

UNI Europa is the European Trade Union Federation representing more than seven million employees in the European services industry. Together, we fight for an innovative and quality-oriented services industry which, driven by fair competition in the single European market, creates sustainable growth and quality employment.

Quality Jobs for Quality Services – A UNI Europa Services Manifesto

Growth and employment creation in an inclusive European economy

As the European Treaties (e.g. Arts. 3 and 151 TFEU) unambiguously state, European integration follows the aim of generating social progress. The Treaties thereby give expression to the firm belief standing at the heart of UNI Europa's work: The European project must serve to improve living and working conditions in every corner of a peaceful continent.

In sharp contrast to this vision, unacceptable levels of unemployment and inequality currently threaten social cohesion in Europe. The European dream is hollowed out even further by the combination of austerity and wage moderation on which European leaders place their hopes of recovery. Even key achievements are compromised. For more than 40 years, European legislation has served to keep workplaces safe and healthy. Now, a European Commission confusing smart with anti-social regulation turns its back on the issue and breaks the Treaties to refuse transposing social partners' health and safety agreements into law.

We demand that the European Parliament and Commission use their 2014-19 mandates to revive the ambition of building an economy that combines competitiveness with an inclusive European social model. To end the crisis, Europe needs to return to the creation of permanent, safe, and skilled employment that pays a living-wage at the very least. This requires a growth model that builds on Europe's strengths: a skilled workforce and a knowledge-intensive economy producing innovative quality goods and services.

A comprehensive EU services policy

Services contribute in excess of 65% to both output and employment in the EU. The size of this industry illustrates that services fulfil essential functions in a modern society and a complex economy. Reviving sustainable growth and catering for a high quality of life in Europe therefore cannot succeed without targeted policies for the European services industry. Likewise, quality services are crucial prerequisites for mastering the challenges of demographic and climate change successfully. Consequently, the European Union needs a comprehensive and consistently implemented services policy that is based on two commitments:

- **A commitment to quality employment for quality services**

Given their high labour-intensity, a consistently high quality of services and innovation capacity in services depend on a proficient workforce enjoying decent working conditions. A concern for skills and quality employment must therefore stand at the core of an EU services policy for quality- and innovation-driven growth. Above all, this requires a firm commitment to social dialogue and worker involvement.

- **A commitment to fair and consistent regulation**

Regulation in Europe must be made consistent with the aim of developing a services industry that creates sustainable growth and quality employment. Sustainable growth and quality employment in services is a result of fair competition encouraging businesses to innovate, specialise, and increase productivity. This necessitates a change of approach as can be seen in the single market for services: relying on deregulation, liberalisation, and privatisation alone fosters market failure, social dumping, and the emergence of oligopolies. The European service industry must be regulated on the basis of thorough social and economic impact assessments fully involving the social partners.

UNI Europa is committed to preparing viable proposals for an EU services policy that ensures a favourable long-term development of the European services industry. We encourage the European Parliament, Commission, and Council to join us in this debate. This manifesto highlights priority areas to be covered by such an EU services policy.

Investment into jobs and quality services for economic and social progress

Europe needs a large-scale investment programme of at least 2% of GDP annually over the coming years to break the vicious circle of austerity, disinvestment, and prolonged crisis. Such an investment plan must support the aim of developing a services industry that creates much needed sustainable growth and quality jobs. Moreover, social investments that serve to improve the situation of the most crisis-affected groups such as women, youth, migrants, and handicapped persons must be given adequate weight.

- **Invest in skills for quality and innovation in services**

Our changing society and economy constantly produce new challenges that need to be met with innovative, high quality service solutions. Investments into a skilled workforce that proves capable of providing these services are crucial to improve competitiveness and quality of life in Europe. Particular emphasis must be given to skills for social innovation. Such innovation processes must integrate employees' and consumers' interests in order to improve living and working conditions.

- **Invest in services infrastructure for a changing society and economy**

Services that cater for the needs of a changing society and resource-efficient economy depend on a modern services infrastructure. Investments into care facilities or 'green' ICT, for instance, must therefore have priority. Additionally, addressing infrastructure needs of growing service sectors promises high returns in terms of growth and job creation. Building a European payment system for e-commerce is such an opportunity that cannot be missed.

Social dialogue for a strong services industry

Social dialogue is an effective tool to establish and maintain the high quality of employment on which a strong and innovative services industry depends. Effective social dialogue must therefore be promoted, one that is open to all types of workers including the self-employed, part-timers, and posted workers. The EU must ensure adequate funding and support the creation of European sectoral social dialogue committees where they are currently lacking.

- **Support the effectiveness of social dialogue**

Sectoral social dialogue is instrumental in addressing challenges and problems for work in services in socially balanced ways. Social partners' expertise guarantees that sector-specific conditions are taken into due account in defining, for instance, strategies for age-friendly workplaces or health and safety provisions. Next to complying with the principle of subsidiarity, social partner agreements are therefore the most likely sources of proportional regulation. The EU must hence fulfil its legal role in transposing social dialogue agreements into legal acts on social partners' request.

- **Develop a strong European dimension to industrial relations**

The services industry is becoming genuinely European. The single market allows companies to turn multinational or to implement comprehensive outsourcing or off-shoring strategies. Industrial relations must be adapted to this new reality. Concrete EU action is required to strengthen worker rights in company policies affecting workers in more than one country. In particular, this necessitates a mandatory European legal framework for worker involvement in the anticipation and management of change and restructuring.

Worker rights and regulation for quality employment instead of precarious work

Creating quality jobs in services is essential to fight unemployment and inequality in Europe. Yet, too many services workers suffer from low-pay, forced part-time, lack of social security, deficient health and safety arrangements, or work at unsocial hours. Especially vulnerable groups (e.g. youth, women, migrants) are affected and demand a European Union that pulls every lever to improve working conditions and fight precarious employment in services.

- **Strengthen collective bargaining and trade unions**

Empowering service workers and their trade unions to engage in collective bargaining and industrial action is the most effective tool to foster fair wages and quality employment. The EU must therefore respect and promote fundamental worker rights and ensure that all service workers, including the self-employed, can exercise them.

- **Effective employment protection legislation**
Fair and inclusive labour markets require consistent rules. Legal grey areas lead to precarious work such as bogus self-employment and unprotected posted workers. Such loopholes must be closed by means of unambiguous regulation including minimum standards of social protection. Host country legislation must apply to workers posted across borders. Using social partners' expertise is crucial to create a fraud-proof European labour market regime, in particular through European social partner agreements.
- **Ensuring adequate enforcement capacity**
Austerity has weakened Member States' law enforcement capacity which leads to a growth of the informal economy, especially in sectors such as cleaning and care. Well-financed and effective labour inspectorates are needed to stop this trend that hampers recovery.

A single European market for quality services

A quality- and innovation-oriented services industry must be embedded in a single market that encourages fair competition and produces convergence. However, especially the services directive epitomises a failed approach to single market integration that fosters social and wage dumping as well as precarious work. Such integration deteriorates working conditions in services and, as a corollary, services quality. Integration in the interest of consumers, workers, and society requires a more nuanced approach to single market (re-)regulation.

- **Strengthen social rights in the single market**
Single market integration must not undermine collective agreements and interfere with worker rights. The European trade union movement's proposal for a Social Progress Protocol offers clear guidance for correcting current imbalances between economic and social rights. The revised public procurement directive with its mandatory social clause is a first step into the right direction which now faces the test of consistent implementation.
- **Assure the quality and availability of services of general interest**
UNI Europa insists that the definition and provision of services of general interest is a matter for Member States. We reject in particular the planned liberalisation of the awarding of services concessions. Competition cannot be an end in itself. Past liberalisation exercises that have, for instance, deprived rural populations of satisfactory access to postal services illustrate this fact and must therefore be reversed.

Skills and qualifications for quality and innovation in services

Quality services and successful innovation in services are a result of knowledgeable workers. Addressing skills and qualifications needs is crucial for a strong services industry. This must be underpinned by a consistent European Qualifications Framework for the cross-border transferability of competencies. Related measures must be taken as a matter of urgency: The currently discussed youth guarantee schemes typically bring most participating youth into work in services. This emphasises the need to develop excellent vocational education and training (VET) policies in services.

- **Enhance cooperation for skills in services**
Services-specific skills, such as interactive or caring skills, are essential for the quality of many services. Nevertheless, their recognition as formal competencies is often lacking in national VET systems. European cooperation to mainstream best practices in this field is of utmost importance to address related skills needs. Social partners, for instance in the form of sector skills councils, can offer valuable guidance concerning most pressing challenges and adequate responses.
- **Assure access to lifelong learning in services**
Careers in services are becoming increasingly long. At the same time, skills needs are transforming at an unprecedented pace. Service workers therefore need an enforceable right to lifelong learning to enable them to develop individual competencies. This includes a right to paid training leave. Ensuring excellent lifelong learning in services is of particular importance: it is usually employment in services that (re-)integrates vulnerable groups into the labour market. The European Social Fund, in cooperation with social partners, can add further value by financing programmes supporting the employability of workers in cases of restructuring.

Strengthening the relationship between workers and consumers

A consistently high quality of services is of essential importance for a well-functioning economy and a liveable European society. Customers have a right to get good services. Yet, this right is meaningless unless workers enjoy conditions that allow them to provide quality services. The EU must therefore strengthen synergies between customer and worker rights.

- **Services standardisation for consumers and workers**
European services standardisation must adequately reflect the interdependence between working conditions and service quality. Services standardisation that deteriorates working conditions is therefore not admissible. European standardisation agencies must be made fully accountable and involve social partners.
- **Eliminating trade-offs between workers' and customers' interests**
Performance management systems at company level, for instance in the form of variable pay schemes, may bully employees into maximising companies' profit instead of giving customers a good deal. To ensure that quality advice stands at the heart of the relationship between service workers and customers, the EU must support social partners in eradicating unreasonable sales pressure or take own legislative action.

Globalisation and international trade in services

The volume of international trade in services is growing, not least as a consequence of trade agreements that are negotiated and signed by the EU. Such agreements may have strong effects on working conditions and employment in services if they stipulate the removal of 'trade barriers' through liberalisation, deregulation, and privatisation measures. The EU must defend the aim of creating quality employment in services, especially when negotiating the envisaged Transatlantic Trade and Investment Partnership and Trade in Services Agreement.

- **Refrain from compromising social progress in intransparent negotiations**
Trade negotiations must be conducted in a way that allows for comprehensive public scrutiny. Agreements stipulating liberalisation under WTO mode 4 (free movement of workers) without assuring the applicability of host country rules are unacceptable. We equally oppose further privatisation measures and liberalisation of services of general interest. The preservation of cultural diversity, as foreseen by the UNESCO convention of 20 October 2005, further demands that audiovisual media and cultural undertakings are exempted from trade deals.
- **Improve working conditions worldwide through international trade**
Trade agreements must contain social safeguard clauses and be used to promote decent work. For this reason, the EU must not conclude trade agreements with countries violating worker and trade union rights. Under no circumstances must trade agreements establish dispute settlement procedures that privilege investors' interests over worker rights.

Services research for a systematically governed and strong services industry

A successful EU services policy for a quality- and innovation-centred services industry must be based on scientific evidence. This requires policy-oriented research programmes bringing together the various strands of excellent research, for instance, on working conditions, business models, or innovation in services.

- **Ensure adequate funding for services research**
Establishing the EU-level governance of services as a research theme is crucial for an evidence-based and successful EU services policy. Adequate funding for such necessarily transnational research must be made available under the new Horizon 2020 framework.
- **Improve the take-up of research results in services through stakeholder dialogue**
A robust development of the European services industry requires stronger ties between scientists, policy-makers, and social partners. EU funding for services research must hence be targeted specifically toward more effective stakeholder dialogue.

Following the broad lines set out in this manifesto gives the European Parliament and Commission the opportunity to embark on a viable path of social and economic recovery in Europe. Only a well-governed services industry can make full use of its potential for lifting Europe out of the current crisis and ensuring Europe's future.