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Resolution R.1. Public Services – Europe's Strength

A. Public Services in Europe – developments during EPSU congress period 2000 – 2004

There were significant developments in the role of public services in the Member States of the European Union since the 6th EPSU General Assembly in April 2000. Socially, the principles upon which public services are based continued to be eroded. Economically, the debate was between the budgetary constraints imposed on public services and their contribution as an economic operator. However, the contribution of the public service in economic terms, through GDP contributions, and particularly through employment creation has begun to be discovered, and even valued, as evidence of the negative impact of EU liberalisation projects mounts. The Lisbon declaration has some positive elements, which outline this development stating that: *“People are Europe's main asset and should be the focus point of the Union Policy. Investing in people and ensuring an active and dynamic welfare state will be crucial to Europe's place in the knowledge economy (EU Presidency conclusions, Lisbon European Council, 23-24/03/00, p.6, para 24)”*. However, the declaration made clear that the preferred method of ensuring increased employability and economic growth, was through the advancement of internal market methods *“Rapid work is required to complete the internal market in certain sectors and to improve under-performance (sic) in others, in order to ensure the interests of business and consumers” (Lisbon European Council p. 4 para 16)*. The declaration also outlined that the main responsibility for providing the stated objectives would rest with the private sector and with public-private partnerships. At the European Council in March 2000, it was stated that *“economic performance and social cohesion are not mutually exclusive, but mutually reinforcing objectives”*. Under the proposed model of delivery, the Lisbon declaration ensured that the mutually reinforcing nature of these two aspects would be tested. In order to ensure this link, EPSU must vigorously underline that public services are the fulcrum of the relationship between economic performance and social cohesion.

The Resolution *‘Public services for the people of Europe’* adopted at the 6th EPSU General Assembly was applied with some degree of success. As the main component of the campaign *Public Services for People in Europe*, EPSU hosted two high profile public service conferences, which examined in detail the relation between the European Union and public services. The concept of services of general interest was pushed to the heart of the debate on the kind of EU best suited to the needs of the people of Europe. However, the aim of ensuring the *adoption of a Green and White Book on Public Services* by the European Commission, was complicated in light of the discussions on the draft Constitutional Treaty. In particular, the advantages of a framework directive on services of general interest have become less simple to discern. EPSU has started the process of delivering a *Public Service Test* to each EU Presidency. Although a *European Public Services Platform* has not been formally established, closer alliances have been forged with civil society at horizontal and sectoral level. EPSU has played a leading role in the European Transport and Energy Forum and in the European Health Policy Forum. At horizontal level the Task Force on Public Procurement has cemented the link between the social and environmental agenda.

In summary, the political climate, which prevailed during the Congress period, made it difficult for EPSU to identify EU decision-makers supportive of its position. Major developments such as the *Treaty of Nice*, the *Convention on the Future of Europe* and the *Intergovernmental Conference (IGC)* have therefore presented new challenges. The debate to include the *Charter of Fundamental Rights* within the body of the EU Treaty has had significant relevance for public services, particularly in relation to the section on solidarity (Chapter IV articles 27-38). This section makes reference to social security and social assistance, health care and access to services of general economic interest. While recognition is given in these articles to the principles upon which public services are based, debate remains as to the legal applicability of the provisions. EPSU co-ordinated closely with the European Trade Union Confederation on all of these developments, to ensure that public service demands were a cornerstone of the trade union position. This intensive period of legislation has allowed EPSU to strongly reiterate its call that recognition of the positive value of public services be actionably referenced in the EU treaty. The decision taken to enlarge the EU increases the urgency of ensuring that these initiatives strongly reflect a social dimension.

Important developments during the Congress period were the European Social Fora in Florence (2002) and Paris (2003). EPSU will engage with the ESF based on its own programme and priorities. The developments during the Congress period 2000-2004 underscore the pace and significance of European developments impacting on Public Services in Europe and the need for EPSU to play a central role, which underlines the importance of strong public services.

B. The challenges facing public services and EPSU

Funding of public services – providing the social and economic rationale

The introduction of the Euro has seen an increased emphasis on the criteria as laid down in the *growth and stability pact*. A strict application of budgetary constraints on public spending has been largely accepted as the economic orthodoxy. To counter this, EPSU needs to ensure that more emphasis is placed on the concept of *intelligent social investment*. By this, it is meant that new EU-based developments should be regarded as an opportunity to introduce inventive social solutions, and an opportunity to strengthen the European Social Model, rather than be seen merely as a way to facilitate further liberalisation. In the context of the enlarged EU, EPSU needs to emphasise the importance of this concept – that a strong social basis is essential for long-term economic growth.

At the European level, politically ambiguous messages in relation to the growth and stability pact need to be clarified. The imbalance between messages pressurising member states to deliver sound public finances and the markedly less frequent pressure to deliver intelligent social investments need to be addressed. In purely economic terms, assessment of the Pact needs to be based upon strategic, sustainable, long-term economic growth as the *bedrock* criterion upon which the EU's economic health is assessed.

Improving public services image as an attractive career option

The demographic development will lead to an increase in the demand for public services whilst at the same time increasing competition for the work force. Besides making it difficult for the public sector to recruit staff, a reduced work force will increase the pressure on public service funding, and consequently give rise to demands for increased productivity and efficiency. In spite of the increasing unemployment, parts of the public sector are already experiencing problems with regard to recruitment.

Public service providers in their role as employers have to be committed to improving the conditions of employees in the fields of competence development, health and safety, pay and employment guarantees. All workers in the public service should be paid at a level

commensurate with their competences and responsibilities. Management should not be an exception to this rule; neither downwards nor upwards.

- First, because attractive working conditions will make it possible to attract and hold on to employees.
- Second, because it is necessary for salary levels of public services employees to catch up in most countries. This is a requirement to make these jobs attractive on a long-term basis.
- Third, because the development of employees' competences is the pivot for continuous provision of high quality services to the citizens.
- Fourth: because for public services to function smoothly and efficiently, high employment guarantees are necessary enabling the neutrality and integrity of the employees working in the general interest to be ensured.

The Public Services delivery debate - challenging privatisation and commercialisation

Rather than the state being seen as a mere 'enabler' of public services, EPSU must rigorously make the case for the state being responsible both the FUNDING and DELIVERY of public services. The tendency to wish to apply the private sector criteria of management and evaluation to public services without distinction and the ideological presumption that the private sector is necessarily more efficient than the public sector have gained political ground. It has been recognised by EPSU that this is a rationale for the introduction of liberalisation mechanisms. This perspective is given weight by the lack of stringent criteria, particularly at European level, to assess the financial efficiency of the private sector over the public. Instead a situation has arisen, where the assumption that this is the case is regarded almost as an article of faith. Given this increasing evidence, EPSU needs to formulate an effective strategy, which successfully counters the arguments of this orthodoxy. If market competition were therefore to be assumed as an "end in itself", even public services of vital character – such as; the security of access to drinking water; health; nutrition; culture; education and social services - risk eluding the basic imperative mission of public services.

The European Commission's Green Paper on Public Procurement and Public Private Partnerships (PPPs), even in its title, illustrates the dominance of the existing orthodoxy that 'private is best'. EPSU has strongly called for the parallel assessment, under identical criteria, of examples of *Public-Public Partnerships* (PUPs). EPSU, in conjunction with PSIRU, has collated significant evidence, which illustrates the advantages of PUPs in finding the balance between the cost and social effectiveness of a public service. EPSU is of the opinion that any conflation of public procurement and PPPs is inherently biased. Unless balanced by a neutral assessment of the role of the public sector, the exercise can only extend the influence of the internal market and the right of competition at the further expense of the social agenda and fundamental rights.

Maintaining the quality of public services and Quality through transparency

EPSU recognises that in order to maintain its central role of furthering a European Social Model, public services must continue to evolve and adapt. EPSU is committed to ensuring that a balance is maintained between the *quality, accessibility and financial sustainability* of public services. EPSU is committed to co-ordinating work with the Public Services International (PSI) campaign on *Quality Public Services*, which was adopted at the PSI World Congress in Ottawa.

The role of public services is to respond to citizens' needs. For this, it is essential to consider that users and employees participate in the preparation of the content of the public service mission and in the decisions and supervision of their practical implementation. The EPSU is committed to ensuring that any 'modernisation' of public services is carried out with the

greatest degree of transparency. EPSU aims to ensure that modernisation is undertaken with explicit recognition of the positive societal role of public services. Industrial relations and the collective bargaining system must support quality development. The driving forces in this are employee participation and strategic skills enhancement. Quality development should not be restricted to management circles, but should be a living issue for all staff.

EPSU affiliated unions are committed to ensuring that public employees have real influence on the development of their work and their workplace. In a time of great change, this influence is crucial. It is the single most important point of access for employees to develop their competencies, and – by so doing – to ensure their employability. Ideally, the result should be increased satisfaction with public sector services among citizens and enterprises.

Imposing sensible limits on the WTO-GATS process

The role of public services and the capacity to deliver high quality services has been compromised by the drive to open public services to competition.

The European Commission, in its role as negotiating partner for the EU, has formulated a pro-liberalisation agenda regarding world trade. EPSU commits to calling on the European Commission to recognise the limits of its negotiating mandate. At present, the Commission is exploiting the wide application of competition law to aspects of public services considered as member states' responsibility. This application of competition policy is then used as justification for a shared competence. The sectors of education, social services, health, and culture have each been threatened with inclusion as an open sector. The exclusion of health, education, culture, social services and water from any trade obligations must be made unequivocal. The role of private companies in the delivery of water services and provision of health is constantly being augmented by EU trade policy. EPSU commits to a strong co-ordination with PSI, ILO and International networks, to ensure that the Commission's negotiating stance conforms to standards expected of the European Social Model.

C. Recommendations for protecting and promoting public services

The 2000 General Assembly undertook to include specific measures to ensure a public service dimension to the enlargement process. The EU emphasis on the economic rather than social criteria of the 'acquis communautaire' is evident. EPSU is committed to ensuring the perception of the new members as full EU members in every capacity – with the right to the highest level possible of quality public services (see separate resolution on an enlarged EU).

EPSU pledges full and continuing commitment to the goal of having public services reflected at the heart of the EU Treaty. EPSU will continue to advocate for a European Social Model based on sound, strong, state and/or locally managed and funded public services. EPSU commits to promoting the concept of Intelligent Social Investment at the EU level. EPSU undertakes to learn from national campaigns promoting the public service, and where practicable, to employ similar tactics at the EU level.

EPSU reiterates that sound and equitable taxation is essential for socio-economic equilibrium (EPSU General Assembly Policy Statement: European Tax Charter 2000) and renews the call for a tax on speculative short-term financial operations. EPSU calls for realistic corporate taxation levels across the EU as a mechanism to make the societal contribution of enterprises commensurate with their wealth.

EPSU calls for the recognition of services of general interest as a pillar of the European Social Model, insuring citizens and communities their fundamental rights, and as an integral part of economic, territorial and social cohesion. EPSU commits to campaigning to ensure wider recognition of Public-Public Partnerships (PUPs), as a viable alternative to PPPs.

EPSU will explore legal options to test whether limits on the reach of internal market regulations can be defined, thus establishing the necessary balance between the right to competition and fundamental rights and whether the European Commission has maintained its neutrality with regard to ownership.

EPSU calls for the principles, upon which sound services of general interest are based, to be reflected in the external trade policy of the EU. EPSU therefore calls on the European Commission to tailor its WTO-GATS negotiating position to the principles of the European Social Model.

Action will be taken to seek cooperation with organisations drawing up the same analyses and action on common goals. A growing number see public services as an alternative to the predominant commercial view of the world. This is an important strategic consideration for EPSU.

Section on Health and Social Services

The European Federation of Public Service Unions Health and Social Services Standing Committee, based on the public service resolution, commits to formulating action during the period 2004-2008, in the following areas:

In an **Enlarged EU** EPSU will advocate that the principles of the European Social Model in the context of healthcare delivery, and in social policy, are upheld. In particular, EPSU aims to ensure that in the health care and social services sectors in an enlarged EU, solidarity, universality and equity are seen as core principles. EPSU will work to ensure that non-EU based affiliated unions have the tools to work towards the application of these principles in their countries.

EPSU commits to working to **combat attempts to liberalise** the healthcare and social services sectors in Europe. EPSU has noted the attempts to broadly apply internal market law to the health and social sector in Europe without regard to the fundamental societal obligation of the sector to all European citizens. The role of the European Court of Justice in facilitating these attempts is illustrative of the policy vacuum in relation to the protection of health at the European level. EPSU commits to ensuring that European policy reflects the categorisation of 'health and social services as services of general interest'. EPSU also commits to ensuring that the concept of **intelligent social investment** is applied to health care.

EPSU commits to co-ordinating with the Public Services International (PSI) to ensure that the **Quality Public Services** campaign takes specific regard of health and social services. Emphasis will be given to the link between quality conditions for staff and quality of patient/client care. The focus will be that in order to ensure that the concept of health as a human right has the widest possible application, health and social service personnel must be allowed to actively contribute, through workplace partnership and social dialogue to having acceptable working conditions.

EPSU notes that the European Constitutional Treaty incorporates the **Charter of Fundamental Rights** in the body of the text. EPSU commits to ensuring that **article 35 'healthcare'** is respected. In particular EPSU commits to ensuring that a 'high level of human health protection' is adequately reflected in all EU policies.

Noting the specific difficulties of recruitment and retention faced in the health and social services sectors, EPSU commits to pressing for the commensurate standards to ensure that the **healthcare and social services sectors are regarded as attractive career options**. Emphasis will be given to best practices in the fields of lifelong learning, personal development and a pleasant health and safety environment.

EPSU commits to working with PSI to ensure that health care and social services are not subjected to the World Trade Organisation – General Agreement on Trade in Services (WTO-GATS). In particular, EPSU will advocate that greater solidarity becomes a policy goal in the provision of health insurance. As part of the campaign to ensure healthcare and social services are not subjected to international commercialisation, EPSU commits to further strengthening links with organisations that share a similar progressive perspective.

Section on National and European Administration

The ongoing co-operation between the EU Directors-General and Ministers for public Administration, under the auspices of the European Commission, has taken on considerable proportions. Benchmarking and policy recommendations are being drawn up in key policy areas such as human resources, wage systems, mobility, training, public sector performance and new information and communication technologies (e-government). This is done to a large extent without trade unions having much of a say. At the same time, public sector workers are pressed to deliver better services and incorporate an EU perspective with fewer resources. The political, social and economic European integration relies heavily on enhanced administrative cooperation across the EU; this has become all the more important in view of an EU of 25 Member States. A coordinated European trade union response to ensure that administration workers are well equipped to meet the needs of citizens in a fair, effective and accountable way needs to be stepped up. The two following mutually reinforcing objectives will form the basis of the work of the EPSU Standing Committee on National and European Administration for the next Congress period:

To establish a Sectoral Social Dialogue Committee

- The Committee will continue to press for the setting-up of an autonomous, strong and representative social dialogue in the EU state sector with a view to establishing social standards in the EU and improving the delivery and quality of services through the involvement of workers and the wider electorate, at both EU and national levels;
- This will mean solving the trade union representativity issue while pressing employers to become organised at the EU level;
- The Committee will develop its own agenda for social dialogue including on issues of working conditions, e-governance and mobility. The joint work programme of the European cross-sectoral social partners 2003-2005 will provide a sound basis to build on;
- The Committee will continue to influence the informal cooperation of the Directors-General for public administration at EU level on issues of relevance to public sector employees and monitor implementation of European cross-sectoral collective agreements in the state sector (e.g. Telework, Lifelong learning, part-time and fixed-term contract work)

To strengthen a European trade union response in the state sector

- The Committee will continue to argue for state administration to remain public via campaigns and development of common quality indicators on what makes the public sector a sound provider of efficient services accessible to all citizens, and enterprises;
- The Committee will continue to press the case for public administration as a key source of job creation;
- The effects of budgetary constraints on the levels and quality of public sector employment, on the one hand, and demands for quality public services, on the other, will be further researched including through case studies. Alternative responses will need to be drawn up accordingly;
- The Committee will coordinate European strategies and actions in the area of trade union and collective bargaining rights including wages, pensions, gender equality, working time and information and consultation rights- and public sector ethics -including openness of administration and status of public sector workers;
- In view of the Europeanisation of immigration and defence/security matters, the Committee will need to draw up common positions on both policy areas.

Section on Local and Regional Government

European Union policies and initiatives in areas such as public finance, services of general interest, public contracts and public-private partnerships continue to impact on local and regional government. European Union social policies such as the employment guidelines set parameters for municipalities and other territorial authorities as employers. European Union policies influence specific local and regional government workers like fire fighters through directives on fire-safety issues for example..

The following will be priorities for the Standing Committee Local and Regional Government:

1. To continue its project critically researching the implications of public-private partnerships in local and regional government including organising workshops for union researchers. The project is to allow influencing and countering of key EU policies that promote public-private partnerships.
2. To promote local self-government and local democracy and oppose measures that reduce the capacity of workers and their local communities to decide their course of action, including running services through public companies. Local referenda have proven successful in keeping public services public. EPSU will assist affiliated organisations by providing a tool kit, assembling campaigning tactics and giving examples. EPSU remains critical of the impact of GATS on local communities.
3. To develop a social dialogue in the local and regional government sector at European level. The newly-established Sectoral Social Dialogue Committee in Local and Regional Government must strengthen the possibilities of the social partners to shape future developments in local and regional government and to articulate European, national, regional and local levels of social dialogue. The Sectoral Committee should in particular:
 - Promote quality local and regional government public services offering attractive employment and based on values of democracy, solidarity, and public service ethos;
 - Support the local and regional dimension of the European Employment Strategy (EES) with a view to fostering employment and developing flexible and modern working practices adapted to the needs of public service employers and workers;
 - Organise activities to strengthen employer and trade unions organisations in local and regional government in the new Member States;
 - Complement the work of the cross-sectoral social partners where appropriate;
 - Address initiatives by the European Commission in the field of social and/or employment policy and other policies having social and employment consequences on the local and regional government sector, including internal market policy and regional policy.
4. To improve its capacity to articulate national and European level social dialogue and collective bargaining through coordinated trade union strategies, including in the area of trade union rights (e.g. promoting solidarity actions)

Section on Public Utilities

Liberalisation often accompanied by privatisation, continues in the utilities. It will be possible for all *electricity and gas* consumers to choose their supplier as of 1 July 2007. Discussion to force liberalisation of *water services* has started at national, European and world level through GATS. The share of public sector provision of *waste management services* continues to decline. Many EPSU members work in the private sector. Workers in both publicly and privately owned companies have common European employers often with global activities. European policies in all utility areas impact on the workers and their unions.

Against this background, the following will be priorities:

Liberalisation. EPSU will continue to follow *energy liberalisation* critically, pointing out the predicted negative consequences for employment, pay and conditions, consumers, public service obligations, the environment and democratic accountability. EPSU will step up its work on democratic regulation, seeking alliances with consumers, anti-poverty, and environmental groups and municipalities.

EPSU will oppose European efforts to liberalise the *water service sector*. While standards for water quality are a European issue ensuring all European citizens high quality water, creating an internal market for water services is not a European competence and there is no demonstrable need for European measures.

EPSU will underline the need for a *European waste management* strategy based on public service principles.

Developing the social dialogue and transnational action. EPSU's focus is on protecting employment, pay and conditions. Social dialogue through establishing sectoral social dialogue committees in the different areas of the utilities is one way of doing so. Another is through increased coordination and joint action around common demands and issues in particular with regard to common employers. EPSU will campaign to ensure that the EPSU Social Standards for the Electricity and Gas Industry be adopted by the employers. The Standing Committee will continue to monitor developments regarding European Works Councils in the sector.

Sustainable development. *Achieving sustainable growth and development is a key consideration in energy, water and waste. It links with corporate social responsibility, employment creation and a safe and healthy environment for current and future generations. The Standing Committee will explore how it can contribute towards putting Europe on a path towards sustainable development.*

Adopted by the Congress