



10TH PERMANENT CONFERENCE OF THE EUROPEAN CAPITALS' TRADE UNIONS

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ATHENS**

CGT Ile de France contribution to the debate

The 10th permanent Conference of trade union organisations of European capital city regions calls for the strengthening of social protection and public services, for a Europe of social progress, well-being and solidarity.

Under pressure from the financial markets destabilised by the crisis of the capitalist system, European governments are trying to impose drastic austerity policies so as to be within the bounds fixed by European Treaties for budget deficits (3% of GDP) and national debt (60%).

Such policies will lead to a regression in social protection, in particular as regards pensions systems which are currently the target for reforms in most countries.

But they also put into jeopardy the quality and accessibility, and even the very existence, of public services financed by Member States and by local authorities.

However, public services are an essential tool for ending the recession, as the European Trade Union Confederation stated in its resolution of 2 June. Created to respond to fundamental needs – housing, health, education, work, culture, etc. – they serve to protect the individual and also to promote social cohesion and solidarity. Their economic impact is considerable, whether on the redistribution of wealth, employment or investment.

Public services should therefore play a major role in Europe in setting up a policy of sustainable growth and development which aims to satisfy needs, through coherent land use policies, the creation of

communication and exchange infrastructures, the development of training and research, and democratic methods of funding public policies.

For supporters of the current construction of Europe, who give priority to the free circulation of capital, goods and services, public services (or Services of General Interest) are in fact an obstacle to these principles. The European Commission intends to open up new sectors to competition and is encouraging the development of public-private partnerships (PPP), the thin end of the wedge for privatisation.

Legal and regulatory decisions in the past few years have tended to restrict the scope of public services to being a mere safety net for the very poor, in order to switch most of their essential activity to the private sector, which is subject to free competition (e.g. social housing in the Netherlands, health insurance plans in France). This flouts the values of universality, social cohesion and solidarity on which public services are based.

Such regulations (the Directive on Services in the internal market, or Bolkestein Directive, and the Directive on Public Procurement) also tend to oppose administrative controls and stipulations, especially of a social nature, used by local authorities who wish to control delegated power granted to service providers by invitation to tender.

However, there are points in the Lisbon Treaty that can serve as a basis for the recognition and development of public services, and for their removal from the competitive field:

- the Charter of Fundamental Rights, which has force of law, implies the existence of missions of general interest regarding such rights, and establishes the right of access to services of general economic interest (SGEIs) (energy, postal services, telephone, transport, etc) in order to promote territorial and social cohesion;
- Article 14 of the Lisbon Treaty provides for the setting up, on the initiative of the European Commission, of a European regulation establishing a common, horizontal framework for SGEIs;
- moreover, the protocol on services of general interest recognizes the great leeway that Member States and local authorities have when it comes to defining and implementing public services that correspond to missions of general interest.

In its resolution of June 2, the ETUC asks the European Commission to guarantee the lasting existence of public services in Europe through:

- the establishment of a European Regulation for public services, and the freedom of Member States to define them;

- the introduction of a social progress clause into European law that takes precedence over European market freedoms;
- the clarification of the rules governing public services and their funding, as well as the rules for public procurement, in order to guarantee their legal certainty;
- a halt to incentives for the development of public-private partnerships under pressure from deficit reduction policies, and their assessment;
- a moratorium on the opening up of new sectors to competition.

These proposals extend national demands in each of our countries for the defence and development of public services.

The Day of Action on 29 September is an opportunity to put these proposals forward on a European level and to demand a new direction for public services in Europe, which are one component of a Europe of social progress, solidarity and well-being.