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EU Reverts To Protectionism Following Pressure from Old Europe

France and Germany Force Backtrack on Free Market Reforms

Workers and employers in the UK will be disadvantaged as the EU slips back towards protectionism that will restrict movement of labour, job creation and competitiveness, according to the Recruitment and Employment Confederation. In Brussels yesterday France and Germany pressured other EU members into agreeing a backtrack on a key directive designed to open up Europe's services market. "Despite all the rhetoric about competitiveness we are still in the clutches of Old Europe. The old powers are protecting their interests at the cost of the UK and the newer members of the Union", says Marcia Roberts, deputy chief executive, REC. "At a time when economic growth across Europe is in need of a boost there is a genuine risk these changes will only slow progress."

Other key concerns include:

- Skills shortages - Free movement of labour needs to be encouraged to help fill the job vacancies in the UK
- Restrict Company growth - UK business will find it harder to expand and grow into Europe
- 'Lisbon Strategy' under threat - Changes contradict EU commitment to making Europe the world's most competitive economy by 2010

Is this a sign of things to come - Will future attempts to liberalise labour markets be blocked by France and Germany? This move follows an announcement made last week by the European Commission to simplify existing legislation and reduce red tape in an attempt to promote economic growth: "Last week the Commission promised to remove barriers to competition and business growth and this week it is putting them back in place following pressure from its two largest members. Lifting restrictions on agency workers across Europe while giving employment protection that is adequate and not detrimental to job opportunity is the key to moving the EU economy forward." The Commission should redraft the AWD as a matter of urgency."

The REC is fully in favour of protection for temporary workers, but the administration involved in establishing equal pay and benefits for each temporary work assignment would make the provision of temporary work unviable.

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