

Resolution

Protect workers' rights and public services in negotiations for a Swiss-EU institutional framework agreement

Brussels, 8 November 2024 | **Countries neighbouring the EU should not have to compromise on labour standards or public services to maintain good relations with their biggest economic partner. Because current EU negotiations with Switzerland on an institutional framework agreement risk just that, trade unions demand a change of course.**

Background

The European Union (EU) and Switzerland are central to each other: geographically, economically and culturally. These close mutual ties are governed by over 120 bilateral agreements covering a large variety of issues such as trade, transport, security and education. There is an evident benefit in streamlining and simplifying aspects of bilateral relations via an institutional framework agreement (IFA).

Negotiators for Switzerland and the EU held extensive talks on an IFA draft between 2014 and 2021, but the Swiss government ultimately rejected signing the proposed text due to insurmountable differences on essential points such as Swiss protections against wage and social dumping or the regulation of state aid. Talks have resumed in 2024, but the main concerns for trade unions remain the same: To be acceptable for Swiss workers and EU workers in Switzerland, the IFA needs to guarantee the protection of wages, social standards and public services. Current developments, and the stance of EU negotiators in particular, are troubling in this regard.

The EU is pushing to weaken workers' rights and public services

Switzerland has a robust set of accompanying measures to better protect workers against downwards pressure on wages and social standards and ensure fair treatment for posted workers. EU negotiators, supported by business groups from both sides of the border, are attempting to undermine these accompanying measures and make their weakening a precondition for concluding an IFA.

Trade unions have repeatedly emphasised that concessions on wage protection would significantly weaken the accompanying measures: Wage protection would no longer be guaranteed, thus increasing downward pressure on wages. Unfortunately, the EU continues to demand a reduction of labour rights and protections for posted workers in Switzerland. The aim is to dismantle parts of the accompanying measures.

A concrete EU demand is to render the deposit requirement for employers when posting workers to Switzerland applicable only in cases of repeat offences by the same company. Such a proposal is impractical as unscrupulous companies can evade sanctions by simply changing their names and legal identities. This would result in making the deposit requirement *de facto* meaningless. Furthermore, the EU suggests reimbursing posted workers' expenses based on

rates from the sending country, making dignified living in high-cost Switzerland nearly impossible. This assault on the dignity and well-being of European workers is unacceptable.

Effective inspections and sanctions are essential to ensure fair working conditions and protect posted workers from exploitation. However, EU negotiators seek to reduce or eliminate pre-notice periods for worker postings. They suggest replacing on-site inspections in Switzerland with digital audits. It is obvious that this would create abundant opportunities for abuse.

The EU is also calling for the privatisation and deregulation of Switzerland's public electricity and rail sectors. Trade unions firmly oppose this deregulation agenda and will fight for the retention of quality public services. The EU should refrain from insisting on exporting its bad practices.

Current state of negotiations on a Swiss-EU IFA

Negotiations between Switzerland and the European Union on an institutional framework agreement (IFA) remain tense, with EU negotiators pushing to weaken worker protections and deregulate the electricity and rail markets. Swiss trade unions advocate for a socially fair and open Switzerland, recognising the EU's importance in peaceful development and cooperation in Europe.

The introduction of free movement of people and the freedom to provide services has contributed to economic growth, which can lead to improvements in wages and working conditions if coupled with robust protective measures and close involvement of trade unions. The Swiss Trade Union Confederation (SGB) in principle supports closer ties with the EU and is favourable to a positive conclusion of negotiations on an IFA as long as wages and public services are preserved and workers are protected. Unfortunately, current signals from the EU in negotiations do not point in that direction.

A joint fight for a Social Europe

The trade union movement has always focused on benefiting workers and their families, irrespective of nationality, by protecting and improving both their wages and working conditions. The SGB and all other trade union federations in CETUN believe that the governing principle of Directive 96/71/EC concerning the posting of workers shall extend beyond the EU: Equal pay for the same work in the same place.

The EU must respect its own high standards of workers' rights and public services in its relations with neighbouring and third countries. Countries neighbouring the EU should endeavour to adopt employee-friendly reforms through analogous labour market legislation. Conversely, they should not have to compromise on labour standards or public services to maintain good relations with their biggest economic partner. Because current EU negotiations with Switzerland on an IFA and associated agreements risk just that, we demand a change of course in order to:

- **Protect social and labour standards.** The EU Commission should not demand the erosion of social and labour standards from neighbouring or associated countries, such as Switzerland, during negotiations on institutional questions. Instead, it should demand the adoption of social labour market legislation to advance upward convergence.
- **Promote higher wages.** Wage protection must not be compromised. Collective bargaining agreements and workers' rights in Switzerland and Europe must be strengthened and converge upwards, not downwards.

- **Ensure EU law does not undermine workers' rights.** There have been prior instances where EU law has interpreted by the Court of Justice of the European Union in ways that undermine workers' rights. Rulings related to the posting of workers are some of the most prominent examples. Where that is the case, the EU institutions must strive to restore these protections through changes in the law.
- **Protect public services.** The EU must cease pressuring Switzerland to liberalise its electricity and rail passenger services within the context of new bilateral and institutional agreements.

About

The Central European Trade Union Network (CETUN) assembles trade unions from Austria, Croatia, Czechia, Hungary, Liechtenstein, Serbia, Slovakia, Slovenia and Switzerland. As a regional grouping of ETUC members, the network's goal is to foster trade union structures and social dialogue in the region. Through greater cooperation and coordination, participants aspire to promote common themes at European level.

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EU Transparency Register: 168069692041-64