The Bolkestein Directive

European Labor Erupts Against Dereg Policy

by Rainer Apel

The European Parliament began a three-day debate on Feb. 14, on the European Commission's Services Directive—called the "Bolkestein Directive" after its initiator, former European Union Commissioner Frits Bolkestein. The directive plans, by 2010, the full deregulation of all services in the EU—at present, 70% of all economic activities in Europe.

A Sledgehammer Against Labor

The core of the Bolkestein Directive is the "country of origin" principle, which says that services can be offered in any EU country, under the wage, social, and regulatory conditions existing in the "country of origin," rather than those of the country where the services actually are performed.

Labor unions in both eastern and western Europe have launched a mobilization against the policy, which would drive down wages and erode social and health standards in western Europe, while cementing the low-wage, low-standard status of eastern Europe. This in the interests of neither and unions from both parts of Europe are furious. The eastern unions are also concerned with stemming the migration of workers to the better-paying west: In Poland, for example, there is an acute shortage of 20,000 nurses, many of whom are working in the west, because they cannot make a living with the scandalously low pay they receive at Polish hospitals.

Labor protests culminated with a rally of 40,000 German trade unionists in Berlin, on Feb. 11, and in European-wide rallies in Strasbourg, France that same day and again on Feb. 14, of another 15,000 and 40,000 respectively. Strikes have been ongoing in the public sector (transport, medical sector, municipal services) since the beginning of February.

In France, the unions staged protests in about 100 cities on Feb. 7, against a government plan to give firms "greater flexibility" in hiring and firing. The government's policy originates with the EU Commission's pressure for deregulation, as the unionists are well aware.

In Germany, the public services union initiated open-ended strikes against plans to increase the weekly working hours of employees on Feb. 13—strikes that a week later had hit 10 out of Germany's 16 states. Labor rightly perceives the planned changes in the public sector as originating with renewed pressure from the European Commission on EU member countries to "consolidate public sector budgets."

The European Commission wants to avoid another defeat like the one it suffered on Jan. 18, when the European Parliament voted down, with a 75% majority, the deregulation/liberalization "Port Package II Directive" and the Draft EU Commission Budget 2007-2012. The Commission has offered "compromises" on the "country of origin" matter, but these are so far mostly semantic: just eliminating the phrase "country of origin" from the text, while trying to preserve most of the substance of its deregulation drive.

Prominent Euro-Parliament members of the Socialist and Conservative parties have endorsed the "compromise" formula, but the labor unions are calling it a "foul compromise," and are urging the Euro-Parliament not to walk into this trap. Irrespective of how the Parliament votes on Feb. 16 in its first session on the issue, labor unions are committed to keep fighting against the Commission's policies, at least until the second session in April.

Broaden the Fight!

The LaRouche movement is intervening into this ferment with a leaflet calling on labor to transform the protest wave against the Bolkestein Directive into one for the abolition of the main evil behind the Commission's policies—the Maastricht Treaty system. The leaflet, which was distributed at the Berlin and Strasbourg labor rallies, calls on union members to make the decisive step from protests on a single issue, toward a broad mobilization for a profound change of economic and financial policies. The public sector, whose workers are directly threatened by the ongoing, downward spiral of public sector investments and employment, of outsourcing and privatization, has a special role to play, in this mobilization, the leaflet says.

From a somewhat different angle, this point was also made by Alfred Wohlfahrt, chairman of the Baden-Wuerttemberg state section of the German public services union, who on Feb. 7, and in radio and newspaper interviews during the days following, said that the conflict is over a "fundamental issue": Will the public sector, at a time when private industry is continuing to lay off workers at an alarming pace, intervene against this destructive process, or will it play along, with ever-more cuts of its own in employment and investment? Will the public sector work out ways of securing the common good, rather than allow budgets to be slashed again and again? Wohlfahrt asked.

The German public services strike actions are supported by the civil servants association (DBB), which has placed full-page ads in leading news dailies, attacking the ideology of budget-cutting that has eliminated 1.2 million jobs in the German public sector, since 1992—a policy that puts into question the very ability of the state to function.