



European Federation of Public Service Unions (EPSU)

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New Study: EU Internal Market Electricity and Gas "is not functioning"

A new energy study, to be launched tomorrow 3 November, from the **University of Greenwich's Public Services International Research Unit (PSIRU)** has definitive evidence that **there are no noticeable positive effects for domestic consumers from competition, and the drawbacks are many**, that Labour productivity improvements are one-off events, achieved by dismissing workers and with no effect on longer-term dynamic efficiencies. Study author **Steve Thomas (PSIRU-energy expert)** stated that; **"the evidence that the Internal Energy Market is not delivering the expected results is beyond question"**.

This academic study **directly contradicts the assertions of British Prime Minister Tony Blair** who is convinced that liberalisation of electricity and gas is the way forward as he argued in his speech at the European Parliament (26 October) stating that *"this (EU energy policy) should focus, not on new regulatory barriers, but rather on obtaining a genuinely open energy market"*.

The PSIRU study is an evaluation of the European Directives that established the Internal Market for electricity and gas. It identifies that:

- Market concentration rather than genuine competition has been the overall trend, with small consumers the big losers.
- Wholesale electricity markets, as designed under the directive, are underperforming badly and are exposed to market manipulation
- The skill-base in the EU Electricity sector has been *significantly* eroded by heavy-handed redundancy policies.
- Employment and training commitments, pledged **by consecutive energy commissioners**, for the 300,000 workers no longer in the sector have not been forthcoming.

The report is published on the occasion of the **EPSU Energy Conference 3 and 4 November in Brussels**, at which the **European Commissioner for Energy Andris Piebalgs** will give the closing address. It is the largest gathering of electricity and gas trade union leaders ever with more than 150 participating. The vice-chair of the European Parliament's Energy committee **Britte Thomsen MEP** and the rapporteur for the EP on the internal market for electricity and gas **Claude Turmes MEP**, will also be in attendance.

The report will form the cornerstone of the EPSU contribution to the progress report the European Commission is obliged to make for the European Parliament. It will also be discussed by the Council of Ministers 1 December.

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“If the European Commission ignores the findings of this report its capacity as defender of the European public interest can be seriously questioned. It would be a further demonstration of the growing gap between the Commission and Europe’s workers who increasingly see the Commission being captured by special corporate interests at their and citizens’ expense” remarks **EPSU Deputy General Secretary Jan Willem Goudriaan.**

A prudent approach is called for and any new measures should lead to a manifest improvement in:

- Democratic control over the sector;
- Protection for users through strengthened public service obligations;
- Reliability of supply;
- Secure and qualified employment;
- Sustainable development. “

If you wish to attend the EPSU Energy Conference 3 and 4 November, or if you seek an interview with Steve Thomas (author of the study) or Carl Wood (former Californian Public Utilities Commissioner) please contact +(32) 0475 256912;

Address of Conference: ITUH, International Trade Union House, Boulevard Albert II, nr 5, 1210 Brussels.

Summaries of the report are available in English, French, German, Italian, Swedish, Croatian, Bulgarian, Czech, Hungarian and Romanian www.epsu.org/a/1465

Download the study :

http://www.epsu.org/IMG/pdf/EU_gas_electricity_Directives_SThomas.pdf

PSIRU is Europe’s leading academic institution evaluating the effects of liberalisation and privatisation on public services. It operates the largest non-commercial databases of transnational companies operating in the electricity, gas, water, waste and other public services. For more information on PSIRU www.psiru.org

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EPSU is the European Federation of Public Service Unions. It is the largest federation of the ETUC. 8 million public service workers and their 213 trade unions are members. They organise workers in health and social services, local and national administration, energy, water, waste.

In the energy sector EPSU organises in electricity and gas, in production, transmission, distribution, retail and auxiliary services. Our members work in power plants using all fuels such as nuclear, hydro, coal, renewables, gas and wind. Our employers are small and large public (state and municipal) and private companies.

For more information on EPSU and our work: www.epsu.org

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