiveness, innovation, human investment, the fight against social exclusion, full employment and endeavouring to achieve sustainable economic growth.

The evaluation of the implementation of the cohesion policy presented in the Second Report shows that, despite the progress in terms of results, especially in the less prosperous regions, real convergence is far from having been achieved and that, in addition, in certain countries, the disparities between regions have even increased.

Numerous problems still have to be overcome in the current Member States, in particular persistent high levels of unemployment, disparities in per capita income between Member States, levels of education and training which are still too low or the slow progress in promoting true equal opportunities and in implementing measures to protect the environment.

## The future of economic and social cohesion policy

We must not lessen our efforts in the future, in particular after enlargement. Enlargement represents above all an historic opportunity to unify the peoples of Europe on the basis of democratic fundamental values. This will ensure peace and political stability in Europe and will contribute to economic and social progress, as well as to an improvement in living and working conditions. It will also allow an enlargement of the European labour market and internal market as a result of an increase in the overall levels of production and consumption in the candidate countries, as well as through the development of new, competitive products and services on the world market.

It is a challenge of unparalleled scope in political, economic and social terms, from which the whole of the European Union will benefit, even if, contrary to previous enlargements, this one will accentuate disparities and differences.

While recognising that they are not the remedy to all the new and current problems with which the Member States



will be confronted, economic and social cohesion policies have a fundamental importance in this process, both for the disadvantaged regions of the existing 15 EU Member States, as well as for the future Member States. They must contribute to preserving the European social model, while ensuring harmonious and sustainable economic, social and territorial development.

Quite obviously, the key element in meeting the challenge of enlargement, is political, economic and financial solidarity in favour of the new Member States and the current regions which are lagging behind in their development. This implies courageous political choices as regards budgetary matters and a better co-ordination of Community policies, avoiding the negative effects of certain policies, as is notably the case of the Common Agricultural Policy and competition policy.

The ETUC considers that the less-developed regions of the enlarged European Union, which are below the Community average in terms of their development and which have investment needs in terms of human and physical capital, various types of infrastructure, research and development, job creation, must continue to be given priority.

This applies both to the regions of the future Member States which are behind in terms of development as well as the current Objective 1 regions, including the ultra-peripheral regions (UPR), and sparsely populated outlying regions where there is a risk of desertion, which are worthy of special attention from the EU. The EU should focus on making them more attractive and competitive.

The structural dimension and permanent character of the ultra-peripheral regions require Community policies to be adapted to the UPR and the adoption of criteria which correspond more to the reality of these regions rather than a purely statistical criterion.

These observations were (re)affirmed at the seminars organised in the framework of the project co-ordinated by the ETUC, from the end of 2001 to the middle of 2002, for the trade union organisations of Madeira, the Azores and the Canaries, with the involvement of the national organisations concerned.

The main objective of the project was to help the trade union organisations of the three above-mentioned regions, on the one hand, to deepen the partnership with regard to the definition and implementation of the European Employment Strategy (guidelines, EURES), the Structural Funds (notably the ESF and the Community initiatives such as INTERREG III and EQUAL) and, on the other hand, to develop the social dialogue, in co-ordination with the ETUC priorities in this area. At the end of the project, a trade union network was set up

to facilitate the exchange of information and training, in particular with a view to ensuring the project's continuity.

Over and above enlargement, the EU is confronted with other major challenges which also require common, co-ordinated responses and actions.

The globalisation of economies and markets and its consequences, the development of active labour market policies, the creation of more and better jobs, the promotion of equal opportunities and reconciling family life and professional life, the absorption of young people into active life as well as the role and responsibility of the social partners; the promotion of sustainable development and the protection of the environment; the creation of a knowledge-based society, which covers the development of human resources as well as innovation, research, development and access to ICT for all in order to avoid a two-speed society; the ageing population, with the resultant economic and social consequences and for society as a whole; development infrastructures, in particular social infrastructures, are some of the other challenges which are dealt with in the framework of the cohesion policy as well as other Community policies. The necessary response must be co-ordinated and focused on achieving a real reduction in disparities between regions, as well promoting a society with full employment, equal opportunities, inclusion and social cohesion.

### The partnership

The implementation of such an ambitious programme cannot be accomplished without a strong, dynamic partnership. That is essential in order to guarantee the smooth implementation of the actions and to obtain satisfactory results. The ETUC has also paid special attention to this question since its last Congress. A survey carried out by the ETUC among its member organisations, shows that the application of this principle, which is integrated in the regulations of the structural funds, even if it has improved, is not fully respected. It is therefore necessary to pursue our efforts in order to ensure not only the quality of the partnership, but also the involvement of the social partners in all phases of the actions of the structural funds, as well as in the definition in the regulations of the role, risk and functioning of the various monitoring committees.

To that end, we have proposed two ideas which, in our view, are particularly interesting. The first consists in establishing a "Charter of Principles and Rules" with a view to establishing and improving the partnership between all the national and regional programmes. The second consists in integrating the



structure of the partnership, as well as the relative rules, in national legislation concerning the administration and management of the programmes of the structural funds.

The social partners must have access to technical assistance in order to develop the skills of their representatives on the different bodies responsible for implementing the actions of the structural funds. If this need is real and urgent for the EU Member States, it is even more so for the social partners of the future Member States. The social partners must also be involved in the efforts made in terms of training for the public administrations at the different levels in these countries.

The European Social Fund is the only fund which counts on the active participation of the social partners within its European Committee. This participation has provided important added value. The same type of participation must be extended to the other structural funds.

### Community initiatives

The Community initiatives play a very important role in reinforcing the European identity, in the possibilities that they offer for experimenting or developing the partnership. Over and above this fact, we consider that the aspects linked to the transnational and innovative character of these initiatives are just as important.

The ETUC considers that it is necessary to integrate more closely the Community initiatives in the other structural programmes and the ordinary programming instruments in the regions and territories by means of support for projects, exchanges of information, the training of the actors and social co-ordination.

Moreover, the different Community initiatives must also be better integrated in relation to the others with a view, on the one hand, to promoting an original, innovative, high-quality development strategy and, on the other hand, in order to avoid any duplication of actions as well as to favour the development of the partnership.

The ETUC has worked to that end, notably within the Committee of the European Social Fund and in the framework of the Commission's information meetings, concerning both the EQUAL and INTERREG III Community initiatives.

There is also a need to reinforce co-operation and actions at cross-border, transnational and inter-regional levels.

The positive trade union experience of the actions carried out by the 41 Interregional Trade Union Councils (ITUC), including in the cross-border regions with the candidate countries, have demonstrated that this is the path to be followed.

The actions supported by EURES and the Community Initiatives have proved that they must be pursued in order to encourage mobility, as well as the development of cross-border and inter-regional labour markets, and Territorial and Local Pacts for Employment in the framework of the implementation of the European Employment Strategy. The ETUC has therefore done everything possible to link the Community initiative INTERREG III and the Cross-border-EURES.

It is also necessary to take into consideration the fact that, after the completion of enlargement, the European Union's current external borders will be redrawn, shifting also the structural problems to these new regions. The ETUC has asked for special attention to be paid to these regions, by reinforcing the specific cross-border, transnational and inter-regional co-operation measures, aimed at these regions in the framework of the INTERREG Community initiative.

During the period under review, the ETUC member organisations have made a considerable effort to pay more sustained attention to the problem of the structural funds.

However, we must reinforce these efforts. The knowledge and control of the structural funds, a meaningful participation of the trade union representatives in all its phases, the awareness and links to be established between the different European, national and regional policies, as well as between contractual and cohesion policies, imply on the part of the trade union organisations the implementation of more information and training actions. In this regard, the Guide for Trade Unionists, published by the ETUC in May 2000, represents a first step in the right direction.

The ETUC has advocated, and will continue to advocate, the pursuit of this commitment in the future, at all levels, so that an enlarged Europe can reinforce its solidarity, economic and social cohesion, with full employment and opportunities for all citizens.



## 4. Sustainable development

## The Policy of the European Union

The 1992 Rio summit had called on the international community to elaborate new policies according to the principles set out in Agenda 21, in order to encourage companies to adopt the principle of sustainable development. Immediately after the summit, the Commission adopted a 5th action programme (COM(1992) 23) for the environment and sustainable development and published a White Paper (COM(93) 1993) "Growth, competitiveness, employment: the challenges and ways forward into the 21st century" which launched a reflection process on a new development model highlighting the structural links existing between the environment and employment: the under-use of labour and the overexploitation of environmental resources. The aim of this new sustainable development model was to disassociate future economic prosperity from pollution and to construct a positive economic-ecological relationship through the creation of clean technology.

The entry into force in 1997 of the Treaty of Amsterdam introduced the concept of sustainable development, as well as the principle of precaution. Moreover, the treaty indicates that the environmental requirements "must be integrated with the definition of other Community policies".

Since then the question of the practical aspects of this integration has been at the heart of European debates. Thus, the 5th programme recognised the fundamental role of economic sectors as an element of change. Furthermore, the Cardiff Council in 1998, preceded by the extraordinary Luxembourg Council for employment, called for the first time for the different Council formations to present a report on environmental integration and environmental strategies.

On the basis of the first reports and a critical appraisal from the Commission (COM(1999) 543) of the 5th programme and the implementation of the treaty, the Helsinki Council, at the end of 1999, asked the Commission to present by June 2001 a European sustainable development strategy integrated with the ambition of creating a competitive, sustainable economy capable of creating jobs. This strategy was also intended to represent the basis of the European contribution to the review after ten years of the Rio process, which was made in Johannesburg in 2002. The same Council confirmed the commitment of the European Union and the Member States to ratifying the Kyoto protocol by 2002 and invited the Commission to draw up, by the end of 2000, a proposal for a 6th environmental action programme.

## The Lisbon agenda and the Gothenburg summit

*Against that backdrop, the Lisbon agenda established economic and social priorities and a strategic objective for the decade: "to become the most competitive and dynamic knowledge-based economy in the world, capable of sustained economic growth with more and better jobs and greater social cohesion" is the framework for all integration actions, supplemented by an environmental dimension. Initially, the Commission published a communication (COM(2000) 576) entitled "Bringing our needs and responsibilities together and integrating environmental issues with economic policy" which identified the structural measures and the economic sectors the most concerned as it emphasised the need for transitional measures. In another communication (COM(2001) 53), the Commission developed its guidelines with a view to the world summit on sustainable development. In this communication, it defined the objectives to be achieved by the European Union in the framework of the summit, by putting the emphasis on the protection of natural resources essential for economic development and the construction of closer co-ordination between environment and the fight against poverty. It defined its aim as "making globalisation sustainable and improving world governance".*

As a third step, the Commission identified the threats to sustainable development which require co-ordinated action at international and European levels:

- poverty and social exclusion ;
- demographic changes and the ageing population ;
- the depletion of natural resources ;
- the congestion of transport and the use of space ;
- the threats for public health ;
- climatic change.

Based on this work, the Gothenburg summit adopted a European sustainable development strategy based on four priorities in the area of the environment:

- combating climatic change ;
- assuring ecologically viable transport ;
- limiting the risks for public health ;
- managing natural resources in a more responsible way.

Above all the Council established for the first time that the relationship existing between economic growth, the consumption of natural resources and the production of waste must be changed in a co-ordinated framework which takes into account economic, social and environmental effects. Finally, the Council decided, in the future, to integrate the environment into the annual evaluation process without, however, fixing as yet quantifiable objectives. In addition, it called for the process launched in Cardiff to

be reinforced, integrating the environment in all relevant areas of Community policy, by taking into consideration the new strategy of the 6th action programme for the environment.

### **The follow-up to Gothenburg and the Johannesburg summit**

The European sustainable development strategy has apparently been divided into two parts, an internal dimension which is part of the agenda for the Spring summits and an external part as part of the preparations for the Johannesburg summit and its follow-up.

Therefore, in the coming years, in addition to the question of the practical details for the integration of economic, social and environmental policies, it will be necessary to co-ordinate the internal and external dimensions. This question is particularly sensitive in the case of trade negotiations within the WTO (agricultural and energy subsidies, services of general interest) and their repercussions on environmental governance.

For the first Spring summit after Gothenburg, namely in Barcelona, the Commission presented for the first time, on the basis of a list of indicators, a synthesis report covering the three dimensions of sustainable development. Above all, the Barcelona Council put the accent on the request to the Commission to set up a system to assess the impact on sustainable development in the framework of its actions to "simplify and Improve the regulatory environment" and on the need to support the development of clean technologies. It also called for the acceleration of the preparatory work for a framework directive on the pricing of infrastructures. It did not, on that occasion, formulate quantified objectives, but the Environment Council called for the process of defining indicators to be co-ordinated and requested the Commission to provide a document on this subject for the 2003 summit. The Environment Council reiterated its request at the end of 2002.

As regards the external dimension, on the eve of the Barcelona summit, the Commission published a communication (COM (2002) 82) entitled "Towards a world partnership for sustainable development" which presented a set of priority objectives for the European Union for its contribution to the preparations for the summit. These priorities translated the implementation of the Doha agreement and the 'consensus' of Monterey, by referring notably to the Commission's communication adopted on the eve of the Doha conference (COM (2001) 416 for the promotion of basic social standards. The reference to the conclusions of the two international conferences constituted the approach adopted by the European Union through the negotiations concerning the action pro-

gramme which was adopted at the summit. From the viewpoint of the earth summit, the Member States undertook collectively to allocate by 2006 an average percentage of 0.39 % of Gross National Income to public development aid, that is to say a minimum 0.33%.

At the Seville summit, the Council confirmed its principles formulated in Barcelona, by expressing its support for the proposals put forward by the Secretary General of the United Nations, focusing the summit's action programme on a set of themes and the partnership concept: drinking water and hygiene, energy, including renewable energies, and health.

After the Johannesburg earth summit, the Council of Ministers expressed its satisfaction, but above all its awareness that the action plan adopted could not be judged solely on the basis of accomplishments. It confirmed the commitments made and invited the different Councils of Ministers to prepare, by the Spring of 2003, their contribution to the implementation of the strategy.

### **The ETUC activities**

#### **The 9th Congress had concluded that:**

*"Structural change must respect the environment and experience shows that there is a positive link between active environmental policies and the creation of jobs. There are positive links of this type in areas such as public transport, the management of space and the protection of the environment, including biological agriculture, rural development, energy economies and energy production and urban renovation. The political initiatives of the public authorities and the social partners can produce substantial twofold benefits for both environment and employment. This should be taken into consideration with regard to policies concerning tax, structural funds and local economic development".*

On the basis of these principles, the ETUC has pursued its actions for the integration in the European employment strategy of environmental objectives. In this framework, it has stressed the need to reform the system of taxation, the transfer of subsidies from sectors which have an impact on the environment to areas which improve the quality of the environment. As regards the 5th action programme, in its evaluation the ETUC stressed the progress achieved at the level of the definition of policies, but the absence of significant progress as regards the state of the environment. The concepts of social equity and transition should be at the heart of the Commission's future programme.



## An enhanced role for workers in environmental management systems

The ETUC has supported the need to revise the regulation (1836/93) allowing the voluntary participation of industrial companies in a Community environmental management and audit system. This involves above all reinforcing the involvement of workers and representatives in the process and the requirements concerning compliance with the regulation and company declarations. The Council adopted in 2001 a new regulation which extends the scope of application of the regulation and provides for employee representatives to be involved in the process at their request. The recommendations published for the implementation of this regulation set out in detail and explain the importance of worker participation at all levels. On several occasions the ETUC has urged UNICE to adopt a common approach to developing the participation of companies in the management system.

At the end of 2000, the Secretariat asked the Trade Union Technical Bureau to draw up a report in order to evaluate and reflect on the future trade union contribution to the European debate on sustainable development. This evaluation showed how trade unions treat questions relating to the environment: through an integration of the theme in their political programme and in several countries environmental issues are integrated into collective bargaining; they launch and participate in initiatives to influence national policies and above all in numerous countries, European legislation – the framework directives and Seveso have been transposed in a way that involves the question of health at work and the environmental issue. Internationally, the trade unions play an active role in world organisations, especially on food issues, chemical products and above all climatic issues.

This exercise highlighted the challenges which the trade unions must meet at European level. Above all they must develop a capacity to represent the interests of workers in a process of economic, social and environmental transformation. The environment is an integral part of the challenges which the trade unions must face. Thus the report shows how the question of the management of risks and resources pose essential questions, both in terms of democratic rights as well as equity and that the trade unions want to be in a position to negotiate a fair transition process.

## Gothenburg: the completion of a process and the start of a new period

On the eve of the Gothenburg summit the ETUC Executive Committee addressed a message to the summit; environmental policy must be put at the heart of an employment policy. Based on the conclusions of the Stockholm summit which had stressed the importance of improving the quality of employment, the ETUC expressed its support for the process of integrating the dif-

ferent policies: economic, social and environmental, in order to ensure full employment and improve the European social model. In this resolution it supports a process for transforming the development model which reduces pressure and use of natural resources, as well as insisting on a fair transition and on the role of the social partners in this process. The resolution reiterates to what extent European policies disregard the role of workers, in particular in companies, and stressed that Community programmes do not give them sufficient recognition as an actor in the transformation process.

Following the adoption of this resolution, the ETUC decided to carry-out an in-depth analysis of certain themes from a cross-sector point of view, with the help of national organisations, and a working group comprising also European federations. Its work focused on the following 4 themes:

- climatic change and energy;
- food and agriculture;
- chemical risks ;
- competences and rights of workers.

The results of this work were presented and debated at a conference in June 2002 in Seville.

Following the adoption of this resolution the Environment DG expressed its willingness to establish regular relations with the ETUC and the European Environmental Agency invited the ETUC as the European social platform to undertake a joint reflection based on the synthesis note prepared by the Commission for the Barcelona summit. The ETUC also collaborated in the framework of the European convention. This synthesis note was the first which, following the conclusions of Gothenburg, integrated the three dimensions of sustainable development. The results of this reflection were discussed at a meeting between delegations of the three European organisations. They published a communiqué on the eve of the summit in which they expressed their concerns at the lack of progress achieved in drawing up and implementing the sustainable development strategy. Moreover, they called upon the Heads of State and government to manage and monitor actively this integration process. The declaration concluded that concrete objectives related to a better quality of life for all, combined with an open, consistent process of governance would lead to a better evaluation of the annual Spring summits and would provide stronger support and the inspiration for a smooth transition to sustainable development. They also stressed that they would continue to collaborate and that they would support the activities organised by their respective organisations at national level, with a view to addressing in concrete terms the questions raised by sustainable development.

## The Seville Conference

The results of the work on the aforementioned themes were presented and debated at a conference organised on the eve of the Seville summit in June 2002, entitled: "The European Trade Union movement and sustainable development with view to the Earth Summit – A European strategy to create better jobs and to protect the environment". Representatives of the Commissioner in charge of the environment, a representative from UNICE and representatives of international trade unions (ICFTU-WCL) spoke at the opening of this conference. On the basis of the preparatory work for the conference, the Executive Committee adopted a resolution which called on the European Union to play a role of precursor in defining a global plan for sustainable development, aimed above all at eliminating poverty, protecting the environment and ensuring the respect of human and social rights.

The TUTB, acting jointly with the ETUC, published a brochure intended above all for the participants at the earth summit in Johannesburg and entitled: The European Trade Unions: Actors in Sustainable Development.

## The Johannesburg earth summit

The ETUC decided to respond positively to the Commission's invitation to participate as an adviser in its delegation to the summit. A large international trade union delegation was present and delegations of the ETUC, the ICFTU and the WCL worked together. It is to be noted that the trade union group was among the most important "civil society" delegations present at the summit. During the conference the ETUC delegation addressed the press and also the assembly of delegates. Based on the experiences of the European trade union movement, it emphasised the importance of its action and social policies focused on the creation of decent jobs in ensuring continuing economic progress, a reduction of inequalities within and among countries and combating poverty. The ETUC delegation also stressed the European Union's responsibilities and the need to refocus and achieve a better balance between its priorities. In fact, the trade agenda played a dominant role in the European Union's interventions. In its assessment of the summit, the ETUC expressed in November 2002 its satisfaction at the adop-

tion by the Conference of an action plan which stresses the combat against poverty and its financing and which paves the way for a new governance of globalisation by highlighting the role of companies in this process. It regretted, however, that the trade and financial agenda remains outside the United Nations process and that the scope of the means announced for implementation are insufficient. The ETUC reiterated that in order to meet global objectives, it is urgent to transform production and consumption methods in developed countries, especially in Europe.

## Guidelines for the future

The ETUC will pursue its action on the basis of the work already undertaken in the framework of the Seville conference and set out in the joint ETUC/TUTB brochure on the themes entailing global risks and which require cross-sector solutions, such as: clean energies and climatic change, a sustainable food production system and chemical risks. The Executive Committee called for special attention to be given to sustainable development in the Secretariat's work after the next congress. It will continue to integrate the sustainable development dimension in its action to democratise the globalisation process, especially in its action carried out in the framework of international trade negotiations, such as those relative to investment. Finally, the Executive Committee, recognising the role entrusted to multinational companies in the implementation of the plan, called for these companies to respect the OECD guidelines and the ILO basic social standards. It repeated its demand for the adoption by the European Union of an instrument obliging these companies to present social and environmental reports. Likewise, it considers that the accounting models of these companies should be defined by the European Union so as to ensure that workers and their representatives can carry out their role in the framework of information and consultation procedures. It also called upon the European Union to impose a set of specifications setting out the same requirements for all companies benefiting from export credits and public procurement contracts in the framework of aid programmes.

It also stressed the importance for the ETUC to establish a dialogue with the other actors of organised civil society in order to encourage them to adhere to its positions.







## 5. Services of general interest

## 5.1 Liberalisation and the Public Sector

For some years now, the public sector and in particular services of general interest have been undergoing a dramatic transformation. The relationship between market efficiency and the guaranteeing of basic social welfare provision is being redefined. The European Union is implementing a policy of liberalisation based on the opening up of markets, however at the same time it is required by the Treaty to comply with the commitment to guarantee the provision of SGI.

Liberalisation affects public sector workers and trade unions and public sector enterprises in equal measure. Consequently, a number of common interests are shared by the European Centre of Enterprises with Public Participation (CEEP) and the European Trade Union Confederation (ETUC), and these have found expression in joint actions vis-à-vis the European Parliament, the Council and the Commission. These actions have been and continue to be aimed at developing a modern, efficient and competitive SGI and public service enterprise sector that is at the same time committed to social and environmental standards, as well as being user-friendly and responding to the needs of customers.

To this end, ETUC entered into a partnership with CEEP and has also sought to bring other organisations on board, for example the CEMR (Council of European Municipalities and Regions), consumer organisations, the Committee of the Regions, the Platform of European Social NGOs and the European Environmental Bureau. The European private enterprise employers' association UNICE, on the other hand, continues to pursue a policy of out-and-out liberalisation.

It is important to explain the circumstances that form the backdrop to the ETUC's policy with regard to the conflict between protecting services of general interest on the one hand and liberalisation/opening up of markets on the other, as well as to identify which courses of action are open to the trade unions. Ever since the Single European Act of 1986, the goal of creating a single market has led the EU's institutions to adopt a policy of sectoral liberalisation of services of general interest which they have continued to implement right up to the present day. Initially, the effect of this policy was to put services of general interest and the applicable exemption regulations increasingly at risk. Later on, in the 1993 Maastricht Treaty, the Heads of State and Government opened the door to a potential improvement in the treatment of services of general interest by recognising that not all problems can be solved by the market alone and that particularly in the case of services of general interest it was necessary to explore other avenues.

The Commission's communication in 1996 constituted a further step towards the recognition of services of general interest. For the first time the Commission identified them, at least in its rhetoric, as a key element of the European social model. Finally, in 1997, Article 16 of the Treaty of Amsterdam defined services of general economic interest as one of the shared values of the Union, whilst Article 86 (2) provided for certain exemptions from the application of the competition rules in cases where they were incompatible with the functions of services of general interest. Furthermore, Article 295 gives Member States absolute freedom regarding the system of property ownership, and Article 73 states that State aids connected with the discharge of certain obligations inherent in the concept of a public service are compatible with the Treaty.

Apart from these disparate regulations, however, there is no overall framework that defines services of general interest and that could be used as a reference point for the implementation of the two articles. It continues to be one of the common goals of the European social partners CEEP and ETUC to remedy this situation, something which they have sought to achieve by drawing up a joint Charter for Services of General Interest and a draft framework directive based on the Charter.

As far as the players involved in this debate are concerned, it is not simply a question of a confrontation between the Commission representing the proponents of a controlled opening up of the relevant markets on the one hand and the Member States (especially the United Kingdom, the Netherlands and Denmark) supporting out-and-out liberalisation on the grounds of profitability on the other.

## 5.2 The Social Partners' Proposals

Even before the European Councils of Lisbon in March 2000 and Santa Maria da Feira in June 2000 had called on the Commission to bring its 1996 communication on services of general interest up to date, the relevant European social partners (the employers' association CEEP and ETUC together with the European Federation of Public Service Unions, EPSU) had already set about formulating their own ideas regarding the operation and future of services of general interest.

CEEP's 1995 Charter and ETUC's December 1998 Charter provided the basis for this joint action. A comparison of the two documents revealed a broad degree of consensus, and in the summer of 1999 the respective leaderships of CEEP and ETUC agreed to draw up a joint Charter in order to endow it with greater political force. A working group made



up of four people was set up in September 1999, and in February 2000 it presented its first draft of the Charter for the consideration of the member organisations. The proposal was adopted by ETUC's Steering Committee at its meeting of 12th May 2000, in order to leave sufficient time for the Charter to be promoted as widely as possible, since decisions about the Intergovernmental Conference were due to be taken at the Feira European Council in June 2000, so it was important to make sure that the issue was on the agenda there. The Charter was then approved by CEEP's Delegates' Committee on 22nd May. ETUC's Executive Committee ratified the Steering Committee's decision at its meeting of 15th-16th June 2000, finally adopting the joint Charter with a view to lobbying national governments to address the issue at the Intergovernmental Conference using the Charter as the basis of their discussion of one of the key themes of the European social model.

The Charter identifies "high quality services of general interest" as being essential for economic growth and job creation. The aim is to make sure that the EU, which began as an economic community, evolves in a balanced manner, to strengthen citizens' fundamental rights and to ensure quality of life for everybody. Solidarity and social cohesion are pillars of the European social model which can contribute to sustainable development through SGI. The Charter defines the fundamental characteristics of SGI, analyses the relationship between the competition rules and SGI, and outlines general guidelines for regulation and operators and relations between operators and authorities. Particular importance is attached to the role of the social partners and social dialogue. Furthermore, the importance of universal access to the services is explained, as is their role in achieving social and territorial (local, regional, national and European) cohesion, sustainable development and employment, and in promoting the democratic participation of the main stakeholders, in particular workers but also all users of the services and citizens in general.

ETUC regards the Charter as a declaration and commitment in support of a negotiated modernisation of the services, in favour of the information, consultation and participation of workers in the process, and in favour of an annual horizontal evaluation of the situation. The neutral stance regarding the system of property ownership (in accordance with Art. 295 of the EU Treaty) is specifically stressed, in order to avoid pointless debates as to the relative merits of nationalisation versus privatisation. The Charter can also be seen as an initial move towards going on the offensive in the debate about the future of services of general interest, as was argued, for example, by Hélène Flautre, the rapporteur for the European Parliament's Employment and Social Affairs Committee.

The main aim of the Charter project, however, is to provide a point of reference for the implementation of Article 16 of the EU Treaty, the content of which needed to be clarified three years after it was adopted. Furthermore, both social partner organisations believe that it is important to provide the accession countries with a reference point for services of general interest, since they represent an important element of the European social model.

The Charter is the result of detailed and of course, given the controversial nature of the issue, occasionally difficult discussions and negotiations between CEEP and ETUC/EPSU which were nevertheless ultimately carried out in an extremely co-operative and constructive manner. The final text is much more than simply the lowest common denominator of the two previous Charters, it is an original document that develops the stance of both parties, and the speed with which it was arrived at bears witness to the quality of the relations between these two European social partners. The Charter was also conceived as a means of instigating a review of the Commission's 1996 communication, and as a contribution to this process.

### 5.3 The On-going debate

#### From the Charter to the proposal of a framework directive

Following on from its adoption by the two signatories, ETUC and CEEP, the Charter was sent on 15th June 2000, immediately before the Santa Maria da Feira European Council, to the EU's institutions and most importantly to the Council's President Mr. Guterres and the President of the Commission Mr. Prodi, with the request that the proposal should be incorporated into the Treaties as a protocol.

This joint document had an illustrious predecessor. A parallel can be drawn with 31st October 1991 when ETUC and UNICE asked the Dutch presidency to incorporate a joint document on the subject of social dialogue as a protocol annexed to the Maastricht Treaty. The text was indeed adopted and it became the central pillar of the Social Protocol. It would have been presumptuous in this context to suggest that the proposal for an SGI Charter had no room for improvement, particularly since the document was not an agreement between the social partners that had to be adopted without any amendments. Consequently, the term "proposal" was retained in the Charter's title, with a view to encouraging the European Council to have a legal text drawn up on the basis of the proposed Charter which would seek to achieve a balance between the economic and social dimensions.



Intensive contacts with the Portuguese presidency resulted in the European Council of Santa Maria da Feira highlighting the importance of services of general interest and the contribution of public services to the EU's growth and employment strategy. The presidency called on the Commission to consider the quality and performance of the services with a view to creating a European benchmarking system.

Following on from this, the Commission issued a communication on services of general interest on 29th September 2000 which described the Charter as "an important contribution to the current debate on the future of services of general interest" (for a critique and evaluation of the Commission's communication, see ETUC Resolution on a regulatory framework for services of general interest and public procurement, adopted by the ETUC Executive Committee on 13th – 14th December 2000, and ETUC Position on the Commission's Communication on services of general interest (DOC/00/25 - COM (2000) 580). Both can be found on the ETUC's web site). The official aim of this communication was to bring the 1996 communication up to date in the context of the incorporation of Article 16 into the Treaty and the rapid development of markets, technology and people's needs. ETUC was critical of the fact that the Commission adopted too narrow a focus in the communication, concentrating solely on strengthening the single market. Even though the rhetoric of the communication talks of a "proactive approach" to SGI, in practice it does not treat them as pillars of the European social model. ETUC considers it regrettable that the main focus of the communication is simply on opening up the market as an end in itself rather than the modernisation of SGI in the context of a social market economy and on the basis of negotiations between the social partners. Furthermore, the document once again fails to evaluate the impact that opening up the market could have on employment. This failure to take employment into account is inconsistent with the Lisbon strategy for boosting employment and with Article 2 of the EU Treaty, which calls for high employment levels. Since liberalisation began, 40 percent of postal workers have seen their jobs disappear, whilst in the electricity sector a quarter of a million people have been made redundant with the prospect of a further 20-25 percent losing their jobs over the next few years. Another of ETUC's criticisms is that the failure properly to weigh up the consequences of the Commission's strategy could result in 15 nationally regulated public monopolies being replaced by a handful of unregulated private oligopolies. In order to prevent a further proliferation of incoherent liberalisation measures, ETUC has been calling for a framework directive on SGI.

An initial discussion of the Commission's communication at the Internal Market Council of 28th September 2000 revealed a broad consensus in favour of recognising the Commission's competence with regard to evaluating and ensuring that the conditions under which SGI operate are compatible with the single

market rules whilst recognising the right of member states to determine for themselves which activities constitute services of general interest.

At the next Internal Market Council on 30th November 2000, the presidency proposed the inclusion in the Nice Summit conclusions of a call on the Commission to deepen the debate. The conclusions of the Nice European Council of December 2000 supported the Internal Market Council's declaration and established a series of guidelines, stating that a report on their implementation would be presented at the December 2001 European Council. The appendix to the conclusions contained the full version of the "Statement on services of general economic interest" which establishes a link between the activities of services of general interest and the Lisbon employment strategy.

The Portuguese presidency made it its business to tackle some of the Commission's requests, setting out in particular to solve the problem of State aids and to guarantee the quality of services of general interest using benchmarking as one of its main tools. However, the proposal initially promoted by the French presidency to call on the Commission to prepare a framework directive met with resistance in several quarters and came to nothing. All that was achieved was the relatively general invitation to discuss the issue further.

On balance, it must be said that the initial results achieved by these various initiatives to strengthen the position of services of general interest have not been overly positive. ETUC and CEEP's goal of getting their Charter incorporated into the Treaties was not achieved at the Nice Intergovernmental Conference. Nevertheless, there are several reasons why ETUC continues to insist on the importance of the Charter being incorporated into the Treaties:

In the face of unregulated globalisation, it is necessary to protect and develop the European social model, of which services of general interest are one of the pillars.

The fundamental social and economic rights of Europe's citizens need to be guaranteed in practice (cf. the Charter of Fundamental Rights drawn up by the Convention on Fundamental Rights under the presidency of Roman Herzog, Article 36).

It is necessary to ensure a negotiated modernisation of these services, based on information, consultation and participation of workers and representation on the bodies responsible for evaluating the services.

The Charter should form the basis of the implementing decree for Articles 16 and 86-2 of the Treaty and should define the relevant conditions and principles relating to the services, in order

to ensure that opening up the market to competition does not harm the general interest. It should also be used as a reference point for the accession countries.

As far as ETUC is concerned, services of general interest remain a key element of the European social model. Equal access should be guaranteed for all citizens and enterprises, in all European regions, to affordable, high quality services of general interest. Modern and efficient public services play an important role for the implementation of the Lisbon strategy. Public services are likewise an important issue in relation to securing sustainable employment as well as in relation to the enlargement process.

### **A Framework Directive on SGI and the debate in the Convention on the Future of Europe**

Since the Commission was effectively refusing to draw up a framework directive, ETUC and CEEP decided to take the initiative. Over the next few months, their joint working group developed a proposal for a framework directive based on the preparatory work that had been done for the Charter and on the Charter itself. A Socialist public services working group in the European Parliament was also working concurrently on the same subject and put forward its own proposal for the structure of a framework directive on 12th March 2001. However, a number of key points of reference are absent from this document, for example the principles of quality services, a negotiated modernisation of services of general interest, and taking on board employees' expertise, i.e. information, consultation and participation. This initiative found its way into the social partners' joint proposal which was presented for discussion by ETUC and CEEP to their member organisations on 18th July 2001. It provoked a lively response in the form of numerous proposed improvements leading to a series of working group meetings during which the proposed amendments were examined and discussed.

In order to enable as wide a debate as possible, ETUC and CEEP organised a conference in the European Parliament on 4th-5th October 2001 on the issue of a framework directive, its orientation and possible ways of improving it. A particularly thought-provoking contribution was made by Prof. Michel Quévôt, who linked the current situation to the pre-eminence of the competition rules over and above SGI and suggested that one solution could be for SGI to be covered under Article 3 of the EU Treaty in order to give them equal weight with the competition rules, since Article 16 actually begins with the proviso that nothing should interfere with the priority of respecting the competition rules.

At the same time, the political parties in the European Parliament were discussing the report by Werner Langen (CDU) which was adopted on 13th November 2001 but was

accompanied by a call on the Commission to draw up a framework directive. Originally, Werner Langen's report focussed exclusively on the competition rules, whereas what is actually needed is a framework for SGI that incorporates the competition rules. The report argues in favour of the liberalisation of a number of additional sectors, including the water industry. In calling for a framework directive, the European Parliament sent out a clear political signal that it attaches great importance to this issue. This political success was achieved in no small measure thanks to the activities of ETUC and CEEP.

The version of Langen's report that was eventually adopted was a compromise which talks of the need to secure the position of SGI whilst at the same time also encouraging further liberalisation. ETUC submitted the following opinion on it: "In the face of proponents of the greatest possible liberalisation in the sectors concerned - principally telecommunications, water and electricity distribution, transport and postal services - with a view to maximising profitability, ETUC has always supported the principle that when opening up the market, it should take place in a controlled and sustainable manner, with democratic regulation of those sectors which are a key factor in the European social model ensuring social and territorial cohesion. ETUC calls for the controlled opening of the sectors concerned to be accompanied by democratic regulation including the information, consultation and participation of trade unions and workers' representatives". Werner Langen himself rejects these provisos.

In a joint statement made on 22nd November 2001 by the social partners prior to the Laeken European Council in December 2001, CEEP and ETUC once again underlined the need for a framework directive and stressed that: "ETUC and CEEP strongly believe that Services of General Interest constitute a basic pillar of the European social model. In this respect, CEEP and ETUC would very much welcome the Laeken European Council asking the Commission to initiate the elaboration and submission of a proposal for a regulatory framework directive on Services of General Economic Interest (SGEI), consolidating and specifying the principles underlying Article 16 of the Treaty (TEC) and Article 36 of the Charter of Fundamental Rights." They explained the reasons why they believe a framework directive to be justified as follows: "It could serve to improve the legal clarity as regards competition rules, including clarifying the competencies of public authorities, and which SGI should be excluded per se from its scope. This would likewise enable the Union to pursue a proactive strategy for the negotiated modernisation of these services, aimed at improving and developing them on the basis of general principles such as equal access, quality services, fair pricing, universality, quality of work and employment, safety and social justice. Given the crucial importance of SGEI for quality of life, employment and social and territorial cohesion, such a



framework approach plays an essential role for the realisation of the Lisbon sustainability strategy.”

In the event, a somewhat watered-down version of the call appeared under Point 26 of the presidency conclusions: “The European Council welcomes the Council's conclusions and the joint Council and Commission report concerning services of general interest, which will be the subject of an assessment, at Community level, as to their performance and their effects on competition. The European Council encourages the Commission to set up a policy framework for State aid to undertakings entrusted with the provision of services of general interest.” Narrowing the scope from a framework directive to a framework for State aid like this is unlikely to achieve anything. Both ETUC and CEEP continue to insist on the need for a horizontal approach and reiterate their call for a framework directive to be adopted.

The presidency conclusions of the Barcelona European Council of March 2002 support this call for the first time under the heading of “Quality public services”:

...p.42. The integration of European networks and the opening of utility markets should take full account of the importance of quality public services. In this regard, the European Council underlines the importance for citizens, and for territorial and social cohesion, of access to services of general economic interest. In this context, the European Council asks the Commission to:

- present its Communication on evaluation methodology at the May Council and report to the Seville European Council on the state of work on the guidelines for State aids and if necessary propose a block exemption regulation in this area;
- continue its examination with a view to consolidating and specifying the principles on services of general economic interest, which underlie Article 16 of the Treaty, in a proposal for a framework directive, while respecting the specificities of the different sectors involved and taking into account the provisions of Article 86 of the Treaty.

The Commission will present a report by the end of the year.” It remains to be seen how the Commission responds to this challenge.

However, since the setting up of the Constitutional Convention under the presidency of Valéry Giscard d'Estaing on 28th February 2002, the focus has shifted somewhat. The relationship between competition and the general interest is a highly charged issue where it is important to find the right balance. In this respect, particularly since the joint conference organised by CEEP and ETUC in the European Parliament on 4th-5th October 2001, the emphasis has switched from amending or expanding

Article 16 to incorporating services of general interest into Article 3 of the EU Treaty. In order for this to be achieved it will be necessary to win people's support by means of intensive lobbying in the debate over the future of Europe both inside and outside of the Convention.

ETUC's request for the European social partners to be represented in the Convention was acceded to by the Heads of State and Government at Laeken, meaning that ETUC, UNICE and CEEP are all entitled to send an observer to the Convention.

Concurrently with these activities in the context of the debate on the future of Europe, the joint working group continued its work on the framework directive project, albeit under somewhat changed circumstances. There are now three possible strategies with regard to the SGI debate.

The first is to seek to amend or expand Article 16 and to incorporate the CEEP-ETUC Charter as a protocol annexed to the Treaty.

The second concentrates on the framework directive, in the light of the failure of the first strategy at the Nice European Council.

The third focuses on the inclusion of SGI under Article 3 and the incorporation of a chapter on SGI into the Treaty along similar lines to the chapter on employment.

This third option appears to be the most promising in view of the changed circumstances and the work being undertaken by the Convention, but this approach revealed to be – for the time being – too ambitious and so the Executive Committee adopted on 9th-10th October 2002, the ETUC contribution to the European Convention containing a proposal to amend article 2, article 3 and article 16: “It is undisputed that ‘Services of General Interest’ (SGI) constitute a cornerstone of the European social model.

The crucial role of efficient and high-quality SGI in achieving the objectives and targets of the ‘Lisbon economic and social sustainability strategy’, including the social and territorial cohesion objective, is likewise acknowledged. The same goes for a successful enlargement. This perspective, however, is not sufficiently reflected in the treaties, and the present TEC article 16 provision on services of general economic interest does not re-balance the situation. It will therefore be important to reform the treaties to make them adequate, for example in terms of EU missions.

ETUC thus proposes : that the principles of SGI are anchored in the Constitutional treaty provisions and so included in the ‘common objectives’ (TEU article 2) and as a task for ‘common activities’ (TEC article 3.1).”

## Expected Developments

ETUC will come back to the SGI issues related to the EU policy treaty, taking into account of its proposal for the Nice IGC based on the SGI Charter established jointly by ETUC and CEEP.

Commission President announced when presenting the Commission annual legislative and working programme for 2003 that the Commission will initiate a debate on SGI by launching a green paper (Green Paper on Services of General Interest, March 2003). Several MEPs, criticized the programme,

which is not making reference to a framework directive despite clear demands from the Parliament on several occasions and from the heads of governments and states at the Spring European Council for a framework directive. The Commission prepares an evaluation of SGEI within the Cardiff process for 2003, the following sectors to be covered in the annual evaluation report: air transport, broadcasting, electricity, gas, postal services, railway transport and telecommunications. For ETUC the key indicators to be assessed must include not only quality of service but also employment effects as a result of market opening.









## 6. Social regulation

## 6.1 The Social Agenda

This section deals with the implementation of the Social Agenda (2001-2004) adopted by the Commission on June 2000 and in particular issues linked to Article 137-9 of the Treaty.

The ETUC Executive Committee in October 2000 adopted a resolution on the Communication, based on discussions in the ETUC Labour Standards Working Group in June 2000. The ETUC was rather critical of the Commission's text as there was a lack of concrete measures aimed at improving the quality of employment and combating precarious employment. Many longstanding ETUC demands were not included, for example:

The integration of employment considerations into EU decisions concerning mergers:

- A Framework Directive on the direct participation of workers ;
- A revision of the Directive on Collective Redundancies ;
- Legislative proposals to implement progressive retirement measures ;
- Legislative measures to guarantee a minimum income for all ;
- A revision of the Working Time directive (lowering of maximum working hours).

The Agenda also lacked measures needed in order to promote the European Social Dialogue.

However, there were some important and welcomed features of the Social Agenda, including:

- The setting up of the European Monitoring Centre of Change ;
- The issuing of a Communication on the Social Aspects of Public Procurement ;
- The launching of a consultation (Article 138) of the Social Partners on Data Protection ;
- The launching of the second stage consultation of the Social Partners on the Modernisation of Employment Relations ;
- The supplementing of Community legislation on Working Time to cover excluded sectors ;
- The invitation to the European Social Partners to negotiate measures to improve further education and training in order to increase adaptability.

### For 2002:

- The proposal to improve the Community framework rules on workers' right to be informed and consulted (revision of the European Works Council Directive) ;
- Adoption of the directive on Information and Consultation at national level ;
- Adoption of the directive on Social Aspects of the European Company ;
- The revision of existing Directives on the guarantees afforded to workers in the event of mass redundancy ;
- The revision of the Directives on the protection of labour relations if the employer changes.

At the end of the year 2002 the ETUC can note that on some of the proposals in the Social Agenda we are still waiting for action. This is for example the case regarding the revision of the EWC Directive.

Other subjects have however been dealt with. In 2000 the Directive on Working Time was extended to cover the non-mobile worker in the excluded transport sectors and doctors in training, and specific Directives were adopted to cover the mobile transport workers (in the case of civil aviation, maritime and railways these were negotiated agreements). The year 2001 saw the adoption of the Directive on Social Aspects of the European Company. The Directive on Information and Consultation on National Level was adopted in 2002.

The Social Agenda of the Commission and the Council goes beyond the time period that this report covers. Some foreseen actions for 2003-2004 are:

- The organising of an exchange of views on individual dismissals ;
- The launching of an Consultation, based on article 137 § 2 of the Treaty, on the best ways and means to promote the integration of people excluded from the labour market.

The ETUC's Labour standards Committee has discussed different aspects of the Social Agenda in the various meeting which have taken place since May 2000 and together with the European Parliament we have tried to support its implementation. A mid-term review of the Social Agenda is planned for March 2003 and this will provide an occasion to take stock of the progress made.

## 6.2 Framework Agreements on Working Conditions

The period 1999 to 2002 saw the conclusion of three European framework agreements:

The first agreement concerned *fixed-term employment contracts* and was adopted on 18 March 1999 and implemented as a Directive on 28 June 1999 (1999/70/EC). (However negotiations on in 2000/2001 on *temporary agency work*, the third negotiation on atypical work, were unsuccessful - in spite of the intervention by President Prodi who asked the social partners at a "mini" summit on March 22, 2001 to reconsider launching the negotiations. In consequence the Commission took back the subject and presented a proposal for a Directive, although not until March 2002. The draft Directive is currently under discussion in the European Parliament and Council.)

The second was on telework and this was the first cross-sectoral framework agreement under Article 138/9 of the Treaty to be implemented by the social partners themselves, rather than by a Council decision. The agreement, on *telework*, was adopted on July 16 2002 and is now being implemented by the national social partners. The agreement contains provisions for the monitoring and review of implementation.

(The telework agreement was in response to the consultation by the Commission on modernising work organisation in 2000 which dealt with telework alongside two other issues: principles regarding the modernisation of work organisation and the problems faced by "economically-dependent workers". Regarding work organisation principles, there has been no follow-up by the social partners, but work organisation and working time will be important issues in the negotiations on stress (social partners work programme plus EC consultation of December 2002). On economically dependent workers, and ETUC seminar took place in Rome October 2001 to clarify this issue and the Commission is currently undertaking a study with a view to further EU initiatives in this area.)

The third agreement concerned was the "*framework of actions on life-long learning*" adopted on 28 February 2002. Mirroring on the Open Method of Coordination developed in the employment Guidelines and more recently on pensions and social inclusion, the framework of actions sets out a number of general principles at European level leaving the concrete interpretation and implementation to the national and sectoral social partners. The framework of actions also contains provision for follow-up and review, and a first meeting to review implementation is scheduled for the beginning 2003.

## Implementation of agreements

Regarding the implementation of previous framework agreements negotiated under Articles 138/9 of the Treaty, the Commission has not published a report on the implementation of the parental leave agreement (not withstanding two informal reports drafted in 2001 and 2002) or on the part-time work agreement.

The ETUC is concerned in general about the Commission's follow-up to EU social regulation and we have called on several occasions for implementation reports to be completed in good time and for them to look at legal implementation and the actual practice.

The ETUC has however with the help of Netlex reviewed the implementation of the parental leave and part-time work agreements (a study on the implementation of the fixed-term Directive is in progress). These reports have confirmed that the ETUC's aims regarding framework agreements - to further the general interests of all workers through EU minimum standards, thereby limiting the possibilities for social dumping, while ensuring that no country with higher protections is adversely affected - have been met. Indeed, the analysis shows that even countries with high levels of protection in the areas of the framework agreements have been able to use the agreements to consolidate and/or to develop further protections.

## 6.3 Health and safety

After a long period during which the Commission managed questions of health and safety without having an overall strategy, it finally elaborated a communication defining a new strategy for the period 2002-2006. The ETUC, the trade union organisations represented on the CCHS and the TUTB participated actively in the debates concerning the definition of the Community strategy. The workers section of the CCHS published a declaration in May 2001 which was followed by a resolution of the ETUC Executive Committee in June 2001. Overall the new Community strategy recognises most of the problems related to the poor application of directives, the transformation of work and the deterioration of working conditions. It also sets out to integrate the gender dimension, which is an important step forward. However, the Commission limits itself more often than not to observations, without succeeding in defining a true strategy with precise objectives, deadlines and efficient means of action. The weakest point of the new strategy is that it moves from an approach based on harmonising and reinforcing existing legislation to a series of policies which do not rely on binding instruments. Finally, the strate-

gy remains far too general as regards the means of integrating health and safety in the enlargement process.

The ban on asbestos was the most important advance made in the area of health at work during the period under review. The success in having this decision adopted at Community level was the result of a long combat by the trade unions, numerous public health actors and the organisations representing asbestos victims. Once again, the important delay in taking a political decision, despite the existence of scientific knowledge supporting such a decision, will have a very heavy price in terms of the lives of workers. In most Community countries, there are more deaths caused by asbestos than fatal accidents at work.

The ban on any new use of asbestos with effect from 2005 does not mean that all the problems have been solved. Numerous workers continue to be exposed to asbestos in different sectors, such as the building industry, industrial maintenance, waste management, energy production, etc. The forthcoming adoption of a revised directive on the protection of workers exposed to asbestos will represent real progress. The ETUC observes, however, that the new directive falls short of the trade union proposals and the positions of the European Parliament. It considers that the national trade union organisations should endeavour to improve the provisions when they are transposed into national laws and call upon the Commission to ensure that the directive is correctly applied. Moreover, the situation of the victims of asbestos continues to be a worrying problem. Most cancers caused by asbestos lead to the victim's death in a relatively short period of time. The recognition of occupational illnesses caused by asbestos is not applied in an equitable way throughout the EU as a whole and this situation reflects the lack of harmonisation of provisions concerning occupational illnesses. In several EU countries, victims organisations are fighting, with the support of the trade union movement, to put an end to this situation and to obtain the condemnation of those responsible for this slaughter. Finally the ETUC cannot accept the "double standard" practised by a certain number of European companies which have abandoned all production of asbestos in the EU countries, but which continue to work with asbestos in countries in other parts of the world. It also calls upon the companies responsible for the health and environmental disasters caused by asbestos in African, Asian and Latin American countries to assume the costs. The ETUC also calls on the European Union to respect the international rules concerning the exportation of dangerous waste and calls for an end to the practice of demolishing ships containing asbestos and other toxic materials in shipyards which do not respect the most elementary safety rules, and which are to be found in a certain number of Asian countries.

Canada's complaint against the ban on asbestos in France was the first case where the World Trade Organisation ruled on a question of health at work. The ETUC and the TUTB have followed this case closely and the ETUC tried to intervene during the procedure. The

WTO appeal body for settling disputes rejected all such requests from non-governmental organisations, trade unions, ecologists or organisations for the defence of public health, without giving the slightest justification for their refusal. Fundamentally, however, the WTO decision rejecting the Canadian complaint offers cause for concern. In fact the WTO asserts its right to control the conditions in which the States limit free trade to defend health at work, public health and the environment. For the ETUC, the WTO should, on the contrary, recognise that it is not competent in this area, since it is quite obvious that the disputed measures cannot be considered as a pretext for a protectionist policy.

Moral harassment affects a large number of workers and its consequences can be very serious. It is related to various factors, among which the intensification of work, management methods and competition between work groups play an important role. It involves social factors and factors related to the organisation of work and requires a collective preventive approach. In this regard, it is undoubtedly one of the questions which must be treated in the framework of the workplace policies. The ETUC supports the resolution adopted in September 2001 by the European Parliament which calls for both national legislative initiatives in the countries where they have not yet been elaborated and Community legislative initiatives.

The progress recorded in the area of employment, with a slow decline in unemployment, has not been accompanied by an improvement in the quality of work. On the contrary, the uncertainty of employment has become a common characteristic of the different EU countries, even if its form and level varies from one country to another. The countries where job uncertainty is the highest are also those which have the worst situation as regards accidents at work (notably Spain).

The deterioration of working conditions reflects a wider context of an increase in social inequalities in the area of health. Such a phenomenon has been observed in most Member States. It translates a deeper trend of a rapid growth in social inequalities at world level. Certainly, working conditions are only one of the causes of this situation, but it is in our view obvious that, unless there is a vigorous renewal reinforcement of Community action in the area of health at work, there is a risk that this will contribute to undermining social cohesion in Europe in the particularly sensitive area of health.

We are today witnessing a resurgence at national level of the debate on health in the workplace. In most Community States, the transposition of the framework directive and other directives on health and safety had not been accompanied by a broad debate. Apart from a few exceptions, governments had considered that it was essentially a question of updating existing legislation. There were no real concerns regarding the general functioning of prevention systems. The difficulties in applying the meas-





ures decided and, above all, the deterioration of working conditions have put an end to this intermission. These debates are resurfacing, above all in national frameworks, which are still marked by important differences. It quickly became apparent that although the framework directive was indeed useful for defining the rules of the game in companies, it was insufficient to meet all the challenges of prevention. It was also necessary to review the national prevention policies and give them more adequate means.

10 years after the entry into force of the framework directive (31 December 2002), its application still leaves much to be desired. A series of factors helps to explain the delays which have accumulated. Most Member States have not reformed their prevention system as a whole. There are still numerous shortcomings. For example, the definition of an employer's safety obligations, the setting up of multi-disciplinary prevention services and the collective representation of workers in the field of health at work are just some of the areas in which there have been delays and sometimes flagrant breaches with regard to provisions of the framework directive. The Commission has not played a very active role, either in controlling the correct transposition of the directive or in developing a policy of co-operation between the Member States in the area of health at work. The reduction of the material and human resources devoted to the issue of health at work within the Commission is a cause for concern. It is essential that the Commission should have adequate means to monitor the implementation of the directives adopted. It is difficult to see how the Commission can guarantee that the enlargement of the European Union will be accomplished in satisfactory conditions, unless it is given adequate human and material resources. The situation in which the Commission finds itself, that is to say incapable of publishing a report on the application of the framework directive and on the related problems, illustrate the weakening of its role. However, the absence of a global report should not be used to justify the Commission's inaction in relation to problems whose importance is recognised and we believe that the Commission should not wait for such a report in order to launch new initiatives in areas such as the prevention of muscular-skeletal disorders, the protection of mental health at work and the prevention of physical risks not yet covered by Community directives.

The disaster at the AZF plant in Toulouse in September 2001 highlighted the inadequacy of rules concerning the prevention of major accidents which do not take account of the social dimension of the processes leading to such disasters. It is indispensable to ensure that worker representatives play a meaningful role in drawing up, monitoring and controlling the environmental policies of companies. Moreover, the Toulouse disaster, in the same way as numerous other dramatic events, has illustrated the veritable social deregulation caused by the systematic use of outsourcing.

To be more detailed, as a reminder: the need to harmonise systems for declaring occupational illnesses; the need to revise the directive on pregnant workers and the directive on working time.

## 6.4 Public Procurement

In 1998 the ETUC welcomed the announcement of the revision of the existing EU directives, as an opportunity to remedy the present shortcomings in the existing procedures. The ETUC called upon the Commission to secure the observance of a "fair labour standards" clause, in order to secure the possibility for compliance with EU social policy objectives, to secure the implementation of the Treaty objective on "services of general economic interest" and to secure the possibility for compliance with EU environmental policy objectives (ETUC resolution 15-16 dec. 1998).

In mid-2000, the Commission submitted two draft directives to revise the existing EU public procurement procedures: 1. Coordination of the procurement procedures for the award of public supply contracts, public service contracts and public works contracts (Com 2000/275), and 2. Coordination of the procurement procedures of entities operating in the water, energy and transport sectors (Com 2000/276). The Commission's two draft directives do not meet ETUC's key demands and they reflect the Commission's apparent preference to maintain the status quo as regards the social dimension.

In December 2000 the ETUC adopted a resolution calling upon the Commission to avoid further delay in the publication of its communications on the social and environmental aspects of public procurement. The ETUC also called on the Commission, the European Parliament and the Council to take account of its position "Public procurement in the European Union" (resolution adopted by the ETUC Executive Committee on 15-16 December 1998), when revising the public procurement directives, as well as the Lisbon employment strategy. Consequently, the selection criteria of the public procurement procedure should be revised in order to make it possible to secure the observance of a "fair labour standards" clause, including respect for the collective agreements in force, equal opportunity, non-discrimination and compliance in general with EU social policy objectives as well as the policies for sustainable growth.

On 25th September 2001 the ETUC sent a first circular to its affiliates describing the state of affairs regarding the procedure, and requested feed-back, including the national political positions, on the revision of the Public Procurement Directives.



This circular was meant to prepare a possible ETUC reaction prior to the final EP opinion on the first reading.

Subsequent to the circular of 25th September 2001, the ETUC made a second circular in March 2002 with an update on the situation, a state of affairs regarding revision of the Public Procurement directives and the outcome of the 1st reading in the European Parliament. Compared with the Commission proposals for a revision of the two directives, the EP 1st reading amendments were helpful as regards taking on board ETUC's key objectives. Attached to the circular was a background document established by the ETUC secretariat with an overview of the main amendments improving the directive proposals. However, it should also be noted that on one crucial point concerning respect for collective agreements, ETUC has asked for clarification on the official formulation of the adopted amendment, in view of a significant discrepancy between the different language versions. Hopefully it will also be possible to achieve better consistency - in the Council common position and if necessary in the 2nd EP reading - and streamlining including between the amendments to the two directives, in terms of taking the ETUC key objectives into account. This lack of consistency is largely due to the manner of the EP proceedings, especially around the plenary 1st reading and the numerous proposals for amendments.

The 21st May Internal Market Council reached a political agreement on the so-called "classical" draft directive (COM (2000)275 - 2000/0115 COD); (and on the 'utilities' Directive - the so-called excluded sectors - in Sept.) which means no formal common position at this moment on the two-directive package, but a political agreement which forms the basis of the position to be adopted later following the conclusion of the

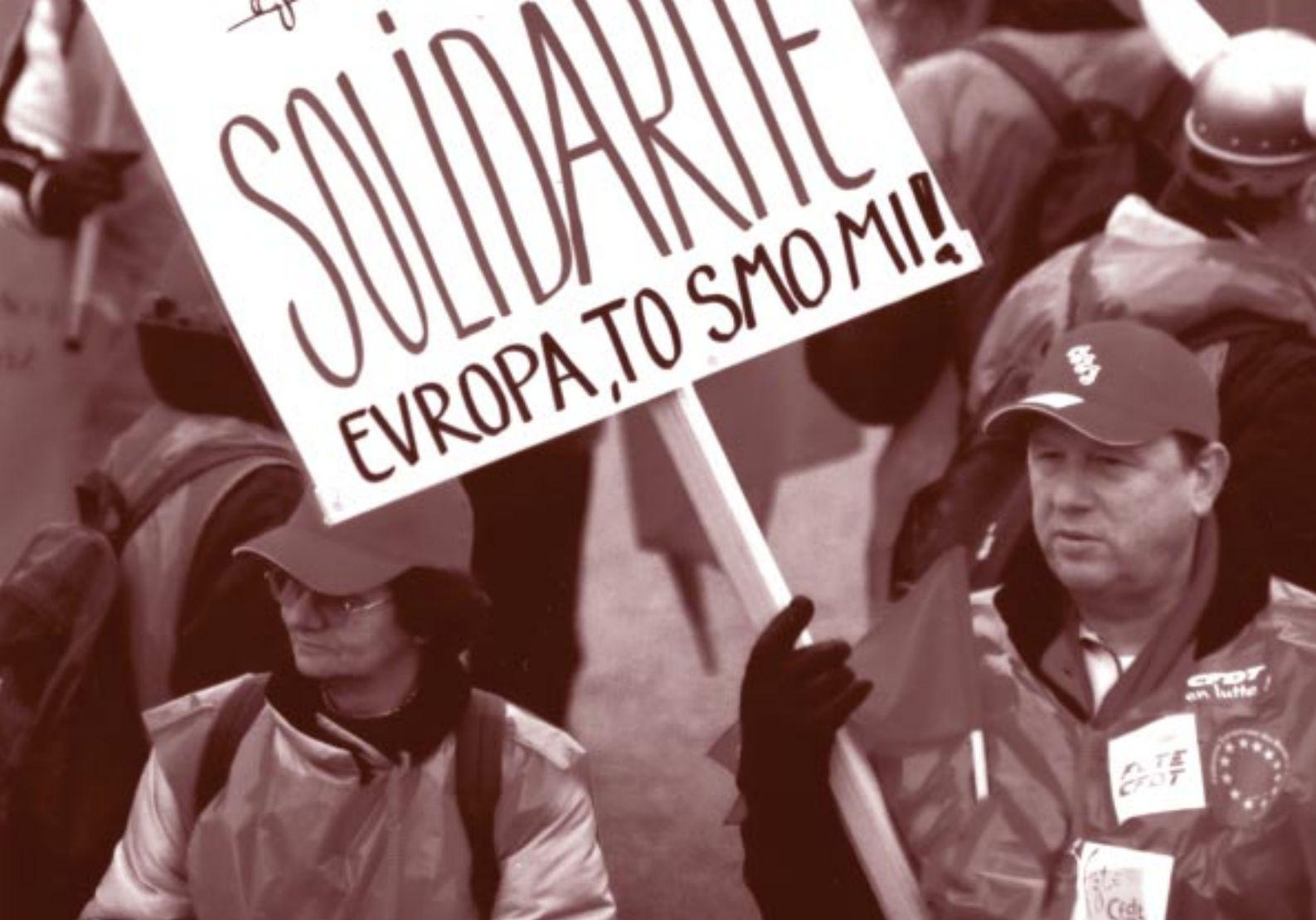
outstanding traditional technical questions. The ETUC secretariat made an internal evaluation of this political agreement which had a more positive outcome in view of the ETUC key demands than expected: a consideration has been included making a clear reference to the posting of workers directive setting the minimum conditions to be respected in the social field. Regrettably, the Council did not follow the EP on Article 27 in making it obligatory for tenders to take the "local" working conditions into account when establishing their bid. ETUC welcomed that the Council did not follow the amendment from the EP 1st reading to link respect for local working conditions incl. pay strictly to collective agreements with an erga omnes extension. It was less disputed to include environment as an award criteria. Neither the monitoring mechanism proposed by the EP; nor the reference to the conventions in the ILO declaration of fundamental principles, was carried in the Council.

The texts are expected to be published at the beginning of February 2003 and then the 2nd reading in the EP will start.

Throughout the revisions procedure, ETUC has been very active in contacts to the EP, including participating in its hearing, and also in the contacts to Member States as appropriate. It has been a standing issue in the ETUC memo's to the EU presidencies.

In view of the upcoming 2nd reading in the Spring 2003, the ETUC has regular contacts to EP rapporteurs and coordinators.

The ETUC also participated in several meetings of the EPSU Public Procurement Task Force and ETUC has been back in the EU Advisory Committee on Public Procurement since January 2002.



## 7. Social protection

## 7.1 The beginning of a European Coordination

The debate at the ETUC on social protection during this period has to be seen against the following backdrop:

Firstly, we saw the setting up of a European coordination, focused on four objectives, notably:

- making it more advantageous to work and providing a secure income ;
- guaranteeing secure pensions and viable pension systems ;
- promoting social integration ;
- guaranteeing a high and sustainable level of health protection

However, it must be acknowledged that the process varies according to the objectives. For example, in the area of pensions and social inclusion the coordination process is by far the most elaborate, using the open method of coordination. This consists in defining at European level common objectives to be achieved at national level, with their concrete implementation evaluated subsequently at European level.

Such European coordination is discussed in the ECOFIN, Social Affairs and Employment Councils and prepared in the consultative committees of these councils, that is to say the Economic Policy Committee and the Social Protection Committee. Given the importance attached by the treaty to the Stability Pact and to the major European guidelines, it is easy to imagine the role that the ECOFIN Council and the Economic Policy Committee want to play in this area, which can result in the adoption of a simplistic vision, limiting the problem of social protection to its financial aspects.

It is to be noted that the social partners, at least at European level, are involved in the Social Protection Committee's work.

This implementation of the process meets the demands of the ETUC, which at the Helsinki Congress called for "guidelines in the area of social convergence".

Secondly, we have seen a constant fall in the value of financial assets. Even if pension funds are built up on the basis of long-term contributions and investments, the fall in the value of financial assets emphasises the need for prudence and the need for the social partners to be involved in the management and control of funded occupational pension schemes. It also highlights the need to put into perspective the introduction of funded pension schemes as a solution to the problems raised by the ageing population.

Thirdly, the Enlargement of the EU:

In fact, the challenge facing these countries is to make a success of the transition from an administered economy to a market economy, with the consequences that this approach implies in the area of social protection. Thus, for the ETUC, there is an urgent need for the Commission to give these countries, which lack references in this area, apart from those proposed by the IMF and the World Bank, more precise guidelines. It is also essential that the reforms undertaken in the area of social protection are based on and implement the same values as those on which the European Union's social systems are based, that is to say notably solidarity, social cohesion and the social dialogue.

## 7.2 Trade Union Intervention

In this context, what actions did the ETUC undertake?

During this period, when saw for the first time the development of new initiatives at European level, with the creation of new forums such as the Social Protection Committee and the Pensions Forum, the ETUC participated actively in the work of these forums, where it defended its positions, previously prepared and developed in working groups and approved by the Executive Committee.

In addition, it arranged training seminars which addressed the question of social security and international standards (ILO, Council of Europe, European Union etc.) in this area, in order to prepare trade union experts from the accession countries, in particular from Central and Eastern European countries, to participate in the debate in their respective country, as a counterbalance to the influence of the IMF and the World Bank.

In general and very succinctly, the reflection focused on:

### a. Social Protection:

The ETUC continues to stress need to enlarge the financing of social security by shifting the burden from labour to other factors of production.

### b. Pensions:

The ETUC considers that the problem of pensions is a social problem with financial implications. It insists on the need to reinforce State pay-as-you-go pension systems, based on solidarity between and among generations. The viability of these systems requires the coordination of macro-economic, employment and

social protection and fiscal policies, at European and national levels. High employment and high growth, including an increase in productivity, are the best guarantees of the financial viability of State pensions systems.

As regards occupational pension schemes, these must satisfy a certain number of requirements to be integrated in a European regulatory framework and subsequently transposed at national level into law and/or through collective agreements.

The ETUC has set up an "ad hoc pension funds group" in order to examine in greater depth this subject.

During the meetings of this group, in which the "occupational pension schemes" experts of the affiliated Confederations participated, the following topics were discussed:

- the participation of trade union organisations, especially in the implementation of these schemes and in their decision-making and control bodies. It turned out that this involvement was increasingly taken into consideration by trade unions, and that, in suitable forms, it had become a reality in several Member States.
- a reflection process was launched on the "concept of sustainable development" through the investment strategies decided by the managers of these occupational pension schemes. National experts with experience of such schemes were invited to participate in these meetings and shared their experiences in this area.
- The question of the fiscality of these schemes was also discussed, notably with reference to the Commission's Communication on this subject, as well as the question of cross-border membership of occupational pension schemes. In this regard, an occupational pension institution with a proposal in this area was invited to present its proposal to the group and to discuss it with the trade union representatives.

In the framework of the social dialogue, the Commission organised a first consultation of the social partners, inviting them to give their opinion on possible solutions concerning the portability of pension rights.

While being in favour of an action at Community level, the ETUC believes that priority should be given to the Social Dialogue, either through the conclusion of a European framework agreement for themes that are general in scope or sectoral agreements for those which have more specific effects on professional sectors of activity. However, in its response, the ETUC did not exclude the possibility of a Directive should the negotiations that it wants to see undertaken at the level of the social partners fail (or in the event of a refusal by the employers).

Finally, the ETUC participated actively in the discussions on the so-called "Bolkestein" directive concerning the activity and control of occupational pension institutions. It was heard twice on this subject by the Economic and Financial Committee of the European Parliament.

However, it notes that this directive, which is in its second reading in the European Parliament, principally organises the financial market of "pension funds" at European level; it deplores the fact that the social dimension of these supplementary pension schemes is ignored in his text, notably on all aspects concerning the involvement of the social partners or with regard to investments, criteria regarding sustainable development or the rights to information of contributors and pensioners as well as the question of covering biometrical risks, etc.

### c. Health Care

As regards health care, the ETUC organised a joint seminar with the members of the European Federation of Public Services, which resulted in a resolution "a priority for the European Union: access for all to quality health care". After having taken stock of the situation, which demonstrates the role played by competition policy on health care, the resolution sets out the measures to be taken.

### d. Combatting exclusion

Concerning the combat against the exclusion of older workers (a theme which is on the borderline between social protection and the fight against discrimination), the ETUC calls for another approach to the management of human resources, which introduces end of career management systems. This could involve progressive retirement formulas, based on three-quarters time work, two-thirds time work or part-time work. The ETUC calls for the principle of progressive retirement to be introduced at European level, through legislation, or possibly by way of an agreement between the social partners, which would then be implemented at sectoral and national levels. Such progressive retirement formulas must also be put in place and adjusted with regard to the age of the beneficiaries and in order to take account of arduous work situations. Likewise, thought must be given to ways of financing these measures.

However, the ETUC believes that early retirement schemes must continue to apply for certain categories of workers, in particular where certain working conditions exist and in certain situations, such as following redundancies and restructuring operations.

For the ETUC, an employment policy which takes account of older employees implies reflecting on new forms of the organisation of work in companies, facilitating flexible progressive retirement formulas, reducing stress and improving working con-



ditions, and favouring anti-discriminatory practices at the time of recruitment and with regard to eligibility for vocational training. In no way, can putting back the legal age of retirement be considered as a solution to the problem of financing pensions.

#### e. The Pensions Forum

The Pensions Forum was launched officially by the European Commission on 9 July 2001. This tripartite body is composed of representatives of:

- the social partners (ETUC, UNICE, CEEP and UEAPME) ;
- the Member States and the EFTA (one per country) ;
- European occupational pension institutions or bodies active in the area of occupational pension schemes.

Chaired for the first two years by the European Commission, with the vice-chairmanship filled by UNICE and the ETUC, this "Pensions Forum" is :

- a consultative body of the Commission for the problems and changes at Community level concerning supplementary pensions ;
- and it helps the Commission to find solutions to obstacles to the cross-border mobility of workers in the framework of Community pensions ;

Thus, it has focused during its first two years of existence on one of the obstacles to cross-border mobility that it has identified, namely the transferability of the supplementary pension rights of migrant workers. A technical working group, chaired by the

ETUC, met twice in order to propose, after approval by the forum, ideas for technical solutions intended to guarantee the rights of the workers concerned and to avoid migration becoming synonymous for them with a drastic reduction in their supplementary pension rights.

The ball is now in the Commission's court and it is due to put forward proposals in this area to the social partners and the Member States during 2003.

#### f. The Council of Europe

The ETUC was invited to participate in a select group of experts, composed of representatives of the Health Ministries of the member countries of the Council of Europe, in order to update and enhance Article 11 of the Revised Social Charter of the Council of Europe.

A new additional article has been drafted, including in particular, notably at the request of the ETUC, patients' rights, access for all, irrespective of their social, ethnic origin or their resources, to quality health care, and financing based on the principle of solidarity. This new proposed article is in the hands of the Committee of Ministers of the Council of Europe.

Moreover, and for the first time, the ETUC was invited in "an official capacity" to participate in the 8th Conference of the European Ministers of the Council of Europe with responsibility for Social Security. This conference, which was held in Bratislava in May 2002, focused on the consequences of the migration of workers on the social security systems of the countries concerned.



## 8. Gender equality

## 8.1 The Equality Plan

### Follow-up and implementation of ETUC Equality Plan

During the 1999 Congress, an ETUC Equality Plan was adopted by all affiliates. The Plan was based on the results of a detailed study across all ETUC affiliates, on women and decision-making in trade union organisations in order to examine the representation of women in trade union decision-making at the European level.

The study "The second sex of European trade unionism" noted that more and more women have become active in the labour market over the past 20 years. However major inequalities persist between men and women in the world of work. These changes were considered in parallel with women's trade union membership and it was noted that in a climate which often favours de-unionisation, a degree of consolidation in women's trade union membership across Europe can be observed. According to the results of our study, female membership accounted for +/- 40% of overall trade union membership.

A whole range of initiatives specially designed for women in the main trade union decision-making structures exist: from training and information to increase the awareness of both women and men all the way to voluntary measures and positive action such as quotas and reserved seats. Some slight progress was noted in the place and representation given to women in decision-making bodies, namely congresses, executive committees and steering committees. This is also true in the various trade union departments, even though women are often allocated traditionally feminine portfolios such as social matters, education and the family.

However, the study still identified a serious under-representation of women in trade union decision-making, particularly in positions of responsibility and leadership. The critical mass of women members in a trade union does not automatically lead to balanced representation in decision-making structures; in addition, voluntary measures and positive action, often described as necessary but not sufficient, have led to different outcomes depending on the particular historical, cultural and structural circumstances of the unions.

The study underlined the importance of specific women's structures, particularly women's committees and/or departments. Their role in giving an impetus to women's position in trade union decision-making is closely linked with their independence. One fact emerging from this study speaks volumes: only half of women's committees and one third of women's departments manage their own budgets.

An important observation concerned the weakness of gender mainstreaming in collective bargaining. A clear link can be made here between women in positions of responsibility and trade

union decision-making bodies, and their presence and participation in sectoral, intersectoral and centralised negotiations. Other important findings concern good practices in matters of equal pay, the strengthening of the status of part-time and temporary workers who are mostly women, improvements in the reconciliation of professional and family life, greater flexibility and security in the new forms of organisation of work (for example, women's entry or return to the job market) etc. But the lack of detailed information regarding branch and enterprise-level collective bargaining is obvious.

Finally, the study noted that in future, all trade unions initiatives must take account of the increasing emphasis given to gender equality in European policies. The legal and institutional provisions of the Treaty of Amsterdam provide the framework for this principle, Article 3 clearly states the aim of eliminating inequalities and promoting equality between women and men in all its activities. In this context, national confederations and industry federations within the ETUC have a duty to incorporate the European institution's practices in their own proceedings.

The ETUC Equality Plan which was drawn up based on the findings of this study identified 3 objectives for ETUC and its affiliated trade union organisations to take on board.

- a) *Ensuring that women are properly represented in bodies for collective bargaining and decision-making*
- b) *Incorporating equality between women and men in all areas of trade union policy (gender mainstreaming)*
- c) *Achieving equal pay*

A mid-term review of the equality plan was carried out in 2001 and was presented to the Executive Committee.

## 8.2 Equal Pay Campaign

Over a 12 month period ( July 2000 – June 2001) ETUC launched an equal pay campaign “ Equal Pay Now – Because We’re Worth It”, with financial support from the European Commission. A transnational network of female trade union experts in the area of equal pay was created bringing together experts in equality and equal pay from each of the 15 EU member states and Norway.

A series of national seminars were organised, where the issue of equal pay was discussed and trade union strategies to tackle the problem were debated and analysed. Two European meetings were also organised which sought to synthesise the various contributions in this document.

Across Europe the pay gap continues to exist and indeed there is evidence to suggest that it is in fact widening. There is clearly a need to re-focus attention on this issue and develop new ways to overcome the problem.

Various studies have been carried out and all confirm the same thing – there are substantial differences in wage rates between women and men across the Union. Women’s (gross hourly) earnings remain on average 16.2% lower than those of men across the Union, according to the latest available data from the ECHP for 1998. The situation worsens the higher up the corporate ladder you climb. At managerial level, on average, female pay rates are only around 2/3 of those of men in some countries.

Our campaign sought to focus attention on trade union strategies to tackle the pay gap, to share experiences and good practices in particular through collective bargaining and to stimulate further trade-union action

We found that the majority of strategies carried out by our members fall under 2 broad categories: those which aim to reduce the wage gap by tackling indirect discrimination, by revising job evaluation / job classification systems, and those which seek to raise low pay, through collective bargaining. However, a number of trade unions also tried to address the issue in other ways such as through European Works Councils (EWC), by legal proceedings and via the national action plans for employment.

Regardless of the choice of strategy, and despite the fact that many trade unions are actively working to reduce the wage gap between men and women, in the majority of confederations it is still difficult to integrate the subject of pay differences on the agenda.

Some of the key recommendations made in our campaign include:

- Information and publication of data on the wage gap ;
- Actions concerning legislation – revision of EU Directive 75/117 + EWC ;
- Greater emphasis on equal pay in the NAPS ;
- Actions based on “collective bargaining” and the “revision of job classification” including job evaluation systems ;
- Actions based on Minimum Wages/Low wages ;

In addition, via the co-ordination of collective bargaining committee (CBCC) the ETUC should adopt the goal of reducing the gender pay gap by 2-5% within a fixed number of years (but not by reducing men’s pay). Each country and sector should state how this might be done.

## 8.3 Gender Mainstreaming trade union policies

The purpose of this section of the report is to summarize some areas in ETUC policies where progress has been made regarding gender mainstreaming. In the past, when there was a track of gender mainstreaming in ETUC policy documents, it was generally limited to “*equal opportunities between men and women have to be taken into account*”. However, as shown below some progress has been made in the following policy areas:

### (a) coordination of collective bargaining

A clear indication was given in the ETUC resolution on the coordination of collective bargaining of 2000 to improve the qualitative aspects of working conditions, for example the training aspect as well as the reduction of the gender pay gap.

### (b) safe and sustainable pensions

A reference was made to maintaining pension rights during the career breaks, and to guaranteeing access to part-time workers in state and occupational pension. These aspects are of great importance to women workers.

### (c) research carried out by the TUTB and the ETUI

Research on the women’s health and safety has been launched and the ETUI published a report on the ‘gender mainstreaming in the European employment strategy’

A key factor behind such developments can be attributed to the presence of ‘gender-sensitive’ persons when preparing the documents for discussion. One difficulty is of course, the fact that the production and dissemination of relevant gender-differentiated statistics by official bodies and social partners is not very well



developed in most countries and this absence of figures means that it is not possible to approach important areas such as collective bargaining coverage or industrial action.

In addition to the efforts made to gender mainstream ETUC policies, a decision was made to systematically focus attention on gender mainstreaming a particular policy issue during meetings of the Women's Committees. Examples of policies discussed include:

- The European Employment Strategy ;
- The Future of Pensions – a gender perspective ;
- Gender and the Working Poor ;
- Convention on the Future of Europe.

More information about this can be found later in this report.

Despite the progress made, clearly more needs to be done, not only at the level of ETUC but also in the national confederations as well as in the European Industry Federations. For that reason, we re-launched the study with a questionnaire, to assess progress made since 99. Based on the results, which showed some progress and gaps as well as some instances of backlash, a new equality plan has been produced.

## 8.4 Women in Trade Unions

### Making the Difference

In order to have a full and clear picture of the real impact of the 1999 Equality Plan, we decided to re-do the detailed study. A detailed questionnaire was once again sent out and the results can be found in *Women in Trade Unions - Making the Difference*. Unlike previous efforts, this time both the questionnaire and the final study have separate sections for national confederations and the EIFs, recognising their different starting points and structures. This study also includes a section which tracks progress in those trade unions which responded in 1993, 1998 and now. The results are mixed – some progress, some inertia and indeed some instances of backlash.

As part of the preparatory work for the new study a series of seminars and meetings were organised including 2 seminars for women members of EWC's, a meeting for EU national confederations and a seminar for women trade unionists from CEEC.

## New Equality Plan

Based on the results gathered, a new Equality Plan has been drawn up which identifies a number of areas where work is necessary. Once again, this plan is based on 3 objectives :

- To reduce by half the female representativity gap in decision-making bodies ;**
- Gender mainstreaming within collective bargaining and/or collective bargaining guidelines ;**
- Putting gender equality at the heart of a new social welfare architecture.**

Carrying out a systematic gender mainstreaming exercise across every aspect of policy

Specifying, and if necessary revising, the role and composition of Equality Committees.

There is also a separate section for European Industry Federations and one for the ETUC outlining specific issues or actions which should be taken on board.

Both the findings of the Study and the Equality Plan were presented during a Women's Conference, which took place in Brussels in December 2002. Bringing together 100 women trade unionists from ETUC affiliates, the conference sought to provide an opportunity to discuss and debate the study and the plan as well as to agree on the contents. Organising this event some 6 months before Congress was also intentional – this allowed adequate time for participants to have further discussions about this at national or Industry Federation level so as to ensure that their Congress delegates were fully briefed before the debates on this at Congress.

## 8.5 Legal developments

Through the work of the women's committee, we have focused considerable attention on legal developments in the field of gender equality. The following issues in particular have been of key importance – the revision of the Equal Treatment Directive, our calls for a revision of the Maternity Directive and more recently the proposed New Directive on Gender Equality based on Article 13 EC Treaty.

***Revision of Council Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions***

Discussions on a revision of the Equal Treatment Directive took place for almost 2 years and as a prelude, the European Commission organised a technical seminar with the social partners on sexual harassment in May 2000. During this meeting the ETUC delegation stressed that sexual harassment should be recognised as a form of discrimination and the onus must be on employers to provide a workplace free from sexual harassment. Following that meeting, ETUC women's committee developed its priorities for the new Directive and an intensive 18 months or so of lobbying at the EU level via European Parliament and Council and at national level through the members of the women's committee followed. It was with great relief that we (finally) welcomed the text of the Directive as our key priorities were included, as follows:

For the first time in EU legislation there is now a definition of sexual harassment. It compels employers to take measures to prevent all forms of discrimination on grounds of sex, in particular harassment and sexual harassment at the workplace.

Employers are also obliged to promote equality in the workplace. They will be encouraged to provide employees and/or their representatives with appropriate information on equal treatment at regular intervals. Such information could include statistics on the situation in each company such as the numbers of men and women at different levels within the organisation and possible measures to improve the situation in cooperation with employees' representatives.

The Directive also ensures that men and women who take up their respective legal rights to maternity, paternity, parental or adoption leave will be entitled to return to their job or equivalent without losing any rights or benefits.

**Revision of the Council Directive 92/82/EEC**

Safety and Health at work of pregnant workers and workers who have recently given birth or are breastfeeding.

We are still working to convince the European Commission of the need to revise the Pregnant Workers Directive, despite support from the European Parliament in this regard. Following the new ILO Convention C183 on Maternity Protection 2000, which in some instances goes further than the provision contained in the EU Directive, our concerns have been heightened. During a meeting in Santiago, organised during the Spanish Presidency, we were heartened to hear a representative from the European Commission say that they may be willing now to look into this matter. Clearly this is an issue which the women's committee will continue to follow.

**New Directive on Gender Equality  
based on Article 13 EC Treaty**

Early in 2002 the European Commission announced that it planned to work on a new Directive on Gender Equality based on Article 13 of the Treaty - however, to date nothing has been formally presented. As a first consideration, the women's committee welcomes the idea as a positive step in the right direction. However, while we would welcome the inclusion of provisions similar to those in the Race Directive, we believe that the new Directive must be wider than the Race Directive as women do not constitute a minority group, and do experience structural discrimination. Furthermore, we have drawn attention to the fact that there are currently outstanding legislative issues which should be redressed (such as the need to revise the Maternity Directive) and this new directive should not happen at the expense of these other issues.

Work on this new Directive seems to be suspended for the moment, but is clearly an issue to which we will return once the dossier is re-opened.





## 9. Worker's rights and economic democracy



## 9.1 European Works Councils

At the time of the 9th ETUC Congress, we had 600 European Works Councils. Approaching the 10th ETUC congress, we are coming close to 750 European Works Councils. Figures provided by the ETUI tell us, that 1865 companies are covered by the EWC-Directive. The gap between undertakings that have and others that have not yet created EWCs, is explained by different reasons. Many companies try to delay the creation of an EWC by all means available. The procedure of setting up a Special Negotiating Body is far from easy and in certain ways reminds the squaring of a circle: worker representatives from different countries have to know each other, before they can demand to create a European Works Council which is there to make worker representatives known to each other.

The biggest factor slowing down the creation of more EWCs is the negative impact of all the cases like Renault, Marks & Spencer and others where management did not respect its obligation to inform and consult timely. "If the EWC is not even good to be informed and consulted in due time, why should we then bother with creating one?" is the reaction of worker representatives who are frustrated. The lack of resources European Industry Federations dispose of and national centres put into the task of advising EWCs has its direct effect on the creation of future EWC's.

Out of the existing 750 European Works Councils, many like the EWCs from Unilever, Ford, Opel/General Motors, VW and others have taken a proactive attitude: they have frequent meetings, among themselves and with management, they are discussing and sometimes even negotiating restructurations with management. They have developed into a real European body, defining and defending interests of workers across borders. Unfortunately, there are far more EWCs where worker representatives still have the biggest difficulties to convince central management of the added value of social dialogue. Seldom they have more than one meeting per year and often they are only given information that is publicly available already. Members of European Works Councils are working in new and difficult circumstances. If on top of that the surroundings are hostile, if management is not living up to its responsibilities, it is extremely difficult for the European Works Council to play its role.

The most important practical problems European Works Councils are confronted with are the following ones:

Information is neither timely nor comprehensive and is not given in such a way that the EWC can evaluate the situation and come to an opinion.

In a vast majority of European Works Councils consultation does not take place. Central management communicates decisions that are already taken or the EWC is informed via the general press on decisions of management.

Resources and working facilities are missing. The liberty of the EWC to be assisted by experts of its choice is obstructed, the experts are not permitted to participate in meetings with the management, there are no training facilities, no possibilities to meet with national worker representatives, no access to modern communication and so on.

The negotiating parties do not approach the negotiations on an equal footing, so that even Article 6 agreements are still far from satisfying the key requirements for proper cross-border information and consultation. The reason for the lack of "equal firepower" in negotiations is mainly that the Directive has not made the role of experts on the special negotiating body sufficiently clear. The special negotiating body is dependent on the support of expertise: trade union representatives, legal, financial, economic experts. Unfortunately, in view of the present legal situation, company managers are constantly able to prevent such support and in this way to avoid equal negotiations and to succeed in excluding important regulations from the agreements.

It is the task of both European and national legislation to avoid unclear legal regulations or to clarify uncertainties during the course of a review, so as to avoid legal disputes. The inclusion in Article 15 of the directive of the obligation to review the directive and if appropriate submit proposals for amendments was to show that account has to be taken of this principle of clear legal provisions.

Already in 1999, after the 9th Congress, the ETUC made a thorough analysis of the shortcomings in the Directive and in January 2000 presented a first comprehensive draft of proposals for the review of the EWC-Directive. After the publication an intensive discussion within the working group Democratisation of the Economy and particularly with all European Industry Federations took place.

A special seminar to evaluate the practise within EWCs and the experiences with the application of the Directive was held 30/31 May 2000 in Brussels. An amended version of the ETUC demands for the review of the EWC-Directive was published in July 2000. The document was sent to the Commission, to the EP, Ecosoc, Permanent Representations of Member States, Labour Ministries and other interested parties to make the demands of the ETUC known and has served since then as political platform for all the member organisations of the ETUC.



The Commission reacted rather reluctantly to the ETUC's request to review the Directive. A commission report on the application of the Directive was published in April 2000, but dealt more with the transposition of the EWC Directive into national law than with the shortcomings of the Directive itself. In order to accelerate the review process, the ETUC, in close cooperation with its Industry Federations, decided to organise a campaign during the year 2000. Material like a leaflet and posters were produced for the member organisations. The campaign culminated in a demonstration 31 October 2000 in front of UNICE and DG Employment and a conference during French Presidency November 2000 in Paris. A couple of major affiliates of the ETUC (unfortunately not all of them) organised events, mostly seminars and conferences, during the campaign. Many EWCs addressed their demands for a review in writing to the Commission. The ETUC presented the case for the review of the EWC Directive in a hearing organised by the EP 25 April 2001. The report adopted by the EP in July 2001 supported most of the demands of the ETUC.

In 2001, the ETUC insisted on the need of a proper review of the EWC-Directive. The Commission argued now that first the Directive on worker involvement in the EC and the Directive on a general framework for information and consultation of workers should be adopted, before any further initiative would be taken. When end of 2001 both Directives were adopted by Council, the Commission still did not take a particular initiative on the review of the EWC-Directive.

The big EWC conference organised by the ETUC and LO-Denmark in November 2002 clearly underlined the need to improve the shortcomings of the present text of the Directive. The Commission announced to start the review process end of the year 2003. It is not the first time that this announcement is made and even if the review process really starts in 2003, it will take time. The review will not affect existing agreements. The ETUC has always stressed, that the review is necessary, but unfortunately no suitable instrument for solving today's problem. It is rather an instrument to avoid that these problems show up again in future.

Apart from the discussion on the review of the Directive the ETUC has taken a series of steps to help European Works Councils in their practical work. In frequent cases either the Industry Federations or European Works Councils addressed themselves to the ETUC looking for practical help. In even more cases we anticipated potential problems and indicated ways to solve them. More than 30 Working papers on issues such as the financial and material resources of EWCs, the right of access to sites of the undertaking, how to terminate article 13 agreements that have no cancellation clause and other items were published and put on the website of the

ETUC. The working papers are widely appreciated: this part is the most visited one of the ETUC's website.

A major EWC conference with 150 participants was organised in November 2000 in Paris and a brochure called "practical guidelines for EWCs" was published at the opportunity. From the year 2000 onwards, special attention was given to the role EWCs can play in mergers and acquisitions and the rights they have due to the current merger control regulation of the EU to be consulted by the Commission/merger control taskforce. A special seminar on the subject was organised in May 2002 in Brussels. After the seminar a guide for worker representatives was produced in all European languages. The conference jointly organised with the LO-Denmark November 2002 in Aarhus for first time brought together representatives from more than half of the existing European Works Councils.

As it was visible already in 2000, that the review of the EWC Directive would take some time, we looked for possibilities to help EWCs in the meantime. We closely followed all sentences of national courts and the European Court of Justice and informed via working papers and the website of the ETUC on the consequences they have for practical work in SNBs and EWCs. We have informed the member organisations of the ETUC and, via the website, the members of European Works Councils on the possibilities to better use existing rights. The discussion on how to enforce existing rights via judicial or extra judicial procedures was put on the agenda of the Aarhus conference.

In the early phase of European Works Councils we had many sometimes ideological discussions with some persons and organisations in the International Trade Union Movement who believed that European Works Councils are an obstacle to international solidarity. This debate has calmed down now, mostly it is understood now that EWC are a step towards global solidarity, but that it does not help to force the development until a solid rock of cooperation at European level is laid down.

Certainly European Works Councils are one of the most important element of building industrial relations at European level and of guaranteeing that workers are involved in industrial change. Whether EWCs can live up to this challenge depends in huge parts from us. The period after the 10th Congress of the ETUC must be a period where trade unions considerably increase assistance for European Works Councils.

## 9.2 European Company Statute

Already the ETUC congress in Stockholm, 1988, has asked for the right of workers and their representatives to participate in decision-making at the level of the undertaking or group of undertakings and to nominate representatives to the supervisory bodies of the undertaking. The debate and the final adoption of the Directive on worker involvement in the SE was an opportunity for us to realise this out-standing demand that was approved by all subsequent congresses and Executive Committees. We approached the Directive with the following essentials: no European Company shall be created without worker involvement (information, consultation and participation), the provisions on consultation need to be strengthened and not just copied from the EWC-Directive, experiences from Renault and similar cases shall be taken on board and the importance of trade unions shall be recognised.

The debate with the different presidencies after the 9th ETUC congress in Helsinki focused on questions like: which thresholds for the application of the standard rules, shall mergers be permitted as one of the forms to create a European company, shall the standard rules apply under all circumstances or shall member states have the opportunity to opt out from the application of the standard rules and finally even the idea was discussed to give the entire Directive back to social dialogue again. These discussions took place mainly at Council. Due to the fact that we had concrete practical arguments and suggestions at any point in time, we were able to influence the debate to a certain degree. At the meeting of the Council of Ministers for Employment and Social Affairs on 8.10.2001, the Directive for worker involvement in the European Company was adopted.

The Directive offers many advantages: worker participation in the supervisory body is recognised, worker involvement is object of negotiations, if negotiations do not end in an agreement, reference clauses apply under certain conditions, no EC may be registered without a solution found for worker involvement. The lessons from Renault and similar cases are drawn, as the provisions for information and consultation are much stronger and much more to the point than in the EWC Directive. Trade unions can participate in negotiations, the experts of the SNB are sitting at the negotiating table and it is company management that has to open negotiations. Negotiations are a tough challenge, as the time span is short: 6 months, plus eventually further 6 months. The point of departure for the special negotiating body is rather favourable, as management has to give comprehensive information and has an interest not to delay the negotiations. Nevertheless a thorough preparation on behalf of the worker representatives is demanded.

In order to help affiliates to prepare for negotiations on worker involvement in the EC, the ETUC has organised a seminar in

January 2002. After the seminar, an ETUC brochure, "Worker involvement in the European company. A trade union guide through the directive" was published in English, French and German and widely distributed. The brochure includes a sample agreement on worker involvement in the EC. Further working papers on issues such as confidentiality; structural changes in the EC, the transposition of the Directive into national law were produced. The ETUC will continue this work of supporting negotiations by practical help.

## 9.3 Information and Consultation

Information and consultation of workers and their representatives is a fundamental democratic right and at the very same time one of the most important prerequisites for mastering the process of structural change in European undertakings. Companies will meet the challenge of industrial change and globalisation only by involving workers and their representatives. National law still has deficiencies, European law was fragmented, and a common European framework was thus necessary. The behaviour of companies like Marks & Spencer who decided major restructuring without prior information and consultation of workers underlined the need for a European instrument.

Already at the time of the 9th ETUC congress, a Commission draft for a directive on information and consultation was on the table. This draft was debated in 1999 and 2000 by the European Parliament, the Ecosoc and the Council and finally adopted in 2001. The ETUC had to struggle on two fronts simultaneously. We defended the principle of a European Directive against those, particularly amongst employers, who pretended that the Directive was a straightjacket and not conform to subsidiarity. Actually the Directive is just a framework with a couple of principles that can easily be adapted to any system of industrial relations in the European Union. At the same time we tried everything possible to get a framework with substantial rights, above all an effective right of information and consultation of workers before decision-making, including sanctions, as otherwise there is no effective management of change.

The report of the Committee for Employment and Social Affairs of the European Parliament (« Ghilardotti-report »), adopted in 1999 by the EP, which listened very attentively to our arguments, could have remedied many of the weaknesses of the draft Directive concerning timing and content of information and consultation. The same applies to the opinion of Parliament expressed during the second reading

in 2000. Unfortunately the readiness of Council to take the viewpoints of the EP on board was very limited. The Directive on a general framework for information and consultation is thus a modest step forward in the right direction, helpful particularly for workers in smaller companies, but still has serious shortcomings that are hopefully changed in a future review.

## 9.4 Take-Over Bids

The ETUC sees the adoption of a directive on takeover bids as an opportunity to introduce European regulations, which ensure clarity and transparency in the take-over process. The precondition therefore is a level-playing field in all member states and the guaranty that workers' interests are taken into consideration before and during a takeover-procedure. The timely and comprehensive information and consultation of workers and their representatives both of the offeror and the offeree is one of the most essential prerequisites for the success of a takeover.

The ETUC has approached any draft of a directive on take-over bids with the following basic observations:

The concept of interests of the company shall be defined in the modern sense and shall embrace the interests of shareholders, workers and the public. Employment and working conditions shall be part and parcel of all considerations and all actions taken during a takeover, and this both in the offeror and the offeree company.

The information and consultation of workers and their representatives before and during all stages of a takeover process is indispensable in making a success of a corporate take-over. The board of the offeror shall inform and consult the worker representatives of its company timely and comprehensively, before the decision to launch a take-over bid is taken. Board of the offeror and the offeree have to inform and consult worker representatives timely and comprehensively during all stages of a takeover-process.

The board of the offeree company has to inform and consult worker representatives before he finalises the evaluation of the bid. He equally shall inform and consult worker representatives timely and comprehensively during all later stages of the takeover-bid. Information and consultation of workers and their representatives are basics for modern company management. A Takeover is a decisive moment in the life of a company and management is more than ever dependent upon the position of worker representatives

The draft directive on takeover-bids the Commission presented in 2001 did not satisfy none of the criteria mentioned above and was consequently rejected by the European Parliament. After the rejection, the Commission created an expert group with the task to look into take-over bids and the entire field of company law, including corporate social responsibility. The request of the ETUC to make a nomination to the group was unfortunately turned down, although we had various opportunities to be heard by the Commission. Given its composition, the conclusions of the group are rather one-sided and the new proposal for a Directive on takeovers, the Commission presented in October 2002, is not much of a progress.

## 9.5 Mergers and acquisitions

Cross-border mergers have increased considerably in the nineties, be it in number, in volume or in value. The merger control regulation of the EU gives the European Commission the right to examine mergers of a certain size, and entitles worker representatives to be consulted by the merger control unit of the Commission. The ETUC has made particular efforts to make this right known and to assist worker representatives who are using that right, especially European Works Councils. In 2000 we have produced a paper explaining the possibilities for recognised worker representatives to intervene in the merger control procedure, which was largely distributed. Upon the basis of this paper, we have received many requests of European Works Councils for practical help. In order to further increase the intervention of worker representatives, we have informed ourselves all the respective European Industry Federation, the very same moment the Commission decided to open a so-called in-depth investigation of mergers.

During the EWC-conference, the ETUC organised in November 2000 in Paris, a special workshop dealt with European Works Councils and mergers. In May 2002 the ETUC organised a seminar in Brussels on mergers and employment and the role European Works Councils should play during a merger control procedure. In the follow-up of this seminar a brochure ("Mergers and acquisitions. Practical guide of the ETUC") was produced in all Community languages and was widely distributed again. Given the importance of the subject, we decided to have a workshop on mergers, acquisitions and the role European Works Councils play during industrial restructurations at the Aarhus conference November 2002.

Apart from informing worker representatives on existing rights, we have made considerable efforts to improve these rights, to have employment considerations built into the merger control regulation and to contribute to a more rational discussion on mergers in the European Union.



Currently the Commission is examining whether the merger has a detrimental effect on the common market and particularly on competition. Consequences for employment, however, do not take any part during a merger control, although mergers always have a considerable impact on employment in the undertakings concerned, and most often jobs are lost. The ETUC alerted public attention that this does not correspond to the obligations deriving from the Treaty. Art. 127.2 of the Treaty of Amsterdam stipulates that "the objective of a high level of employment shall be taken into consideration in the formulation and implementation of Community policies and activities". At the beginning of the debate on the review of the merger control regulation, the Commission was inclined to see art. 127.2 as some sort of philosophical principle, to be respected in general, but of no major importance for merger control policy. Such an interpretation is not covered by the Treaty, which demands for the integration of employment in the formulation and implementation of all community policies, merger control included.

How to build employment considerations into the merger control regulation? During the many meetings we had with representatives of DG competition, the ETUC suggested that this should be done by asking the management of undertakings to evaluate the employment impacts of mergers and acquisitions and to send relevant information to DG Competition. Management shall be requested to enter into negotiations with workers representatives, if the employment consequences are negative. The Commission shall authorise a merger only, if negotiations are going to produce a satisfactory solution for employment.

The deadlines given to worker representatives in the current merger control procedure are too short. Company manage-

ment has sufficient time to plan and prepare for a merger before the approval of the Commission is requested. Worker representatives only have a short deadline to prepare the consultation with the merger control unit. We suggested that the Commission itself should inform the respective worker representation if a company asks for approval of a merger or acquisition by the European Commission and should invite the worker representation for a consultation meeting. Mergers are a problem because of the way in which they are conceived, because the thinking behind is too often and too much dominated by "empire-building". Cultures of industrial relations, company cultures, or cultural aspects in general, are often neglected. To remind management of undertakings of their legal obligation to consult workers representatives on mergers and acquisitions would be a considerable step towards a more sound and healthy planning of m&a.

Quite often a merger, once approved by the European Commission, has important consequences for the structure of worker representations in a company or in the companies, which are going to be merged. The consequence may well be that for a certain period there is no worker representation at all. The Commission should not approve a merger without it being guaranteed that undertakings maintain the worker representatives in office for a transitory period, so that they may accompany the first phases of the merger and lay the foundations for the establishment of a joint worker representation.

In December 2002, the Commission published a new draft of the merger control regulation, as further step in the review debate.



## 10. Europe for all

## 10.1 Social Inclusion

What has happened since its Helsinki Congress, at which the ETUC called for social convergence and set as its objectives the implementation of a platform of basic standards in the area of social protection relating to a guaranteed income for all and a guaranteed minimum pension, as well as the elaboration of guidelines in order to combat all forms of social exclusion and social marginalisation?

It is impossible in the area of social cohesion not to refer to the Lisbon Council, in March 2000, which fixed as a European objective, the fight to eliminate poverty and promote social inclusion. Since then a new European focus has developed, no longer based on elaborating a basic set of common rights, or on convergence, but according to a method, known as the open method of coordination. This consists in:

- defining common objectives at European level ;
- establishing concrete objectives in national plans (national plans for social inclusion) ;
- assessing the implementation of the plans by establishing quantitative indicators and if necessary qualitative indicators, to be examined by peer groups.

The Nice Council, in December 2000, defined four objectives to be achieved, namely :

- promoting participation in employment and access for all to resources, rights, goods and services ;
- preventing risks of exclusion ;
- actions in favour of the most disadvantaged ;
- mobilising all the actors.

In accordance with the decisions taken in Helsinki, the ETUC actions translated this type of approach and context. Thus, in October 2001, the ETUC organised a seminar, which reflected its determination to play a full role in the definition, implementation and monitoring of this policy.

During this seminar, the ETUC developed its policy line and formulated guidelines, which were subsequently integrated in an Executive Committee resolution in December 2001, and published in a brochure (which also contains a summary of the seminar's discussions) entitled "Our priorities, for social inclusion and against poverty". These guidelines were the common thread of the ETUC presentations in the framework of the Social Protection Committee and seminars under the Danish Presidency. They can be summarised as follows:

- The determination of the ETUC and its organisations to participate in all phases of the process, including not only the

monitoring and assessment phases, but also the choice of indicators, by means of a real consultation and dialogue, both at the level of the Social Protection Committee in the case of ETUC and at the level of the relevant bodies as regards its national organisations ;

- The need to ensure that the European employment and the social inclusion policies should be consistent ;
- An evaluation of the activation measures according to criteria of effectiveness, the possible effects of exclusion, the respect of the right to work, salaries and collective agreements and social security rights ;
- Combating the phenomenon of poor workers ;
- The need for an integrated approach, for example if the minimum income is increased, we must ensure that the effectiveness of the measure is not reduced by an increase in rents or a shortage of council housing.

In its actions in this area, the ETUC, in the framework of the specific responsibilities of the different parties, has favoured cooperation with NGOs such as the EAPN (European anti-poverty network), ATD-Quart-Monde, FEANTSA (European Federation of Homeless People) and EDF (European Disability Forum), more particularly in the evaluation of national plans for social inclusion, with a view to formulating common criticisms to the institutions.

The Social Council of December 2002, reiterated the Nice objectives, by emphasising two aspects, notably the importance of inclusion and gender mainstreaming, and the need for increased attention to be paid to migrants and ethnic minorities.

For the ETUC, enlargement represents a new challenge in the fight against poverty, since in comparison with the EU, these countries not only have more poor workers but are also characterised by less marked inequalities in terms of wages. It will be necessary to rethink, according to this new order, the European strategy for social inclusion.

Finally, during this period, the IGLOO project was finalised. In 1995, a cooperation agreement had been signed between the CECODHAS (council housing organisations), the FEANTSA (help for homeless people) and the ETUC. This agreement translated the determination of the three organisations to act together to coordinate their capacities for action, to put in place practical solutions according to the means available, to analyse the causes and to influence political decisions in order to combat social exclusion.



In the field, this willingness to cooperate resulted in the creation of networks between the three partners, at national and European levels, as well as the implementation of a research-action financed in the framework of article 6 of the European Social Fund, and named IGLOO (for global integration through housing and employment). This focused on the evaluation of actions in the field in which the partners had arranged a financial package in order to allow homeless people or badly housed people, who were also out of work, to have access to housing, an income, training and a job.

The IGLOO project is an illustration of ETUC's participation in the European strategy for social inclusion. We have progressed from the stage of simply participating in a project to participating in a more global strategy. However, it must be recognised that the IGLOO project highlighted the need for an integrated approach, in particular concerning access to fundamental rights, as well as the need to mobilise all the actors. These are two objectives of the strategy put in place today to promote social inclusion. One aspect raised by the IGLOO project, and which is worth special attention, concerns the use of social clauses when public procurement contracts are awarded by local and regional authorities. Support for the use of social clauses is far from unanimous in the implementation of the European strategy in favour of social inclusion. We will therefore have to continue to work on promoting this aspect.

## 10.2 Immigrants and Minorities

Today, thanks to the Treaty of Amsterdam, the European Union has competence in the area of immigration and asylum, while the Tampere Council, of October 1999, drew up the outlines of such a policy. The actions undertaken by the ETUC must be seen against that backdrop. The ETUC drew up policy guidelines in this area and gave its opinion on the different legislative proposals on this subject. However, the Commission's actions are fragmented, spread between different DGs: the Justice and Home Affairs DG which manages the overall policy, the Employment and Social Affairs DG which is responsible for combating discrimination and the European employment strategy and social inclusion, the Development DG and the External Relations DG.

In addressing the question of immigration, the ETUC, over and above the fragmentation of the Commission's policy, has constantly linked immigration and the combat against discrimination based on ethnic origin or nationality, especially on the labour market. In other words, illegal immigration cannot be reduced and migratory flows managed without, at the same time, effective measures for the integration of third country nationals, which requires, first of all, combating discrimination and break-

ing down the mechanisms of segregation on the labour market. The current situation, however, reflects contradictions and ambiguities. The first is that of an EU, which calls for more foreign labour, while ignoring those working on its territory without papers, as well as the very high level of unemployment among third country nationals in comparison with Community nationals, in particular among 'second generation' young people.

The second contradiction lies in the fact that the EU places a strong emphasis on the protection of its external borders, trying to turn back potential immigration candidates, by combating the traffic in human beings, while however making aid to third countries conditional on agreements for re-admission of their citizens, without giving itself the means, on its territory, to ensure true equal treatment between Community nationals and third country nationals, even in the case of those who reside and work there legally.

This observation is the common theme linking the ETUC positions on EU policy. Nevertheless, a distinction must be made between the Commission's action and that of the Council. Faced with the latter, the ETUC has called for decisions to be finally taken on legislative proposals.

Two resolutions were approved on this subject by the ETUC Executive Committee.

As regards the fight against discrimination based on race and ethnic origin, an important step forward has been achieved with a European law on this subject. A legal instrument to combat discrimination based on nationality is lacking, even if for certain high-level public functions, some protection can be accepted. In this context, but also in the spirit of the Florence Declaration of the social partners of 1995, and following the ramifications of the 2001 Durban world conference against racism, the ETUC launched an initiative designed to multiply collective agreements, at different levels, on this theme, supplementing and/or improving legislation. In addition, it has taken the lead in having this subject included in the work programme of the SP for the social dialogue.

All this is part of a wider-ranging project, designed to put our own house in order, by ensuring that trade union organisation include more migrant workers and second-generation immigrants among their members and on their decision-making bodies. To that end, a first stage involves exchanging experiences and producing a study collecting data on this subject, by spotlighting best practices. A second stage will be to draw up an action plan based on the study.

During 2003, after the Congress, two national seminars will be organised to discuss its implementation in the national confederations.



## 10.3 Disabled persons

The integration of disabled people into the world of work has been an ongoing objective involving long-term actions by the ETUC and the trade unions, since although the ETUC is today a major actor in the integration and retention in employment process for disabled people, it should be noted that this has not been achieved by magic and that in the beginning it was far from obvious.

This awareness and mobilisation, initiated by the London Seminar (1993) and the Manchester Seminar (1995), were pursued over the following years and, in particular, since the last Helsinki Congress in July 1999, according to three main lines.

First of all, internal initiatives:

Several initiatives were launched in the framework of these objectives, by the ETUC, in particular:

- the organisation of a seminar, jointly with European Disability Forum (EDF) under the Portuguese Presidency, in Lisbon in November 2000, on the theme of education and training as factors for the integration of disabled people;
- the ETUC also co-organised with IG-Metall, in particular, a European seminar which was held in Oxford in September 2001, intended to define European social standards for disabled people;
- and, in the framework of the preparations for "2003, European Year of People with Disabilities", the ETUC organised a technical seminar in Barcelona in September 2002 to mobilise members and develop the trade union campaign material. Following this seminar, a campaign poster and a brochure setting out the key elements which should appear in a specific directive on disablement (intended to follow-up the framework directive of November 2000) were produced;
- in March 2003, jointly with EDF, the ETUC will organise, with the support and in the premises of the CEDEFOP, a new seminar on the training and rehabilitation of disabled workers.

Then, at European institutional level :

The ETUC has always been aware that if discrimination towards disabled people remains a major problem, any measures taken,

will only be effective if they are accompanied by other legislative type measures against prejudices.

Thus, re-iterating a demand dating from 1995, the ETUC, at a joint seminar that it organised with European Disability Forum in March 2000 in Lisbon, called for a European directive against discrimination. This was accomplished in November of the same year.

But the ETUC, in liaison with its partner EDF, continued its mobilisation campaign to call for the Commission, during the European Year of People with Disabilities, to present a specific directive for disabled people.

Finally, with the other partners:

The ETUC is convinced that in order to meet the challenge of integrating disabled people actions should be carried out jointly in a complementary way.

Thus, at the level of the social dialogue, the ETUC obtained the updating of the Cologne Declaration of the social partners. This new Declaration of the ETUC, UNICE/UEAPME and the CEEP was produced for the ceremony to launch the European Year in Athens on 26 January 2003. Despite some reluctance at European level, initiatives have been taken at national level to promote this integration of disabled people into the workplace.

As regards the organisations representing disabled people, a fruitful partnership has developed, both at European and international level. A very strong partnership at European level has been developed with the European Disability Forum.

In addition, the ETUC participated actively in the Congress of the FIMITIC (International Federation of People with a Physical Disability) which was held in Prague in October 2001, on the theme of "Equal employment opportunities for disabled people".

Likewise, the ETUC participated in the Conference, which was held in Brussels on 5 December 2001, and organised by the Belgian Presidency of the European Union on the same theme.

However, a lot still remains to be done in order to overcome all the obstacles of prejudice and discrimination which still exist in our societies and which are obstacles to the integration of all into society, including into the world of work.



## 11. One Europe

## 11.1 The Enlargement Process

Three objectives are at the heart of the cooperation with the affiliated organisations of the candidate countries, namely:

- to reinforce the integration and participation in all the ETUC structures and the work on the challenges of enlargement in the key policy areas of the ETUC;
- to consolidate the influence of the affiliated organisations on the membership negotiations in the areas which affect in particular the trade unions interests;
- to concentrate the instruments available on the most relevant themes of social policy and society.

One example was the stormy debates on the freedom of movement of workers after accession. The ETUC attached considerable importance to reaching an acceptable compromise between the extreme positions defended initially ("immediate introduction of freedom of movement without any transition period" or "introduction of freedom of movement subject to the level of income which must correspond to at least the current lowest EU income level"), since it was important at this stage to demonstrate the Confederation's bargaining capacity in a controversial dossier.

Fears regarding possible substantial negative effects on the labour markets in the current Member States were expressed (and continue to be expressed), mainly in the States with borders with the candidate countries (Austria and Germany), and more specifically, in their cross-border regions. The public debate on freedom of movement is still highly emotive and, consequently, unrelated aspects are associated in people's minds (including among trade unionists) and this is an obstacle to a rational debate (free movement of workers, asylum rights, undeclared employment). The trade unions have had difficulty overcoming this problem. The discussions within the ETUC have been complicated, all the more so since affiliated organisations have sometimes taken decisions, probably under the pressure of their public opinion, before a common, consistent position could be reached within the ETUC. Moreover, certain factors have been ignored, such as gains in labour market share of the current Member States on account of the corresponding trade surpluses to the detriment of the candidate countries, or the experience gained in the introduction of the freedom of movement at the time of enlargement to the South, even if that can only be used to a limited extent. The debates at that time were also particularly emotive. In reality, the enlargement to the South did not result in job losses, which could be attributed to the free movement of workers. Transitional periods had nevertheless been applied.

After a wide-ranging debate and in-depth consultations, notably in the group on enlargement, a compromise proposal was formulated, which was approved by the Executive Committee. The keystone of the resolution is as follows: "If transition periods seem essential, they must be as short as possible and be treated with flexibility."

In substance, the fruit of the accession negotiations on the freedom of movement corresponds to the main thrust of this decision. Certain Member States have already declared that they would not call for any transition period.

The social dialogue played a key role in the accession negotiations. The level of social dialogue reached, as regards in particular the relations between the public authorities and the social partners, frequently did not satisfy the requirements of European criteria. The governments tried to avoid these requirements by a semblance of dialogue or formed tripartite bodies in which no serious consultation or negotiations could take place. In one case, an efficient "trilateral model" was replaced by a series of non-binding forums, which were further watered down by the "addition" of organisations incapable of playing the slightest role in the social dialogue.

In numerous cases, it was possible to resolve the problems, which arose in this regard thanks to the smooth functioning of the exchange of information between the ETUC Secretariat and the affiliated organisations. Pertinent comments and observations were communicated to the European Commission in order to allow the negotiators to build up a realistic idea of the actual situation. It is important to note that the Commission tried to establish a direct contact with the social partners in the candidate countries. In certain cases, the level of development of the social dialogue remains insufficient. Permanent supervision by the Commission and an ongoing exchange of information within the ETUC are primordial in this regard.

Furthermore, it is important to note that the ETUC members from the candidate countries are involved by branches in the activities of the European social dialogue and that a decision of the Executive Committee is thus duly respected.

Changes in labour law are of special concern. Although there is no European labour law, labour standards are nevertheless in force, which are undeniably an integral part of the social model and must therefore also be applied in the accession candidate countries. Certain governments impose in an authoritarian way, most often without any consultation or negotiation with the trade unions, the essential elements of labour law: de facto dismantling of the protection of workers in the case of redundancies, increased labour market uncertainty as well as the weakening of the representation of trade union and profes-

sional interests. They use as an excuse in this regard, without any justification whatsoever, accession to the European Union or the opinion of the World Bank and the International Monetary Fund. The changes in labour law in the candidate countries are particularly spectacular, but similar shifts can also be observed in certain EU Member States. At a conference organised on this subject by Netlex, the ETUC legal network (Brussels, October 2002), in which the trade union partners of South-East Europe and the non-European Mediterranean Basin also participated, this problem was examined in-depth and bases were established for more effective cooperation ahead of common actions.

As concerns the operating method of the ETUC, it is important to highlight the particularly positive role of the national trade union integration committees, which operate in all the candidate countries of Eastern and Central Europe (except for Bulgaria), and even since 2002 in Turkey. These committees are placed under the authority of the respective affiliated organisations (it is to be noted that, in countries where there is trade union pluralism, the committees guarantee the cooperation between the federations affiliated to the ETUC with regard to integration). The role of the ETUC Secretariat consists in providing material support, disseminating information and networking the committees in order to ensure the indispensable exchange of information and experiences. The committees have produced an important number of comparative studies on relevant themes, some have an Internet site and their own publications, and they are increasingly appreciated as working partners by the national bodies of the candidate countries and EU diplomatic circles.

Conversely, the working party on integration has mainly fulfilled its role as a forum for exchanges, since the participation of the affiliated organisation in the decision-making and working structures of the ETUC has reached a stage at which a permanent working group has become superfluous.

Three of the four affiliated Turkish organisations also currently have a trade union national integration committee (with, as in the candidate countries of Central and Eastern Europe, a full-time coordinator and a permanent secretariat). Pursuant to a decision of the Executive Committee, an important project financed by the EU (which will finish at the end of 2003) has been put in place to allow the Turkish federations to make long-term preparations for the integration of Turkey and to devote part of the trade union work of providing information and training to this theme. The ETUC has affirmed on several occasions (in particular through a courageous decision of its Executive Committee) the right of Turkey to accede to the EU and insisted on the importance of the integration process for the democratisation and modernisation of Turkey.

The Cyprus situation is still complex. The island's political division and the obstacles erected by the administration of the North prevent in-depth cooperation between the Cypriot trade unions grouped together in the Pan-Cypriot trade union forum. The ETUC has supported the work of this forum and organised a meeting in Brussels between the coordination committee and high-level representatives of the European institutions. The Pan-Cypriot trade union forum embodies the commitment of the majority of the island's population to reunification and common EU membership. It is important to highlight in this regard the key role of the trade unions of the North of Cyprus in the mobilisation of the population in favour of resolving the Cypriot problem and EU membership.

## 11.2 The Balkans

As soon as the Stability Pact for South-East Europe was adopted, the ETUC set up, in cooperation with the ETUC Forum in the Balkans, an organisational framework intended to promote cooperation with the trade unions of South-East Europe. It has the following missions:

- to consolidate and intensify the role of the trade unions in the Pact's structures;
- to develop regional cooperation projects for the purpose of reinforcing the social dimension;
- to participate in and support the projects of the trade union partners at national level and European trade union federations

The ETUC Forum is represented with consultative powers within the Working Group II (Economy). Relations with regard to the Pact's structures have been deepened on an ongoing basis. The forum is represented in all the Pact's activities concerning questions of social policy. It is also consulted when the Pact's economic reform programmes are defined.

With the help of financing from the Swiss Development Corporation, a two-year project was launched in 2002, intended to set up a network of legal advisers and is linked to the ETUC Netlex network.

With a view to enhancing the position of the social partners in the Stability Pact, the Forum has tried to develop cooperation with the International Organisation of Employers (IOE). To that end, an ordinary consultation and cooperation process has been set up.

Also of note during the period under review were the support provided to the trade unions in Kosovo to help them reconstruct



trade union structures, and the integration of the trade union federation of Kosovo in the multilateral activities of the ETUC and the Forum on the Balkans.

### 11.3 The Council of Europe

The Council of Europe has considerably enlarged its representativeness in recent years, since it now has 44 States among its members. The Council of Europe relies on its mandates in order to promote all aspects of the rule of law, including fundamental rights and social rights.

The relations between the Council of Europe and the European Union have been put on an institutional footing, but despite the ETUC's efforts, the social dimension is only treated to a limited extent and the European Union has been slow to recognise the interest of the instruments promulgated by the Council of Europe (European Convention of Human Rights; revised European Social Charter, European social code, etc), in particular in the preparation of its enlargement.

The ETUC is the only interprofessional trade union organisation recognised by the Council, where it has had a representative mandate since 1973, as well as the ICFTU and the WCL.

The ETUC sits with employee organisations on the Liaison Committee with the social partners and participates as an

observer, with the right of speech, in the Conferences and ministerial meetings of the Council of Europe.

The ETUC focuses above all on the control of the application of the revised European Social Charter and on the use of the collective complaints system.

To that end, the ETUC participates as an observer along with employees in the Governmental Committee of the Charter, which makes decisions on the basis of reports of the Committee of Experts. The ETUC is also involved in the investigation of collective complaints.

However, the smooth functioning of these various instruments suffers from the fact that a certain number of Member States have not yet ratified them and from the trade union point of view, from an inadequate involvement of the national trade union organisations in the process.

More recently, the Council of Europe set up a Social Cohesion Committee, which also includes the social partners.

The ETUC is endeavouring to reinforce the work of this committee above all to improve the use of the Council's instruments in the area of social security. The ETUC has benefited from projects in this area in its programme of information and training for affiliates in the Eastern and Central European countries.

The ETUC participated in the revision of the European Social Charter with a view to affirming a right to health protection.



## 12. The future of the European Union

## 12.1 The Charter of Fundamental Rights

The promotion of fundamental rights in Europe is one of the major ETUC priorities, as was confirmed in the general resolution adopted at its 9th Congress in 1999 in Helsinki. Moreover, it has pursued this objective at all stages of the discussions and mobilisation with regard to the Charter of Fundamental Rights.

From the outset, our position has been based on three key points:

- The indivisibility of all civic, political, economic, social and trade union rights;
- The integration of the Charter of Fundamental Rights in a binding way in the EU Treaties;
- The affirmation of trade union rights as the “fifth freedom” of the single market, without any restrictions.

Since the Helsinki Congress and the resolution on “The integration of fundamental civic, social and trade union rights in the EU Treaties”, adopted by the Executive Committee in September 1999, the actions pursued by the ETUC can be divided into three major stages in terms of mobilising trade unionists and citizens:

- In 2000 it launched the campaign entitled “Fundamental rights: the heart of Europe”, with a view to stimulating the work of the Convention supposed to draw up the text of an “EU Charter of Fundamental Rights”.
- A campaign to raise awareness and mobilise the actors in the period following the Nice Summit, which had adopted the Charter but without giving it any binding character, up to the Laeken Summit, where the ETUC reiterated the need for the Charter to become the cornerstone of the new European constitution.
- The ongoing demands to this end within the Convention on the future of Europe, as well as a vast campaign in all the Member States and in the candidate countries.

### The campaign : “Fundamental rights: the heart of Europe”

In March 2000, the ETUC launched an information campaign which was intended to increase awareness. This campaign, entitled “Fundamental rights: the heart of Europe” was carried out in co-operation with the European Platform of NGOs from the social sector and with the support of the EU. A final evaluation and monitoring conference was held at the beginning of September.

A campaign document “Fundamental rights: the heart of Europe” was drawn up by a joint think-tank. This document focused on the general principles, as well as on explicit fundamental rights, programmatic rights and rights in the European Union’s external relations.

At European level, trade union actions focused above all on the organisation of the Euro-event in Porto (19 June) which brought together, on the eve of the Feira Summit, more than 50,000 participants. The action was repeated on 6 December in Nice ahead of the European Council.

The implementation of national campaigns nevertheless represented the central point of the trade union actions. Between April and August 2000, numerous joint initiatives were carried out in each Member State, in particular through conferences promoted by the trade unions and NGOs of the European platform.

The ETUC enlarged the initiative to the trade unions of the candidate countries, with a series of meetings in all the Eastern-Central European countries. A final conference in Bratislava (11-12 October 2000) was held with the trade unions of the 13 candidate countries on social and trade union rights from the point of view of enlargement.

### Trade union mobilisation from Nice to Laeken

Following the conclusions of the work of the Convention (October 2000), the Executive Committee adopted a resolution, which acknowledged the project adopted as “an important step forward towards a social Europe and a citizen’s Europe”, while emphasising the limits and restrictions which still existed in the text. While recognising that the “priority rights whose inclusion the ETUC has proposed are now broadly included in the Charter, including trade union rights”, the resolution deplored the fact that, on the other hand, other rights included in the Revised European Social Charter had not been taken into consideration.

The trade union Euro-event, organised on the eve of the Nice European Council, and which mobilised almost a hundred thousand workers from all over Europe, called for the legal incorporation of the Charter in the Treaties as a principal demand of the trade union movement. Following the results of the Summit, which restricted itself to proclaiming the Charter without giving it any formal status, the ETUC Executive Committee of 13-14 December, denounced “the treatment given to the Charter”, and reiterated its demand for “a constitutional pact ... of which the improved Charter of Fundamental Rights ... would be an integral part”.



The fact that - despite its non-binding nature - the Nice Charter has been used as a reference for several rulings of the European Court of Justice, has confirmed the importance of its monitoring, as called for by the ETUC, which has moreover reiterated this demand at every possible opportunity with the help of its Netlex network.

With a view to achieving an integrated, complementary application of the major international references for social rights, the ETUC has continued, alongside its action in favour of an "improved" Nice Charter, to promote the ILO Conventions and the Council of Europe's revised Social Charter.

Ahead of the Laeken European Council, the ETUC Executive Committee recommended (October 2001) that, in the reform process announced on the future of Europe, "the EU Charter of Fundamental Rights, including transnational trade union rights, should become legally binding and be integrated as a cornerstone of the European constitution".

### The Charter in the European Convention

From the outset, the ETUC was in favour of the setting up of the Convention on the future of Europe and has fully supported its work, especially given its status as an official observer within this forum. The Confederation subscribes to the need to produce a European constitutional treaty and considers that, in particular, the inclusion of the Charter of Fundamental Rights is an essential cornerstone in the construction of a political and social Europe in the strict sense of the term.

The resolution "A Constitutional Treaty for a Social Europe and a Citizen's Europe", adopted by the Executive Committee of 9-10 October 2002, stressed that the European Union's Charter of Fundamental Rights is an important cornerstone for the adoption of a European constitution. Consequently, the ETUC reiterated its recommendation that the Charter, despite the shortcomings which remain, "should be instantly integrated as a cornerstone of the European Union's constitutional treaty in a legally binding way".

The said resolution also called for "the Member States to be obliged to subscribe to rights equivalent to those in European and international instruments" and recommended the EU to "adhere to the ECHR".

Finally, with regard to transnational trade union rights and the fact that their inviolability would seem to be called into question by article 137.5 of the ECT, the ETUC emphasised the need to delete in the said article "the reference to the right of association and the right to strike".

The ETUC has clearly asserted its position in favour of the insertion of the text of the Charter at the beginning of the constitutional treaty, following the example of the vast majority within and outside the Convention.

On the other hand, the ETUC remains vigilant concerning the fact that certain adaptations to the Charter's general provisions could prevent the process evolving in a sufficiently dynamic way.

## 12.2 The European Convention

The Future of the EU has been a top priority issue for the ETUC, and it has been an ongoing, constantly center stage activity in the ETUC throughout the Congress period related to the official agenda of the EU. First in 1999-2000 with focus on the Nice IGC, paving the way for the EU enlargement, although in a minimalist sense with respect to the treaties. And in the same context, in parallel, the first Convention elaborated the EU Charter of fundamental rights. Next step was the Nice summit Future of Europe declaration in December 2000, recognising the need to fundamentally review and reform the treaties to bring the EU closer to its citizens and to make EU more efficient and democratic and able to meet the future challenges. The activities in 2001 therefore focused on the setting of the agenda for this constitutional treaty reform; a process concluded with the Laeken declaration in December 2001, setting up a Convention with the task of reforming the existing treaties. Since the start of the work of the Convention in the Spring 2002, the ETUC activities have been geared to match to work of the Convention and its three step working schedule: the listening, discussion and drafting phases. If the international situation (Iraq) does not overthrow the calendar, the Convention is expected to conclude its proposal for a Constitutional treaty in Mid-2003, i.e. just after the 10th ETUC Congress in Prague. This opens the possibility for convening the IGC, as prescribed by the treaties, to finalise the preparation for the signing of the new Constitutional treaty in Rome in December 2003. The final, and crucial, step in this process will then be its ratification by the Member States, which would make it possible to have the new Constitutional treaty in force in time for the enlargement taking effect in April 2004 and for the next general elections to the European Parliament in Mid-2004. Other scenarios in discussion builds on awaiting the enlargement to be realised before concluding the treaty reform procedure and would therefore obviously lead to a delay. Anyway, the Future of Europe issue will continue to be high up on the agenda of the ETUC activities also in the period after the Prague Congress.



Based on the Helsinki Congress, calling the ETUC to press for a conference reforming the institutions with the aim of a "Constitutional Pact" to increase democracy and the efficiency of the EU and the integration process in view of the enlargement, ETUC has supported, strongly and actively from the outset, the Future of Europe reform process to take off and move ahead. And ETUC has been a very active participant, as a European stakeholder, in all these different stages of the Future of Europe discussion and decision making procedures in the Congress period.

The ETUC positions and proposals at the different stages during the Congress period, (Charter Convention, Nice IGC, Laeken Declaration, Constitutional Convention), have been established by the ETUC Executive Committee on the basis of the ETUC Helsinki Congress resolutions and so to a large extent long-standing ETUC positions as regards the principal objectives such as the support for a constitutional treaty. Focus has for obvious reasons been the key trade union priorities, and ETUC has, consequently, followed a policy driven approach (contrary to the more traditional institutional approach). The key ETUC priorities vis-à-vis the Constitutional treaty are:

- a) The incorporation of the EU Charter of fundamental rights as a cornerstone and in a legally binding manner;
- b) To anchor the framework conditions allowing for a European system of industrial relations (i.e. transnational trade union rights and social partner autonomy) and applying the principle of 'horizontal subsidiarity' reinforcing the role of the social partners, including a "European social partner council";
- c) To build a Social Union with European Economic Governance;
- d) To safeguard and promote Services of General Interest;
- e) To strengthen the Unions capacity to act as a global actor

Furthermore, the ETUC stresses the need to get more democratic and efficient EU procedures and institutions. It is likewise also an obvious priority for the ETUC to ensure that the present EU competencies in the social policy area are kept without any reduction, in order to achieve a more and not less social Europe.

In order to facilitate the preparation of the Executive Committee positions at the consecutive steps of the developing Future of Europe agenda an Ad-hoc working group with the participation of all affiliates have been meeting regularly during the Congress period. In addition several seminars and conferences have been held. The Ad-hoc Future of Europe working group has as well

served to exchange of information and co-ordination of initiatives and campaigning at European and national level. The ETUC internet home page has been used as a further tool to optimise the active role of the European trade unions, including vis-à-vis the public. ETUC also has benefited from the co-operation with the European social Observatory.

It was a major breakthrough that the ETUC, as a social partner, got observer status in the Constitutional Convention. Both in respect of having the opportunity to contribute directly to the work in the Convention and as a recognition of the co-regulatory role of the European social partners. ETUC has participated in all meetings of the Convention, including the working group activities; and has had permanent close contact to the EP and the other institutional players. Especially important was the setting up, finally, of the working group on "Social Europe", as ETUC called for actively to address to key social reform demands. ETUC, in its capacity as observer, contributed to discussions in the meetings of the plenary and working groups, as well as submitting written contributions, including amendments, to the drafting procedure of the Constitutional treaty.

ETUC also has further developed its relations with the main civil society families (social, human rights, environment and development) and ETUC has been an active partner in the civil society contact group, including in the campaigning with the aim to support the common strive for obtaining a constitutional treaty for a social and citizens' Europe.

It is at present (beginning of 2003) still too early in the process to assess to which extent the ETUC main proposals will be incorporated into the new Constitutional treaty; it at least, nonetheless, can be noted, that the development both in general terms and as regards concrete proposals shows important headway, whereas the window of opportunity so far has not been closed for any of the ETUC key priorities.

The value of being an active observer has confirmed itself. It is also confirmed once more that the broadly founded European proposals, established by the ETUC competent bodies, represent a progressive, mainstream line in view of finding consensual solutions for the issues addressed. At the same time, however, the experience also underlines the necessity of active campaigning to build up public pressure and to seek alliances; it will therefore be important to continue the cross-European campaigning also after the Prague Congress to the very end of the process to meet the ultimate goal to "make Europe work for the people".



## 13. Europe and the world

### 13.1 Trade negotiations

A new round of world trade negotiations was launched in November 2001 at the Doha Ministerial meeting of the World Trade Organisation, an earlier attempt having failed at the Ministerial meeting in Seattle in 1999. The round, or 'Doha Development Agenda', is due to be concluded by the end of 2004; the Cancun Ministerial meeting in September 2003 will review progress on the negotiations.

The ETUC was present in Seattle and Doha, both as an observer within the European Commission's delegation (along with other NGO members of the Commission's contact group with civil society) and as part of the international trade union delegation.

Throughout the period, the ETUC has organised at least annually meetings of the trade policy working group, and has participated actively in trade meetings organised by the ICFTU at which of course many ETUC member organisations have also been present.

Every two months or so, the European Commission has organised in conjunction with its contact group with civil society (of which the ETUC is a member) 3 or 4 days of briefing meetings on different aspects of the negotiations. These meetings are open, and the ETUC and some representatives of member organisations have regularly attended. The ETUC has had regular discussions with Pascal Lamy, the Commissioner for Trade policy, who also addressed the Executive Committee in October 2000.

The key policy issue for the ETUC, as for the international trade union movement, has been to make progress on the respect of core labour standards (CLS). This issue dominated Seattle but the unwillingness of certain countries to see links established between trade and the respect of these standards contributed to the break-down of the meeting. In July 2001 the Commission issued a communication on the promotion of labour standards. In view of the failure of the Commission's call to the Seattle meeting to agree to the establishment of a WTO Standing Working Forum on trade, globalisation and labour issues, this communication concentrated on other ways of promoting labour standards, such as through the International Labour Organisation, EU bilateral trade agreements, the OECD's guidelines on multinational enterprises, social labelling and corporate social responsibility.

The ETUC agreed on the need to use all possible avenues to promote CLS, but in its pre-Doha statement in September 2001 the Executive Committee continued to insist that the WTO also had to act. Unfortunately, again very little progress was made, with the final communiqué just recalling the 1996 Singapore declaration on CLS (which had reaffirmed the commitment of WTO members to the observance of CLS but without setting up any

mechanisms for promoting this). The ETUC said that the Doha failure could undermine popular support for the open trading system, and insisted that the issue of CLS, and the ETUC's support for them, was not going to go away.

In meetings of the trade working group and in the Commission's civil society briefing meetings, the ETUC has also sought to follow other issues in the negotiations. At the working group meeting in September 2002, six issues were identified as ETUC priorities in the run-up to Cancun: CLS, services, agriculture, the environment, investment, and development.

A joint ETUC-ICFTU-WCL declaration on services was made in May 2002. In brief, this stressed that public services (above all, education, health and essential public utilities) should be excluded from the negotiations (conducted in the context of GATS), that the EU should not make any commitments that could undermine or force the privatisation of Europe's public services, and that Europe should not put any undue pressure on other countries which might lead them against their will to undermine or privatise their own public services, essentially to the profit of multinational companies. In response, Commissioner Lamy said that the Commission had no intention to promote or request privatisation of public undertakings, that the Commission fully shared the importance citizens in Europe attach to maintaining and developing public services, that GATS did not oblige Members to deregulate public services, and that on health and education the EU would not make any requests to developing countries nor make any offers.

With regard to agriculture, the ETUC is working closely with the EFFAT, which had recognised that developing countries needed more access to the markets of the richer countries, that the problems caused by EU export refunds had to be tackled agreed, and that agricultural policies had to promote rural development, the environment, food quality, and social and not just market objectives.

On investment, the ETUC is working with the internationals on preparing a joint position covering the following points: the negotiations should only deal with Foreign Direct Investment; countries would be free to decide which sectors to open or not to open; public and not-for-profit sectors should be exempt; the right of host countries to regulate in the public interest should be recognised; there should be no investor-to-state dispute settlement procedure; and investors' responsibilities, and not just their rights, should be laid down (which should include the respect of CLS, the incorporation the OECD's guidelines on multinationals, commitments not to lower domestic standards to attract investment; the right for host countries to impose controls on capital inflows; and precedence of multinational rules over bi-lateral investment agreements).

### 13.2 The Promotion of Social Standards

The ETUC has always considered that it is its responsibility to take action in order to ensure that human rights, in particular social rights, are integrated in the increasingly numerous cooperation agreements concluded by the European Union with other regions and third countries. In 2002, the Commission published a communication which established a general framework for a more active, consistent policy to that end. The cooperation between the European Union and the ILO, strongly advocated by the ETUC, should thus be reinforced. However, that requires urgent action to be taken by the EU Member States to ratify a whole series of Conventions, which have not yet been ratified.

Moreover, the European Union has an important instrument to implement this policy, namely the general preference system. Already in 1995, the GSP had provided for a clause referring to the prohibition of forced labour, as a result of which, following trade union pressure, Burma (Myanmar) was excluded from the benefits of the system.

Later, incentive clauses designed to eliminate child labour and to ensure the respect of trade union rights were added to it; the countries undertaking to respect the relevant ILO Conventions can benefit from supplementary export quotas on the European market.

Acting jointly, the ETUC, ICFTU and WCL intervened on several occasions in the application of these clauses either to contribute to preliminary investigations (Pakistan, Sri Lanka, Moldavia), or to call for the exclusion of certain countries (Ukraine, Belarus) following permanent violations of trade union rights. The new GSP regulation (2002-2004) takes into consideration the 8 fundamental ILO Conventions. This is a positive development, despite the fact that there are no explicit provisions concerning the possibility for the trade union movement to lodge a complaint against defaulting countries, as this possibility remains in the area of the usual relations between the trade unions and the Commission.

Finally, the European Union launched the initiative "Everything except arms" allowing free access to the European market for products of the poorest countries (LDC). While supporting this initiative, the ETUC called for these countries to be able to benefit from an EU fund for social development aimed at the primary needs of their population.

### 13.3 International Trade Union Relations

During the period, the ETUC continued to maintain regular contacts and consultations with the ICFTU and the WCL in areas of common interest. In other parts of the report, reference is made to joint initiatives.

The ETUC was represented at the 17th ICFTU Congress in Durban (April 2000) as well as in a number of other world events organised by this Confederation.

Joint presentations were made to the European authorities (often also with WCL) in the case of violation of trade union rights in countries having association Treaties with the EU.

The ETUC took part in the 25th WCL Congress in Bucharest (October 2001) and in other activities of this Confederation.

With TUAC, cooperation continued as usual with the ETUC attending plenary sessions and other relevant invitations, particularly the Annual Trade Union meeting in relation with the G7/G8 Summits. Regular contacts have been held with the Nordic Trade Union Council (NFS).

In particular, no new initiatives were taken in the framework of the Transatlantic Labour Dialogue although contacts were kept with the AFL-CIO on the occasion of international gatherings.

The ETUC took advantage of the EU-Japan exchange programme in the area of social and employment policy. This helped to further develop relations with RENGO (Japan). The ETUC took part in initiatives in the framework of Asia-Europe relations (ASEM).

Finally, the ETUC has been attending the Annual ILO Conferences, on an Observer capacity and has been a partner in a number of ILO sponsored initiatives in Central and Eastern Europe.



### 13.4 The Cotonou Agreement

In June 2000, a partnership agreement was signed between the European Union and 77 African, Caribbean and Pacific countries (ACP). This Cotonou Accord replaces the four successive Lomé Conventions (1975 – 2000).

From the outset, in this regard, there has been structured trade union cooperation, on the basis of a permanent ETUC, ICFTU, WCL working group.

This group allowed the trade union movement's views and demands to be conveyed to the European authorities and the ACP Secretariat on an ongoing basis throughout the negotiations.

The resulted in significant progress, as reflected in the changes integrated in September 2000 following the group's representations: the participation of non-State actors, including the trade unions has been recognised; explicit reference to the ILO fundamental rights; social and sustainable development objectives have been adopted; the political dialogue has been affirmed. On the other hand, the trade unions still have several concerns. The agreement is too focused on free trade options rather than on development cooperation and the potentially high-risk integration of the ACP countries in world trade neglects such areas as debt and structural adjustment.

Furthermore, the ETUC, ICFTU and WCL group expressed its fears concerning the willingness and capacity of the governments concerned to apply social objectives as well as participative methods. These fears have been confirmed by the survey carried out by the CISL and WCL among their members in the ACP countries. The group has made representations to the Commission and the ACP Secretariat on this important issue.

The so-called economic partnership negotiations (integration of the ACP in the WTO) having started, the ETUC, ICFTU and WCL group published in December 2002 a declaration setting out the conditions envisaged by the trade unions in order to ensure that the development of trade contributes effectively to social development.

On the occasion of the first Europe-Africa Summit held in Cairo in March 2000, the ETUC, ICFTU and WCL called on the Heads of State and Government to implement reforms and urgent action to attack the poverty and inequalities from which African populations suffer. The preparation of a trade union initiative with a view to the second summit planned for Lisbon in April 2003 has been put on hold on account of the postponement of this Europe-Africa summit.

### 13.5 The Euro-Mediterranean Trade Union Forum

The Euro-Mediterranean Trade Union Forum founded in the Spring of 1999 at the ETUC Stuttgart conference, in cooperation with the ICFTU, was intended to constitute a minimum institutional basis for the establishment of trade union relations in the framework of the Barcelona process. It brings together the trade unions of the partner countries of the Barcelona process, as well as the organisation affiliated to the ETUC. This forum is coordinated by a committee composed of European and non-European members in equal numbers and a representative of the ETUC and the ICFTU, and also includes the International Confederation of Arab Trade Unions (ICATU) and the Union of North African Trade Unions (USTMA).

The massive participation in the Stuttgart Conference (which was attended by all the Arab trade union partners, including the Palestinian PGFTU and Israeli Histadrut) had aroused the hope that the conditions could be met for solid cooperation.

That hope had however proved illusory. The conflict in the Middle-East has nipped in the bud all attempts to implement concrete projects on important trade union themes.

At the 2nd conference of the forum, at the end of 2000 in Marseilles, the Arab partner organisation were well and truly present, but they boycotted the event on account of the participation of the Histadrut. The PGFTU representatives had not received the necessary authorisation from the Israeli authorities to leave the territory. The conference, in which only the organisations affiliated to the ETUC in Europe participated, adopted a resolution on the conflict in the Middle-East, which recognises not only the right of the Palestinians to their own sovereign State but also the right of Israel to a secure existence.

The analysis of the situation in Marseilles led to the following conclusions:

- The organisation of major representative public conferences is counter-productive in the current circumstances. It submits the objective of trade union cooperation to outside political influences. It is important to take into account in this regard the fact that the trade unions of the countries involved directly or indirectly in the Middle-East conflict are exposed to political factors, which limit considerably their room for manoeuvre ;
- The policy decisions of principle on the conflict in the Middle-East and taken in the framework of the forum have some value as resolutions taken in the field, but they arouse above all sterile internal frictions and moreover have only limited scope in political terms ;

- The cooperation between the European trade unions and their potential partners in the Arab world are not based on a deeply established tradition. The two parties must go through a learning process. The cooperation must focus on the areas of work which correspond to the key trade union priorities and have a mutual interest ;
- The forum project cannot expect to be successful in the short-term. It must be seen from a long-term point of view, based on establishing mutual trust and demonstrating moderation and realism in its ambitions. In this regard, it is particularly important that all the organisations involved in the project are equal.

In the light of this analysis and after consultation within the coordination committee, a project financed by the EU was launched at the beginning of 2002, which is managed by the forum coordinator, namely an Algerian trade unionist based in Brussels. This project, which will end in mid-2003, focuses on three themes:

- a) a comparative analysis of labour laws;
- b) a comparison of social security systems;
- c) the state of play in the development of the social dialogue;

These subjects are covered by three specialised groups (experts from certain non-European Mediterranean countries, in close cooperation with an ETUC expert for each group). At the end of project, the reports and conclusions of trade union policy necessary for the organisation of the follow-up to the work will be published in the forum's working languages (English, French and Arabic).

This project, which is useful in itself since it corresponds to trade union priorities, is also a means of safeguarding the dialogue between the trade unions of the two shores of the Mediterranean, at a time when this region continues to be subject to serious geo-political tensions.

## 13.6 Mercosur and Latin America

Since the first summit of Heads of State and Government (June 1999 in Rio de Janeiro) of the European Union, Latin America and the Caribbean Islands, the relations between the two regions are increasingly seen as being of major importance both economically and politically for the two parties.

The second summit (April 2002 - Madrid) confirmed that conviction and, after the signature of the European Union-Mexico and European Union-Chile agreements, gave a new impetus to the negotiations for a European Union/Mercosur cooperation agreement and for the launch of other negotiations with the Andean Community, the Caribbean Islands and Central America.

In this context, the ETUC, convinced here as elsewhere of the need to ensure that all external European Union agreements integrate a social dimension and provide for the involvement of the trade union movement, has tried to develop the necessary trade union cooperation. That led in 2001 to the creation of an ETUC, ICFTU, WCL Working Group favouring a structured, permanent cooperation, including with the regional organisations, ORIT and CLAT.

A first result of this approach was the organisation in Madrid in April 2002 of the European Union/Latin American/Caribbean trade union summit, with the participation of more than a hundred trade union leaders from the two continents, with the objective of acting as the interlocutor of political decision-makers. The next summit will be held in 2004 in Mexico.

Special attention was paid to the European Union-Mercosur negotiations with a view to integrating ambitions of this entity and to the character itself of the agreement.

Thus the ETUC signed (Montevideo, September 2001) a cooperation agreement with the Trade Union coordination of the Southern Cone and the Workers Council of the Southern Cone representing the Mercosur trade unions.

The objective is to set up a European Union-Mercosur trade union forum alongside the existing Business Forum and to influence the negotiations between the Commission and the Mercosur authorities.

To that end, meetings and exchanges have already taken place and joint proposals have been advanced, including for the inclusion of a social chapter in the agreement between the two regions.





## 14. The ETUC as an organisation



## 14.1 Affiliation and membership

On the eve of the 10th Congress, the ETUC regrouped 77 National Confederations and 11 European Industry Federations compared with the 68 National Confederations and 15 European Industry Federations represented at the 9th Congress (1999).

During the period under review, 2 National Confederations were disbanded and subsequently withdrew their affiliation (VSA-Switzerland and AF-Norway) while the following new members joined the ETUC: CGSLB (Belgium), ESZT (Hungary), LDF (Lithuania), CCM (Macedonia) – Observer, YS (Norway); NEZAV-ISNOST (Serbia) – Observer.

Several organisations who had previously held Observer Status were given full membership: LBAS (Latvia); LPSK (Lithuania), EAKL and TALO (Estonia). The CNG (Switzerland) merged with other independent unions and took the name of Travail.Suisse.

As far as the European Industry Federations are concerned, EUROFIET, the European Committee of Communication workers, EURO-MEI, EURO-GRAPHICS merged to form UNI-EUROPA.; EFA merged with SETA-UITA to form EFFAT; EFDPS (Diamond workers) merged with EMCEF; FST (Transport) was dissolved and ETF formed.

Globally, the ETUC affiliated organisations have more than 60 million members in 35 European countries.

The ETUC is the single cross-industry trade union organisation recognised as representative by the European Commission as well as by the Council of Europe and EFTA. This recognition extends to the European Industry Federations in their sectors. Eurocadres is also recognised as a sectorial social partner. Eurocadres has formed a liaison Committee with the European Confederation of Managerial Staff (CEC) which is associated to the ETUC delegation within the social dialogue.

In 2002, the ETUC renewed a cooperation agreement with EUROMIL which represents Military Personnel Association at European level.

In late 1999, the ETUC Balkans Trade Union Forum was created to ensure trade union representation in the framework of the Stability Pact. The Forum includes beyond ETUC affiliates in the region, the trade unions of Bosnia Herzegovina, Republika Srpska, Kosovo, Montenegro and Albania, as partner organisations.

The European Council of Professional and Managerial staff (EUROCADRES) and the European Federation of Retired and Elderly People (FERPA) although autonomous bodies, are part of the ETUC family.

## FERPA

Current FERPA membership includes 43 national pensioners trade union organisations with more than 8 million members. Their 4th Congress is scheduled to take place in May 2003 in Rome.

During the last years FERPA has been campaigning to promote solidarity between generations and to fight against poverty and exclusion especially that of elderly people through a number of initiatives focusing on preserving public pensions and health systems; on introducing a minimum income and dependency insurance for quality care; on lifelong learning; access to services of general interest and retired workers unions participation in decision making.

In 2000, a petition for the integration of social rights in the Treaty collected around one million signatures.

## EUROCADRES

EUROCADRES' last Congress took place in Brussels in June 2001 with delegates representing 78 organisations in 19 Countries and more than 5 million professional and managerial staff from industry, public and private services and administrations. During the period, their initiatives focused especially on mobility; recognition of qualifications and diplomas, portability of pension rights; life-long learning etc. In the area of Corporate Social Responsibility, two symposiums were organised on "Mergers, restructurations and privatisation" as well as on "European Management Model". Networks were set up to address equal opportunity issues and servicing staff in mobility related matters.

## 14.2 Structures and Internal Organisation

### Statutory bodies

During the period after the 9th Congress the Executive Committee has held 12 meetings and the Steering Committee 25 meetings under the Chairmanship of the ETUC President, Fritz Verzetnitsch, President of ÖGB (Austria).

The Secretariat was composed of as follows:

- Emilio Gabaglio, General Secretary
- Jean Lapeyre and Erik Carlslund, Deputy General Secretaries
- Maria Helena André, Willy Buschak, Peter Coldrick, Béatrice Hertogs, Confederal Secretaries.



In addition, there have been 18 policy advisors and 23 support staff working permanently in the Secretariat.

A number of Standing Committees and Working groups, composed by representatives of affiliated organisations have been contributory to the definition of ETUC policies in the following areas:

Employment; Coordination of Collective Bargaining; Future of Europe; Economic and Social Cohesion; Democratisation of the Economy; Education and Training; EU Enlargement; Working Environment; Sustainable Development; Migrants and Ethnic Minorities; Fiscal Policy; Social Protection; Social Standards and International Trade.

The ETUC related Institutes (ETUI, TUTB, ETUCO) as well as the ETUC Infopoint have also effectively contributed to the work of the Secretariat and more generally to the National Confederations and European Industry Federation activities. Summary reports of their work are annexed.

## Press and information

Special attention was devoted to the media both to the Brussels based ones and to those operating at national and regional levels. Press, radio and television coverage of ETUC policy declarations and main events has significantly increased. European campaigns and demonstrations have been widely reported. Interviews with the ETUC General Secretary and with other Secretariat members have regularly appeared in the main European newspapers as well as radio and television programs. The ETUC web-site has been improved attracting an increased interest of the general public.

The Secretariat continued to organise twice a year, normally at the end of the EU rotating Presidency, meetings of the "Trade union press group" now composed of more than fifty journalists and spokespersons of the affiliated organisations. Several efforts were made to include the trade union press of the organisations of the Accession countries in this work. This activity has resulted in a better coverage of ETUC in the national trade union publications.

## Women's Committee

The Committee composed of Women officers of both National Confederations and European Industry Federations held 8 sessions during the period. Their activity was largely

devoted to gender mainstreaming of particular policies and to address specific gender equality issues. Gender mainstreaming put pressure especially on the European employment strategy and on pensions. Increasing women's employment rate to 60 % by 2010 is proposed in Lisbon as one of the main challenges for Member States. This cannot be achieved without putting strong policies in place for the promotion of equal opportunities for women and men, in the labour market, a strategy for the provision of care services for children and dependant persons, policies to improve women's working conditions and actions to tackle gender gaps (unequal pay, higher rates of long term unemployment for women, gender labour segregation and an unequal sharing of family responsibilities).

Measures to increase the social rights and security for part time, atypical and flexible workers, most of them women as well as adaptation of work organisation to the needs to combine family and work for both women and men, including a general restriction of working time, are also crucial. The same goes for promoting access of women to lifelong learning and training opportunities, especially in the field of information technology.

In their work, the Women's committee addressed also specific gender equality issues such as family friendly policies, migrant domestic workers, the trafficking of women and girls both for sexual and labour exploitation. More generally the Committee effectively acted to ensure a gender perspective in all ETUC positions and policies.

Two seminars on the gender dimension of EU enlargement were organised in 2001 in Prague and Ljubljana in 2002. During the period, cooperation was strengthened with the European Women's Lobby (EWL) of which the Women's Committee is in fact a member and joint positions taken.

## Youth Committee

The main objectives of the Youth Committee are to ensure that ETUC trade union policies reflect youth issues and concerns; set up activities supporting and promoting a trade union youth policy; respond to EU youth policies and proposals; organize thematic seminars on topics of concern to young people as well as provide information activities, projects and campaigns.

Over the past 4 year period the work of the youth committee has been strengthened. Much of the work carried out can be grouped under the following broad headings:

- European Employment Strategy /Precarious Work / Child

- Labour ;
- Racism and Discrimination ;
- Social Exclusion ;
- Young People and Trade Unions ;
- Enlargement ;
- EU White Paper on Youth ;
- Convention on the Future of Europe / Youth Convention.

For each of these areas, conferences, seminars or working groups were organised. The youth committee met twice a year and the bureau more frequently. A major youth Conference was held on 14-15 March 2003 in Brussels on "Our Future, Our Unions".

The Youth Committee maintained links with other organizations, notably with the European Youth Forum.

### 14.3 The Coordination of Interregional Trade Union Councils (ITUCS)

Pursuant to the statutes of the ETUC rectified by the 9th Congress, the Executive Committee of the ETUC adopted on 22 March 2001, the rules and regulations of the ITUCs determining the criteria for setting up ITUCs, the terms of reference of the Committee for the Coordination of the ITUCs, as well as the role of the ETUC Secretariat, and including the partnership principles within Crossborder-EURES.

Since the 9th Congress, three ITUCs have been set up, also bringing together all the regional trade union organisations of the national confederations affiliated to the ETUC and the border regions concerned (Austria/Hungary, Austria/Slovenia and Austria/Germany/Switzerland), thereby increasing the number from 38 to 41.

It is also important to point out that during the period under review, the ITUCs were involved and participated actively in the campaigns and actions carried out by the ETUC, including the Euro-demonstrations.

The main area of action of the ITUCs, in line with their *raison d'être*, that is to say defending the interests and rights of cross-border workers, has developed continually since the establishment of the EURES-Crossborder partnerships, of which there are currently 75.

The EURES trade union advisers have continued to fulfil the basic mission of the Crossborder EURES concerning information, advice and counsel given individually to the public on living and working condition, including social legislation, the right to work, collective agreements and taxation. Information has also been

given to cross-border workers on a collective basis in the framework of conferences and seminars. They have also continued to draw attention to the obstacles to the free movement of workers. To that end, actions and initiatives have been undertaken at different levels (Euroregional, national and European) in order to eliminate obstacles to mobility.

The ETUC has organised annually a seminar targeted at all the EURES trade union advisers, as well as two specific training seminars on social security and/or taxation for a smaller number of participants.

The ITUCs have developed a trade union action more focused on a strategy for the development of cross-border regions, even the restructuring of economic activities, and on a policy designed to create an employment-friendly environment in the region, while ensuring economic and social cohesion. This focus has not been developed in all the ITUCs not to the same extent in the ITUCs where it has been developed.

The European Union's instruments which concern specifically the crossborder regions, such as the Crossborder-EURES and the Community INTERREG initiative have contributed to this action. The ETUC has also gone to great lengths to encourage the ITUCs to make more use of other Community programmes and initiatives, such as EQUAL and LEONARDO, by providing detailed information on the possibilities available to ITUCs.

In the framework of the discussions relative to the Community INTERREG III initiative, the ETUC has worked for a link to be established with Crossborder-EURES and organised a EURES/INTERREG seminar intended for the ITUCs in order to take stock of the situation in this area.

Since the Luxembourg summit, the implementation of the European Strategy for Employment, the elaboration of guidelines and the National Plans for Employment, the elaboration of guidelines and National Employment plans represent a new challenge for the crossborder regions. The ETUC has always defended the position that the implementation of the guidelines should also concern the local, regional and crossborder levels. Since 2000, the guidelines for employment have included guideline n° 12, which concerns the local and regional levels.

However, in order to be successful, employment and labour market policies must be integrated, which requires the different levels, namely European, national, regional and local, to be coordinated.

To that end, in the framework of the work programme of the ITUCs for the year 2000-2001, the ETUC and the ITUCs organised 11 assemblies in crossborder regions in order to analyse the links existing or to be established between the different levels of employment policy: European, national, regional and cross-border.

The third area of action, concerning the social dialogue, is still limited to a small number of ITUCs. In the framework of the Crossborder-EURES partnerships, one of whose missions is to “set up a framework of dialogue and consultation between the economic and social partners in the field of employment”, one of the priorities of the ITUCs is to establish a social dialogue. However, the low participation of employer organisations in the Cross-border-EURES partnerships creates a problem.

The ETUC has co-ordinated a project intended for 8 ITUCs; the main objective of the project is to determine common ideas to be explored as ways of avoiding social and wage dumping at cross-border level, while linking this to the work carried out by the ETUC on the co-ordination of collective bargaining.

In addition, 3 ITUCs have produced a study on the comparison of collective agreements in certain sectors. A certain number of ITUCs have since decided to set up a databank on collective agreements concluded in the regions concerned.

In anticipation and in preparation of the enlargement of the EU, the ETUC co-ordinated a project which was organised between the end of 2001 and mid-2002, aimed at the ITUCs having bor-

ders with the countries of Central and Eastern Europe. The heads of the National Committees on European Integration were involved in this project.

The ETUC coordinated 8 decentralised assemblies, which were organised by the ITUCs in cross-border regions, with a view to analysing the impact of the introduction of the Euro on cross-border workers, including as consumers, on salaries and collective bargaining.

At the end of the assemblies, as the most urgent action was to obtain written information on the Euro for crossborder workers and consumers, during 2000, a certain number of ITUCs published and distributed information leaflets on the Euro as part of a project coordinated by the ETUC.

On account of the importance of the cross-border flows between Switzerland and the EU and, more particularly, following the signature, on 21 June 1999, of the agreement between the EU and Switzerland on the free movement of people, the ETUC organised a seminar intended for ITUCs having common frontiers with Switzerland.









## 15. Tools for action

## 15.1 Social dialogue

This section reports on ETUC developments regarding the European social dialogue since 1999, other than regarding European framework agreements (which are reported on under social regulation).

### Social Partners Work programme 2003 – 2005

The European social partners adopted a work programme setting out a range of initiatives to be carried out for the period 2003 to 2005 and the Social Dialogue Summit on November 28 2002 in Genval, Belgium. (This was the first Summit since November 1997.)

The adoption of the work programme was foreshadowed by our joint Laeken Declaration of 13 December 2001, and it marks a new phase in the social dialogue. It answers a long-standing demand by the ETUC (first made at the Social Dialogue mini-summit on 4 December 1998 in Vienna) for the social partners to identify independently of the Commission a common list of priority issues to be dealt with using a range of instruments, including framework agreements, during a set time span. The implementation of the social partners' work programme will be reviewed annually by a Social Dialogue Summit.

The work programme is intended to complement action in other areas (Social Agenda, Employment Guidelines) to give greater stability and visibility to the social dialogue. This does not mean however that action by the social partners in other areas not mentioned in the work programme is excluded. As well as new issues that will undoubtedly emerge, the ETUC is keen to negotiate in the forthcoming period a framework agreement concerning the mutual recognition of the parties, rules for the negotiation and implementation of agreements, and rules for the interpretation of agreements.

It will be important that the work programme is not used as a pretext by other actors (Council, Commission) to water down, delay or abandon legislative initiatives in the social field. The ETUC considers such initiatives will be more, rather than less, necessary with enlargement in order to secure a common floor of rights for European working people. Building stronger support for more EU minimum standards is very important. We need such support from all quarters, including from within the candidate countries and by focusing on key issues of concern to both the Parliament and the ETUC.

### Social Dialogue Committee

The Social Dialogue Committee (the "umbrella" committee for the social dialogue) has continued to meet with the support of the Commission, three or four times per year. The Committee's technical working parties, on macro-economic policy, labour market issues and on education and training have also met regularly during this period. Two Social Dialogue Committees have been enlarged to allow for representation from the candidate countries (in January 2002 and January 2003). Reflection on the functioning of the Social Dialogue Committee will be prompted by the social partners' work programme. The ETUC has already demanded the establishment of a social partners "infrastructure" for the social dialogue at EU level.

Specific seminars in the framework of the social dialogue include: working time; job creation; work organisation; data protection; gender equality; industrial restructuring; mobility;

In addition, three "mini" Social Dialogue Summits took place during this period:

- on May 25 2000 in Brussels (follow-up to Lisbon European Council)
- on 22 March 2001 in Stockholm (Social Agenda)
- 13 December 2001 Laeken (social partners joint declaration and Convention).

Social concertation meetings with the EU institutions are reported elsewhere.

### High level group on the future of industrial relations

As set out in the Social Agenda, the Commission set up a high level group on industrial relations. A meeting between the Group and the European social partners took place on May 10 and November 23 2001. The report of the Group was published in December 2001 and presented to the Social Dialogue Committee in February 2002.

The ETUC considers that the report contains some interesting reflections but is ambiguous in places. On the positive side, the report recognised the fundamental role of the social partners in promoting social and economic convergence in Europe. On the other hand, the report refers to the need for more decentralisation of collective bargaining and a greater individualisation of rights. It states that the European level "must take account of diverse forms of national practices" but national practices should

not be set in stone. It is not unreasonable to suggest that some national practices need to change in order that we can better meet European objectives. There are few references and little support in the report in regard to minimum standards (by law or by agreements), which is at odds with the report's clear support for European convergence. Nor does the report's list of "priorities" for the social partner's agenda mention some key ETUC concerns such as low pay or precarious employment.

Some of the Group's recommendations were picked up by the European Commission in its Communication on the social dialogue of May 2002, for example, promoting indicators on the "quality" of industrial relations.

## Enlargement

Strengthening industrial relations systems in the candidate countries is a key concern of the ETUC. The first pan-European social dialogue Conference took place in Warsaw on March 19 and 19 1999, organised by the President of the European Commission and the request of the social partners. A follow up Conference, based on studies on the social dialogue in each candidate country, was organised on March 16 and 17 March 2001 in Bratislava (see published joint report on this) and a series of activities to strengthen the social dialogue in the candidate countries are set out in the social partners work programme 2003-2005. Discussions have taken place also with the ILO, with a view to developing joint projects under its social partners' "capacity-building" programme. The ETUC currently also has a project with the industry federations on sectoral social dialogue in the candidate countries.

A joint project is being carried out with UEAPME regarding the EU social acquis and SMEs in the CEECs involving a series of national round tables (in Hungary on December 12 2002, Slovakia January 28 2003, Poland February 16 2003 and Slovenia March 12 2003) plus seminar with all countries to be organised on April 5 2003 in Brussels. This initiative follows up the joint Declaration adopted by the ETUC and UEAPME concerning social dialogue and small companies (see SMEs below).

## SMEs

Since the mid 1990s the ETUC has organised a series of seminars and studies concerning trade union action for employees in Small and Medium Enterprises (SMEs) aimed at improving the quality of employment and social dialogue in these companies. A synthesis report on these activities served as a basis for the last seminar organised in Brussels on 14 and 15 May 2001, and a special ETUC brochure highlighting all of the ETUC's work was published afterwards. The particular activities organised since the last Congress include:

- May 1999 - Athens (Greece): Organised with the support of the Greek labour confederation (GSEE) in Athens, this conference addressed the subject of organising continuing vocational training in SMEs ;
- April 2000 - Turin (Italy): This seminar was devoted to trade union measures to ensure the protection of health at work in SMEs ;
- May 2000 - Manchester (United Kingdom): This last seminar addressed two topics. The first was the issue of SMEs and regional development, and the role of trade union organisations play in this context; and the second was the development of "network companies" and the consequences for workers in subcontractor SMEs at the end of the chain, and the scope for trade union action against this new background ;
- May 2001 - Brussels (Belgium): Seminar to evaluate the activities carried out to date and to present synthesis document.

Strengthening the influence of trade unions in SMEs is an issue which has also been discussed in relation to the ETUC's work on the coordination of collective bargaining and in relation to enlargement. The joint Declaration adopted by the ETUC and UEAPME in 5 July 2001 concerning social dialogue and small companies is a tool to improving employment conditions and relations in these companies.

## Social economy sector

Concerning the Social Economy sector, the ETUC has continued to cooperate with social economy organisations, and in particular CECOP (Confédération Européenne des Coopératives de travail associé, coopératives sociales et entreprises participatives).

We organised a workshop with CECOP in Sweden on the 9 and 10 November 2000 on "trade unions, cooperatives and the social economy" which discussed the findings of a study involving 5 countries (France, Italy, UK, Spain, and Sweden) as well as more general questions linked to the growth of the social economy.

We are currently involved in a CSR project with CECOP.



## European Monitoring Centre on Change (EMCC)

The social partners agreed a joint statement on the setting up of the Observatory on industrial change (now called EMCC) on 29 September 2000, which was established in response to the "Gyllenhamer" high level group's report on industrial restructuring. The EMCC is based at the European Foundation for the Improvement of Living and Working Conditions was launch by Belgian Presidency in October 2001. The ETUC is represented in the Steering Committee of the EMCC.

## European sectoral level dialogue

This section reports on the cooperation activities carried out by the ETUC and industry federations and does not attempt to give details of the activities of the 28 sectoral social dialogue committees which have now been set up following the new structure for the sectoral social dialogue established in January 1999. (This structure, introduced by the Commission's Communication on the social dialogue of May 1998, aims at providing a uniform approach to all sectoral dialogue activities and ending differences between the established Joint Committees and informal working groups.)

It is important to note however that while new areas of dialogue have opened up in the last years (for example in the metal sector which for a long time has had difficulties) there is still an absence of social dialogue in several sectors, either because employers organisations still refuse to enter into a dialogue with trade unions or because they are not representative enough. In certain sectors there are too many different employers organisations to make dialogue practical. The limited resources provided by the Commission for the organisation and functioning of the committees is also beginning to cause concerns in some sectors. The Sectoral Dialogue in the Candidate Countries will be the topic of a Seminar in Budapest in April 2003.

The ETUC secretariat meets regularly with the industry federations to discuss these and other issues and to exchange information on respective priorities and activities. Such meetings will be increasingly important given that most sectoral committees also now have their own work programmes and we will need to ensure complementarity with the cross-sectoral social dialogue.

The ETUC has organised a number of specific seminars jointly with the industry federations over the last few years: A general Conference on Industrial Policy is now scheduled for May 2003.

## Corporate Social Responsibility

The Commission published its Green Paper on CSR in June 2001 and the ETUC Executive adopted a Resolution on this subject in October 2001.

In particular we have tried to oppose the development of CSR as an exclusively a voluntary exercise driven by companies, not least in discussions of the ETUC ad hoc group on CSR which has met twice (on May 2 2001 and June 14 2002) but this concept of CSR was reaffirmed by the Commission in its Communication of 2nd July 2002, notwithstanding a further demand from the ETUC on June 18 for the commission to reconsider its position. CSR remains "a concept where companies integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis" rather than an objective-orientated strategy involving a mix of legislation, collective bargaining, and best practice. The Communication set out the aims and functioning of a Multistakeholder Forum on CSR which was launched in October 16, 2002.

The ETUC has 11 representatives in the Forum, which also had a further meeting on December 19 2002, and a series of round tables on specific issues related to CSR will take place during 2003 and 2004, and a report will be presented to the Commission by the Forum in May 2004. The Forum will seek to establish convergence and guidelines on CSR, although this will be difficult given that the employers' position.

## 15.2 Collective Bargaining Coordination

Following the Resolution on the future of EU industrial relations adopted by the 1999 ETUC Congress, the ETUC set up a Committee for the Coordination of Collective Bargaining Policies. This Committee has met twice a year since to develop the ETUC's coordination activities and to discuss specific topics (such as working time, fundamental trade union rights). The aim of the Committee has been to develop a proactive approach to the Europeanisation of industrial relations.

The ETUC Executive Committee has adopted three resolutions and discussed three reports from the Collective Bargaining Committee on Coordination activities finalised with the support of the ETUI, in 2000, 2001 and 2002.

The last of these reports is a first evaluation of three years activities and underlines that the implementation of the ETUC Guideline concerning wage developments, which is based on



inflation plus productivity, is fundamental to achieving the ETUC's aim of preventing wage dumping and supporting the upwards harmonisation of living and working conditions in the EU and in the candidate countries. The report shows that many of the industry federations (especially EMF, ETUF:TCL, Uni Graphical and EPSU) have now put into place coherent strategies for collective bargaining coordination, as has the Doorn group and some of the inter-trade union regional Committees.

The development of European economic governance should lead to a greater understanding and support for coordinated trade union strategies aimed at sustainable wage developments.

Much of the Committees' work has dealt with the process of coordination. Efforts to give a more political direction to collective bargaining demands and actions, in terms of the qualitative aspects of collective bargaining, have been less successful. However, the latest ETUC Executive committee Resolution of December 2002 on coordination activities emphasises that this aspect should be reinforced in future.

Outside the regular meeting of the Committee, the ETUC has organised a number of summer seminars on specific collective bargaining and/or industrial relations topics.

- 6 and 7 September 1999 Sintra, Portugal: this focused on the macro-economic dialogue and reasons in support of an increase in the EU wage share;
- 31 August and 1 September 2000, Sintra Portugal: this looked in particular at the specific strategies implemented by the industry federations on coordination ;
- 30 August-1 September 2001: this examined the issues of variable pay (performance related pay, profit-sharing and stock options) and low pay and the gender pay gap (linked to the ETUC's Equal Pay Campaign);
- in Gdansk, April 26 and 27, 2002: this aimed at having a first exchange of experiences on wage developments in the candidate countries and to see to what extent the ETUC guideline on collective bargaining could be a useful instrument for trade unions in these countries;
- 1-3 September 2002 Evia Greece: this focused on quality of employment and the question of possible indicators;
- November 4-6 2002 Florence Italy: this dealt with building an EU industrial relations system, examining the links between fundamental rights, employment guidelines and OMC, social dialogue and coordination of collective bargaining.

### 15.3 The Trade Union Legal Experts Network

The NETLEX fulfils a twofold function, i.e. to assist the ETUC Secretariat and the ETUC Executive and Standing Committees in the legal aspects of the policy priorities and to foster the contacts between the legal experts of the member organisations in order to monitor and follow up the implications of and the new developments in EC litigation and legislation.

The NETLEX which disposes of a full-time coordinator, is currently composed of more than 130 legal experts from 35 countries (including all the EU applicant countries and the Balkans), representing almost all the ETUC affiliated organisations. These persons fulfil the role of NETLEX contact persons whose specific task it is to distribute the information and requests from the NETLEX to the experts in their organisation who - depending on the subject - have to deal with it. Via this system of contact persons, the ETUC can thus rely on almost all legal experts of its affiliated organisations for legal assistance and information in relation to the different policy priorities.

The NETLEX Coordinator and other experts were fully involved in the negotiations on fixed-term work, temporary agency work and telework, drafting legal comparative background reports. In addition, the NETLEX Coordinator elaborated after the transposition deadline of each concluded agreement / Directive a legal and comparative implementation report (parental leave, part-time and fixed-term work) which served the ETUC on the one hand to propose improvements to the Commission's implementation reports, but it also helped national affiliates who were confronted with belated or the wrong implementation of the agreement in question. These reports, which were discussed at the annual NETLEX Conferences, were or are to be published by the ETUI.

The NETLEX is also increasingly consulted by the ETUC's European Industry Federations to conduct legal research on topics of particular relevance for their sectors. Cooperation has in the mean time been established with EUROCADRES, EPSU, ETUCE, EUROMEI as well as with the Cooperation Forum CEGASS which represents French, Belgian, German and Spanish trade unions in the hotel and amusement park sector. It is foreseen to further strengthen these cooperation alliances as well as to develop new ones.

Apart from assisting the ETUC, another objective of the NETLEX is to exchange as much as possible information to its members and to foster the contacts between those members. During the reference period numerous information notes and documents were sent out to the members to improve the knowledge of our lawyers on EU labour law and related issues. Information was also regularly distributed via the NETLEX website which forms an integral part of the ETUC website. Also additional training was

thereby considered crucial. The NETLEX has also developed a cooperation with the European Academy of Law (Trier –Germany) which will be further strengthened in the coming years. As from 2003, also the cooperation with ETUCO will be strengthened in order to provide more issue-specific training for our lawyers. Close contacts were in the mean time also established with the Institut Européen des Juristes en Droit Social and the Université européenne du Travail (both in France).

The work of the NETLEX is mainly focussed around three working areas: litigation and transposition of EU labour law, employment contract aspects and transnational trade union rights.

As ETUC, also NETLEX increasingly developed its activities in and for the EU candidate countries. Apart from responding as effective and quickly as possible to requests for legal advice, one could also mention the NETLEX Conference in Vilnius in 2000 where we discussed the state of play of the implementation of the social *acquis communautaire*. A follow-up conference on labour law deregulation in Central and Eastern Europe and the Balkan was organised together with the ETUI in 2002 and this due to the fact that the local trade unions were increasingly faced with deregulation whereby governments and employers used the implementation process of social *acquis* to do so. Trade union legal experts of the Mediterranean area participate as observers in this conference. Concrete initiatives in the labour law area for this region were set up in 2002 and will be further developed in the years to come. Since 1999 the NETLEX Coordinator is also involved in several capacities in the Baltic Labour Law Project, a legal assistance project organised and financed by the Swedish trade unions for their colleagues in the three Baltic states, Poland and the region of Saint-Petersburg (Russia). Currently negotiations are ongoing to enlarge the project to all EU applicant countries. Regarding the Balkan area, the NETLEX Coordinator assisted in 2000 the trade unions in Kosovo to develop their arguments on a UNMIK draft labour code and in 2002, also the Balkan NETLEX saw the light which will provide legal back-up on the labour law problems in that specific area.

The NETLEX also intensified its activities in relation to the Council of Europe, in particular in the supervisory bodies of the Social Charters. Since 2001, the NETLEX Coordinator was added to the team of ETUC advisors in these bodies. In addition, the NETLEX assists in the elaboration of the ETUC opinions regarding collective complaints filed to the Council of Europe concerning eventual violations in the member states of the Social Charters.

## 15.4 Relations with the European Institutions

The ETUC has given high priority to closely following policy making in the different institutions; there has been an increasingly high level of contact between the ETUC and the European institutions throughout the present Congress period, and efforts have been made to further strengthen contacts with them, including reinforcing the resources of the Secretariat. There has also been a positive development during the Congress period in the consultation and concertation arrangements of the European institutions with the European social partners, reflecting the increased role of the social partners especially in the open method of coordination strategies and also owing to the social partners own responsibilities.

At the same time the ETUC has continued to foster an active co-ordination with its affiliates with regard to the positions of the Member States on priority policy issues.

An active co-operation and co-ordination with the affiliates has also been important with regard to the European Parliament. The monthly meetings of the ETUC Secretariat and the national trade union affiliate offices and the European Industry Federations in Brussels has been especially important in this respect.

### EU presidencies

The ETUC has met with the Heads of Government and of State of the Member States holding the EU Presidency. At these meetings, the ETUC has presented its policy priorities in the form of a memorandum.

Furthermore, the Heads of Government have at several occasions, as during the Portuguese, Swedish, Danish and Greek EU Presidencies, addressed the meetings of the ETUC Executive and Steering Committees.

The tradition, now institutionalised by practice, of inviting the European social partners to meet with an EU Troika in the context of the informal and formal European Council meetings, have gained further importance in respect of the Spring summits since the introduction of the Lisbon strategy. This recognition of the role of the social partners has now been strengthened and formalised in the Council Decision on instituting a Tripartite Social Summit for Growth and Employment (substituting the previous Standing Committee for Employment) which was convened for the first time prior to the Spring summit 2003 during the Greek EU Presidency. The new formal arrangement follows the joint declaration of the European social partners presented at the EU Troika meeting held at the occasion of the Laeken "Future of Europe" European Council

meeting during the Belgian EU Presidency.

The ETUC and the other European social partners have been actively involved in participating as speakers and/or with delegations in activities, such as seminars and conferences, of the respective EU Presidencies

## Council of Ministers

The established tradition of inviting the European social partners in the context of the informal meeting of the Labour and social affairs Council has continued during the Congress period, either at the meeting itself or, as it has been the case since the Belgian EU Presidency, in holding separate EU Troika meetings with the European social partners at the beginning of the informal Council meeting. This practise has also been extended in different forms to other (informal) Council meetings, such as Education and ECOFIN, on an ad-hoc basis. This development reflects the increased role of the social partners in the EU decision making process.

The ETUC's regular contacts with the Council include written contributions as appropriate in the context of the meetings of the Council (Labour and social affairs as well as the other formations), as well as numerous formal and informal contact with the different Councils.

The ETUC has continued the practise of inviting the representatives of the Member States Permanent EU Representations to regular "open house" meetings to inform them about ETUC policy priorities and to exchange views on pending issues.

## European Parliament

The highly valuable contact with the European Parliament has been further developed during the Congress period. Beyond the particularly important contact with the Employment and Social Affairs committee, closer contacts are also being established with other committees. The ETUC is often invited to hearings, including to the Economic and Monetary or the Legal Affairs committees, and there have been numerous positive contacts with rapporteurs and coordinators from different political groupings on specific issues.

The positive and important role of the EP in defending and developing the social dimension has been proven and highlighted in a number of specific issues up for decision. Given the extended use of the co-decision procedure and the third reading conciliation procedure with the Council, also in social policy issues, the EP's role has significantly increased. This has for example been the case for the directive establishing a general framework for informing and consulting employees, the directive on the organisation of working time of the so far excluded sector (e.g road transport)

and health and safety directives, as well as the take-over directive (which was not carried, owing to, amongst other reasons, insufficient information and consultation rights for workers, and where it became necessary for the Commission to restart the procedure). Other top priority issues, still pending, have been the Services of General Interest (with the EP supporting the ETUC call for a framework approach) and the general revision of the EU Public Procurement Procedures (with the EP supporting the ETUC call for the respect for the fair labour standard clause). The EP likewise has played a highly crucial role, firstly in the elaboration of the EU fundamental rights Charter, also including the social and trade union rights, and subsequently the monitoring of the implementation of this Charter in annual reports by the EP, and secondly, in the current Convention, in actively promoting the social dimension issues with respect to the drafting of the new EU Constitutional treaty.

From an organisational point of view, the reform of the institutionalised contact, which took effect after the last EP general election in 1999, has further strengthened the relations beneficially. Every second month the EP trade union coordination committee (previously called the intergroup) convenes addressing key policy issues of general interest, and -as a new key body- the EP trade union coordination bureau meets once a month to exchange point of views on specific issues up for decision. The active members of EP are from the PES, EPP, Greens and the United Left political groups, and this has been extended since the reform to also include the Liberal group.

The ETUC attended the Congresses of the Party of European Socialists (PES), of the European People's Party (EPP) and of the European Federation of Green Parties.

## Commission

The ETUC maintained regular contacts and relations with the European Commission in particular with the President and individual Commissioners with regards to issues related to their portfolios.

On a number of occasions, Commissioners attended and addressed Executive or Steering Committee meetings as well as ETUC organised Conferences and Seminars.

Similar contacts were also kept with the relevant Directorate Generals and other Commission services.

The ETUC is normally consulted by the Commission on policy initiatives as required by the Treaty and beyond.





## European Central Bank

Exchange of views with the ECB President and other officers took place twice a year in the framework of the macro-economic dialogue also attended by ECOFIN "Troika", the Commission and the employers organisations. Contacts were also kept at technical level.

## Economic and Social Committee

Permanent relations and cooperation continued and the ETUC attended a number of Conferences and initiatives promoted by the Committee in areas of interest for the trade union movement both concerning the EU internal policies as well as external relations.

Contacts were particularly intense with the Worker's Group of the Committee, composed of trade unionists issued in their overwhelming majority from ETUC national affiliates.

The Secretariat normally takes part in the Worker's Group meetings in preparation of the Committees plenary sessions and nominates trade union experts. The Worker's Group President is a permanent invitee to the ETUC Executive Committee.

## 15. 5 Trade Union Representation

Through the ETUC, the European Trade Unions take part, in different forms, of EU related entities and Committees.

The Centre for the Development of Vocational Training (Thessaloniki), the Foundation for the Improvement of living and working conditions (Dublin), and the Agency for Health and Safety (Bilbao) provide for trade union representation in the governing bodies alongside the employers, the Governments and the Commission. The ETUC appoints the trade union representatives on the basis of national nominations with the Secretariat playing the role of coordinator and spokesperson of the Worker's Group.

At the European Training Foundation (Turin) the ETUC sits in the advisory forum.

Following the suppression of the Standing Committee on Employment, a new Tripartite Social Summit for Growth and Employment has been established meeting at least once a year in view of the Spring European Council with the attendance of the Prime Ministers Troika, the President of the Commission and the Social Partners, the ETUC having the role of coordinating the trade union delegation.

The following bodies provide for trade union representation:

- The European Social Fund Committee;
- The Advisory Committee on Health and Safety ;
- The Advisory Committee on Vocational Training;
- The Leonardo Programme Committee and other education related groups;
- The Advisory Committees on the Free movement of persons and on the Social Security of Migrant Workers;
- The Equal opportunities Committee.

The ETUC also sits in on:

- The Pensions Forum;
- The Cooperate Social Responsibility Multi-stakeholder Forum;
- The Energy and Transport European Forum;
- The Commission's advisory Committee on public procurement;
- The Common Agriculture Policy, Rural development, Agriculture and Environment Committees;
- The European Research Advisory Board.
- The EURES high level group

The Secretariat coordinates trade union participation, including that of the relevant European Industry Federations as required.

At the Council of Europe the ETUC sits in on the Social Partners Liaison Committee, the European Social Charter as well as Social Cohesion Committees with consultative status.

The ETUC also attends the EFTA Advisory Committee.

Long standing member of the European Movement (International), the ETUC sits on its Steering Committee.

The ETUC is also represented in the International Committee of the World Social Forum and took part in the Porto Alegre and Florence Social Forums.

## 15.6 European Campaigns and Mobilisations

During the period under review, the ETUC has continued to mobilise for full employment and Social Europe. Specific campaigns were run on equal pay, information and consultation, rights at the work place and the Charter of fundamental rights.

Euro-manifestations have now become a normal feature of ETUC action. Such manifestations were called to coincide with the European Council meeting in Porto (Feira) on 19 June 2000, in Nice on 6 December 2000, in Laeken-Brussels on 13 December 2001, in Barcelona on 14 March 2002. Tens of thousands of workers took part in the countries concerned alongside important delegations of ETUC affiliates in neighbouring countries and beyond.

Many other demonstrations of a European character took place in the period, organised by the affiliates in the country holding the EU Presidency and on the occasion of industrial actions promoted by European Industry Federations concerning multinational enterprises, transport, commerce, public services.

A European Day of action is planned for 21 March 2003 with mobilisations at national level and a central demonstration in Brussels.



- # Appendices:
- a) The European Trade Union Institute
  - b) The European Trade Union Technical Bureau for Health and Safety
  - c) The European Trade Union College
  - d) The ETUC's Infopoint



## a) The European Trade Union Institute

The ETUI continued to develop its activities in support of the ETUC and their affiliates providing research and background studies and documentation on the areas of major interest for Trade Union work.

Special focus was placed on the "Europeanisation of industrial relations" (including: coordination of collective bargaining; worker's participation; European Social Dialogue; modernising trade unions) as well as on "Employment, Labour Market and Social Protection" (covering: The European Employment Strategy; Job Creation; Gender issues; Occupational Pensions; etc). The EU enlargement perspective is fully integrated in this work.

For its activities the ETUI relies on its own permanent research team but also on extensive networking with scholars and experts from a number of Universities, Foundations and research centres. No less than 150 of them are currently cooperating with the ETUI. Particular intense cooperation exists with the Hans Böckler Foundation (Germany), SALTSA (Sweden) and the Observatoire Social Européen (Brussels). The ETUI is also part of the Global Policy Network alongside the Economic Policy Institute (USA); DIEESE (Brazil), RIALS (Japan); NALEDI (South Africa).

Over the period a large number of seminars, workshops and conferences were organized and the results of the research work spread by publications, books, reports and working papers on the main topics of trade union interest.

In particular, the ETUI publishes the "European Trade Union Yearbook", the review on "Collective Bargaining in Europe", the "Benchmarking Working Europe" report, all on an annual basis and the quarterly review "Transfer" which has established itself among the European reference publications on industrial relations.

As a joint project with the OSE and SALTSA, the ETUI is also publishing the annual "Social Developments in the EU" reports and with the Hans Böckler Foundation the quarterly "South East-Europe Review" for labour and social affairs.

Recently, the ETUI in cooperation with research institutes in various countries, has drawn up an inventory of the companies covered by the Directive on European Works Councils. This EWCs multinationals database identifies 1874 companies.

A separate database provides the text of the existing agreements in more than 650 enterprises.

The ETUI Documentation Centre, which is recognised by the European Commission as a specialised Documentation Centre, plays a centre role in the acquisition and dissemination of information sources.

The new database "Labour line" is the result of cooperation with the TUTB Documentation Centre and offers more than 30,000 references to industrial relations as well as health and safety issues.

The ETUI founded in 1978 at the initiative of the ETUC is financially supported by the European Commission.

## b) The European Trade Union Technical Bureau for Health and Safety

The European Trade Union Technical Bureau plays an essential part in coordinating European trade union strategy for all aspects of the working environment. It aids the ETUC in all its consultation procedures and in developing trade union strategies and positions, inter alia by providing joint expertise, studies and information.

During the twelve years since it was established the TUTB has earned a place among the most influential European bodies in most areas of health and safety which are debated at European level. It has recently extended the scope of its activities to include the environment outside enterprise and sustainable development.

Ten years after the framework directive and a number of specific directives came into force, the Commission has still published no report on their implementation. After several years of debate in the Advisory Committee, the reports announced by the Commission have once again been postponed to the end of 2003. The TUTB is one of the few European bodies to have discussed these issues and which has produced summarising documents (for example on the application of the framework directive within public services, risk assessment in the work place, or the participation and representation of workers in health in SMEs).

We are still waiting for a genuine European policy on the Europe-wide identical application of the "New Approach" directives on the free movement of equipment. The TUTB has contributed to this debate with an analysis of the public controls on the individual protective equipment market, which revealed the absence of any coordinated organisation of these controls.

For some years, the TUTB has also been producing reports on prevention systems and the impact of the transposition of Community directives in the EU applicant countries: the initial results of these studies (Bulgaria, Estonia, Poland, Romania, the Czech Republic and Slovakia) are now ready for presentation at a European conference planned for the autumn of 2003.

For several years the TUTB and the ETUC have been striving to



integrate the gender dimension in their health and safety policy. The TUTB and the ETUC organised a survey on the gender dimension in safety at work in the fifteen EU States in order to examine the current position of gender mainstreaming in national policies, and to identify practical examples of actions in this area which took account of the gender dimension.

The TUTB provides expert services to the Workers' Group of the Luxembourg Tripartite Advisory Committee and the European Agency for safety and health at work in Bilbao. Since 1999, the TUTB has been responsible for the general coordination of groups within both bodies, and acts as spokesman for the ETUC.

The presentation of the Commission's overall strategy for health and safety at work for the period 2002-2006 has mobilised the social partners. The TUTB, the ETUC and its member organisations have taken an active role in defining the Community strategy.

The TUTB also takes part in the harmonisation work associated with the commercial directives, which cover working equipment and chemical products. In this it is supported by its networks of trade union experts involved in the work at national level.

The ban on asbestos was the most important advance made in the field of chemical substances in recent years. Trade union organisations and the TUTB took widespread action to have this decision adopted Europe-wide. The forthcoming adoption of a revised directive on the protection of workers (still numerous in construction, industrial maintenance and waste management) exposed to asbestos will mark genuine progress provided the Commission is prepared to ensure its proper transposition and application.

The other European debate has been dominated by the Commission's publication of its Strategy for a future Chemicals Policy. The TUTB is anxious to include the protection of workers handling or exposed to these chemicals, regardless of their sector, in this new strategy.

Alongside the chemical and physical risks to which European workers are still frequently exposed, new forms of the organisation of work have given rise to a real epidemic of other problems: musculoskeletal disorders, and psycho-social problems. These two issues, which represent a vast range of afflictions, now represent major health challenges in every country.

The ETUC and the TUTB launched a wide campaign to raise awareness of musculoskeletal disorders from 1997 onwards,

with training days and a survey of trade union practices and activities at national level.

Launched at the end of 1995, the TUTB Newsletter has been supplemented during this period by the increasingly frequent publication of themed dossiers and, in particular, the appearance of three special issues: Musculoskeletal disorders in Europe, Working without Limits? Re-organising work and workers' health (report of the conference organised in cooperation with SALTSA in 2000), and Stress at work.

A new series of Debates was launched in 2001, published jointly with the ETUC, providing a trade union contribution to the debate on the relaunch of the Community policy for health and safety at work and on a European strategy for sustainable development.

The TUTB, established in 1989 at the initiative of the ETUC, is supported financially by the European Commission.

### c) The European Trade Union College

The ETUCO celebrated its 10th Anniversary in 2000 with the Conference "Reinforcing the European Dimension of Trade Union Education", which was attended by 58 heads of education from ETUC affiliated organisations. It took place in Prague and in this way, symbolically underlining the commitment made over the years by the ETUC and ETUCO to the integration of CEEC trade unions into the mainstream of European trade unionism and European trade union education. On this occasion, the ETUCO launched a book "Trade Union Education in Europe" the first ever major comparative study of Trade Union education undertaken in Europe.

Since the last Congress, ETUCO, along with its sister organisation AFETT, has directly coordinated 164 multilingual European courses and in this way trained 3,115 trade union officers and representatives, many of them women (28%). They have come from all over Europe - Northern, Southern, Western and increasingly Eastern Europe. In this way they have had, many of them for the first time, an opportunity to compare national situations, to improve their understanding of latest developments in European trade unionism and industrial relations and to plan further developments at the national and European levels.

These courses have taken different forms. With its annual European Training Course ETUCO has trained groups of future European trade union leaders. With its emphasis on training initiatives on coordinated collective bargaining policy, European Works Councils, EU enlargement/integration and equal opportunities, ETUCO has acted as a significant forum for discussion of

key ETUC priorities, as defined by the 9th Congress. As one example of this potential for European trade union strategic development ETUCO courses on coordinated collective bargaining have been attended by trade union officers coming from 44 different national confederations and from seven different European Industry Federations.

In addition, ETUCO has directly coordinated a range of specific European courses in response to the changing needs of ETUC affiliated organisations. ETUCO has significantly expanded its provision of courses for European Works Councillors and has responded to specific requests for training coming from the following multinational companies: Air France, AXA, EDF, Fortis, Fresenius, Freudenberg, Glaverbel, Lhoist, P&O, Pernod-Ricard, Rhone-Poulenc, Severn Trent, Stena Line, Unilever and Vivendi.

ETUCO has also been engaged in a series of initiatives designed specifically to improve the quality of these European courses and at the same time to provide assistance for training programmes offered by ETUC affiliated organisations.

Firstly ETUCO has ensured that trainers at the European level receive initial training (courses for training Eurotrainers) and are offered opportunities for ongoing training (workshops for using Internet resources, for promoting language learning, for training European Works Councillors, for producing training resources). These initiatives have led to the production of a manual Training Eurotrainers and also a manual to support education activities in CEEC trade union organisations.

Secondly ETUCO has encouraged innovation in training and learning methodologies, most notably in the field of open and distance learning and to this end has coordinated a number of significant European projects: ETUE-net II (in collaboration with 18 ETUC affiliated organisations) which aimed to increase the use of computer-based communication within European trade unions; ETUDE (in collaboration with 5 ETUC affiliated organisations) which aimed to develop an approach to computer-mediated distance education for European trade unions; and Dialog On (in collaboration with 14 ETUC affiliated organisations) which aimed to extend the use of computer-mediated distance learning and electronic networking.

Thirdly ETUCO has developed training resources for use at the European and national levels. Additions (working time, equal opportunities and collective bargaining) have been made to the series Europe and the World of Work. Training packages have been produced - Eurotime (on the euro and its impact on collective bargaining) and Europe United (on EU enlargement/integration). A variety of resources for training European Works Councillors have been developed. At the sectoral level ETUCO has supported EPSU in publishing a set of resources promoting quality public services for Europe's citizens The ETUE-net II project

has produced a series of training materials to train trade union officers and representatives to use the Internet and to publish on the World Wide Web. The Dialog On project has produced eleven workbooks designed to enable trade union officers to set up electronic networks and trade union trainers to run computer-mediated distance learning courses.

ETUCO continues to produce its quarterly newsletter "AGORA" in English, French and German. ETUCO has also made a review of its European Union Information Service, which is intended specifically for trade union officers responsible for coordinating and participating in European trade union projects. This Information Service includes an information library, a help desk, publications, courses and information days.

Cooperation with the other ETUC related Institutes has been enhanced. In practical terms, improvements in cooperation with the ETUI and the TUTB, and also the ETUC-Infopoint, have led to the joint design and delivery of certain courses and the joint production of certain training resources.

Cooperation with other European agencies has carried on apace - for example with the European Foundation for the Improvement of Living and Working Conditions and Cedefop. In recognition of the increasing interdependence between Europe and the rest of the world ETUCO has also improved cooperation with a series of other bodies with a view to setting up new trade union education initiatives - the International Confederation of Free Trade Unions, the World Confederation of Labour, the International Federation of Workers' Education Associations, the International Labour Office and its International Training Centre, the Trade Union Advisory Committee and the American Federation of Labor and Congress of Industrial Organisations.

The ETUCO established in 1990 by the ETUC, is supported financially by the European Commission.

## d) The ETUC's Infopoint

Infopoint, the ETUC's central information point, was created to help social partners and assist them in setting up projects financed by the B3-4003 budget line of the European Commission. The priorities are decided annually by the Commission, and they currently concern information, consultation and participation of workers in companies, the European Company (SE), the future European Co-operative Society (SCE), the dissemination of information, consultation and participation rights in connection with company restructuring, mergers, take-overs and relocation. Projects may concern training measures, exchanges of experience or innovative measures concerning the transposition of EWC and information and consultation directives.

Infopoint advises project promoters - national and European Industry Federations, national confederations etc. - and helps them to correctly set up the three types of projects funded by the Commission: "Worker", "Employer" and "Joint" projects. Infopoint puts its experience, expertise and documentation at the applicants' disposal at all stages, from the project design to the final report.

Another field of action for Infopoint is the set-up and the management of the EWC agreements database. As the number of EWC agreements is steadily increasing, Infopoint has decided to run it in co-operation with the European Trade Union Institute. Infopoint collects these agreements and analyses their contents, in order to make this resource available to all interested circles.

Finally, with its expertise and publications, Infopoint offers to all interested organizations a technical, economic, social or juridical contribution for all kinds of events, seminars and training measures on various themes, in particular on worker representation systems in companies.

Infopoint has published, amongst others, comparative tables of worker representation systems in companies in the EU and in the candidate countries, a guide to the economic, financial and social information of worker representatives in companies in the CEE countries, a study on the resolution of labour disputes in the candidate countries as well as many other studies on cooperation with other research institutes.



# ETUC member organisations

## National Trade Union Confederations

Austria	OGB	Lithuania	LDF
Belgium	CSC		LDS (Observer)
	FGTB		LTUC
	CGSLB	Luxembourg	CGT
Bulgaria	CITUB		LCGB
	PODKREPA	Macedonia (Fyrom)	CCM (Observer)
Croatia	SSSH (Observer)	Malta	CMTU
Cyprus	SEK		GWU
	TURK-SEN	Netherlands	CNV
Czech Republic	CMKOS		FNV
Danmark	AC		MHP
	FTF	Norway	LO
	LO		YS
Estonia	EAKL	Poland	NSZZ Solidarnosc
	TALO	Portugal	CGTP-IN
Finland	AKAVA		UGT
	SAK	Romania	BNS
	STTK		CARTEL ALFA
France	CFDT		CNSLR-FRATIA
	CFTC		CSDR
	CGT-FO	San Marino	CDLS
	CGT		CSdL
	UNSA	Serbia	NEZAVISNOST (Observ.)
Germany	DGB	Slovakia	KOZ-SR
Greece	ADEDY	Slovenia	ZSSS
	GSEE	Spain	CC.OO
Hungary	ASZSZ		ELA
	ESZT		UGT
	LIGA	Sweden	LO
	MOSz		SACO
	MSzOSz		TCO
	SZEF	Switzerland	TRAVAIL.SUISSE
Iceland	ASI		SGB/USS
	BSRB	Turkey	DISK
Ireland	ICTU		HAK-IS
Italy	CGIL		KESK
	CISL		TÜRK-IS
	UIL	United Kingdom	TUC
Latvia	LBAS		

## European Industry Federations

EMF	European Metalworkers' Federation
EFFAT	European Federation of Food Agricultural and Tourism
ETUF-TCL	European Federation of Textile, Clothing and Leather
EFBWW	European Federation of Building and Wood Workers
EMCEF	European Mining, Chemical and Energy Federation
EPSU	European Federation of Public Service Unions
ETF	European Transport Federation
ETUCE	European Trade Union Committee of Education
UNI-EUROPA	European Federation of Services and Communication
EEA	European Alliance of Media and Entertainment
EFJ	European Federation of Journalists



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