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The “birth” of the European Federation of Public Service Unions<sup>1</sup> in 2000 (6th General Assembly in Lisbon) met the need of providing the European public services union with appropriate tools and resources to take up the challenges posed by the European Union. This resulted from a few important organisational choices: i.e. the shift from the European Committee of Public Service Unions - a PSI liaison office - to the ETUC Federation; financial independence, with members paying their fees directly to the Federation and no longer through the PSI; election of the Secretary General by the EPSU Congress.

With its own political, social and legal identity, and with rules and regulations that shall be enacted by member States - namely in public services, where nearly all EU decisions affect member States -, the European Union has raised the need for a truly European (EU) public services union closely related to ETUC, and will continue to do so for the future.

### The New Pan-European Trade Union

Today, EPSU brings together 209 trade unions, with 8 million members.

The new (pan)-European public services union cannot merely result from an organisational need (the survival of organisations), nor can it afford wasting the drive of a Federation (EPSU), which has gained political and financial independence and soundness over the last six years.

EU enlargement forces the new federation to develop the European social model, which shall rest upon quality public services, strong and representative trade unions, and the correct functioning of social dialogue and collective bargaining.

The new trade union should strengthen EPSU’s role as an interlocutor in social dialogue and collective bargaining, as well as ensure its full autonomy in safeguarding the role of public services within the European Union (through its advocacy of the European social model, social legislation, and so on).

Even the more so, given that over the next few years, in the light of the Constitutional Treaty, and as a result of the development of new European directives and regulations, the regulatory groundwork of a social Europe and public services will be laid. Hence, trade unions from member countries are called upon to participate into this process and speak with one voice, which is expected to be representative of public service workers and citizens alike. This requires that the new challenges be taken up in a spirit of well-established and actual cohesion among trade unions from EU-25.

*The mark of EPSU and its representation focus (social dialogue and European bargaining; mobilising and lobbying) should be preserved and made more balanced and effective.*

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<sup>1</sup> The European Committee of Public Service Unions was established back in 1978, as a structure within the framework of the Public Service International (PSI), bringing together public service unions from the sectors of national administration, local and regional government, healthcare, and energy.

The new federation shall not jeopardize EPSU's current structure and functioning, but shall ensure its autonomy and effectiveness in safeguarding public services within the European Union, and rest upon its mobilising, lobbying, and developing social dialogue and collective bargaining.

## State-of-the-Art of the Debate

The level of the debate over these issues has so far produced a consensus in many areas, which remain of course open for discussion.

1. **The boundaries of the new organisation**, defined following the geographical criterion, and including all European countries, from the Atlantic to Urals and the Caucasus<sup>2</sup>.

*Here the focus should be on the rules to be adopted for participating into decisions made by the European federation, namely those pertaining to EU policies, especially for the unions of non-EU member countries.*

2. **A merger process of governing bodies**, (Presidency, Secretariat, Executive Committee, Standing committees, etc.), and consequently a single congress meeting (as of 2009 EPSU Congress).
3. **A merger process, in terms of management - hence, financial and human resources - of the two organisations**. It will also be checked whether there is a need for keeping in place all current PSI sub-regional offices.
4. **The ultimate goal and targets of the European federation**, aiming in short at safeguarding and strengthening the role of public services, enlarging the European social model, contributing to improved working conditions for public workers, extending union rights and freedoms, supporting the growth of democratic trade unions in the countries where major difficulties remain. These activities shall be performed through the definition of a **general policy agenda of the European federation, and by means of specific projects carried out to enhance** the most effective experiences that proved in the previous two distinct organisations.
5. The new European federation shall also serve as **the regional organisation of the global union for Europe**.

## Issues and Items to be defined

The following political and organisational issues are still open and controversial, even within the EPSU/PSI working group:

- 1) The name and the headquarters<sup>3</sup> of the new organisation.
- 2) **The membership of governing bodies**. The following hypotheses are currently being scrutinized: enlarging the presidency and abolishing the Steering Committee, country-based membership of the Executive Committee (each country shall have 1 member plus another member if exceeding 500,000 members at a national level)<sup>4</sup>. The re-definition of Sector Committees (or Standing Committees in the sectors of national administration, local and regional government, health and social services and public utilities) is also under discussion, taking account of their specific function related to social dialogue in EU member countries, and not yet envisaged to date in non-EU member countries.

<sup>2</sup> EU, EEA (Iceland and Norway), Switzerland, Romania, Bulgaria, Turkey, Croatia, Macedonia, Serbia, Montenegro, Albania, Bosnia-Herzegovina, UNMIK (Kosovo), Moldova, Ukraine, Belarus, Georgia, Armenia, Azerbaijan, Tajikistan, Kyrgyzstan, Kazakhstan, Israel, and Uzbekistan.

<sup>3</sup> There are very few exceptions to the proposed office in Brussels.

<sup>4</sup> The name and organisation to be given to the present EPSU Gender Equality Committee after the merger with PSI Women's Committee are also under discussion, as well as whether it is recommended to set up a Committee for Youth Policies, in the wake of PSI Youth Forum.

- 3) Another key issue being sub-regional “constituencies”<sup>5</sup>. If, on the one hand, the proposal submitted to the working group aims at eventually suppressing constituencies, on the other, the debate has highlighted that all trade unions have a strong interest in keeping “constituencies” in place, as an essential forum of discussion in homogeneous local areas, of exchange of experiences, and of democratic participation of all national trade unions into EPSU policy-making and policy-sharing. In its following discussions, the working group should therefore find appropriate solutions for maintaining sub-regional “constituencies”, taking into account their very nature of electoral constituencies, and figuring out how they could eventually fit into committees, and be virtually represented within the governing bodies of the European federation.

We should think about the composition of new and old sub-regional constituencies, and strike a balance between the need for cohesion, wide representation and their effective functioning.

The Mediterranean group regards as essential the constituencies because they have proved to be a democratic form of representation and participation, able to involve all countries and trade unions, equally large and small, for them a place which every member could express and influence the decision-making process of the Federation. Without this form of co-ordination, indeed, these would run the risk of being left in the hands of the largest unions and/or countries.

Therefore, the choice of abolishing the Steering Committee should also receive the utmost attention. What is really needed is not a duplication of governing bodies, but a structure that, through democratic participation, should serve as both a representative of constituencies and a forum of information and decision-making for the preparation of the Executive Committees. The constituency is the forum for ensuring that “duty to information”, which is decisive to take effective and shared policy initiatives.

- 4) The assignment of tasks within the Federation, namely as regards relations with EU institutions and the sectoral social dialogue for EU member countries, and, on the other hand, relations of non-EU member countries with other national and international institutions and counterparts.

Special attention has been paid to the issue of European Neighbouring Policies and Action Planes. Starting from the Mediterranean and Balkan areas, this will serve in the next few years as a fundamental tool for spreading European Commission’s policies on public services as well, especially with the entry into force of “free trade zone”. The working group has deemed necessary for the European federation to take a clear-cut stance and put forward proposals, in order to support the unions in the protection of public service men and women workers, and of public services in all the geographical areas concerned, in accordance with the “European campaign for quality public services”, which has just been launched by EPSU.

*Alongside the preceding one, the latter item deserves a thorough analysis within the Mediterranean Group, taking equally into account the new areas of initiative that might be identified with the co-operation of unions from the southern shore of the Mediterranean. Given the progress made by EU policies in the EUROMED area, the presence of the Federation within this framework shall be ensured through the unions belonging to the Mediterranean Group, and*

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<sup>5</sup> EPSU/PSI Europe, Germany\_ (PSI: + Austria, Switzerland), UK/Ireland, Nordic countries, Benelux-France, Mediterranean (Italy, Spain, Portugal, Malta, Greece, Cyprus) (PSI: + Israel); Central Europe (Austria, Bosnia-Herzegovina, Macedonia, Serbia, Montenegro, Croatia, Hungary, Czech Republic, Slovak Republic, Slovenia, and Switzerland) (PSI: + Austria, Switzerland); North-Eastern Europe (Estonia, Latvia, Lithuania, Poland) (PSI: + Ukraine, Armenia, Georgia, Belarus); South-Eastern Europe (Albania, Bulgaria, Romania, Turkey) (PSI: + Moldova, Azerbaijan) \_ PSI: + Russian and Central Asian constituency (Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan)

*by setting up the EUROMED of public service unions, in the light of the 2007 summit meeting suggested by the European Union.*

- 5) The political and constitutional acknowledging full autonomy of the new European federation *cannot be the object of negotiations. A European federation that is not recognized as autonomous would be of no interest to us. And autonomy shall certainly be absolute for EU policies.*

*The following issue remains unsolved: if, on the one hand, to date EPSU recognizes PSI (as a matter of fact, the PSI sits in EPSU Steering and Executive Committees), on the other, PSI Constitution do not recognize EPSU, which has not taken part, as such, into PSI latest Congress.*

*The political solution most consistent with this approach is the direct affiliation of EPSU, as a single partner, into the new federation, in particular, for the relationships in the global union.*

- 6) The issue of democracy remains of the utmost importance, within EPSU/PSI, hence even the more so for the new organisation. There is a need for the Constitution to define the decision-making process for both the political mandate and membership in the governing bodies. Furthermore, in all these cases duty of consultation shall be envisaged of the members of the constitutional bodies.

- EPSU shall see its political, organisational and financial autonomy recognized in the Costitution of the new federation.
- EPSU shall retain its name, which is today heavily recognized and respected across Europe.
- The political solution most coherent with this approach is the direct membership of EPSU as a single partner into the new federation. in particular, for the relationships in the global union.
- The number of member of Presidency cannot remain the same as today, since this body shall represent all the experiences gained so far.
- The current standing committees shall be maintained (in the sectors of national administration, local and regional government, healthcare and energy).
- Sub-regional constituencies shall be maintained, as well as a representative body - a steering committee or whatever - set up within the new federation.
- The new pan-European federation shall be committed to European neighbouring policies (namely, in the Mediterranean basin).

## Financial Issues

A key issue is **how to quantify the budget needed by the federation**, in order to figure out the membership fee for the unions, as well as the use, management and allocation of external funds and co-financed projects.

Note that before opting for financial independence, EPSU used to receive its budgetary resources from PSI. Since the federation was in financial distress, many unions took the initiative of granting loans on a voluntary basis to ensure its survival. Today, EPSU has proved to be able to maintain and perform its activities, with its own budgetary system.

An important issue is the current difference between **PSI membership fee (0.90 eurocents) and EPSU fee (0.32 eurocents) per member<sup>6</sup>**. The total amount of 1.22 eurocents, and the gap between the two fees make the situation hardly sustainable. Namely, the PSI membership fee is excessive, given the activities performed and the level of exchange with European counterparts.

- 1) The membership fee should be defined as a function of *indexation related to national standards*, whereas EPSU's current fixed fee of 1,000 euros might be reduced.

*A fundamental issue, which however has never been tackled so far, and might be a cause for inequality, lies with the different financing methods of national trade unions (i.e. through membership fees, public or private funds, etc.). A fact-finding survey might be of interest, with a view to getting to one and the same membership fee that should be sustainable for all unions, regardless of differences in country-based funding methods.*

- 2) **A single membership fee** is yet to be defined, as well as the sum thereof.

*This is a spiny issue, because if, on the one hand, for many EU trade unions there is an urgent need to get to a single fee mainly with a view to reducing overall membership costs, on the other, the stance taken by PSI and other parties consists in defining the amount summing the current EPSU and PSI membership fees, even if organisational streamlining and the merger of governing bodies are expected to bring about economies of scale and enable single member unions to save money.*

- 3) The decision gets more complicated considering that not all of EPSU current members are also members of PSI, and vice-versa. Therefore, if the principle of membership on a voluntary basis is retained, the development of a European union should not in any way bring about automatically extra-costs for the aforementioned trade unions.

Moreover, the scant contribution that will be made by the new countries acceding the new federation should also be taken into account. Therefore, the current budgetary equilibrium resulting from hard work and very decisive choices should not be endangered.

- 4) **The percentage of the fee to be allocated out of solidarity to supporting trade unions in developed countries** should also be clearly assessed and defined. This should be separate from the percentage earmarked for the more general financing of PSI.
- 5) The four following **ways of collecting membership fees** are currently under examination:

-The whole finance - including that of the European federation - shall be collected by the global federation (PSI), which shall provide the European federation with its amount corresponding to the number of its affiliates (minus the percentage earmarked for solidarity).

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<sup>6</sup> 2007 membership fees, not including fixed rates.

-The European federation shall collect the membership fees of European unions, whereas PSI shall collect the rate allocated to global activities.

-The European federation shall collect its own membership fees, and PSI shall collect its own fees and shall transfer a sum to the European federation for the functioning thereof. (*The latter option does not change in any way the existing situation, thus undermining the feasibility of the merger process itself.*)

-The whole finance - including the membership fee for the global federation (PSI) shall be collected by the European federation, which shall transfer to PSI the amount corresponding to the number of its affiliates.

*The latter solution is the one we consider most useful and politically sustainable, mainly because it guarantees economic and financial stability for both organisations and budgetary assurance to PSI. On top of this, without a choice of that kind, there would never be such a thing as a true merger, but at the best a synergy between the two organisations.*

- The new membership fee should bring about an overall reduction of costs (it cannot be merely the sum of the two former fees), and strike a new balance between European and global fees.

- The whole finance - including the membership fee for the global federation (PSI) - shall be collected by the European federation, which shall transfer to PSI the amount corresponding to the number of its affiliates.

- EPSU, as a federation, shall make its contribution to the new structure (in terms of collecting and paying fees).

- The new federation shall not undermine EPSU's current budgetary equilibrium.