



**EPSU Campaign for a legal framework for Quality Public Services
closing conference and next steps
18-19 June 2007, Brussels**

Brief report

1) Introduction

The aim of the Conference was to take stock of the EPSU campaign for a legal framework for public services, agreed by the EPSU Executive Committee in November 2006 and to reflect on the next steps. Some 40 participants from 23 countries took part in the Conference (see annex). Anne-Marie Perret, EPSU President and Carola Fischbach-Pyttel General Secretary, chaired the discussions.

The report of the Conference will feed into the EPSU Executive Committee's discussion on the campaign in the autumn.

2) Evaluating the results of EPSU campaign

We started this session with a video-style presentation from Brian Synnott, Campaign Coordinator. The video (which will be distributed to affiliates) shows the wide range of campaign activities that took place during the last 18 months at EU and national level.

Brian pointed out that the campaign is the first serious attempt by EPSU to generate "bottom-up" support around a European issue. Making the link between the local, national and EU levels is therefore a key challenge. Many affiliates showed that they are able to do this successfully, and the campaign is a learning experience for everyone.

Brian's presentation was further discussed in the working group sessions (see under item (4) of this report).

3) The EU's role in promoting sustainable social and economic development: what place for public services?

We organised this session on the European Neighbourhood Policy¹ to illustrate that the absence of a "positive" EU policy on public services also has implications for those outside the EU. In the debate we had three speakers:

- ✓ Rutger Wissels, Director, European Neighbourhood Policy Co-ordination, DG External Relations, European Commission
- ✓ Vasyl Shilov, Ukrainian Trade Union Federation and PSI-Europe sub regional officer
- ✓ Grigor Gradev, Pan-European Regional Council

Rutger Wissels said that the ENP was developed as a tool to create an arc of stability, prosperity and democracy around the EU.

¹ See EPSU's background paper on "the European Neighbourhood Policy: implications for public services and trade unions" <http://www.epsu.org/a/1764>

It is not an alternative to EU membership, and indeed is intended to bring the countries concerned closer to the EU. The ENP is not a policy as such, rather it is a process between the EU and ENP countries, in which both sides chose to cooperate on common problems (e.g. migration, terrorism, human trafficking) and where specific EU policies can be taken up by ENP countries if they should so wish. Mr Wissels pointed out that the Commission undertook a review of the ENP in December 2006² which gives a positive assessment of the ENP while setting out a number of areas for improvement.

Vasyl Shilov described the effects of the ENP on the Ukraine, and criticised the negative impact that the liberalisation of public services had on vulnerable users. He also highlighted ongoing problems with freedom of association and social dialogue in the Ukraine (see attached presentation).

Grigor Gradev drew on experiences with EU enlargement and argued that the EU's focus on economic reform prevents the emergence of a balanced reform process that reflects the interests of society as a whole. The EU needs to give greater value to social cohesion and the role of institutions and democratic processes, including social dialogue. Participative decision-making is an integral part of good governance and also social cohesion. He added that even with EU enlargement, where the social acquis was a mandatory part of the process, it was never a priority (and furthermore often reduced to labour market issues). What chance for the ENP if the social (or societal) dimension is only an option? Grigor pointed to the situation in the Balkans as an example of what can happen when reform only benefits certain groups in society. He concluded by saying that there are no quick paths to "prosperity, stability and democracy for all"; at each small step there is a need to strengthen social aspects and democratic participation. PERC and EPSU are trying to do just this, for example, in relation to the South East Energy Treaty. Both the EU's internal and external policy needs to take the EU social model more seriously. This means that the equitable distribution of wealth and resources within, and between, societies needs to be a clear objective of all EU policies.

In response to criticisms of the ENP, Mr Wissels said that the Commission could not interfere in the internal decision-making process of ENP governments. It can stress the need for consultation, but cannot impose it. He pointed out that in serious cases the Commission could withdraw its cooperation, as was the case with Belarus. He added too that it is a caricature to portray the EU as promoting only liberalisation. On the other hand, he did not say that there is a need for more of a social dimension to the ENP.

4) Next steps regarding the EU legal framework for public services: what future for public services?

This session came back to the issue of our campaign, and future EU developments regarding public services. We were joined by:

- ✓ Roderick Meiklejohn, European Commission (DG ECFIN competition policy and regulation)
- ✓ Eva Belabed, Group II Economic and Social Committee (EESC)
- ✓ Oscar Reyes, Eurotopia³ campaign on public services in Europe

Mr Meiklejohn concentrated his comments on developments regarding the horizontal evaluation of the network industries that have been liberalised.ⁱ There have been three evaluations to date and this year the European Commission is reviewing the evaluation

² See http://ec.europa.eu/world/enp/documents_en.htm#1

³ See Eurotopia publication distributed at the Conference (attached).

process itself. A report is due to be published soon and one of the expected changes will be better consultation with interested parties, including social partners. On the follow-up to the White Paper on Services of General Interest, Mr Meiklejohn said that the Commission was waiting for the outcome of the Treaty discussions, but that there is an intention to link the follow-up to the review of the Single Market, expected in the autumn.

Ms Belabed began her intervention by pointing out that the “EU societal model” was built around the general consensus that certain rights and responsibilities are universal (for example in relation to public services and social dialogue). This model is more and more challenged by liberalisation and the growing dominance of the private commercial interests. She added that this focus on the economic is counter-productive even in its own terms, as the social dimension is a prerequisite for developing the “knowledge society.” Ms Belabed confirmed the support of the European Economic and Social Committee (EESC) for a legal framework on public services, and also for a more nuanced Single Market strategy. Regarding the ETUC petition, she said that even in Austria it had not been easy to harness support for this outside the public services unions.

Mr Reyes described the objectives of the Eurotopia publication, i.e., to give visibility to the failures of privatisation as well as alternative public sector reform agendas. The aim is to provide practical examples to show that private services are not necessarily more efficient or cheaper (and indeed, they can turn out more expensive) and to counter the idea that public services are “anti-choice”. He added that it is difficult to articulate local, national, and EU campaigns around quality public services. We need to counter the messages being delivered to people about the benefits of liberalisation and greater competition within public services. EU journalism had an important role here.

In the discussion that followed, a number of participants stressed the need for broad-based criteria against which to assess liberalisation (employment, access of citizens, level of investment). It was pointed out that more and more research reveals mixed evidence about the effects of liberalisation. So, if there are doubts about liberalisation why does the Commission continue to push it so fervently? Mr Meiklejohn replied that the Commission’s assessment of liberalisation is positive “*if it is done properly*”, and he gave the example of British Rail, which he said had been ill thought out. He added however that it is difficult to isolate the effect of liberalisation from other factors and that there are methodological problems. Furthermore, the Commission’s evaluation tries to assess what would have happened had liberalisation not taken place, i.e., in terms of prices, which is clearly not easy.

Mr Meiklejohn also said that the Commission does not think that competition is a feasible option everywhere, for example it had no intention to liberalise water. On the issue of investment, he pointed out that public authorities in “pre-liberalisation” times did not have a good track record with investments either; getting the right incentives for investment was a question irrespective of whether a service is privately or publicly owned. On this point, Ms Belabed disagreed and said that ownership is a factor. She referred to growing problems with the involvement of private equity and hedge funds in public infrastructure. Mr Reyes pointed out too that the Commission should look more closely at new models of public service delivery and not imagine that innovation takes place only in the private sector and that the public sector “stands still”.

Working group sessions

The working groups addressed the following questions:

- ✓ What is your evaluation of how the EPSU campaign has worked at national level in terms of process? (See attached "*EPSU campaign guidelines*" on aims, timetable, role of coordinators, networking and alliance building etc agreed by EPSU Executive in November 2005). What do you think worked particularly well and what do you think could work better next time?
- ✓ How do we keep up the momentum generated by the campaign? The need for a legal framework is all the more urgent given the range of upcoming EU policy initiatives affecting public services (see indicative list below⁴). What possibilities can you see to persuade more governments to come out in favour of a legal framework? What other allies do we have? What more can we do to collect signatures for the ETUC petition?

The groups were chaired by George de Roos, Pall Hannesson, and Yves Letourneux, and the rapporteurs were Jane Lethbridge, Brian Synnott and Penny Clarke. The working group discussions focused on the following:

The objectives of the campaign

Although EPSU adopted a clear position in support of a legal framework for public services, getting this position across at national and local level has been difficult for a number of reasons: The EU is far away from daily reality and provides a difficult context for our campaign; there is mistrust about what the EU does (and the services directive did not help here); explaining why we need positive laws (standards) on public services at any level is not easy; the term "public services" is in itself woolly; workers have more direct problems with quality of their jobs; the ETUC petition distracted attention away from our campaign (and was not well coordinated either); not all EPSU affiliates support the campaign and/or support is rather passive.

Information and materials to support the campaign

Many colleagues said that more information is needed to "sell" the campaign. The EPSU campaign brochure was appreciated but how to ensure that all affiliates have pertinent national and local-level concrete examples to illustrate why we need the campaign? The EPSU publication "*Users and providers: a natural alliance?*"⁵ drawn up by Jane Lethbridge and based on input from national coordinators was intended to partly at least meet this need. It was also designed to support a bottom-up approach to the campaign. The Eurotopia publication has a similar objective. We also said that it was important to provide regular updates about the campaign's progress and to generate publicity.

Building alliances

Here affiliates reported mixed experiences of working together and/or working with other public service unions, national confederations, political parties, NGOs etc. Public services issues are not seen as a mainstream issue for the trade union movement. Cooperation with user groups and consumer organisations has been weak; the fact that a EU organisation supports the campaign (European Socialist Party, EESC, Committee of the Regions (CoR)) does not necessarily mean that national members will do so. In addition, we were not able to

⁴ These include: Proposal for a EU directive on healthcare (patient mobility); Follow-up to stakeholder consultation on social services of general interest (SSGI); Communication on follow-up to White Paper of Services of General Interest (SGI); Interpretative Communication on public-private partnerships (PPPs); Proposal for a EU directive on concessions; Proposal to include defence sector in public procurement; Implementation of the "*better regulation*" agenda; Review of Internal Market Strategy; Evaluation of performance of network industries; Revision of the internal market electricity and gas Directive; European strategic energy review; Revision of the European Framework Directive on Waste; DG ECFIN Exchange of best practices to improve efficiency in public administration

⁵ Publication is attached

harness support for the campaign from other EU trade union federations (post, telecom, transport, education). We also said that many organisations are “single issue” organisations and the horizontal nature of the campaign complicated alliance building with these groups.

Role of national coordinators

Here we said that in general this had worked well. It would have been difficult for EPSU to be too prescriptive in the guidelines about what the coordinators were expected to do, as the idea is to link with national contexts and activities rather than “impose” a EU recipe. We could have said more however about the need for affiliates to invest resources in the campaign. The level of resources does not necessarily need to be large and indeed we have seen that the campaign has worked especially where we were able to “piggy-back” onto a national event or story (congress, meetings, social elections...).

The ETUC petition:

We had a discussion about how to give more support to the petition, for example, by setting national targets. We agreed that it is important for EPSU and the ETUC to continue to collect signatures and not to abandon the aim to reach 1 million before the end of the year.

5) Conference conclusions and next steps

Carola Fischbach-Pyttel concluded that there had been a very good level of discussion both in the plenary sessions and the working groups. In particular she pointed out that:

- ✓ the Conference had been useful in highlighting the links between the internal and external dimensions of EU policy, and in questioning the consequences of liberalisation. Clearly it is an important on-going task of EPSU and affiliates to collect and disseminate information and research about developments in public services, both positive and negative. EPSU has a current project on the future of public services with the research department of ETUI-REHS (including a Conference 19 and 20 November). We will also provide both academic and political input into the Commission’s liberalisation evaluation process (the EC will organise a workshop on this in September).
- ✓ However, while comprehensive and easy-to-use information and arguments are important to support our case, at the end of the day, the fight about public services is a fight about ideology. Here we should look to the EU Parliament elections in 2009 and invest more in awareness-raising and political work, both at national and EU level.
- ✓ In this respect, we need to do more to show that the question of ownership does matter, not so much on the “micro” level and in each individual case, but certainly on the “macro” level. Of course there are many different types of private sector organisations (e.g. profit or non-profit) and of course regulation can be used to impose standards on private providers. This is reflected in the frequent statements to the effect that the “*State is moving from being a provider to a regulator of public services.*” However, the EU (and many governments) want, like business, to reduce the regulation of business, not increase it.⁶

⁶ A good example of this was given by EIPA (eurActiv 25.6.07) “...there comes a point when the private sector has a certain share of the market and it, in fact, becomes very difficult for the public sector to regulate it... In the UK care-homes sector, under Conservatives and Labour, there was a shift from public to private care. After one or two scandals the Government decided to implement new minimum standards for care homes and staff training, but basically they had to back off. The industry said, “We’re not having this”. What would they have done if the rules had been forced on them? They’d have sold the care homes and where would the people then have gone?”

- ✓ We need to see how best to tackle the many public service dossiers that will be on our agenda in the autumn while not losing our focus on the legal framework. This means that we should refer to the content of the legal framework directive as much as possible; for example, when the Commission organises its evaluation of the liberalisation of network industries we should come with our public services principles as a framework for that evaluation (and indeed, if we had a legal framework in place today, that would be the case).
- ✓ On the framework directive itself, we shall continue to work on the content, and work with affiliates to see how the main objective of the directive – i.e. the application (including evaluation) of public service principles (e.g. solidarity, access, equal treatment etc) can be articulated at EU, national, and local levels. As mentioned in the working groups, this involves developing standards (both content and process) for public services. It cannot be expected that we have very precise demands at EU level for what kind of public services we want if there are no such demands at national level. Here the Charter of Fundamental Rights could provide a framework.
- ✓ We should remember that our campaign is extremely ambitious, and that we have only really taken the first steps
- ✓ In the short term, we should prepare (with the ETUC) for a serious “relaunch” in the Autumn of the ETUC petition, urging affiliates to collect as many signatures as possible in the next months.

List of participants

KOKALOV Ivan Angelov	CITUB	Bulgaria
PLESA Boris	State & local governmt employees	Croatia
SUCHA Blanka	TUSBI	Czech Republic
HADJIPETROU Glafkos	PASYDY	Cyprus
SMIDT Poul	Journalist	Denmark
LIIVAMÄGI Kalle	ROTAL	Estonia
NURMINEN Niina	TEHY RY	Finland
BOUVERET Lise	CGT Services publics	France
DELATRONCHETTE François	FGTE CFDT	France
HANSEN Rolv Rynning	PSI	France
LETOURNEUX Yves	CFDT Interco	France
PERRET Anne-Marie (18/06)	EPSU President	France
REICHEL Elke	Ver.di	Germany
XENAKIS Vassilis	ADEDY	Greece
GAL Reszö	VDSZSZ	Hungary
ÓVÁRI Katalin	VDSZSZ	Hungary
HANNESSON, Páll	BSRB	Iceland
BUCKLEY Ethel	SIPTU	Ireland
MULLIGAN Loraine	SIPTU	Ireland
THIES CHRISTENSEN Sabine	EHMA	Ireland
BERNARDO Enzo	FP CGIL	Italy
FONTANELLI Francesco	FILCEM CGIL	Italy
MARZIONI Ulderico	FEMCA CISL	Italy
MORGA Antonella	FP CGIL	Italy
PAVANELLI Rosa	FP CGIL	Italy
KERIS Valdis	LVSADA	Latvia
KATINAUSKAS Jonas	LTUSE	Lithuania
DE ROOS George	ABVAKABO	The Netherlands
KRISTENSEN Per Godtland	NNO	Norway
DUMBRAVA Ioan	UNIVERS	Romania
ISTRATE Mircea	FEM III	Romania
PETCU Claudia	SANITAS	Romania
CORREIA Guida	STAL	Portugal
MARQUES José Manuel	STAL	Portugal
CIACMA Jacek	FSAP CC.OO	Spain
JONSSON Anders	KOMMUNAL	Sweden
SHYLOV Vasyl	PSI	Ukraine

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ⁱ You can see EPSU's critiques of previous evaluations on <http://www.epsu.org/r/232>