

**Free movement of services and
workers: contradictions in the internal
market process**

**ESRC/CLR SEMINAR SERIES: PEOPLE
IN CONSTRUCTION**

SESSION 7:

Friday 17th March 2006

Brussels, Belgium

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Key concepts and ideas

- The new member states are being used (willingly) as a Trojan horse of neo-liberalism to undermine the labour standards implied by the notion of a European Social Model with a basic minimum floor of standards (social dimension) throughout the EU to match the level playing field of the internal market

The New Member States

- The post-Soviet NMS are leading the way in this process, with the Baltic States as the most aggressive exponents of neo-liberalism.
- While GDP, employment growth and FDI are all positive, these indicators mask a darker, more troubled and conflictual reality.

‘Informalisation’ of labour

- The Post-communist NMS are profoundly anti-regulatory and therefore support European Commission and the key member states promoting de-regulation - under the guise of ‘soft law’, Open Method of Co-ordination and ‘Better Regulation’ (in the UK style).
- The NMS are able to do this at a time when all the indicators suggest that what is needed is more not less regulation, more effective enforcement and real implementation of the social acquis.

Growing pains of transition?

- ‘Informalisation’ is not a temporary passing phase of the ‘transition’ process in the post-communist NMS.
- It is intrinsic to the forms of deeply criminalised capitalism which has emerged in CEE - privatization dominated by ex-nomemklatura and mafia.
- Populist political mobilisation is the most congenial form of political rule in this environment

The new informalised 'reserve army' of European capital

- 'Informalised' or 'de-graded' labour standards are necessary for the functioning of this form of 'bandit' capitalism.
- Contrary to economic indicators – social indicators would tend to suggest deteriorating labour standards and continuing growth of exploitation in the post-communist NMS.
- Significant multiple forms of labour abuse

The 'transnationalisation' of infomalised labour

- This deterioration will inevitably will impact on West European states as the free movement of labour accelerates (transitional arrangements).
- Absence of EU competence in key areas of European industrial relations that could create enforceable labour rights eg on right to strike.
- The trade unions are the only vehicle which could provide a 'ratcheting' of labour standards but they are largely demobilised and/or corrupt in CEE.
- Western trade union support until now has been ineffective in halting ongoing trade union decline but some prospects for re-vitalisation.
- At the moment however labour discontent is mainly taking the form of 'exit' strategy.

The exit strategy

- 23,000 Latvians are officially working and living in Ireland.
- 15,000-20,000 Latvians work in the United Kingdom (UK)
- 1,500 in Norway and Germany
- 1,055 in Denmark,
- 1,000 in Sweden
- 400 in other EU countries.
- These figures are an underestimate of 2x or 3x

Labour Migration

- Between 50,000 to 100,000 Latvian have emigrated since Accession, as many as 25,000 to 50,000 of them to Ireland (*EUbusiness, 2006*).
- These figures amount to between 4% and 10% of the entire workforce of Latvia.
- ‘Workforce emigration has taken from Latvia almost the same number of people as deportations under Soviet occupation’, (quoted in *EUbusiness, 2006*).

‘A once proud people’

- Marcis Nikolajevs, managing director of an association of Latvian construction contractors, said that companies were being forced to import workers from nearby Ukraine and Belarus.
- The association is considering flying in temporary construction workers from Ghana. ‘We used to be a proud people,’ Nikolajevs said. ‘This migration is a national tragedy.’ (quoted by Bilefsky, International Herald Tribune, Dec 2005)
- New phenomenon in CEE of ‘secondary reinforcing informalisation’ as labour from NIS is imported into CEE to fill labour gaps.

Latvia - Country Reports on Human Rights Practices - 2004 released by the Bureau of Democracy, Human Rights, and Labor February 28 2005. US Dept of State

Acceptable Conditions of Work

- The laws establish minimum occupational health and safety standards for the workplace. In the first 6 months of year, 27 fatal workplace accidents and 605 workplace injuries were reported.
- Workers have the legal right to remove themselves from hazardous work situations without endangering their continued employment; however, authorities did not enforce this right
- <http://www.state.gov/g/drl/rls/hrrpt/2004/41691.htm>

How Democratic is Latvia – Audit of Democracy, Advanced Social and Political Research Institute, Commission of Strategic Analysis, University of Latvia, 2005

- Human rights violations in labour relations have been at the top of the list since 1996 (in 1996-38%, in 1998-45%, in 2000-47%).
- Violations most often cited by the unemployed (82%), people with low income (<40 lats per household member – 68%), people in the age groups 35-49 (62%) and 25-34 (52%), civil and public servants (57%), people from rural areas (56%), men (54%) and non-Latvians (49%)

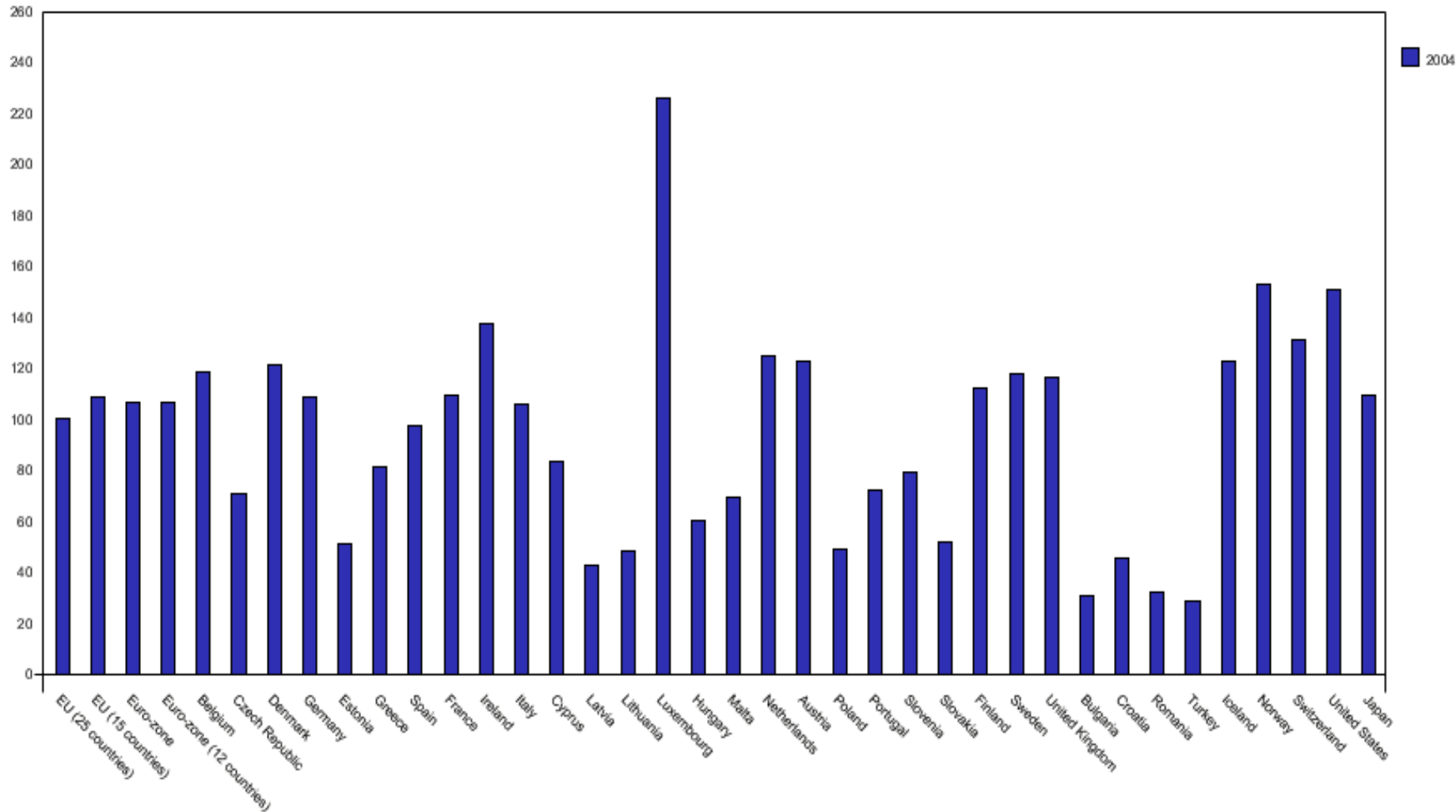
Chapter on Economic and Social Rights, F. Rajevska and A. Vanags, p.65.

Labour Conditions in Latvia

- GDP
- Minimum wages
- Unionisation
- Working hours
- Contract conditions
- Informal economy
- Working environment indicators

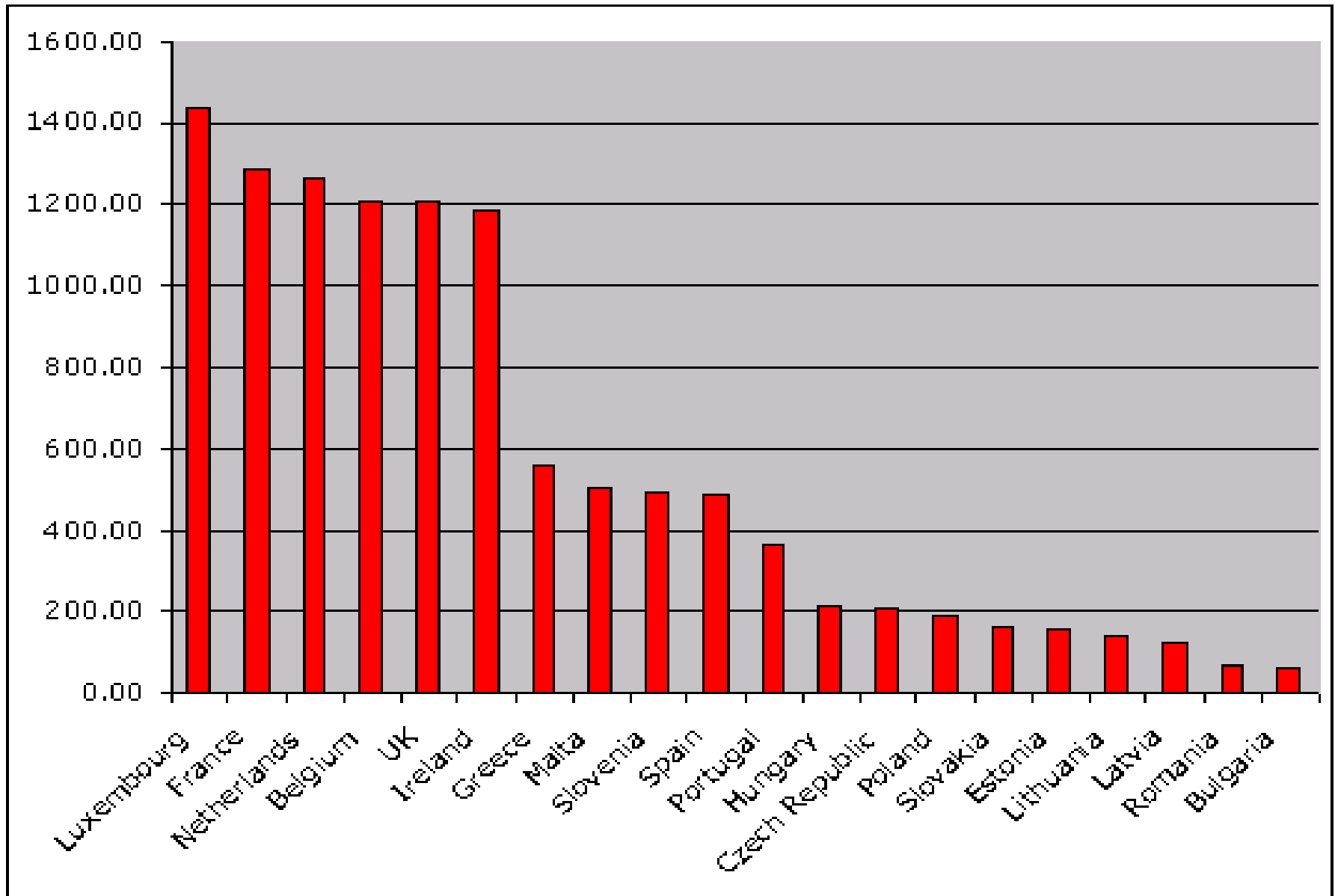
GDP per capita in PPS

GDP per capita in Purchasing Power Standards (PPS), (EU-25 = 100)

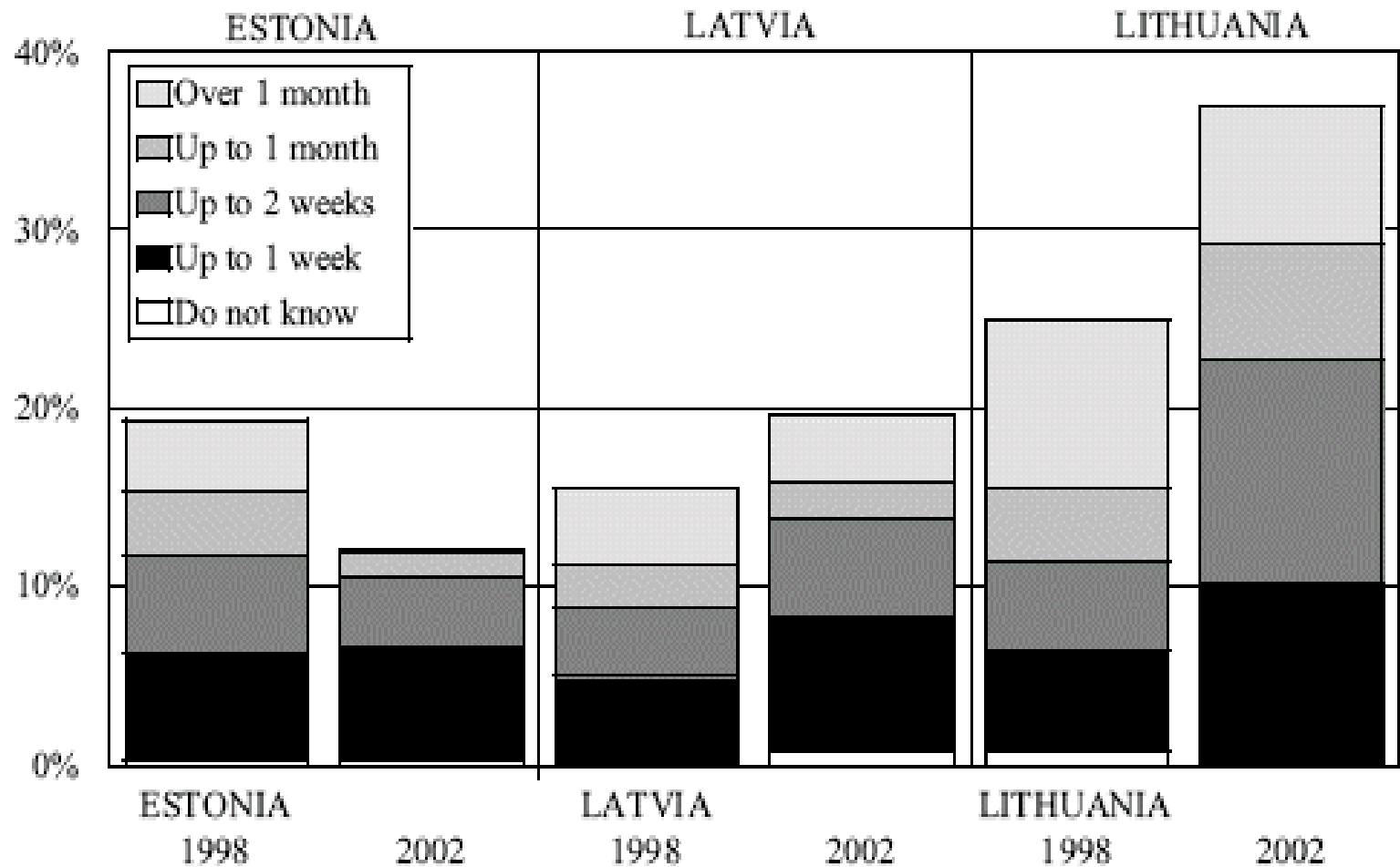


Source: Eurostat

National minimum wage, Latvia 2004 (EUR)



DELAYS IN RECEIVING SALARY DURING THE LAST 12 MONTHS IN 1998 AND 2002



Gini Index of Income inequality including Baltic States

Country	1987-9	1997-9
Slovenia	0.21	0.25
Czech Republic	0.20	0.26
Slovakia	0.19	0.25
Hungary	0.23	0.25
Poland	0.28	0.33
Estonia	0.28	0.36
Lithuania	0.26	0.34
Latvia	0.26	0.33

Country	GDP in % EU (2000)	GDP in % EU (2004)	Years needed for GDP 75% EU-Average
Slovenia	71,6	85,3	1
Hungary	52,0	64,0	11
Czech Republic	60,1	68,0	15
Estonia	38,0	47,6	19
Latvia	29,3	36,5	27
Slovakia	48,1	55,9	30
Lithuania	29,2	35,2	31
Poland	38,9	45,0	33

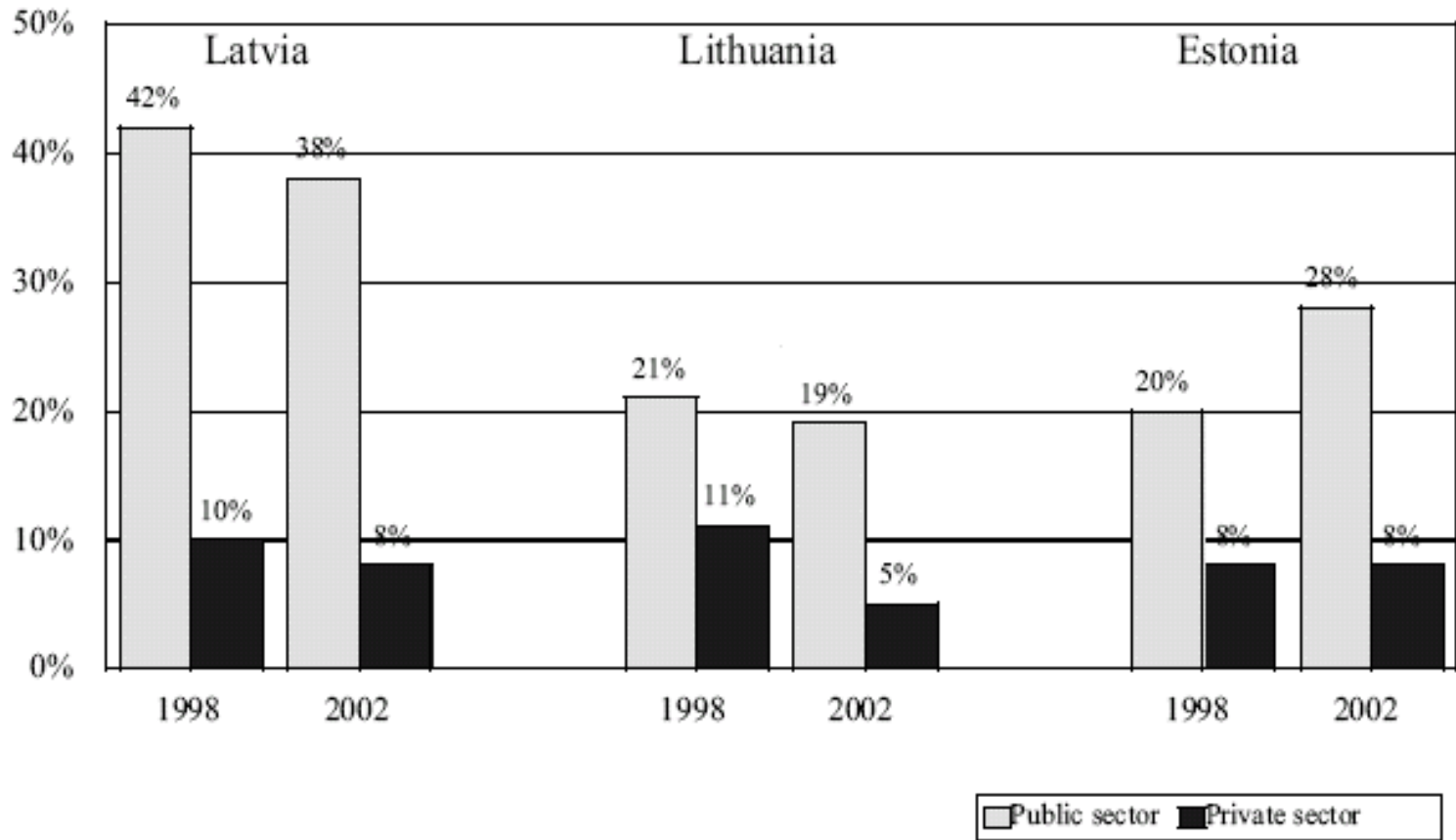
Source (Yves Jorens, Enlargement: a common European social model?, Social Europe after Enlargement, Ghent 13, 14 May 2004)

Table 2.1. Unionisation and collective agreements coverage in the EU countries

	Union membership	Collective agreements coverage	Main level of bargaining
Austria	35.4	91-100	Sector
Slovenia	41.0	91-100	National/sector
France	9.7	91-100	Company
Belgium	55.8	91-100	National
Sweden	78	91-100	Sector
Finland	71.2	81-90	National
Netherlands	22.1	81-90	Sector
Spain	14.9	81-90	Sector/company
Denmark	73.8	81-90	Sector
Luxembourg	33.5	71-80	Sector/company
Ireland	35.9	51-60	National
Portugal	24.3	71-80	Sector
Germany	23.2	61-70	Sector
Greece	26.7	61-70	National/sector
Cyprus	70.0	61-70	Sector
Malta	62.8	51-60	Company
Italy	34.0	61-70	Sector
Slovakia	35.4	41-50	Sector/company
Poland	14.7	41-50	Company
UK	30.4	31-40	Company
Hungary	19.9	31-40	Company
Czech Rep.	25.1	21-30	Company
Estonia	16.6	21-30	Company
Latvia	20.0	11-20	Company
Lithuania	16.0	11-20	Company

Source: *Industrial Relations in Europe 2004*, p. 19, 31, 39.

UNIONISATION ACCORDING TO OWNERSHIP OF THE WORKPLACE



Source: Antila and Ylostallo, Baltic Working Environment Survey

Construction Employees in Baltic States

Country	Construction	Chemical	Food	Metal	Textile	Wood	All sectors
<u>Estonia</u>	42900	9900	21500	33200	24500	26900	158900
<u>Latvia</u>	74000	12500	33000	30600	24300	40000	214400
<u>Lithuania</u>	107100	27100	55000	51300	67200	52000	359700
The Baltic S.	224000	49500	109500	115100	116000	118900	733000

Unionisation rate among Baltic construction workers

Country	Construction	Chemical	Food	Metal	Textile	Wood	All sectors
<u>Estonia</u>	3	10	14	9	23	7	10
<u>Latvia</u>	5	24	12	12	10	15	11
<u>Lithuania</u>	4	12	6	15	13	6	8
<i>The Baltic S.</i>	4	15	9	13	14	9	9

Working hours in Latvia

Employees, who work at the main job more than 50 hours per week in 2003, per sectors (%)			
Sector	Males	Females	Total
Trade	16.0	42.0	25.1
Construction	20.9	2.1	14.3
Transport (land and sea)	12.1	1.2	8.3
Agriculture	5.9	4.1	5.2
State administration	5.6	2.5	4.5
Woodworking	5.7	0.4	4.2
Healthcare	1.2	9.6	4.2
Hotels and restaurants	1.4	9.3	4.2
Education	2.4	7.2	4.2
Other	31.2	28.8	30.0

Overtime pay

	LATVIA	LITHUANIA
Unpaid overtime only	19 %	24 %
Unpaid overtime plus overtime compensated in both money and time off	0 %	0 %
Unpaid overtime plus overtime compensated in money	0 %	0 %
Unpaid overtime plus overtime compensated in time off	0 %	0 %
Overtime compensated in money and time off	3 %	0 %
Overtime compensated only in time off	5 %	6 %
Overtime compensated only in money	12 %	9 %
No overtime at all	61 %	61 %

Table 5 – Distribution of employees according to employment contract, by country

	BG	CY	EE	LT	LV	HU	MT	PL	RO	SI	SK	CZ	ACC 12	EU 15
Indefinite contract	68	55	84	79	64	90	85	82	92	85	86	86	86	82
Fixed-term contract	25	8	12	17	23	10	7	12	3	13	12	11	11	10
Temporary agency contract	2	2	1	0.5	7	0	6	4	3	0	1	1	3	2
Apprenticeship contract	0.4	0.3	0.4	0.7	1	0.4	1	0.4	0	0.5	0.1	0	0	2
Other	4	34	2	1	2	0	1	0	2	0.5	1	0	1	4
Don't know	0.8	0.9	0.5	2	3	0.5	0.5	2	0.5	1	0.2	2	0	1

Source: European Foundation Survey of Working Conditions

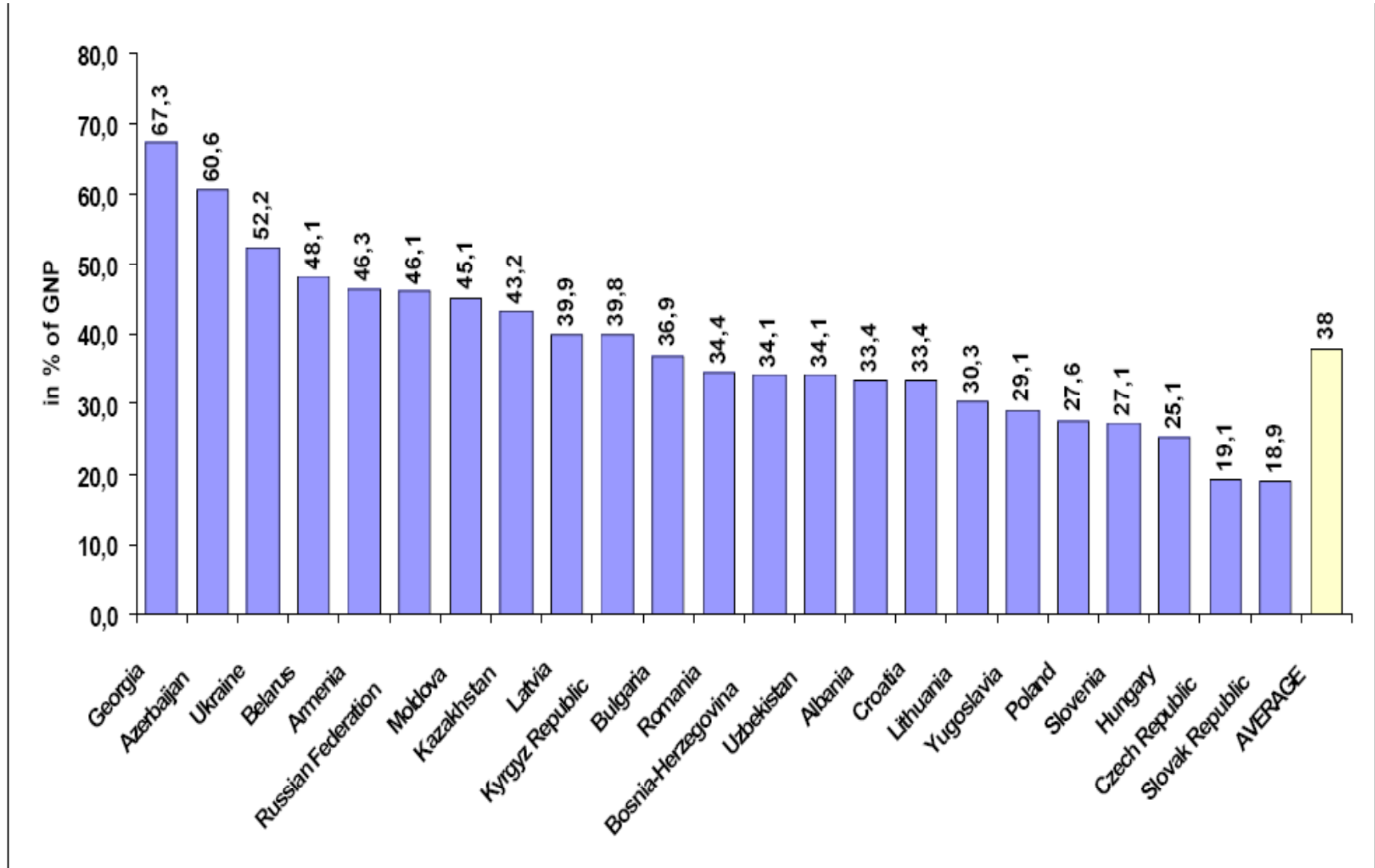
Intensified exploitation of labour

- Each fifth Latvian enterprise violated the labour legislation in 2005.
- 1994 enterprises were inspected - 936 employees of 406 enterprises did not have any contract.
- Employees without contract were working in wood industry (24%), construction (23%), retail trading (14%), agriculture and medicine (each 8%)

Size of undeclared work in selected CEE countries

Country	Year	Estimate (% GDP)
Bulgaria	2002/03	22-30
Czech Republic	1998	9-10
Estonia	2001	8-9
Hungary	1998	18
Latvia	2000	18
Lithuania	2003	15-19
Poland	2003	14
Romania	2001	21
Slovak Republic	2000	13-15
Slovenia	2003	17

Europe - Transformation Countries: Shadow Economy in % of GNP 1999/2000



Index of Fatal Accidents at Work (per 100,000 employees) CEE New Member and Candidate Countries

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Av EU(15)	115	109	106	100	100	85	82	80	75	80p
Czech Republic	110	103	112	116	100	76	96	96	87	84
Estonia	Na	120	102	114	100	79	56	78	81	67
Hungary	106	117	101	97	100	107	95	71	109	80
Lithuania	Na	98	102	83	100	91	78	105	115	138
Latvia	Na	Na	Na	Na	100	115	90	140	123	66
Poland	Na	Na	Na	109	100	83	96	92	89	90
Slovenia	90	118	118	130	100	88	83	105	97	121
Slovakia	Na	96	109	81	100	89	71	71	65	75
Av CEE(8)	:	:	:	:	100	85	81	94	95	90
Bulgaria	122	116	120	116	100	96	100	104	85	83
Romania	:	:	:	105	100	93	103	97	95	111
CEE Candidate	:	:	:	110	100	94	101	100	90	97

*Source EuroStat (2006) New Cronos database.

Distribution of injuries Latvia 2004

- Manufacture of wood and of products wood and cork (D 20) – 167 victims or 13%;
- **Construction (F 45) – 158 victims or 12%; (but only 6% labourforce)**
- Manufacture of food products and beverages (D15) – 86 victims or 7%;
- Health and social care (N 85) – 79 victims or 6%;
- Land transport and transport via pipeline (I 60) – 70 victims or 5%;
- Supporting and auxiliary transport activities; activities of travel agencies (I 63) – 65 victims or 5%
- Forestry, logging and related services (A 02) – 51 victims or 4%;

- Workforce injuries among ‘self-employed’ not included in official data bases of Labour Inspectorate
- During labour inspection in one enterprise it was discovered that in the first aid kit there was medicine with expiry date of 1974. [\[1\]](#)
- [\[1\]](#) Strautiņš, P. „Kvalitāte, gādājot arī par drošību”. *Diena*, 2006, 23.janvāris, 1.lpp.

- The *average size* of the shadow economy in percentage GDP terms for 23 post-communist economies is *more than twice the average* for the 16 OECD West European countries (38% as against 18% of GDP).
- In Bulgaria, where the informalised sectors have grown from 20% in 1996 to 30% of GDP in 2004, and where most workers do not have labour contracts, a law on obligatory registration of labour contracts was passed.
- State Labour Inspection visited enterprises and fined employers who rushed to register contracts knowing the fine was 1000 Levs (over 500 Euros). Prior to the new law in 2002, there were 1.7 million registered contacts but after the law was passed this number increased to 2.5 million.

- The key focus should be on the ‘*structures of vulnerability*’ within which workers are embedded, by virtue of the socially structured failure to regulate the conditions of their employment.
- Informalisation is not simply an end point in the reconfiguration of working conditions in the new market economies. It is a process which is undergoing **continuous renewal** and accelerated development under combined pressures to compete in both European and global arenas.
- There are no ‘natural limits’ to informalisation. Findings from Georgia, admittedly a ‘worst case example’, would seem to suggest that ‘*there is almost no formal private sector employment in Georgia*’ (Bernabè, 2002)

- There may be individual employers for whom resort to exploitative forms of labour relations is a last resort, or the less preferred route.
- This does not apply to the majority of small and medium sized enterprise owners in the new market economies who are dominated by their own struggle for profits and economic survival.
- Informalisation of labour provides a helpful *'framing'* of the regular employment relationship from the point of view of employers. To paraphrase Marx: if capitalism requires a 'reserve army of unemployed', then the 'new capitalism' requires a *'reserve army of informalised labour'*.
- Provides deadweight with which to drag down organised labour's collective aspirations and confidence, and its ability to fight for workers' rights.
- There is *little indication, if any, of an identifiable process of 'normalisation' of labour markets.*
- Where the norm for employment conditions will ultimately lie, rests very much in the balance at this time.

Swedish Labour Market Model

- High level of unionisation (80%+)
- Self-regulation – social partners negotiate directly between themselves on labour conditions without state
- Collective agreements are non-binding in law
- No statutory minimum wage
- Non-conflictual industrial relations (only 8 peaceful strikes and boycotts since 2000)

Laval un Partneri: A Latvian construction company

- **Strategic case study** – a transnational labour dispute - the first of its kind in the current EU post-enlargement context
- The conflict exposes **assumptions** and **attitudes** which might otherwise remain hidden – a clash of ideologies and perspectives
- The arrival of informalised labour in the new Europe.

The history of the dispute

- Summer 2004 - Laval win contract worth nearly 2.8m euros for reconstruction of a school in Stockholm suburb of Vaxholm
- Laval imported Latvian labour, reportedly paying workers 80 kronor per hour (under 9 euros)
- Swedish workers could expect 145 kronor per hour (16 Euros) under the Swedish construction industry collective agreement
- Laval claimed to be paying its Latvian workers roughly twice what they would receive back home

Vaxholm





"Laval un Partneri" Ltd.
www.laval.lv



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About us

Construction

Cafe
Grocery
Catering
Pastry

SIA "LAVAL un Partneri"
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Tel.: 7611457,
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Embassy of
Switzerland
in Stockholm

CONSTRUCTION

Best cafe in
Riga and
laureate of
Latvia 2003.



cafe



catering



grocery

- Byggnads demanded that the terms of the Swedish national collective agreement should apply to the Vaxholm construction site - **Latvian workers should receive comparable rates of pay** to their local Swedish counterparts.
- Laval **not signatory** to the Swedish Construction Federation collective agreement with the Swedish construction union, Byggnads.
- Laval employs its labour in Sweden under the terms of a **Latvian ‘collective agreement’**.
- Laval signed collective agreement (actually 2 agreements) with the Latvian Building Workers union in September 2004 when company already had an ongoing dispute with the Swedish trade union movement - **‘pre-emptive union recognition’?**

- September 2004 – Laval representatives indicated they would **inform Byggnads**’ of their response to demand to apply a Swedish collective agreement
- October 2004 - Byggnads informed that Laval had **not yet** reached a **decision**
- Byggnads warns it would **blockade** the Vaxholm site and prevent Swedish specialist services from supplying the project, unless Laval signed Swedish collective agreement and raised wages
- November 2nd, some **five months** after the initial contact with the company Byggnads instituted industrial action

International discord....

- **Latvian Deputy Foreign Minister** meets the **Swedish ambassador** to Latvia to express his concern, and to request that the Swedish government intervene **‘to eliminate the outright discrimination on the basis of one’s citizenship’** and **‘attempts to restrict freedom of competition and the free movement of services’** in the European Union .

Legal issues at stake re EC Treaty

- Article No.12 (prohibition of discrimination on the ground of nationality)
- Article No. 49 (restrictions on freedom to provide services within the Community shall be prohibited in respect of nationals of Member States who are established in a State of the Community other than that of the recipient of services).

The Swedish government responds

- Swedish Ministry of Industry, Employment and Communications conveys his government's 'neutral' position
- **Swedish prime minister** Goeran Persson was quoted as saying the **union had a 'right take retaliatory measures' against the Latvian company in order to ensure 'the survival of collective agreements'**

Meanwhile back at Vaxholm...

- December 2004 – union blockade **continues**
- December 3rd - Swedish electricians union called a **solidarity strike** at the Vaxholm school
- Swedish Electricians and Installation Employers association threatened **legal reprisals** against the electricians for undertaking illegal secondary (sympathetic) industrial action.
- Laval publicly **appeal to Swedish police** to break the union blockade by force





Byggnads ombudsman Lars-Göran Bromander på plats i Vaxholm. Det var han som ställde ulitmatumet till det lettiska byggföretaget.



Reuters



LIKUMS IR JŪSU PUSĒ
PIEPRASĪET
ZVIEDRU KOPLĪGUMU!

ZVIEDRIJAS
KOPLĪGUMS
ATTIECAS ARĪ
JŪMS!

SVENSKIT
KOLLEKTIVAVTAL
GÄLLER DIG
OCKSÅ!

VI ARBETARE
HÄLLER IHOP,
KRÄV SVENSKIT
KOLLEKTIVAVTAL!

VES STRA
URAMIES
PIEPRAS
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BYRGER

RETTAN

LIVENS OCH JESU PÅSE
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HÅLLER IHOP,
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KOLLEKTIVAVTAL!

MĒS STRĀDNIEKI
TURAMIES KOPĀ,
PIEPASJET
ZVEDRU KOPLĪGUMU!

SVENSKIT



Vi kämpar för mer ordning och reda på den svenska arbetsmarknaden. Vårt mål är att alla på en arbetsplats behandlas lika. Du och alla andra byggnadsarbetare, oavsett vilket land du kommer från, ska kunna arbeta under bra och rättvisa villkor. Ingen ska behöva bli utnyttjad. Får du problem i Sverige, ta kontakt med Byggnads.



We are working hard to ensure that the Swedish labour market is better organised. Our aim is that everyone at a workplace should be treated equally. You and every other construction worker, wherever you come from, should be able to work under good and fair conditions. No one should be exploited. If you have any problems in Sweden, do not hesitate to contact Byggnads.



Walczyliśmy o to, aby był lepszy ład i porządek na szwedzkim rynku pracy. Naszym celem jest, aby wszyscy na szwedzkim rynku pracy, byli traktowani na równi. Abyś ty i wszyscy i inni pracownicy budowlani, niezależnie od kraju, z jakiego pochodzicie, mogli pracować na dobrych i sprawiedliwych warunkach. Nikt nie powinien być wykorzystywany. Kiedy wynikną problemy, skontaktuj się z Byggnads.



Мы боремся за то, чтобы на рынке труда Швеции царил мир и порядок. Наша цель – равноправные отношения на рабочем месте. Не важно, откуда ты приехал – у тебя и у любого строительного рабочего должны быть справедливые условия найма и хорошие условия труда. Никто не должен подвергаться эксплуатации. Если у тебя появились в Швеции проблемы – обращайся в Бюггнадс (Byggnads).



Wir kämpfen für mehr Ordnung auf dem schwedischen Arbeitsmarkt. Unser Ziel ist die Gleichbehandlung aller am gleichen Arbeitsplatz. Sie und alle anderen Bauarbeiter, ganz gleich aus welchem Land sie kommen, sollen unter guten und gerechten Bedingungen arbeiten können. Keiner soll ausgenutzt werden. Wenn Sie in Schweden Schwierigkeiten bekommen, melden Sie sich bei Byggnads.



BYGGNADS
www.byggnads.se

Du har samma rättigheter

som svenska byggnadsarbetare

You have the same rights

as Swedish construction workers

Masz takie same prawa

jak szwedzcy pracownicy budowlani

У тебя такие же права,

что и у шведских строителей

Sie haben die gleichen Rechte

wie ein schwedischer Bauarbeiter



BYGGNADS



At the height of the dispute the Swedish union organised a demonstration in Stockholm in defence of union-negotiated agreements. Some 5,000 people attended the event.

The Swedish confederation of trade unions (LO) supports Byggnads

- **Swedish trade union confederation (LO)-** ‘This concerns the **entire Swedish labour market**.
- Every worker will be affected if **dumping** of Swedish salaries is permitted...We do not accept social dumping which is **competition on the lowest level of salary and working conditions**’

Escalation continues....

- Swedish trade union accused of '**xenophobia**' and of 'protectionist **mafia**' type behaviour
- **Swedish opposition parties**, and **building industry and employers' federations in Latvia and Sweden** line up to condemn the trade union action
- Counter-calls for an **economic blockade** of Swedish companies **in Latvia** by the Construction Association of Latvia.
- Mid-December 2004 - **Latvian Prime Minister**, Aigars Kalvitis, raised the matter with the **Swedish premier** at an EU summit in Brussels

Escalation to EU level...

- Latvian government submits an official **complaint to the European Commission.**
- Latvian prime minister **personally writes** to the **President of the European Commission** on the issue of free movement of labour
- Latvian government announced its intention to pursue the matter at the **European Court of Justice.**
- Laval **applies to the Swedish Labour Court to resolve the issue**

Swedish Labour Court ruling

- Late December 2004 - Swedish Labour Court delivers its 'interim finding' - **'Actions like this** aimed at pushing through an add-on to the leading collective agreement within the industry, **cannot be seen as going against good labour market practices'**
- Lawyers for Laval intimate intention to **appeal the Swedish Labour Court decision.**

Stalemate

- Byggnads promises to **escalate the industrial action** to involve industrial, metalworking, woodworking, transport and maintenance trade-unions
- **International Federation of Building and Wood Workers unions (IFBWW)** launched a solidarity campaign.
- Laval say they will not give up their operations in Sweden – stalemate in the dispute

Finale?

- February 2005 Laval finally announce they are **withdrawing** from Sweden
- The Vaxholm municipality offers to pay the company for work carried out - up to the point at which the blockade had commenced.
- Laval reportedly suffers considerable financial losses and Swedish subsidiary files for bankruptcy.

April 2005

- Swedish government intends to make **illegal** the award of public contracts to firms **without an appropriate collective agreement**.
- Swedish Minister for Local Government and Financial Markets Sven-Erik Österberg:
‘We (in Sweden) have **a different tradition** than what is usual further south in Europe ... It is extremely important that we show that we can **enforce the collective agreement** in Sweden also in the future...**In light of among other things what happened in Vaxholm, this (issue) has become very pressing**’.

About turn

- Swedish Labour Court **steps back** from earlier certainties that its 'interim ruling' against Laval and Partners **did not clash with EU regulation.**
- Court **to seek a preliminary ruling from the European Court of Justice** before making its own final ruling.
- The Labour Court '**considered European legislation to be unclear concerning the issue of whether the (blockade) actions are compatible with a ban on impeding the free circulation of services and a ban on discrimination ... as well as the directive 96/71/EC on the posting of workers abroad**'

Reference to ECJ

- The role of the ECJ is not to decide the case materially, but rather to give a guiding preliminary decision as to the interpretation of the underlying EC legal regulations (Advokatfirma Linds DLA Nordic KB, Memorandum 2005: 10)
- ECJ ruling may take **at least two years**

'The Swedish Apology'

Diena
7 June
2005

Sorry.

Latvia and the Latvian people have come a long way. After being liberated from decades of Soviet oppression, Latvia has done remarkably well – economically, culturally and politically. And, much to our delight, these achievements were rewarded with membership in the European Union in 2004.

And now it's time for Latvian entrepreneurship and ingenuity to move abroad – to places like Sweden. But instead of being welcomed as fellow Europeans, Swedish unions and our populist government have greeted Latvian business with great mistrust and resistance.

Recently L & P Baltic Bygg, a previous subsidiary of the Latvian Laval un Partneri, was forced into bankruptcy as a result of protectionist union action. The fact is, Swedish unions are allocating enormous resources to prevent the establishment of foreign construction companies in Sweden. And they're not alone. The Swedish government is right behind them.

We would like to extend our humble apologies to the people of Latvia. As Swedish citizens, we're truly ashamed and upset at the way our government and our unions are behaving. And we're utterly appalled at the undertones of xenophobia that have marred the debate in our country.

People of Latvia, please remember that not all Swedes are the same. There are a great many of us who applaud and welcome you in your attempts to conduct fair and legitimate business in Sweden. We wish you success in this endeavour and hereby promise to do what is in our power to help you in this regard!

Fredrik Andersson • Mattias Bengtsson • Kurt Beren Geiger • Jörgen Bladh • Gustav Blix • Håkan Borg • Martin Borgs
Andreas Bußen • Per Dahl • Birgitta Ed • Daniel Eichhorn • Caroline & Filip Ekstrand • Christian Ekström • Patrik Engellau
Fredrik Erixon • Fredrick Federley • Lars Forsgren • Johan Forssell • Lars Fredén • Robert Gidehag • Håkan Hagwall • Bo & Inga
Hugemark • Göran Hult • Ann-Charlotte Högberg Talling • Mats Johansson • Anna Kinberg Batra • Anna König • Per Lembre
Tove Lifvendahl • Ulf Lundberg • Johnny Munkhammar • Sofia Nerbrand • Johan Norberg • Tobias Nässén • Helena Olsson
Maria Rankka • Erik Rosengren • Anders Rylander • Tobias Sjö • Hannes Sjöblad • Dan Smidt • Daniel Somos • Johan Staël
von Holstein • Cecilia Stegö Chilò • Oscar Swartz • Henrik von Sydow • Johanna Unghanse • Merit Wager • Björn Weigel
Johanna Westin • Michael Wiegert • Anna Wilson • Jon Åsberg

The McCreevy 'intervention' October 2005

- EU Internal Market Commissioner, Charlie McCreevy, announced on a visit to Stockholm support for Latvia.
- McCreevy called to European Parliament:
"It is my duty to ensure basic rights and freedoms are respected. I exercise that responsibility in an even-handed manner. I find it extraordinary that I have to defend my remarks when the issue was raised by a Swedish court. That this is a sensitive case in a Member State does not deprive me of my right to express a view, even if that upsets a Member State or some Members of this Parliament. The Commission's role is to enforce the rules. Latvia's rights are as important as any other Member State."

Thomas Östros (Swedish Minister for Industry and Trade 6 October 2005)

...I find it **remarkable that you with such a clear voice stated that the Commission is going to intervene against Sweden in the ongoing court proceeding concerning a foreign construction company. ...to hear that the Commission is standing behind a thrust against a member state who has regulated its labour market in a different way** than most other member states, but where the aim and purpose is the same, **is truly unacceptable.** I take it that it was a more personal view that you expressed and not the view of the Commission. **It will also affect the Swedish government's ability to conform to work constructively with the commission on the Service Directive.** I sincerely hope that there has been some kind of mistake or misinterpretation and I am looking forward to your swift reply.

Best regards,

Thomas Östros

Questions answered

- *Svenskt Näringsliv* (the Confederation of Swedish Enterprise) admitted that they are funding Laval's case before the Swedish Labour Court, to the tune of half a million Swedish Crowns (*Svenska Dagbladet*, 13 June 2005).
- The Laval episode provided a convenient point of entry for employers' organizations to open up 'strategic' long-standing issues of labour market reform in Sweden

Questions to be answered

- Should New Member State companies be able to compete on the basis of cheaper labour costs?
- Is the Swedish union strategy to rely on the strength of collective bargaining arrangements sustainable?
- How can different national trade union movements develop a common strategy that will protect their interests?
- Are we seeing a new 'race to the bottom'?



ārzemēs. Mūsu iespējas izmanto jau vairāk kā 800 cilvēku. Pievienojies arī Tu!

* Iemācies angļu valodu 1 mēneša laikā **klusumā**



Jaunākās ziņas

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Prasības darbiniekiem

Darbinieku aizsardzība

Ekspertu kursi

Darbs Zviedrijā

Vakances

Biežāk uzdotie jautājumi

Ieteikumi

Kontakti

ONLINE Reģistrācija

Īrē darbaspēku

**Welcome to the place,
where Money of Europe becomes yours..**

We are staffing company providing qualified and cheap labor from country of Latvia (new EU member).

You don't pay any employers or social taxes for the workers you rent from us. You also slip employers responsibility, because employer of the workers is still our company.

We send our workers to perform the work at your company.

You save a lot of money on taxes and fees;

You save a lot of money and time on salary administrations, since the only thing you pay is one invoice per month.

You get highly motivated employees with good knowledge of English/German.

You save 50 % or more on salaries if you compare with the wage you would have to pay to nationals of your country.

We offer our services in whole European Union and especially in Great Britain, Germany, Netherlands and Nordic countries (Sweden, Finland, Denmark).

Our workers are experienced, hard working, attractive and mostly work in restaurants and cafes, storehouses, transport companies, agriculture and construction sectors. But even workers in IT and other areas can be offered.

Make your company more competitive and discover the opportunities new EU has to offer!

Rent the workers from SIA Eiropas Eksperti!

Contact our International relations unit at:

international@eiropaseksperti.lv

Tel.: +46 7 3434 0271; +371 822 11 12

webmail



Contact our international relations unit at:

webmail

international@eiropaseksperti.lv

Tel.: +46 762 851 307; +371 822 11 12

or

Send an enquiry now!

I am interested to rent following workers (this is not binding, just expression of interest):

What occupation for:

CONSTRUCTION

How many workers:

2,000

Starting date:

11 NOVEMBER 2005

Can you provide them with a place to live?

Yes

No

Your name and name of your company?

NFBWW

The country workers will perform a job in?

SWEDEN

Your full phone Nr.

0037061005044

Your email:

SOCIAL MODEL@EU

Send



Home Office

BUILDING A SAFE, JUST
AND TOLERANT SOCIETY

Employers' use of migrant labour

Summary report

Sally Dench
Jennifer Hurstfield
Darcy Hill
Karen Akroyd
(Institute for Employment Studies)

Home Office Online Report 03/06

The views expressed in this report are those of the authors, not necessarily those of the Home Office (nor do they reflect Government policy).

**Oh the shame of it, workers from the East put Britons
in the shade** - The Times 15 March 2006
By Richard Ford, Home Correspondent

More than 345,000 East Europeans have arrived in UK seeking work since the EU expanded to include former Soviet bloc countries on May 1, 2004.

“ Migrant workers have become an important source of labour, sometimes preferred over domestic (UK) workers, particularly in the *Agricultural, Hotels and catering* and low-skill parts of the *Administration, business and management* sectors” .

“in the view of some employers, the **more favourable work ethic of migrant workers** had the effect of **encouraging domestic workers to work harder**” .

The Happy Worker Syndrome

Migrant workers “ tended to be **more motivated, reliable and committed than domestic workers**. For example, migrants were said to be more likely to: **demonstrate lower turnover and absenteeism; be prepared to work longer and flexible hours; be satisfied with their duties and hours of work; and work harder in terms of productivity and speed.**

Indirect comments from employers suggested migrant workers were better thought of because they were **more likely to be happy with the minimum wage (as it was higher pay than in their home countries).**”

“For many employers, language barriers were the only disadvantage they could think of to employing migrant workers (**understanding health and safety procedures was sometimes a specific concern**).”

“Employers of low-skilled labour reported that labour shortages were a primary reason for recruiting foreign workers. They had tried hard initially to attract domestic workers, through Jobcentres, local adverts, and so on, but they were **turning to migrant workers because of a lack of domestic workers willing to take these posts**. These jobs tended to be filled by migrant workers, as often the conditions, pay, hours or nature of the work were unfavourable to domestic workers and **migrants were more amenable to these conditions**.”

Latvians in Ireland

- *'I am not afraid to talk with my supervisor which was the case in Latvia. Here (in Ireland) there is trust, and confidence in the employee. And so the work is better done in such an atmosphere'*
- *'In Ireland we live a life which is "human worthy" - we can afford not always to be thinking of prices and about unpaid wages'* (Latvian immigrant worker).

(Irish Strategic Analysis Commission, 2005).