

The Bolkestein Directive

The struggle against European Union attacks requires a socialist perspective

By Socialist Equality Party (Germany)
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The following will be distributed as a leaflet on demonstrations held in Berlin and Strasbourg on February 11 against the so-called Bolkestein Directive. The demonstrations have been called by a number of organisations, including Attac, the European Social Forum, the French committee for a No to the EU Constitution and a number of trade unions. The directive will be discussed by the European Parliament in Strasbourg on February 14. A further demonstration has been called that day in Strasbourg by the European Trade Union Confederation (ETUC) and the French trade union CGT.

The Socialist Equality Party supports the resistance against the European Union's proposed guidelines for creating a single market for service industries in Europe—the so-called Bolkestein Directive—which are aimed at accelerating the destruction of social conditions for the working class.

Many millions are rightfully indignant over the Brussels-based European Union authorities' insistence on the implementation of these guidelines in a largely unchanged form, although they were at the heart of the opposition to the European Union constitution last year, resulting in its rejection in referendums in France and the Netherlands.

The conflict that took place last year contained an important political lesson: protest alone is not enough! The mass demonstrations, large meetings and millions of “no” votes last summer were insufficient to deter the European Union bureaucracy. Even without a constitution—and in the face of the mass demonstrations today in Berlin and Strasbourg—the Brussels bureaucracy is going ahead with its plans.

Many of the organisers of today's demonstrations—above all, the Social Democrats and trade unions—largely support European Union policies. They are firmly ensconced at different levels in the Brussels bureaucracy and have backed its most important decisions. For example, at the end of last November, the social democratic delegate in the EU domestic market committee, Evelyn Gebhard, proposed

amendments to the service industry guidelines at a committee meeting. When these amendments were rejected, rather than vote against the measures, Gebhard abstained and allowed them to pass.

The Attac organisation, whose functionaries often earn their wages in the offices of Social Democratic and Green Party deputies or through trade union sponsorship, has also limited its protest to specific questions, without challenging the European Union as a whole and its capitalist policies.

The most important issue confronting demonstrators in Berlin and Strasbourg is the necessity of adopting a socialist perspective. The protests must be made the starting point of a broad political mobilisation in which the broad masses of the population in Europe challenge the EU authorities in Brussels and their backers in the major corporations and governments, from the standpoint of a fight for a profound reorganisation of society to ensure that the needs of the population are placed above profit interests.

The Bolkestein Directive is not a “neo-liberal” excess set into motion by a Dutch European Union commissioner who is no longer in office. The measures cannot be improved by merely pulling the “sting,” as some commentators like to maintain. In fact, this treaty governing the service sector constitutes in many respects the principal component of the reforms proposed by Brussels. The guidelines are aimed at deregulating the entire service sector at one blow. Such an EU directive is a European law. Once it is passed, it has to be implemented by all member states.

The service sector in many EU states comprises 70 percent of the working population and more than two thirds of economic activity. It encompasses a wide range of jobs, including those in healthcare, construction, trade, the catering industry, water supply and garbage disposal. All these sectors are now to be subjected to unhindered competitive pressure.

That means that standards regarding the price or quality of services, or the qualifications of those providing them, are to

be diminished or done away with completely. The increase in competitive pressure and cheap competition will accelerate the already well-advanced process of privatising the public sector and will inevitably result in a new wave of job losses.

The standards demanded from enterprises setting up business in other European Union states will be lowered considerably. At the same time, the so-called country-of-origin principle will be introduced. That means that companies will be encouraged to switch their activities to other European Union states where lower standards apply. This in turn will accelerate the downward spiral of wages, taxes and social security between the member states.

The results of such measures aimed at maximising competition can already be seen in some industries. Many western European countries are already witnessing a growing army of Romanian and Polish migratory workers forced to toil under degrading conditions and for poverty wages in slaughterhouses or on building sites, as well as growing numbers of badly paid so-called self-employed workers lacking any social security. They are being deliberately used to bust apart the traditional social structure. This development will dramatically increase following the planned passage of the Bolkestein Directive after its first reading in the European parliament on February 14.

When the euro was introduced as a common currency and the EU adopted measures for the opening of borders some years ago, many workers in Europe hoped for closer links and cooperation with workers in other countries. In fact, just the opposite has taken place. Wage differences between different EU countries have been used to pit workers in different countries against each other.

Wage differentials within the European Union have only increased since the creation of the common domestic market. In particular, the eastward expansion of the European Union has rapidly accelerated social decline. One working hour in Scandinavia, Germany, Great Britain and France costs the employer between 25 and 30 euros, in Poland 5 euros, in the Baltic states and Slovakia 4 euros and in Bulgaria, which will soon join the EU, 1.40 euros.

The average gross wages in companies that employ more than 10 people in the major western European countries average between 2,500 to 3,300 euros per month, in Poland 540 euros, in Lithuania 345 euros and in Latvia just 208 euros.

This wage differential exists within a relatively small geographical area. From the German capital of Berlin, the Polish border is just 100 km, and the Latvian capital of Riga a little over 1,000 km. Thus, across a distance of 1,000 km there exists a wage differential of more than 90 percent.

Wages in Poland, the largest eastern European country to

be admitted to the EU, actually sank after it joined. According to official European Union statistics, the average monthly Polish wage declined from 625 euros in 2001, when negotiations for EU accession began, to 536 euros in 2003. One reason is that many companies have shifted into the neighboring Ukraine, where the average monthly wage amounts to 50 euros. This is less than 10 percent of the Polish and 1.7 percent of the western European average wage!

Many industrial companies have already transferred parts of their production into cheap-wage eastern European countries, thereby unleashing a wave of mass redundancies in Germany and other western European countries. The implementation of the Bolkestein Directive is aimed at breaching the dam in order to smash all remnants of social and welfare protection.

More than any other measure, the Bolkestein Directive clearly reveals the character of the European Union as a tool in the hands of the most powerful big business lobbies that are intent on demolishing the European social state. Unemployment, poverty and social inequality go hand-in-hand with the dismantling of democratic rights and systematic military rearmament.

Contrary to the Social Democrats, trade unions, the German Left Party and Attac, which all maintain, in one way or another, that the capitalist policies of the European Union can be reformed or humanised, we present a socialist perspective. The unity of European workers must be established in the course of a common political struggle that rejects not just this or that EU guideline, but is directed uncompromisingly against the European Union, all of its institutions and the capitalist system as a whole.

The mass demonstrations against the Iraq war three years ago and the vote against the European constitution in France and the Netherlands were the prelude to a broad political movement. Now it is necessary to develop a revolutionary party that fights for the United Socialist States of Europe. We invite everyone taking part in today's protests to regularly read the *World Socialist Web Site*, our revolutionary daily paper on the Internet, and to make contact with our editorial board.



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