



Phillip Whitehead MEP
European Parliament
Rue Wiertz, 60
1047 Brussels

18th November 2005

Dear Phillip,

Services in the Internal Market – IMCO Committee vote 22/23 November

Next week will prove a defining stage in the decision-making process of the Proposal for a Directive on Services in the Internal Market. The proposal has courted controversy from the day it was produced, and the European Parliament now faces a major task in trying to make something workable out of this shamefully poor Proposal from the European Commission.

In the current debate about *Better Regulation*, this proposal is a glaring example of the need of the Commission to carry out systematic and serious social and employment impact assessments on policy proposals, not just cost-based and economic impact assessments, as is currently the case. Commissioner Spidla must be given his full authority under the Treaties to ensure that this balanced consideration is taken.

When we talk about an internal market, we cannot deal with opening up a market in services in the same mind frame as we talk about free movement of goods. The Service sector is heavily labour intensive. We are dealing with peoples' lives, their health, safety and welfare, and deciding on the future shape of the proposals before you next week must put this consideration at the heart of the process.

I write to you today, to ask you to support a position that takes full account of protecting the social, employment, and collective bargaining rights of European workers, which will go far to reassure GMB members and our colleagues throughout the European trade union movement that Europe is still committed to a balance of its economic and social dimensions.

I also wish to highlight the need to protect certain specific sectors where the quality, accessibility and integrity of these services come under particular threat from the current proposals.

GMB calls for:

- Removal of **the country of origin principle**, and support for a position of host country principle where there is no harmonisation, as suggested by Anne Van Lancker. Without sufficient harmonisation of standards at sectoral level within the EU, this principle will encourage social dumping and therefore cannot and should not be applied. We have concerns about Gebhardt's change from a position of mutual recognition to one of distinction between "access to services" and "exercise of services", which we do not see is strong enough to protect the necessary authorisations and regulatory provisions of many sectors.
- Full exclusion of **Services of General Interest**, both of an economic and non-economic nature, and the provision of a framework proposal on Services of General interest.
- **Respect for- and protection of collective agreements**, the wider application of industrial relations, social dialogue, information and consultation rights, and rights to take industrial action. A serious impact assessment on these issues **must** be carried out.
- **Full exclusion of Labour law**. The Commission argues that this is not covered in the proposal, but the poor quality of the proposal has created very definite implications for labour law, its monitoring and enforcement, regardless of whether that was a desired objective, and cannot be ignored.
- Removal of **Health, social and other public services, public leisure and waste disposal** from the scope of this proposal, together with other high-risk sectors such as **construction, gas/utilities installation and maintenance**, where this affects the ability to licence, regulate, and ensure competence.
- Exclusion of the **security sector**, preferably through Article 2, Scope, or as a fall-back, through Article 17, exclusions.
- Exclusion of **Temporary agency workers** under Article 2 Scope, and progress on positive agreement on the Temporary Agency Workers Directive is demanded from the UK Presidency.
- Full exclusion and protection of **Health and Safety provisions**, they are seriously undermined in several parts of the current proposal.
- The removal of all Articles which erode and undermine the protections of the **posting of workers Directive**. The protections under this Directive are proving hard enough to impose without further weakening of the provisions.

These concerns are not borne out of a protectionist fear of facing the realities of the modern global world, as some would like to portray, but out of long established experience of representing people in the service sector whose future employment rights, conditions and security will be turned upside down if the current proposals are not drastically revised along the lines we suggest above.

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Furthermore, GMB members take a pride in the quality, accessibility and the integrity of the services they deliver, and feel that the current proposals risk undermining these core principles of service provision in a race to the bottom based on cost, and deregulatory liberalisation.

GMB is dismayed about the splits which have developed, even within the Socialist Group, over these proposals, most particularly with new Member States, who see the concerns being raised as discrimination towards them by the over-protectionist "old" Member States. The now almost legendary case of the *Polish plumber* seems to have defined this issue, though research shows there are in fact surprisingly few of them in any State outside of Poland. Our argument as trade unionists is, surely it would be discriminatory if we accepted that a *Polish plumber* or any worker in the EU could come to work in Britain or another Member State on inferior pay, conditions and protections - that's discrimination.

Another rather strange argument is that, without the country of origin, British workers going to Poland or elsewhere might have to work under the terms and conditions there. Hypothetically, that may be so, but the reality is that this is not where the movement is, and very few British workers would move where there was negative incentive. The key point is that the country of origin is not going to encourage pay, conditions and health and safety standards up to the better levels in Europe, it will encourage driving them down. A positive future for Europe does not lie in this direction.

On behalf of GMB members, I thank you and our other MEP colleagues for the sterling work you did on our behalf in consideration of the Working Time proposals in the face of what I know was considerable pressure, and on the many other issues you have rallied on. We hope that we can count on your continued support and resolve in putting right the very major failings of this proposal.

Best Wishes

PAUL KENNY
GMB Acting General Secretary