

## Cameron defends greedy bankers as EU moves to curb bonuses

Protect the interests of the City at all costs and let ordinary workers foot the bill – that’s the message David Cameron sent out this week as he alone opposed EU plans to finally cap bankers’ bonuses at a year’s worth of their already whopping salaries. For Cameron and his City mates, it seems it’s business as usual and they are as determined as ever not to pay for the financial crisis they have caused. Attempting to dress the issue up as ‘Brussels meddling’ to get

enough. GMB warns that the general public will not keep taking the hit on cuts to jobs, benefits and services whilst the Government refuses to hold financial institutions to account for their role in the crisis or to take action to collect taxes owed by multi-million pound companies and individuals to reduce the deficit. It is a scandal that Cameron is promoting an unfettered bonus culture even in

voters on his side, does he really think ordinary British taxpayers don’t see that he is effectively blocking the very action on bankers’



banks which the taxpayer as good as owns. If banks have money, it should be put towards

bonuses they have waited years to see? After having bailed out banks like RBS (which despite posting 2012 losses of more than £5bn was ready to pay out £600mn in bonuses), these curbs on bonuses can’t come soon

creating good sustainable jobs, tackling poverty and inequality, and improving public services – which will benefit the many, not the fat cat few.

## Prioritising social and welfare investment – with what?

EU Member States must do more to prioritise social investment and modernise their welfare states to mitigate the effects of the financial crisis, according to the EU Commission’s newly published [Social Investment Package](#). The Commission will also issue country specific recommendations to those deemed still not to be doing enough in this area. Sounds great! And would have been an important step except for the irony that at the same time, the EU Commission President is promoting austerity measures

which translate into major cuts in social and welfare benefits and services for those most in need. Social partners have expressed reservations that the package does not contain any really new initiatives and that its application will still depend on the good will of each Member State. The ETUC has stated that “a strategy which only proposes better use of increasingly restricted budgets is too limited” and will only lead to greater inequalities and more social unrest.

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### EU Court wrong to restrict workers’ right to strike says ILO

Trade unions welcome the ILO’s announcement that restrictions to the right to strike following the Viking and Laval EU Court of Justice rulings violated fundamental trade union rights as laid down in ILO Convention 87 on the freedom of association and right to organise. It confirms what we have known for years – that these judgements were flawed and have caused massive damage and uncertainty regarding what we consider basic fundamental rights.

Importantly, the ILO denounces a proportionality reasoning justifying a possible restriction to the right to strike. It has also formally requested the Swedish government review its legislation to ensure that trade unions “are not restricted in their rights simply because of the nationality of the enterprise” and is asking the government to compensate the two Swedish unions that had been obliged to pay damages to the Latvian company Laval. The ILO rulings will have a major impact on the reinterpretation of the EU’s Posting of Workers Directive, whose revision is currently being debated in the European Parliament, and GMB joins its trade union colleagues in urging EU parliamentarians and decision-makers to bring EU regulations and practices in line with ILO conventions as soon as possible.

## EU/US deal threatens labour rights, says GMB

The EU and US have launched negotiations to adopt a [Transatlantic Trade and Investment Partnership](#), which will be the world's biggest bilateral trade agreement. The main beneficiaries however won't be ordinary Europeans or Americans but big transnational companies. GMB has serious concerns about the US' failure to implement fundamental ILO conventions (especially on freedom of association and collective bargaining) and the effect this will have on labour standards and quality of service. Investor rights and service liberalisation will be other major points of tension.

Trade unions are expressing similar concerns for the ongoing EU/Canada trade negotiations, and European and Canadian workers have released a [joint statement](#) declaring they will only accept an agreement based on high labour standards and which does not undermine current conditions on labour rights, public policy space and public services provision.

### EU rally for better future

GMB will join EU trade union comrades on 14 March to campaign for an end to cuts, austerity and youth unemployment on the ETUC [European Day of Action](#). A rally will take place from 2-5pm in Brussels' Cinquenaire Park – all Brussels Branch members welcome!

### Celebrating 40 years of worker representation in Europe

The European Trade Union Confederation (ETUC) has celebrated its 40<sup>th</sup> anniversary this month. GMB extends its congratulations and looks forward to continuing to work together to improve trade union and workers' rights and conditions across Europe.

## 1mn say no to water privatisation



[Water is a Human Right](#) has become the first EU Citizen's Initiative to pass the 1mn signatures threshold needed to petition the EU Commission, calling for water supply and management to be exempt from EU liberalisation policies. The Commission has now released a statement recognising water as a common good and guaranteeing it will not be included in EU public procurement rules.

### Tories ignore epidemic of violence against women

Gender rights and equality remain a distant dream in the run up to International Women's Day on 8 March. Shocking UN figures estimate one in three women worldwide will be raped or beaten in her lifetime, and almost half of EU women have suffered some form of male violence, with seven dying every day as a result of domestic abuse. It therefore beggars belief that whilst GMB joined activists from around the world for the '[1 billion rising](#)' campaign calling for an end to violence against women and for concrete measures to be taken at EU level to make this a reality, Tory MEPs actually voted against specific measures to end gender discrimination through an EU strategy to eliminate and prevent all forms of violence against women and girls.

## EU Trade Union Action Update

 **Denmark** HK Commerce trade union has announced that PFA Pension Board funds will no longer be used to invest in **Wal-Mart** due to the company's appalling record on workers' rights.

 **Germany** Agency workers in the **textile and clothing** and **wood and plastics** industries will receive pay increases to attract more highly educated workers. **Volkswagen** has signed a European Works Council agreement limiting temporary work to 5% and guaranteeing equal pay and treatment.

 **Switzerland** The House of Representatives has approved a law to maintain fair competition across its borders, prevent social dumping and ensure contractor responsibility for their sub-contractors.

 **Belgium** 40,000 trade union activists took part in demonstrations on 21 February against restrictive new labour laws, which include wage freezes and more flexible working hours. 354 **Philips Lighting** employees are to lose their jobs as production moves to Asia, and unions fear a domino effect across Europe.

 **Norway** A joint trade union statement calls for **Ryanair** not to be given domestic routes in Norway until it improves its staff's wages and working conditions. **Statoil** employees at the Brage plant have been offered large bonuses from German company **Wintershall**, which is taking over and wants to ensure continuous and reliable operations and a healthy work environment.

 **Portugal** The **STAL local government** union has called for an indefinite ban on overtime work in protest at cuts to overtime pay. The CGTP trade union confederation led demonstrations against cuts and austerity on 16 February, with more planned for 15 March.

 **Ireland** Over 110,000 people took part in an Irish Congress of Trade Unions (ICTU) rally on 9 February against austerity and continued bank debt burden. Meanwhile, according to unpublished EU data, more Irish adults are out of work due to disability and illness than in any of the other 17 eurozone countries.

 **Sweden** The LO trade union confederation has negotiated a new collective agreement for 60,000 **staffing industry** workers, including a guaranteed hourly wage for temporary workers.

 **France** Trade unions have been organising monthly strikes and disruptions at the **Peugeot** Aulnay plant whilst they negotiate with management on the scale of upcoming redundancies. **Renault** has announced it may shut two factories if unions fail to agree on job cuts and pay hold ups. CGT union members at **GDF Suez** have been on strike against restructuring, site closures, job cuts and outsourcing. Three French trade unions have signed an agreement with employers' organisations establishing board-level worker representation in companies with more than 5,000 employees in France or over 10,000 worldwide.

# Time to make Corporate Social Responsibility really mean something

by Richard Howitt MEP

The journey from Bhopal to Bangladesh is around 30 hours by car, but how far have we come in changing company attitudes to accepting their social responsibility between the 1984 Bhopal disaster where toxic gases killed an estimated 10,000 people and 2012 when a fire at a Bangladesh plant making clothes for UK high street retailers killed 112 people due to blocked fire escapes?

This was the question that guided my work on my report on Corporate Social Responsibility (CSR), overwhelmingly backed by the European Parliament this month. The message was clear – European companies must no longer hide their records on employment and human rights, and must ensure decent labour standards and rights throughout the supply chain.

Transparency is crucial and a key demand in my report was to bring forward a law – for which GMB and I have campaigned for more than a decade – to require companies to report on their social, environmental and human rights impacts within their annual financial reports. The European Commissioner responsible has now personally promised me that a proposed EU law to do this will be published by the end of March, and we must step up the fight to ensure the law is agreed and not watered down.

## EU budget must focus on jobs

Agreement on the next long-term EU budget for 2014-2020 has failed EU workers and their families, who will continue to suffer until a reformed budget is put in place that can properly face the challenges brought on by the financial crisis and stimulate real and sustainable growth and jobs for all. Only €125bn have been put aside to promote jobs and growth – a third of what will be spent on the Common Agricultural Policy – and only €6bn to tackle growing youth unemployment. There are also concerns that changes to regional funding allocations may adversely affect some of the UK regions most reliant on it. The European

I have worked closely with GMB, supporting their campaign call for CSR to include specific measures to tackle the unlawful practice of blacklisting workers, denying them access to employment, often because of their trade union membership and representative roles. My report insists that any company found blacklisting should be excluded from receiving EU grants and procurement contracts at EU, national or public authority level.



The vote also follows years of campaigning from the GMB and its sister unions worldwide, against abuses in particular in textile and clothing, extractive industries and food production abroad, by companies well-known for their brands and apparently good reputation here at home. Labour MEPs insist that our companies must implement ILO core labour rights in their foreign operations, negotiate framework agreements on trade union rights worldwide, and fund projects with unions to ensure global decent

Parliament has threatened to withhold its approval of the budget unless more concrete priority action is taken to guarantee a sustainable recovery based on real growth and decent employment opportunities. However, attempts by Labour MEPs and their Socialist colleagues to include job-stimulating recommendations in Parliamentary reports on the EU's austerity measures were voted down by the Tories, Lib Dems and UKIP, and promoting sustainable growth rather than continued cuts and austerity will remain difficult as long as there is a right-wing majority in power in the UK and EU.

work standards are enforced and maintained.

In the past I have joined many in the labour movement too, worried that CSR for many companies has been nothing more than a public relations exercise, and for governments a convenient 'political cover' for deregulation.

As the European Parliament's Spokesperson on CSR for over 15 years, I have met too many victims of European companies' corporate abuses and seen their scars.

That fear will not disappear altogether with this vote. But I hope my report gives real hope to all those who campaign for companies to be held to account for their conduct to be responsible not just for their own operations but for those within their supply chains, and for a legal requirement to report, which means they will be tested not just by their words but by their actions.

## GMB pushes social dimension for Public Procurement

The European Parliament Internal Market committee has agreed to open tripartite negotiations with Council and Commission towards seeking first reading agreement on the two public procurement Directives and the Concessions Directive. Negotiations will begin early in March and continue in to June. Trade unions have concerns about this approach, particularly for Concessions, and have called for transparency in the discussions. Unions want to see the progress made in social and environmental dimensions maintained in the next stages. GMB is working with our European trade union colleagues and colleagues in NGOs in discussions with the European Parliament to try to achieve a positive outcome on the proposals.

## OTHER NEWS IN BRIEF:

**Social Dialogue** The EU Commission's [Social Dialogue newsletter](#) details developments at cross-industry level and through 41 sectoral committees.

**Collective Bargaining** The ETUI's [collective bargaining newsletter](#) features articles on negotiating and related developments across all sectors in over 20 countries.

**Wage developments** EU and national trade union and employer organisations have met to discuss EU wage developments in light of productivity, equality and employment. The need for autonomous social partners at national level was underlined, with trade unions strongly arguing against attacks on collective bargaining, especially when supported by the EU Institutions. Eurofound has also published a new [paper](#) on wages from an industrial relations and working conditions perspective.

**EU Marshall Plan** Germany's DGB trade union confederation has presented proposals for a €260bn [Marshall Plan for Europe](#) to stimulate the economy and better invest in and develop quality jobs for secure and sustainable growth.

**EU labour markets** The [NEUJOBS](#) mid-project conference held in Brussels on 18 February reviewed its main findings on skills and jobs polarisation, links to EU social policy, and the future of employment relations and job quality.

**ETUC mid-term conference** The ETUC mid-term conference will be held in Dublin on 5-6 June, including a special session on the social dimension of the EU.

**PES Anniversary** The Party of European Socialists celebrated its 20<sup>th</sup> anniversary and GMB congratulates it on 2 decades of fighting for social justice, democratic values and equal rights for all.

**Health and Safety** GMB will take part in the ETUI [Conference on the European Health and Safety Strategy 2013-2020](#) on 26-27 March. Stakeholders will put forward proposals and recommend priorities to start shaping the public debate.

## Comedy hour – political deadlock in Italian elections

Last week's Italian general elections have ended inconclusively, with no party having a clear majority to govern. The balance of power now hangs with ex-comedian Beppe Grillo, whose anti-political party protest movement surprised everyone by winning a quarter of the popular vote. Yet Italy's economic situation is too serious for any of this to be funny, and the impact of future political instability will have serious repercussions for us all. Although Pier Luigi Bersani's centre-left won the lower house of deputies, he was unable to secure the minimum seats in the Senate needed to govern. A slim majority of these seats will instead go to the centre-right coalition of Teflon-coated Silvio Berlusconi, who has been

resurrected from the ashes once more despite being thrown out as Prime Minister a year ago for his involvement in fraud, tax evasion and sex scandals, and his inability to control the country's economic woes whilst he remains one of its richest citizens. Berlusconi's offer to form a grand coalition was understandably promptly rejected by Bersani. Grillo however refuses to enter coalition talks, preferring his MPs to consider support on a policy by policy basis. Current caretaker Prime Minister Mario Monti was massively unpopular following his cuts and austerity and came in a poor fourth with just over 10% of the vote.

### Horsemeat? ...Neighhh!

The escalating horsemeat scandal has proved just how necessary a common set of EU rules is in order to fully protect European consumers. So not only is it ironic to see eurosceptic Tory MPs loudly calling for urgent EU action, but also shocking that this crisis need never have happened if David Cameron had not deliberately weakened proposals for EU-wide rules on honest food labelling back in 2011. Leader of the European Parliament Labour Party and GMB member **Glenis Willmott MEP** was responsible for drawing up the EU Parliament proposals and is calling for the coalition government not to waste any more time on putting in place comprehensive EU rules and enforcement procedures, saying: "We have to force the food industry to get a grip on their supply chains to ensure that consumers can trust what is written on the food label."

EFFAT, the European Federation of Food, Agriculture and Tourism Trade Unions, is also calling for urgent consideration to be given to the need for food prices to better reflect their real cost, allowing consumers to buy healthy products and food workers to share in the profits concentrated in the hands of a few powerful actors in the food industry.

### EU winter economic forecast cold comfort

The EU Commission's [winter 2013 EU economic forecast](#) covers a wide range of indicators from GDP and public finances to employment and inflation. The forecast predicts economic growth should slowly start to pick up speed again, though unemployment is still expected to rise (to 8% for the UK). Inflation and national deficits should gradually start to decrease, though the projected public budget balance for the UK is likely to get even worse, decreasing to -7.4%. Some Commission advisors have raised concerns that the forecast is too optimistic and that more action still needs to be taken to tackle growing unemployment and structural problems in the labour market.

### BIS Internal Market review

GMB has responded to BIS' call for evidence on the EU Internal Market – part of the Government's review of the balance of competences between the UK and the EU. GMB is highly critical of Government threats to pull out of any social aspects and have Britain remain in an EU that only benefits business. For a copy of our response, please contact GMB's EU office.

### WANT TO KNOW MORE?

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

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