



Services Directive a victory for big business – begin the campaign to prevent Dáil implementation.

When Irish Ferries announced plans to replace nearly 600 Irish seafarers with labour from Eastern Europe at considerably lower rates of pay, we were given a glimpse of the sort of attack on wages and conditions when the EU Services Directive is implemented. The objective of the Services Directive is to ensure ‘free-market’ competition in all economic services operating within the EU. This includes health and education. Under the “country of origin” principle, service providers could operate according to the laws of their country of origin rather than those of the host country – setting in train a further race to the bottom in terms of pay and conditions. This will allow companies registered in EU member states with minimal labour standards to undercut pay and conditions secured by workers in other member states.

The Services Directive was passed by 405 votes to only 105, on Wednesday November 15, 2006. It is probably the single most important EU law to be passed in decades, as the services sector encompasses in excess of 70 % of the economies of the EU countries. In opening the way for the effective commercialisation of almost all services within the EU. It will deny millions of people the quality public services which they deserve. It also represents a considerable blow against workers’ rights and social protections. The big question is: how has this situation come about?

This Directive was drawn up away from the public eye by eurocrats and industrialists grouped in the EU employers federation (UNICE) and the European Round Table of Industrialists (ERT) to promote the free movement services and labour across the EU – regardless of the consequences.

The ERT, a corporate-based group, has been at the forefront of the drive for further EU integration for over twenty years. It was founded in the early 1980s to kick-start further integration within the EEC. Wisse Dekker of Philips and Industry Commissioner Davignon drew together a group of leading European CEOs with the objective of “*relaunching Europe*”. Dekker argued: “*If we wait for our governments to do anything, we will be waiting for a long time. You can’t get all tied up with politics. Industry has to take the initiative. There is no other way*”.

The ERT now has over fifty members such as Ericsson, Fiat, Renault and Siemens. Membership is strictly invitation only. The ERT is not just another pressure group lobbying the Commission. It was formed with the express intention of furthering EU integration and shaping it to benefit European-based transnational corporations. It has consistently supported the removal of national vetoes and other forms of “*fragmentation*” within the EU. The ERT differs from other lobbying groups, as it does

not bother with detailed legislation: “*We don’t deal with national issues. We only talk about the overall questions*”. It is also distinctive in its ability to gain access to major players in the EU, both at national and supra-national level.

The ERT’s website boasts that: “*At European level, the ERT has contacts with the European Council, the European Commission, the Council of Ministers and the European Parliament and continues: “Every six months the ERT strives to meet the government that has the EU presidency to discuss priorities and “At national level, each member communicates ERT’s views to its own national government and parliament, business colleagues and industrial federations, other opinion-formers and the press.”*

So, the ERT’s objective is to form the agenda at the highest levels of the EU, and especially at the European Commission. Evidence from the last two decades suggests that it has been extremely successful.

In late 1984 a European Commission proposal to remove trade barriers within the EEC and create an internal EU market, elicited little enthusiasm from member governments or much of the business sector. However, in 1985 the ERT published *Europe 1990: An Agenda for Action*, which proposed eliminating trade barriers, harmonising regulations and abolishing fiscal frontiers within the EEC by 1990. This plan was sent to EEC heads of state and laid out in precise terms the steps needed in four key areas – elimination of border formalities, opening up of public procurement markets, harmonisation of technical standards and fiscal harmonisation. Three days after that initiative, Jacques Delors delivered a speech to the European Parliament closely matching the proposals and opined that the ERT was “*one of the main driving forces behind the Single Market*”. A few months later, the White Paper was published that became the basis of the Single European Act.

The ERT has continued to press for further integration, calling for more powers to the European Commission. In January 2001, the Commission launched plans for the wholesale deregulation of entire industries. EU internal market commissioner Bolkestein claimed it was time to end the sector by sector process of privatisation “*when so many of the necessary changes are common to a wide range of services*”. Commission spokesperson Froehlinger called for implementation because: “*We have come across all types of planning procedures which give discretionary powers to authorities which are clearly contrary to jurisprudence and are designed to protect local markets*”. The final genesis of the Bolkestein’s Services Directive had begun.

In 2002, the ERT told the convention on the EU’s future that a stronger Commission was “*vital*”, since it was “*the genuinely Europe-focused institution and the one most capable of articulating the common European interest above national and regional interests*”. The ERT is now an extremely important player in moves pushing us towards a *de facto* United States of Europe and has been able to achieve many of its aims in alliance with the European Commission, an undemocratic, bureaucratic and unaccountable body. Clearly, the ERT is no friend of the rights of Europe’s peoples to democracy and self-determination. For the ERT, the bigger the “*democratic deficit*” within the EU, the better it is for them.

The Commission, urged on by the ERT, is using the free movement of labour, capital and services across the EU, enshrined in EU rules, to dilute and even destroy labour standards which have been hard-won over many decades by national labour movements. The Services Directive and other neo-liberal measures will only entrench these exploitative developments in Ireland by increasing 'social dumping', and feeding misplaced racism and the far-right.

The 25 members of the European Union now have three years in which to implement the directive. In the meantime, democratic movements in Ireland and across the EU must campaign for their parliaments to refuse to implement such reactionary and damaging legislation and Irish unions must re-evaluate the benefits of engaging in Social Partnership when the government is prepared to back such measures .