



Brussels, 06 October 2005  
JM/CP/hc

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José Manuel Barroso  
President of the European Commission  
Berlaymont  
Brussels

**Re: The four Freedoms of the European Union must be developed with full respect for fundamental workers' rights, and in particular the right to collective bargaining and industrial action.**

Dear President,

The ETUC has been informed by the media that Commissioner McCreevy, during a visit to the Swedish capital Stockholm, is said to have expressed his disagreement with the Swedish system of industrial relations and collective bargaining, as applied to the cross-border provision of services. In his view, according to the report, this would be an infringement of the provisions in the EU Treaty with regard to the free movement of services.

Since, indeed, the European Commission is the guardian of the European Treaties, the ETUC hereby calls on you, as President of the Commission, urgently to clarify if Commissioner McCreevy has been speaking on behalf of the Commission, and has indeed expressed himself as reported, and to clarify the position of the Commission with regard to his remarks.

The ETUC herewith wants to remind you, and all Commissioners, that there are more obligations for the Commission to observe than just the pursuit of the internal market: such as the obligation to promote social dialogue and subsidiarity with regard to labour law as enshrined in the Treaty, as well as the fundamental social rights laid down in the Charter of Fundamental Rights.

Recently, the EU and social partners celebrated 20 years of European Social Dialogue, and all stakeholders have committed themselves to the importance of social dialogue for the future of Europe.

At the same time, however, we now find that the very basic tools for proper social dialogue, i.e. collective bargaining and industrial action, are put into question.

Citizens and workers, in Sweden as well as in the new Member States, have embarked upon the enlargement process north and eastwards in the understanding that this would mean adherence to the values of a social Europe, where economic and social development go hand in hand, with one of its basic objectives being the levelling upwards of living and working conditions, and full respect for national industrial relations systems.

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John Monks, General Secretary

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They were promised, indeed, that this would lead to economic prosperity and the improvement of employment opportunities, but not at the expense of workers' rights.

Those challenging these principles seem to forget that the key to a sustainable internal market is fair competition.

Fair competition means:

- a) a level playing field for companies;
- b) fair working conditions and equal treatment for workers.

Commissioner McCreevy, according to his reported speech, has referred to "those who prefer to stay in a protectionist neverland, pretending that if you lock the door and pull the curtains the world outside will go away. We know this is a fool's paradise."

The ETUC agrees that locking doors and pulling curtains is not the way forward. Some of its affiliates have been among the most courageous to acknowledge this.

In the recent process of enlargement eastwards, Sweden has played an outstanding role, deciding – as one of the few among the 'old' Member States, together with Mr McCreevy's home country Ireland, as well as the UK – to open its borders without barriers for the free movement of workers. This has been supported by the Swedish trade unions, in the understanding that their national heritage and tradition of social dialogue, with its long-standing practice of enforcing labour standards by collective bargaining, industrial action and social partner activity rather than by law and governmental interference, would be strong enough to deal with the challenges. Their basic principle is: equal pay for work of equal value within the remit of their jurisdiction and industrial relations system.

The ETUC challenges the European Commission, rather than denouncing this as "going against the European Treaty", to speak out clearly on how they want to see the EU progress in the direction of open borders and free movement of services and workers.

To be able to prove to Europe's citizens in the west and east that free movement of services and workers will be beneficial to them, it is of the utmost importance to show that this will not lead to a race to the bottom.

To mistake such a race to the bottom as 'healthy competition' is very dangerous, and may feed into feelings of insecurity and fear of change, leading to irrational demands 'to close the borders', and even to racism and xenophobia.

For the ETUC to be able to support a full and coherent implementation of the four freedoms, equal treatment of workers regardless of their country of origin, and fair competition between companies based on respect for industrial relations systems and collective bargaining systems must be enshrined at their heart.

A strong and competitive Europe needs a social dimension to be able to perform, not only in economic terms but also on behalf of its citizens.

Awaiting an urgent reply,



John Monks  
ETUC General Secretary

*Cc: Commissioner Charlie McCreevy*