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ETF contribution
to the Public Consultation on the extension
of Trans-European transport networks to the EU neighbouring countries

The European Transport Workers Federation welcomes the initiative of the High Level Group to launch a consultation process on the extension of the Trans-European Transport networks (hereafter referred to as 'TEN-T') to the EU neighbouring countries.

The public consultation comes at a very early stage of the TEN-T extension process. On the other hand, the set of "Questions to the stakeholders" **limits potential contributions to a purely market oriented approach**. There is, for instance, no indication at this stage of the fact that the TEN-T extension process will take into account the principle of sustainability.

However, the European Commission **Neighbourhood Policy** makes it clear that it is the EU duty, not only towards its citizens but also towards its present and future neighbours to ensure continuing social cohesion, protection of the environment and economic dynamism, to act to promote regional cooperation and integration as preconditions for political stability, economic development, reduction of poverty and social divisions.

Considering the above-mentioned, rather than attempting to answer the list of "Questions to the stakeholders", the ETF present contribution will aim to push for mainstreaming the social dimension at all levels of the extension 'exercise', starting with the High Level Group proposal to the European Commission and going further to the implementation of networks and priority projects. This will enable the policy makers to connect the TEN-T extension process to the overall objectives of the EU Neighbouring Policy as cited above. The present document primarily refers to the Western Balkans and the three EU Eastern neighbours, Belarus, Republic of Moldova and Ukraine.



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The ETF considers that the following are the minimum set of requirements to be taken into account throughout the planning and development of the extended Trans-European Transport Networks:

1. the principle of **SOCIAL, ENVIRONMENTAL and ECONOMIC SUSTAINABILITY**
2. **SOCIAL IMPACT ASSESSMENTS** mainstreamed throughout the strategic planning and implementation of the extended TEN-T. The EU financial assistance for the extended TEN-T must be conditioned by social impact assessments of transport axes and priority projects.
3. clear **MECHANISMS FOR CONSULTATION OF THE SOCIAL PARTNERS**, nationally and regionally
4. guarantee of **SOCIAL STANDARDS** at 'corridor' level, to condition the EU financial assistance for the extended TEN-T
5. With regards to specific transport SECTORS:
 - **Rail**: the extended TEN-T will in no way challenge national investment capacity into domestic rail networks and rolling stock
 - **Road**: safe and adequate rest facilities for drivers will be part of the development of the extended TEN-T
 - **Seaports and airports**: the extended TEN-T will ensure adequate integration of seaports and airports without challenging connections with national infrastructure
 - **Inland waterways**: the extension of TEN-T will aim to better integrate the Danube river into the inter-modal chain

1. The principle of '**SOCIAL, ENVIRONMENTAL and ECONOMIC SUSTAINABILITY**' must be one of the **top criteria of the High Level Group's methodology to identify and assess major transport axes and priority projects of pan-European interest.**

To this extent, the ETF points out that the TEN-T must be fully integrated into local and regional transport networks. The main axes must support and not challenge access to mobility; to speed up economic development in a context of labour market / social stability and environmental protection; to contribute to regional cohesion. To this extent, in connection with the extension of TEN-T and in order to minimise the risk for deeper regional disparities, the EU should open access, for both Western Balkans and Eastern European countries, to Community financial instruments for regional development in connection with the implementation of the extended TEN-T.



2. SOCIAL IMPACT ASSESSMENTS: the High Level Group must place the 'SOCIAL IMPACT of the TEN-T' amongst the top horizontal priorities (along with technical interoperability, intermodality, safety and security of transport infrastructure) that back their proposal for both the entire network and the priority projects. SOCIAL IMPACT ASSESSMENTS must be carried out at least in conjunction with: a) any further STRATEGIC planning and development of the extended TEN-T and b) the PRACTICAL implementation of each priority project. The SOCIAL IMPACT ASSESSMENTS should include three dimensions: a) the impact on employment; b) the impact on income disparities between social groups; c) the impact on regional cohesion.

The ETF bases its request for Social Impact Assessments on the following:

Previous experience shows that implementation of EU transport networks, even in fairly stable political and economic conditions, has a considerable impact on employment and society at large. It forces opening of markets and triggers structural changes in the context of liberalisation (such as separation of rail infrastructure from operation services); it equally forces a shift in priorities at country level from national to pan-European interest, followed by a concentration of national resources on the latter. Are Western Balkan and Eastern European countries prepared to assimilate these changes? Too little, if one takes into account that:

- the balance between **political stability, sustainable economic development and social stability** is extremely precarious.
- **national transport networks are still organised around a centrally-planned economy**, connecting – usually by means of a dense rail network – large industrial sites and industrial urban centres. Thus, challenging national transport networks means challenging the very way national economies are organised. This means job-loss not only in transport but also in industries which still hold a considerable share in the employment rate. The ETF insists that the Social Impact Assessments will take into consideration this aspect as well.
- **precarious social and labour market condition** diminishes considerably the capacity of Western Balkan and Eastern European countries to deal with the unemployment and redundancies. This may lead to social instability and increasing migration towards the West. Most of the Western Balkan countries show long-standing unemployment rates that exceed 30%. The Eastern European countries however have lower unemployment rates but this is mainly due to the fact that restructuring of big sectors is in an incipient phase. For both groups of countries neither passive employment policies such as unemployment benefits, nor active ones oriented towards retention of active population in the labour markets could be effective in combating unemployment. First and foremost, because social security systems are overburdened. Secondly, because the concerned countries are not economically fit to re-absorb the redundant workforce into the labour market: they are



neither in the position to attract at present foreign direct investment, nor can they offer chances for the development of SME-s. To this end one has to point out that in Western Balkan countries, Bulgaria and Romania a series of social programmes targeting redundancies in the railway sector envisage financial assistance with start-up costs for small and medium enterprises. This may have been a success in other parts of the world but will be ineffective in the region, due to a number of reasons - heavy tax policies, lack of credits, lack of good business opportunity and last but not least a general lack of entrepreneurial skills. To the extent that International Financial Institutions are involved in further restructuring of public transport companies, the ETF strongly recommends that all social programmes associated with the restructuring process to designed in close cooperation with trade unions so that the programmes are realistic and correspond to the socio-economic specificities of the respective countries.

- **Poverty and migration:** the high poverty rates in the respective countries should be a reason for concern the European Union and so should be the fact that migrating and getting a job abroad is and will be a solution largely resorted to. Republic of Moldova offers an astonishing example, with a 2002 official unemployment rate of over 20%, 80% of the population living under the poverty line and 25% of the working age population working abroad. It seems thus that instead of importing capital to develop economically, the EE countries export cheap labour to survive.
- **Both Western Balkans and Eastern Europe show great disparities in terms of economic development, political stability and social wellbeing.** European transport networks have the capacity to reduce or, on contrary, deepen the existing regional differences. Currently, capital cities and ports concentrate by far the bulk of economic activity and wealth. Rail transport has been instrumental in organising the domestic freight transport in this context. Based on past experiences, the TEN-T does have the capacity to challenge secondary networks and therefore links between the existing economic and urban centres and accessibility of rural areas. Closure of local railway lines, reduction of port activity will have severe impact on labour and equally so on population of 'disconnected' regions. To this point the ETF points out that the South Eastern European CORE Transport Network offers a positive example of strategic intra-regional connectivity, to the extent that it provides rail and road connections between nine main Western Balkan cities (amongst which five capital cities) and their airports, the Adriatic ports and the Danube. The ETF strongly recommends for the extension of the TEN-T not to challenge the balanced development of the CORE network by narrowing down the existing priorities to one or two main axes!



3. CLEAR MECHANISMS FOR CONSULTATION OF SOCIAL PARTNERS, at national and regional level. A well functioning transport network very much depends on the reliability of all partners involved. The High Level Group should at this point build on the existing positive experiences, such as attributing consultation roles to priority projects coordinators – as in the case with the priority projects of the revised Trans-European Transport networks – and introduction of clear references to consultation of social partners in the revised versions of the existing pan-European transport agreements – such is the case of the Memorandum of Understanding on the development of South Eastern European transport network, signed in June 2004 by the European Commission and the Western Balkan countries.

To this extent the ETF points out the following: previous and current experience with consultation of social partners during the restructuring of public transport sectors proved that governments persist in applying the same ‘counter-effective’ methods over and over again without seeming to take notice of the fact that workforce redundancies cannot simply remain a backstage issue. Social partners are involved – if at all - only at a very early or very late stage of the process. There where common plans or agreements are in place, they remain only on paper. International Financial Institutions are involved – usually providing technical and financial assistance - governments justify their lack of transparency by largely invoking secret agreements with the IFI-s. All these have led to labour conflicts that have systematically accompanied most of the stages of the restructuring process. Pressure from labour has often resulted in reviews of restructuring plans. The case of Slovak Railway Company stands as example, where the initial number of local lines to be closed down was reduced due to combined lobbying of environmental organisations and trade union action. The 1999 strike action of trade unions in the MAV – Hungarian State Railways was a signal that lack of social support for restructuring measures has great potential to disrupt traffic flows along pan-European transport axes. The cooperation between the ETF and the Corridor IV Secretariat and Steering Committee has proved beneficial to the extent that the human element has gradually become a dimension in organising the Corridor flow, alongside the more technical considerations (optimisation of border crossings, interoperability, harmonisation of technical standards).

4. Guaranteed SOCIAL STANDARDS at ‘corridor’ level, to condition the EU financial assistance for the extended TEN-T. The TEN-T extension must be accompanied by the enforcement and implementation in all countries concerned of EU instruments and international conventions that safeguard social standards and in particular working time legislation, minimum standards of qualification and transport-related safety legislation. This will help prevent unfair competition, access and exploitation of low labour costs. The non-regression clause will be applied all the way



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through, so that to safeguard better existing social conditions nationally, wherever this is the case. To this end, the High Level Group must recommend and the European Commission must ensure that Western Balkan countries make a priority of the implementation of social Community Acquis and that the EU Eastern neighbours enforce and implement all relevant international conventions – such as the UNECE European agreement on drive and rest time of crews engaged in international road transport (the so called AETR).

6. With regards to specific transport SECTORS the High Level Group must ensure that their proposal includes:

Railway sector - measures to ensure:

- a) that the TEN-T extension is not done at the expense of the national rail networks
- b) that the national railway companies are given the necessary support to invest in both infrastructure and rolling stock.

Once again, we see the danger that heavy investments and national resources will be totally absorbed by the pan-European axes, national governments being left with no choice but to close down local railway lines, outsource non-core activities etc. Jobs, access to mobility, regional growth will be at stake. Previous experience with outsourcing shows how far governments are prepared to go: in Romania one of most recent stages of restructuring touched on the maintenance activities. We believe that this puts at stake operational safety, particularly in the context where transport of dangerous goods on rail corridors is picking up. Investment in modernisation of rolling stock is beyond the financial capacity of national governments in virtually all Western Balkan countries, which considerably diminishes the chances for survival of national operators. This equally affects the capacity of domestic operators to serve the needs of the national economies.

Road transport sector – measures to ensure that safe and adequate rest facilities for long-distance drivers are part of the overall planning and development of the road network. Eastern Europe is in particular vast, with a relatively low density of populated areas. Having in view the considerable length of the future main axes frequent rest sites will be instrumental in keeping down the rate of traffic accidents. Safe and adequate rest sites will reduce the risk of violence against drivers. Both above mentioned will ensure minimum level of safety for drivers, freight, passengers, operation. Poverty may be another risk factor when considering safety and security of transport on South East and Eastern European road axes. All the above mentioned may leave the main road axes underused. Alternative routes – to those crossing both the Western Balkan and Eastern European countries – are in function and it will take more than an impeccable state of infrastructure to attract freight to the newly planned transport corridors. Safety is one of the major



factors in the equation, together with other physical barriers such as security, customs service, visa practice – adding more pressure to general working conditions of a driver.

Seaports – measures to ensure full integration of seaports within the extended TEN-T. Seaports heavily depend on connection to the main rail / road axes and will equally depend on a clear definition of the motorways of the sea. Previous EU transport infrastructure policies treat ports as a marginal issues: the European Commission revised guidelines for the development of TEN-T mention seaports only briefly, in connection with the motorways of the sea concept; studies on the development of South Eastern European transport infrastructure admit the widely spread inadequacy of port facilities, the extremely competitive environment offered by the Adriatic Sea and recommend a network concentrated on only a few ports, with the aim to support sea shipping. To this end, the ETF points out that leaving port integration and development entirely up to the market needs will lead to uncontrollable port competition and consequently to reduction of activities in less connected ports further translating into job-cuts and economic decline of port-dependant regions. On contrary, we feel that the substantial potential of seaports – as nodal points - should be used at maximum in the extension of the TEN-T.

Inland waterways – measures to ensure that the Danube is part of the inter-modal chain and further on make the Rhine – Danube corridor functional. The current exercise of connecting the EU with neighbouring countries must be used to boost traffic flow on the lower part of the river, to revive lower Danube regions depending on inland navigation and inland ports. To this point, the ETF emphasises that the Balkan conflict, the embargo and finally the blockage of the Danube have had tremendous socio-economic impact on Bulgaria, Romania, Ukraine. The job loss is almost total in Bulgaria and Romania and considerable in Ukraine. Job-loss has led to illegal, uncontrolled migration of skilled labour to Western European countries. Inland waterways is today a sector deeply market by unfair competition and social dumping. This, adding to the limited capacity for riparian states to control illegal employment practices, has serious safety consequences. Entire regions depending on inland navigation and inland ports are confronted with economic decline.

Airports – measures to ensure that the extension of TEN-T gives air transport a new profile. As the Eastern European neighbouring countries offer potential for long-distance transport, airports will play an important role in attracting logistic hubs and thus good connections to inland infrastructure, both pan-European and national, will ensure that they equally serve the European and national needs and economic interests.

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