



ETUC Strategy and Action Plan 2011-2015



EUROPEAN TRADE UNION CONFEDERATION (ETUC)

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MOBILISING FOR SOCIAL EUROPE



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General Introduction ▶



- 0.1.** There are exceptionally challenging times. The terrible earthquake and tsunami in Japan and its consequences for nuclear power highlight the dependence of the advanced world on energy sources which carry serious risks. In North Africa and the Middle East the Arab peoples are struggling to evict long-standing corrupt and brutal dictators and authoritarian regimes. This welcome development is reminiscent of the fall of the Communist regimes in Central and Eastern Europe in 1989 but the Libyan experience is showing the dangers and risks inherent in the revolt against dictatorship. Immediately for Europe there are extra problems in respect of refugees and higher energy costs. In this highly complex context, it should not be forgotten that it is crucial to have an inclusion strategy for the new influx of immigrants, both at the trade union and at the social level.
- 0.2.** The deep financial crisis of 2008, caused by unchecked reckless greed and incontinent banks, in an economic model subjected to the power of financial capital, in turn triggered a crisis of sovereign debt in a range of EU member states. This has caused an economic and social crisis of low growth, rising unemployment, tough austerity measures, increased job loss and precarious work, widespread pay and benefit cuts, and reductions in pension entitlements. There are fears about the sustainability of the euro. Workers and pensioners are paying a heavy price for the foolishness of the financial world, where pay and bonus levels remain insultingly lavish.
- 0.3.** Meanwhile in the rest of the world, economic growth continues strongly across Asia (although the economic effects of the disaster in Japan are, as yet, uncertain) and in much of Latin America. No longer can North America, the European Union and Japan dominate in the old ways, as new formidable nations with increasingly strong economies emerge. Much of Europe is struggling to remain competitive in a world of plentiful cheap labour and the easy movement of capital. Finding growth and the decent jobs of the future for Europeans is a huge challenge, a challenge complicated by the current efforts to restore confidence in the EU economy and the euro in particular. That has been under pressure because of the need for bail outs in Greece, Ireland, Portugal and, outside the euro-zone, Romania and Latvia, while other nations are under pressure. Yet the EU response, like a medieval doctor, has been to bleed the patient rather than to genuinely help the process of recovery.
- 0.4.** The so-called 'bail outs' of Greece, Ireland and Portugal have resulted in pressure from the EU on those countries, and indirectly on others, to cut wages and pensions, and to introduce greater "flexibility" (i.e. weaker collective bargaining and labour laws) into their labour markets. At the same time, workers are experiencing how member state governments increasingly misuse the flexicurity-approach by hand-picking the elements that increase flexibility. The new rules on economic governance will make many of these requirements general particularly for the Eurozone. The flexicurity approach is a holistic approach. A more flexible labour market therefore presupposes a higher level of income security. It has also been observed that the austerity policies have not solved the problems and that the deficits have increased in Greece, Ireland and the United Kingdom.
- 0.5.** EU leaders argue that this is necessary to protect the euro and restore growth and now propose major interventions in the labour markets and social security systems of Europe without an accompanying deepening of democracy at EU level – including a proper involvement of the social partners – nor any new specific commitments on eurobonds and taxes on financial transactions. Economic governance of the kind currently proposed, which breaches the Treaties and threatens sovereignty in matters of wage and collective bargaining and attacks Social

Europe is unacceptable. The new rules on economic governance and the Treaty changes should not be disguised by Europe's leaders as a technical matter. The ETUC cannot support these Treaty changes.

- 0.6. Additionally, there remains the environmental crisis. This crisis is in grave danger of being sidelined by economic difficulties and political weakness but becomes more difficult and expensive to handle as time goes by, and the problems in the Japanese nuclear industry are a vivid reminder of the need for sustainability.
- 0.7. Finally, there could yet be a political crisis. Social unrest is growing as a result of the widespread application of austerity measures. Strikes and demonstrations are growing both in terms of frequency and intensity. People are angry about the rewards for top banking executives and other senior directors, and the contrast with austerity for the majority of citizens. Politically, voters are turning towards introspection. The nationalist parties are gathering strength.

Resist, Rebound

- 0.8. The ETUC will always confront the narrow nationalists and uphold our commitment to Europe, but at the same time, we must use all democratic means to make the authorities listen. These crises must be confronted head-on. Europe's unions must resist the current proposals for economic governance. Trade union pressure has compelled the Council to include reference to employment, social cohesion and strengthening the role of the social partners. But these commitments must be translated into reality. We must rebound from the defensive position caused by the crisis in order to regain the initiative.
- 0.9. This will entail strengthening the trade union commitment to Europe – a Europe with a strong, vibrant social model, full employment, sustainable growth and a low carbon society, equality, fundamental and human rights, collective bargaining, social dialogue and partnership, high quality public services, extension of rights to migrants and protection of minorities, welfare states, more common European standards, an avoidance of the slide towards a race to the bottom, struggling for a better world with social justice and promoting international solidarity. The Charter of Fundamental Rights must be fully respected and applied across all Member States.
- 0.10. At the same time, European unions must win new members and supporters, particularly among the young, to strengthen the trade union movement. The trade union movement must prove that it can help workers to cope with the difficulties they face because of the crisis. It will thus be enabled, as happened in the 1930s, to become stronger and exert an influence on the strategies for exiting from the crisis. We must emulate the work of those predecessors.
- 0.11. At the heart of our work in the 2011-2015 period will be efforts to secure reversal of the austerity strategies and changes to the current economic governance rules. These risk killing growth and employment, and damaging

the future of European societies. In limiting its action to the budgetary deficit and indebtedness, and paying no attention to social cohesion or relaunching growth, the EU takes the risk that it will represent an obstacle to social progress. We must, using all democratic means, find ways of fundamentally redirecting these policies along new paths.

- 0.12.** The ETUC has long argued that austerity in a recession makes the recession worse; this was a lesson learned from the experience of the 1930s. It is disturbing that so many in European governments choose to forget or ignore that lesson, and seem more intent on establishing punishments for EU countries in trouble than in providing help through economic and social governance. Meanwhile unemployment rises, the young suffer especially as they find it hard to secure quality rather than precarious jobs or pseudo-self-employment, while the bank executives return to business – and bonuses – as usual, leaving bank employees who have long protested against short minded and aggressive sales targets, to meet the disappointed customers. Europe needs to be much more effective in these areas of economic governance too.
- 0.13.** Together these factors pose great challenges – but undoubtedly exciting opportunities also – for the ETUC as it considers future strategy. These issues are confronted in the next chapters.

Chapter 1 ▶

Mobilising for a Social Europe: for a fair European Economic Governance



Introduction

- 1.1. The European Union has been seeking to support the euro since the Greek sovereign debt crisis erupted in the first half of 2010. This has taken the form of making funds available (with the IMF) to distressed eurozone countries, currently Greece, Ireland and Portugal and, outside the eurozone, Romania and Latvia, subject to very strict, austere conditions.
- 1.2. Currently the EU has little or no legal authority to stage these so-called “bail outs” and current help is being given under a temporary arrangement. To make it possible legally and constitutionally for help to be given, a permanent facility is being created, and, for this purpose, a change to the Lisbon Treaty is being pushed through the European Parliament at the time of writing. The ETUC is exerting pressure for this change to the Treaty to include the obligation to ensure social cohesion and promote concertation with the social partners while respecting their autonomy. In doing so the ETUC insists that pay is not a matter of EU competence according to the Treaty.
- 1.3. The ETUC has been highly critical of the restrictive terms of “help” being made available to distressed member states. We have alleged that they are less a helping hand, and more a punishment. They risk killing growth and jobs in the countries concerned. They require cuts in public sector pay, minimum wages, public services, pension entitlements and unemployment benefits. They interfere with the autonomy of the social partners, and they neglect and ignore obligation to respect and promote fundamental social rights.
- 1.4. The ETUC has also been highly critical of the proposals agreed at the EU Summit held on March 24 (the “Euro Plus Pact”) which addressed the issue of the permanent facility needed for bail outs of distressed member states in the eurozone accompanied by monitoring of pay, pensions and austerity. These did not include explicit references to an end to wage indexation and for retirement at 67 as called for previously by Chancellor Merkel and President Sarkozy. And there was some recognition that the autonomy of collective bargaining is enshrined in the Lisbon Treaty. But the Pact contains similar messages on pay and fiscal austerity. Trade union pressure has resulted in some softening of the most questionable of the Merkel/Sarkozy proposals but, in the course of the coming months, this pressure will have to be maintained on the Commission, the Council and the national and European parliaments. The demonstrations organised in various European cities between 16 March and 9 April showed the determination of wage-earners against the austerity measures and in favour of growth and employment. European and national politicians must pay heed to our proposals.

The state of play on economic governance

- 1.5.** These proposals of March 11 were the latest of a series designed to strengthen economic governance in the EU, especially in the eurozone.
- 1.6.** Under the European Economic Semester, a preparatory six-month period during which eurozone countries and the other member states (which will use a different procedure) will discuss at EU level the plans for national budgets as well as the national reform plans. The former are to come ahead of the actual decisions being taken by the national parliament. Each member state will need to explain how it is introducing the EU guidelines into its own Stability and Convergence Programme, and in June and July the national programmes will be discussed in common, endorsed and sent to national parliaments. In parallel, the national reform plans are to focus on 'bottlenecks to growth'. Here, the danger is multifold: subjecting national parliaments to European authorities, while this course of action may well lead to even higher unemployment, and pushing reforms such as 'make work pay' and make labour markets more 'flexible' may very well downgrade Social Europe.
- 1.7.** The European Commission has published an Annual Growth Survey which marks a new approach to economic governance in the EU and the first European Semester of economic policy co-ordination. Although the European Council of 24-25 March slightly amended the "Competitiveness and convergence pact" which the Eurozone heads of state and government had drawn up on 11 March, this new "Euro plus pact" provides for a "review of wage setting arrangements, and, where necessary, the degree of centralisation in the bargaining process, and the indexation mechanisms". Additionally, there are to be "labour market reforms to promote flexicurity..." and limits on early retirement schemes. Unit labour costs will be monitored to check that wages are evolving in line with productivity, both for economies as a whole and for each major sector. And wages in the public sector must support competitiveness in the private sector. In consequence, a formidable list of possible European generated interventions in labour markets are on the agenda. And there remain serious omissions. On wages, there is no mention of the rising levels of inequality, the ever widening gap between rich and poor, executives and the rest, or bank executives and their glutinous appetite for large bonuses; there is an implicit rejection of inflation or comparability as a factor in pay bargaining; nor is there recognition of the deterioration of the contracts of employment of many workers caused by the growth of precarious work. There is a brief acknowledgement of the role of social dialogue and of the Tripartite Social Summit but this programme of economic governance is not offered as a basis for negotiation. More generally, there are no firm commitments to introducing financial transaction taxes, issuing Eurobonds, and the provisions of the European New Deal on jobs as called for by the ETUC at its mid-term Conference in Paris in 2009.
- 1.8.** Running as a red line through all of this is the idea to turn wages into the main instrument of adjustment: currency devaluations (which are no longer possible inside the Euro Area) are to be replaced by a devaluation of pay taking the form of deflationary wage cuts. To achieve this wage "flexibility", labour market institutions which keep wages from falling are perceived as constituting a 'rigidity' that should be eliminated. Or, as the

Commission writes: *"The economies of many Euro Area member states are shaped by a relatively high level of product and labour market rigidities which - in the absence of appropriate reforms - is likely to lengthen adjustment"*.

- 1.9. The new European policy process that is being proposed under economic governance is the procedure to detect, prevent and correct 'excessive imbalances' using one indicator which is the 'real effective exchange rate'. This indicator compares the change in unit wage costs of each member state's economy with the average change of wage costs and exchange rates in the 35 advanced economies that are the main competitors. If wage costs step too much out of line, this sends out a warning signal (a 'flash') which is then to be followed up closely by a country specific analysis.
- 1.10. Next follows a process of warnings and policy recommendations, with the member state drawing up corrective action plans. In case there is a serious imbalance, or the risk of such a serious imbalance, which could potentially threaten the single currency, the country can be declared to be in a situation of 'excessive' imbalance. From that moment on, policy recommendations would stop being general and become detailed. The failure by the member state to follow up on these recommendations could then lead to fines.
- 1.11. Furthermore, it is also intended to link this up with the money coming from the structural funds. Countries suffering from excessive imbalances that fail to follow up on policy recommendations would then be sanctioned additionally by a withdrawal of structural funding.
- 1.12. Europe needs urgently to change course and adopt positive proposals on economic governance.
- 1.13. The ETUC proposes that Europe's leaders adopt a programme on the following lines:
 - a. Financial markets need to be given the signal that Eurozone countries will join ranks and are determined, ready, and willing to see crises through together. Funding for the EFSF should be expanded, its current rather punitive levels of interest rates need to be cut and distressed countries helped to restructure their debt; EFSF bonds should be guaranteed jointly by all Euro Area member states, and the harsh conditionalities should be reviewed and brought in line with a more balanced approach – observance of rules yes but help for growth too.
 - b. In the short term, steps could be taken to convert EFSF bonds into Eurobonds. The aim is to organise a tranche transfer of national sovereign debt bonds into Eurobonds up to a maximum of 60% of GDP. By introducing these Eurobonds, a single sovereign debt market will be created which eliminates some of the large differentials in the cost of financing sovereign government debt.
 - c. Financial markets do not just need supervision, they also require effective regulation. The introduction of a European Financial Transaction Tax is long overdue. Short-selling practices (selling a security you don't own but intend to buy later to cover the sale, in the hope that the price will go down and a profit will be made) must be prohibited. With credit rating agencies having had a destabilising effect and suffering from conflicts of interest, the credit ratings of member states should be taken up by the ECB and/or an independent European public credit rating agency. Moreover, all financial market products should be assessed to ensure that they make a genuine contribution to the economy. Banks should not be allowed to

- carry out their own proprietary trading with financial products. Bank executives' and traders' exuberant bonuses should be strictly controlled and never conflict with collective agreements. Tax havens should be eradicated by the international community and the EU. The ETUC also calls for the end of other mechanisms used by the financial sector to evade fiscal contributions.
- d. The EU should develop a major investment programme amounting to 1% of European GDP to tackle unemployment, especially youth unemployment; and also to upgrade industrial structures and infrastructure in a way to reduce greenhouse gas emissions (eg a European smart electricity grid, investment in sustainable energies and in energy-savings in buildings, developing a real industrial policy and the jobs for the future, investing in the technological and social transition to a low carbon economy ...). Moreover, a European investment programme of this kind could rebalance the EU by providing countries in distress with the means to revive their economies so that they can grow out of debt. In return, these countries would commit to a more gradual but determined and continued reduction of national deficits. Realistically this implies a review of the time horizon for fiscal consolidation: Member states could be allowed to attain the 3% deficit objective by 2016 – 2017, instead of the 2012-2013 horizon.
 - e. The Euro Area would be facing less financial turmoil if its main actors had not embarked on a policy of holding down pay, promoting precarious work and allowing the redistribution of income towards the richest sectors of society, thereby accumulating excess savings which then provided finance to stage unsustainable asset booms. The countries that have followed this road should therefore shoulder their share of the responsibility of unwinding excessive savings positions, and become the locomotive for demand and growth for the rest of the Euro Area and Europe. To do so, the low pay sector, along with the practice of paying less than equal pay for work of equal value to migrants, should be squeezed out of the economy. There is an urgent need to examine the full implications of the Europe Plus Pact and its provisions on pay, which are likely to introduce a strong element of wage competition. This will also take account of the various existing propositions on minimum wages.
 - f. Europe needs to develop new sources of finance and tackle tax competition. Europe issuing its own debt implies that adequate new sources of finance need to be found. Europe and the member states could start taxing financial transactions, extreme wealth, business profits not used for reinvestment or for extending the use of precarious contracts. Alternatively or additionally, a European wide coordination of tax policy on the most mobile factors of production (business profits and income from capital) would strengthen tax revenue. And part of that could be transferred to a more robust European budget, enabling Europe to respect its debt payments and play a more decisive role in exiting from the current crisis.
 - g. The ETUC and its affiliates in the Eurozone must strengthen the coordination of collective bargaining for the main purpose of preventing and putting a stop to a downward spiral of competition among European workers.
- 1.14.** In particular:
- a. EU authorities should support autonomous collective bargaining strategies.
 - b. the ETUC cannot assist in pushing economies into the trap of debt deflation with wage cuts and wage freezes imposed at EU level. Wages must maintain a positive dynamic in order to combat austerity and inequality.

- c. the ETUC will defend the principle of autonomy of collective bargaining. The strategy of coordinating collective bargaining is a matter for trade unions only.
- d. a reflection about ECB's policies and actions before the crisis and currently should also be made, so that the necessary changes are introduced, to ensure an adequate response to the problems and to the economic and social development of the EU member states.

The ETUC Amendments

- 1.15.** The ETUC has drawn up the following amendments to the current EU proposals:
- a. An accurate definition of the concept of macro-economic imbalances as a disequilibrium between aggregate demand and supply so as to prevent imbalances from being systematically simplified into a problem of competitiveness and wages.
 - b. Adding social indicators such as indicators on inequalities, the incidence of low pay and unit profit rates to the scoreboard which the Commission will be using to detect imbalances. This would facilitate the identification of high and rising inequalities as the reasons behind excess savings at the top of the income scale and excess indebtedness by incomes at the bottom or at the medium level. Furthermore, it should be ensured that the indicators reflect the progress of the member states in terms of meeting the Europe 2020 targets.
 - c. Explicitly stating that the policy recommendations will respect the principle that Europe has no competence over pay as well as the fundamental rights of the Charter.
 - d. European social partners and the Parliament will be consulted in the process of formulating policy recommendations to correct excessive imbalances.
 - e. Policy recommendations should be 'symmetrical' so that the burden of adjustment is shared across both 'deficit' as well as 'surplus' countries.
 - f. There will be no sanctions related to recommendations concerning pay, collective bargaining structures and/or minimum wages.
 - g. Sanctions are to be decided by qualified majority and not by a reversed qualified majority.

Our commitments

- 1.16.** The ETUC is following up this economic governance package with the European institutions, and in particular the European Parliament, together with its affiliates to exert all the necessary pressure.
- 1.17.** The ETUC, its affiliates and trade union federations therefore urgently need to continue to mobilise. We need to raise public awareness of this issue, mobilise our members, generate a public discussion and draw the medias

and politicians attention to this so as to influence developments in favour of the amendments and principles we propose.

- 1.18.** We are for European economic governance including a financial transaction tax, harmonisation of the corporate tax base and minimum rates of taxation for companies, a fair level of company taxation to ensure that the corporate sector makes an appropriate contribution, creation of Eurobonds, and a co-ordinated attack on unemployment especially for young people as part of a European New Deal for workers, including all other measures mentioned in para 1.13. But we cannot accept or support the current proposals which are based on pay, social protection and collective bargaining as the adjustment instruments.
- 1.19.** The ETUC together with its affiliates needs stronger coordination of collective bargaining strategies, in particular in the Euro Area.
- 1.20.** There is a need for more Europeanisation of industrial relations and collective bargaining (see the Discussion Paper attached to this Action Plan – “Towards a European Labour Market?”). The ETUC, together with the European trade union federations, will improve coordination of collective bargaining within its membership all the more keenly given the importance of countering the threats entailed by the rules of economic governance currently being drawn up.
- 1.21.** The promotion of upwardly harmonised standards through national agreements and regulation, will be an essential element for developing the Europeanisation of labour relations and collective bargaining. For this purpose, we should advance social dialogue and bargaining with the European employers’ organisations BusinessEurope/CEEP/UEAPME, in our dialogue with the European institutions.

Chapter 2 ▶

*Mobilising for a Social Europe:
for Good and Sustainable Jobs*



Introduction

- 2.1.** Throughout the 2000s, until the crisis hit in 2008, the European Union experienced steady growth in employment. About 19 million jobs were created and the employment rate increased, especially among women and older workers.
- 2.2.** However, job creation was fuelled by non-standard employment contracts, with a third of all jobs being part-time, fixed-term or temporary. A high and growing proportion of these mostly precarious forms of employment are held by women. One woman in three works part-time and fixed-term contracts are more frequent among female than male workers in most Member States. In parallel with this development, the shift to a knowledge-based society also means that larger numbers of workers are skilled professionals and/or managerial staff.
- 2.3.** The financial crisis triggered by the excesses of the financial sector wiped out most of this employment growth in just two years. It brought in its wake a deep and painful economic, budgetary and social crisis – to which governments responded with the adoption of austerity programmes in virtually all Member States – as well as a steep rise in unemployment. In 2010, the unemployment rate was almost 10% in the EU as a whole and even higher in the euro area. It is expected that employment in the industrialised countries will not return to its pre-crisis level until 2015. Young people are particularly hard hit. Mass unemployment, combined with budgetary austerity and low earnings and in a situation exacerbated by an inadequately reformed financial system, could lead to the next crisis.
- 2.4.** The increase in non-standard contracts is combined with a rising proportion of temporary agency work and self-employment, principally as a result of the increase in – whether voluntarily or involuntarily – “pseudo-self-employed” workers whose existence reduces contractors’ costs while keeping the workers concerned in a state of job insecurity. Young people entering the workforce remain for periods of up to several years in traineeships, entailing unclearly defined work status without labour rights and earnings significantly below the minimum wage. Such is the case of the huge number of internships offered by companies to qualified young people standing in the margins of an education agreement. This is a precarious situation which must be resolved considering that such non-hiring schemes are considered as ways to tackle youth unemployment within the European Strategy 2020. Youth unemployment rates are double the average. For two thirds of young Europeans, employment means fixed-term contracts, part-time work that is imposed rather than chosen, agency work, seasonal work or undeclared jobs. The development of a shadow economy is often an additional aspect of the picture and, in many countries, a growing share of jobs is found in this part of the economy.
- 2.5.** This general increase in precariousness particularly affects women, young people, disabled persons, and certain vulnerable groups (especially migrants, domestic workers and low-skilled workers) with the result that, while unemployment is affecting more and more workers, having a job is no longer a guarantee of a decent living standard. Non-standard employment, pseudo-contracts and below-minimum wages are all

factors contributing to the growing share of workers who find themselves in poverty or close to the poverty threshold despite being in gainful employment. This harsh and unacceptable situation affects 8% of European workers – in other words more than 17 million workers who are living below the poverty threshold.

- 2.6.** The unequal division of unpaid work also continues to exert a negative effect on gender equality in the labour market. Policies devised to facilitate the combination of work, family and private life are mistakenly conceived as a matter for women rather than for both parents. The inadequate supply of accessible, affordable and good quality child and elder care facilities primarily damages women's access to work, their ability to hold down a job, and their career progression. In many countries, a work culture of long hours and various forms of unpaid or low paid family-related leave (i.e. parental, paternity, filial leave) operate to the detriment of effective equality between women and men.
- 2.7.** The ETUC is concerned about irregular working time and stresses that the workers weekly rest at the weekend and especially on Sunday in principle cannot be replaced by any other day off
- 2.8.** The challenge for trade unions in the coming years will be to ensure that the measures needed to create jobs are taken and that the jobs created are "quality and sustainable jobs", reversing the pre-crisis trend of precarious job creation. Another main challenge will be the ageing of the population with its consequences for the financial sustainability of pensions, the development of services and care facilities for old people ("white jobs", which are also often precarious jobs).
- 2.9.** The fragmentation and dualisation of the labour market is a result not only of changes in the production model, technological change, outsourcing and globalisation, but very much also of policies deliberately aimed at increasing the flexibility of the workforce at any price. All the above trends make it more challenging for trade unions to recruit, protect and meet the needs of the workers concerned.
- 2.10.** At EU level, the main political response to these challenges has been the socially unbalanced Europe 2020 strategy. Fostering competition among workers in order to increase flexibility and drive down wages does not help – but instead harms – preparation for a transition towards an innovation-led society based on the 'green' and 'white' economy. A medium-term strategy for Europe should be based on innovation, research and development, as well as on the development of 'green' and 'white' jobs. A prerequisite for such a strategy, however, is a growth-friendly macroeconomic environment. Such an environment should be decided on and implemented in close cooperation with social partners.
- 2.11.** Moreover, if the potential for job creation in these fields is to be realised, taking into account technological changes to come, a highly skilled workforce and forms of work organisation that allow them to realise their potential will have to be present. The provision of adequate lifelong learning and social protection as a cushion against adverse labour market developments will also have to be ensured.

- 2.12.** It is time to learn the lessons of the crisis and to ensure that job creation will lead to quality employment for all. The notion of flexicurity has been, in many cases, used by employers and governments to weaken labour protection. The call of the European Commission, in its Annual Growth Survey, to “reduce over-protection of workers with permanent contracts” is totally unacceptable. The crisis has revealed the damage that can be caused and is being caused by excessive and unilateral flexibility and weak social protection systems. However internal flexibility (notably through negotiated work sharing measures) proved successful as a means of mitigating the effects of the crisis and preserving employment. The crisis has confirmed that negotiated solutions deliver the best results for both workers and the economy and that they can create a good environment for investment. These lessons should be incorporated into all future trade union strategies and demands addressed not only to employers but also to governments. It is important to underline that income security through social protection is a vital element of flexicurity and this must be included in order to cover all elements of the flexicurity model.
- 2.13.** In the future, even more emphasis and resources will need to be devoted to improving workforce skills in accordance with the needs of our time. We know that demographic change and ageing, alongside the climate-change and environmental challenges, will bring about a profound transformation of production methods and of the way society is organised. An active labour market policy for older workers requires taking into account questions of employability, health conditions and economic circumstances. The principle of a just transition towards quality employment should guide actions for job creation and transformation.
- 2.14.** Workers in Europe need trade unions to fight against the current strategy of competitiveness based on price-and-wage competition, and move towards a strategy based on knowledge, innovation, and R&D. Such a strategy requires a well-educated, motivated and innovative workforce, not one that is merely cheap and flexible. This requirement entails a high quality educational system for all, a social protection system that ensures protection and does not foster precariousness, decent wages, collectively agreed or statutory protection for all workers and all jobs and, last but not least, trade unions that are present in all segments of the labour market in order to demand and negotiate fair wages and favourable working conditions.

Our messages

- 2.15.** Globalisation and economic growth must first of all contribute to job creation in the public and private sectors. The new jobs must be of a high standard and be adapted to the challenges of climate change.
- 2.16.** The right to collective bargaining and action for all workers, irrespective of their employment status, must be fully protected and promoted. This includes the right to strike also for civil servants as guaranteed by international and European law and by the judgments of the European Court on Human Rights.

- 2.17.** All workers must be covered by collectively agreed and/or statutory protection. The EU single market must become a truly social market economy where all labour standards, whether statutory or collectively agreed, including those applicable to mobile and migrant workers, must be observed.
- 2.18.** Permanent contracts must remain the norm. The use of fixed-term contracts and agency work and other forms of precarious work should be limited to specific circumstances in which such a time limit is objectively justified and their use outside the time limits and conditions specified by legislation or collective agreement must be duly punished. The fraudulent use of fixed term contracts is a problem that must be addressed.
- 2.19.** All forms of work must be protected by collective agreement and/or legislation. The ILO core conventions must be respected. Precarious work and pseudo-self-employment do not offer workers the protection and security they deserve, and are not the solution for the labour market of the future which will need skills and competences. A particular focus on ensuring gender equality is required. Worker participation is a key component of good jobs. Worker involvement rights have, in this regard, also to be guaranteed for all forms of work.
- 2.20.** The posting of workers directive must respect workers' rights and should ensure a climate of fair competition. Several questions need to be tackled, including, in particular, the legal base, the definition of posted worker and of transnational service, the possibility for member states to include the protection of workers as a "law and order" provision, respect for wage conditions and other labour rights and working conditions and of the trade union role in the negotiation and implementation of collective agreements.
- 2.21.** Working time and the pay gap between men and women must be addressed. Flexible working time arrangements and possibilities to reduce or extend working time (reversible part-time work) must enable an optimum combination of private and professional time for women and men.
- 2.22.** In order for women and men to effectively combine work, private and family life, parents must be able to exercise their right to parental leave without suffering discrimination in terms of pay and career development. Care services for children and other dependants have to be guaranteed to facilitate work-life-balance.
- 2.23.** Disabled people continue to face severe barriers to participation and equality across society. The ETUC stresses the importance of access to decent work and equal treatment for disabled people. In addition the development, at the appropriate level, of services and, where necessary, reception facilities, enabling persons with disabilities and their families to lead decent lives, which also entails the guarantee of an adequate level of income, is needed.
- 2.24.** Access to quality education and lifelong training for all is a right that must be recognised and implemented. This requires, in the first instance, support for high-quality educational systems, a smooth transition from education to working life, adequate and targeted funding and participation in social dialogue. Early childhood and school education, higher education and research as well as training and lifelong learning are essential conditions for a competitive and sustainable European labour market. Measures to reduce "drop out" rates in the educational system must be prioritised.

In this framework:

- a. the ETUC restates the targets agreed at its Seville Congress: each year one in every two workers should be in training and employers should invest 2,5% of the wage bill in training.
- b. the ETUC calls the ET2020 strategy's target of raising participation in training to 15% of the adult population to be incorporated in the Europe 2020 strategy.

2.25. Globalisation and climate change will entail restructuring of the production model. This restructuring must be anticipated by, among other things, the development of new skills for workers geared to the jobs of the future. Works councils have an essential role to play in this process, as do the Structural Funds and particularly the European Social Fund.

2.26. Trade union recruitment, organisation and protection of social rights must include traditional trade union groups but also professional and highly educated workers and groups which have resorted to other forms of organisation, such as domestic workers. A target for the recruitment of young workers should be established.

Our commitments

2.27. The ETUC will place employment and employment creation for good jobs within the framework of a sustainable economy at the top of its agenda. This priority will be reflected in the European social dialogue as well as in the evaluation and monitoring of the 2020 Strategy and Single Market Act and in our proposals for European economic governance.

2.28. The ETUC will act to protect all workers, whatever their form of work, through collective agreements and/or legislation, and is therefore committed to a strong coordination of collective bargaining strategies and to European social dialogue.

2.29. The ETUC will:

- a. continue to work to prevent and eliminate all forms of discrimination against workers employed on the basis of fixed-term, part-time or temporary contracts as well as the improper use of these contracts and of pseudo self-employment;
- b. continue to support an upward revision of the Fixed Term and Part-Time Work Directives;
- c. closely monitor and ensure the proper implementation of the Temporary Agency Work Directive in the various European countries; and take steps to combat the fraudulent use of fixed-term contracts;
- d. include the question of green jobs in the European collective bargaining agenda and contribute to joint social partner initiatives in this respect;
- e. make the best possible use of European education and training initiatives and instruments;

- f. demand a stronger legal framework to close the gender pay gap and promote all forms of good practice likely to bring about changes in attitude in the framework of job classification negotiations;
- g. actively work for the right to full-time work, with part-time work remaining an option;
- h. monitor the proper implementation of the Treaty of the Functioning of the European Union, ensuring that in defining and implementing its policies and actions, the EU takes into account the demands associated with the promotion of a high level of employment, the guarantee of an adequate level of social protection, the fight against social exclusion, as well as high levels of education, training and protection of health.

2.30. The ETUC will demand:

- a. harmonisation of the definition of “worker” in legal texts at the European level on the basis of, among other things, the ILO Recommendation 198 which constitutes an excellent working basis; and specific measures to combat the problem of pseudo-self-employed workers;
- b. the implementation of equal rights; relevant collective agreements should apply to sub-contractors whatever their national origin; an evaluation of results of implementation of the different equal treatment, equal opportunities and non-discrimination in the workplace policies;
- c. a revised Posted Workers Directive in accordance with existing ETUC positions;
- d. a legal framework for anticipating change;
- e. active labour policies that encourage the creation of high quality jobs and safeguard funding of active labour market policies in European countries;
- f. focussed and targeted measures to fight youth unemployment; a youth guarantee that consists in not leaving a young person without training and without a job for longer than a certain period and in the provision of quality guidelines for training posts and work experience in Europe; prosecution of the fraudulent use of internships for young qualified people to fill temporary vacancies.

2.31. The ETUC will:

- a. pay special attention to develop active labour market policies for older workers in the light of the ageing population and globalisation;
- b. promote an exchange on possible ways to protect the self-employed through trade union membership;
- c. develop, with the European trade union federations, a cross-industry strategy in order to better protect and defend temporary agency workers;
- d. exchange views on the latest trade union membership developments in Europe and on the way forward;
- e. continue to demand fair and living wages; a better income distribution between work and capital and an increase in real wages. Continue its campaign to counter the increasing precariousness of employment, in particular among young workers;
- f. actively support national and transnational campaigns to improve trade union recruitment at the sectoral and/or sub-sectoral level, and within multinational companies.

Chapter 3 ▶

*Mobilising for a Social Europe:
for effective financial regulation
to prevent casino capitalism*



Introduction

- 3.1.** The twenty years that preceded the international financial crisis of 2008 saw a hypertrophic development of the financial sector in relation to the rest of the economy in western countries. The daily volume of financial transactions, now almost ten times what it was twenty years ago, has reached levels totally out of proportion to any social or economic usefulness. The increase in volume of financial trading has outstripped the increase in gross domestic product and is now more than twenty times higher than the level necessary for global trade.
- 3.2.** This hypertrophy went hand in hand with a basic tendency on the part of the financial world to focus on quick and short-term profits. Under the influence of hedge funds and private equity schemes, the world witnessed the development of a host of “just-in-time” financial practices that served to thoroughly destabilise the real economy.
- 3.3.** In the course of this development, financial products became increasingly opaque and derivatives markets ever more complex, while the financial economy experienced a mushrooming of obscure structures devised to take advantage of tax and regulatory loopholes and havens. This absence of transparency enabled financial actors to develop forms of extremely high-risk behaviour that were carefully concealed from regulatory oversight and supervision. The opaque nature of the systems and the lack of effective regulation ultimately served to foster growing mistrust among the financial actors themselves, thereby contributing to the powerfully contagious force that triggered the financial crisis and impelled its extremely rapid spread.
- 3.4.** Last but not least, faced with the risk of devastating contagion leading to a repeat of the Great Depression, western governments found themselves, in most cases, in the position of hostages to financial actors that were “too big and too interconnected to fail”. It resulted in massive bail-outs that, in turn, imposed tremendous burdens on public budgets and even threatened sovereign defaults. Massive resources have been diverted from the real to the speculative economy, ending in a self-appointment of the financial sector as the political super power of the world.
- 3.5.** All these factors, taken together, exacerbated the crisis to the point where its costs to the real economy are estimated at thousands of billions of dollars.
- 3.6.** However, the financial world did not bring about this crisis entirely on its own. A second contributory cause was the widespread absence of governmental intervention in financial market developments which were based on the firm but nonetheless mistaken belief that markets are efficient and should be left alone. A third and additional basic cause of the crisis has been growing inequality and widening income disparities, with declining incomes for the under- and middle classes – entailing a restriction of private consumption – and exploding incomes for the rich boosting the turnover of the global casino. Fourthly, for nearly thirty years, companies had increasingly concentrated on short-term shareholder value. Managers were under pressure to consider only short-term share prices rather than the long-term sustainability of their businesses and their wider economic

and social responsibility. A selfish boardroom culture which actively encouraged excess resulted in a crisis in corporate leadership, corporate governance and corporate social responsibility. The corporate governance culture requires a complete overhaul in order to divert companies away from a focus on short-term share price movements towards long-term sustainability in the interests of employees, society and the environment. This requires not only a reform of financial regulation to encourage financial institutions to invest for the long-term, but also increasing the voice of employees and other stakeholders within the firm, a reshaping of management remuneration to reward sustainable strategies, and placing non-financial (environmental and social) company reporting on the same footing as financial reporting.

- 3.7.** Employees' right to participation is a fundamental right in Europe. The Lisbon Treaty offers a clear legal framework for enhancing employee participation as a part of the European social model in order to establish a European basic standard. In the design and application of EU regulations, close attention must be paid to different national traditions of workers' involvement.
- 3.8.** Workers' fundamental rights to information and consultation have to be guaranteed regardless of the legal form of the ownership. Information and consultation must cover corporate strategic decisions, the situation, structure and probable development of employment and deal with any anticipatory measures envisaged, in particular where there is a threat to employment. Information and consultation must also be carried out in relation to decisions likely to lead to substantial changes in work organisation or in contractual relationships.

Our messages

- 3.9.** A change of paradigm is required. Finance must serve the real economy. It should support growth, macro-economic stability, full employment and allocate financial resources to sustainable and socially useful aims.
- 3.10.** The financial sector must be more strictly regulated. All financial products and markets must become transparent. Financial institutions should not be allowed to become "too big to fail": there should be a forced reduction in the size, complexity and functionality of systemically important financial institutions.
- 3.11.** The new financial landscape called for by the ETUC should be smaller in size, slower in speed, simpler in structure, separated functionally, less short-term-oriented and more democratic and transparent.
- 3.12.** Crisis-prevention mechanisms and policies must be set up in order to avoid new crises. Crisis prevention policies must restore the fundamental role of the financial system of intermediation, allocation and transfer of capital to productive and social use and roll back the transfer of credit risk to society at large. Risky financial products without any social or economic benefit must be banned from European markets, and the newly established European Supervisory Agencies should be enabled to inspect and authorise all financial products.

- 3.13.** There must be a functional separation between investment banking and commercial and retail banking to shield taxpayers, bank employees and the real economy from speculation and excessive risk-taking.
- 3.14.** Investment funds following aggressive restructuring strategies such as activist hedge funds and private equity must be regulated more strongly. "Financial engineering" strategies which reward shareholders at the expense of employees and taxpayers must be forcefully opposed.
- 3.15.** We reject the biased social conditionality in the measures taken by the IMF, the European Commission and the ECB in their emergency programmes in certain member states of the EU. By intervening in wages and retirement systems and deregulating collective bargaining systems, the IMF and the EU seek to impose a model that disregards national systems, in contradiction with the Lisbon Treaty.
- 3.16.** Public budgets should be protected from the madness of casino capitalism. Social justice and democracy are at risk if workers and their families are to bear the lion's share of the costs of the crisis while bank shareholders and their managers are allowed to keep their past gains. Macro-economic imbalances and income inequality will further rise beyond levels of sustainability as workers and their families are paying for the crisis while shareholders and managers continue their business as usual, a situation that will aggravate the economic and social crisis still further. To prevent short-term decisions and excessive risk-taking, it is necessary to set limits on the bonuses payable to senior executives, directors and traders, as well as on the criteria for awarding them.
- 3.17.** To help tackle the sovereign debt problems in certain member states, the European institutions must show solidarity and immediately discontinue the speculative attacks against the countries concerned. With regard to the crisis in the euro zone, we reject the harsh austerity measures and attacks on wages, collective bargaining and pensions that are primarily geared to rescue the lending banks at the expense of the people. Fiscal competition among member states must be overcome.
- 3.18.** There is a need for a global exchange rate system that is capable of fighting the strong fluctuations between the leading currencies.
- 3.19.** It is necessary to ensure sufficient dialogue and consultation between the ECB and the social partners.
- 3.20.** The fight against widespread moral hazard, reckless predatory lending, corruption and other criminal behaviour in financial institutions must be high on the agenda of financial regulation, including the protection of whistleblowers in the private and financial sectors. It is essential to abolish banking secrecy and to dismantle tax havens, particularly by improving international cooperation among tax authorities (including a tax Interpol) and exchanging at international level the data necessary to impose sanctions on tax fraud.
- 3.21.** The rights of information, consultation and participation in restructuring and change of ownership situations must be improved to ensure adequate "voice" for workers and opportunities for trade unions to negotiate fair solutions on their behalf.

- 3.22.** There should be a strengthening of worker voice through stronger rights for information and consultation and, in those Member States where such rights exist, a stronger right of representation for workers on company boards. There should be also more worker and other stakeholder participation and a new paradigm for corporate governance in which primary company responsibilities are extended beyond the interests of shareholders or owners. The European Union should take measures to prevent the registration and location of the headquarters of companies solely or mainly with the intention of avoiding worker participation requirements.
- 3.23.** All the legal forms of company entity at the EU level (SE, SCE, and pending SPE) must be subject to binding regulations on worker participation in company boards and on information and consultation with worker representatives regarding cross-border issues. Companies that have operations in several countries should be covered by the regulations that entail the best available model for worker participation..

Our commitments

- 3.24.** The ETUC will:
- a. take action at European, national and company level to achieve sufficient regulation of the entire financial sector, an end to tax havens in close cooperation with the ITUC at global level, and transparent reporting on transfer pricing;
 - b. continue to work closely with the ITUC and Global Unions to achieve effective regulation of financial markets at global level;
 - c. support the campaign for bank levies and the introduction of financial transaction taxes (FTT), at least at EU level, which would raise extra revenue for social and environmental use. Linking taxation to the length of time for which shares are held would also encourage long-term investment and discourage speculation.
 - d. demand an appropriate system of participation, and a new paradigm in corporate governance in which the European Works Councils must play a fundamental role.
 - e. work for the development of a progressive horizontal EU framework that guarantees coherency of worker information and consultation rights on transnational matters, regardless of the specific legal instrument.
- 3.25.** The ETUC supports:
- a. more transparent policymaking, including trade union representation also from the sectoral level on advisory bodies of the European Commission and European Parliament, and a strengthening of publicly owned financial institutions;
 - b. the creation of a Finance Watch organisation together with the European Parliament and Civil Society Organisations to counter the army of financial lobbyists that try to obstruct significant reform of the financial sector.

- 3.26.** The ETUC demands:
- a. European minimum standards for worker participation in order to strengthen the implementation of worker information and consultation rights in the EU and to confirm that the EU respects and promotes different forms of board-level representation in European legal entities like SE, SCE and SPE and in the Member States where such systems exist.
 - b. that a legislative general framework instrument be developed to achieve better coherence in the rules on worker participation for SE and SCE companies and also solve some of the legislative problems relating to the adoption of an SPE Statute.
- 3.27.** The ETUC and its affiliates will strive to make full use of and to improve the instruments providing rights of information, consultation, and appropriate workers participation.
- 3.28.** The ETUC will continue the publication of an Austerity and Bonus (A&B) Watch as a communication tool to support our messages and help achieve our commitments.
- 3.29.** The ETUC and its affiliates will pressurise, at national and European levels, for the end of tax havens, and other mechanisms used by the financial sector to evade fiscal contribution.



Chapter 4 ▶

*Mobilising for a Social Europe:
to strengthen the European social model*

Introduction

- 4.1.** The European trade union movement has largely contributed to ensuring that the concept of a Social Europe is at the heart of the European project. The concept of Social Europe has been central to the development of the European Union. Social rights and social inclusion promoted and guaranteed by the public authorities, as well as social dialogue and an important role for social partners conducting autonomous negotiations, have been recognised as key elements of Europe and are among Europe's core values as defined in the Treaty and agreed by EU Heads of State and Government over the years. It is on this basis that the European integration process is supported by the ETUC. These values and practices are indeed fundamental to preserving trade union and worker support for the European Union, and there can be no denying that this support has recently been slipping in some countries. The rights set out in the Charter of Fundamental Rights must be applied in full, with no dispensations possible.
- 4.2.** Faced with the threat to the interests and rights of European workers posed by a number of initiatives taken by the European institutions, the ETUC and its affiliates have decided to resist the temptation of resorting to national introspection, which would be, wrongly, considered as constituting the best way of protecting living and working conditions. The ETUC will continue to overcome these trends aimed at weakening the European trade union movement.
- 4.3.** The EU, if it is to retain the support of Europe's trade unions, must be a positive force enshrining in its work the trade union values of social inclusion, solidarity and equality, welfare states and public services, and worker participation and collective bargaining. The aim must be to secure economic and social cohesion thanks to a genuinely sustainable form of development.
- 4.4.** The Treaty provisions relating to social policies, fundamental rights, social protection and public services offer a good definition of what a social market economy should be. A genuine "European social model" based on these provisions should also include:

 - a. measures designed to combat unemployment and achieve full employment;
 - b. regulation and effective taxation of financial markets;
 - c. full application of the Charter of Fundamental Rights, with no dispensations possible,
 - d. a Social Progress Protocol in the Treaty to guarantee fundamental rights;
 - e. harmonisation of the tax base and of minimum corporate tax rates;
 - f. a review of the Posted Workers Directive ensuring that workers, whatever their country of origin, are covered by the legislation and/or collective agreements existing in the host country and which would enable the Member States and trade unions to apply equal treatment to posted workers;
 - g. rules guaranteeing the exercise of fundamental social rights within the scope of the economic freedoms offered by the single market as well as the right for unions to engage in collective bargaining and conclude collective agreements, plus the right to mount joint actions (Monti II regulation) in the event of conflicts of interest.

- h. progressive provisions on working time, on equal pay for work of equal value, on worker involvement in corporate governance, and on better protection against dismissal, also promoting the ratification of ILO Convention 158;
- i. support for fair and progressive taxation;
- j. measures to combat undeclared labour and the black economy, tax evasion and corruption.

- 4.5.** Today, the components of the European social model are under threat. Throughout the last decade, European integration has been reduced to a project based on blind trust in market forces, accompanied by a few social safety nets, with competition as a core value in all fields. This form of economic integration no longer provides a fair deal for workers, as clearly shown by the European Court of Justice Judgments in the Viking, Laval, Ruffert and Luxembourg cases.
- 4.6.** The priority given to the market, to the detriment of existing social gains, means that the national social protection systems as well as progress achieved thanks to social dialogue and collective bargaining, are being called into question.
- 4.7.** Yet, in order to move in the direction of “social progress and full employment” (as the Treaty states), the European project must offer a framework in which the member states can guarantee the value and implementation of collective agreements, while continuing to supply quality public services and appropriate forms of social protection, including dignified levels of retirement pension and unemployment benefits.
- 4.8.** Education, health, water and other public services are important economic sectors. Guaranteed universal access to these services is therefore crucial for an inclusive society and a sustainable economy and such access cannot be achieved through market mechanisms. Furthermore, the privatisation of public services drags down wages levels and is at odds with equal access to these public services for all users.
- 4.9.** The member states must therefore have a range of institutions and policies that help citizens to cope with adversity, make use of automatic stabilisers and put an end to tax competition and hence to erosion of the financing of the welfare state.
- 4.10.** The EU should provide clear signals that demonstrate its willingness to reduce differences in living standards. It should do this not by playing countries and workers off against each other as a means of improving firms’ competitiveness but by ensuring upward economic and social convergence, starting out from improvement of the living and working conditions of less developed regions and countries.
- 4.11.** Insofar as workers perceive Europeanisation of the labour market not as a process of upward harmonisation but as a means of calling into question collective agreements, employment stability and security, and wages, a tendency towards disaffection and a return to protectionism and “each for his own”, represent a very real risk.

- 4.12.** The financial crisis that began in 2007 showed that a social market economy can operate effectively only when it is incorporated into a coherent framework of economic and social governance.
- 4.13.** Rather than supporting the economies of the most vulnerable member states while they gradually take measures to put their national houses in order, the proposals recently issued by the Commission's task force are essentially about cutting wages, cutting benefits and cutting public services. De facto, this leads to the replacement of currency devaluation by social devaluation.
- 4.14.** The austerity policies promoted by the European authorities to reassure markets will block growth and job creation, especially since they are currently being coordinated across Europe and will therefore impact more negatively on demand. The European Commission has to adopt a more flexible approach vis-à-vis the Stability and Growth Pact and cannot ask Member States to attain the objectives set with regard to debt and deficit by such tight deadlines. We do not need coordinated austerity, rather a coordinated policy focussing on the types of expenditure and investments that might facilitate the boosting of national economies, with positive repercussions across Europe.
- 4.15.** The countries in difficulty should be supported by investment that will assist a return to growth. In this respect, the Commission's proposal, in its industrial policy communication, concerning European growth bonds is welcome.
- 4.16.** Poor economic governance and increased competition within the single market have exacerbated the imbalances that are reflected in the member states' balance of payments. A key factor here has been that wages, in some countries, have not kept pace with productivity. Business is using the threat to move investment elsewhere in Europe to extort concessions from workers and trade unions. As a result, wage increases have struggled to keep up with productivity over the past two decades. A substantial part of the benefits of growth has gone to profits.
- 4.17.** We must return to a vision of Europe as an instrument of social progress, growth, innovation and competitiveness.
- 4.18.** The Commission's "European Semester"-based approach, which is currently focused on budget austerity and labour market reforms, should be used instead to create a sustainable perspective for jobs and growth.
- 4.19.** Right from the outset, it must be reiterated that the Lisbon Treaty has imposed a new legally binding framework by explicitly recognising the values of the Union, especially solidarity, by introducing important social objectives like "a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment", by imposing a mandatory social impact assessment, and by promoting the role played by the social partners. In addition, the now legally binding EU Charter contains key fundamental social rights like the right to strike. This framework is underpinned by the Council of Europe's instruments relating to human rights, in particular the European Convention on Human Rights (ECHR) to which the EU will have to accede, and the (revised) European Social Charter.

Our messages

- 4.20.** Wages and working conditions must not become a key instrument of adjustment. In this respect, the new economic governance and, in particular, the “European Semester” must not be used as an instrument for limiting wage bargaining (especially considering that the share of wages in the GDP is already decreasing).
- 4.21.** The ETUC is opposed to neoliberalism as an ideology that regards competition as a core element of individual and social life and favours an unregulated market.
- 4.22.** The gradual emergence of a European labour market requires the implementation of European labour standards that must guarantee fundamental social rights applicable to all and must, in particular, be the same for all workers whether local, mobile or migrants. The Commission must propose an ambitious Social Agenda, and initiate new legislative proposals, in order to improve existing minimum standards concerning working conditions and worker’s rights as well as creating new ones.
- 4.23.** Europe will never become a socially fair political entity in the absence of determined action by the European, national and regional decision-makers. The internal market is not an end in itself but an instrument requiring regulation by strong and effective policies in order to avoid competition at the expense of workers. In the absence of social regulations, it runs a considerable risk of being rejected as an instrument designed to erode national social models.
- 4.24.** Information and consultation rights have to be guaranteed in a horizontal and consistent manner.
- 4.25.** The ETUC considers that the “Better Regulation” programme, now re-named “Smart Regulation”, challenges the basic idea underlying European integration which is based on a progressive harmonisation of national legislation. Employment conditions cannot be put at risk by such initiatives.
- 4.26.** Public services and services of general interest are among the basic components of a social market economy. The EU must support member states to develop and improve their public services, in line with the provisions of the Lisbon Treaty and the SGI Protocol, and not encourage them to promote competition for its own sake. The EU must ensure universal access to quality public services.
- 4.27.** Social criteria must be taken into account in public procurement procedures.
- 4.28.** The Barcelona targets for childcare facilities have not been met. The EU should take measures to reaffirm and achieve these targets and to provide readily available, affordable and good quality care and elderly facilities in all member states, in the context of the Europe 2020 strategy for growth and jobs.
- 4.29.** There is a need for economic governance based on more solidarity rather than on sanctions. Economic governance that turns Europe into a punishment squad worsens the situation of those member states that are weak

and vulnerable, and constitutes a danger for European integration. The unbalanced condition of development of regions and countries should be addressed through a reallocation of resources and opportunities.

- 4.30.** In order to improve economic governance – and at the same time the coordination of a common expansion of demand to foster growth and employment simultaneously – we demand:
- a. a European organised stimulus policy in the form of investment transfers to member states, helping countries to grow out of debt instead of forcing them into a blind austerity scenario;
 - b. a harmonisation of the corporate taxation base and of minimum rates of corporation tax as a means of combating tax dumping;
 - c. investment in education, in vocational training, in research and infrastructure to support the green and white economy.
- 4.31.** Solidarity among European countries is an economic necessity in a globalised world. The ETUC renews its firm opposition to protectionist economic trends.

Our commitments

- 4.32.** The ETUC will strive:
- a. to obtain a Social Progress Protocol reaffirming the primary status of fundamental rights and the need for them to be observed in the single market;
 - b. for a regulation ensuring respect of fundamental rights, including the right to strike at national as well as European level, in accordance with the model described in the Monti clause contained in Regulation 2679/98;
 - c. for stricter sanctions in case of infringement of existing regulations concerning information/consultation etc.
 - d. to use every means offered by the Lisbon Treaty to shore up the European Social Model, in particular the horizontal clause and the protection of public services.
 - e. to bolster social protection and step up the fight against cuts in social expenditure.
- 4.33.** The ETUC will fight for:
- a. an improvement of social protection and against cuts in social expenditure;
 - b. equal pay for work of equal value within each of the Member States' national frameworks;
 - c. a balanced economic governance and a coordinated action to stimulate demand;
 - d. the creation of European bonds;
 - e. an Europe 2020 agenda process at EU and national level to ensure that it is in the workers' interests;
 - f. the creation of a graduated tax system and the limitation of tax fraud in a bid to allow the member states to continue financing public services and the welfare state;

- g. a harmonisation of the corporate tax base and a minimum rates of taxation for companies, capital, intangible rights and environmental taxes so as to prevent tax competition within the internal market. In order to fight for a more equitable distribution of the tax burden, the structural decline of rates of corporation tax must be halted by setting a minimum rate of corporation tax designed to prompt a fair fiscal contribution by enterprises, possibly based on the current 25% rate applied in Europe. There is also a need to boost cooperation between the tax authorities in the various Member States;
- h. a European financial transaction tax;
- i. increased awareness of the effects of undeclared work, corruption and tax evasion on our welfare system(s) and for the individual.

4.34. The ETUC will:

- a. mobilise workers against the European Union's attacks on free collective bargaining and the autonomy of the social partners;
- b. improve wage coordination to reduce the risk of competition in relation to wages and working conditions;
- c. monitor and negotiate the implementation of Europe 2020 at the European, national and regional/local levels.



Chapter 5 ▶

*Mobilising for a Social Europe:
for fair and sustainable production
and development models*

Introduction

- 5.1. “The average temperature of the earth’s surface has risen by 0.74 degrees centigrade since the late 1800s. It is expected to increase by another 1.8° - 4° C by the year 2100 – a rapid and profound change – should the necessary action not be taken. Even if the minimum predicted increase takes place, it will be larger than any century-long trend in the last 10,000 years”, states the United Nations ⁽¹⁾.
- 5.2. One of the principal causes of climate change “is a century and a half of industrialisation”, whose benefits have not been equally shared between countries. Additional causes are an ongoing deterioration of our environment, ever scarcer energy resources and raw materials, and a partially irreplaceable loss of biodiversity. As well as being socially unfair, therefore, our current model of economic growth – at European and especially world-wide level – is quite simply unsustainable in the long term.
- 5.3. What is at stake is the “greening” of the economy as a whole. We must move on from a society that guzzles energy and raw materials and, moreover, undervalues labour, to a thrifty society based on increased energy efficiency, renewable energy, product sustainability, systematic recycling of materials and new manufacturing processes and procedures.
- 5.4. It is essential to devise, to this end, a European scenario for a just transition to a sustainable low-carbon society in a manner that will enable social inequality to be avoided. For the ETUC, the 5 pillars of Just Transition to a low carbon Europe are:
 - a. Consultation between Government and key stakeholders, including representatives from business, trade unions, local government and regional bodies and voluntary organisations,
 - b. Green and decent jobs through investments in (new) low carbon technologies, in R&D and innovation,
 - c. Green skills: Government-led, active education/training and skills strategies for a low carbon, resource efficient economy,
 - d. Respect for labour rights and human rights: democratic decision making and respect for human and labour rights are essential in order to ensure the fair representation of workers’ and communities’ interests at the national level,
 - e. Strong and efficient social protection systems.
- 5.5. This move will entail:
 - a. public policies for sustainable development,
 - b. intense investment in research, applied research and innovation,
 - c. the introduction of coordinated, regulated horizontal and sectoral industrial policies, with medium- and long-term programs promoting a strong and diverse manufacturing base in Europe supported by related-services,

1 http://unfccc.int/essential_background/feeling_the_heat/items/2917.php

- d. enhanced European, national and sectoral social dialogue contributing to the creation of quality jobs, transcending intra-European divisions and the perverse effects of demand for short-term returns on industrial investments,
 - e. concerted and ambitious education and lifelong learning policies.
- 5.6.** The different scenarios for transforming our economic model are closely connected with energy policy and industrial policy. Proactive EU coordination of these policies is essential to overcome intra-European divisions, particularly the transition challenges facing the new member states, and to ensure a stable, sustainable and fair growth and development in all countries.
- 5.7.** The debate about future energy policy affords an opportunity to embark on a socially sustainable economy in which energy resources are preserved, renewable energy forms are increased, and greenhouse gas emissions are kept low. This debate should be held on the basis of clear scientific evidence verified by independent research centres. Moreover, the cost and burden resulting from the measures taken should be divided fairly between countries in light of their responsibility for emissions and their capacity to contribute to the reduction efforts.
- 5.8.** The strategy for liberalising the energy sector must be re-examined as it has not delivered the expected results in terms of price, investments and employment. The re-examination must also focus on ways of avoiding that liberalisation leads to pressures which contradict other goals such as security of supply, solidarity, and limitation of global warming. Due to the public service nature of energy provision, prices for domestic households should be regulated and subject to strict control. While the need for a fair return on investments is quite reasonable, it is inappropriate that energy provision should be a source of excessive profit. Democratic regulation must ensure that the price of energy is fair, affordable and socially just.
- 5.9.** A European industrial policy is vital. Indeed, the crisis is evidence of a compelling need to focus on an ambitious, sustainable, industrial and services policy at the European level. Cooperation is the decisive element: only concerted industrial strategies, broken down in sectoral and territorial terms, can provide a solid framework. Close reciprocal relationships between high and low-tech sectors, and between new emerging and traditional industries, must be promoted through a broad-based innovation policy agenda. European industry has to face competition from China, Brazil, India and other 'emerging countries', including in respect of high added-value products. What is more, global competition around energy and raw materials is growing steadily.
- 5.10.** Many of the skilled staff employed in critical jobs in European industry will be stopping work in the coming 10 years. Unless we want to resign ourselves to the planned extinction of many European industries, addressing skills gaps and ensuring the transfer of skills and knowledge, both individual and collective, between generations of workers are essential, if we are to maintain competitiveness.
- 5.11.** This threefold social, economic and environmental challenge must push Europe to make a genuine u-turn in its industrial policy, and this must take place in the context of the greening of the economy. This policy must promote energy and resource efficiency and low greenhouse-gas emissions.

- 5.12.** The goal of maintaining and developing European industry and keeping it internationally competitive cannot be predicated on low wage costs, flexible labour, under-developed social systems and vocational training centred on employee adaptability alone.
- 5.13.** The processes required to transform the current economy into a sustainable economy may conflict with workers' short-term interests, since this process could threaten jobs. In the long run, however, the transformation will also create new jobs in the field of renewable energies and energy efficient products. In the absence of international coordination of climate policies, energy-intensive industries in Europe may face increasing energy costs that damage competitiveness, triggering job and investment losses due to carbon leakage. This phenomenon must be seriously addressed by involving unions and employers in a structured social dialogue to develop a transition strategy for these sectors, including a review of energy and raw material costs and new, low carbon technology investment. It is vital to secure a place for these industries in a low carbon Europe, to prevent carbon leakage and to encourage investments as well as vocational training and retraining that together help enhance environmental protection and safeguard quality jobs, protecting employment and investment while controlling climate change. In particular, there is a need to address the transition challenges facing higher carbon, more polluting industries in the more recent accession States, with a view to preventing its occurrence and recourse to relocation.
- 5.14.** The restructuring triggered by any such transition must be anticipated. The workers and sectors affected must receive social and financial support.
- 5.15.** It will be crucial to have the necessary funding available for such a transition, as well as sound public investment policies. The governance of funds (structural funds, EIB, ERDB, general EU budget, etc.) will need to be reformed, making respect of social principles and conventions (ILO fundamental rights, human rights, etc.) and of environmental principles and conventions into the founding principle that determines their intervention and a prerequisite for the receipt of funding for projects.
- 5.16.** The public authorities have many significant levers available to them for greening the economy, such as:
- a. inclusion of social and environmental criteria in public procurement, launch of industrial transformation schemes;
 - b. renovation of the housing schemes;
 - c. development of sustainable, affordable, high-quality integrated public transport systems, with the development of public transport being given priority over individual transport and its infrastructure;
 - d. measures ensuring a universal access to essential energy services through the provision or social tariffs and through public services;
 - e. establishment of focused education and training strategies;
 - f. promotion of research, applied research and development;
 - g. investment in clean technologies and energy networks;
 - h. technology transfers to developing countries, etc.

- 5.17. The economy will not be greened by decree or by sidelining national “good practice”. Greening must receive unwavering political support from the community and full backing from workers. It can succeed only if accompanied by better European governance and a strengthening of social rights.
- 5.18. A European energy policy is more urgent than ever, in the wake of the extremely serious nuclear accident at Fukushima in Japan, and must be increasingly based on energy savings, improved energy efficiency, and the increased development of renewable energies. This policy should ensure the creation of considerable numbers of secure and sustainable jobs.

Our messages

- 5.19. A fair transition to a sustainable economy entails:
 - a. a stimulation of research, applied research and a broad-based innovation policy (including non-technological innovation),
 - b. the development of horizontal and sectoral industrial policies that are coordinated and regulated in the medium and long term,
 - c. the anticipation of change in jobs, trades and training,
 - d. the establishment of ambitious education and lifelong learning policies, enabling workers to acquire the qualifications they need,
 - e. the promotion of transition strategies for highly energy-intensive sectors, focused on improving process technologies and energy efficiency, whilst avoiding carbon leakage,
 - f. taking measures to address impacts from carbon leakage on employment and jobs,
 - g. ensuring social dialogue takes place at all levels.
- 5.20. New rights and methodologies, as well as impact studies, should be made available to trade unions, enabling them to anticipate and manage change.
- 5.21. The role of public authorities and public services should be reinforced, while public procurement should be better used as a lever for the development of new sustainable products and services, fully respecting social and environmental criteria.
- 5.22. The EU should set up:
 - a. a European agency tasked with setting climate change and sustainable development levels to be achieved (benchmarks based on the best available technologies and the carbon traceability of products),
 - b. a European fund to socially manage economic transitions to a sustainable model of development,
 - c. a European Energy Agency to be entrusted with the development of a regulated social economy in the energy market so as to ensure that the most vulnerable energy consumers are protected. Energy-related services should be regarded as services of general interest.

- 5.23.** The ETUC believes that the European Union must give the right price signals to promote this transition, which could take the form of a CO₂ tax, subject to a series of conditions.
- 5.24.** Energy saving and energy and resource efficiency, through the sparing and controlled use of resources, must be stepped up in all sectors of the economy, including industry, construction, transport and agriculture and agro-food. With workplaces responsible for one-fifth of CO₂ emissions, the ETUC believes that the Commission should consider ways to help develop, support and fund national green workplace programmes and networks, including an EU coordination and dissemination programme, to ensure that best practice is shared and evaluated.
- 5.25.** A European energy solidarity pact should be developed. This pact would reinforce European cooperation beyond coordinated but fragmented national markets, and would endow the public authorities and public services with a high-profile role. It would encompass:
- a. financial transfers between countries,
 - b. collective exploitation by European regions of renewable potential,
 - c. the establishment of infrastructure links between countries so as to guarantee security of energy supply, and the creation of a European energy smart grid.
- 5.26.** Increased energy savings and energy efficiency in all industry, building and transport sectors must be promoted through binding EU energy efficiency regulations while the need to achieve a reduction of overall primary energy consumption of at least 20% must be achieved in the coming decade through a binding energy saving target for each Member State. Product standardisation should be strengthened to apply the Top Runner model and market bans on products with inadequate energy efficiency levels should be implemented.
- 5.27.** The energy legislation must ensure, in particular, that energy bills reflect fair prices (socially equitable, affordable prices based on a fair return on investment and not on excessive profit). The energy legislation must also establish high standards of health and safety in the energy sector and make public funding dependent on compliance with social and environmental criteria.
- 5.28.** The gradual implementation of high environmental standards, in particular the European EMAS standard, should be backed, as should social standards, including observance of human, labour and democratic rights, throughout supply chains, by companies in all economic sectors as well as by the public authorities. Such backing will ensure that these standards are fully and effectively implemented and promoted.
- 5.29.** Universal goods such as water, air and the principal sources of energy, along with the infrastructure crucial to the continuity of life in society and the safeguarding of the planet, should be exempted from commodification.
- 5.30.** The EU should play a stronger role in global talks on climate change, and should actively back the implementation of Innovative Financing for Development in order, in particular, to help developing countries to adapt to climate change.

Our commitments

5.31. The ETUC will:

- a. act with determination in moving towards a green, sustainable economy;
- b. develop new industrial strategies and visions for key cross-sectoral societal needs based on full employment and decent work (e.g. mobility, ageing society, etc), building ETUC competence in these areas
- c. demand new and broader rights at all levels (European, national, regional, sectoral, company, etc.) for trade union representatives in the field of health and environmental protection. This includes trade union representation in the discussion of carbon emission reduction and its social implications (employment, training, etc.). Trade union representatives should receive training in health and environmental protection. The ETUC is convinced that the effectiveness of green workplace programmes would be greatly strengthened if the EU encouraged contributions from all sectors to the shaping of a development strategy, by giving new rights to trade union representatives to address environmental issues at work; and making relevant training and skills acquisitions available to trade union representatives and workers.

5.32. The ETUC supports:

- a. the creation of a European framework bringing together the Commission, member states and social partners aimed at encouraging discussion and the definition of needs, as well as measures authorising a fair transition to a low-carbon economy. Such social dialogue will make it possible to identify and tackle more dispassionately the changes ahead in terms of jobs and skills;
- b. action to develop research and innovation to promote the transition to a sustainable economy, the introduction of sustainable sectoral European policies, managing energy demand and the improvement of energy efficiency in all sectors of the economy.

5.33. The ETUC undertakes to:

- a. actively participate, in the framework of broader alliances, in the struggle to protect vulnerable consumers and combat social inequality throughout supply chains;
- b. systematically contribute to raising awareness of the environmental, social and sustainable development issues among its affiliates, including training activities and common initiatives on developing sustainable industrial policies together with the European trade union federations;
- c. promote trade union synergy and coherence on social and sustainable development, by the reinforcement of social dialogue at all levels on this topic;
- d. fully incorporate into its action plan the connection between health and environment, with specific reference to workplaces, including through closer links with the ITUC Action Plan vis-à-vis the Sustainable Development Committee (SDC) of the World Health Organisation (WHO), the U.N. Environment Programme (UNEP) and the U.N. Framework Convention on Climate Change (UNFCCC).



Chapter 6 ▶

*Mobilising for a Social Europe:
for greater equality and social cohesion*

Introduction

- 6.1. Equality is an essential goal of trade union action. It is a principle enshrined in the Treaty and in various Directives which address equality between men and women and the fight against all forms of discrimination on grounds of gender, belief, race, age, disability, sexual orientation, nationality, economic status, ill health, or any other form. Inequality in our societies and on the labour market is far from having been eliminated.
- 6.2. Problems of inequality and social cohesion arise at different levels. We see inequality between men and women, between the rich and the poor, between young workers and those who have already gained professional experience, between those who have a job and those who do not and between nationals and migrants. Problems of social cohesion are encountered between poor and rich countries, between regions and territories, and between mobile workers and those who remain employed close to home.
- 6.3. The question of inequality arises also in relation to earnings and, in particular, to the redistribution of income by means of social security and tax systems. In recent decades, income and wage inequality has been generally on the rise in the EU member states. The gap between the earned income of the 20% richest and the 20% poorest is steadily widening.
- 6.4. The gender wage gap, meanwhile, is still very much present, with women's average hourly earnings 18% below those of men, despite women's higher rates of educational attainment. Women's work is in fact often undervalued and female workers continue to be over-represented in precarious jobs, low-paid occupations, part-time and fixed-term work. Part-time work should be a free choice and not an obligation.
- 6.5. The wages paid and the quality of jobs offered to young workers entering the labour market are in many cases indecently low and there is mounting pressure to allow young workers to be offered rates below the minimum or collectively agreed wage.
- 6.6. Older workers, meanwhile, are prematurely excluded from the labour market. The growing labour insecurity and poverty suffered by these workers affect their standard of living and their assets at the point of retirement. Nor, unfortunately, are the gender wage inequalities suffered by women corrected at the point of retirement.
- 6.7. A diverse workforce offers a number of advantages for companies and organisations. Nevertheless, strong barriers still exist for the most vulnerable workers in terms of their access to employment, training and career progression.
- 6.8. A number of obstacles – not only logistical – prevent disabled persons from entering employment, which explains why their rate of unemployment is so high throughout Europe.

- 6.9.** LGBT workers ⁽²⁾ are often ‘invisible’ in the workplace; they fear ‘coming out’ because of the threat of refusal of employment, harassment or dismissal. And in some cases they are still subject to forms of discrimination under national legislation.
- 6.10.** In Europe, the period of pre-crisis growth failed to generate any substantial reduction in the various forms of inequality. The global trend of rising inequality is often depicted as a ‘normal’ consequence arising from globalisation, or from competition between countries which, it is said, requires labour market deregulation and a drop in wage costs in the interests of greater competitiveness. Yet these forms of inequality are greatly exacerbated by policy choices in the spheres of both taxation and social protection (reducing the available level of resources) and by attacks on public services.
- 6.11.** The constant deregulation of the labour market has resulted in the proliferation of new and often precarious forms of employment status, making the principle of equal pay for work of equal value more difficult to implement. This has also made it even harder to negotiate collective agreements. It has become difficult to ensure that all workers in the same workplace are subject to the same terms of employment. Trade unions also have to deal with tensions among workers employed subject to different and competing types of **employment** status. Pay restraint, meanwhile, which is sometimes accepted in order to avoid relocation or as a means of boosting competitiveness, has exacerbated inequality.
- 6.12.** Social protection can and must represent an important means of reducing inequality. It receives explicit mention in Article 9 of the Treaty on the Functioning of the European Union and constitutes one of the major underpinnings of the European social model. At a time of crisis, what is more, and as recent experience has shown, it plays a role of automatic stabiliser, enabling the worst forms of hardship to be attenuated.
- 6.13.** Many European countries have undertaken to reduce their budget deficits at any price in order to reassure the financial markets. To this end, they have cut social security budgets rather than introducing tax reforms that would improve fairness by making the rich pay more taxes, or fighting tax evasion and avoidance, or seeking new sources of financing (harmonisation of the corporate tax base and minimum tax rates, a tax on financial transactions, etc.). They have thus deprived social security, which is based on solidarity, of the resources that enable it to play its role. Consequently, right in the middle of an economic crisis, the social security systems have suffered a weakening of their capacity to mitigate inequality and to strengthen social cohesion, and this development took place in 2010, a year designated “European Year against poverty”.
- 6.14.** These austerity measures and cuts in public spending have had a disproportionate impact on women who make up a large part of the public sector workforce and who are themselves heavily reliant on public services. In light of the ageing population attention must be given to the different needs of older people with regard to the sustainability and accessibility of high quality public services.

2 Lesbian, Gay, Bisexual and Transgendered people.

- 6.15.** Strong public services, clear strategies of inclusion, strong and universal public social protection systems, high quality education systems and lifelong learning are needed to enhance social cohesion and generate equal opportunities, rather than the processes of rampant privatisation.
- 6.16.** In light of the ageing population attention must be given to the different needs of older people with regard to the sustainability and accessibility of high quality public services.
- 6.17.** Finally, tax competition is reinforcing all of the above trends by constantly decreasing taxation on capital and high income. The tax base has been shifting from mobile (companies, capital, highly skilled workers) to immobile elements (workers, consumers). This situation has been made worse by the recent development of a system of flat-rate taxes in a substantial number of countries.
- 6.18.** Instead of seeking to achieve an effective reduction of differences in living and working standards, particularly between countries of the East and those of the West, the EU gives the impression – as shown by judgments recently issued by the Court of Justice – of wishing to use these differences as a means of improving firms' competitiveness through the reduction of labour costs. As a result, workers increasingly perceive European integration as a means of calling into question collective agreements, job security, and wage levels.
- 6.19.** The rising inequality generates a sense of social injustice that undermines social cohesion and offers fertile soil to extremist ideologies and violence. In the face of these dangerous trends, it is more necessary than ever that the ETUC and its affiliates should mobilise in the fight against poverty and social exclusion, putting forward sound and valid proposals, particularly in terms of guaranteed decent income but also of universal access to goods and services (health, education, housing, transport, etc.).
- 6.20.** Situations of dependency relating to age or disability require the development of affordable and high quality care services enabling the people concerned and their families to live with dignity, also meaning that they are guaranteed a certain level of income.

Our messages

- 6.21.** The European Union requires, for its harmonious and sustainable development, strong social cohesion and social justice. Inequality jeopardises social cohesion and fosters intolerance, xenophobia and violence in our societies.
- 6.22.** Increasing inequality in our societies is a matter of great concern to the ETUC. There is a need for a comprehensive approach in order both to achieve greater equality within employment and in society at large and to fight poverty and exclusion.

- 6.23.** Trade unions have to strengthen their commitment to the fight against inequality and wage gaps. They call for an end to the wage gap between men and women, for wage increases, for minimum starting wages and/or collective agreed rates of pay for all workers, including young workers and migrants regardless of their nationality, for inclusive social security systems and fair taxation for all.
- 6.24.** As for wages, social protection cannot be a key instrument of adjustment.
- 6.25.** All workers in Europe should be protected by minimum and/or collectively agreed wages.
- 6.26.** Workers, regardless of gender, age, origin, disability, belief, sexual orientation or gender assignment, must enjoy the same terms of employment (through law and/or collective agreement) when performing the same work or work of equal value.
- 6.27.** It is important for trade union action to continue to combat all existing forms of inequality that specifically affect women in the workplace and in relation to their terms of employment.
- 6.28.** Economic dependence and sexist stereotypes contribute to inequality and violence. The ETUC supports the creation of new legal instruments to combat violence against women.
- 6.29.** Discrimination in all its forms is unacceptable, whether in the workplace or in society at large. LGBT rights are human rights and they are central to trade union action.
- 6.30.** Further effort is called for with a view to enforcement of European legislation covering equality and non-discrimination.
- 6.31.** Wage differences between men and women must be addressed in both legal and practical terms. It is up to all governments, and up to both men and women in trade unions, to achieve gender equality and reduce the wage gap.
- 6.32.** As a means of increasing social cohesion and curbing violence, public social protection systems should be developed and strengthened. Attempts to privatise health care and pensions should be opposed. Supplementary systems should not be introduced and developed to the detriment of the public systems.
- 6.33.** European countries and the EU must revise their policies and redirect their priorities, setting social concerns and people once again at the centre of their actions and their strategies, thus ceasing to consider the social sphere merely as a form of expenditure rather than as a form of productive investment.
- 6.34.** Governments are not businesses and should therefore not compete with one another, in particular as regards corporate tax bases and rates.

- 6.35.** There is a need to develop an ambitious social OMC (Open Method of Coordination), one that more effectively involves the social partners, in particular the trade unions, in its development and its implementation and that introduces new indicators to enable better measurement of the real situation of the people living in the European Union.
- 6.36.** The European Structural Funds should be refocused to enable them to make a genuine contribution to the reduction of inequalities.

Our commitments

- 6.37.** The ETUC will combat the dismantling and/or privatisation of public social protection services, initial training systems and the reduction in social expenditure, and aim to achieve upwards convergence of the national social protection systems.
- 6.38.** The ETUC supports the introduction of a social minimum income in every Member State on the basis of common European principles.
- 6.39.** The ETUC will call for specific (European and national) targets and timetables for closing the wage gap between men and women to be introduced into the Employment Guidelines and monitored in national reporting systems.
- 6.40.** The ETUC will support its members' initiatives:
 - a. for the development of quality jobs and wages, as well as for fairer forms of taxation to foster better redistribution and guarantee lasting financing of social security systems;
 - b. in pursuit of fair wages for all European workers including supporting union campaigns for effective minimum wages in those countries where the unions consider them necessary.
- 6.41.** The ETUC and its affiliates will:
 - a. continue to mobilise in favour of fair public pension systems based on solidarity and which guarantee a decent income to pensioners with indexing systems to ensure adequate purchasing power of pensions; supplementary schemes should be included, with the emphasis on those based on collective agreements between social partners provided they are not intended to replace public systems;
 - b. develop appropriate initiatives to continue to combat poverty;
 - c. support a more effective social OMC, in particular as regards the devising and introduction of quantitative and qualitative targets, and become actively involved in its implementation;
 - d. promote a European legal framework to combat all forms of violence;
 - e. support its members' initiatives to tackle the structural problems of pay inequality and the tendency for

pay (for both men and women) to be lower in sectors dominated by women than in sectors dominated by men. Many occupations that are mainly carried out by women need to be revalued and the ETUC will assist affiliates in exchanging information on achieving this through collective bargaining and/or through using legislation.

- 6.42.** The ETUC will reaffirm its commitment to:
- a. fight for effective equal rights for all and against all forms of sexism, racism, xenophobia, discrimination on the basis of gender, religion, age, disability, gender assignment and sexual orientation;
 - b. exert pressure to ensure the adoption by the European Council of the proposed directive protecting against discrimination in all areas of life;
 - c. promote the exchange of good experience, while exploring the possibilities for developing guidelines or codes of conduct with employer organisations at EU level
- 6.43.** The ETUC and its affiliates will act for a more equal society, strong social protection, good and efficient public services, and labour markets and education and lifelong learning systems that promote equality. Similarly, the ETUC regards equality and non-discrimination as a principle to be mainstreamed throughout the whole of its own and its affiliates' political and trade union action.
- 6.44.** The ETUC will place the gender dimension high on its agenda. It means to pursue the objectives set in the Gender Mainstreaming Charter adopted at the Congress in Seville by adopting adequate measures to tackle remaining gender inequalities in the labour market and in trade unions.
- 6.45.** The ETUC secretariat will ensure that gender mainstreaming is incorporated and made effective in all its resolutions, policies, actions and activities. A member of the ETUC secretariat will be responsible for gender equality.
- 6.46.** The ETUC will continue to run the 8th March survey which shows the gender distribution in the decision-making structures of the ETUC and its affiliated organisations. The latter will inform the Secretariat of measures taken to achieve gender balance at all levels. The survey will be presented to and discussed in the Executive Committee. A study to improve gender equality in trade unions will be produced for the ETUC mid-term conference in 2013.
- 6.47.** The ETUC will propose to the mid-term conference in 2013 to begin to work, in view of the 2015 Congress, to guarantee a balanced composition between men and women on the Executive Committee, introducing quantifiable targets such as, for example, an anti-discrimination provision, stating that on the ETUC statutory bodies each gender should be represented to the tune of between 40% and 60%.



Chapter 7 ▶

***Mobilising for a Social Europe:
for fair and equitable mobility***

Introduction

- 7.1.** The principle of the free movement of labour is enshrined in Article 45 of the Treaty on the Functioning of the European Union. The full corpus of existing European legislation in this field (the *acquis*) entitles European citizens to move freely within the EU for purposes of employment and protects the social rights of workers and their family members. The mobility of students is an integral part of the regional and international mobility of labour. Students moving across borders in search of education and knowledge should also be protected against xenophobia, discrimination and illicit exploitation. Not only is the free movement of workers a key component of the internal market but it also entails an important social dimension insofar as it stimulates the economic, social and cultural cohesion of the European Union. This requires, however, that labour mobility be organised in such a way that it does not serve as a tool to undermine local standards.
- 7.2.** Increasing mobility in its different forms is one of the major challenges of the coming years. On the one hand, migration of third-country nationals can be expected to continue and to increase in intensity on account of both demographic developments and new challenges such as climate-change-induced migration (forecasts of 150 million refugees by 2050). On the other hand, the extent of mobility within the European Union and the European Economic Area (EEA) is also continuing to increase.
- 7.3.** The arrivals from the Mediterranean area, which have significantly increased as a result of the democratic rebellions of peoples in the region, are an even more urgent reason for Europe to set rules and programmes for a joint migration policy. A joint European policy and solidarity – also based on the ability to manage emergency situations – requires consistent European rules for the protection of migrants’ rights and the rejection of unilateral actions.
- 7.4.** The ETUC is in favour of a proactive and coherent European immigration policy. It recognises labour mobility within the EU and the EEA as one of the fundamental freedoms. Moreover, mobility has to take place under fair conditions to ensure that immigration and mobility become accepted as opportunities and not threats. All mobility and labour migration policies must, for this reason, incorporate application of the principles of equality and non-discrimination. This is vitally important for the guarantee of social cohesion on the labour market and in society.
- 7.5.** The European trade union movement waged an important battle against the goal of the services – so-called “*Bolkestein*” – directive in order to guarantee posted workers application of the working conditions and terms of employment of the country in which they are actually working – whenever these are more favourable.
- 7.6.** Unfortunately, the European Court of Justice, in its recent judgments (Laval, Rüffert and Luxembourg cases), interpreted the posting of workers directive in a highly restrictive manner, limiting the coverage of collective agreements and the freedom of member states and trade unions to take measures against social dumping and to call for better protection and equality of treatment between local workers and posted workers in the host country.

- 7.7.** Similarly, in the current context of labour market fragmentation (atypical employment contracts, pseudo-self-employment, etc.), European migration policy is currently heading in the wrong direction.
- 7.8.** There is a proliferation of different forms of mobility: long-term residents, seasonal workers, cross-border commuters, posted workers, highly skilled workers, temporarily transferred workers in multinationals, etc.
- 7.9.** This proliferation of differing forms of legal status gives rise to fears that labour mobility is increasingly being used not for the overall purpose of improving human development in a spirit of equal treatment and non-discrimination but in order to avoid conforming with national social security and industrial relations systems by means of increased labour market fragmentation and a downward spiral of labour competition.
- 7.10.** This development is taking place, what is more, within a specific context, namely, economic crisis and the rise of populism and xenophobic political parties in an increasing number of EU countries where the scapegoats are migrants from both within and outside the EU.
- 7.11.** In relation to the integration and defence of migrant and mobile workers, the national trade unions in each country are faced with different situations and practices. But venues for the exchange of information, experience and networking practices exist: cross-border cooperation, coordination of collective bargaining, approximation of social security conditions, regulation of the employment market, strengthening of labour law.
- 7.12.** The Interregional Trade Union Councils (IRTUCs) have an important role to play here. Thanks to their specific and in-depth knowledge of cross-border labour markets, these are the most appropriate bodies to report to the ETUC the existence of obstacles to mobility for a particularly vulnerable group of workers, namely cross-border workers.
- 7.13.** The EU member state governments should ensure proper implementation of Directive 2003/109/EC on third-country nationals who are long-term residents. It is essential to remove all forms of discrimination against third-country workers which affect their access to the labour market and social services, even in cases where such discrimination is the result of legislative barriers or member state practices.
- 7.14.** The phenomenon of third-country workers residing illegally in EU member states – their numbers are estimated at more than 5 million, some of whom have become irregular workers as a result of the economic crisis – is liable to acquire tragic connotations, in particular in some countries, given the vast potential for violations of human rights in the forms of exploitation, trafficking, enslavement, but also forced repatriation of these people to their countries of origin, all of which are unacceptable for the trade union movement.
- 7.15.** There is a steep increase in the numbers of isolated migrant women. According to the International Organisation for Migration (IOM), 49% of the 214 million of worldwide migrants are women, a fact which gives rise to new and specific issues.

Our messages

- 7.16.** Fair labour mobility is essential; the increased opening of the European labour market calls for a set of strict and fair rules based on the principle of equality among workers, as Article 15 (3) of the EU Charter of Fundamental Rights requires.
- 7.17.** A social progress protocol must be incorporated into the Treaties. This should fit into the broader concept of social progress and upwards harmonisation of working conditions and social systems for all.
- 7.18.** The posting of workers directive must be revised in accordance with the ETUC position.
- 7.19.** The internationally agreed (ILO) right to collective bargaining at all levels must be recognised as an important instrument for the implementation of labour standards that are applicable wherever the work is being performed. This means that the fundamental right of trade unions to negotiate with local and foreign firms should not be undermined by economic freedoms.
- 7.20.** The proposal for a horizontal directive on the single permit must define a set of rights for all workers without exception, guided by the principles of equal treatment and non-discrimination and respect of the law of the host country.
- 7.21.** Directives covering specific groups of workers (for example seasonal workers, highly skilled workers, inter-corporate transferees, etc.) must guarantee the principles of equal treatment and non-discrimination and the application of all rules of the host country, including the application of any collective agreement relevant at the working place, regardless of whether such agreements are local or national, generally binding or not. Cross-border mobility based on European regulations has to be complemented by Europe-wide recognised legal provisions to guarantee effective transnational sanction, remedy or redress in cases of violations of workers' rights.
- 7.22.** The ETUC rejects the current proposal for a directive on inter-corporate transferees. The foreseen regulations would have the consequence of further dividing workers (first/second class workers). Instead of this approach, there is a need for regulations that facilitate the transfer of workers within a single company, duly protecting these workers' rights according to the principle of equal treatment.
- 7.23.** The ETUC is critical of the EU approach to circular migration because it reduces people's status to that of labour factor and excludes any possibility of long-term residence.
- 7.24.** The EU Commission and European governments should closely monitor the implementation of some directives, such as the 2009/52/EC Directive regarding employers' exploitation of illegal workers and should alter the so-called "Return Directive" (2008 /115/EC) on repatriation, in order to guarantee that it does not violate

human rights and the principle of non discrimination. The ETUC also calls for the implementation of protection measures for irregular migrant workers, including forms of individual regularisation.

- 7.25.** The ETUC proposes the setting up of a supervisory authority under the European Commission to monitor the enforcement of the EU's labour law directives. We therefore propose that the social partners shall have access to filing complaints before such a supervisory authority in cases of failure to comply with the labour law directives in member states. According to this proposal, member states shall be under the obligation to report annually to the Commission on the implementation of the labour law directives and the Commission shall, on its part, annually report on the progress in terms of fighting social dumping in the member states.
- 7.26.** The EU has to offer solutions to the needs of mobile workers. All outstanding questions relating to the cross-border recognition of qualifications and portability/transferability of supplementary pension rights must be settled in concertation with social partners.
- 7.27.** Mobile workers need support and advice, especially on national social and labour standards, in order not to be exploited. The EU has to provide funding for the establishment of contact points for mobile workers throughout the member states and not in the border regions alone.
- 7.28.** Fair mobility and the integration of labour markets should be implemented in border regions as a fundamental objective incorporated into EURES and the cohesion policy 2014 - 2020.
- 7.29.** All EU countries and the Commission should ratify and respect the UN Convention on migrant workers and their families. Progress is urgently required in the gradual harmonisation of social, civil and political rights.
- 7.30.** The European institutions should monitor and ensure the full implementation, by all member states, of the right of asylum and the principle of non-refusal of entry, frequently put to the test by national agreements with countries which do not abide by the Geneva Convention.
- 7.31.** With a view to supporting a process of European social and intercultural integration of long-residing immigrants, based on equality and non-discrimination, the ETUC will further consider the desirability of implementing the so-called principle of "citizenship of residence". This principle would guarantee equal treatment between EU citizens and long-term foreign residents, including social, economic and political rights.
- 7.32.** The ETUC solemnly reiterates its adherence to the values enshrined in the Charter of Fundamental Rights. The ETUC is deeply concerned by – and opposed to – the ideology promoted by populist political parties which advocate, whether openly or indirectly, nationalistic, racist or xenophobic policies, actions or behaviour. Their ideology is utterly opposed to the values which the ETUC actively and constantly strives to realise.

Our commitments

- 7.33.** The ETUC rejects the ideology promoted by the racist or xenophobic parties and will actively combat this ideology, in whatever form it may be expressed.
- 7.34.** The ETUC and its affiliates will continue:
- a. to organise and recruit mobile/migrant workers by offering them trade union membership in the host country and/or recognising their membership of the trade unions of their home country;
 - b. to step up cooperation between ETUC, affiliates and trade unions in the country of origin, to ensure the individual defence of the rights of migrant and mobile workers;
 - c. to work to devise a strategy for the achievement of a sound and viable concept of mutual recognition of membership within the ETUC, in the next four years, and in pursuit of which the Executive Committee will adopt the necessary measures, in co-operation with the member organisations;
 - d. to supply mobile/migrant workers with information, advice and assistance in their country (before they leave it) and/or in the host country;
 - e. to promote integration by the following means: changing attitudes towards migrant workers, solidarity among workers and with their trade unions; social (housing and education), economic, cultural integration; diversity management by means of collective agreements; fight against xenophobia, etc;
 - f. to organise and support actions designed to show the positive contribution made by migrants to European societies and economies, thereby contributing to solidarity and mutual understanding.
- 7.35.** The ETUC and its affiliates will actively combat all forms of trafficking of human beings.
- 7.36.** The ETUC and its affiliates will promote that mobile/migrant workers enjoy equal treatment with other workers in the host country, rejecting entering into agreements which stipulate differently.



Chapter 8 ▶

***Mobilising for a Social Europe:
for health and safety at the workplace***

Introduction

- 8.1.** Each year, according to the International Labour Organisation, some 160,000 workers in the European Union lose their lives as a result of workplace accident or occupational disease. While the number of fatal accidents has been reduced in the last twenty years, the number of deaths from cancer or cardiovascular problems and musculo-skeletal disorders caused by working conditions remains far too high and could be reduced by a better organisation of prevention.
- 8.2.** The least privileged socio-professional categories are the worst hit by the health impacts of dangerous or detrimental working conditions. Those inequalities are caused both by material agents like carcinogens or dangerous equipment and by work organisation. For example, extremely long working hours, schedules subject to frequent change, or problems relating to the demand to combine work, family and private life can take a heavy toll on health, leading in some extreme cases to suicide. The psycho-social factors associated with a more intensive organisation of labour, with certain forms of management, and with job insecurity, are taking an increasing toll on health. Social inequalities in health caused by the working conditions have a cumulative effect during the whole working life. They result in an important gap in life expectancy and life expectancy without handicap between occupational groups when they reach retirement age. In this context, special attention should be paid to workers with disabilities, migrants, young workers and older workers.
- 8.3.** Gender segregation plays an important role in health and safety. It tends to hide the real workload by stereotypes on men and women. A gender sensitive approach is needed in order to improve the prevention and to guarantee a full compensation of all work related diseases. It is essential to foster an approach that combines occupational health and equality policies.
- 8.4.** It is not possible, in matters of occupational health, simply to rely on the play of market forces or the progress of scientific research because these factors generally fail to take account of the long-term impacts of work on health.
- 8.5.** Temporary agency, pseudo self-employment, fixed-term contracts and outsourcing influence wages, labour conditions and information and participation rights of workers. Health and safety at the workplace is negatively affected by these developments.
- 8.6.** In the field of occupational health and safety workers place high hopes in trade unions. The existence of safety representatives is frequently the factor that makes a difference between a bureaucratic and formal application of the legislation and serious implementation such as to promote genuine improvements in working conditions.
- 8.7.** In this respect, the ETUC seeks to increase the influence of trade unions and to strengthen cooperation among their organisations. It is important to develop a strategic and all-encompassing – rather than a piecemeal – ap-

proach, while seeking to strengthen preventative measures at the workplace, such as the labour inspectorate and other forms of prevention service. The current position and role of occupational medicine is alarming in most European countries. There is a shortage of occupational doctors, a scarcity of resources and training, pressures against the independence of those doctors vis-à-vis employers and a commodification of the sector. High quality occupational doctors are necessary in order to provide workers with satisfactory health care at work.

- 8.8.** This naturally entails the need to devise a common trade union strategy on the main issues arising in the occupational health and safety field; but also to mainstream health/safety issues into all ETUC positions on European policies, including, for example, sustainable development, gender equality, immigration, labour market, training, research, and industrial innovation policies.
- 8.9.** In order to strengthen trade union demands on these matters, it is essential to achieve broader alliances in relation to our priorities, and a better coordinated transmission of trade union messages through channels that include demonstrations, institutional representation, social dialogue, scientific expertise, European works councils, and social networks. It is also important to improve and increase support and coordination among trade union actors at European level, in particular among the activities of the ETUI, those of the European trade union federations, of the Luxembourg-based Advisory Committee for Safety and Health at Work, the European Chemicals Agency in Helsinki, the Bilbao Agency, the Dublin Foundation and the European Committee for Standardisation. An evaluation of the ETUC mandates and of ways of increasing our real influence on the content of decision-making will be undertaken in the context of the preparation of a new Community strategy on health and safety for the period 2013-2020.
- 8.10.** The ETUC will not accept the argument that health and safety is an administrative burden for employers. It considers that the objective of the European Union should be a harmonisation on the basis of a continuing improvement of working conditions.

Our messages

- 8.11.** Workplace democracy is essential. It entails both worker representation systems for occupational health and safety matters and real opportunities for collective workplace discussion by workers themselves of their working conditions. European Union legislation should guarantee the possibility for workers to have their own safety representatives present in all workplaces.
- 8.12.** Working conditions and terms of employment are an essential cause of the growing health inequality observable in Europe. It is essential to foster an approach that combines occupational health and equality policies. An adequate health surveillance should be prolonged for retired workers.

- 8.13.** Measures must be taken to combat at source the intensification of labour and forms of management that entail excessive stress levels for workers and improving the working conditions for all staff including professional and managerial staff.
- 8.14.** In accordance with ILO health and safety standards, there is a need to ensure a sufficient number of labour inspectors endowed with the requisite powers and capable of inspecting each workplace at least once a year.
- 8.15.** Systems must be implemented to reduce the incidence of psychosocial factors that endanger the mental health of workers. In the context of socio-psychic risks, special attention must be paid to the prevention of stress at work, and to harassment and bullying in the workplace, for these are problems that entail dire effects on workers' health.
- 8.16.** Measures should be taken to reduce industrial accidents and work related diseases combining the improvement of the legal framework, its enforcement by an efficient labour inspection and the development of independent preventive occupational health services as well as to make progress towards the introduction of a single European system that would allow the epidemiological study of work-related disease.
- 8.17.** Risk assessment should be fully implemented in all the workplaces with the participation of the workers and their representatives. The ETUC will seek to strengthen the role of trade unions in the new European strategy on health and safety at work (2013-2020). It will promote the mainstreaming of occupational health and safety in other fields including technical standardisation.
- 8.18.** It is absolutely necessary to search for alternatives to dangerous chemical substances such as carcinogens, mutagens or those shown to be toxic for reproduction. The arrears of the slow European standard-setting process on occupational exposure limit values must be recovered by extending the best national standards and covering a wide range of dangerous substances.
- 8.19.** Reproductive health of men and women especially at the workplace should be safeguarded. EU institutions should take reproductive hazards seriously into account in their policy-making, especially regarding the prevention of chemical and other hazards that could hinder fertility or be harmful for the development of children.
- 8.20.** In several fields, such as nanotechnologies or environmental challenges, there is a need for scientific expertise to be linked not only to evaluation but also to a genuine social debate on the development of technologies. Adequate regulations should protect the workers' health and public health. Equally important is the analysis of and debate concerning the possible health and safety risks associated with the new technologies used in green jobs, in order to prevent all risks and adequately prepare for transition..

Our commitments

- 8.21.** The ETUC will:
- a. seek to ensure implementation and monitoring of the European agreements on stress, violence and harassment in the workplace;
 - b. continue its action for a form of working time regulation that takes account of the impact of working hours on health and facilitates the reconciliation of work and private life. It will fight for the end of the “opt out” clause and for maintaining the recognition of on call periods as part of the working time;
 - c. continue to support the revision of the Maternity Protection Directive and calls for a period of leave of at least 18 weeks in all Member States (in line with ILO Convention 183 and Recommendation 191), the maintenance of full income, and protection against dismissal during maternity leave, as well as stronger rights after returning to work;
 - d. give priority to the fight against musculo-skeletal disorders which are the occupational health complaint most frequently voiced by workers;
 - e. demand more consistent protection of workers’ personal data throughout the EU, including a European framework of common rules to strengthen legal clarity and certainty, as currently there is not only much variation in the way the European countries provide protection of workers’ personal data, but also in the degree of protection. This topic should be included in the proposed 2011 revision of the general EU Data protection directives. Among the basic elements of the EU legislation there should be a ban for collecting genetic information in the framework of employment relations and a prohibition for employers to have access to individual medical data;
 - f. press for EU legislation to transpose ILO recommendation 200 on HIV-AIDS at work in order to protect workers against discrimination based on perception of HIV status;
 - g. continue its action for a full implementation of REACH taking into account the need of a better protection of workers health.
- 8.22.** The ETUC, as well as the European Trade Union Institute and the ETUC-affiliated organisations, will seek to step up training on health and safety issues and to incorporate this aspect into trade union education in other areas.
- 8.23.** The ETUC member organisations will devote a day to the activity of health and safety representatives during the European Week for Safety and Health at Work, during which different activities aimed at raising the status of union safety representatives would be carried out by member organisations.
- 8.24.** The ETUC will promote common actions each year on April 28 (World Health and Safety at Work Day) for the improvement of working conditions.



Chapter 9 ▶

***Mobilising for a Social Europe:
for a stronger Europe working
for a fair globalisation***

Introduction

- 9.1.** The increase in international trade in goods and services has been accompanied over the last few decades by a major increase in investment flows – attributable to, among other things, the liberalisation of capital movements that gave rise to casino capitalism in the financial markets – and by an internationalisation of production networks. The development of new technologies has enabled improvements in transport systems and in the circulation of information and capital, etc. However, as can be observed, the process of globalisation is neither homogeneous nor linear and developments differ radically from one aspect to another.
- 9.2.** The international division of labour is such that each country or region of the world seeks to exploit its own comparative advantages. However within the international globalised economy growth is very imbalanced. Inequality between and within countries is increasing. Too frequently workers' terms and conditions of employment and improvements in their own and their families' welfare are neglected. Most workers in the world lack the protection of even basic social security. Growing inequality and unemployment, particularly among young people, was a central driver of the revolt leading to the hopes of the Arab Spring that needs nurturing.
- 9.3.** The international race for the cheapest labour cost especially harms the weakest in society, the children. Child labour not only violates human dignity, but also the right to education, and therefore perpetuates poverty and dependency. Although nearly all countries have formally agreed to protect children against exploitation, the reality often is different. For customers it is often difficult to detect the products which rely on child labour.
- 9.4.** According to the International Labour Organisation (ILO), only one in five persons of working age in the world have access to social protection. What is more, the globalisation that is taking place under the control and guidance of major international organisations (WTO, G20, etc.) lacks incisive and coordinated governance in numerous respects of critical importance, for example, as regards financial regulation, the fight against climate change, the efforts to eradicate tax havens, respect of workers' social rights, the struggle to reduce poverty, etc.
- 9.5.** The European Union, given its economic weight and enhanced population following a number of enlargements, should be a key player on the world stage. Member states should extend to it the authority to speak on their behalf in international institutions and to give a lead in promoting good governance in our multi-polar world. EU economic policies as advocated by the ETUC aim at building the European economy and enabling it to face the challenges exacerbated by the current crisis, reinforcing its influence on the world scene. As the labour market becomes increasingly international, we need to ensure that Europe's social market economy is not driven into a downwards spiral by competition based on unfair labour market practices. We must work to avoid nationalist and protectionist reactions and cooperate internationally to help improve working and living standards worldwide.
- 9.6.** Lisbon Treaty stipulates that the Union should seek to advance its values in the wider world, including democracy and peace, the rule of law, the universality and indivisibility of human rights and fundamental freedoms,

respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law. The Treaty has reinforced Community competences and the European Parliament's powers over external trade. The ETUC on behalf of trade unions in the EU expects and supports the development of a united EU foreign policy based on those principles, fully implementing the new instruments for cooperation, democracy and Human rights (the DCI and EIDHR), and using the European External Action Service (EEAS) to promote them. Trade policy should also advance them.

- 9.7.** The ETUC has consistently pressed for the inclusion of social clauses based on ILO and other international standards in agreements in the World Trade Organisation. The WTO should demand the full respect of fundamental labour rights in the production of all goods for world trade and monitor the fulfilment of this requirement in cooperation with the ILO. With the Doha multilateral trade negotiations deadlocked, the EU has chosen to engage in a number of negotiations at regional or bilateral level. In that context, the ETUC insists that there be coherence between trade and investment policy and foreign policy and development and political cooperation in order to enhance development and Decent Work objectives. Trade agreements should include provisions on workers' rights and environmental provisions so as to support minimum rights at world level and not encourage the liberalisation and/or the privatisation of public services. We do not accept the European Union position that it is superfluous to include a social clause in a trade agreement when there exists a Partnership Agreement in which a clause of this type is already to be found. The ETUC considers also that there is a need for stronger monitoring of the agreements on social matters.
- 9.8.** A key ETUC objective is to defend and promote the European Social Model through all our international work, including the building of strong and independent unions and the encouragement of social dialogue. The ETUC supports, and is involved in, the development of cooperation agreements between the EU and third countries and regions. It supports the construction of a strong partnership with our neighbours in the Southern and Eastern Mediterranean, as well as the Eastern Partnership, and with Russia, including a strong social dimension. We are actively involved in inter-regional activities, as part of the Euromed Trade Union Forum; through the Pan-European Regional Council of the ITUC; with African trade unions, mainly through the EU-ACP processes; in the ASEM social dialogue process; and in the Americas at regional and sub-regional level (the Andean Community, Central America and Mercosur) and bilaterally.
- 9.9.** The ETUC has followed closely, and welcomed, fast-moving developments in Southern and Eastern Mediterranean countries, expressing deep hopes for moves towards democracy, particularly in Tunisia and Egypt, at the same time as extreme concerns at the use of state violence against the people, particularly in Libya. It has stressed the need for the EU as a whole to take a lead in finding solutions based on our commitment to freedom, democracy and the rule of law enshrined in the Treaties. Massive unemployment among young people in the region is a central issue that Europe must help resolve, responding to the needs expressed by the peoples concerned. The EU has recognised the pivotal role that trade unions have played and can further take in assisting the transition process and the ETUC has pledged its support for initiatives being taken notably in the area of social dialogue.

- 9.10.** European companies should contribute to fair globalisation wherever they operate and the EU should ensure that they do so, in particular through integrating in its policies international instruments such as the OECD guidelines for Multinational Enterprises and the ILO tripartite declaration on MNEs and social policy and the principles enshrined in the eight fundamental ILO conventions. Employers' duties to Corporate Social Responsibility should also be included.
- 9.11.** The ETUC strongly believes that the defence of the European social model requires active solidarity to promote human and labour rights worldwide, including decent working conditions and fair wages. One of the ways to advance this is trade union action along the whole production and distribution chain in the multinational enterprises, with particular responsibilities falling on the trade unions in the headquarters and in the main subsidiaries. This should be enshrined in International Framework Agreements and Corporate Social Responsibility agreements involving active trade union participation, including the regional and international trade union federations.

EU ENLARGEMENT

- 9.12.** The process of EU enlargement continues and the ETUC supports this as a means of strengthening the EU and promoting democracy and good governance in the applicant countries, as within the EU, while insisting that it should not undermine EU standards and cohesion.
- 9.13.** Congress recognises that a viable and lasting solution to the Cyprus problem will re-enhance peace and stability in the South-East Mediterranean region, underpinning relations among neighbouring countries, Cyprus, Greece and Turkey. Accordingly, Congress welcomes the UN General Secretary's good auspices and supports the negotiations for a comprehensive settlement of the long lasting issue. It recognises the good will and encourages the two Cypriot leaders' continuing efforts and determination to reach a comprehensive, viable and fair solution based upon all relevant UN resolutions and according to the principles and values governing the establishment of the EU.

Our messages

- 9.14.** The EU must assert itself on the world stage to promote its values and its social model, multilateral governance, and respect for the UN Charter and Human Rights Conventions. It should protect those who defend human and trade union rights. EU policies should promote economic and social development worldwide.

The EU should link its development cooperation efforts to the Decent Work Country Programmes and include trade unions (or social partners) in the development and implementation of its development projects and programmes.

- 9.15.** All G20, and in particular European, states should respect international conventions and agreements and should, in particular, ratify and implement fully all up-to-date ILO Conventions. The EU should give full support to the establishment of a universal social protection floor, while rejecting leveling down, in line with ILO Convention 102.
- 9.16.** The EU must take a lead in conflict resolution, particularly in the Mediterranean region, on the basis of United Nations Security Council Resolutions. The EU should not further deepen political and economic relations bilaterally with the Government of Israel, in particular while settlements continue, but should draw up a coherent policy for the region including corresponding advances with Arab states and the Palestinian Authority, accompanied by economic assistance to assist the transition towards democracy.
- 9.17.** All European states should ratify the UN convention on the rights of migrant workers and their families. In the context of developments in North Africa and in extending full and effective support to the democratic revolutions which are now taking place in Arab countries, the EU should maximise humanitarian aid and assistance in resettling fleeing migrant workers in their home countries. Responsibility for policy and activities to deal with migration and refugees from our Southern neighbourhood, as indeed other regions worldwide, should be undertaken jointly and proportionately by all members of the Union in a spirit of fairness and solidarity.
- 9.18.** EU exclusive competence on international trade provides a powerful tool to advance wider policies and must not lead to a watering down of the EU Social Model. We welcome the European Parliament's new powers to exercise a democratic check on trade negotiations, that have to be really transparent and allow a real trade union involvement. The ETUC believes that the non-implementation of a social clause, particularly in relation to human rights and decent work, should be subject to a penalty that may go as far as suspension of the agreement.
- 9.19.** All EU and EFTA trade, investment and aid and development agreements should promote regional integration and sustainable development, and include as essential elements Decent Work and the implementation of ILO labour standards, including that on labour clauses in public contracts, and the environmental safeguard clauses. Dispute resolution mechanisms that do not impinge upon the usual powers of the existing courts should be introduced when these courts lack the requisite independence. They should also apply to the Sustainable Development Chapter, that should be included in every agreement, in line with our view that social rights such as those promoted by the ILO should be treated equally as economic rights such as those upheld by the WTO. Monitoring mechanisms, including trade unions, should be incorporated in the agreements and the social partners should be enabled to lodge complaints, to be adjudicated by independent experts, and receive substantive answers from the parties concerned. We shall take the opportunity of the introduction of a new EU investment regime and the forthcoming review of the EU Generalised Preferences Scheme (GSP) to advance our objectives.

- 9.20.** EU values should also be advanced at the diplomatic level by the European External Action Service which should in particular promote meaningful social dialogue based on strong and independent unions. The EEAS should include social and employment attachés to work towards those objectives, and the ETUC has called for the establishment of such posts in Tunis and Cairo to be given priority.

EU ENLARGEMENT

- 9.21.** Further EU enlargement presupposes that candidate countries fully meet the Community acquis and implement ILO standards. EU decision-making mechanisms should constantly become more efficient and more democratic, in line with their competences.

Our Commitments

- 9.22.** The ETUC will assist in the EU enlargement process, working with our affiliates in Turkey. It will develop the work of the regional trade union integration commission for the Western Balkans and support the trade union reform process.
- 9.23.** The ETUC will continue to press for a fair globalisation, notably in insisting that sustainable development should be at the core of international trade policy, contributing to global decent work and growth. GSP and GSP+ labour provisions should be strengthened and implemented fully by beneficiary countries. The ETUC will especially press to fight against child labour, as the most brutal form of exploitation, and for the right to education all over the world. The ETUC is in favour of social traceability of products as a means of exerting pressure for justice in the context of globalisation, in particular by stressing that sustainable development and human rights (via ILO standards) must be at the heart of international trade policy.
- 9.24.** We will continue to support the development of EU cooperation agreements worldwide, while opposing EU bilateral trade agreements, notably the one with Colombia where murders of trade unionists continue apparently with impunity, that do not meet our essential conditions.
- 9.25.** The ETUC will defend and promote the European Social Model through its international work, directed at EU institutions, through social dialogue at European level, and in direct contacts with partner trade union organisations.
- 9.26.** The ETUC will campaign together with the ITUC for trade union rights globally and in particular for the ratifica-

tion and full implementation of the ILO fundamental Conventions, starting with all European and G20 countries. It will support the highest international standards set in conventions and charters of the ILO, UN and other international institutions. Adequate resources will be provided to carry out this work.

- 9.27.** The ETUC will strengthen relations with trade unions throughout the European continent and promote the European Social Model by actively supporting the PERC and sub-regional activities, such as those in the SEE Trade Union Forum and BASTUN.
- 9.28.** The ETUC will promote and assist independent trade unionism and social dialogue in the Euromed region, in particular in actively participating in social dialogue initiatives currently being installed by the EU, which should provide adequate resources. It will promote constructive work and cooperation in the Euromed Trade Union Coordination ETUC-ITUC.
- 9.29.** The ETUC will also maintain and develop relations with trade union organisations in Africa, in particular through EU-ACP work; the TUCA/ITUC in the Americas at regional and sub-regional level (Andean Community, Central America, Mercosur) as well as the US through the Transatlantic Dialogue and Canada; and Asia, notably in seeking to develop the work of the ASEM Social Dialogue Forum.
- 9.30.** In its international activities, the ETUC will continue to cooperate with the ITUC notably in development work, including through the Trade Union Development Cooperation Network, and with TUAC in particular in relation to the OECD Guidelines for MNEs and G20 initiatives such as on the Financial Transactions Tax. The ETUC will continue to support the annual ITUC World Day for Decent Work on 7 October. It will cooperate with civil society organisations in initiatives that will advance ETUC policies.



Chapter 10 ▶

*Mobilising for a Social Europe:
for a genuine social dialogue at all levels*

Introduction

- 10.1.** In the last twenty years the European Social Dialogue has undergone deep change. Since 1991 (with the Maastricht Social Protocol), the European social partners have been in a position to negotiate, directly among themselves, framework agreements that are subsequently converted into directives by the EU Council (as was the case with the framework agreement on parental leave in 1995, the agreement on part-time jobs in 1997, and that on fixed-term jobs in 1999). They can also negotiate autonomous agreements which have to be implemented at national level according to the traditional procedures and practices of each member state and of the national social partners (as happened with the agreements on telework in 2002, work-related stress in 2004, harassment and violence at work in 2007, and inclusive labour markets in 2010).
- 10.2.** During the second half of the 1990s, the European social dialogue, both cross-industry and sectoral, developed considerably. At this time, starting in 1998, several sectors set up “Sectoral social dialogue committees” (SSDC), adopted large numbers of joint texts, and developed their activities accordingly.
- 10.3.** This possibility opened up by the Treaties to see the European Social Dialogue become the driving force of a social Europe gave rise to great hopes. But for this possibility to become a reality requires the involvement and mobilisation of all actors: institutional actors (European Commission, Council, and Parliament), European social partners (cross-industry and sectoral), national governments and national social actors (trade unions, employer federations, etc.).
- 10.4.** The cross-industry dialogue has undoubtedly entered a new phase and is currently experiencing a very difficult period. The employers, during the last ten years, have gradually refused the idea of binding framework agreements. These difficulties are also present at national level whatever the political tendencies of the governments. The guidelines of European and national policies are all too often leaning towards deregulation and the dismantling of the welfare State.
- 10.5.** The Commission, meanwhile, obsessed in particular with its programme for “better regulation” (now relabelled “smart” regulation which frequently means “less regulation”), has provided ever less input for the social dialogue.
- 10.6.** Furthermore, the general political context is not currently favourable to the development of European social legislation geared to progress or even, in some countries, to the development of a national social dialogue at the cross-industry or the sectoral level, and this represents a major problem for the implementation of certain European commitments (in particular, autonomous agreements). Even the European Commission, in the context of the budgetary crisis in some member states, has launched messages intended to water down the role of the social dialogue at national level!
- 10.7.** As revealed by a recent survey conducted by the ETUC, a majority of affiliates consider at the quality of the content of the texts adopted in the framework of the cross-industry social dialogue has diminished in terms of its legal and

practical effectiveness. And a very broad majority considers that the implementation of these joint texts at national level is patchy and inadequate (this applies also to the agreements subject to article 155§2 of the Lisbon Treaty).

- 10.8.** While dissatisfaction is deep, there is still a strong determination to improve the cross-industry social dialogue.
- 10.9.** This is why the ETUC must mobilise all its energy to relaunch the cross-industry social dialogue in the spirit of the Maastricht Social Agreement. This requires the building of a common trade union vision and strategy, the definition of clear goals and demands for the social dialogue, an ongoing effort to persuade and put pressure on employers, appeals to the European Commission to play its role in the social dialogue (in particular the cross-industry dialogue), a search for support from Euro-MPs and member states, etc. All of this is necessary in order to improve working conditions for all workers in Europe, in particular in the context of the current crisis.

Our messages

- 10.10.** It is important to issue a firm reminder that the European social dialogue, both cross-industry and sectoral, is a tool of solidarity whose primary function is to achieve genuine improvements in working conditions for all workers in Europe. Accordingly, the European social dialogue should complement, and be used to strengthen, existing mechanisms of collective bargaining and worker participation, at different levels, for the expression of worker interests and the improvement of working conditions, as well as improving the quality of employment and should be used for the betterment of the networking with the European federations given the importance of the sectoral social dialogue. This process should take place, what is more, in a context of upward harmonisation and in accordance with the letter and the spirit of the European Communities' founding Treaty.
- 10.11.** The EWCs have a potentially important role to play in the development of social dialogue since they constitute the grassroots source of information about industrial and sectoral trends: their role should thus be improved and better recognised.
- 10.12.** This improvement of working conditions requires instruments, whether collectively agreed or statutory, that must be properly implemented at national level, and in the absence of which the social dialogue would be mere window-dressing.
- 10.13.** The IRTUC are developing relevant experiences and negotiating capacities at "euro-region level", and these should be integrated into the practice of social dialogue as a means of enhancing its effectiveness.
- 10.14.** The Commission must be urged to adopt a more proactive approach to the cross-industry and sectoral social dialogue. Its task is to provide input in the form of proposals for the development of a set of social regulations in keeping with the economic integration of Europe.

- 10.15.** The European-level social partners should be consulted and allowed to play, if they so wish, their role of co-legislators, in relation to all matters of immediate or less direct relevance to workers, according to the spirit and the letter of the Treaty (Article 152 of the TFEU).
- 10.16.** Furthermore, the Commission has also to recognise the importance of the role of social dialogue at the national level, rather than attack it in the name of so-called economic governance. Economic governance which attacks the European social model and collective agreements is totally unacceptable. The ETUC objects to the Commission's intervention in the autonomy of the national social dialogue in certain Member States.
- 10.17.** The development of the European social model at all levels (whether statutory or collectively agreed) is not a "competitive handicap" but, on the contrary, the core of the "social market economy" now enshrined in the Treaty and a guarantee of social peace, worker motivation and productivity.
- 10.18.** This is also why it is important to develop a genuine social dialogue at all levels (national, European, transnational companies, regional, world). A strengthening of worker rights of information, consultation and participation is key to the improvement of social dialogue at these levels. Special attention should be given to extending equal rights to public servants including uniformed personnel..

Our commitments

- 10.19.** The ETUC is committed to ensuring that the European social dialogue will contribute to the upward harmonisation of social rights in a manner that will enable all workers in the EU to benefit from the same social rights. In European social dialogue negotiations, the ETUC will pursue two priority goals, namely, improvement of the working conditions of all workers and the fight against social dumping.
- 10.20.** This strengthening of the ambition of the content of the joint texts must be accompanied by a strengthening of the implementation and monitoring of the texts adopted in the framework of the European social dialogue by means of the creation of a permanent European secretariat of the social dialogue with its own budget and staff. Steps must be taken to ensure that these texts have a real impact on workers.
- 10.21.** The ETUC will make effective use of the new EWC legislation to establish new EWCs and to foster the quality of worker participation as a key element of good corporate governance.
- 10.22.** The right to strike and to organise sympathy action on transnational issues is especially important in enabling unions to act on an equal footing with companies which are in a position to operate freely around the world. Rights to strike are based at present on national constitutions and international conventions, and these are sometimes narrowly interpreted in order to prevent unions from supporting each other in

solidarity across borders. The ETUC will commit itself to developing a strategy for the achievement of this objective.

- 10.23.** The ETUC will campaign for the right for organised labour to take action at the transnational level, specifically for a transnational right to strike.
- 10.24.** The ETUC will push further its claim (under now more favourable Treaty provision) for a specific labour chamber in the ECJ.
- 10.25.** The ETUC will continue to work to amend Council Regulation N° 44/2001 (Brussels I Regulation) on jurisdiction and the recognition and enforcement of judgments by introducing an exclusive forum for labour law disputes related to industrial actions in order to curb the improper use of international “forum shopping” in the context of industrial disputes.
- 10.26.** The ETUC will step up the work inside the ETUC litigation network, taking the next step by deciding upon a litigation strategy for the European trade unions and by starting to actively bring suitable cases to court, via all possible channels, national, European, and international, in order to create a body of case law that is favourable to the interests of workers in the EU.
- 10.27.** ETUC needs:
 - a. to build an ambitious joint trade union vision in relation to all EU policies: industrial policy, competition, internal market, sustainable development, taxation, education, lifelong learning and research, etc.
 - b. to develop joint strategies among the cross-industry, sectoral, European and national levels, as well as within European works councils, in order to ensure that the trade union agenda is given coherent expression in all relevant forums at European level.
 - c. to strengthen the rights of information, consultation and participation for workers in order to improve the effectiveness of social dialogue at all levels.
 - d. to develop and coordinate joint trade union actions including demonstrations and strikes.



Chapter 11 ▶

Mobilising for a social Europe

ACTING ON OUR COMMITMENTS

- 11.1.** The preceding Chapters set down a raft of commitments taken by the ETUC and affiliates in our mobilisation for a social Europe. Here we identify the main means for action at our disposal.

CAMPAIGNS

- 11.2.** The ETUC has conducted a number of campaigns since 2007 with demonstrations being held in a wide range of European cities in the present crisis, and that campaigning focus must be continued to keep up the pressure for the interests of working people and their families to be respected.
- 11.3.** Unionisation is an essential aspect of our action. Organising is not only about recruiting and retaining members. It is a strategy in its own right aimed at empowering workers, mobilising them and campaigning to strengthen trade union power with regard to institutions and employers. The ETUC will support its affiliates' initiatives in terms of organisation and will disseminate information on trade union strategies.
- 11.4.** The Strategy and Action plan calls for enhanced campaigning activities on a number of issues, directed mainly at the European institutions and the employers as well as at public opinion as a means of influencing the political deciders.
- 11.5.** Given their key role, ETUC campaigning activities are under the control and coordination of the Executive Committee and Steering Committee on the basis of the Congress deliberations and working documents submitted to the EC which will decide on the allocation of supplementary and specific resources for campaigning work. In the context of its activities for equal rights, the ETUC is considering proposals for activities from its affiliates. So the ETUC welcomes the proposal (Supplementary Report) from its French and German affiliates, supported by the FNV and ÖGB, for an ETUC campaign for "equal pay and equal rights" linked to current activities which will be pursued in relation to the Social Progress Protocol and the revision of the Posted Workers Directive (see chapters 2 and 7). To this end, the Executive Committee will shortly set up a working group tasked with defining arrangements for this campaign and will, through relevant commitments from its affiliates, ensure a close link between European and national level activities. The Executive Committee will also look again at the possible use of the new Citizens' Initiative provisions of the Lisbon Treaty (ie a petition). This may require specific and additional resource allocation to campaigning work.
- 11.6.** In 2010, many important actions took place in several European countries. Strikes, both general and sectoral, as well as important demonstrations brought together millions of workers. These actions demonstrate the

workers' capability to react to attacks they are subjected to. We should be delighted by these efforts and analyse them to learn useful lessons for the European trade union movement as well as for the ETUC. Moreover, the Euro-demonstrations, promoting European trade union objectives, and the European action days, which objectives also inspired national activities with an agenda of their own, have given us some food for thoughts. What has been achieved is important even though most of our objectives could not be met. However, the scale of the European trade union mobilisation, transnational in nature, failed to prompt a substantial modification of the European policies which have an unprecedented impact on the labour market and on the industrial relations of the EU Member States.

- 11.7.** The ETUC must strengthen its capacity for action at transnational level in order to face the challenges posed by the EU economic governance which is currently characterised by a very conservative approach and has an extremely negative impact on trade union, social and labour issues. This can only be achieved with the active participation of the member organisations. The agenda of the European trade union movement should be integrated in the national trade unions' agendas. We must pursue our lobbying actions with the European institutions, in particular with the European Parliament, and step up the bipartite and tripartite social dialogue. The Executive Committee will invite further thoughts on how to link the objectives and potential for mobilisation at European level with those defined at national level. To establish a satisfactory balance of power, we should promote means of action starting at the workplace and integrate in our debate the concept of "European general strike" together with its feasibility and possible forms. We will fight for the integration into European law of the "transnational strike" concept. Meanwhile, we should examine the potential for European general mobilisations, including strikes and other means of action such as demonstrations, which should coincide both in timing and objectives and always respect the legislation and trade union traditions of each country.
- 11.8.** The media, typically newspapers and radio broadcasting, but also, increasingly, the new media such as the web and social networks, can play a major role during campaigns. The ETUC and its affiliates must increase their ability to make use of these in the context of their campaigns including those related to collective bargaining.

Our commitments

- 11.9.** Campaigns will continue to be a priority for the ETUC and strengthening our hand by initiating campaigns at national level on European issues in support of ETUC priorities will be examined;
- 11.10.** An initial road map on campaigning proposals will be presented to the October Executive Committee. This road map will detail the campaigns' schedule and strategic planning thereby enabling every affiliate to include these campaigns in their own national action plan.

SOCIAL DIALOGUE

- 11.11.** A central raison d'être of the ETUC is to encourage the social dialogue processes at European level and by extension at national level as part of our promotion of the European Social Model, particularly in European countries where Social Dialogue is weak or misused by the authorities.
- 11.12.** This approach is supported by the European institutions, at least formally in their statements. In reality, however, as Chapter 10 describes, this has not been easy when employers have seen little reason to negotiate when the institutions have on the whole met their wishes directly. Nevertheless, valuable joint work has been conducted in relation to its promotion in the newer EU member states.
- 11.13.** There is, however, common ground with the employers' organisations about the need to review and improve how social dialogue is conducted. The new proposals on economic governance envisage a social partner input. In particular this will necessitate that the follow-up and monitoring of the implementation of Social Dialogue outcomes, at European as well as national level, should be improved. There is a need for common negotiation guidelines to establish a European system of industrial relations between social partners.

Our commitments

- 11.14.** The ETUC will continue to operate under the framework of joint work programmes drawn up autonomously by the European Social Partners;
- 11.15.** The ETUC will propose to the employers' organisations to conduct a review of Social Dialogue processes, notably by promoting Article 9 of the Lisbon Treaty to enable the consultation and dialogue of the social partners through the horizontal social clause.
- 11.16.** We will step up work inside the ETUC litigation network leading to a comprehensive litigation strategy;
- 11.17.** The ETUC will continue to work for the creation of a permanent secretariat of the social dialogue;
- 11.18.** We will continue to work for a specific labour chamber in the ECJ

TRIPARTITE SOCIAL SUMMIT

- 11.19. The Tripartite Social Summit (TSS) appears like a stand-alone feature, rather than as part of a process in EU decision-making. Yet its significance is specially magnified in the new Pact for the Euro. As part of the review of social dialogue processes that we will propose to the Employers' organisations, we will seek to enhance its profile and ensure that outcomes reflect proper dialogue.
- 11.20. Its work should be prepared in the Social Dialogue Committee. The draft conclusions should also be prepared in advance of the Tripartite Social Summit (TSS) meetings. The draft conclusions or, at least, the outline of the conclusions should be approved by the Executive Committee before the TSS.

Our commitments

- 11.21. The ETUC will seek, in dialogue with the employers' organisations, to improve the preparation work for the TSS and to ensure that the possible conclusions of the social partners be prepared in advance within the social dialogue process.
- 11.22. The ETUC will work on a proposal aimed at improving the format, composition and preparation of the TSS – so far determined by the Council Decision of 6 March 2003 establishing a Tripartite Social Summit for growth and employment (2003/174/EC) – with a view to strengthening its role in the context of economic governance. The macroeconomic dialogue should also play a more important role in that context.

INSTITUTIONAL TOOLS

- 11.23. In pursuit of its constitutional objectives the ETUC directs its activities towards:
 - a. EU Institutions which include the European Council, separate Council formations, the European Parliament, the European Commission, the European Court of Justice, and the EESC as an EU advisory body - as well as the European Central Bank, that maintains its independence from the EU institutional complex. In addition there are a number of European Agencies on whose governing bodies the social partners are represented (CEDEFOP in Thessaloniki, EUROFOUND in Dublin, EU-OHSA in Bilbao) or whose work is of direct interest to us (FRA in Vienna, European Institute for Gender Equality, EIGE, in Lithuania, ETF...)

- b. European Employers with a view to establishing an industrial relations system through the social dialogue and bilateral negotiations;
 - c. EFTA, the Council of Europe and other Europe-wide institutions;
 - d. International Official bodies when they deal with matters affecting Europe (UN family including the ILO; International Financial Institutions; G20; OECD) in cooperation with ITUC.
- 11.24.** The ETUC cooperates with the ITUC, its Pan European Regional Council and ITUC regional organisations, TUAC, as well as other trade union organisations; and will, on an ad hoc basis, give a higher priority to the work with some European Civil Society Organisations, research centres and think-tanks.
- 11.25.** All these channels provide means for furthering our commitments, while approaches may need to be reviewed in changing circumstances, and the Executive Committee will examine available opportunities.
- 11.26.** Following the entry into force of the Lisbon Treaty the balance of power between the EU Institutions has shifted towards the Council (ie Member States) and the European Parliament (at least on certain issues).
- 11.27.** The pattern however has not yet settled and there are ambiguities about the competences of the various components of the institutional constellation notably in the Commission/Council presidential duo (ie currently President Barroso and President van Rompuy).
- 11.28.** The crisis has led to further realignments, including at constitutional level with Treaty amendment in relation to economic governance. A discussion paper is submitted to Congress for a more in-depth debate.

COUNCIL

- 11.29.** Our activities directed towards the Council should reflect these changes and expanded. It has always been the most difficult to establish links with from among the institutions: it has a small secretariat in Brussels and depends on individual Member States.
- 11.30.** The President of the European Council presents a new focus of attention. Although meetings with the ETUC are relatively frequent, they tend to be reactive to events and the outcomes do not currently fit into an established pattern. As well as formalising those bilateral meetings, we could envisage linking relations with the President to a procedure involving the Tripartite Social Summit and the Social Dialogue process (see above).
- 11.31.** The ETUC has traditionally met with the Council rotating presidencies, but they have less influence since the Lisbon Treaty. Nevertheless they have some value particularly for certain of our affiliates who gain publicity at meetings with their Government leaders holding the EU Presidency.

- 11.32.** Enhanced contacts with presidents of certain Council formations could be of more substantive interest. Various committees that prepare Council conclusions could be given greater attention from our part, notably the Employment Committee and the Social Protection Committee, that have expressed an interest in enhancing relations with the Social Partners. The apparent current subordination of social affairs to the main economic dossiers needs to be taken into account, as well as rebalanced.
- 11.33.** The Council's work in Brussels is led by the Committee of Permanent Representatives (COREPER) and there is a group of social attaches within it with which the ETUC works on an ad hoc basis usually depending on the nationality of the rotating presidency.
- 11.34.** In its relations with the Council, the ETUC depends to a large extent on the activities of our affiliates towards their governments. This should be better coordinated. Affiliated organisations should upgrade their commitment to take up our action requests and to report back systematically. This could be facilitated by the ETUC providing letter templates more consistently and reporting systematically to the Steering and Executive Committees on actions taken and governmental responses.
- 11.35.** Affiliates should also commit to inform and involve the ETUC more systematically when taking region-specific, troika or bilateral initiatives.
- 11.36.** The role of national parliaments in European affairs was also enhanced under the Lisbon Treaty, and this presents opportunities for future lobbying at national level.

Our commitments

- 11.37.** The ETUC will seek to formalise meetings with the President of the European Council; the Presidents of relevant Council formations; and with Council preparatory bodies;
- 11.38.** The ETUC will make more systematic and user-friendly requests to affiliates to approach their governments;
- 11.39.** Affiliates commit to acting on such requests;
- 11.40.** Affiliates will inform and involve the ETUC in relation to specific initiatives.

EUROPEAN PARLIAMENT

- 11.41.** The ETUC has well-established structures and approaches towards the EP, including through the Trade Union Intergroup (in existence since the first direct elections in 1979) that covers a wide range of political parties (the Socialists and Democrats, S&D; the European People's Party, PPE; the Greens; the Liberals and Democrats, ALDE/ADLE; and the European United Left, GUE/NGL) reflecting a diversity among our own members, and allowing a relationship not tied to any political allegiance. On the whole, irrespective of changes in the political complexion of the EP, we find an understanding of our concerns about social Europe not always reflected in other institutions. We have successfully piloted amendments on key issues mainly in the social field, but including wider subjects such as REACH, the Services Directive, Economic Governance, Financial regulation, and international trade.
- 11.42.** However, the volume and range of EP work has increased under the Lisbon arrangements and the ETUC will need to allocate commensurately more resources to maintain links with rapporteurs, produce and follow-up amendments etc. All trade union forces present and active in Brussels, including the ETUFs and Brussels-based representations, should be involved and work coordinated with the ETUC to improve efficiency. A greater co-ordination with the Workers' Group of the European Economic and Social Committee could help achieve this objective.
- 11.43.** Securing the election of candidates with a commitment to Social Europe needs to be a priority in the next mandate.
- 11.44.** Specific proposals are made in the Action Programme in relation to our work in the EP and in the EESC on economic governance and on financial regulation including trade union representation on advisory bodies of the EP and the creation of Finance Watch together with EP and Civil Society Organisations.

Our commitments

- 11.45.** Affiliates undertake to coordinate with the ETUC initiatives with the EP.
- 11.46.** And to prepare a campaign for the next European elections aimed at determining the candidates' level of commitment to a social Europe.

COMMISSION

- 11.47.** Traditionally, the Commission has been the ETUC's first interlocutor among the institutions and will remain so, as it has the monopoly of legislative initiative. The social partners have privileged relations with DG Employment and it still is the key player for us, notably in providing infrastructure (though currently little impulse) for the social dialogue processes. Nevertheless, social policy has been increasingly subordinated to market, economic and financial objectives with negative consequences, including the apparent loss by the social partners of their primary rights to consultation on certain social policy issues. For example minimum wages, collective bargaining autonomy, the provision of services (in the context of the ECJ cases like Laval) and migration issues (single permit, seasonal workers, Intra-Corporate Transfers) have been at least partially removed from their central labour market locus.
- 11.48.** There is therefore a need to increase ETUC contacts with other parts of the Commission, for example DG ECFIN, MARKT etc... (and their lead Commissioners), as well as seek to strengthen the role of DG EMPL particularly vis-à-vis the General Secretariat.
- 11.49.** The President of the Commission is the ultimate authority. Meetings, both formal and informal, are held with him relatively frequently but, like with the President of the Council, a formalisation of the process is needed in particular so that any understandings reached are transmitted throughout the Commission services. The ETUC has consistently pressed for more coherence among Commission approaches, though the ideology prevailing currently does not help plead for this.

Our commitments

- 11.50.** The ETUC will seek to help enhance DG EMPL's influence in the Commission;
- 11.51.** The ETUC will seek to broaden and widen its inputs into the Commission generally;
- 11.52.** The ETUC will strengthen its links with the President of the Commission.

FOREIGN POLICY

- 11.53.** The hybrid status of the EU High Representative/Commission Vice President, at present Catherine Ashton, is currently bedding down, with the European External Action Service just coming into effect. We seek to improve our access to the new structures. We keep pressing for the institution of labour and social attaches in EU posts that would help our international work, among other duties. We also believe that it is important to express ETUC's positions on the external dimension of the Europe 2020 strategy.

Our commitments

- 11.54.** The ETUC will continue to press for the EEAS to cover employment and social affairs issues, including through the establishment of specific dedicated posts.



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