

GMB

IN EUROPE

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European News

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New UK Commissioner... on short term contract!

Following the resignation of Britain's EU Commissioner, Jonathan Hill, the EU Parliament has this month approved the nomination of his successor – Julian King, former UK Ambassador to France. He will be in charge of the Security Union, a new portfolio in an area where the EU hopes to be able to continue to cooperate with Britain and in which Britain has substantial expertise. King has pledged to defend the interests of the whole EU, not just the UK, and has said that he has always been proud to be both British and European, and sees no contradiction between the two. Nevertheless, the decision of the British people must be respected, he has stated, and his job will end with Britain's EU exit.

King's work will include reviewing EU security measures, fighting radicalisation and improving information exchange. Labour MEPs welcomed his nomination as a sign that Britain will continue to play a strong and positive role in the EU, and as an opportunity for the EU to make a real difference in the fight against terrorism.

Tory government must publish EU exit plan and ensure workers are protected

Patience is wearing thin both in the UK and in the rest of the EU at Prime Minister Theresa May's continued reluctance to give more details on when Britain's negotiations to leave the European Union might begin, and what the government's negotiation strategy will be. Though Theresa May has ruled out any second referendum or attempt to stay in the EU "by the back door", her demand last month that key ministers provide her with UK exit 'action plans' has still not led to any substantial proposals to date. It is expected that the formal exit negotiations will be launched in February or even March 2017.

GMB's Central Executive Council has adopted a statement on Britain's EU exit, emphasising that our priority is to protect and promote the jobs, rights and economic security of our members, and we will do this at every level.

GMB supported the composite motions at TUC Congress this month warning the Tory government that workers must not pay the price for Britain's EU exit, that our EU-based employment and social rights are not to be touched, and that residency rights for EU citizens in Britain and British people in the rest of the EU must be fully guaranteed and extended.

"The government needs to be honest about what leaving the European Union entails, and it needs to set out the consequences of the different courses of action," urged **Labour Leader in Europe and GMB MEP Glenis Willmott**. "Leaving the European Union will be the biggest change in our lifetime, and will affect our country for generations to come. It cannot be left to Tory hardliners to determine how this is done, and must not be pushed through without proper democratic scrutiny," Glenis added.

Calls are also growing from MPs that they be given a vote before the exit process is officially triggered. David Davis – Britain's new Secretary for Leaving the EU – has stated that at least some of the changes in legislation following the UK's EU exit will need parliamentary ratification. Legal advice sought by Theresa May, however, insists that parliamentary consent is not obligatory. The Labour Party has warned of the dangerous constitutional precedent that such a circumvention of a parliamentary vote could set.

For their part, EU leaders have warned that Britain will not be able to pick and choose its future relationship with the European Union, and that if Britain wants to keep its access to the EU Internal Market, then it will have to continue to accept the corresponding right to free movement of workers – one of the major points of contention during the EU referendum campaign.

UK's exit triggers renewed EU commitment

The British people's decision to leave the EU has triggered a renewed commitment to the European Union and its common values of cooperation and solidarity from the remaining Member States. Many national leaders are now demanding Britain's exit be a wake-up call to work towards a more united and socially just Europe once more.

The ETUC, together with 176 other European trade unions and civil society organisations, has endorsed a [common statement](#) demanding a new social and sustainable Europe that engages with and works for its people, rejects populism and tackles challenges together.

Things go sour for tax-evading Apple

In a landmark ruling and victory for ordinary tax payers around the world, fat-cat, tax-evading multinational **Apple** has been ordered by the EU to pay Ireland back the €13bn in unpaid taxes it owes the country. Ireland has also been accused of breaching EU state aid rules by granting major tax benefits to the company, including a measly 0.005% corporate tax rate in 2014 on its massive European profits. Despite the unpaid taxes amounting to the equivalent of Ireland's entire annual healthcare budget, the centre-right Irish government is unbelievably joining Apple in challenging the EU's decision.

GMB has major concerns that the Tories will give similar corporations a free ride in post-EU exit Britain, to the detriment of our health and public services.

A recent Europe-wide survey has highlighted that 75% of people (70% in the UK) want the EU to step up the fight against **tax fraud**. The EU has already ordered Starbucks to pay back €30mn in unpaid taxes, and it is currently investigating similar measures against Amazon.

European leaders have warned Prime Minister Theresa May that UK negotiations to leave the EU will be made "more difficult" if she pushes ahead with plans to cut **corporation tax**. There are already substantial concerns that the Tory government is to go even softer on **tax evasion**, after it was revealed that Luxembourg-based businessman Gerard Lopez, who featured widely in the Panama Papers tax scandal, donated £400,000 to the Conservative Party. "Britain must not become a fat cats' tax haven where companies can avoid tax and public services suffer from underinvestment," said **Anneliese Dodds MEP**, Labour's

EU taxation spokeswoman.



The EU has also started to compile a comprehensive list of non-cooperative **tax havens**, to push third countries to comply with international tax good governance, something which it currently struggles to do with the patchwork of national lists. Places under British jurisdiction, such as the British Virgin Islands and the Cook Islands, are amongst the worst offenders.


Sign up to the new trade union campaign against tax havens [here](#).


EU Parliament says stop social dumping


The EU Parliament has overwhelmingly approved a Socialist-led report aimed at fighting social dumping in Europe. Specific proposals include an end to 'letter-box companies', a blacklist of companies that violate social and employment laws, a minimum wage set at 60% of the national average, and joint and several liability in sub-contracting chains. A definition of 'social dumping' was also agreed as "a wide-range of intentionally abusive practices and circumvention of existing EU and national legislation [which] enable the development of unfair competition [between workers from different countries]".


GMB worked closely with MEPs in shaping this report and is urging both the EU Commission and Britain's Tory government to take up its recommendations, especially as regards ending precarious work contracts such as zero-hours.


EU Trade Union Action Update


 **Portugal:** **Public sector** workers have won back their right to a 35-hour week, reversing the 40-hour week introduced as part of austerity measures in 2013. This decision, however, has not been fully implemented in the **health** sector, covered by separate collective agreements, leading workers to go on strike.


 **Finland:** Employer organisations have launched a campaign against the extension of generally binding **collective agreements** – which cover all public sector workers and 75% in the private sector. Trade unions held a demonstration on 16 September against these moves to weaken **workers' rights**.


 **Greece:** The **ITUC** has warned that **workers' rights** in Greece could be further attacked and undermined next year if International Monetary Fund (IMF) proposals, including a 30% cut to the minimum wage and new laws on strike action and union representation, are pushed through.

 **Germany:** Over 2mn **public sector** workers are due to get a 4.75% pay rise over the next two years, thanks to a new collective agreement between trade union **Ver.di** and **local governments**.

 **Estonia:** The **Estonian Seamen's Independent Union** has asked for international support to demand services company **Transiidikeskuse AS** recognise the union, enter into collective bargaining negotiations and re-hire dismissed union reps. Take action and show your support [here](#).

 **Belgium:** Trade unions across the EU are protesting against **construction equipment** company **Caterpillar's** decision to close its Belgian headquarters, even though the plant remains profitable. All 2,200 workers will be made redundant, after they had already agreed to lower salaries and longer hours following 1,000 job cuts two years ago. 250 Caterpillar jobs will also be lost in **Northern Ireland**. These moves have been made in direct contravention of EU information and consultation rules, the ETUC has warned.

 **Lithuania:** Trade unions organised a country-wide demo on 10 September as part of their campaign against the proposed new **labour code**, which threatens to create more precarious working conditions, particularly for the young. Despite Lithuania's President also opposing the code, parliament has passed the new legislation, claiming a more flexible labour market will boost employment.

 **France:** Trade unions marched across the country on 15 September in their 14th demo demanding France's new **labour code** be repealed.

Impregnable trade deals bad for public services, trade unions and democracy

By Penny Clarke, Deputy General Secretary – European Public Service Union federation (EPSU)



The Trade in Services Agreement (TiSA) is being negotiated by a group of countries calling themselves the Really Good

Friends of Services. These include the EU, US, Japan, Canada, Colombia, Chile, Mexico, Australia, South Korea and Turkey amongst others, and negotiations are expected to finish soon. TiSA's aim is to further open services to competition and restrict governments' possibilities to regulate how these are provided.

PSI (Public Services International) research has revealed how TiSA touches on many important issues linked to the future of public services, such as health, elderly care, education and many utilities, democracy and workers' rights. TiSA aims to limit the ability of governments at all levels, including

the local level, to regulate, and to challenge and remove regulations that can be considered a hindrance to trade and investment. TiSA (like the EU-Canada deal CETA) also includes standstill and ratchet clauses that make it impossible to reverse liberalisation, and which the European Commission argues are 'indispensable' to TiSA's architecture.

Large US, but also European, Australian and other services industries are pushing for TiSA. These lobby groups include companies like Google, Walmart and Deutsche Bank. They want this deal that promises them larger market shares while also holding out the prospect of moving rules and regulations to a global level in such a way that local and national governments – and trade unions through collective agreements that are also seen as 'red tape' – can no longer restrict, curtail and control the companies. But we all see that companies need to be controlled more, not less.

TiSA is one of a number of trade and

investment agreements currently being negotiated. Together, they have the potential to severely limit the ability of national governments, trade unions and municipalities to govern and follow democratic decisions. We are strung together in an impregnable web of rules. These deals all seek to reduce regulatory protections and increase protection for companies' investments. Labour rights on the other hand are noticeably absent.

GMB and other trade unions and social movements are mobilising to draw awareness to what is at stake. EPSU has been pleased to work with GMB and is part of several networks in Europe which closely monitor the negotiations, expose who is behind and seek to convince MEPs, the European Commission and governments that these agreements should be stopped as they do not strengthen workers' rights, democracy, improve the quality of public services or bring social justice closer.

GMB joins mass protest against corporate trade deals

Opposition to current major EU trade deals is growing. In recent weeks, French, German, Austrian, Belgian and Greek political leaders and senior ministers have all demanded an end to the EU-US TTIP trade negotiations. Meanwhile, European and Canadian trade unions have stepped up their joint campaigning efforts to oppose the EU-Canada CETA deal, which the EU Commission wants to try to push through by the end of the year.

GMB joined thousands of protesters on the streets of Brussels last week to demand EU leaders listen to the people and put an immediate end to corporate-led trade deal negotiations once and for all. Many similar protests have taken place across Europe, with over 2,000 cities and councils – representing some 75mn people – now declaring themselves

TTIP and CETA-free zones.



EU leaders will decide in October if CETA should be considered a 'mixed' agreement, which would mean the deal has to be ratified by each individual EU national parliament. A veto from only one country could scupper the entire agreement. Things aren't looking good for the deal with several national MPs and political parties already vowing to oppose it – most recently Austrian Social Democrats. There were disappointing results at last week's extraordinary German Socialist congress on trade deals, however,

where the decision was made to endorse CETA, albeit with some reservations. Twelve EU Member States, including the British government, have also written to the EU Trade Commissioner insisting the TTIP and CETA deals go ahead.

A new [report](#), co-drafted by the European Public Service Union federation, has revealed how CETA threatens our public services and will make EU countries much more vulnerable to costly corporate lawsuits.

An ILO [study](#) shows that labour clauses in trade agreements do no harm to business, and can help support greater labour market access, particularly for women. For labour provisions to be effective, however, full social partner involvement is needed, the study emphasises.

Steel – EU takes action against China and Russia

GMB has welcomed the recent EU Commission announcement that it will retroactively levy anti-dumping duties on imports of cold rolled steel products from China and Russia, following a year-long investigation, and will also impose definitive anti-dumping measures against Chinese steel rebars.

New proposals to strengthen the EU's steel trade defences are due to be published in October and a preliminary ruling on anti-dumping measures on Chinese plate and hot rolled coil is expected in November. These decisions will be easier to push through now that Britain – which always opposed stronger duties on China – is no longer part of the EU negotiating table. However, this raises greater concerns for GMB and UK steel workers about what approach Britain will take in any future bilateral trade deals with China and other competitors. We fear they will allow even greater access.

The EU and international trade union federation IndustriAll, to which GMB affiliates, has called for

a global strategy to fight steel dumping, especially from China. It is also calling for trade unions to be included in finding a solution to the steel capacity crisis, for workers and communities facing displacement to receive training and support, and for collectively bargained apprenticeships for young workers.



China is not market economy

The European Economic and Social Committee has warned EU decision-makers against granting China market economy status, and is instead calling on leaders to promote fair international competition and defend European jobs and industry. Restoring a level playing field is the only way to save Europe's steel industry, the report concludes.

EU President Juncker gives State of the Union address

EU Commission President Jean-Claude Juncker gave his annual State of the Union address this month, stating that the EU was in a critical state and needed to galvanise to turn itself around and steady the ship. He added that Britain's vote to leave will not lead to the "disintegration of the EU" but will rather help to "deliver a better Europe". "Europeans will never accept Polish workers being harassed, beaten up or even murdered" in the streets of Britain, he warned, following the fatal racially motivated attack on a Polish worker in Essex. He also confirmed that Britain's continued access to the EU Single Market will only be guaranteed if the right to free movement of people is also upheld.

The ETUC welcomed Juncker's promise to double funds for his investment plan and prolong the EU Youth Guarantee, but was critical at the lack of commitment to tackle low wages, precarious work, social dumping, the exploitation of migrant workers, and growing unacceptable inequality, raised by trade unions at the EU Economic and Social Committee, when Juncker attended its September plenary.

WANT TO KNOW MORE?

For further details on any of the items in this issue of the European News, please contact the GMB Brussels office:

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OTHER NEWS IN BRIEF:

Fixed term contracts: The EU Court of Justice has issued a [ruling](#) to remind employers of EU law on fixed term contracts, which can only be renewed under strict and specific circumstances to cover temporary needs. Failure to stick to the law leads to exploitation, undercutting and social dumping. The health sector has been particularly hit by this phenomenon.

Temporary work: New EU research reveals not only an increase in temporary contracts across Europe but also a worrying decline in transitions from temporary to permanent work, partnered with an increased transition from temporary jobs to unemployment, conflicting with employer arguments that they are pathways to permanent work.

Work/life balance: Socialist MEPs are demanding improved maternity, paternity, parental and carers' leave rights across Europe. Men and women must be "equal workers, earners and carers" they say, with everyone given the support to be able actively to participate in the labour market at all stages of their career, with full social protections.

Youth unemployment: More must be done to address the specific needs of different groups of unemployed young people, says [Eurofound](#). Based on 2015 figures, 12% of Europeans aged 15-24 are Not in Employment, Education or Training (NEETs), but all need different forms of support depending on factors like gender, level of education or risk of social exclusion.

UK could be fined for starting new trade talks before EU exit

Britain could face extensive fines from the EU and individual Member States if the government attempts to launch bilateral trade talks with third countries before it has officially left the EU. Such separate trade agreements are explicitly prohibited in the EU Treaty. Britain has already been holding talks with the US, China and India – and was the most generous country supporting high free movement for Indian migrants in the EU's negotiations, at levels which other EU Member States wouldn't accept. We can only imagine any bilateral UK-India deal will include similar, if not higher, worrying levels and the Tory government must be honest with the British public about this.