



## **Theme Conference Trade Council Ministries and Finances**

### **Directive on services in the internal market and the debate about services of general interest. QUO VADIS?**

**Monday 12 and Tuesday 13 September 2005  
Jean Monnet Centre  
Luxemburg**

#### **Resolution**

The EU actions that have been given special attention by public service trade unions, are the directives on services in the internal market COM(2004)2 and on services of general interest COM(2003)270 - COM(2004)374. Today, they are more of relevance than ever before and, therefore, require an updated position.

Apart from the economic convergence, States and international institutions must assure the social cohesion. They must impose rules in order to guarantee that high-quality services of general interest can be provided in fields of great importance such as education, health, culture, security, justice, water supply, gas and electricity services, post and telecommunication services and public transport.

In order to fulfil their obligations of universal service or public service, the public authorities must have high-quality services at their disposal and provide them with the financial means necessary to adequately execute the assigned missions.

We welcome the further realisation of an internal market for services, but are critical of the fact that the consequences of the directive are insufficiently provided for.

If the EU holds to its fundamental objective of bringing together people and ensuring in this way peace and prosperity, it should precisely give attention, in its protection of free trade, to the differences that exist in society.

#### **Proposal for services of general interest**

Trade unions have their own opinion as regards services of general interest. They welcome the initiative taken by the European Commission to first discuss the matter of services of general interest on a broad basis, before further liberalisation steps will be taken. Trade Un-

ions also support the Commission's opinion expressed in the Green Paper that efficient high-quality services of general interest are an important factor in achieving competitiveness and greater cohesion within the European Union. The White Paper is a step forwards. The White Paper could not and does not provide a clear conceptual and structured framework for nor a complete picture of public services and services of general interest across Europe.

Services of general interest form an essential element of the European model of society, the development of high-quality services of general interest should be included in the objectives of the community. Moreover, Eurofedop draws attention to the important role that is played by local and regional authorities in the provision of services of general interest. Eurofedop therefore supports the opinion of the French National Assembly which, in its contribution on this Green Paper, comes to the conclusion that "l'approche sectorielle prive de toute sécurité juridique les services d'intérêt général pris en charge au plan régional et local". Regarding the non-economic services of general interest (Social security, Public Health), we insist that they can never be subjected to the regulations of the internal market. Finally, Eurofedop expects the Commission to give special attention to the needs and improvement of services of general interest in the new Member States.

### **Recommendations and boundary conditions:**

- **Eurofedop advocates a further broad debate on the content of the directive with all the parties concerned, including the social partners;**
- **Eurofedop proposes to pay, in the directive, sufficient attention to the improvement of the services of general interest in all the member countries;**
- **Eurofedop urges the European Commission to define in the directive clear regulations guaranteeing high-quality services of general interest in all the member countries;**
- **Eurofedop urges the European Commission to define in the directive frames in which a good control of the creation of high-quality services of general interest can be organised;**
- **Eurofedop endorses the need to clearly define in the directive under what conditions compensations in the form of state subventions for public services are possible;**
- **Eurofedop endorses the need to clearly define in the directive frames with regard to the necessary transparency of tender projects of companies under public or private law;**
- **Eurofedop proposes in conclusion to regularly evaluate the functioning of the directive and to discuss these evaluation results with the social partners among others.**

### **Directive on services in the internal market (Bolkestein)**

The European Parliament states to welcome measures within the framework of the internal market, measures that benefit both companies and their workers, the users and the consumers. Consequently, the European Parliament supports proposals for the simplification of administrative procedures in the interest of companies, their workers and consumers, the creation - towards the end of 2008 - of one single desk for all necessary formalities, the in-

introduction of transparent and clear procedures that can be completed in a restricted period of time and measures for the protection of workers and consumers.

However, the European Parliament also fears that the actual realisation of these proposals may have severe consequences for regulated services and professions and for the social economy. It is feared that great problems might arise with regard to the control and enforcement of rules concerning the work organisation and secondment. And, also as regards health services, it is underlined that this directive might undermine the responsibility of member states.

Therefore, we aim for a European services directive that protects the internal market to the extent that it guarantees fair trade and takes account of the differences that exist with regard to national economies and social structures.

And does not imply that all countries have to adapt to the economic and social structure of the economically weakest countries. Such harmonisation is unacceptable from the social policy point of view. Well-functioning social models should be the example here.

Moreover, we regret that no account is taken of the various practices that exist in the different member states with regard to general utility services and the capacity of public services to act independently.

### **Recommendations**

- **Eurofedop realises the need to organise a well-balanced internal market with free movement of services;**
- **Eurofedop demands of the European Commission a sensible and placid approach in which it takes special account of the situation in the member countries and in which it involves also the social partners;**
- **Eurofedop takes the view that the effects of the directive on the workers in the member countries must be clearly established and that the directive must not be implemented before this insight is obtained and discussed with the social partners;**
- **Eurofedop notices that there are differences in working conditions between the member countries and that these differences must be accepted;**
- **Also in case of free movement of services foreign companies must respect the way in which working conditions come about in the country concerned, through collective bargaining among other things;**
- **In the opinion of Eurofedop the directive must not be a reason for running down working conditions and working circumstances in order to attain a possibly low labour cost;**
- **It is to Eurofedop a major reason for concern to create good frames that are necessary for guaranteeing high-quality services. The directive must include these frames, and they must be discussed with the social partners;**

- **There must be consultations with the social partners on the sectors in which the implementation of the directive causes insurmountable problems. Within the field of action of Eurofedop this is in any case necessary for the health and social services, but also for the post and telecom services. In this respect Eurofedop refers to the already existing position of the Trade Council Post and Telecom to this directive.**
- **Eurofedop proposes in conclusion to regularly evaluate the functioning of the directive and to discuss these evaluation results with the social partners among others.**

Luxemburg, 13 September 2005