



European Trade Union Confederation (ETUC)
Confédération européenne des syndicats (CES)

Trade Union Memorandum

to the

French Presidency **of the European Union**

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**European Trade Union Confederation
(ETUC)**

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1. INTRODUCTION

The institutional challenges

The French Presidency is the first of the new trio of EU presidencies between 1 July 2008 and 31 December 2009. It comes at a time moment of great uncertainty about both the European integration process and the European and world economies. Furthermore, it is faced with the approaching end of the mandates of both the European Commission and the European Parliament.

So Europe is currently riding several shockwaves, and there are great expectations regarding the French Presidency's ability to promote and coordinate a clear and urgent response to such a battering.

First of all, the Irish "No" vote sounded the alarm re Europe. Following the French and Dutch, the Irish people delivered a powerful blow, not just to the Lisbon Treaty but also to the manner in which European construction is currently being managed. They voted "No" for several reasons, both national and to do with Europe. The "No" campaign was vigorous and passionate, whilst the "Yes" side were unable to give citizens sufficient reasons to vote in favour of the Lisbon Treaty. As in previous instances, the fear of lower social standards and neo-Liberal policies played a part. The high proportion of "No" voters living in working class areas of Ireland (as had previously been the case in France) has a special mix of perceptions and feelings that are cumulative, each reinforcing the other, and including their fear of globalisation, the failure of social policy to deliver hard-and-fast results, recent cases heard by the European Court of Justice nibbling away at fundamental rights, giving free ride to unfair competition and enabling wages to be used as competitive tools.

What is needed now is a shift in policy. Europe has to listen to the clamorous concerns of its citizens, who rightly expect Europe's leaders to take urgent action. We do not believe that citizens are generally sceptical about enlargement as such, but rather about unfair competition. They are not sceptical about 'too much Europe' as such, but about the lack of social policy. They are not hostile towards migrants, but oppose the exploitation of migrants and the second-class treatment dished out to them. They feel that Europe is leaning too far towards competition and not far enough towards greater solidarity and more upward harmonisation.

One possible approach would entail continuing the ratification process and having Ireland clarify what its people want from Europe, which would result in the incorporation of new protocols into the Lisbon Treaty. In this context, ETUC would propose a) annexing a social progress protocol to the Treaty with a view to asserting the primacy of fundamental rights over the single market; b) sending out a positive signal on working time that actually improves the situation instead of pushing for social regression; c) initiating the revision of the Posting Directive; and d) overcoming the problem of differentiation, as proposed by Belgium.

The growing distance between a European project supported by its elites and the scepticism among segments of European citizens who are becoming increasingly hesitant about the direction taken by European integration has to figure high on the agenda. Since the outset of the integration process, nationalist parties and the opponents of any national sovereignty being ceded to Europe have criticised it, but the recent ECJ cases have also kindled euroscepticism among populist movements that feel Europe is losing its way, and these movements could undermine the legitimacy of European integration.

The preparations for the elections to the European Parliament will serve as an opportunity to

mobilise voters in favour of the European project and a more social Europe. The steady decline in turnouts to European elections since 1979 stands in striking contrast to Parliament's growing importance as a key player on the European stage.

The French Presidency's central theme and *leitmotiv* is a "more protective Europe" (*l'Europe protection*). A more protective Europe is a welcome promise for the defence of the European Social Model, the social dimension of integration, social values, social standards, a commitment to jobs, environmental protection and sustainability in the face of globalisation. The French President has sounded a warning not to lend a deaf ear to the anger of those who perceive the European Union not as protective, but rather as a Trojan horse smuggling in all the threats arising from our rapidly changing world. The French Presidency intends to take up the challenge of giving globalisation a more human face. ETUC is in favour of a "more protective Europe" and clearly opposes a protectionist Europe. Globalisation must be regulated by bringing in new, innovative forms of social partnership and social protection. Strengthening Europe's social dimension must be the top priority for creating a more cohesive and more social Europe and facing the challenges posed by globalisation.

The Wise Persons Group, a think tank on the future of the European model chaired by Felipe González, will have to take full account of the social aspect and not just pay lip service to the social dimension, but make it a substantial part of the process of reform. For future treaty revisions, activating a European Convention will become standard procedure, and here ETUC reiterates that it took part in the last Convention and expects to be involved in any future Convention as well.

Economic challenges

The economic situation, too, is far from bright. After years of calm on the inflation front, strong inflationary pressure is now returning, prompted by rapidly rising energy and food costs. The activities of speculators, especially hedge funds, are aggravating this inflationary pressure, especially where fuel prices are concerned. There is widespread unease that the combination of such inflation plus continuing worries about the availability of loans in the wake of the 'credit crunch' and higher interest rates will trigger a recession. Consumer confidence is down and unemployment has shown signs of increasing in some Member States and certain sectors, e.g. the construction sector. This is the increasingly gloomy backdrop to the work being done by trade unions, and several countries have taken steps to maintain households' purchasing power as inflation erodes the purchasing power of modest, nominal wage increases. Back in April, ETUC organised a European demonstration in Ljubljana that focused on this issue.

World economic growth, which until now has offered Europe dynamic export markets, is set to slow down. Monetary policy decisions within Europe are adding to the negative impact of shockwaves affecting us from elsewhere. As a result, growth in Europe is expected to slow down sharply, from a rate of over 3% in 2006 to 1.8% in 2009.

ETUC believes the French Presidency's agenda should prominently feature efforts to allay the dual concerns of preventing the economy from becoming trapped in another long slump and making sure that financial markets work to shore up the real economy.

2. MAIN AREAS OF ACTION FOR THE FRENCH PRESIDENCY

Priorities for the Presidency: is the social dimension prominent enough?

The Presidency has announced its top priorities as the following four areas: (1) to reach a political agreement on the whole **energy and climate package**, including the revision of the EU's CO2 trading scheme and a new Renewable Energy Directive, if possible at the first reading in the European Parliament; (2) to adopt a **European Pact on Immigration and Asylum**; (3) to update **European Security and Defence Policy**; and (4) to launch reflection about the future of the Common Agricultural Policy.

Although the issues on this agenda are relevant, Social Europe does not figure at the top. We understand that in the wake of the long blockage in the Council of Ministers since 2002 regarding the adoption of social Directives, the Presidency is seeking to adopt another social Directive and thereby send out a modest signal that Social Europe is still alive.

ETUC believes that the Presidency's priorities re energy, climate change or immigration and asylum entail a social dimension. However, we would have expected to see the Social Agenda, the adoption of the Temporary Agency Work Directive, an acceptable Working Time Directive or the review of European Works Councils all included among the French Presidency's priorities, as the fifth key area where progress is to be made over the coming 6 months.

Clearly a 'Europe of results' is better than a 'Europe without results', but the results in question must be more than mere slogans. Content matters, and under the current situation the risk of disappointment and even failure is very high as well.

3. SOCIAL EUROPE

As mentioned above, Social Europe needs to be put back on track. Below are some of the proposals that ETUC would like to see taken up and developed in the context of the French EU Presidency.

Social Progress Protocol

ETUC is calling for a **Social Progress Protocol** to be attached to the Treaty as soon as possible. Such a protocol should make it very clear that under the various European treaties, the internal market is not an end in itself, but is meant to help improve the living and working conditions of European workers and citizens, and that it is this notion of social progress that serves as the guiding principle that should govern all its actions and policies. Fundamental social rights may therefore never be regarded as hierarchically 'inferior' to economic freedoms. Quite the contrary! Another important issue in the context of the increased mobility of workers and services is the need for a regulatory framework at EU level to deal with temporary agency work (see below).

Mobility

As stated above, several issues regarding the cross-border mobility of workers and services are particularly important. One is the proper implementation and enforcement of the Posting Directive, and addressing potential clashes between the objective of this Directive (to protect workers in a climate of fair competition) and the freedom to provide services. Member States and social partners should be allowed sufficient scope to retain mechanisms and instruments for

monitoring and enforcing labour standards and to prevent social dumping. In this context, ETUC is particularly concerned about some recent ECJ cases (Laval, Rüffert and most recently COM vs Luxembourg). The European Parliament will discuss these matters during the French Presidency on the basis of the Andersson report. ETUC expects the French Presidency's support regarding the need to better protect and respect collective bargaining and industrial relations in an internal market context and the consequent need to revise the Posting Directive.

SOCIAL AGENDA

In ETUC's view, given the current economic and social circumstances, Europe needs a strong Social Agenda. In the past, the French Presidency has always helped to strengthen social Europe, so ETUC expects the same to happen this time around. Here are some of the areas we believe need to be urgently addressed, including on the legislative front:

European Works Councils (EWCs)

ETUC welcomed the Commission's introduction of the long-overdue revision of the EWC Directive following the second stage consultation of social partners. For ETUC it is very important that the revision process be successfully brought to a close under the French Presidency, i.e. before the end of 2008. ETUC expects the French Presidency to show a clear commitment to the core needs for this revised Directive, including an improved definition of "information" and "consultation", recognition of the role played by trade unions, improved working conditions for EWCs; effective, proportionate and dissuasive penalties for companies flouting the provisions of the Directive, and the lowering of thresholds for establishing EWCs.

Non-discrimination outside employment

The Commission has included in the Social Agenda a proposal for a draft Directive to prevent and combat discrimination outside employment. Initially it seemed the proposal would be limited to discrimination on grounds of disability. However, after extensive debates and clear positions taken by ETUC, the European Parliament and NGOs, all of whom deemed the Commission's proposal insufficient, the proposal now includes discrimination on grounds of age, sexual orientation and religion. In ETUC's opinion this is a clear instance of 'better' regulation in the sense that it will avoid applying different rules governing different types of discrimination that could in turn give rise to legal and practical inconsistencies or cause problems in cases of multiple discrimination. A broad Directive covering all the grounds mentioned in Article 13 of the Treaty will send out a strong message to the Member States and European citizens that discrimination precludes the building of a modern and cohesive society. Given our ageing population, societies' growing diversity in terms of people's ethnic origins and religions, and increasing intolerance of people with different sexual orientations, establishing a strong, coherent body of law that protects all our citizens from discrimination wherever they are in the EU should be a priority. As a Directive of this kind needs unanimous support in the Council, the French Presidency should do everything it can to convince the other Member States in the Council of the need to support this initiative.

Gender equality

Tackling the gender pay gap and ensuring gender mainstreaming will be priorities during the French Presidency, which is when the European Commission will publish the follow-up to its Communication on the pay gap, setting out the measures to be implemented to reduce it. ETUC is calling on the French Presidency to actively support that initiative. Furthermore, care will have to be taken to ensure that all policies developed at EU level explicitly address how the gender

dimension has been taken into account. The French Presidency can play an exemplary role in making this that this comes about.

Reconciliation of work, private and family life

In the context of their ongoing discussions about reconciling work, private and family life, the European social partners will start negotiations on the revision of the parental leave agreement with a view to bolstering its provisions. This issue is also linked to the demographic challenges facing the EU. Depending on the timetable of the social partners, the French Presidency can play an important and supportive role in the final stages of these negotiations, leading to the transposition of the agreement in a revised Directive. In other areas of reconciliation policy, as well, such as the provision of childcare and eldercare, the social partners have signalled to the Commission the need to take more action at both the EU and national levels. ETUC expects strong support from the Council in this respect.

Transnational collective bargaining

The number of transnational agreements has risen from 92 (in 2005) to 147 (in 2007.) Accordingly, the trend and its momentum are very strong. Two-thirds of these texts have an exclusively European dimension, and they relate to all the biggest European multinational groups. Many problems remain unsolved, though, such as the need to clarify which players may be deemed sufficiently representative to award a mandate to the negotiations or qualify as a signatory or set out clear procedures governing the implementation of any signed texts. ETUC believes there is a need to create a 'permanent place' at European level for the continuation of a debate directly with the social partners, rather than with experts, and to ensure ongoing monitoring of any signed texts, with the possibility of examining the most salient general points emerging from such agreements. It is very important that the Presidency supports these proposals.

Active inclusion

The European Commission will present a Recommendation on active inclusion. ETUC welcomes the fact that further action is being taken at the European level on such an important issue. However, as far as the choice of the most appropriate instruments to be used at European level is concerned, ETUC believes that the enormous challenges facing a new Recommendation will probably end up rendering it pointless and ineffective. For this reason, we advocate shoring up the Open Method of Coordination (OMC), which would underpin and apply the principles and criteria already set out in Recommendation 92/442/CEE of 27 July 1992. Such shoring up should also involve regular evaluations based on common indicators (to be defined) that would enable comparisons between various actions taken and a more accurate assessment of the initiatives in place (and their efficiency) in different Member States aimed at meeting the respective objectives. These evaluations should be followed up with specific recommendations for each Member State depending on the progress or lack of headway made.

ETUC is calling on the French Presidency to seize the opportunity of the October Round Table on Poverty and the outcomes of the work done by the Social Protection Committee to strengthen the Member States' commitment to eradicate poverty in EU, namely by reinforcing the OMC. ETUC also intends to contribute to active inclusion itself, so in the context of the European Social Dialogue negotiations will be launched with a view to promoting a more inclusive European labour market.

Migration

During the French Presidency, the Council will discuss several legislative initiatives to do with legal and illegal migration. The French Presidency has also announced that it wants to make the development of common EU immigration policies in the area of legal and illegal immigration one of its priorities, and intends to secure the Member States' commitment to a so-called Pact on Immigration and Asylum. ETUC has serious doubts about the announced focus of this Pact, which draws a sharp distinction between immigrants we want (*immigration choisie*) and immigrants we do not want (*immigration subie*), placing the emphasis on attracting highly skilled immigrants and at the same time preventing immigrants with few skills and little potential to enter the EU or gain legal status there. Border checks, forced repatriation and sanctions punishing employers who employing illegal immigrants must protect Europe from the influx of those people we do not want, while temporary, circular migration policies and integration contracts giving immigrants no rights but mostly burdening them with obligations must ensure that Europe gets the qualified immigrants it needs without having to make major investments or incurring high social costs.

ETUC is in favour of a comprehensive EU policy on migration, integration and development, offering legal channels for migration at all skills levels, while at the same time rigorously applying and enforcing labour standards and guaranteeing that immigrants are treated equally to local workers.

ETUC is aware of the constraints faced by the Commission, with the Member States being very reluctant to hand over to the EU their competence for managing immigration. But this must not be allowed to lead to a piecemeal approach, dealing only with fragments of policy that could exacerbate both bureaucracy and the current lack of transparency in an area that urgently needs coherent, proactive measures.

In this context, ETUC has expressed its disappointment with the proposal for a Directive on sanctions for employers employing 'illegal' immigrants, which both the European Parliament and the Council may decide on during the French Presidency, believing it to be the wrong instrument at the wrong time. Unless low-skilled immigrants (who currently comprise the vast majority of migrants to Europe!) are offered legal channels for immigration into the EU and offered ways out of illegality, this Directive may well turn into another instrument that hits migrant workers hardest. ETUC demands that the focus instead be on enforcing minimum labour standards and decent working conditions.

Another key issue is the EU's global social responsibility to prevent developing countries in particular being drained of their young talent and of people exercising professions they need for their own economic and social development and survival. This is an area where a coordinated EU policy on high-skilled immigrants would be very welcome, to prevent Member States from competing with each other on skilled workers at the expense of the immigrants' countries of origin.

ETUC welcomes the initiative for a framework Directive on the rights of migrant workers as an important step in the right direction. On many occasions in recent years, ETUC has emphasised that a Europe with open markets and open borders needs a strong, supportive legal framework of rules guaranteeing a level playing field and, more to the point, establishing clear principles of equal treatment re wages and working conditions that apply in the place where the work is carried out.

ETUC wants to stress that immigration must not be used as an ‘easy’ way of resolving labour market shortages or accommodating demographic change. The social partners will have to be involved in assessing real labour market needs, and investment in training unemployed workers – including those from immigrant or minority ethnic backgrounds – is a top priority. Moreover, jobs in sectors where there are shortages must be made more attractive to the locally unemployed in terms of the wages and working conditions associated with them.

Any policy designed to promote immigration in whatever form must take account of the need to gain the support of the local population. This means rigorous investments need to be made in integration policies that entail a genuinely a two-way process, helping both local and immigrant populations to adapt to changing circumstances. Stronger social and employment policies are indispensable in this connection. ETUC therefore calls on the French Presidency to encourage progress on the various initiatives, while taking serious account of ETUC’s concerns and promoting closer involvement of social partners at all relevant levels.

PENDING LEGISLATIVE PROPOSALS

Directive on pension portability

Under the Slovenian EU Presidency it proved impossible to reach agreement on the Directive that now focuses, to ETUC's regret, on the mobility - rather than the portability - of supplementary pension rights. The opportunity presented by the continuing discussions has to be seized to improve the provisions on vesting periods (reducing them to two years at most) and membership age (which must not be over 21). These changes are essential for achieving the stated objective of the draft Directive, namely improving worker mobility.

Temporary Agency Work Directive

The increase in the cross-border mobility of workers and services and the greater potential for abuses and manipulation by agencies and gangmasters makes the adoption of a framework Directive on temporary agency work urgently necessary. It is positive that the deadlock on this issue in the Council is broken and that the vast majority of Member States are now able to ensure that progress is made. ETUC welcomed the agreement reached in the Council on this issue as a good basis for a final agreement with the European Parliament. We are therefore calling on the French Presidency to support this process and ensure the swift adoption of the Directive.

Working Time Directive

ETUC rejects as unacceptable the agreement on the Working Time Directive reached by the Council in June. As it stands, the draft Directive will lead to an overall decline in the level of protection afforded to workers, compared to the current text of the Directive. For this reason, ETUC will continue to fight for necessary amendments during the Directive’s second reading in the European Parliament. A revision of the Working Time Directive should at least ensure that individual opt-outs do not remain in place forever and that balanced solutions are devised to deal with on-call time in the workplace while also respecting ECJ decisions. In addition, it should be impossible to annualise working hours without guaranteeing workers proper safeguards regarding their health and safety and rights to information and consultation. The Working Time Directive is an important cornerstone of Social Europe. ETUC will not allow it to be sold out to business interests and flexibility ideologists. The French government has always been on the side of those demanding socially sustainable solutions on working time.

Accordingly, ETUC is calling on the French Presidency to play a strong, positive role in dealing with the European Parliament during the Directive's second reading.

4. CLIMATE CHANGE AND ENERGY

It is important that the European union set itself ambitious targets for curbing greenhouse gas emissions and give itself means of achieving them achieve them by monitoring social transitions in such a way as to defend Europe's industrial calling. ETUC would welcome the swift adoption of all the legislative initiatives arising from the Climate Package but also insists that it contain a section on the 'social monitoring of professional transitions' comprising an initiative on new qualifications, a European adjustment fund for displaced workers and consultations with the social partners. ETUC advocates boosting the system for trading emissions quotas by extending the principle of auctioning off quotas but definitely complementing it with a border adjustment mechanism for those industries exposed to international competition.

ETUC is also calling on the French Presidency to make sure that the Regulation governing CO₂ emissions by new cars is adopted, maintaining the target of 130 g CO₂/km by 2012. Finally, ETUC would like to draw the French Presidency's attention to the urgent need for a European energy policy that takes account of the issues at stake in the long term, namely fighting global warming, ensuring energy security that all have access to energy. Faced with currently soaring energy costs, the priority must be to reduce consumption, especially by the most modest households. ETUC has suggested the launch of a European financial initiative under which the European Investment Bank (EIB) would raise funds on the international bond market and then re-loan them accompanied by a bonus to those governments that invest in measures designed to combat climate change and save energy.

From this 'Third Energy Package', ETUC wants (a) guarantees to protect vulnerable consumers against energy poverty; (b) openness from national regulators and the Agency for the Cooperation of Energy Regulators (ACER) regarding stakeholders' democratic participation; (c) a study carried out on the impact on investment and employment of the options to do with 'unbundling'.

European industry must not be sacrificed to climate change. Obviously, it needs to adapt to become more sustainable, but before such a transformation can occur, there must be fair competition at the international level, based on legitimately acquired competitive advantages, not on violations of internationally recognised social and environmental rights, including the ILO's core labour standards.

The most effective solution for reducing carbon leakage is to impose a trade compensation mechanism. The Commission has proposed such a mechanism as a possible alternative in its package. For the European trade unions, the adoption of such a mechanism is an essential precondition for securing their support for the climate package.

5. THE SOCIAL DIMENSION OF THE INTERNAL MARKET

Strategy regarding the internal market

A Commission Communication on the single market in the 21st century pledges to take its social dimension seriously once again, announcing a strategy for Services of General Interest. ETUC fears that the internal market Communication pays mere lip service to public services.

ETUC expects the French Presidency to transform the well-intentioned words and declarations into concrete actions.

ETUC will closely monitor whether the Commission delivers the substance behind its declarations. For example, the strategy it unveils for Services of General Interest is unsatisfactory. Preference is given to a sectoral approach, which could give rise to serious problems, especially as regards ensuring equal access to services that are fundamental for ensuring social cohesion, e.g. health and/or social services.

When ETUC accepted the internal market as the EU's pivotal project, the Commission promised and delivered a strong social dimension, including an ambitious social policy agenda, a series of legislative initiatives on health and safety at work and gender equality, and measures designed to promote social dialogue. The EU's internal market strategy was not just about competition, but entailed a balanced approach, whereby the social agenda was deemed part of the internal market, not a marginal or even 'extraneous' factor.

But in the late 1990s the Commission changed its strategy, the Commission focusing solely on efforts to complete the internal market by promoting liberalisation and privatisation. Little or no importance was attached to the social dimension and there was no self-criticism regarding liberalisation and privatisations.

ETUC expects the French Presidency to push strongly for action in this domain. The internal market cannot yield benefits for businesses alone; it must also serve workers' interests. ETUC expects the Presidency to take steps aimed at guaranteeing greater legal clarity and security for public services. As a lesson learned from the battle on the Services Directive, ETUC insists that the Monti clause (Council Regulation 2679/98)¹ be incorporated into all legislation governing the Single Market. This would ensure that no application of the four fundamental freedoms of the Single Market ends up impeding collective bargaining rights and the right to strike as defined by national legislation. Already included in some sectoral legislation, the Monti clause is an effective instrument for guaranteeing that a balance is maintained between the completion of the internal market and the preservation of a high level of social welfare.

ETUC expects the forthcoming "Altmark package" on state aid and initiatives on institutionalised public-private partnerships, concessions and public procurement to take account of the new treaty provisions.

Another important topic will be the implementation of the Services Directive and respect for the spirit of compromise, for instance, the full, unambiguous exclusion of social services. The Member States have to ensure that points of single contact deliver information on social and labour legislation, employment rights, collective agreements, health and safety requirements, social security schemes, environmental legislation and taxation in the Member States and also that reasons to do with public order, public policy, public safety and public health or the need to protect workers or the environment are used to justify non-discriminatory regulations and rules governing policy.

¹ "This Directive may not be interpreted as affecting in any way the exercise of fundamental rights as recognized in Member States and/or in the EU Charter of fundamental rights, including the right or freedom to strike. These rights may also include the right to take other action covered by the specific industrial relations systems in Member States."

Health and social services

The Commission has confirmed that for the time being it has no intention of legislating on Social Services of General Interest. Nonetheless, the legal certainty of such services needs to be guaranteed following their exclusion from the Services Directive. Since the services in question are essentially personal services with a clear social dimension (allowing for the implementation of the social rights contained in the Charter of Fundamental Social Rights), they cannot be governed by market rules and competition alone, and the limits of their application must be more clearly defined at EU level.

ETUC believes that the recent draft Directive on health care requires careful analysis on a number of scores, particularly regarding the conditions re the availability and universality of care. The instrument foreseen to provide greater legal certainty in cases of cross-border services should not endanger the viability of national systems or increase inequalities of access resulting from patients' capacity to contribute, or indeed the working conditions and qualifications of the staff affected by stiffer competition and greater tensions within the circles providing these services.

Better regulation

ETUC reiterates its support for the improvement of European legislation with a view to fulfilling the needs to regulate Europe's economic development (and the internal market in particular) and to ensure that the principles of the social charter are implemented. With this in mind, ETUC stresses the needs to ensure the strengthening of the democratic process behind the drafting of European Regulations, to make certain that they are fully implemented at national level, and to guarantee constant feedback on experiences by enlisting the support of the social partners and the other actors involved. By the same token, ETUC reiterates the role of the social partners as co-legislators in the social policy domain and underscores the need to ensure their full consultation on all Regulations with a social link, be they economic, social or environmental Regulations. ETUC insists that any initiative designed to simplify the situation, including the codification of social Directives, be subject to consultation of the social partners in line with the Treaty, and points out that at present it is the social partners who assess the impact of Community initiatives dealing with the Social Charter. Simplification must not result in any scaling back of acquired rights at the European or national levels. If the Commission rules that a supplementary impact assessment needs to be conducted, the resulting exercise and results should fall within the scope of the consultation process.

ETUC insists also that most EU social legislation be on the principle of minimal harmonisation. An exercise designed to 'improve regulation' should not be used to reduce harmonised levels of protection or undercut levels set out in national legislation or collective agreements.

Finally, regarding the objective of reducing the so-called administrative burden by 25% by 2012, the progress on which will be debated at the next Spring Council in 2009, ETUC reminds the French Presidency that this objective must not be allowed to jeopardise either the principles of the Social Charter or workers' rights to information and consultation. In particular, such an objective must not automatically apply to all domains of social legislation. In the health and safety domain, for example, it would be incompatible with the principle of systematically managing health and safety in the workplace level in all companies based on the principle of risk assessment and consultation the relevant with workers' representatives. ETUC would reject any measure that excluded micro-companies from these obligations or ruled out specific categories of workers (e.g. temporary workers) from preventive measures.

Company law

The ETUC is observing carefully the EU Commission's initiatives on modernising company law and the European Small and Medium Enterprises Act which aims to allow enterprises to better use the opportunities of the EU internal market. In particular, we see the proposal for a European Private Company (EPC) regulation as a measure which only aims to strengthen freedom for companies at European level, whereas workers' interests are regarded rather as a complication which should be left to subsidiary levels of national legislation.

The ETUC urges the French Presidency to make sure that the new regulation of an EPC must be fully in accordance with the provisions for workers' participation rights deriving from the SE-/SCE-regulation. At this juncture, ETUC stresses that modernisation of company law must be beneficial for all stakeholders, and should not undermine workers' rights.

6. TRADE AND EXTERNAL RELATIONS

Trade and external relations

ETUC is calling for active external policies both within and outside Europe that will contribute to sustainable growth, the development of decent work, the promotion of EU values such as those set out in the EU Charter of Fundamental Rights, and the universal respect of international conventions, especially those adopted by the ILO. We hereby call on the French Presidency to react swiftly and robustly against violations of human and trade union rights wherever they may occur. We also enjoin the Presidency to promote our values at the major summits that will take place over the next six months, especially with the Asia-Europe Meeting (ASEM) and other summits involving Mediterranean countries, Ukraine, India, Russia and China.

ETUC attaches particular importance to the deepening of Euromed relations and hopes that the 13 July Summit will result in the revitalisation of the Barcelona Process, to the benefit of working people throughout the area in question. ETUC expects the French Presidency to take steps to strengthen the social partners' consultative role, especially in the economic and social domains, represented by the Euro-Med Trade Union Forum (coordinated by ETUC) and the Business Med (UMCE). We look forward to a positive outcome from the Labour and Employment Conference due to be held in Morocco in November and hereby express a strong desire to be involved in this initiative.

ETUC is also looking forwards to the further development of a social dimension in the context of ASEM, particularly at the second ASEM Labour and Employment Ministers Conference in Bali in October ahead of the ASEM Summit in Beijing. ETUC is involved in the preparations for those meetings and, as part of the international trade union movement, will be submitting recommendations in due course.

Strong chapters on sustainable development, including social and environmental standards, must be incorporated in all EU bilateral trade and association agreements, with effective provisions aimed at ensuring implementation and social partner involvement. This applies in particular to the bilateral trade agreements currently being negotiated with South Korea, India, ASEAN and Ukraine, as well as to the Economic Partnership Agreements concluded with ACP countries, which should be negotiated with a view to driving regional integration and sustaining local production. The same considerations apply to the partnership and cooperation agreement that the EU is currently negotiating with China, which should also include a strong chapter on sustainable

development, including respect for ILO's Core Labour Standards. Countries applying for GSP+ status should be put on notice that the fullest application of all core labour standards is a prerequisite for enjoying the benefits of such status, failing which they will be suspended from the system.

ETUC reiterates the positions set out in its letter of 21 April to the Commission President on non-agricultural market access (NAMA) in respect of the associated WTO negotiations. If the Doha Round negotiations are concluded, we insist that the final WTO Ministerial Statement mandate a WTO follow-up work programme on trade and employment (including the links between trade, decent work, core labour standards and development) to be monitored by a WTO committee or working group.

Trade defence instruments (TDIs)

ETUC strongly opposes any attempt to undermine the current EU trade defence instrument system, which has so far functioned efficiently and is consistent with WTO rules. ETUC asks that trade unions be given the right to lodge complaints in EU trade defence instruments procedures, as is the case in the USA.
