

## Map of Misery

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**Examples of EU public money going to companies that exploit workers and deliver low-quality services**

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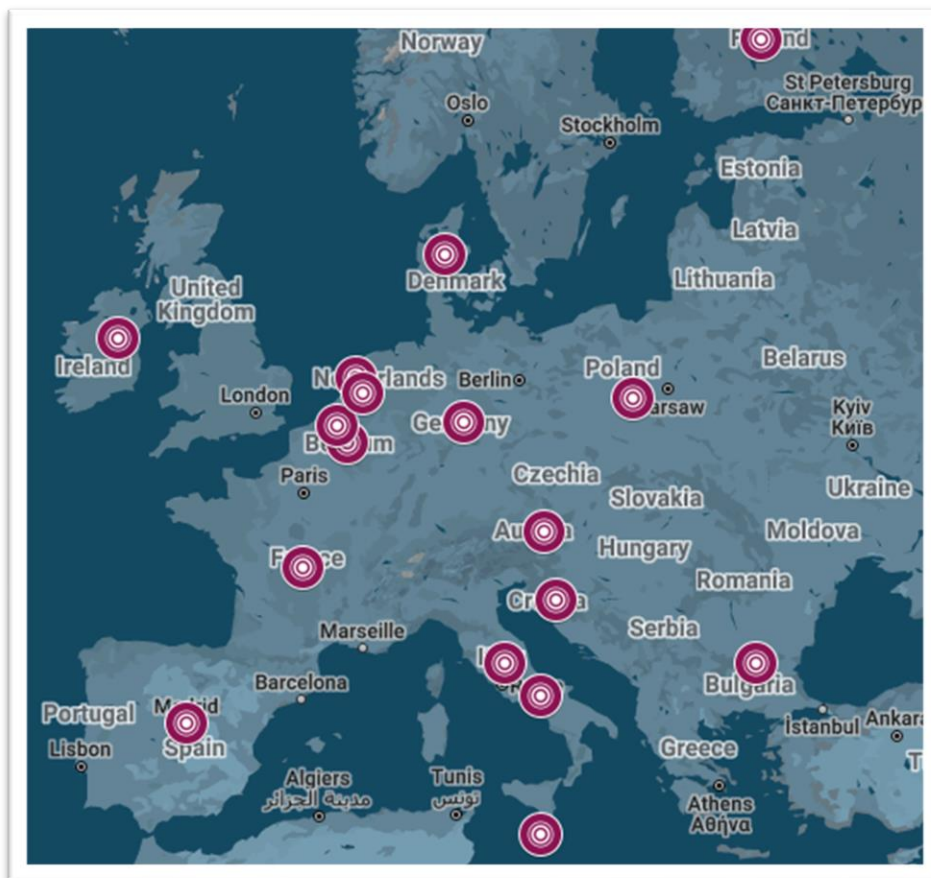
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# 1 Introduction

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This UNI Europa report maps examples of how public funds in EU Member States have been given to companies that exploit workers and deliver low-quality services. The exploitation of workers has taken on various forms – from unpaid wages, underpayment of workers and excessive workloads to discrimination and violation of labour rights through illegal dismissals and union-busting tactics. The delivery of low-quality services has led to grave consequences for society – from health risks in unhygienic hospitals to threats to the integrity of democratic elections. These examples come directly from trade unions or reports in the media.

The European Union prides itself on its commitment to fairness, equality, and the well-being of its citizens. However, this commitment stands in stark contrast to multiple instances of worker exploitation. By providing real-world examples within the EU, this report aims to present a clear picture of the problem, foster discussion and encourage actions that lead to procuring decent work for all.



The interactive map is available on <https://tinyurl.com/MapOfMisery>

## **2 Austria**

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### **2.1 Overtime, underpaid, unpaid**

In Austria, 50% of contracts in the growing cleaning industry are with the public sector. However, as Der Standard reports, the Vienna Chamber of Labour has documented 108 cases in its legal advice service within three months in 2023 alone. 76 per cent of those who sought help were women. Almost half were older than 45. Almost a tenth of the cleaners did not receive their wages. More than a third of them regularly worked overtime. A quarter were only partially paid, and just under a third were not paid at all.<sup>1</sup>

## **3 Belgium**

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### **3.1 Threat of dismissal for going on strike**

During a national strike on 9 November 2022 in Belgium, the sanitation and hygiene service provider CWS sent a formal notice to two workers, threatening them with dismissal and a claim for compensation of €24,000 for an alleged loss of earnings. Following an intervention by the unions, the company finally withdrew the compensation claim, but maintained the disciplinary sanction against the two employees. Since 2014, this company has received EU funding to the tune of €8,190,000.<sup>2</sup>

### **3.2 No contract or bogus self-employed**

In Belgium in 2012, cleaners working at several train stations did not receive formal contracts – and were later bogus self-employed – in order for the employer Local Cleaning to evade existing labour regulation. According to Bruzz, they received less than the minimum wage and no compensation for night and weekend work. Moreover, the Belgian state lost out on an estimated 1.7 million in social contributions from the workers. The company received its contract via a public tender.<sup>3</sup>

## 4 Bulgaria

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### 4.1 No pay for eight months and violation of labour rights

The company Titan AS was contracted by Vidin municipality for waste collection in the city. However, when their wages were not paid for eight months, the company's unionised workers went on strike in 2015. Titan went on to fire the workers during the strike, violating the Bulgarian Labour Dispute Law. Three weeks later, Vidin municipality terminated the contract with Titan because of its failure to collect garbage.<sup>4</sup>

## 5 Croatia

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### 5.1 Underpaid and obstruction of collective bargaining

The Croatian telecom company A1 Hrvatska performs services on public contracts with ministries, state agencies, state offices, cities, counties, hospitals, large public enterprises in Croatia. Since entering the Croatian market 1999, A1 Hrvatska has obstructed the conclusion of a first collective agreement with the trade unions. From agents to engineers, its workers are severely underpaid. Around 20% of workers only receive a salary of €590 net per month. For Croatia, this is far below the living wage, as the monthly cost-of-living in Croatia stands at €950. Around 70% of its workers receive a salary below the average salary of €1150 in Croatia. Moreover, they do not enjoy the rights guaranteed by a collective agreement, such as a hot meal, Christmas pay, overtime and severance pay.<sup>5</sup>

## 6 Denmark

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### 6.1 Change in contract leading to bad quality service and lower pay

In 2019, the Danish National Police awarded interpretation services to a new and cheaper company, EasyTranslate. The four-year contract combined all language requirements from Denmark's Ministry of Justice and Ministry of Immigration and Integration. It was the first time language services for the two ministries were privatised. After only eight months, however, the police cancelled its contract with EasyTranslate, citing "subpar contract delivery, wrong interpreter classification, poor handling of complaints, and the failure to establish a functional training program for interpreters."<sup>6</sup> As reported by

Danish newspaper Politiken, a group of hundreds of interpreters had also refused to offer their services on EasyTranslate's new terms. In particular, interpreters were concerned to earn up to 60% less when providing written translations.<sup>7</sup>

## **6.2 Missing pay checks of DKK 250,000**

In 2020, 15 interpreters, employed by the company Sproghuset to deliver interpretation services in nursing homes, job centers and schools, reported unpaid wages of more than DKK 250,000 in a TV2 investigation. Sproghuset had received a public contract for its services from the City of Copenhagen. The City eventually decided to discontinue its contract with Sproghuset.<sup>8</sup>

## **7 Finland**

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### **7.1 Underpaid or even unpaid**

In 2020, Helsingin Sanomat revealed that outsourced cleaning workers in public institutions like schools and daycare centres were underpaid or even unpaid, worked long hours, had no sufficient breaks and too few days of vacation. According to the newspaper's report, the exploitation was extensive and systematic. In the worst instances, it describes the conditions as inhumane and resembling human trafficking.<sup>9</sup>

## **8 France**

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### **8.1 Lower hygienic standards in public hospitals**

In 2020, France 2 revealed that the outsourcing of bio-cleaning at the public Valenciennes Hospital Centre to the private company Onet led to a significant reduction in the hygienic standards of the hospital's premises. The cleaners were forced to work without the necessary tools and, instead, had to "make [their] own broom... with the bits of old brooms lying around."<sup>10</sup>

## 9 Germany

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### 9.1 Unreasonable workload

In 2019, as reported by taz, outsourced cleaning workers at Berlin's public Alice Salomon University raised the alarm about their working conditions. During a four-hour working day, a cleaner reported to have had only seven minutes for a seminar room – to mop the floor, clean tables, take out the garbage, clean the blackboard – while it takes 15 minutes to do the job thoroughly. In the case of such public sector contracts, the price pressure is particularly high as the cheapest bidder is usually awarded the contract.<sup>11</sup>

## 10 Ireland

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### 10.1 Paid below living wage, no union recognition and limited toilet breaks

Until 2009, the 999 emergency telephone service in Ireland were operated as decent, unionised jobs with full collective bargaining by the national operator Eir. The service then transitioned to BT Ireland through a public contract, which subsequently outsourced operations to Conduit Global. Since then, 999 operators have faced challenges such as inadequate wages and a lack of trade union representation. The company repeatedly declined discussions with the trade union CWU, leaving pay levels below the living wage. Additionally, operators struggled with impractical productivity targets and a stern disciplinary system imposed by management. Staff were subjected to stringent restroom regulations, with warnings of potential disciplinary actions if they exceeded 19 minutes in the toilet during a 12-hour shift. They were required to notify management before and after using the restroom and were restricted to just seven minutes for each bathroom break.<sup>12</sup>

## 11 Italy

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### 11.1 Two months without pay

In the spring of 2022, cleaning and sanitation workers at the Italian public Polistena hospital went on strike as their salaries were not paid for over two months by the contracting company SGS.<sup>13</sup>

## **11.2 Cuts in hours and wages**

In 2022, cleaners working in the public Revenue Agency in many Italian regions went on strike after after two companies, Formula Servizi and Savet, were newly awarded the public contract. The companies cut operating costs by reducing the hours and wages of hundreds of workers by up to 35%.<sup>14</sup> Similar cuts to cleaners' hours took place at contractors employing cleaners of post offices throughout Italy.<sup>15</sup>

## **12 Latvia**

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### **12.1 Cheaper contract affected integrity of European Parliament elections**

Until 2019, voting ballots for European elections were delivered by Latvijas pasta, an established company with a collective agreement. However, for the 2019 elections, the company Reller – which had not concluded a collective agreement with trade unions – was awarded the public contract because of a €36,000 difference in price. However, it turned out that the limited liability company Reller was unable to deliver adequate services. Many ballots were found in the garbage and rivers, undermining the integrity of the elections. In the aftermath, the Interior Ministry stated that the current procurement rules, based on the principle of lowest price, did not provide a legal basis for concluding a contract with Latvijas pasta.<sup>16</sup>

## **13 Malta**

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### **13.1 Under-cutting company sues government**

The Maltese government procurement agency awarded a contract for cleaning public educational facilities to a company partly because it had a collective bargaining agreement with its workers. An undercutting company, which does not negotiate with its workers over their conditions, sued the agency to overturn this decision. Through its legal action, the company attempted to force the government not to consider collective bargaining as a preference in a public contract tender. This case in Malta exposed the threat of legal action that public buyers face.<sup>17</sup>



## 14 The Netherlands

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### 14.1 Circumvented trade union to force pay cuts

In the Netherlands, employers often negotiate with yellow unions or companies' works council to adopt pay cuts. For example, travel company TUI refused to enter into collective bargaining with The Federation of Dutch Trade Unions (FNV), despite a petition to do so by hundreds of workers. Since 2014, TUI has received €31 800 000 in EU funding.<sup>18</sup>

### 14.2 Underpaid and no toilet breaks

In the Netherlands, call centre operators commissioned by the Dutch government for the Covid-19 contact tracing were underpaid and had no right to toilet breaks. As the trade union FNV revealed, they also received no pension contributions and were asked to use their own equipment.<sup>19</sup>

## 15 Poland

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### 15.1 Illegal dismissal, a gross violation of labour law

On 28 November 2022, Dariusz Kawka, leader of the trade union NSZZ Solidarność in IKEA Industry Poland Ltd. and a member of IKEA European Works Council, was dismissed from his job on disciplinary grounds without a notice period. However, his union activity gives him legal protection from dismissal, requiring prior approval by the company's trade union organisation. After an inspection by the State Labour Inspectorate, it was reported that the employer had violated labour law. Despite the union exchanging letters with the employer, including the corporation's board of directors, and many other actions to protect Kawka from dismissal, the employer refused to reinstate him. Since 2014, IKEA has received €28,710,000 in EU funding.<sup>20</sup>

## 16 Spain

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### 16.1 Unpaid wages and layoffs

In Spain, security staff working under several municipal contracts faced non-paid wages and eventually unemployment as the private contracting companies went bust, unable to deliver on the low conditions of the contract.<sup>21</sup>

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