



Strategy and Action Plan

2007 - 2011



European Trade Union Confederation (ETUC)



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Sevilla ¹¹ CONGRESS
2007



European Trade Union Confederation (ETUC)

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„THE SEVILLE MANIFESTO“

adopted at the XIth ETUC Congress, Seville 21-24 May 2007



„THE SEVILLE MANIFESTO“

The ETUC remains absolutely committed to a Europe which is both “more” and “better”; a Europe which is integrated around rights and values including peace, liberty, democracy, fundamental rights, equality, sustainable development, full employment and decent work, social dialogue, the protection of minorities, universal and equal access to high quality public services, and a successful economy which supports social progress and employment protection. Action is also vital to maintain a proper balance between the original Lisbon objectives of growth, environmental progress and social cohesion. This balance will be lost without a renewed commitment to social Europe. And Europe must move to tackle the competition between Member States to lower tax rates, especially corporate taxes, and to cut social and employment protection. Only this way will we stop the slide towards ‘a race to the bottom’.

The Seville Congress is therefore, for the ETUC, a new stage in our development towards an organisation which is stronger, more cohesive, and more influential in benefiting the workers of Europe and the world. Moving on to the offensive needs an organisation which can criticise and mobilise, of course, but can also propose, negotiate, and act. Strengthening European trade unionism and the capacities of the ETUC will therefore be central to the task of making our offensive effective and productive.

An offensive is necessary. The ETUC faces a series of challenges on the political, economic, environmental and social fronts. These challenges are complex. But set against earlier challenges faced with success by our predecessors (including mass unemployment and poverty, the ravages of war, post war reconstruction, establishing peace in Europe since 1945, and the later overthrowing of dictatorships and the re-unification of Europe) we must never doubt our generation’s ability to succeed in our time in overcoming our challenges. So what are they?

In the **political** sphere, there is evidence that enthusiasm for the European Union has declined in some countries, and also of more scepticism about the creation of a stronger, more integrated

Europe. Indeed, to some trade unions, Europe risks being seen as the cutting edge of globalisation's worst effects, whereby jobs are emigrating to cheaper locations, and people are immigrating, often prepared to work for lower rates than the local populations. The result is a developing public mood which is more susceptible to the simplicities of nationalist and protectionist rhetoric than to the more complex processes of strengthening European integration; and there is a mood less willing to recognise that globalisation has benefits, as well as drawbacks.

In the **economic** sphere, unemployment has been high in many countries; and while there have been recent, welcome improvements, many of the new jobs are precarious and low paid. Additionally, real wage growth has been negligible in some key countries. More generally, in nearly all high income countries, the share of wages and salaries in the gross domestic product has been declining. It is also evident that there is a trend towards more and more short-termism among financial investors, with private equity, hedge funds and others treating enterprises, primarily, as vehicles for speculation, rather than investing in new products, new services, high productivity, and sustainable technologies. With macroeconomic policy being contained by the European Central Bank within the current rules for the euro, Europe is struggling to generate growth to match other existing and emerging economic powers in the world.

Environmentally, there is heightened awareness among Europe's citizens of the threats posed by global warming. But to date, the efforts made to combat this by the European authorities do not equal the scale of the challenge. Europe should be in the lead in tackling these problems; in some areas, like regulation of dangerous chemicals, it is. Progress at European level was also made recently on expanding sources of renewable energy. But generally, there are wide variations between Member States and too little concerted action at European level. Deregulation has been a dominant theme of the current European Commission and this has impeded progress on environmental questions.

Social Europe too has been a casualty of the overriding belief in deregulation. Virtually no new legal measures to support European workers have been introduced over the past 4 years. A majority of the Commission, most employers, and some Member States have combined to stop progress on measures such as working time and temporary agency workers. Indeed, at times, some governments have questioned whether there is a social Europe at all, ignoring the 60 or so legal measures which have been introduced already on health and safety, European Works Councils, equality and information and consultation. Instead they have argued that Europe does not need a social dimension, carelessly forgetting the need to win popular support for the project of European integration.

The result is that Europe has been damaged recently. social Europe has been crucial to a successful Europe in previous years. It must become so again and the ETUC's Strategy and Action Plan points the way.

The ETUC plans to go on the offensive on five broad fronts :

For a European labour market with:

- more and better **jobs** and full employment;
- **European standards** in areas such as working conditions, trade union rights, and health and safety;
- Combat and reverse the rising trend towards **precarious work**;
- campaign for rising minimum wages and **real pay increases** for European workers;
- prioritise the elimination of the **wage gap** between men and women;
- fight '**delocalisation**', stimulate negotiations on **restructuring** and provide a stronger framework of information, consultation and involvement, including involving independent experts on restructuring;
- **always** promote equality and gender mainstreaming; always fight racism, discrimination and xenophobia;
- strive for a better framework of **mobility** of Europe's workers based on the principle of equal treatment in the place where the work is done, or the service provided;
- promote a pro-active migration policy, opening legal channels for migration, while combating labour exploitation of migrant workers including undocumented migrants;
- campaign for union rights to take **strike action at transnational level**;
- capture the **flexicurity** debate from those aiming to cut employment protection and unemployment benefit;
- promote better **social protection** and **welfare states** with comprehensive services for minimum income, pensions, health, long-term care, lifelong learning, sick and unemployment benefits, active labour market and childcare; and positive action to handle the ageing population of Europe;
- fight for the strengthening of existing **Directives** on working time (the end to the opt-out), European Works Councils and posted workers, and for the adoption of a strong Temporary Agency Workers Directive.

For social dialogue, collective bargaining and worker participation

- promote a higher quality social dialogue and a European level of dispute resolution;
- more intense consideration of how to develop and co-ordinate **European level collective bargaining**, including at sectoral, cross border, and transnational company levels, and supporting the work of the European Industry Federations;
- strengthen collective bargaining over the borders in Europe to improve each other's bargaining position and end 'beggar my neighbour' approaches;
- develop better conditions for **European Works Councils** and promote **worker participation**;
- campaign for much higher standards of **corporate governance**, based on recognition of the interests of all the stakeholders not just shareholders, and also for more commitment to real corporate social responsibility;
- Expose and combat "casino capitalism" and short-termism more generally, by taxation, regulation and worker involvement.

For more effective European economic, social and environmental governance including

- give new life to the **Lisbon Strategy** and redefine urgently its terms of reference and place in European construction;
- develop a macroeconomic policy framework which encourages **growth** and **innovation**, uses a higher inflation target and aims for an exchange rate which is more growth friendly;
- promote effective **co-ordination of taxation** policies;
- allocate a **bigger European budget** especially to help with enlargement and solidarity between regions and countries;
- build stronger **public services** within a new European framework;
- develop **industrial and innovation strategies** including sustainable technologies, high productivity, a highly qualified workforce, recognition of the enduring importance of European manufacturing, major spending increases on research and development, and a better regulation agenda based not only on economic, but also on social and ecological criteria;
- promote a **more sustainable Europe** through 'smart' growth strategies, different production and consumption patterns, and meeting the Kyoto targets on carbon emissions; and make **environmental and energy related issues** part of the mainstream trade union agenda.

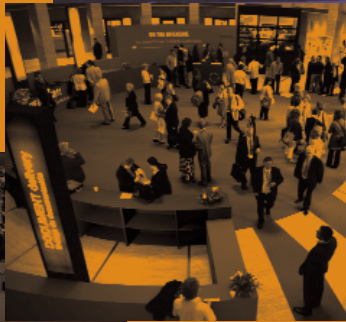
For a stronger EU with

- a defence of the substance of the **constitutional treaty**, especially the Charter of Fundamental Rights, and the trade union rights to organise and to strike;
- a positive approach to **enlargement** towards the Balkans and Turkey based on full compliance with the requirements of EU membership and with fundamental rights including trade union rights; **generous neighbourhood policies** to the east of Europe, and in the Mediterranean; and co-operation with the other regions **of the world**;
- an approach to **trade** which includes respect for rights and ILO standards, promotes jobs in Europe, opposes the use of trade to promote aggressive liberalisation in developing countries, and seeks more coherence between trade policy and development, social and environmental objectives;
- an external policy based on defence of **peace**, adherence to the **UN** and its constitution, respect for the rule of law, the use of 'soft' power to promote democracy and human rights, and total condemnation of terrorism;
- the development of a genuine EU Common Foreign and Security Policy.

For stronger unions and a stronger ETUC

- develop a strategy of **organisation** to help affiliates increase the numbers of members;
- construct a **stronger ETUC**, more able to lead campaigns and to promote more solidarity;
- work with the ITUC and its Pan European Regional Council, and also with the Global Unions Federations and TUAC, to build a trade union organisation which is more cohesive and influential in the world.

1. ON THE OFFENSIVE



1. Why on the offensive?

1 The ETUC is convinced that Europe's social model (strong welfare states, social security, collective bargaining, public services and labour standards) is not only essential for its own sake, but is a source of competitive advantage. It guarantees solidarity; it cushions the adverse impact of change; it encourages responsible enterprise, and promotes stable and quality employment opportunities. The European Social Model is a model to defend at home; and to promote throughout the rest of world. That model of a social market economy, however, is under attack by those whose neoliberal concept of growth relies increasingly on cheap labour with limited social protection and increased social exclusion. The ETUC, however, seeks vigorously to promote the *social-knowledge economy and society* as the most effective way of increasing resources, is more considerate ecologically, enables to the largest extent the promotion of innovation, and provides more equal access to education without social selection. Reforms attempted through a restriction of public expenditure on social security, often combined with low taxation and cheap labour policies, prevent knowledge-based modernisation, the implementation of the genuine Lisbon Strategy, and the expected enhancement of the EU as a force capable of making European integration and globalisation serve all people.

2 To rout the critics and the apologists for neoliberalism, the ETUC is mobilising to take the offensive to make the case for a European Union which:

- recognises the role of the trade union movement in representing millions of workers, in improving the quality of work and life and in supporting the construction and greater integration of a Europe with these values.
- Guarantees a strong social dimension at all levels, including trade union and workers' rights and social dialogue – that is the heart of our mission.¹

¹ See Annex 1: Congress Statement on Pay

- Promotes peace, liberty, democracy, fundamental rights, equal rights and treatment, environmental consciousness, sustainable development, full employment and quality work, the protection of minorities, universal and equal access to high quality public services, and an economy that supports social progress.

3 Social progress in the EU has not kept pace with the developing single market and the objective of social upward harmonisation, enshrined in the Treaty of Rome, has not been accomplished. As the EU has pushed forward the single market striving to remove barriers to competition, pressing to promote the free movement of goods, services, capital and labour – so it risks becoming seen as more of a threat than a force for progress. The result of the failure to ensure that social progress keeps up is a discernible loss of support for the European project in some countries and a rise in protectionism, nationalism and xenophobia.

4 European social, political and economic integration has never been a straightforward process. This is not the first difficult period, nor will it be the last. But there is growing doubt about the desire and ability of Member States and the Commission to take the needed next step in pursuing European integration. Enlargement will be seen as a great success but moves to deepen European integration are not making the same progress as the moves to widen the EU – as the current problems with the proposed EU constitutional treaty demonstrate.

5 Now the ETUC is moving on to the offensive. The Congress in Seville is launching initiatives for a Europe which is more successful socially, politically, economically and environmentally; a Europe which is fair, solidaristic and gender balanced, at home and abroad; a Europe which can maintain and develop fundamental, civil and human rights while handling successfully the undoubted challenges of globalisation; and a Europe which can give confidence to citizens and workers that change can be better than the status quo. The way forward is to aim for ‘more Europe’.

Europe’s strengths

6 Europe remains the region of the world with the highest proportion of the workforce in trade unions, with strongest welfare states and public services, with universal democracy and with the social well-being and fundamental rights of its people at the centre of its political, social and economic life. The EU is also an integrated area made up of 27 countries and 493 million inhabitants with a single market. This gives Europe huge economic and trade potential.

7 The European Union has been a vehicle for solidarity across the continent, providing a framework and concrete policies to enable the less developed countries to grow at a rate well above the European average. At the same time, countries that are already members of the European Union have benefited from developments linked to enlargement which have generated new wealth for the entire EU. Enlargement has required - sometimes painful - adjustments but in general, it is clear that the process is working. European integration, despite its limits, has allowed new Member States to significantly diminish the gap in prosperity with EU15 members. By virtue of its political, economic and cultural dimensions, the EU is a geopolitical project that serves as a benchmark for progress, solidarity and peace across the world. It can point to encouraging trends towards equality and economic and social cohesion in today's globalising world.

8 But there can be no grounds for complacency. Unemployment remains far too high; many of the new jobs created are precarious, without any security; economic growth is too low on average and in many, though not all, countries, the average age of populations is rising as a result of (welcome) improved longevity combined with low birth rates; there is lack of equality between men and women, and the lack of work-life balance; social exclusion and inequalities in distribution of income and wealth are increasing. Many Europeans are bewildered by globalisation and are concerned that jobs are emigrating to countries where costs are lower.

9 At the same time, European trade unions themselves have to address some tough issues. Membership is down in some countries, often following declines in employment in manufacturing, an area of traditional strength. The working population is now more diverse and the plurality of situations and needs represents another challenge for the European trade union organisations. We must incorporate their demands into our trade union action and organise the private services sectors, small and medium-sized businesses, women and younger workers, as well as subcontractors, temporary agency workers, independent economically dependent workers, well educated intellectual workers, migrants, students and the precariously employed, the self-employed without personnel and workers from ethnic minorities. The ETUC aims to go on the offensive to help organise the unorganised.

10 The ETUC will also defend the European Social Model. This is affected by competition between Member States and by globalisation. Fiscal competition and the threat of a downward harmonisation of social systems in EU Member States go against the European Social Model and upward social harmonisation. Our trade union strategy must respond offensively to these issues which otherwise can lead to a downwards spiral in the social field and to social dumping in the Member States.

11 And the challenges go wider. Many in the worlds of business and politics are questioning whether Europe has a distinctive social model of its own or whether it is just a collection of separate models. This is despite the 2002 Barcelona Council defining the concept of social Europe as including social dialogue, access to public services, social cohesion and poverty reduction. The view that there is no social model in Europe is used to try to contain social policy in Member States and to justify the claim that there is far less appetite in the EU for Europe-wide social and employment regulation than there was 10 years ago. The current emphasis, instead, is on deregulation, cutting red-tape, and removing barriers to the single market. These carry the risk that employment standards could be threatened by measures designed to promote the free movement of labour; and there are at least three current cases in the European Court of Justice where this principle is at stake. Some employers are questioning the social dialogue, rejecting collective agreements and seeking to bypass and sometimes combat trade unions. The total application of basic labour rights in the world is a necessary condition to consolidate our European Social Model.

12 There is the challenge, too, posed by global warming and the need to make economic growth sustainable. The scale of this challenge and its potential social consequences are now much more widely appreciated. Our aim is to go on the offensive for “smart” growth, by raising investment in education and training, research and innovation, and for Europe to become a major science centre of the world, at the leading edge of creative work, combining full employment and strong welfare, and sustainable production and lifestyles. Europe must do all it can to build a world that is protected and improved for future generations.

13 These are objectives threatened by the ever more short-term pressures being applied by financial investors, of which hedge funds and private equity operators are the most visibly rapacious. They are using traditional companies as vehicles for speculation rather than promoting growth through investment in new technologies. This new “casino” or “locust” capitalism is a threat to secure employment, to sustainable development, to innovation and to the trade unions’ ability to negotiate. Casino capitalists have no interest in social dialogue and social partnership, or in tackling the adverse consequences which arise from the excessive remuneration levels of top managers. The European Union must ensure that it sets genuine regulation of the financial markets as a priority. More globally, whatever the nature and origin of the capital financing economic activity, there is an urgent need for regulation based on European and international regulations on the one hand, and on the other hand on the capacity for trade union involvement in companies. The point of these regulations is to redress the balance between the interests of the employees, the companies and the investors. Companies’ sense of social responsibility and the necessity to take sustainable development on board in their strategy must lead to a new corporate governance at European level.

14 The EU's Lisbon Strategy is not working properly. The balance between the initial objectives of growth, environmental progress and social cohesion is being lost. The measures implemented have never been consistent with the objectives. Consequently, social models are forced to compete with each other. The ETUC believes that the Lisbon Strategy has to be achieved in its original structure and objectives to allow Europe to reach its full potential for growth. However, the contents must no longer be ambiguous. The EU must agree on the meaning of the strategy, the social, societal and environmental content of a development strategy and the measures and responsibilities that must be shared.

Our Plan

15 At Seville, Congress decided that the ETUC will go on the offensive for a stronger social Europe, greater social progress, with stronger unions, more collective bargaining and worker participation, for more solidarity among Europe's workers and unions, and for sustainable development across our continent. The ETUC will stimulate institutional action, social dialogue, collective bargaining and the mobilisation of European trade unions in order to obtain and guarantee fundamental social rights and their general and real application throughout the European Union. The ETUC will be taking the initiative with new strategies, new campaigns, and improved organisation going well beyond monitoring and reacting to initiatives of employers and European institutions. The ETUC will launch its own initiatives, in particular in cooperation with the International Trade Union Confederation (ITUC) to face the many and varied challenges being experienced by Europe's workers. Seville will be a further stage in the development of the ETUC towards a stronger, more cohesive, more influential trade union organisation for the benefit of Europe and for the working people of Europe and the world.

For stronger trade unions

16 The processes of economic and social globalisation must have an attentive and proactive trade union movement which combines autonomy with an ability to criticise, propose and act.

17 Trade unions must not be limited to simply playing a role in the management of the social consequences of restructuring operations, but must also play a "proactive" role so that such operations can be anticipated, managed, prevented, and combated when necessary. We must move from a defensive strategy to an offensive one.

18 The ITUC's action programme contains a pledge to *'build a trade union movement based around social transformation, opening the way for globalisation which will be to the benefit of all'*. We must show that this ambition is feasible in Europe, the birthplace of free trade unionism. European trade unions must show great commitment and take more effective action as part of the creation of an EU that plays a role in regulating globalisation. Otherwise efforts towards achieving or making progress towards fulfilling these objectives will be compromised. European trade unionism must be a genuine mechanism through which the ETUC organisations can take action to achieve positive European policy results.

19 European trade unionism must act as the tool of ETUC member organisations and European employees in order to obtain results in what we expect of Europe, in particular in its social policies. The ETUC must reach positions common to all its member organisations in areas which constitute a common base in all Member States:

- strengthening systems of industrial relations and negotiation in order to reinforce labour rights, rules and protections of jobs and salaries;
- improvement of social protection, health and retirement systems which, whatever the institutional differences between one country and another, make up our social model;
- development and improvement at national and at the European level in firms and branches and on a global plan, of negotiation and worker participation;
- recognition of transnational trade union rights.

The ETUC and its member organisations must organise mobilisation at national and European level with the employers, and the European institutions, to obtain results for the whole of its action programme.

20 More directly, the ETUC needs to address the question of falling trade union membership. Trade union density has fallen during the last 20 years in most European countries. This fall is particularly marked among the new Member States and this underlines the importance of investing more in developing independent representative trade union organisation this region. But the decline has been serious also in the EU15. Trade unions now represent a smaller proportion of the employed workforce in Europe than at any other time since 1950. Involvement of under-represented groups, such as young people and migrant workers is crucial in the survival of the trade union movement. The membership of the trade unions should mirror the working population in general. Therefore, these groups should be a continuing point of interest in trade union policy-making.

21 Organising and recruitment are clearly the task of national unions but the ETUC has a role to play in encouraging and supporting activities, policies and exchanges between its member organisations. With trade union density generally having fallen for two decades, the strategy of reclaiming lost ground should be serious, long term and committed. It is important for trade unions to explore the reasons for decline and set out strategies for how to regain and increase membership, and pay special attention to women, youth, migrants and precarious workers. The employment rate of women and the number of women organising in trade unions is increasing. The trade unions must adjust their structure and activities to meet this situation and to increase the number of women in senior positions. The trade union movement needs to strengthen its presence at the local level. At this level, unions can build community support and test innovative approaches. ETUC-affiliated organisations therefore need to exchange information on successful local strategies.

22 Ultimately, support and membership is not only a question of organising but also of improving workers' representation and developing collective bargaining and social dialogue at all levels, and particularly at the base, including in SMEs, and also how we combine policy with action. The issue will not be successfully resolved without the creation of an agenda (and representation) that takes into account the issues with which workers are confronted in the different sectors.

23 ETUC member organisations commit themselves to an increase in membership over, say, the next 4 years with a view to a significant increase in the level of European trade union membership. Member organisations will be invited to prepare action plans, preferably on a unified national basis which explicitly take into account the gender dimension, to map out how achieving membership growth is to be tackled. Work is already going on to assist affiliates with the planning of campaigns and sharing good practices to boost membership and organisation but this work can be made more systematic and concerted.

24 ETUC support will include:

- developing exchanges of best practice and establishing an ETUC organising network, supported by web resources to link organising officers across Europe;
- increasing training for organisers; including boosting campaigning skills and implementing gender mainstreaming;
- supporting efforts to incorporate and organise groups new to the labour market we urgently need to organise such as the young, workers in the services sector and in small and medium enterprises, migrants and cross-border workers, precarious workers, professionals and managerial staff, certain

transnationals, self-employed without personnel, and on a cross border basis, comparing good practice on methods of support and recruitment of candidates for worker representation at company level in the framework of the transposition of Directive 2002/14, with special attention to practices in SMEs;

- addressing the representation gap of women and other under-represented groups and promoting their visibility and role in decision making at all levels.

25 In addition, the ETUC commits itself to a “State of the European Unions” exercise every two years, starting with a special discussion at the ETUC Executive in spring of 2008, which will explicitly address the gender dimension.

26 As part of this work, the ETUC is also evaluating the Trade Union Charter adopted at the Helsinki Congress and exploring how to breathe fresh life into it. How we support migrant workers by offering special membership arrangements on a basis acceptable to unions in the original country is an issue for consideration at the Seville Congress. The current European developments in the economic and social area demand the development of cross-border solidarity in order that the rights of workers are guaranteed and defended irrespective of their national trade union affiliation. We commit ourselves to follow up the resolution of the Helsinki Congress by generalising cooperation and mutual assistance agreements which defend the right of workers. Notwithstanding other forms of cooperation, this ambition calls, if necessary, for a modification of statutory bodies of the affiliates of the member organisations of the ETUC. National confederations play a key role in this respect.

27 An important extra initiative is to explore with affiliates the scope there is for securing more public policy support against repression of trade unions and for trade union membership, without interference and preserving trade union independence. In some countries, union membership fees are tax deductible, either wholly or in part (like the fees of professional associations). As the value of trade unions is recognised in public policy and in the European treaties, can this become a Europe-wide initiative? And, additionally, workers’ education and training offered by unions also deserves and should attract support from the public authorities.

For a stronger ETUC both at EU level and at national level

28 The ETUC must be able to mobilise European trade unions to act in solidarity. The economy is improving and unemployment falling. Conditions are getting better for union strength and the ETUC

must be in a position to take advantage. That solidarity was crucial to the successful campaign against the proposed “Bolkestein” Directive and has been a factor in the campaign to save the VW plant in Brussels. Solidarity – European and global – is our central task.

29 Relations with all main groups in the European Parliament are constructive. It is also vital to strengthen our influence on all European institutions, including the Commission and the Parliament. We want to invest more resources in this work and be better placed to combat the lobbies influencing policy. It is also important to strengthen our capacities in relation to Single Market law. This is increasingly a major battlefield and one where the trade union expertise is limited (say, compared to labour law). Working closely with national affiliates is also clearly vital. Priority strategic issues need to be defined regularly by the Steering Committee to ensure a sharp focus on a few key questions.

30 The ETUC must also play its full part in developing world trade unionism by supporting the work of the International Trade Union Confederation, this exciting new development agreed at the founding Congress in Vienna in November 2006. This work necessarily includes providing the base for the Pan European Regional Council which will be the central instrument for developing cooperation between the ETUC and national centres in European countries not represented in the ETUC but it must also enhance relations with trade union movements on the ETUC’s southern borders and in the wider world (See Chapter 5). The ETUC is committed to collaborate actively in the preparation of the World Trade Union Day of Action, for the real and universal application of fundamental labour rights and to achieve the Millennium Goals, approved at the founding Congress of the ITUC. The participation in the “Open Games 2008” campaign promoted by the “Open Games Alliance” for the 2008 Olympics in Beijing also constitutes a good contribution towards global trade union mobilisation.

31 Within Europe, the 42 interregional committees (IRTUCs) are proving their value as effective cross border institutions. The relevant national trade unions should attribute greater importance to the work done by IRTUCs. They play an important role with respect to regional development and participation in the various Euro-regions and contribute decisively to managing changes and to improving the quality of labour markets in cross-border regions. Programmes supporting trade union activity in the ultra peripheral regions must be strengthened.

32 The ETUC will work (supported by the ETUI-REHS and Social Development Agency), in cooperation with the ITUC, the Global Unions Federation and TUAC/OECD, and with national and regional trade union organisations worldwide with a view to constructing a social dimension including decent work, sustainable development and human and trade union rights to the various EU trade, coopera-

tion and association agreements. This relates not only to trade talks and the inclusion of core labour standards, but more widely to a social dimension the reference point for which is the EU Charter of Fundamental Rights, with social dialogue as a key instrument to promote this dimension. It will also include a campaign and joint work on “casino” capitalism.

33 Stronger unions and a stronger ETUC are a necessary pre-condition for carrying out the strategy which follows. The following chapters of this Action Plan detail the steps that the ETUC proposes to take, and to press Europe to take, to develop European integration in a wide range of spheres.

ACTION POINTS:

The 11th Congress commits the ETUC to:

- promote a stronger, fairer, more successful Europe with an effective social dimension, which includes gender equality;
- remind continually the people of Europe about the strengths of the EU while working to correct its weaknesses on unemployment and in the face of globalisation;
- develop a trade union response to global warming based on “smart” growth, innovation and R+D;
- expose and combat by taxation and regulation the actions of the “casino”, short-term capitalists;
- inject new life into the Lisbon Strategy;
- work with the ITUC, and also the Global Unions Federation and TUAC, for a more cohesive, influential trade union organisation for the world;
- actively participate in the preparation of the World Trade Union Day of Action launched by the ITUC, as well as in the “Open Games” campaign in the 2008 Beijing Olympics;
- develop an ETUC organising strategy designed to help affiliates lift membership levels of women and men, young people and migrant workers;
- address the representation gap of women and other under-represented groups in the structures of trade unions, and promote their visibility and role in decision-making at all levels;
- build a stronger, more campaigning ETUC to promote greater solidarity, which takes into account the needs and demands of European workers in the 21st century.²

² See Annex 1: Congress Statement on Pay

2. ON THE OFFENSIVE:



For an emerging
European labour market
with a strong social
dimension

For an emerging European labour market with a strong social dimension

1 The ETUC's ambition is to see Europe grow both in social and economic terms, to be able to manage and shape globalisation, to the advantage of workers both in Europe and other regions of the world, to complement the single market with the necessary social dimension, to promote freedom and democracy, to exert influence on the side of peace and solidarity in the world and to counter the trend towards "casino capitalism". For this a strong social Europe is vital.

2 The achievements so far are not marginal matters. The EU has built up a considerable body of social legislation with health and safety, equal treatment and non discrimination, posted workers and information and consultation at its core. The current Social Dialogue programme looks to strengthen our work on crucial questions such as restructuring, free movement of labour, training and violence at work. But the ETUC wants a more vibrant social Europe with greater unity and cohesion.

3 In addition, Europe is gradually evolving, under its treaties, into a single labour market (based on a variety of evolving cross border labour markets) with a free movement of labour around the 27 EU Member States (plus the European Economic Area countries and Switzerland). As much as the single market is an EU competence, creating order in it for all cross border situations of cross border working, be it on the basis of free movement of workers or free movement of services, should be the logical counterpart of it. A single labour market needs a supportive framework of rules about upward harmonisation of working conditions, trade union rights, welfare, health and safety etc., including clear rules regarding respect for national social and industrial relations systems. Otherwise standards in one country will be threatened by lower standards elsewhere – "social dumping". Full employment must be a central objective of economic policies.

4 Therefore the ETUC puts social Europe at the heart of our manifesto - a social Europe that provides security and helps workers handle change, a social Europe that provides more and better jobs

and equal opportunities, and a social Europe that guarantees fundamental rights by including the EU Charter of Fundamental Rights in new constitutional treaty arrangements.

The challenges for Europe's labour market

5 In recent years, Europe's labour markets have undergone major changes, with a shift from industrial and/or agricultural economies to service economies, a shift towards more individualisation, a feminisation of the workforce, increased cross border mobility within the enlarged EU, and considerable migration flows from outside the EU. This is putting major pressures on male and female workers and their families to adapt to rapidly changing circumstances, in a context of demographic ageing societies.

6 Although unemployment in the EU25 has declined to around 8% since the turn of the millennium, this is still unacceptably high. And this average figure conceals much higher rates for certain labour market groups - especially young people, immigrants and the elderly on the labour market - and also regions. Employment rates have been creeping slowly upwards, faster for women than for men, but too slowly overall to achieve the Lisbon employment targets on current form by 2010. Whether these positive trends will continue will depend largely on whether the current economic upturn can be sustained, and thus, alongside global developments outside Europe's control, essentially on appropriate macroeconomic policies.

7 Over the last years non standard forms of employment have increased further and the trend towards precarious employment has accelerated. Almost one in five workers in the EU now has a part-time job, and around one in seven a fixed-term contract. It is true that on average part-timers work around half of standard full-time hours in most EU countries. In several countries part-time work is well integrated into the working culture by the effect of the labour laws, social security and/or fiscal policy. Part-time work is then a voluntary choice of workers who adapt their working hours to their needs to reconcile work with care for children and other dependants, and their personal needs. However in many countries women especially work part-time because no full-time jobs are available, or the choice to work part-time can reflect an absence of good-quality collective childcare but is also the only way to increase low pay, linked to work allowing decent living conditions for the worker and his/her family (several part-time contracts adding up to more than a full-time job). Pay and fringe benefits tend to be lower for part-timers, and some contracts are clearly exploitative, with short and irregular hours (zero hours contracts) and very low rates of pay, and often combined with

a fixed-term contract. The rise of fixed-term contracts is worrying as an indefinite contract is important in gaining security and the ability and motivation to invest in training and generally enjoy decent living standards. Worse, for many workers a succession of fixed-term contracts has become a 'permanent' situation. It is important that open ended regular contracts remain the norm if decent work and quality jobs are to be maintained. There should be a limit to the repetitive use of fixed-term contracts, and 'atypical' work such as temporary agency work should be covered by regular employment law and social security regulation.

8 Another feature of precariousness is the trend towards bogus self-employment, in which employers avoid their obligations to workers by redefining 'dependent' workers as 'independent' service providers. Workers pay the price in the form of few or no social benefits. Also, agency work and work via subcontractors is on the increase, under often not very transparent legal arrangements and often not covered by collective agreements, providing workers with little social and labour protection, and creating situations of unfair competition threatening labour standards in user enterprises. As with unemployment, precarious work tends to be concentrated among vulnerable groups: young people, women and migrant and older workers, and is leading to increasing numbers of 'working poor'. But also university graduates and young professionals are increasingly faced with insecure labour market perspectives, in the form of short-term contracts, imposed self-employment, excessive mobility demands, etc.

9 Bogus self-employment is another feature of precariousness and should be eliminated. However a clear distinction must be made between bogus self-employment and self-employment as a personal choice and preference. The increase of self-employment is a recent development, but probably a permanent feature of the modern labour market. Therefore the ETUC will develop a trade union response in order to recognise the specific needs of this group of self-employed without personnel, such as a provision for disablement and affordable pension rights.

10 Wage trends make depressing reading both in the aggregate and regarding wage structures. Overall, real wage growth in almost all countries lags behind productivity growth – itself sluggish. As a result the overall distribution of national income shifts from labour to capital. Even with inflation low, real wages have been rising painfully slowly, and in some cases have declined. More recently wage growth in the new Member States has, however, accelerated significantly, ushering in a process of converging living standards. Moreover, the downward pressure on wages is strongest at the bottom: minimum wages have often failed to keep pace with average wage growth, widening the gap between low-wage and average-wage workers, with many low-wage workers being women, and exac-

erbatating the problem of 'working poor'. In addition, the wage gap between men and women, on average being 15% in the EU, is persistently high in some countries and overall does not show signs of decreasing. Therefore, the ETUC will fully support the bargaining campaigns of affiliated trade unions to conclude higher wage deals, in particular in countries where wage moderation has been excessive. The economy needs higher wage growth to support household consumption and to turn a short-term export/investment-led recovery into long-term and self-supportive growth.

11 An important recent development is the increase in internal cross border mobility within the EU, especially since enlargement in 2004. On the one hand, it should be noted that in no EU15 country (except Luxembourg) does the number of non-nationals from other EU countries make up more than 5% of the working population and the majority of these are still from other EU15 countries, not from the new Member States. But we should not forget that as long as the countries of the two last enlargements do not achieve a level of economic and social development close to European norms, the mobility of their workers has more to do with migration than exercising free movement. On the other hand, in relatively fast-growing economies in Western Europe (IRE, ES, UK, but also in Germany) there has been a substantial influx of workers from the new Member States. Although there is an overall positive assessment about the contribution these workers make to the receiving countries' economies, there are strong concerns as to the conditions under which these workers are often employed – with sometimes exploitative working conditions - and the negative side effects caused to labour markets of receiving countries such as unfair wage competition, or of the countries of origin, such as labour market shortages, brain drain and youth drain.

12 One of the key drivers of these and other changes is the gradual emergence of a pan-European labour market, which, despite the imposition of transitory measures by most EU15 countries, took a major step forward with enlargement in 2004. As of 2007 most countries will have reduced restrictions on the free movement of workers, and by 2011 all countries must have completely abolished such restrictions, which clearly shows the need for urgent action to provide for a proper legal framework at national and European level to accompany increased worker mobility. Moreover, even if cross border mobility of workers is quantitatively still rather limited, services and capital can also move. The mobility of workers, especially in the framework of the provision of services – has led in some countries, regions and sectors to labour market problems and to pending legal disputes on the appropriate legal or, in particular, collectively bargained conditions to be applied. Especially in the border regions, increased cross border provision of services and cross border agency work have led to precarious working conditions, lack of respect for collective agreements and social dumping, which have very negative effects for the socio-economic development of those regions. The relocation of pro-

duction – or the threat of it – has been a powerful factor for industrial restructuring, job losses and concession bargaining by unions in some sectors and countries. At the same time, these forces – if properly managed and if offering proper employment opportunities to workers – may help to raise living standards in the wider Europe.

13 More generally, globalisation has tended to shift the balance of power away from labour and towards capital. This is certainly holding down wage growth, and gives employers a lever to impose demands. Globalisation may also be behind pressures to cut taxes and government spending, including on vital areas such as active labour market policies. The pressures of globalisation are exacerbated by bad governance, and the rise of corporate interests dominated by (or driven by the fear of) financial capital. Hedge funds and private equity funds, in particular, in their search for high short-term returns are pressing workers and unions for concessions and destroying established trust-based industrial relations practices.

14 Closer to home, longer-term trends, such as rising educational levels, rising labour market participation of women and demographic changes will continue to make their effects felt. The trend to increased employment in services, especially household and care services, in place of previously unpaid work in the home, can be expected to continue. Meanwhile demographic changes are driving a need to make policy changes, not only regarding pension systems and family policies, but also in the world of work: lifelong learning and health and safety at work being key areas.

15 Against this background the challenges facing trade unions in Europe are both clear and demanding:

- To call for and contribute to policies on sustainable growth and quality employment, and lead to a lasting and substantial fall in unemployment and underemployment, not least for women, young people and immigrants.
- To insist on respect for the ILO standards (conventions and recommendations), the EU Charter of Fundamental Rights, and the right of all workers on European territory (including workers in the informal economy), without any discrimination, to 'decent work', work that meets international minimum standards established at European and national level in terms of workers' rights, including pay, working conditions and hours, health and safety, social security etc.
- To campaign for a framework of rules, including transnational trade union rights, that make the emerging European labour market one in which freely chosen mobility and migration raises incomes and living standards for all Europe's citizens and workers.

- To provide all concerned workers with the possibility to enjoy social shock absorbers during transition from one job to another, in order to reduce unemployment periods to a strict minimum.
- To call for the definition by all countries of national policies aiming to implement Recommendation 198 adopted in 2006 by the International Labour Organisation on the scope of the employment relationship, with trade unions' participation.
- Demand that, in all Member States, stable and long term employment opportunities are filled by workers with open-ended contracts, and not by workers on a series of fixed-term contracts.

Greater equality whilst respecting diversity

16 The working population all over Europe is changing: and perhaps the most visible feature is the feminisation of the workforce, which has profound effects also on family patterns and societies. In addition, increasingly the labour market is becoming multicultural, challenging the integration capacities of communities. The worker in industry, who was the stronghold for trade unions for a long time, is becoming increasingly rare, with workers in services, many of them women and/or workers from a migrant or ethnic minority background – with part-time or fixed-term and often precarious jobs - taking over. Labour market institutions and policies will have to adapt. 59% of students attaining a first degree are female: this will have an impact on society and on working life in the future. But also in other ways the workforce is becoming increasingly diverse: other workers are demanding recognition and non discrimination in the workplace or demanding their fair share in employment and attention for their specific needs regardless of their sexual orientation, religion or disability. Labour market institutions and policies will have to adapt. But also trade unions will have to catch up.

17 The ETUC reaffirms that discrimination in all its forms is not acceptable either in the workplace or in society at large, and reaffirms its commitment to fight for effective equal rights for all, and against all forms of racism, xenophobia, discrimination on the basis of religion and homophobia. All workers are demanding recognition and equal treatment in the workplace (lesbian, gay, bisexual and transgender workers, i.e. LGBT workers) or demanding their fair share of employment and attention to their specific needs (workers with disabilities).

18 With equal treatment being a powerful concept, embedded in the European Treaty in various ways (Article 141 on equal treatment men and women, and Article 13), in Directives approved in 2000, and in international labour standards (ILO Convention no 111), its implementation demands a strong connection with social policies and positive actions to provide for the conditions that allow workers and citizens to really enjoy equality of opportunity. It is also important to recognise that in

a Europe of 27 or more Member States it is increasingly important to recognise and respect diversity as a positive characteristic of European societies. Rather than seeing equality and diversity as mutually exclusive concepts, the ETUC sees equality and diversity as complementary and strives for equal rights and opportunities while respecting and valuing diversity.

ETUC priorities in these fields will be:

More gender mainstreaming

19 The employment rate (in paid employment) for women is now on average 55.7% (compared to men 70.9%) and they form about 44% of trade union membership. However, their representation, visibility and responsibility at all levels of decision-making is far too low. The ETUC re-affirms its commitment to the gender equality plan, and will proceed with its implementation.

20 Human rights for women has been a well-established principle in the UN system for many years. Achieving gender equality in Europe continues to be a major challenge for all stakeholders at national and European level. Although some progress has been made, since the first European Treaty (50 years ago!) introduced the obligation to guarantee 'equal pay' for men and women, progress has come to a halt in recent years, and in some countries reverse trends can be observed. The gender pay gap is still around 15% on average in the EU25, but in some countries more than 20%. The increase in female employment has been mostly in highly feminised jobs and sectors, such as public and private services, and women tend to have more precarious employment conditions. Childcare, elder care and other facilities and measures to improve reconciliation of work and private life are, in most countries, still very inadequate and often of poor quality or too expensive. Moreover, they are still seen as 'facilities for women' instead of for parents. Despite the fact that women in the meantime have closed the education gap, the majority of women is still found on the lower end of the skills and pay scale. Investing in training and lifelong learning for women is still not seen as an economically viable investment.

21 Recently, there is new recognition at EU level of the importance of taking action on all these matters (spring 2005, agreement between social partners at EU level on a *Gender Framework of Actions*; spring 2006, European Commission adopted a *Roadmap for Equality between men and women 2006-2010*; the Council of Ministers adopted a *Gender Pact* at the Spring Summit of 2006). In all these documents, there is a clear reference to the importance of full and equal participation of men and women in the labour market and society at large as being vital to the development of a competitive and prosperous Europe.

22 A prerequisite for gender equality is for female and male workers to be able to combine their professional life with the possibility of being parents and carers. The ETUC position on the first stage of the social partners' consultation on the reconciliation of professional, private and family life calls for a number of measures to be put in place at EU level, such as:

- placing gender equality and work-life balance at the heart of the debate on demographic change;
- stepping up actions to enhance the availability, quality, accessibility, affordability of care services, especially childcare and care for the elderly;
- taking up measures to recognise the right to paid parental leave;
- improving the maternity protection Directive;
- mainstreaming work-life balance in working time regulations, policies and arrangements;
- campaigning to encourage men to share household duties.

23 The ETUC stresses the importance of achieving the Lisbon targets, including the one on equal pay and childcare services and proposes that a new target for elder care be added.

24 At the same time, the European Commission, Member States and employers' organisations often follow an ambiguous path, advocating gender equality and gender mainstreaming, but at the same time adopting economic, employment and social policies that clearly have adverse effects.

25 Research has shown that collective arrangements are good for workers in general, but also have important advantages for women: in unionised sectors and companies, in countries with a high coverage of collective bargaining, there is a general tendency to have shorter working hours for women and men, more flexible work options under secure conditions, better protection for non-standard workers, and the pay gap is smaller.

26 For the ETUC and its affiliates, there are many urgent reasons to increase efforts and actions in this regard. Unions need active women to fight for major trade union causes. In many of ETUC's member organisations the increase in membership has been largely female, and female unionisation rate on average (although not in every country!) is now more or less proportional to their labour market participation.

27 Although membership of the trade unions in Europe is becoming more diversified, and the unions attract more and more women, the representation gap of women within the trade union movement is still very large and does not reflect the member population. The glass ceiling has to be

shattered. Therefore the ETUC and its affiliates will each commit themselves to a significant increase in female representation for the coming period.

28 Policies focusing on equal opportunities are important but not enough. The gender dimension has to be recognised and addressed in all areas of policy-making both inside and outside the trade union movement.

29 Therefore the ETUC and affiliates need to step up their actions and activities, in the following areas:

- Demanding policies combating and aiming at eliminating precariousness in work;
- Prioritise actions to reduce the gender pay gap with all possible means, and especially in collective bargaining, by combating low pay, upgrading the value of women's work, and fighting for equal pay for work of equal value;
- Prioritise policies involving reconciliation of work, private and family life, in particular with regard to organisation of working time, family-friendly work arrangements, care facilities, social support and leave provisions for both men and women. Fathers' access to leave is essential for reconciling work and family life in the modern European labour market;
- Review and adapt health and safety regulations where necessary relating to specific physical conditions and needs of women;
- Focus on gender mainstreaming in all EU level policies, including internal market policies, as well as within ETUC policy-making;
- Asserting the positive link between good quality and universally accessible public services and gender equality, taking into account that women are dependent on care services and other public services to be able to fully participate in the labour market and in society. Furthermore, reducing these public services will also affect the predominantly female workforce employed in these sectors;
- Elimination of the representation gap in trade unions at all levels;
- Promote active gender equality policies so that no jobs are specifically determined for men and women.

More action to combat racism and xenophobia, and to promote integration and non-discrimination of migrant and ethnic minority workers

30 All EU Member States are currently struggling with the challenges of increasing cross border mobility within the EU and migration from outside the EU, and integration of old and new groups

of migrant and ethnic minority workers. Several countries face serious outbursts of social unrest, and strong signals of racism and xenophobia on the rise.

31 Strengthening the capacity of the EU, Member States and social partners to provide and maintain fair and just working and living conditions and proper social protection for all Europe's inhabitants in a framework of equal rights and equal opportunities is of major importance to guarantee social cohesion and peaceful coexistence in the labour market and in society.

32 A stronger emphasis is needed on integration as a two way process, requiring not only old and new migrants to adapt to their new working and living environment, but also the receiving workplaces and communities to welcome and reach out to the migrants and their families, namely ratifying and respecting the UN convention on rights of migrant workers and their families. In this regard, there is an urgent need to progressively harmonise social, civil and political rights and duties.

33 The ETUC and affiliates will further build on the ETUC Action Plan on migration, integration and combating discrimination, racism and xenophobia, adopted by the ETUC Executive Committee in October 2003, and will in particular:

- Develop a trade union campaign to address all forms of racism and xenophobia in new ways, making use of good practice examples of affiliates; such a campaign needs to stress what people have in common and the need for tolerance and common action while respecting diversity, that can help overcome the increasing and potentially dangerous gap between 'insiders and outsiders'.
- Promote the representation and visibility of migrant and ethnic minority workers in trade unions at all levels, to enhance the democratic strength and show the relevance of the trade union movement for a modern and diverse labour force.
- Call for stronger integration policies with regard to employment, education, living and housing conditions and public services, with integration explicitly being seen as a two-way process, in combination with non-discrimination policies, putting more emphasis on the need to invest in social cohesion.
- Call on employers and their organisations to understand the key role social partners have to play: joint actions at workplace and sectoral level, on the basis of negotiations, agreements, and codes of conduct are important instruments to get the commitment of all relevant actors and to create a positive dynamic. Social partners at EU level should play an important role in promoting such actions, and must also reactivate the Florence declaration.
- The ETUC calls for a worker friendly environment, thus focusing on the necessity of the preven-

tion, management and elimination of all forms of violence at work resulting from unwanted behaviour which violates the dignity of a person.

More and better access to employment and training for workers with disabilities:

34 With a European level of disabled unemployment 2 or 3 times higher than the level for workers overall, and an average of 23% employment, the challenge to realise the ETUC's objective of equal access to jobs and training remains very important and requires increased mobilisation of all. Following the initiatives taken in previous years, the ETUC will continue to mobilise its members primarily in order to improve the employment level of disabled people as well as to facilitate access to training.

35 The disabled are fully fledged citizens who must benefit from equal rights in every aspect of civil life. The ETUC aims to target and increase the sensitivity of national and sectoral organisations, to assess the achievements of the European Year of People with Disabilities (2003) and to take advantage of the European Year of Equal Opportunities for All to launch a new campaign in partnership with the European Disability Forum.

36 As part of the social dialogue, the ETUC will assess the legacy of the "Joint Declaration on Access to Employment for the Disabled" made in 2003 during the European Year of People with Disabilities. It will take any initiatives possible to make this commitment of the social partners even more effective.

37 During this period the ETUC will also continue to mobilise itself and its member organisations as well as the relevant national and European organisations, to bring about a specific European Directive for disabled people, concerning in particular living conditions, resources and rights.

38 Finally, the ETUC commits its organisations to put pressure on their governments to ratify and apply the United Nations convention adopted by the UN General Assembly of 13 December 2006 "relative to the rights of the disabled".

More awareness raising and actions and activities to address discrimination on the basis of sexual orientation and gender identity

39 Recent research by the European Commission (Eurobarometer 2007) on the occasion of the European Year of Equal Opportunities for All has shown that it is little known throughout Europe

including in trade unions that sexual orientation is one of the non-discrimination grounds recognised at EU level. In many Member States, implementation is not taken actively on board. It is therefore urgent to invest in awareness raising activities and to take more effective action on prejudices that may be present in trade unions and among their members.

40 The ETUC and its affiliates will therefore step up their actions and activities, to develop a clearer picture of what is happening at national level, and encourage an exchange of experiences and best practices which promote diversity and non-discrimination in trade unions and effective protection of workers' rights in the workplace, including the setting of clear objectives and targets regarding diversity and non-discrimination, and explore possibilities to develop guidelines or codes of conduct with employers' organisations at European level.

A more proactive policy on economic migration, more investment in integration

41 It is high time to recognise the need for more proactive policies with regard to migration and integration at EU level, based on the recognition of the fundamental social rights of current citizens as well as newcomers, and embedded in strong employment and development policies, both in countries of origin and in countries of destination. A common framework of EU rules on admission for employment is urgently needed. However, this framework should not be aimed unilaterally at the demand for temporary migration, as this would favour precarious jobs and hinder sustainable integration.

42 Although European populations often have difficulty to perceive Europe as a continent of immigration, in fact Europe attracts ever more immigrants, in low skilled and low wage labour as well as in information technology and health care, where there are increasing labour market shortages in some countries. However, recruitment of migrants in third countries may not always respond to real labour market needs, and this may negatively influence the working conditions of those who are already an integral part of European labour markets. In the black economy and in low skilled jobs, it is increasingly 'undocumented' immigrants (from outside the EU as well as from the new Member States) who provide for employers' needs for cheap labour. The fact that they are denied a legal status, with no prospect of being legalised, makes them very easy to exploit, and is one of the main reasons why they are deliberately used by some employers to undercut normal and collectively agreed wages and thus gain profits through unfair competition that further distorts the labour market. But

also those workers who are coming via 'legal' channels are often recruited via agencies and subcontractors, and employed on very flexible and precarious conditions, which allow their employers not to apply labour law, collective agreements, and social security.

43 The EU must therefore urgently develop a more proactive migration policy, geared towards 'managing' and not preventing mobility and migration for employment, that combines strong integration efforts with making employers and public authorities respect and enforce labour standards. This should offer old and new groups of migrant and ethnic minorities equal rights and opportunities in our societies, while promoting social cohesion. This would allow citizens and workers to value the positive contribution migrants are making to our economies and societies, and to see migration and integration as a positive challenge instead of a negative threat.

44 Such a policy should, in an integrated approach, be based on a clear framework of rights as established by international UN and ILO conventions and Council of Europe instruments, and be developed in close consultation with social partners at all relevant levels; ETUC will intensify actions and campaigns to call for ratification and implementation of the relevant conventions and instruments, and promote the use of legal instruments to pursue the human rights of migrant workers, such as the Additional Protocol to the European Social Charter providing for a system of collective complaints, as well as the procedures referred to in Article 24 and 26 of the ILO Constitution.

45 Special attention must be given to the trafficking of human beings and especially women and children for the purpose of sexual exploitation. The ETUC strongly believes that everything must be done to counter trafficking and forced prostitution, and that the victims of trafficking must receive adequate protection. The combat of trafficking and forced prostitution must be explicitly linked to the respect and dignity and human rights of these persons.

46 Such a policy should recognise the need to prioritise investing in the capacities and qualifications of unemployed and underemployed EU citizens including those from a migrant or ethnic minority background, as well as long term resident third country nationals and refugees, to address labour market shortages, and not instead rely on simplistic and recruitment programmes that provide companies and Member States with short-term solutions without addressing long term consequences.

47 Such a policy should open up possibilities for the admission of economic migrants, by providing a common EU framework for the conditions of entry and residence, which should be based on a clear consensus between public authorities and social partners about real labour market needs on the one

hand, and the illusion of closed borders on the other hand, preventing a two-tier migration policy that favours and facilitates migration of the highly skilled while denying access and rights to semi- and lower skilled workers.

48 Such a policy should prevent the increasingly negative effects of the global competition for skilled labour, the potential devastating effects of brain drain and youth drain on countries of origin, as well as the potential “brain waste” in terms of the underutilisation of skills and qualifications of migrants in the countries of destination.

49 More proactive policies should also be developed to combat labour exploitation, especially of irregular migrants, demanding recognition and respect of their trade union and other human rights, and providing them with bridges out of irregularity. While there is a need to be tough on employers using exploitative employment conditions, more effective policies should be developed to prevent and remedy such exploitative situations. Providing for a legal space in which irregular workers can complain about exploitative working conditions without immediately being threatened by expulsion, separating labour inspection from inspection on immigration status, recognising that labour rights and human rights can and do exist and should be dealt with independently from having the right documents in place, introducing chain responsibility of main contractors using agencies and subcontractors that do not respect minimum labour and human rights, are useful instruments that can be promoted by the EU.

50 This must be linked to external (trade, development) policies that promote rising living standards and opportunities in sending countries, which would allow (potential) migrant workers and their families proper job opportunities at home. Cooperation and partnership with third countries, in particular developing countries and the European neighbourhood countries, should be strengthened.

51 The ETUC and affiliates should address employers and their organisations at national and EU level to explore ways to deal with economic migration and integration in social dialogue at all appropriate levels, recognising the strong employment and labour market dimension of these issues.

52 The ETUC and its affiliates are committed to developing policies and strategies to organise migrant workers, defend and promote their trade union rights and other human rights (whatever their legal status), develop strategies to incorporate the situation and demands of migrant workers into trade union work and integrate them in the structures of trade union organisations, prevent and

combat exploitation, and improve their living and working conditions. The ETUC and affiliates should also strengthen their cooperation with trade unions in sending countries with regard to information, capacity building and training, with the dual objective of strengthening the role of trade unions in the countries of origin and providing potential migrants with knowledge about working conditions and minimum rights to be respected in the EU. The ETUC and affiliates will in particular:

- Promote by all means the freedom of association of migrant workers regardless of their legal status, provide for an exchange of good trade union practice in this regard, and support legal actions where this right is violated;
- Develop actions and activities to reach out to unorganised old and new migrant workers, provide them with information, protection and support, and increase efforts to recruit and organise them, in cooperation with associations of migrant workers and NGOs active in this field;
- Initiate and support actions and activities that show the positive contribution of old and new migrants and their families to European societies and economies, and help bring about solidarity and mutual understanding;
- Actively combat trafficking of women and children.

A better framework for mobility within the EU

53 The ETUC supports the four freedoms of the EU, i.e. the free movement of goods, capital, services and workers. The market freedoms need to be embedded in social and environmental values and the principles of sustainable development. And the consequences for labour law and industrial relations need urgently to be addressed. At EU level, we need the political commitment to provide for proper conditions, investing in proper management and order on the national and European labour markets, strengthening national and European industrial relations systems and providing workers with basic protection and security, so that open borders and mobility can really be seen as a positive challenge.

54 The ETUC demands a European framework of 'rules of the game' that provides a floor to competition, obliges employers to respect national labour law and industrial relations and take up their responsibilities with regard to living and working conditions of mobile workers, and guarantees proper enforcement of labour standards, including through strengthening labour and health and safety inspectorates.

55 An EU-wide supportive legal framework for cross border mobility of workers should consist of a set of minimum standards established at EU level, clear principles of equal treatment in wages and working conditions applying to the place where the work is done, equal access to social support systems and the portability of rights.

56 It should also put a limit on the intrusion by EU market and competition rules on to areas of social policy (Treaty Article 49) and provide for a better shield for national law and social protection systems, industrial relations and collective bargaining.

57 It should offer mechanisms and instruments, including liability of principal contractors, for cross border monitoring and enforcement of working conditions and labour standards, and provide for European coordination in enforcement issues. Consideration should also be given to creating a 'Social-Europol' to support Member States in enforcing labour standards, and combating social fraud.

58 When capital goes increasingly cross border and global, labour needs appropriate instruments to deal with this as well. Therefore, a proper European framework for mobility should contain forms of countervailing power of organised labour at transnational level, such as the transnational right to take industrial action, which is built on the full respect of national systems of collective bargaining and action.

59 To ensure balance between the four dimensions of cross-border free movement, and to counter the current over-emphasis in the European Treaties on the prerogatives of 'capital' and service providers to question infringements on their freedom to move, the trade union movement needs 'equality of arms', i.e. the right for workers to cooperate transnationally and support each other through industrial action including sympathy actions. The ETUC will explore if existing international conventions and Treaties including the European Charter of Fundamental Rights provide sufficient protection and safeguards, or need to be strengthened, and will develop proposals accordingly.

60 While the EU can no longer do without a European framework of rules, at the same time the thrust of social, labour and tax regulation will continue to be predominantly national and regional in character, demanding strong cross-border cooperation between public authorities, labour inspectorates, and trade unions, notably in the context of EURES and the Interregional Trade Union Councils, to provide cross border workers with information and assistance. The ETUC will put pressure on all European institutions to invest in the quantity and quality of cross border EURES partnerships, providing them with adequate budgets, and promote their capacity to deal with cross border eco-

conomic and social integration of labour markets and the removal of obstacles for free movement of workers with a view to promoting freely chosen and quality mobility, notably by way of cross border social dialogue. The ETUC calls on the Commission to review the financial provisions to ensure that EURES will have adequate resources at its disposal.

61 While the right to free movement within the EU is clearly to be distinguished from migration of workers coming from third countries, there is an increasing need to develop coherent policies regarding the free movement of all persons, EU citizens and other legal residents, within the EU. Therefore, transitional restrictions on the fundamental right to free movement of EU citizens must be replaced as soon as possible by policies putting in place proper conditions. Also, the EU must extend the right to free movement within the EU to third country nationals who are working legally in one of the EU countries.

62 Increased cross border mobility also demands the adaptation of trade union actions, activities and structures, in order to provide the workers concerned, especially those temporarily working abroad, with adequate and effective protection regarding their social and labour rights. ETUC and its affiliates will build on the resolution, adopted at the Helsinki 1999 congress ('Trade Unions without Borders'), and investigate how to promote its full implementation. In addition, mutual cross-border aid systems between unions on a bilateral as well as multilateral basis will be further developed, building on existing good practice, and the possibility for wider cooperation under the ETUC umbrella will be explored.

Better labour law for Europe's labour market and more secure mobility and careers for European workers

63 Central to the ETUC's work is supporting and developing social regulation both through legislation and contractual relations between employers and trade union organisations at all levels, including the European level. Although there have been important achievements, today Europe is not answering workers' concerns and expectations, particularly regarding the low level and number of social rights both at the national and at the European level, which reinforces social competition and gives the image of a Europe encouraging competition in the social field between its Member States.

64 Europe needs to develop further a safety net of workers' rights, protecting workers across the EU and allowing them to respond to the internal and external challenges of higher levels of geograph-

ical and occupational mobility, resulting from the European integration process and from the gradual construction of a single European labour market, and from restructuring and delocalisation, as well as the impact of globalisation. The EU must have as its goal the upwards harmonisation of living and working conditions and put an end to the downwards spiral working people have been experiencing over recent years.

65 In the framework of the Lisbon agenda, the Jobs and Growth strategy, the European Employment Strategy and the Open Coordination processes in the field of social inclusion and social protection, Member States and the European Commission have agreed to pursue reforms in their labour markets and social policies under an integrated so-called 'flexicurity' approach. The joint work programme 2006-2008 of the European social partners also includes flexicurity as one of the issues of common interest. This will lead to wide ranging discussions in 2007 and beyond on what aims and goals to pursue and which methods and measures to take at which level. In any case, for the ETUC the European debate on flexicurity and on the modernisation of labour law cannot be an excuse to hide the failure of governments in implementing the Lisbon Strategy and especially in promoting higher productivity through innovation, technological development and workers' competences and qualifications. Nor can it be an excuse to continue to use flexibility to make the labour market more precarious with a view to reducing labour costs and increasing competitiveness in the global market, weakening workers' legitimate protection through labour law in its widest sense and social security, without some compensatory guarantee in terms of more security. In the framework of this debate it should never be forgotten that labour law has a protective function for workers and serves primarily to redress their structural disadvantage by the negotiation of their working conditions. The central theme must remain to create jobs with social protection and paying a living wage for everyone. Also the competitive advantage of a gender balanced society must be taken into account.

66 A trade union agenda on flexicurity must include a number of principles that should contribute to better labour market functioning, the protection of individual and collective rights of workers as well as to the necessary adaptability and capacity to react and to manage change in a way that benefits both the workers and the economy, implying collective bargaining on individual and collective guarantees. Moreover there is not ONE single model of flexicurity in Europe. Different approaches based on national practices must be respected and taken into consideration at all levels where flexicurity will be discussed. This agenda is inseparable from the "decent work" agenda. These goals are part of a dynamic of effectiveness of productive systems and society as a whole. It is indispensable to ensure that there is a real balance between flexibility and security and that it does not incline towards the employers and profits. The ETUC considers that a more developed Europe, with a knowl-

edge-based economy, makes it imperative to promote the quality of employment. The ETUC and its affiliates demand in particular:

- the fight against precarious jobs and the promotion of the quality of work. Workers attach great value to the security of their jobs and consider this to be the most important element of a quality job. The number of precarious jobs must be reduced; they are not only precarious for the worker but have an adverse effect on the labour market and the economy as well. They undermine job security, working conditions, health and safety, generate poverty because of the less stable incomes and threaten social rights and social cohesion. Member states and their companies should commit themselves to create and favour stable good-quality jobs. Temporary agency workers in particular having much less access to employer supported training, and chains of irregular job contracts lead to less stable and lower incomes and to a higher incidence of poverty. For the ETUC the agenda of flexicurity cannot be separated from the agenda of 'quality of work', since this is indispensable to guarantee the balance between the two and not a one-sided view that benefits the employers and profits instead. A positive agenda of quality of work should guarantee the respect of workers' rights and the use of collective bargaining as the main instrument to manage the functioning of enterprises and organisations, the internal adaptability at the workplace through adaptable work organisation and the use of the full potential of all in the workforce;
- to allow workers to fully develop their potential and their knowledge and to organise their work and leisure time. This requires the right of access to lifelong learning, the recognition and transferability of formal and informal competences that facilitate personal and professional development, the promotion of special programmes where jobs are threatened by restructuring, the safeguarding of professional paths through professional requalification, the maintenance of workers' rights and the right to income support during the transitions between jobs;
- to safeguard employment protection legislation and to complement it with labour market policies that promote upward mobility. There is no proof that lower employment protection legislation will result in more productivity or in less precariousness; on the other hand, there is a link between legislation which offers less protection and precariousness. For the ETUC the appropriate legal framework is not an obstacle to a dynamic labour market; on the contrary it favours more investments in human capital and in innovation. Job protection systems must work as 'early warning' systems, giving workers at risk the possibility to prepare for change. The ETUC confirms the principle agreed by the European social partners in the fixed-term contracts' agreement that non-standard forms of work should remain the exception and not become the rule. Adequate measures must be taken in those countries where the exception has become the rule. The ETUC underlines the dangers in the Green Paper "Modernising labour law to answer the challenges of the XXI cen-

ture” and expresses its strong dislike of the philosophy and the formulation of this document, which risks demolishing workers' protection, subordinating labour law to economic priorities. The fragmentation of the labour market cannot be resolved by other forms of flexibility;

- to maintain a broad approach to balancing flexibility with security. There is not one single model of flexicurity in Europe. In view of the fact that in many countries there is more and more flexibility and less security, different approaches based on national practices must be respected and taken into consideration;
- to improve social welfare systems. For the ETUC the promotion of employability is not enough. In order to be ready to take risks or to accept change, workers need to feel secure. Social protection systems must play that role and provide individuals with opportunities for education, rehabilitation and adjustment by offering more security to tens of millions of European workers who change jobs or risk losing their job each year. The ETUC considers that this will only be possible if there is a universal and well-funded welfare system, unemployment benefit guaranteeing decent living conditions, accompanied by active labour market policies and strong trade union organisations;
- to integrate flexicurity policy with macroeconomic policy. Flexicurity does not create one single job and it does not increase total employment performance. Macroeconomic policies must support growth and the creation of new and better jobs.
- to reinforce social dialogue, collective bargaining and workers' participation to give workers a major role in the process of reforming the job market. The most essential aspect of flexicurity is the involvement of the social partners. Collective agreements and workers' participation can play an important part in making firms compete on the basis on productivity and quality instead of wage competition. Social partners must develop instruments that allow them to anticipate change and to control the respect and implementation of both collective rights and individual pathways.

67 ‘Flexicurity’ brings us back to equality of treatment between different categories of worker: women, foreigners, disabled people. It has a strong gender dimension and therefore measures to combat precarious work and to enhance work-life balance, such as flexible working time arrangements in mainstream employment, paid parental leave, more and better childcare provisions etc. are needed to prevent women remaining the primary victims of precarious work.

68 Labour law should be ‘refocused’ with a view to reintegrating forms of precarious dependent employment relationships within the scope of labour law, taking into account the Recommendation 198 adopted in 2006 by the International Labour Organisation on the scope of the employment relationship.

69 The principle of the permanent contract must be recognised as a general rule by employers, stimulating and strengthening stability in employment. Temporary contracts must respond to a particular need, and their regulation should envisage effective measures to prevent successive short-term contracts and abuses.

70 At EU level, more convergent definitions of ‘worker’ should be promoted to improve coherence and proper enforcement of EU Directives, by the development of common criteria and guidelines with regard to the definition of worker and self-employment, as recommended by the ILO, taking into account that the definition as such of the employment relationship as distinguished from independent and self-employed work should be left to national law and practice.

71 Protection should be extended to new forms of (dependent) work, by considering the development of a ‘core’ of rights, which is offering all working people regardless of their employment status a set of essential rights including the right to freedom of association and collective bargaining, paying particular attention to workers in SMEs. This should however not lead to the creation of a third category of worker with a lower level of protection.

72 Furthermore, it should urgently develop a proper regulatory framework for ‘triangular employment relationships’ (temporary agency work and subcontracting etc.), banning the illegal laying off of workers, countering manipulative forms of working through intermediaries and gangmasters, providing temporary agency workers all over Europe with adequate protection in terms of labour law and social security coverage and collective bargaining arrangements, and ensuring that they are treated on an equal footing with comparable workers in the user enterprise. The employment status of agency workers should be clarified, and a European instrument regulating joint and several liability of user enterprise and intermediary in the case of agency work and subcontracting should be proposed.

73 Existing labour law and labour standards should be better enforced, to combat undeclared work and the growing informal economy; the EU should promote more and better cooperation and coordination between social inspectorates and the social partners.

74 If we take account of the importance and significance of the defence of fundamental labour rights in the world for the development of the European Social Model, European labour law must fix the basis for CSR commitments by European multinationals, including effective mechanisms for verification and intervention by trade unions in all their production lines.

Quality social protection systems to address the demographic challenge and changes in the labour market

75 Another challenge to address, and one which some actors try to use to call the European Social Model into question, is the issue of demographic change. Social protection systems at the centre of this model are increasingly under pressure, largely due to these changes. And often the sole concern of governments and employers is to balance the budgets of these systems, whilst the quality of life of their beneficiaries is relegated to second place.

76 But at the same time, other factors which are generally not mentioned, such as changes in the labour market, affect them in a deeper way, at least in the short term.

77 Hence it is necessary to preserve and develop quality social protection systems which respond to this double problem.

78 As for population change, it is a reality characterised by the decline in birth rates in certain countries and by the longer lifespan of the population. For the ETUC this is not a 'crisis' but rather a transition that needs to be considered with an open mind for the future, in other words, we must oppose alarmist opinions which call for a dismantling of social protection in the name of financial necessity.

79 The ETUC believes that in order to respond positively to the challenges resulting from demographic change, an integrated approach is required within the framework of a pre-emptive strategy, negotiated with all actors, especially the trade unions. A range of instruments and policies will be required. The focus must be on measures to promote gender equality and reconciliation of work, private and family life, lifelong training, the promotion of quality employment, the negotiated adaptability of working conditions, the prevention of unemployment, including in company restructurings, and opportunities for retraining during the second part of a career within the framework of social protection systems which are better suited to people's needs and which do not focus on penalising individuals. Individual choices as regards managing careers and life cycles must be placed within the framework of collective guarantees. These policies also influence the behaviour of workers and therefore have an effect on their individual choices. This has repercussions for demographics.

80 Good maternity protection is a precondition for the full and equal participation of women in the labour market. The ETUC demands the revision and improvement of the maternity protection Direc-

tive taking into account specifically the terms of Convention 183 of the ILO and extending the protection to domestic workers as well as to other precarious categories of workers.

81 The ETUC therefore calls for a balanced debate that recognises quality social protection developed and applied throughout Europe as a productive factor contributing to sustained growth. This contributes to a better quality of life for its citizens and at the same time permits Europe to better resist economic shocks.

82 The necessary adaptation of social protection systems allowing them to respond to these challenges particularly concerns health services and pensions.

83 As for healthcare, this cannot be reduced to a simple consumerist search for the best care available on the European marketplace (as some would like) which would lead to the exclusion of those who are not in a position to benefit from it and thus further inequality.

84 The ETUC calls strongly for:

- The development of healthcare financially and geographically accessible to all on the basis of need and not on the capacity to pay;
- Quality healthcare, implying sufficient and adequately trained staff;
- Financially guaranteed healthcare;
- The application by Member States of preventive policies and an improvement of measures in the workplace in these areas, allowing a longer and healthier lifespan for all, which can only impact positively on the labour market;
- Broaden access to information relating to sexual health and to health services.

85 Regarding pensions, it is wrong to think that only public pension systems are affected by demographic change. Private and complementary pension schemes are also affected. In reforming pension systems, priority must be given to achieving solidarity – in public as well as complementary or professional systems - in order to avoid the erosion of pensioners' rights and guarantee them the right to a dignified and independent life, as guaranteed in the EU Charter of Fundamental Social Rights.

86 As for professional or complementary pension schemes which play an important role in certain countries – for one thing, they are no substitute for public pension schemes based on inter- and

intra-generational solidarity. They must therefore not be developed at the expense of public pension schemes, nor should they be a convenient alibi for Member States not to reform or improve their own public systems. Secondly, the ETUC will vigilantly monitor the rights of mobile workers, both within Member States and between them, and solutions must be found through improvement of European legislation, notably within the framework of the social dialogue.

87 The ETUC, furthermore, stresses the importance of gender solidarity when it comes to negotiating and developing professional or complementary pension systems. The precarious situation of many women in the labour market (part-time work, temporary work, periods of inactivity due to family care, broken careers, etc.) affects negatively the outcome for women. Women do not only earn less, and therefore receive a lower state pension, but often they also benefit from a smaller complementary or professional pension.

88 For the ETUC it is unacceptable that, while efforts are made to narrow the gender gap in state pensions, the pension gap will widen again in the professional or complementary systems. This should be prevented by collective bargaining and systematic monitoring.

89 The ETUC will continue to mobilise so that the public authorities, both at national and European level, and whatever systems are in place, give priority to pension schemes based on solidarity, which guarantee a replacement income at a level related to the active salary, in other words not merely a minimum survival income.

90 All of this requires a rethink of ways to finance the burden of social protection, which still weighs too heavily on workers and which is too often based on the company's payroll, and is thus particularly dependent on changes to the labour market. We must therefore find ways at national level to use all revenues of individuals and companies to contribute to the financing of social protection, and to introduce into this layer of financing other sources of income which have not or rarely been taken into account up till now. This will require the EU to be more proactive in terms of its economic, fiscal and social policies.

91 And to this end, the ETUC also deplores the policies practised in too many Member States of exonerating employers from tax and social security contributions, on the pretext of developing employment, when in reality these measures too often mean windfalls for companies and do not really create sustainable jobs.

92 It is imperative that a better way to finance social protection is found, taking into account the evolution of the labour market, which translates specifically by increased mobility as much within a particular sector as outside it. And for the ETUC this mobility and flexibility in the labour market should not mean an increase in the impoverishment of workers which is already happening, which would contradict our stated aim of reinforcing social cohesion. It is therefore important that social protection systems be put in place, guaranteeing both a decent income but also social rights (health, housing, pension, etc.) and recognition of previous professional experience. This should allow each and everyone to play a role in the European society which we wish to build and to actively participate in the consolidation of the European Social Model.

93 In the context of population change and the debate about active ageing, the ETUC deplors the paradox which is today's European world of labour, where entry to the labour market takes place later and later, and departure earlier and earlier. In other words, despite having diplomas and better competences and knowledge, young people experience the greatest difficulty in accessing the labour market outside of offers of temporary contracts or work placements, a succession of which will, rather than allow them access to the world of work, often discourage them. As for older workers, despite calls for a lengthening of the working life, companies are making increasingly early redundancies, even before workers have reached the legal pension age.

94 For the ETUC the responses to these problems, apart from regulatory measures preventing and punishing age discrimination, are to be sought within the framework of the social dialogue, specifically through seeking and applying measures which aim for easier and better entry into work for young people and preventing the premature exclusion of older workers, which is achieved through continuous training, adaptation of working conditions, etc. This means, therefore, that the ETUC aims to continue moves to allow access to employment by all employees who wish it, and to guarantee them social protection paying particular attention to those most distanced from the labour market, in particular to the disabled, for whom access to employment is made even more difficult. More proactive EU policies on economic growth, tax harmonisation and promotion of employment are important to consolidate national social protection systems.

95 The ETUC is committed to take necessary measures to improve the rights of European migrant workers whose number is increasing considerably, so that they are not penalised in relation to those who do not change their place of living and work. This will specifically focus on a simplification and improvement of the coordination of social protection systems and portability of complementary pensions, and problems related to the double taxation of these workers.

96 In the area of social protection – which is within the remit of Member States – cooperation between Member States via the Open Method of Coordination (OMC) needs to be developed, specifically by fixing ambitious common objectives. This tool can permit the movement to be pulled upwards and counteract tendencies in the opposite direction, implying, specifically, that trade union organisations play an active role and involve themselves in debates on the setting of objectives as well as in their application and monitoring. Within the framework of the OMC on social inclusion, we will concentrate on the struggle against poverty with the aim of combating in particular this phenomenon, which affects an increasing number of workers.

Better health and safety at work

97 The European Union must continue to play a major role in health and safety at work, with the aim of harmonising national situations while maintaining the improvements made. The International Labour Organisation estimates that up to 130 000 people are killed in work accidents or by work-related diseases in the European Union each year. The failure of preventive measures is a major cause of social inequalities of health. Experience has taught that the Community health and safety at work Directives are an essential bulwark against unbridled competition that is detrimental to workers' health. Similarly, well applied Directives can be a real investment for companies. Investing in risk management can bring important gains for the company. But it must be adapted so as to take account of changes in work, and workers' profile, the assessment of new professional risks, new professional diseases and workers' changing needs and expectations. In this respect and in accordance with the conclusions of the reports made by the European Agency for safety and health at work, a gender-sensitive approach is more than ever needed and recommended.

98 The ETUC should urge the Commission to ensure that new Directives on health and safety are introduced in areas where health and safety regulations are missing such as ergonomics, work organisation and psychosocial factors in the workplace. Existing Directives should be revised to ensure that they are of sufficiently high standards to protect workers' safety and health.

99 Without proper legislation and enforcement, globalisation will pose a threat to health and safety standards because of competition between companies that respect health and safety standards and those who do not. The European Union must ensure that health and safety regulations are enforced at the national level, and that the labour inspectorates have sufficient resources to supervise enforcement of the regulations. Globalisation should lead to improved health and safety standards in countries with poor standards, not reduce or halt improvements in health and safety standards in Europe.

100 Health and safety delegates and working environment committees play an important role in improving health and safety. The ETUC should give priority to ensuring that workers in all enterprises with five or more workers have a safety delegate with proper training, and that enterprises with more than twenty five workers have working environment committees with an equal number of representatives from the workers and from the management.

101 Workers who have suffered from work-related injuries or diseases should be given compensation, either through the social security system, or insurance to ensure that they have compensation so as to have a decent income after the accident or the work-related disease.

102 The ETUC believes that the efforts made over the past fifteen-odd years need pulling together within a more coherent strategy at both Community and national level. This includes the European Union providing the resources for a regular assessment of developments in the working environment. It must frame Community policies and programmes to promote improvements in the working environment. The ETUC will not condone any attempt at overt or covert deregulation in the guise of simplification. The ETUC thinks that the reduction of the number of accidents in the workplace is fragile. This progress is threatened by increasingly precarious work, management methods which reduce workers' control over their working conditions. We have noticed an increase in the number of psycho-social problems due to work and muscular-skeletal problems, due to exposure to chemicals. Recent data from Eurofound shows that intensification of work is heavy, with an increasing number of workers subjected to accelerated rhythm of work and tight deadlines. Repetitive strain injuries to the arm and hand are the most often quoted injury, with 62% of European workers claiming to be exposed to the risk during at least a quarter of their working hours. In second place workers mention painful and tiring posture: 50% of workers are exposed to this risk during at least a quarter of their working day. Almost a third of active Europeans suffer from backache, muscle pain and stress. One of the conclusions is the extreme inequality between countries, sectors, socio-professional groups and genders.

103 The ETUC and its member organisations have an important contribution to make to improve working conditions of all workers, both women and men. The principle of adapting work to workers is enshrined in EU legislation, and must take into account gender differences in employment conditions. Labour market segmentation, and the division of labour between men and women at home and in the workplace, have a major impact in work-related health issues. Improving working and living conditions of women and men therefore requires: gender based research and monitoring, including the gender dimension in data collection, a gender neutral approach in policy-making and legislation; a gender sensitive risk assessment approach and the full involvement of women in formulat-

ing and implementing health and safety strategies. Special attention should be given to domestic work. The demand for healthy and safe work can be a driving force for building union membership among new and vulnerable groups of workers. It can also be turned into an issue for transnational union action through common campaigns, experience sharing, the activities of European Works Councils, as well as multi-sectoral and sectoral social dialogue initiatives. The demand for health and safety at work also leads to improved public health policies that encompass improved working conditions within the broader framework of action on the widening health gaps in society. It is inseparable from the development of a trade union approach to environmental protection.

104 The ETUC wishes to strengthen its actions on health and safety in the workplace :

- By setting up active and strong support and active coordination of all trade union actors at European level (ETUI-REHS, CCHS Luxembourg, The Bilbao Agency, The Dublin Foundation).
- Using these channels to set up exchange of good trade union practice and support of national actions on health and safety at work.
- Setting up annual European actions to support ETUC priorities in the area of health and safety in the workplace.

105 The ETUC will campaign to realise these priorities for a European health and safety at work strategy, and particularly:

- The reinforcement of workplace inspection systems;
- Setting up effective, dissuasive and proportional sanctions;
- Protecting the safety of all workers through representation;
- Better prevention services accessible to workers;
- Decent cover for precarious workers;
- Respect of safety obligations in all companies including subsidiaries, subcontractors and multinationals;
- More coherent prevention policies for chemicals risks in light of the REACH Directive.

Better training and better lifelong learning – towards a knowledge society

106 Quality education for all is important for individuals, society and social justice. Training and education are the key to solving social problems and a basis for a well functioning working life. Awareness of the importance of early efforts in the lifelong learning process has gradually increased.

Special emphasis should be placed on the importance of including all children in good learning communities in kindergartens and primary and lower secondary schools, as a prerequisite for developing basic skills and lifelong learning.

107 Funding is the overarching element in developing lifelong learning, in particular when access to training constitutes the main problem. Better funding practices need to be sought and examined jointly, along the lines of what the European social partners have done in their action framework to promote lifelong development of skills and training. Given enlargement and the key role of education and training for the future of Europe, the funding provided by Community programmes is still inadequate. A very significant increase is called for in this area. Funding is a joint responsibility; the government and the employer each have a role to play.

108 On the European employment market 100 million workers are threatened because of their level of qualification. There are in Europe more than 20 million unemployed and 72 million unskilled workers, together accounting for 30% of the working-age population (CEDEFOP statistics). Many of these workers are women and migrant workers in precarious jobs with little or no access to training opportunities. The question of these workers' skills and qualifications is essential for employment in Europe and for the competitiveness of Europe.

109 In the EU almost 16% of young people leave school early. Around 20% of 15-year-olds still have severe reading difficulties. Only 77% of 18 to 24-year-olds complete their upper secondary education. On average, less than 11% of adults took part in lifelong learning in 2005. Those who have the lowest levels of basic education are the least likely to take part in this ongoing form of learning. Entering the labour market with a start-qualification is a high priority.

110 These statistics show that European training systems do not provide the requisite foundation for employment and lifelong learning for all. Rates of participation in initial and continuing vocational training, after basic education, remain a major challenge for the European countries. On the basis of current participation rates and in accordance with demographic forecasts, it is estimated that between now and 2030 the number of persons in professional structures and education and training structures will drop by around two million. There will be an additional 14 million old people and 9 million less young people. In 2009, according to CEDEFOP studies, there will be less 14-24-year-olds than 55-64-year-olds. The labour market will recruit increasingly large numbers of elderly persons and migrants.

111 It is also important to point out that in some countries 50% – or more – of young people now take part in one or other form of higher education. For many of these graduates it is becoming increasingly difficult to find an appropriate job. The European trade union movement must focus on this issue and seek solutions to the problem posed by the transition from studies to working life. International recognition of diplomas is very important in encouraging cross-border employability.

112 The ETUC's key message is simple. Europe must make a greater investment in education and training at the national and European levels. Investment in education and training, from pre-primary level to adult education, is a necessity and not a luxury in Europe. Lifelong learning – among other things such as vocational training and higher education – must be developed to enable European workers to respond to the challenge of international competition. In this context, vocational education and training, as a source for the development of aptitudes and skills, is just as important as higher education.

113 To improve investment in education and training and achieve a better match between the qualifications of those seeking jobs and the requirements of the labour market, it is essential to create an educational system based on active involvement of the social partners, preferably at a sectoral level.

114 The ETUC stresses that in order to achieve a knowledge-based economy we need to develop the skills of citizens and workers because most of the new jobs in Europe will be filled by adults, which means that individual access to learning, not only for young people but also for adults, must become the cornerstone of the efforts deployed by Europe to promote employment and become more competitive. Rates of participation in lifelong learning – equally important for graduates and managers as, throughout their lives, for manual workers – are still very low in Europe, and are particularly low for women.

115 Particular attention should be paid to access to training and lifelong learning, for workers in part-time, fixed-term and agency work, which would allow them to improve the quality of their current job or offer them better job prospects elsewhere.

116 The development of aptitudes and skills after initial education or training also takes place in daily work or informal learning situations. Validation and recognition of these activities must be a priority when examining development of the knowledge, skills and aptitudes of European workers. This point is of particular importance for women who often acquire a wide range of skills in their activities in the informal economy or in unpaid work.

117 The framework of social partner actions in favour of the lifelong development of skills and qualifications, adopted in 2002, endorses the validation of learning as a shared objective and leading priority action.

118 It is important to develop and validate non-official and informal learning in all countries and at all levels of learning and training. This aspect must also be taken into account, for purposes of quality control, at the development and application stages. Validation of non-formal and informal learning must however never reduce the focus on the importance of achieving a high level of initial education.

119 The European Qualifications Framework (EQF) may serve as a catalyst for national actions and projects which seek to develop new qualifications and to validate and recognise acquired learning and skills. The EQF can thus become a tool for helping individuals to gain qualifications. We are speaking here of long-term objectives that will improve the quality of training and learning.

120 Stimulating lifelong learning requires the development of integrated systems of information and professional development addressed to the unemployed as well as those in employment in the interests of personal development to improve their professional career path.

121 The trade unions can play a tremendous role in this area by ensuring that opportunities for learning are included on collective bargaining agendas, that employers do not force workers to pass tests and that they also encourage workers to make their own contribution.

122 Governments must take measures to guarantee high-level education and training at all levels, from pre-primary to higher education. European higher education needs an international level of excellence but the ETUC stresses the importance of homogenising quality. The strength of European higher education, in other words, lies not only in the excellence of a few institutions but also in the overall quality of the majority of its institutions. The ETUC stresses that policy-making should not exacerbate differences between universities in terms of their financial situation and that it must democratise participation in higher education.

123 European universities need more cooperation among different actors and new forms of management, information, consultation and participation. The question of actors is not confined to universities, governments and flagship companies. There is a need also for closer cooperation with society and the labour market. The actors, including social partners and students, should be involved in the governance of higher educational institutions.

124 The ETUC stresses that higher education institutions should be a major actor in competitiveness and should encourage equity and social cohesion among European citizens. The European challenge is to ensure that universities come to serve citizens and society at large more extensively than is the case at present.

125 The European Commission and Member States are increasingly focusing on public-private partnerships as a way of enhancing the effectiveness of the education systems and the impact of reforms, not only in higher education but also in general education. The ETUC highlights that such an approach should in no way lead to a decrease of governments' responsibility to fund education, to ensure the quality of education and training, and to ensure equal access to education and training. Nor should the introduction of public-private partnerships lead to any restraints on the role of the trade unions in social dialogue and collective bargaining. Moreover, public-private partnerships, e.g. long-term contracts between the private sector and the public sector, could reduce flexibility to adjust to changes in educational policies and objectives; they could indeed also prove more costly in the end.

126 The ETUC regards vocational training as a permanent component of the process of lifelong learning for both workers and citizens. The ETUC stresses that emphasis should be placed on the role of vocational training in the following situations:

- The training of skilled labour;
- The preservation and updating of workers' skills and qualifications in changing environments, with specific attention to those workers in precarious jobs, in temporary agency jobs and in part-time jobs;
- Training and encouraging citizens to be active in society;
- Introducing learning and training systems intended to foster the creation of new jobs and new ways of working in Europe;
- Better training and better lifelong learning – towards a knowledge based society.

127 The social partners must be involved in the different processes and actions. Their capacity to include in collective bargaining questions pertaining to the rights and conditions affecting access to training and when it takes place cannot be ignored. On the labour market lifelong learning should occupy a more central place in collective agreements, including options whereby the employer allows time off work and funding in order to facilitate participation in vocational training and update of skills for all employees, including during later life.

128 The ETUC calls for four new goals to be added to the European benchmarks for employment, education and training:

- Increased investment (2.5% of the pay bill) in training by employers;
- In 2010 one worker in two to be taking part in training during working hours;
- The ETUC also calls for the generalisation of attractive paid educational leave systems;
- To really take into consideration training as a right for all workers, which will mean committing to a minimum number of training hours per year from which all workers may benefit during their working hours, as well as applying a training programme decided jointly with the workers' representatives in the company.

A stronger social policy agenda

129 The ETUC considers that Europe's social policy agenda is a key instrument for EU social policy. It is far from being complete; the same can be said about the social dimension of the internal market. It seems that the freeze on social laws asked for by the European employers on the occasion of the EU's enlargement to ten new countries is gradually being put into practice as one sees little initiative in the social policy area by the European Commission.

130 In addition, recent initiatives for a revision of social Directives by the Commission, such as the one on the Working Time Directive, can be considered as far from social and contrary to the needs arising from demographic change, and rather heading in the direction of further individualisation of the employment relationships/conditions, excessive flexibility and enhanced deregulation. For the ETUC, the revision of any EU Directives should lead to upwards harmonisation and in no event to any type of regression, even less to social competition between national legislations, opting out or the lowering of the standards already achieved, and should take into account work-life balance needs.

131 The ETUC will continue to exert pressure on the European employers to take more political responsibilities in relation to the specific areas of intervention of the social partners, especially to complement the actions promoted by the European Commission or to fill the existing gaps where there is no initiative from the part of the European institutions. At the same time, it is urgent for the European Commission, the European Parliament and the European Council, all according to their specific responsibilities, to reach quick agreement on the pending proposals and to initiate new legislative proposals, as part of an ambitious social policy agenda, on the following areas:

- the revision of the Working Time Directive with a view to limiting the excessive flexibility of working hours and safeguarding the fundamental right to limitation of working hours to protect the health and safety of workers; to the maintenance of the 48 hours as the maximum weekly working time in full respect of ILO Convention n° 1; to guaranteeing the elimination of the opt-out by 2010 and the recognition as working time of on-call duty at the workplace;
- the revision of the EWC Directive in order to ensure a timely and comprehensive information and consultation of the EWC before any corporate decisions are taken, to improve workers' rights and to broaden existing competences, giving EWCs a negotiating capacity and recognising the role and responsibility of trade union organisations;
- the adoption of the Temporary Agency Workers Directive, guaranteeing equal treatment with comparable workers in the user enterprise and providing for a proper regulatory framework to counter the rise of manipulative and fraudulent intermediaries on the labour markets, who are increasingly operating cross border;
- more transparency and simplification in the implementation and enforcement of the Posting of Workers Directive; the provision of legal clarity concerning the law and employment conditions applicable to cross border employment relationships should be enhanced and the enforcement provisions of the Directive should be strengthened, thereby safeguarding Member States' capacity to regulate their labour markets and preventing social dumping;
- review of the Directives incorporating European Framework Agreements (parental leave, part-time and fixed-term work) with a view to integrating ECJ case law into these Directives and adjusting them to changing economic, social and societal developments occurring since the adoption of the agreements; such updates should ensure paid parental leave, leave for care activities, a better conciliation between work and private life, better integration and progression in the labour market as well as strengthening the use of open ended contracts as the rule in EU work contracts;
- mechanisms to refocus labour law to cover all forms of precarious employment, and regulation of specific forms of non-standard employment relations (such as economically dependant workers, domestic and home workers...) with the active involvement of the social partners with a view to ensuring respect for the social rights of those workers and to fighting against undeclared work;
- protecting workers against unjustified dismissals and all EU Member States should ratify ILO Convention no 158, on termination of employment;
- regulation of workers' intellectual property;
- promoting workers' rights of participation, information and consultation;
- data protection in the employment context;
- protection of workers against too restrictive non-competition clauses in order to guarantee their

freedom to freely choose an occupation and their freedom of movement so that the best use is made of the competences they have to offer;

- a right to a minimum income which must be fixed according to national practices;*
- promoting a social clause in public contracts, respecting ILO Convention n° 94 as well as collective agreements;
- including the incorporation into European law of the rights set out in the European Charter of Fundamental Rights, including the right to strike and ensuring the transnational dimension of these rights;
- European norms which guarantee that all European companies with branches, suppliers or subcontractors in non-European countries make CSR commitments to cement the company's real actions to guarantee the total respect of fundamental labour rights in the chain of production with transparent verification systems and instruments for trade union intervention.

132 The right to strike and to organise sympathy actions on transnational issues is especially important so that unions can act to match companies which can operate freely around the world. At present rights to strike are based on national constitutions and international conventions, but are sometimes narrowly interpreted to prevent unions from supporting each other in solidarity across borders. The ETUC will engage itself in the development of a strategy to achieve this objective.

133 Besides the need to introduce more and better standards, there is also a clear need to ensure more effective implementation, monitoring and application of the “acquis”. The monitoring should be more regular and not concentrate only on the formal process but also on practical experiences, clearly identifying infringements and taking the necessary measures to apply infringement procedures. The social partners must be fully involved in the process.

ACTION POINTS :

The eleventh ETUC Congress calls upon the ETUC to:

- Campaign at all levels for a social Europe to balance the single market that provides security and helps workers handle change, generates more and better jobs and guarantees fundamental rights.
- Work for the establishment of a framework of rules and/or collective agreements to provide for minimum standards in areas of pay, working conditions, trade union rights, health and safety and other areas in an emerging European labour market.
- Call for and contribute to policies that sustain employment growth and lead to a lasting and substantial fall in unemployment, not least for young people and immigrants.
- Fight precariousness and insist on the right of all Europe's workers to 'decent work', work that meets acceptable labour rights in terms of pay, working conditions and hours, and security.
- Mobilise trade union activity in the European headquarters of multinationals so that they incorporate in their immediate trade union objectives the defence of decent work in the world chain of production.
- Analyse in depth – in cooperation with ITUC and TUAC – the implications of private equity and hedge funds for the European economy, especially for employment and workers.
- Demand that the European Union works to institute a common regulatory framework and plays a major role in the setting up of international regulation.

* See Annex 1 - Congress

Greater equality whilst respecting diversity

- Prioritise actions to reduce the gender pay gap by all possible means.
- Support policies promoting the reconciliation of work and family life, in particular with regard to working time, flexible work arrangements, care facilities, leave provisions.
- Incorporate gender mainstreaming into all EU level policies, including internal market policies, as well as within ETUC policy-making.
- Develop a trade union campaign to fight for equality of opportunities for all, and against all forms of sexism, racism, xenophobia, homophobia and discrimination on the basis of religious belief.
- Incorporate into the social dialogue policies of migration and integration into the labour market as a means of fighting exploitation, and promote the non-discrimination of migrant and ethnic minority workers. We should also advertise the incorporation of these points into our trade union agenda and promote the participation of migrant workers at all levels of trade union structures.
- Campaign for a specific European Directive for disabled people, concerning notably their living conditions, resources and rights.

A more proactive policy on economic migration, more investment in integration

- Work towards a more proactive Europe migration policy geared towards managing not preventing migration, combined with strong integration efforts and the enforcement of human rights, labour standards to combat the exploitation, especially of irregular migrants.
- Intensify actions and campaigns both at European and at national level in favour of ratification and application of all conventions and important instruments of the ILO, UN and Council of Europe conventions on the protection of the rights of all migrant workers and their families.

- Support policies that recognise the fundamental social rights of all workers and which favour social cohesion by preventing the creation of two-speed migration channels and the exploitation of workers in irregular administrative situations and the recruitment of migrants in precarious working and social protection conditions.
- Combat all forms of human trafficking.

A better framework for mobility within the EU

- Work towards an EU-wide supportive legal framework for cross border mobility of workers that insists on the principle of equal treatment in terms of wages and working conditions applying to the place where the work is done, equal access to social support systems and the portability of rights.
- Campaign for the right for organised labour to take action at the transnational level, specifically for a transnational right to strike.
- Promote the full implementation of the declaration “European trade unions without borders” adopted at the Helsinki Congress in 1999, and investigate forms of wider cooperation under an ETUC umbrella.

Better labour law for Europe’s labour market and more secure mobility and careers for European workers

- Insist that social criteria, including respect for collective agreements and employment rights, are integrated into public procurement contracts.
- Make sure that the debate on ‘flexicurity’ does not confirm the employers’ agenda of having access to a great variety of ‘flexible’ work contracts and diminishing dismissal protection for the ‘standard’ worker by easier firing rules.
- Develop with the affiliates a trade union agenda to refocus and strengthen labour law with a view to reintegrate forms of precarious employment relationships within the scope of labour law and to prevent the weakening of employment protection legislation.

- Demand new forms of security for workers – defined by law and/or negotiated - to provide them with appropriate protection and means to cope with the rapid changes in labour markets and the globalisation of capital.
- Together with the ITUC, the international federations, Global Unions, to support the extension and strengthening of the social dialogue, and the accumulation of experiences to reach agreements and the establishment of Global Works Councils with multinationals.

Quality social protection systems to address demographic challenge and changes in the labour market

- Support the development of high-quality social protection systems that respond to the challenges of demographic and labour market changes.
- Contribute to broad and pre-emptive strategies to address demographic changes that focus on measures to improve the work-life balance, lifelong learning, quality employment with negotiated, appropriate working conditions, reducing unemployment and fighting age discrimination.
- Call for the development of quality healthcare financially and geographically accessible to all on the basis of need and not the capacity to pay.
- Press for the development of EU policies that safeguard, and promote, good health.
- Support pension reforms which are equal for women and men that guarantee pensioners a dignified and independent life.
- Insist on the need to broaden the basis for contributions to social security systems.
- Contribute to the fight against poverty, not least by seeking a stronger open method of coordination in the area of social inclusion while recognising the importance of an effective combat of poverty at the local level.
- Adapt and improve social protection systems to respond to new inequalities created by the changes in the context of employment, families, composition of the family, and new social risks.

Better health and safety at work

- Give priority to actions to improve health and safety for workers
- Call for and contribute to better health and safety legislation
- Campaign and call for enforcement of health and safety legislation
- Promote sufficient resources for labour inspection
- Work towards workers' right to have safety delegates and working environment committees
- Campaign for compensation schemes for work related accidents and diseases

Better training and better lifelong learning – towards a knowledge society

- Campaign for increased investment in high-quality education and training for workers of all ages and of all qualifications, both men and women, and for recognition of informal learning and experience, with the involvement of social partners.
- Guarantee all workers a minimum of training during their working time based on training programmes negotiated with the workers' representatives. Insist in European legislation on real commitments by European employers so that fundamental working rights are respected along the whole chain of production, guaranteeing transparent verification of working conditions and appropriate trade union action in order to contribute to this.
- Campaign for increased investment in high-quality education and training for workers of all ages and for recognition of informal learning and experience, with the involvement of social partners.
- Improve individual access to education and learning for all, not only for young people but also for adults and for all atypical workers, especially for workers in part-time, fixed-term and agency work.
- Insist that universities serve citizens and society at large more extensively.

- Make sure that lifelong learning plays a more central role in collective agreements for all groups and categories of worker, for example by encouraging international recognition of diplomas and qualifications.
- Call for increased investment (2.5% of the wage bill) in training by employers, that one worker in two will take part in training during working hours by 2010 and for the generalisation of attractive paid educational leave systems.
- Call for quality education for all. Improve cooperation and dialogue between the education system and working life and between higher education and research.
- Promote access to education for unemployed persons. A large potential of inactive workers can be found among welfare recipients, and among inactive workers who are not welfare recipients. Those groups can profit enormously from educational programmes in order to enable them to (re-)enter the labour market.
- Strengthen the role and functioning of labour and health and safety inspectorates.

A stronger social policy agenda

Campaign for swift action by the European institutions to:

- Revise the Working Time Directive to eliminate the opt-out
- Revise the EWC Directive
- Adopt the Temporary Agency Workers Directive
- Review the Posting of Workers Directive and improve its implementation and enforcement
- Review the Directives transposing European Framework Agreements
- Incorporate into European law the rights set out in the Charter of Fundamental Rights
- Campaign for improved monitoring of the “acquis communautaire”.

For a space for social dialogue, collective bargaining and worker participation for all

More and better social dialogue

1 The European social dialogue is a crucial part of the European integration process and an essential instrument in the construction of a more social Europe. As co-legislators in the social policy field, the European social partners have the responsibility to agree on their autonomous work programme as well as to complement the initiatives taken by the European Commission. Important progress has been achieved and the European social dialogue is unique in the world. But there is a lot of work that still needs to be done in order to arrive at a strong European industrial relations system that will supplement the national systems. Furthermore, and given the initiative taken by the European institutions in the social policy field, the social partners have a greater responsibility in addressing the issues that are of a common concern for the better functioning of Europe's labour market. However, employers' organisations, in the absence of any type of pressure from the European institutions, maintain that the competence to deal with employment policies lies exclusively at national level, and are reluctant to engage in the discussion and negotiations. The ETUC is convinced that the strengthening of autonomous social dialogue at all levels, with a better negotiating capacity of the partners, is the best way to match the interests of both employers and workers, to promote a more effective partnership and to generate win-win situations. Social partners' organisations that are strong, representative and capable of negotiating will be best able to face the current and future EU challenges in terms of employment, growth, innovation, productivity and competitiveness.

2 Building on past experience and with a view to promoting further social dialogue at all levels, the ETUC:

- will pursue its objective of promoting a more qualitative social dialogue, especially in terms of the issues discussed, its outcome and the implementation of its results;

- as foreseen in the Social Partners' Work Programme 2006-2008 the ETUC and its members will work in cooperation with the employers' organisations towards the development of a common understanding on the European social dialogue instruments. Such an exercise should lead to the conclusion of a joint agreement on the principles that are at the basis of those instruments, on their status, the rights and obligations linked to them and on the expected outcomes at all levels. This should apply to outcomes from the cross-industry and sectoral levels and well as to outcomes reached at the level of EWCs;
- considers it essential to ensure to all workers, irrespective of the size of the company, the rights and practices established in the European framework agreements. In order to guarantee this, it is necessary to work towards the definition at the European level of a dispute settlement system, with the participation of the European social partners, that will ensure a consistent interpretation and application of the European framework agreements in all the countries concerned;
- Will work towards better and more minimum demands in Europe for national systems of consultation and information for workers (Directive 2002/14) in all companies with more than 20 workers;
- reiterates the need to set out a consistent framework for collective bargaining and the right to strike at EU level and repeats its call for the creation of a department at the European Court of Justice devoted to social and labour issues;

- considers it is essential to further strengthen the links between the different levels of social dialogue (European intersectoral and sectoral, cross-border, national, sectoral, regional and company levels) in order to achieve better results and to develop the necessary synergies and complementarity;
- considers it is essential to incorporate policies concerning the employment of new groups of workers into the social dialogue, and to guarantee equality of treatment and non-discrimination between men and women as well as, among others, disabled workers, migrant workers and ethnic minorities;
- will continue pursuing the agenda of guaranteeing a right of lifelong learning to all workers in order to allow them to progress in their career and personal development;
- will continue to support its member organisations in the implementation and monitoring of the results of the EU social dialogue, ensuring that trade unions keep the initiative vis-à-vis employers at the national and sectoral level and combating any blockages that employers may wish to create; the ETUC and its member organisations consider that the results of EU social instruments are in all cases binding on the social partners and thus commit themselves to transposing the results of the EU social dialogue at their respective levels, through collective bargaining, legislation and/or enterprise level instruments;

- will develop further its action to support the development of capacities of the trade unions in the new Member States to fully participate in the European social dialogue; this action will also be extended to the candidate countries;
- will encourage further the knowledge about the social dialogue and diffuse its practices and results at the national and other relevant levels.

3 The ETUC underlines that it is of crucial importance that the Commission fully respects the co-regulatory role of the European social partners in making new legislative proposals with a view to further reinforcing workers' rights. In view of the new labour market challenges it must ensure a proper consultation of the European social partners within the framework of Article 138 EC for every (legislative) proposal that might have an impact on and/or concern social policy in general and the rights of workers and their representatives in particular.

4 The ETUC also attaches great importance to the concertation processes engaged with the European Commission and the European Council namely in the context of the Tripartite Social Summit prior to the Spring Council. The ETUC will continue to work towards a more meaningful dialogue and cooperation between the social partners and these institutions in all areas of the European integration process.

More coordination of European level collective bargaining

5 Since the Helsinki Congress of 1999, the ETUC has been organising, in cooperation with the national affiliates and European Industry Federations, more coordination of collective bargaining in Europe. This strategy aims at building up an integrated system of industrial relations and is being pursued to attain the following objectives:

- To guarantee workers a fair income, in particular by ensuring that workers' purchasing power rises in line with productivity growth.
- Counter the risks of competing social systems, in particular in the context of Economic and Monetary Union where currency devaluation is no longer possible.
- Overcome growing income inequality and achieve equal pay and treatment of men and women.
- To put pressure on our counterparts at any level in order to ensure effectiveness, consistency and complementarity with the ETUC system of social dialogue and collective bargaining.

6 Today, we see that cross-border mobility of production has increased sharply. The trends in world trade, together with the growing power of financial capital indicate that these phenomena will spread in future.

7 The consequence is an increase in social inequalities, a fall in the share of wages in the economy's value-added, real wages that stagnate or even fall in some European countries, a challenging of workers' rights, a new tendency to lengthen, instead of shorten, working time, growing job insecurity and a worsening of working and living conditions. At the same time, as may be deduced from the daily activity of the Interregional Trade Union Councils (IRTUCs) in border areas with regard to the recurrent dangers of social dumping and/or the deep differences between conditions for workers, it becomes clear that it is urgent for the different European Industry Federations and the ETUC itself to adopt, at a European level, increasingly better coordinated and contractual policies and levels of negotiation, in order to harmonise in a positive way the quality of rights and conditions of workers in Europe.

8 Today we need a new impetus in order to enhance existing industrial relations, step up coordination of collective bargaining and encourage and support cooperation among trade unions, throughout Europe, within a general framework put forward and supported by the ETUC. Together with the new ITUC we need to strengthen trade unions rights to enable trade unions to engage in collective bargaining. In many Member States there is a need to build up trade union capacity and to strengthen sectoral collective bargaining where it does not exist. And as capital goes global, unions must be more effective across Europe and globally.

9 The ETUC reaffirms its commitment to enhance its capacity to develop the coordination of collective bargaining in order to provide a more consistent general framework and to back the European Industry Federations (EIFs) and the national confederations in all relevant ways, including a strengthening of the activities of the ETUI-REHS and the Social Development Agency in this field. This must be achieved by strengthening the ETUC's committee dealing with the coordination of collective bargaining in Europe.

10 Against this backdrop, the ETUC undertakes to do the following:

- Render the exchange of information more specific and targeted, by bolstering and expanding existing communications, e.g. newsletters, website, databases, etc. In order for operations to be more efficient and continuous, we need to set up a network of officers responsible for collective bar-

gaining at national level and in the EIFs so that implementation is continuous and to facilitate the exchange of information in a timely fashion.

- Coordinate wage policy, working time and arrangements to reconcile work and family life, based on guidelines that are designed to counter the risks of social dumping and a deterioration in work arrangements and conditions and ensure fair wages and real wage increases, taking account of the evolution of productivity in each EU member state, tackle low and poverty pay through solidaristic wage bargaining, extension of collective bargaining and higher statutory and minimum wages agreed in collective agreements.*
- Build a more effective policy for the coordination of qualitative elements relating to workers' rights in collective agreements. The experiences underway, based on decisions taken in the EIFs to set common European claims in qualitative areas, is a very important means of fighting growing inequalities and for ensuring more effective upwards harmonisation of workers' rights.
- Develop the coordination of collective bargaining and the corresponding mobilisation of trade unions in each country and in the European sectors of activity in order to reach minimum norms in all countries of the European Union.

11 The ETUC undertakes to ensure greater consistency between collective bargaining at all levels and also with the results already achieved in social dialogue and EU legislation relating to training and lifelong learning, equal opportunity and treatment, enhancing the labour market participation of women and the protection of health, safety and the environment at work; and, lastly, a fight against precarious work and the protection of self-employed workers. The ETUC also undertakes to ensure that negotiators participating in collective bargaining at European level have competence on equal rights between women and men.

12 The role and the presence of women in the trade union structures dealing with collective bargaining and social dialogue at all levels, including at European level and in EWCs, will be strengthened.

More cross-border cooperation

13 We must encourage, promote and support all cross-border cooperation initiatives and in the sectors that are relevant to collective bargaining with a view to countering the growing risk of social dumping. The Doorn Group of unions in Belgium, the Netherlands, Luxembourg, France and Germany, and the activity already carried out by European Industry Federations is a benchmark and should be extended to areas where there are similar economic, territorial, monetary (in particular in

* See Annex 1 – Congress Statement on Pay

eurozone countries) and social conditions. In this context, the ETUC's activity can play a very important role. Effectively the ETUC's aim is to encourage a cross-border dialogue in all areas, starting with the trade unions, stretching out to all the different levels of territory, sector, company. To this end, there is an important and growing phenomenon of cooperation and integration of economy and services between firms in border areas, especially in new member countries, which requires a reinforcement of cooperation between sectoral unions and company representatives of border areas. The ETUC supports the commitment of the Interregional Trade Union Councils to encourage direct cross-border links between sectoral and company structures.

14 This cooperation must lead to more efficient exchanges of information and improve cross-union cooperation, promote, select and disseminate best practice and experience developing at this level, while at the same time respecting the different collective bargaining systems. In addition, this cooperation should be among the activities of the ETUC's collective bargaining coordination committee in order to ensure overall awareness and consistency.

More agreements reflecting the mobility of companies

15 Cross-border mobility of companies and transnational companies (TNCs) in Europe and elsewhere is increasing sharply. The absence of transnational negotiating powers and procedures poses increasing problems for the social management of these processes, which often have a knock-on effect on employment and working conditions. So far, this activity has taken place without clear rules and procedures. It should be recalled that in the last years, several agreements have been signed, most of which concern the EU dimension, but also Global Framework agreements. These agreements were often signed by a wide range of parties, such as the EIFs and/or the sectoral unions at national level and/or the EWCs.

16 For these reasons, the ETUC stresses that the Commission's initiative, found in the 2005-2010 Social Agenda, whose aim is to offer to the social partners who request it a legal framework for these agreements, fulfils an obvious need. In any event, the EIFs and the trade unions involved in this process at national level have the overriding responsibility of defining rules and procedures for negotiating and managing this activity.

17 The role of the ETUC concerns the definition of a more general framework to support and strengthen this action. This framework, as it currently stands, revolves around two main points:

- A detailed definition of the players involved and their representational capacity. The ETUC's view is that representative capacity should be granted only to the trade unions, since their collective representation can have legal implications. Consequently, a remit to negotiate and the authority to sign must remain in the hands of the trade unions. In this context the EWCs, as actors in the system of labour relations at company level, must fulfil the criteria of representation and internal democracy as defined within the framework of the ESF and national trade unions, who are the referees in the process of negotiation in the different companies.
- The content and the effects of the agreements signed must not lead to a watering down of the clauses already negotiated in collective agreements and in national legislation. A non-regression clause should be clearly set out.

18 In line with the criteria mentioned above, the ETUC will support the European Industry Federations and the national trade unions in developing transnational collective bargaining at sectoral and company level, wherever the best conditions are to be found for homogenising the improvement of working conditions without watering down clauses already negotiated in collective bargaining agreements and national legislation. Those directly responsible for the negotiations – the EIFs and national unions – and the ETUC will support the collaboration of European Works Councils and the relevant sectoral Social Dialogue Committees. The Interregional Trade Union Councils in cross-border regions may also, where appropriate, play a role in promoting cross-border agreements. The Collective Bargaining Committee and the Executive Committee of the ETUC will analyse periodically the scope and validity of this experience.

Better conditions for European Works Councils (EWC)

19 The intense activity of transnational companies makes the role of the EWCs all the more important. That is why the ETUC continues to call for a revision of the EWC Directive as well as:

- The effectiveness and the working conditions of EWCs are to be improved. This refers especially to the right to information and consultation and negotiation before decisions are taken by the companies and to the recognition of the trade unions as well as to the clarification of the right of the EWC to assert its rights vis-à-vis management by (short cause) court proceedings at the company's expense;
- The right for trade union representatives and experts to participate in meetings, above all in support of the Special Negotiating Body (SNB) in its negotiations as well as in EWC meetings with

central management, must be secured. This is already explicitly regulated in this way in the SE Directive, which was adopted well after the EWC Directive;

- The persistent under-representation of women in SNBs and in EWCs and their selected committees has to be addressed. Furthermore EWCs' policies do not sufficiently incorporate gender mainstreaming;
- Legal problems and uncertainties are to be clarified such as how to deal with 50:50 joint ventures, the maximum number of seats, the lack of provisions regarding the renegotiation and the adoption of the agreement;
- The scope of application of the EWC Directive is to be enlarged also to smaller multinational companies with 500 employees;
- If the central management refuses to have negotiation meetings with the SNB within 6 months at most, the subsidiary requirements shall come into force;
- In any event, the fact that there are already more than 11,000 EWC representatives in nearly 800 multinationals means an additional effort is required in support of the EWCs.

20 In that regard, ETUC undertakes:

- To support the European Industry Federations (EIFs) in order to improve gender-mainstreamed actions as well as actions concerning training schemes, the expertise of EWC representatives and to enhance networking and the sustained monitoring of agreements, by means of existing databases;
- To back the efforts of the EIFs for a qualitative re-negotiation of the agreements and to extend them to all concerned multinationals;
- To improve potential synergy reinforcing the links between EWCs and trade unions, by means of a range of initiatives with the agreement of the EIFs, with the goal of achieving a positive management of company restructuring and mobility, based on specific practices and experiences in order to provide general reference models.
- To mention in the preamble to the Directive the importance of the promotion of gender democracy in the EWCs, while being aware that the ETUC itself and its member organisations still have much work to do on this issue.

More European workers' participation

21 Financial markets are today dominated by the liberal approach, according to which companies exist solely for the benefit of their shareholders and investors. This is increasingly putting the busi-

ness world into a position in which it has to justify itself to the general public. But the scandals in the financial markets of recent years have showed that the topic of integrity and transparency in the management of listed companies is a matter relevant to all aspects of the fate and destiny of the companies. The increasing interest in corporate social responsibility shows that the doubts concerning the benefits of the liberal system have been noted.

22 In order to head off this liberalism in financial markets, there must be a change in the speculative logic which recognises the numerous financial instruments in use today. In this context the role played by private equity should be critically emphasised, in order to strengthen the principles of transparency and the need for a stronger democratisation of the economy and to rein in the power of capital markets to limit the control of business.

23 In view of repeated fears of the financial regulators concerning the activity of hedge funds and private equity which have led the ECB to talk of a “risk of a systemic crisis” with which they threaten the economy, the ETUC exhorts the Commission, in line with its action plan for the modernisation of corporate legislation and corporate governance, to submit as soon as possible its proposed legislation aiming to strengthen information provided by institutional investors regarding their investment and voting policy.

24 In parallel, it is important to develop statistical instruments allowing a better transparency of the hedge fund industry and private equity as well as indicators of corporate governance.

25 It should not be left to managers and investors – nor the European Commission – alone to define what companies do for society. Workers’ participation is not a private affair in the hands of employers. It is a public matter which, if need be, must be politically imposed against the wishes of employers and investors. What is required today is the establishment of a framework in which other social groups than shareholders are able to organise and determine their interests in the company. Workers and their trade unions play a central role in this matter as they are keen on safeguarding their employment, improving their living conditions and their income.

26 Workers’ rights to information, consultation and participation must be designed in such a way, that they can bear weight on the company’s decision making concerning arrangements with private equity parties. These rights must be regarded as key factors in promoting and securing the company’s ability to create long term value.

27 The Commission and the Member States must ensure that CSR encompasses all actors, including investment funds which influence and sometimes control the companies they invest in. In this respect, the ETUC wonders if Directive 2002/14 on information/consultation of workers in holding companies is being applied, and asks that this Directive be revised if the workers are not included.

28 Strong and obligatory workers' involvement, by virtue of preventive information, consultation, participation and collective agreement, guarantees that a European Social Model comes down to the working and living places of European citizens: participation rights of employees should result in a set of rights including information and consultation rights for all workers in the smallest to the largest companies (information in good time and consultation finalised in motivated opinions before the decision is taken, including, in the case of restructuring, where workers' rights to information and consultation or access to external expertise should be guaranteed from the planning of the restructuring). These are mechanisms which support social inclusion and which indicate the wealth and capacity of civil society to face the challenges of globalisation and to achieve satisfying arrangements at micro-level. Trade unions are calling on European policy-makers for support in making this mechanism work. Fundamental rights together with subsequent legislation at European level should ensure that workers are able to negotiate face-to-face with employers, relying on the autonomous political power of their trade unions. This is the reason why the ETUC demands that the Commission develop a coherent set of European legal rules on employee participation based on provisions that are currently spread across different EU Directives.

29 The ETUC wants to see a debate on setting up a fundamental European right to influence business decisions which concern workers combining representative, direct and trade union based interest representation. European policies should be stimulated to develop further the fundamental rights of citizens by introducing this fundamental right grounded in Art. 137 of the European treaties. This right could be deduced from the relevant provisions of the European Charter of Social Rights of 1989, together with the fundamental right to information and consultation defined in Art. II-87 of the draft European constitution. Moreover, such a consideration may be based on relevant basic rights laid down in the constitutions of a number of EU Member States like Germany, Finland, France, Italy, The Netherlands, Portugal and Slovenia providing workers with the right to influence business decisions of companies.

30 The ETUC calls on employers and EU institutions to show a better understanding of the close link between the promoted "High Road" of European economies and a strong and obligatory involvement of workers. European companies which want to be competitive in a global dimension have to

seek a close commitment to their employees because human resources are the key factor. Typical elements are the acceptance of fundamental rights and principles at work, open and transparent information for workers and their representatives and involvement in decision making at board level or in supervisory boards. The competitiveness of companies is highly dependent on the ability and willingness of management to actively involve employees in the development and innovation activities.

31 In terms of innovation, employees are both one of the biggest and most overlooked resources. Employees are often the ones who turn knowledge into new products and services in practice and their knowledge and experience are often an important source of innovation. In other words, employee-driven innovation originates from below instead of from above. In the context of employee-driven innovation, conceiving ideas, implementing ideas and value creation based on ideas do not rest with a limited team of, say, engineers and other highly educated people, but are based on systematic involvement of all employee groups. The values for the company can be “hard” values such as a higher turnover, better bottom-line results, etc., and “soft” values such as greater job satisfaction, reduced stress, etc.

32 Hence, the innovation policy of tomorrow must contain a strategy for how to ensure employees the best possible framework for exploiting their innovative potential, taking care to regulate the question of workers’ intellectual property. Furthermore, it is important that an extended vocational and supplementary training system connecting general knowledge and practice-oriented learning underpins the development of employee-driven innovation.

33 The employee aspect is particularly relevant as regards user-driven innovation. The majority of European companies are not research-driven giants, but small and medium-sized companies with a focus on gradually developing and adapting products and services to market needs. In this respect, employee experience and knowledge of customers and suppliers play an important part. Initiatives in the area of innovation must therefore take employees into consideration in the processes.

34 The ETUC will encourage the Commission to include employee-driven innovation in its considerations on a European innovation policy and to include it as a cross-sectoral thematic priority in the EU’s industrial policy. Employee-driven innovation would also help support the influence of the employees at the individual workplace and develop cooperation at all levels in the individual company. It would therefore be wise to consider including the theme of employee-driven innovation and its place in the collective bargaining framework in the work programme for social dialogue with the European employers.

Corporate governance

35 social Europe needs well governed European companies serving not only shareholders and markets but also communities, society and stakeholders, too. They should be structured in a way that balances economic competitiveness with social interests and ecological requirements. In order to do this, the structure and functioning of the firm must be as transparent as possible. To this end, the stipulation of minority shareholders' rights, the use of internal and external audits, and transparency on managers' remuneration, etc. are indispensable after the latest scandals in Europe and worldwide. It is also desirable that OECD Corporate Governance Principles will be applied in all European Countries. Employee share ownership schemes, if collectively organised and on a voluntary basis, can contribute to the improvement of corporate governance functioning through an influence going from the assembly to the company bodies.

36 To give workers of cross-border companies the ability to exercise their rights to information, consultation and particularly participation to intervene in business orientations European company law insists on obligatory worker involvement. The SE-European Company statute of October 2004 provides a suitable structure to show what good corporate governance can look like. The SEs in which an agreement on workers' involvement was reached clearly showed the readiness of both sides to accept workers participation as a core element of their European corporate structure. According to the provisions of the SE Directive, this participation should be exercised by a strong established SE works council together with workers' presence and co-determination in supervisory boards as a core element.

37 The ETUC claimed in its action programme from Prague, 2003, a European understanding of mandating and exercising worker interest representation in managerial or supervisory boards of a European Company (SE). In order to implement and to improve this, special training and platforms for exchanging experiences should be put in place to ensure workers are able to take on these new responsibilities. The ETUC should examine the concept of organising a "board level representative academy" together with training centres of the national affiliates and EIFs concerned. The ETUC confirms its commitment to consider the establishment of a European fund in cooperation with the EIFs, where an appropriate part of the remuneration of board level workers' representatives in SE boards can be placed.

38 It should be clear for the public whether the provision on worker involvement in a SE has been properly adapted in any single case. Thus the European Commission is called upon to organise an

accurate SE register which contains not only the minimum required business data, but also whether an agreement with workers exists and, if so, on which subjects. The ETUC is concerned about the numerous SEs which were accepted without having reached an agreement according to the SE Directive. The founders claimed that they had no employees at the point of establishment. Because there is no provision for renegotiations at EU level, it could be that some SEs are without workers' involvement in cases where companies start to operate with employees contracted after the SE was established. The Commission is called upon to close this legal loophole.

39 The ETUC wants to keep the objective of harmonisation in the field of European company law and also envisages a European framework which explains and respects the role of workers' representatives in boardrooms. This needs to reflect the work of the European Parliament on corporate governance. Moreover, steps are necessary to complete the 14th Directive on the cross-border transfer of company seats, at least, with the same standard of rules provided by the SE Directive. European legislation has to ensure that no legal loopholes are left which permit companies to get around already existing participation rights. The ETUC will demand that the European Commission put in place a mechanism which can guarantee the principle of "portability" of existing workers' participation rights in all cases of mobility of the company or parts of it. Particularly, the "before-after" principle – defined in the SE Directive and preventing workers from losing their already existing rights under national rules prior to the company using European law to change its structure or registered seat – has to be respected. An improper definition of workers' involvement, e.g. in a planned "European Private Company Statute", could lead to workers' participation in EU Member States which do not provide for obligatory worker participation being ignored or undermined. The ETUC's demands are clearly addressed to the European Commission amply to respect workers' rights in those pieces of new regulation in the field of EU company law.

Corporate social responsibility

40 The ETUC confirms its interest in supporting all initiatives which serve to encourage and promote effective social responsibility in the activities of European business. The ETUC particularly supports the OECD Guidelines for Multinational Enterprises and efforts to increase the effectiveness of European National Contact Points. This is why the ETUC supported the Commission's Green Paper of 2002 on this subject. The ETUC continues to underline the importance of a European frame of reference based on concrete criteria designed to bestow transparency, accountability and worker involvement, without which the social responsibility of companies cannot function: external and

internal dimensions of socially responsible business practice must be identical. Such an approach obviously takes into account the fact that CSR expands the company's obligations beyond natural compliance with legislative and (freely assumed) contractual constraints: CSR requires that this behavioural principle be adopted by the company in its full governance dimension. Since the current debate in the Multistakeholder Forum is dominated by the business positions, the ETUC will pinpoint its action around these principles in order to recover the original meaning of CSR and to bring back relationships with institutions and other stakeholders to a more balanced position.

41 The ETUC considers that in companies with non-European subsidiaries, suppliers or subcontractors, CSR commitments should not stop at the borders of the EU but must expressly include the whole chain of production. To avoid this being a simple marketing exercise, the ETUC must insist (1) that European companies make their CSR commitments known to their subsidiaries, suppliers and subcontractors throughout the world, (2) establish serious and transparent procedures everywhere to check that fundamental labour rights are being applied, and (3) ensure real trade union intervention in the entire chain of production, with the right to be present and specific and coordinated action by the sectoral and territorial trade union structures in all areas where their production activity exists.

'Casino' capitalism

42 A new phenomenon, or at least a development which has only recently exploded onto the agendas of trade unions, is the rise of private equity and hedge funds.

43 These institutions differ from the more mainstream financial institutions in being private and not publicly quoted companies. They largely operate on the basis of generating debt, and directing profits to tax havens, out of the view of the regulatory authorities. They aim for a minimum return of 15% p.a. and rarely keep an investment for more than 4 years. Their philosophy is short-term, often selling assets to boost returns and cutting jobs and costs. The German Vice Chancellor described private equity as "locusts".

44 In July 2005 the European Commission launched a public debate on possible ways to enhance the European framework for investment funds. The Commission established two "alternative investments groups" to describe "how they see the future development of the hedge funds and private equity funds in Europe and whether there are any European-level regulatory or other obstacles, which hold back the efficient organisation of the business in Europe". These reported in 2006.

45 The ETUC has been critical of the fact that these reports were made on a biased basis by experts coming exclusively from organisations with a strong interest in no regulation or the “light-touch regulation” proposed in the report. The analyses in the reports were strongly biased towards deregulation. The market imperfections and implications of non-transparency, asymmetric information, enormous growth in leverage, short-term financing, tax evasion, systemic risks on financial markets, and increasing vulnerability of public companies after the involvement of private equity funds – all these were hardly touched upon.

46 These reports are in striking contrast to the very well-documented worries about lack of transparency expressed in reports from the ECB, the World Bank, and American monetary institutions like the Securities and Exchange Commission. The PES Group has already voiced its criticism of the work of the European Commission through a number of comments on reports by the so-called “alternative investment expert groups”.

47 Recently, a European Commissioner expressed his views stating that: “Private equity houses and activist fund managers of all kinds – including hedge funds – play a much more valuable role than any government or any regulator in reducing the cost of capital”.

48 Other members of the Commission have tended to be more critical and at a meeting of Ecofin under the Finnish Presidency there was some agreement with the General Secretary when he raised concerns about the adverse effects of short-termism on research and development, powered, though not exclusively so, by hedge funds and private equity funds.

49 The ETUC is now working with the ITUC, TUAC and others on bringing these funds under better control and is concentrating on

- taxation
- regulation
- information, consultation and negotiation

In particular, in a short period, private equity firms have become owners and movers of vast pools of capital, significant swathes of the economy and of employment. Private equity firms and 'event-driven' hedge funds can jeopardise target companies' ability to be oriented toward long-term value creation, corporate social responsibility and decent employment conditions.

50 Therefore, the legislators of the European Union and the Member States must provide a corporate governance framework that offers the board of directors sufficient instruments to respond and

eventually resist imminent take-over bids and controlling minority shareholders' attempts to bend the corporate strategy to their will without regard for other shareholders' and workers' interests. This framework must be armed against asset-stripping, shifting the burden of investment debts to the company and other doubtful transactions biased by conflicting interests.

51 On the other hand, the investment policies of private equity funds must be regulated according to prudential rules aimed at both financial market stability and long-term asset value creation. In this light, tax regulation, including deductibility of debt service, needs to be reconsidered. The threshold for equity participations to be notified to the financial market authorities and the company concerned must be lowered. The exercise of voting rights on the basis of a temporary securities lending must be restricted.

52 This work will be an important part of the ETUC's next mandate.

ACTION POINTS

The 11th ETUC congress calls upon the ETUC to:

- Strengthen the content of the Tripartite Social Concertation and the Macro Economic Dialogue.
- Promote a more qualitative social dialogue for the benefit of the maximum number of workers, its outcome and the implementation of its results.
- Work in cooperation with the employers' organisations towards the development of a common understanding on the European social dialogue instruments, the principles to be laid down in a joint agreement.
- Work towards the definition at the European level of a dispute settlement system and call for the creation of a department at the European Court of Justice, with the participation of the social partners, devoted to social and labour problems.
- Strengthen further the links between the different levels of social dialogue in order to achieve better results and to develop the necessary synergies and complementarities.
- Combat any blockages that employers may wish to create to weaken the social dialogue.
- Provide a new impetus to the coordination of collective bargaining policies by intensifying the timely and continuous exchange of relevant information, by encouraging and supporting cooperation between trade unions throughout Europe and by a closer monitoring of trends in wages and qualitative working conditions. Wage and social dumping in Europe must be stopped and the trend of a falling share of wages in total incomes and stagnating or even falling real wages needs to be reversed.
- The ETUC asks its Collective Bargaining Committee to examine ways to coordinate the decent pay question, with a view to defending the notion of decent work, taking account of conventional realities and national low pay legislation.

* See Annex 1 – Congress Statement on Pay

- Support the European Industry Federations and the national confederations in their coordination activities and strengthening the ETUC Coordination of collective bargaining committee.
- Support bargaining campaigns by affiliated trade unions to conclude higher wage deals for effective minimum wages in those countries where trade unions consider them necessary.*
- Promote and extend all cross-border cooperation initiatives where there are shared interests and objectives and support the commitment of the Interregional Trade Unions Councils to encourage direct cross-border cooperation between sectoral and company activities.
- Relaunch the trade union debate at all levels to fix minimum European norms for ordering work relations.
- Promote recognition of the direct and general effectiveness of agreements obtained by the social partners on a territorial or sectoral level.
- Develop further a general framework to support and strengthen transnational company agreements in which the representative capacity should be granted only to trade unions and the European Industry Federations.
- Develop a campaign so that multinational enterprises abide by international labour standards, the undertakings laid down in the Tripartite Declaration on multinational enterprises and social policy, adopted by the ILO, and OECD Guidelines on multinational enterprises.
- Insist on a revision of the European Works Council Directive to strengthen information and consultation rights, to improve the effectiveness and the working conditions of EWCs, to recognise the role of trade unions in EWCs, to enlarge the scope of application of the Directive to companies with more than 500 employees and to ensure the success of negotiations in the Special Negotiation Body (SNB) within 6 months at most, as well as clarification of the right of the EWC to assert its rights vis-à-vis management by (short cause) court proceedings at the company's expense.

- Demand the Commission develop a set of legal rules on employee participation, information and consultation rights currently contained in different EU Directives.
- Call on the Commission to set up an SE register which covers relevant company data and information about workers' participation provisions.
- Confirm its commitment to establish a European fund in cooperation with the EIFs, where the appropriate part of the remuneration of board level workers' representatives on SE boards can be placed.
- Press the Commission to ensure that European company law respects obligatory workers' participation rights and to complete the 14th Directive on transfer of seats with the same rules for workers' participation provided by the SE Directive.
- Insist that further measures on European corporate governance serve all stakeholders and not only shareholders and contribute to a higher transparency of the structure of companies and managers' remuneration.
- Continue to promote effective corporate social responsibility and call on the Commission to set up a European frame of reference for CSR, which contains and guarantees transparency, accountability and worker involvement based on concrete criteria designed to bestow transparency, verifiability and efficiency on CSR actions.
- To obtain the right to information and consultation for workers, and to external expertise from the planning of a restructuring process.
- Designate a European Commissioner responsible for prevention of restructuring and responsible for centralising the different aspects relating to restructuring.
- Strengthen and broaden the use of the Globalisation Adjustment Fund to deal with the social effects of restructuring.

4. ON THE OFFENSIVE:



For a European Union
with effective economic,
social and environmental
governance

For a European Union with effective economic, social and environmental governance

1 A successful social Europe, capable of creating more and better jobs, relies on a successful economy – and the reverse is also true. The original Lisbon agenda, as defined by the European Council in 2000, proposed simultaneously to develop the internal market and the liberalisation of public services, while also seeking to raise Europe’s ability to respond with productivity and innovation to challenges such as globalisation, technological change and an ageing society. In the 2000 vintage of Lisbon, social Europe was seen as a part of the solution: a broad and effective knowledge society could only be built on high social cohesion and a well-educated, committed workforce in decent, secure employment. The 2005 mid-term review and the relaunch of the Lisbon process have shifted the European policy agenda. Lisbon, vintage 2005, is prioritising the pillar of competitiveness over the pillar of social cohesion and environmental improvement and, worse, redefining competitiveness in terms of a narrow pro-business agenda of deregulation.

A policy shift to meet the Lisbon objectives

2 The role of the European level is being narrowed down to opening up the European marketplace for even more competition. Beyond that, it is up to Member States to implement reforms of their labour markets in order, supposedly, to become more competitive. The key slogan of the new Lisbon is that national governments must implement national reforms. In this view, besides recommending Member States to reform, ‘Europe’ can or should do little else but to trigger competition by bringing down the barriers to trade and factor mobility on the European internal market. Thus the shift in policy content is accompanied by a shift in responsibility for policy-making.

3 There are still positive elements in the Lisbon Strategy, but increasingly they are downplayed. The main thrust of the new Lisbon agenda is such that each Member State is thrown back on its own devices. There is only a very limited European framework ensuring that intensified competition in

the European marketplace is accompanied by macroeconomic policies providing strongly growing internal demand and with policies that create a level playing field for the European labour market.

4 In the name of ‘competitiveness’, Member States are tempted by this framework and its ideological underpinning to seek to outbid each other for the lowest wage, the most flexible labour regime, the weakest labour and environmental rights and the lowest taxation on profits. ‘Beggars-thy-neighbour’ policies rule, attempting to attract a larger piece of the industrial base still remaining in Europe to individual countries. With the hands of macroeconomic policy tied by fiscal and monetary policy rules (Stability Pact, the European Central Bank, and the new European Exchange Rate System), social policy and workers’ rights are in danger of becoming the only factor of adaptability. In this way, Europe is competing itself out of internal demand and competing itself into a precarious workforce. This is one main reason why productivity growth has been so sluggish. Europe is also missing out on the opportunity to provide a real and sustainable answer to global competition by working in unity and investing together in research, innovation, knowledge for everyone, decent jobs with fair working conditions and a dynamic economy, while taking account of sustainability challenges. With ‘new’ Lisbon, Member States are competing for a larger share of a finite cake, whereas Europe should in fact be about strengthening European cooperation to make sure the cake is getting bigger for all members. With ‘new’ Lisbon, Europe is in the business of competing with China on the basis of a low-cost and working-cheaper strategy – a strategy that is not sustainable.

5 Europe needs to base its competitiveness strategy on high productivity, high skills and the participation of workers, investment in new technologies and research and development and, not least, the rational use of natural resources. It is time to reflect that the current Lisbon Strategy is not working and needs a clear policy shift. It must return to the original approach of combining competitiveness with social cohesion and environmental progress – and also recognise its links to other policy elements in Europe, notably the Stability and Growth Pact, the Employment Guidelines, and the EU sustainable development strategy.

6 Europe first needs to be its own engine of growth. The European economy needs to be lifted once again onto a path of high and sustainable growth that is self-supporting in so far as it is based on domestic demand, as was the case over the 1997-2000 period. At that time, Europe was growing at 3%, with 2% annual job growth and 6% annual investment growth reinforcing each other and sustaining a rapid expansion without generating inflationary pressures from the domestic side. By contrast, the painfully slow recovery since 2003 has until only recently relied too much on export-led growth, and thus been vulnerable to shocks in the global economy and appreciation of the euro.

7 The present European framework of macroeconomic policy is in need of major reform. It is imbalanced and not up to the job of triggering and sustaining high growth cycles. Monetary policy moves quickly and vigorously to fight real or supposed inflationary threats. The fiscal policy framework has been improved, but is still focused one-sidedly on deficit reduction and still pays too little attention to negative impacts on the business cycle. Both fail to set up and support a coordinated and timely policy response to restore economic confidence when growth and jobs are in trouble.

8 Instead, we need to invest together in growth and innovation. To trigger a growth and job-creation cycle as was the case in the second half of the nineties, fiscal policy needs to take a lead. Member States should construct national plans for growth, thereby using a 'double dividend' approach combining short-term impact on aggregate demand and long-term growth potential. This needs to be done by focusing the 'national plans for growth' on the Lisbon priorities (innovation, European networks, social sector, human capital, environment and energy). In order to increase their impact and move towards establishing a shared project of development, these national plans for growth and recovery need to be coordinated on a European basis. Besides constructing 'smart' fiscal policy operations which increase the level of aggregate demand without increasing the net deficit, the recent reform of the Stability Pact needs to be harnessed and Europe's innovation gap identified as an exceptional circumstance allowing a deviation in the timing of public deficit consolidation. The Stability Pact needs to be reformed further by shifting the focus from public deficits to the objective of ensuring sustainable levels of public debt through current spending policies that are sustainable, but take account of cyclical needs, and public investment policies that raise growth.

9 Monetary policy should not counteract attempts by fiscal policy to raise both actual and potential growth rates. The European Central Bank's policy must be committed equally to the goals of price stability and to growth and employment. To this end, the ECB's price stability target needs to become more clearly symmetrical compared to the low point inflation estimate it is targeting right now ('below but close to 2%', probably meaning 1.9%). Also, the combination of the current low inflation target with an immature monetary union brings with it the risk of forcing some Member States into long periods of deflation. Therefore, the ECB should change its inflation target to one (or to a band of inflation targets) somewhat higher than the present one. It should also consider alternative inflation benchmarks shifting the focus from headline inflation to measures of core inflation in order to reflect the structural (dis-)inflationary forces at work in the economy.

10 A growth-friendly exchange rate regime is needed for Europe. To prevent Europe from bearing the burden of global imbalances, Europe needs an exchange rate regime that avoids both excessive

appreciation of the currency and excessive depreciation. The ETUC invites European finance ministers to draw up guidelines for euro exchange rate behaviour which then, according to the Treaty, need to be respected by the ECB. In addition, the ETUC supports the idea of a euro-area seat at the International Monetary Fund, in line with the European Council decision (Vienna 1999) to reinforce the external profile of the euro area.

11 The new Member States must be able to enter the monetary union without sacrificing public investment and social cohesion. The European macro-policy regime with its unbalanced focus on 'stability without growth' is forcing Central and Eastern European Member States wishing to enter monetary union to cut public investment, public sector wages and statutory minimum wages, and this despite the fact that many of them still have major needs for public investment, public infrastructure, quality education and social security systems.

12 It is vital that Europe builds the institutions of economic governance to improve the coordination of macroeconomic policies. A non-inflationary job-creating cycle of high growth can only be triggered and sustained if the different actors (central banks in Europe, finance ministers, labour ministers and social partners) get the policy mix, including wage formation, right. The ETUC therefore calls for a strengthening of the existing coordination mechanisms. The Macroeconomic Dialogue would play a more effective role if more regular meetings were held and the discussions were more policy-oriented. In addition there is a need to establish greater synergy with the national level, implying, amongst other things, meetings between national parliaments and social partners prior to European Council meetings. Moreover, hearings of the European social partners with finance ministers (Eurogroup), labour ministers and the European Central Bank need to be organised at least twice a year.

13 Reaching the Lisbon targets of higher female employment rates, both in terms of quantity and quality of employment, is impossible without further promoting reconciliation policies in Member States. The EU has an important role in coordinating and stimulating action at national level, and monitoring its effectiveness. More efforts are needed in terms of the availability and quality of the care services provided across the EU, not only in terms of childcare, but also elder and dependant care. Legal and other measures to promote the provision of elder care and care for dependants should be introduced. To start with, a new target could be added to the Lisbon goals, to recognise the right to good quality, effective care, to develop substantial services and to provide sufficient numbers of qualified personnel, and to guarantee appropriate and sustainable solidarity finance.

Effective coordination of taxation policies to avoid regime competition

14 The free movement of capital, goods and services within the EU, the Europeanisation and internationalisation of companies, and the globalisation of the world's commercial and financial markets has, in the absence of an effective transnational coordination of taxation, led to damaging fiscal competition, and we risk a dramatic erosion of tax funding and of fiscal sovereignty of Member States. Until now the stability of the total level of tax income was achieved at the cost of a progressive alteration of tax structure: the tax burden has been moved to the least mobile tax basis – work and products – in order to recover taxes lost by the erosion of more mobile bases. In this way, tax systems have not only become unfavourable to employment, but also socially unfair.

15 Taxation is a vital prerequisite for deriving the means for governments to channel spending to socially desirable goals. It is also a means of income redistribution. It is thus an important pillar of social Europe. As such, the ETUC is concerned about a number of recent developments and debates in Europe. The ETUC is in favour of the abolition of tax havens.

16 Currently it is not the Commission with the Member States that are driving the process of harmonising taxation across the EU, but rather the European Court of Justice which is called upon to make rulings that force Member States to change their national laws to make them 'euro compatible'. But such 'negative integration' is not sufficient. Unfortunately, Commission initiatives are blocked by the need to gain unanimous approval in the Council. The ETUC has long been in favour of moving to majority voting on corporation tax, capital tax and taxes on activities that have an impact on the environment, believing that tax harmonisation is important to avoid competitive distortions and avoid 'race to the bottom' dynamics.

17 A key concern is the erosion of the corporate tax base and tax rates which can also lead to the underfunding of public services. The Commission has been attempting to establish a common definition of the base for taxes on profits but progress has been slow. In view of likely opposition from some countries the Commission is now seriously thinking of using enhanced cooperation (i.e. a common consolidated tax base for a sub-set of the EU Member States). This is supported by the ETUC, provided there is also discussion about minimum corporate tax rate.

18 At the same time, countries are engaging in the 'poaching' of mobile investment by cutting corporate tax rates. There is a serious risk of a race to the bottom here, which would imply either spend-

ing cuts or a further increase in the tax burden on labour. Therefore, in the area of corporate tax, the ETUC holds firm to the goal of obligatory European minimum tax rates. The ETUC requests the Commission to undertake a study on a minimum corporate tax rate in order to fight competition between Member States.

19 The ETUC sees eco-taxes as a promising avenue for taxation policy, reducing the burden on labour and jobs and contributing to sustainable development. However, EU attempts to agree on a common carbon tax have foundered and the Energy Taxation Directive adopted in 2003 sets tax rates too low to really influence energy prices. In this area the ETUC is in favour of a European tax reform, that derives more revenue from taxes on pollution and/or use of natural resources, which should be incorporated into a broader rethink of fiscal policy and take account of any potential consequences with respect to social impacts, the use of tax revenue and the need to avoid any negative impact on the level of public services and social protection, and, at the same time, make sure that least developed countries have enough public resources to support their development.

For a better European budget

20 The growth of the EU has been helped greatly by the funds it has been able to make available to less developed Member States and regions. The 2005 agreement on the financial perspectives for 2007-2013 was worrying in this respect as it has resulted in less funds being made available for new Member States today than was the case in the past. It was indeed welcome that the budget was agreed but it must be recognised that there are outstanding issues. Everything should be re-examined in 2008/2009, as decided by the European Council of March 2006, including agricultural subsidies and the special position of the (reduced) UK rebate.

21 Since the Commission has not proposed any new own resources for the immediate future, the system will retain its current structure. This system is criticised for its lack of transparency and its complexity, so the ETUC welcomes the proposal for a debate on how to correct its imperfections. Such a debate cannot be limited to any particular aspect, but must reassess the structure of both resources and expenditure. The establishment of a high-level group to examine these questions might be a way forward.

22 For the ETUC the EU financial perspectives are the expression of the Union's political aspirations. They are based on the idea that the economic benefit each country draws from membership of the

Union exceeds the strictly budgetary cost of its participation. Europe constitutes the relevant level for certain types of expenditure and investment. It is the European added value, and not efforts to ensure a 'juste retour', based on the specious calculations of national net budget balances, that must guide reflection.

23 Enlargement and the solidarity it requires, as well as the focusing of European policies on the Lisbon Strategy objectives, constitute an opportunity to reflect on a new system of own resources and a European tax basis. We want the EU committed to attaining its objectives and the Member States ready to contribute to common policies whose effectiveness and necessity they recognise, based on solidarity and in a more democratic way.

24 On the question of indirect resources, the ETUC also recalls the need to search for new possibilities, such as the idea of a European transport infrastructure fund that would be financed by a levy of one cent per litre of fuel consumed by all vehicles. Also, it should be considered whether to retain unused credits within the – meagre – European budget, rather than returning them to the Member States.

Stronger public services

25 Public services, known in European terminology as Services of General (Economic) Interest, are an important part of the economic and social system of each Member State and - by permitting the realisation of collective interests – constitute a pillar of the EU's social and economic cohesion. They represent one of the key instruments for realising the objectives of job creation, sustainable development and a knowledge-based economy. Public services are of the utmost importance for equal rights between men and women as women's participation in working life depends on good quality public services. Public services must be considered as factors of redistribution of wealth, productive effectiveness and social cohesion.

26 There are considerable differences between Member States in the involvement of the private sector in the provision of public services. A tendency has emerged to privatise public services and, at the same time, to use Public-Private Partnerships (PPPs). It goes without saying that when such agreements come into force, these services will be influenced by single market legislation for aspects such as public contract obligations and state aids or by the new Services Directive. Consequently,

public authorities, in the hunt for efficiency, will often reduce their space for manoeuvre in fulfilling their general interest mission. Greater regulation of private sector providers of public services is needed to ensure general interest concerns are respected.

27 As regards Public-Private Partnerships (PPPs) allowing the involvement of the private sector in public service projects, the ETUC believes it is important to learn from experience, both positive and negative, and to assess the risks inherent in PPP agreements, taking into account particularly:

- The difficulties in evaluating the real social and economic impact of the risks and the future responsibilities created by PPPs, including the transfer of investment costs from the present generation to future generations;
- The lack of transparency of procedures by which PPPs are constituted, operate, and are wound up;
- The dangers of fragmentation, precarisation and degradation of working conditions.

The Commission should not promote them as long as serious evaluations have not been done. The ETUC asks for alternative financing for the future development of infrastructure and services to be looked at. In our opinion, a more efficient method would be to mobilise European and national funds, as well as the European banks (EIB, EBRD and EIF) and to guarantee access to European loan capital. There is a need for clear criteria, in particular the use of funds in support of PPPs. The ETUC remains critical of PPPs as long as citizens are not involved in the choice of the infrastructures and services which they finance and use on a daily basis.

28 For many years, the European Commission has been conducting a policy of opening up markets to encourage competition. For example, in the wake of a succession of measures for gradual liberalisation of the postal services, the Commission has just decided to opt for total liberalisation, so that these services will become subject to free competition as from 1 January 2009 without any concern for maintaining a universal service accessible to all. The effect of liberalisation has frequently been to replace a public monopoly by large quasi-monopolistic private groups. Liberalisation, furthermore, has reduced the accessibility and in some cases the quality of public services, so that it has not proved in the best interests of consumers. Added to this, liberalisation has frequently led to job losses and worsened employment conditions.

29 The Confederation opposes this policy of selective opening of markets, more particularly in the domain of social services, health, water and waste, and to a total liberalisation of the postal sector with no assurance of adequate conditions of a universal service accessible to all. The ETUC insists once more on the need to adopt a moratorium on liberalisations, in order to allow a transparent and

democratic evaluation of their consequences. When an evaluation shows that the liberalisation (privatisation, public-private partnerships etc.) of public services goes hand in hand with negative effects in terms of equal access, quality, fundamental rights, legal security, social cohesion and solidarity and sustainability, competition rules must be reversed and public services must be protected from single market legislation.

30 The Commission has no coherent approach, meanwhile, designed to meet the challenge of maintaining and modernising public services. It plies its way back and forth through a confusing maze of green papers, white papers, and communications, without issuing any proposals for legislation. The case law of the European Court of Justice plays a distinctive role here, given the absence of any clearer and more precise rules decided by the politicians, in settling conflicts between the obligation to fulfil a public mission and the freedoms of the single market. Such a situation is not sustainable, case law being subject to evaluation, and, what is more, it is applied to specific cases, so that the legal insecurity persists. The lack of initiative of the European legislature forces the ECJ to fill the gap with its judgements. This is not the task of the court and mystifies the applicable regulation for the general public and public servants (especially those at the local level who have to deal with the applicability of the EU competition rules in practice).

31 The Treaty also requires the European Union to "promote economic, social and territorial cohesion, and solidarity among Member States". However in practice the EU has extended its powers to enforce competition whereas its competences regarding solidarity remain limited. Reconciling this dilemma is at the heart of the ETUC's campaign for a legal framework for public services. Such a framework would ensure that solidarity should come first and counter the laws currently coming from the EU that are undermining public services and the values they represent.

32 Clearer rules are required for these services within the EU:

- The general interest must take precedence over market laws so that a contribution is made to sustainable development and a high level of employment;
- The fundamental principles of accessibility, availability, continuity, solidarity and universality must be applied, as must the Charter of Fundamental Rights;
- The principle of subsidiarity and the competences of public authorities at all levels (both national and local) must be better defined;
- Legal security is needed to foster the long-term financing of public services and the investment indispensable to their continuity and quality;

- Good governance and social dialogue are guiding principles; users, trade unions and consumers should be consulted and given a say in the details of regulation;
- Evaluation to be carried out at every level, with participation of workers and their representatives.

33 The responsibility for guaranteeing the universal nature of services and access for all to quality services is shared between national and European authorities. A European legislative framework is therefore necessary and the ETUC proposes a framework Directive for services of general economic interest, complementary to sectoral Directives. A petition aiming to collect a million signatures is currently circulating, calling for such a Directive and protection of essential public services from the rigours of the single market. The ETUC is determined to continue its campaign in support of public services, with the global objective of enabling these services to fulfil their general interest mission.

Innovation and industrial policies

34 Industrial policy has an important role to play in achieving the goals of environmental improvements, sustainable development, more and better jobs and social cohesion. To achieve more sustainable growth in Europe, these goals and the return to full employment can be achieved only on the basis of a comprehensive policy mix that encompasses macroeconomic and structural policy frameworks in a coherent way. Structural policies are a coming together of, amongst others, financial and competition policy, technology, regional and environmental policy and infrastructure and vocational training policy. Within this framework the ETUC is of the opinion that developing the growth potential of the EU must remain a primary industrial policy goal. Industrial policy must be understood as a wide-ranging policy mix, its purpose being to raise, in sustainable fashion, both productivity and value added. A highly qualified workforce is a precondition for such policies. Industrial policy must include measures in different policy fields, improving the regulatory framework aiming at sustainable growth, eco-innovation employment and health and safety. It must help to manage change in a way that is not at the costs of the workers, but on the contrary gives them reliable new prospects. There is an urgent need to take a position on the question of industrial policies in the face of the consequences of enlargement. It is necessary to reduce existing disparities between the different Member States, not only regarding labour, social and tax law, but also in the area of economic and industrial development.

35 In a knowledge-based economy, manufacturing industries continue to play a key role, as well as a sustainable and multifunctional agriculture sector. Industry is part of the knowledge-based econ-

omy and modern industry will be a driving force for growth in Europe. Structural change in the economy (tertiarisation) has led to a new state of reciprocal dependency between service sectors and manufacturing industry, and thus the latter remains vital for sustainable economic growth and employment. The new and developing service sectors are highly dependent on competitive industry. Without a strong and well rooted industrial base in Europe, there will be no secure jobs in production-oriented services. An innovative industrial policy needs decision-makers to take an active role at European and international level.

36 Globalisation, technological change, and the emergence of dynamic growing economies in countries like China, Russia, India and Brazil have greatly intensified worldwide competition. European industry has been subjected to far-reaching structural change and restructuring. In the context of globalisation and as a result of enlargement a huge wave of adjustment still lies ahead and this has led and inevitably will lead further to a new international industrial division of labour as well as a changing division between the old and the new Member States. The process of changes in location patterns, relocation, offshoring and outsourcing will continue and can have major impacts for employment and working conditions. It is a situation that calls for coherent and innovative industrial policy responses, as well as for better coordination inside the Commission services, including in relation to the need for a policy allowing prevention and management of restructuring and its social and economic consequences. Only on a foundation of high technical competence and well qualified workforces will Europe be in a position to affirm its competitiveness and thereby contribute to the preservation and further development of the European Social Model. This calls for an innovative industrial policy to promote and steer economic and social convergence upwards in a united Europe.

37 To develop the full potential of industry in Europe, the workers and their knowledge and skills are the key. Hence workers' participation, training and re-training as well as the development of innovative means of production have to be strengthened in Europe and through EU initiatives. To develop the full potential of industry in Europe, the following key elements must be strengthened: investments in R&D, a highly qualified working population and innovative labour organisation.

38 Considering the challenges of the globalised economy, the ETUC urges:

- a European system of support for applied research (nanotechnologies, biotechnologies, environmental technologies, renewable energy, technological transfer and for a rapid acquisition of patents and for the protection of patents and of intellectual property;

- to promote regional industrial clusters within the EU and to encourage specialisation of production systems;
- to strengthen workers' participation in European industry;
- to improve efforts to keep up and enhance workers' skills.

Elements of an innovative European industrial policy

39 The fostering and development of industrial clusters and networks of innovative firms is a priority for a modern industrial policy. In recent years, industrial clusters, displaying a high level of competitiveness, have developed in numerous regions and sectors of Europe. Therefore regional and sectoral policies are an important component of industrial policy. The revamped sectoral action plans and the European Structural Funds play a central role in this respect and the ETUC reiterates its demand for urgent allocation of additional financial resources. The sectoral and regional dimension of industrial policy and the targeted use of structural fund resources will be of major significance, in particular for the restructuring of traditional economic sectors in the regions of the new Member States. The European Commission has recognised the risks of globalisation and the negative effects of restructuring by setting up a European Globalisation Adjustment Fund, with the limited aim of managing the results of restructuring. In order to anticipate and to manage change in a socially responsible way other instruments for preventive and anticipatory management of restructuring are necessary. Moreover the fund must be available to workers who lose their jobs as a result of major industrial upheaval within the European Union, as well due to competition from outside Europe. The fund is also very limited in size, and additional resources should be made available for it and the eligibility criteria have to be modified in order to make the fund accessible for all Member States, and as a facilitator in the management of the social dimension of restructuring.

40 In the development of regional industrial clusters, small and medium-sized enterprises (SMEs) have a prominent role to play. More than two thirds of European workers are employed in SMEs. The ETUC reiterates its opinion that alternative sources of financing must be found to promote the innovative capacity of SMEs, the more so in that SMEs are the most affected by the consequences of the globalisation of financial markets and the resulting threats to their access to traditional forms of financing. The ETUC recognise the importance of socially responsible entrepreneurship and SMEs for future jobs in Europe.

41 New European jobs will be created in SMEs as well as other businesses. That is why the ETUC encourages the development of entrepreneurship and SMEs. We must henceforth guarantee protec-

tion of the social rights of workers, as well as trade union rights, in SMEs, since much precarious work and bogus independent work is developing there.

42 Mergers and takeovers have drastically accelerated in the last few years and many of them have failed. This is a trend that has not necessarily served to strengthen the competitiveness of European industry and that has led, in many cases, to job losses on a major scale. As such, it is the view of the ETUC that European mergers policy and the modernisation of company law should not be geared solely to the interests of the owners of capital. Weight must be accorded in merger procedures to the interests of all stakeholders. Employees are directly affected by merger and takeover procedures and they need broad rights of participation. The Commission, moreover, in the context of merger control procedures, should take full account of employment considerations.

43 The European social dialogue is an important tool in the modernisation and transformation of European industry in order to anticipate and to manage industrial change in a socially responsible manner. Trade unions must be involved in the implementation of industrial policy at all levels. This applies, first and foremost, to the sectoral level, where the European Industry Federations have in recent years, in a number of economic sectors, proved that they are an active partner in the pursuit of an innovative industrial policy. This applies equally to the European Works Councils which have to deal on a virtually daily basis with restructuring processes. The ETUC regards as completely unacceptable any suggestion that the dialogue on an innovative industrial policy and innovation projects should be reserved for representatives of business. The ETUC urges the Commission to set up tripartite sectoral EU committees for information and consultation on the future of the economic sectors and asks for the creation of European Sectoral Observatories, with the participation of the social partners, which will guarantee continued analysis and expertise and will establish perspectives on competitiveness and employment in their sectors.

44 An innovative industrial policy is inconceivable in the absence of efficient and high-quality public services. Public services are an important element of the infrastructure required by European industry, making a decisive contribution to competitiveness, but also to social cohesion (see above).

45 Energy is a determinant factor for the sustainable development of our society. Without access to energy, economic and social development is not possible. Energy is a social good and an essential service. A new energy policy for Europe must become a crucial part of an integrated European industry policy. The ETUC considers the liberalised electricity and gas markets as dysfunctional, leading to wasteful competition and negative consequences for workers, industry and users. The safety of supplies, the increased interconnection between electric power supply networks, the

development of massive investments in production, infrastructure and networks and the reduction of greenhouse gas emissions are some of the huge challenges which call for a common European solution. A future-oriented sustainable energy policy will have a positive impact on the further development of the existing technological competences within a competitive European manufacturing sector. Such a policy must ensure that energy-intensive industries have access to the energy they need at an affordable price and that dependency on energy imports will be reduced substantially as well as guaranteeing supply. Renewable energy should be a priority in the long run and R&D must be channelled in this direction. Reducing the use of energy (raising energy efficiency), reducing imports of energy and increasing the use of renewable energy is the way forward. Therefore it is necessary to support and assist companies and workers to enable them to make the transition to a sustainable energy policy. Eco-efficient innovation can generate new opportunities for companies and can generate employment.

Research and development: let's exceed 3% of GDP, and soon

46 Europe still spends a smaller proportion of its GDP on Research and Development (R&D) than, for example, the USA or Japan. A long-standing ETUC claim is the raising of European R&D expenditure to 3% of GDP. The creation of a genuine European Research Area must be a priority endeavour and this includes the faster transfer of new knowledge into new products and production processes. Particular attention should be paid to the promotion of cooperation between research centres, universities, industry, and trade unions at regional level, while fully respecting the academic freedom and intellectual property rights of academic researchers.

47 The ETUC fully supports the Barcelona objective of investing 3% of GDP in research and development by 2010 (2% private and 1% public spending). To achieve the 3% level, we need:

- Increased financing for the special policy themes and target areas vital for improving the competitiveness of European industry (especially avant-garde European programmes). The ETUC regrets that the announced doubling of the budgets for the Seventh Framework Programme has not been accepted by the EU Council. As the European R&D budgets only represent 0.1% of European GDP, European financing needs urgently to be stepped up. The ETUC therefore insists on a quantum leap in R&D funding at European level to stimulate industrial competitiveness, research infrastructure, human resources, and the creation of centres of excellence, among other things.
- Increased investment in R&D from the enterprises themselves, especially from companies operating in the traditional branches of industry.

- Increased public R&D financing at national level (target 1% of GDP and a higher commitment by companies to increase private R&D spending (target of 2% of GDP).
- Increased efforts on the Commission's side to coordinate existing R&D and industrial and energy policy (and related policy areas that might obstruct innovation), generating new actions where there are market failures or lack of industry interest in order to create added value for European industry as a whole.
- Increased efforts to promote economic and social transformation in the new EU Member States and the candidate countries using growing EU funding through structural funds for the purpose of strengthening the respective countries' innovation structures and wide dissemination of EU innovation and R&D results.
- A more efficient and effective European research system (the European Research Area) that overcomes fragmentation, ensures better coordination, collaboration and networking, enhances dissemination, provides excellence and brings to the surface the hitherto "untapped" high research potential which exists all over the EU.
- However, the ETUC stresses that the social fund should continue to concentrate on disadvantaged groups and on developing skills, and not turn into a source of financing for industrial policy, even if the structural funds have strengthened the emphasis on policies of growth and innovation.

48 The ETUC supports the initiative of the European Institute of Technology even if there are financial problems. The ETUC remains concerned about the proposed model of funding of the EIT and about the role of the EIT in awarding degrees at Masters and Doctoral levels. The EIT can only have a limited role in the development of innovations as its resources will remain limited in the beginning.

49 This can be achieved by setting up technology platforms and launching technological foresight studies, innovative clusters, sectoral research centres and funds. The newly-created technology platforms in particular have enormous potential as regards making a major contribution to competitiveness and job creation.

50 Finally, as Europeans obtain only one in five of the patents granted in the US, there is an urgent need for a European patent that is simple, cheap and reliable, and is able to combine both the protection of IPRs and the dissemination of new technologies.

51 The credibility of European research policy has been seriously weakened by repeated failures concerning the European patent. Given that it has not been possible to reach agreement within a reasonable time frame on this instrument central to the knowledge economy which the EU insists

on pursuing, the ETUC believes it is time for the Commission to propose setting up reinforced cooperation under the Treaty if a unanimous agreement cannot be reached.

52 In the view of the ETUC we need:

- better policy coordination and effective cooperation with the EIFs;
- more coherence and complementarity within the horizontal as well as vertical policy levels;
- creation of links between national, regional and local innovation systems and networks;

Better regulation based on economic, social and ecological criteria

53 The ETUC shares the view that industrial policy must itself be innovative and that new regulatory concepts are required. The ETUC accordingly supports the Commission in its search for better and simplified forms of regulation at European level. These must be shaped, however, in such a way as to guarantee full involvement of all relevant social groups and adequate democratic controls. The ETUC also supports the intention of complementing legislative procedures with a systematic ex-ante assessment of their consequences. Such assessment must incorporate, on an equal footing, economic, social and ecological criteria. Improvement of the legislative framework must be geared to developing production sites throughout Europe, while observing the need to avoid negative effects on industry. The ETUC demands the launch of a debate on new instruments intended to evaluate the costs of the lack of regulation, e.g. the costs of not taking account of the social dimension.

54 In the face of restructuring and delocalisation processes, we must develop active industrial policies favouring a more balanced territorial distribution and a stronger system of production. Faced with the employers' unilateral decisions we must establish controls and compensation measures which at least match the subsidies received by the employers.

55 The ETUC warns against the abuse of new regulatory instruments for the mere purpose of reinforcing deregulation. It is firmly opposed to the idea of relying on self-regulation or voluntary reform on the part of industry. Experience has shown that self-regulation alone is not sufficient. The trade unions too are in favour of dismantling unnecessary bureaucratic hindrances and hurdles. At the same time regulations designed to ensure a high level of health and safety protection and wide-ranging participation rights for workers and their trade unions must be recognised as assets for compet-

itiveness. These cannot be sacrificed on the altar of a supposed need to dismantle bureaucracy. Growth will be created not by “debureaucratisation” but only by innovative company strategies, a wide-ranging policy mix and a sound macroeconomic policy.

56 This is also reflected in the Commission’s Better Regulation Agenda, which adopts a purely pro-business approach, rather than reflect the objectives of the broader 2000 Lisbon Strategy agenda and its three pillars, or indeed the principles of the White Paper on Good Governance. The crude target of 25% reduction in the administrative burden on business takes no account of the wider regulatory role and responsibilities of public authorities to act in the general interest.

A more sustainable Europe

57 The ETUC notes that the increasing consumption in Europe outweighs measures for environmental improvements in production and services. The acceleration of trends related to overuse of scarce natural resources, global warming and climate change, chemical pollution and food insecurity, not only threatens the basis of future economic growth and job creation in Europe. It risks widening the existing inequalities between the developed and developing countries, as well as inequalities within industrialised countries.

58 The ETUC recognises collective responsibility for the protection of the global environment from pollution and destruction so as to pass the environment intact to the generations to come. Quality air, water, energy, a stable climate and biodiversity should be considered as global public goods, with access ensured for all on an equitable basis.

59 Contrary to a generally held idea, sustainable development is not a luxury that cannot be permitted in these times of economic doldrums. Success stories exist at country, sector and plant level, which show that social, economic and environmental objectives build mutual strength, as the European Council reiterated in June 2005 and as many European Commission documents attest.

Develop a production and consumption pattern for a sustainable development

60 There is an urgent need to revise the quality of economic growth and the kind of productivity growth we aim for. The objective should be ‘smart’ growth in order to achieve sustainable development.

61 The ETUC invites the Commission and Eurostat to establish to the extent possible a new GNI indicator which would include external social and environmental costs. The “ecological footprint” published by the European Environment Agency is a step in the right direction.

62 The details, regularity and timing of such changes must be determined within a democratic process that involves all actors, including workers and their representatives. The ETUC and its member organisations will take steps to ensure that worker representatives are granted appropriate rights to information and consultation on environmental and energy issues. At the same time, the ETUC will strive to make sure that social dialogue at all levels - sectoral, national and European - is extended to cover environmental issues.

63 Implementing environmental preservation and energy conservation measures has the potential to generate new jobs on a massive scale in new technologies and eco-efficient products and services. The agenda should be to drive radical increases in resource efficiency across Europe with a view to tapping the related opportunities for improved quality employment and social cohesion. Best available technologies to address unsustainable trends, such as low carbon technologies, should be made available to the developing countries. This is the ‘smart’ road to growth.

64 The ETUC will continue to support the EU leadership in building international cooperative efforts to fight climate change. The European Union must put more pressure on its partners in developed as well as in developing countries to reach a global agreement, on the principle of shared but differing responsibility established by the UN.

65 Such a global agreement will allow a reduction in the competition European industries face from countries who do not aim to reduce emissions. At the same time, the EU must intensify its efforts to fight climate change, with a new commitment to reduce its greenhouse gas emissions by 25% in 2020 and by 75% in 2050 in relation to 1990 figures.

66 This voluntarist policy of the EU may however have consequences on activity and jobs for affected firms who are confronted with global competition on European territory. Europe must thus develop a policy of multilateral exchanges aimed at redressing the potential commercial disadvantage resulting from these pro-environmental efforts by a specific tax at the EU border.

67 Because the EU must not miss its Kyoto targets, the ETUC will campaign for improved efforts to meet the EU goals for energy savings and renewable energies, with a particular emphasis on the transport and housing sectors.

68 With regard to different forms of energy production, the ETUC supports a diversified mix of energies with a greater share for renewable sources of energy and electricity-heat cogeneration, and the application of low-carbon technologies (notably clean coal, capture and storage of carbon).

69 The ETUC defends the right of all European citizens to energy and heating. Particular attention should be paid to vulnerable consumers. This must be part of the responsibilities devolved to energy regulators in all EU countries. (Measures could include insulation of housing and easier access to public transport for all).

70 It is also necessary to negotiate a real right to energy, inasmuch as this right could soon be recognised by the UN as one of the basic human rights according to the universal declaration pronounced by the United Nations in 1948. These rights apply to everyone in all countries. The European Parliament and the Member States must guarantee this principle which also relates to a different way of distributing wealth.

71 As regards European legislation on chemicals (REACH), the ETUC will remain committed to the key principles of duty of care, transparency and substitution of the most hazardous chemicals, so that REACH makes a major contribution to improving health protection for workers and citizens, and protecting the environment.

72 Environmental and energy related issues should become part of the social dialogue, collective bargaining and rights of information, consultation and participation at workplaces, in all EU countries. The ETUC will seek to establish a European platform for tripartite dialogue on implementation of climate change and environmental policies, as recommended by the revised EU Sustainable Development Strategy adopted in 2006.

73 Each budgetary programme wholly or partly financed by the EU should be the object of impact assessment in order to ensure that it remains in the spirit of sustainable development or at least does not contradict that spirit. Particular attention should be reserved for the use of resources allocated as part of the structural funds, cohesion fund, agricultural costs and trans-European network programmes which represent the greatest part of European spending. The ex-ante elaboration of this impact assessment and the ex-post evaluation of the programmes should be done in as decentralised a way as possible and with the active participation of the social partners and of civil society.

74 The ETUC protests against the relentless repetition of the same objectives for several decades in some cases. This is the case for the objective of raising the aid level of Member States to 0.7% of

GNI by 2015 and of reaching the intermediary objective of 0.56%. Industrialised countries were already committed to this at the UN General Assembly of 24 October 1970, i.e. more than 35 years ago (!!!). The perpetual repetition of the same promises which are not kept is not increasing the credibility of the policy. The ETUC demands that all objectives are associated to setting, whenever feasible, intermediary objectives and a system to monitor their execution.

75 In its sustainable development action platform adopted by the Council, the Commission committed itself to double its efforts to ensure that international trade is used as an instrument promoting truly sustainable development. It is incontestably an essential approach, and in a global perspective, undoubtedly the determinant approach. The ETUC will be watchful that the recent reorientation of the EU's trade strategy based on bilateral agreements does not compromise this intention. Moreover, this ambition is limited by the fact that the WTO agreement is of a commercial nature and does not recognise any criteria of sustainable development, although global exchanges do have a determining effect. We also recommend that the Council and the Commission highlight this important declaration whilst at the same time sketching out the methods to put it into effect.

76 The ETUC recalls that in the framework of the Council Resolution of March 2005 on the "social dimension of globalisation", the concept of decent work was placed at the centre of the EU's foreign policy. It is therefore quite unacceptable that certain countries base their comparative advantage on disregard for the standards of the ILO or the environment. These are not veiled protectionist arguments raised by rich countries; they relate to human dignity, social progress and justice. The EU should monitor progress achieved in these areas and launch effective binding mechanisms in the event that their evaluation, with due regard to monitoring activities made by the supervisory bodies in the ILO, carried out as far as possible with ILO-recognised social partners in the third countries concerned (or representative and recognised organisations working in those countries), should conclude that the situation has deteriorated.

77 Sustainable development is becoming increasingly important to the European consumer and therefore the individual consumer must be able to rest assured that the products that are purchased have been manufactured in accordance with ethical and sustainable principles and that the working conditions under which they have been produced are in accordance with the internationally recognised principles of the fundamental ILO conventions. The ETUC therefore encourages the Commission to incorporate consumers' demands for guarantees on the origins and the manufacturing of the products they purchase into strategies for sustainable development. The EU should be at the forefront of the launch an international label which guarantees that these conditions have been met.

78 Generally the Commission and the Member States should be encouraged to prove to their trading partners that sustainable development should not be perceived as a generator of costs but as a factor of wealth, as much for their citizens who aspire to improve their lifestyle as for the planet as a whole.

79 The ETUC suggests placing more emphasis on the environment and energy policy in the social dialogue too. European energy policy must respond to a variety of challenges: offer access to all, work towards self-sufficiency, guarantee responsible management of resources in danger of scarcity or total disappearance in the medium term, fight against global warming.

80 The ETUC will develop an in-depth discussion on the aims, the structure, the financing and the social dimension of the CAP, considering also the effects of the CAP on developing countries.

ACTION POINTS:

The 11th Congress calls upon the ETUC to pursue:

A policy shift to meet the Lisbon objectives

- Put pressure on the European Commission and the Member States to put the Lisbon Strategy back on track, ensuring a genuine balance between the economic, social and environmental pillars.
- Insist on a broader concept of competitiveness which recognises that social policies and labour market regulation constitute a productive factor.
- The Commission should consult trade unions on the different elements of the Better Regulation agenda, including the impact assessments of social Directives.
- Contribute to developing a European framework for a real economic governance.
- Strongly involve itself in a real reform of the macroeconomic policy regime in order to make Europe an engine of sustainable growth in the global economy. Fiscal policies have to provide for integrated investment and growth programmes. An ongoing reform of the Stability and Growth Pact needs to take broader account of cyclical needs and public investment. The European Central Bank must reorient its approach so that the goals of sustainable growth and employment, as well as price stability, have equal weight in its policy.
- To continue to push for an improvement of the Macroeconomic Dialogue and call for closer political exchange with the Eurogroup, ECB, Commission and the social partners, in order that Europe formulates a coordinated approach by the relevant actors and achieves a growth and employment-friendly policy mix with the safety net of price stability.
- Continue to campaign for coordination and harmonisation by qualified majority of taxation with cross-frontier effects, namely corporation tax, taxation of income from capital and environmental taxes and urge the European Union to seek binding international agreements on taxation.

- To call for a revision of the financial perspectives to ensure that the EU budget fully contributes to the Lisbon objectives and greater social cohesion of the EU; the Commission and the Parliament should be allowed their own financial instruments for this, as laid down in the second Delors plan.
- Call for the introduction of a new Lisbon target on elder care/ care for dependents and support EU initiatives in this field with the financial resources available.

Public services

- Continue its campaign in favour of public services, with the global objective of enabling these services to fulfil their general interest mission and to call for a European framework Directive, in particular use the petition to influence the European institutions' decisions.
- To oppose selective liberalisation of public services, including social services, health, water and waste and insist on the need to adopt a moratorium on liberalisation of public services, in order to allow a transparent and democratic evaluation of its consequences.
- Urge Member States and the Commission to evaluate the impact of PPPs on the quality of public services and employment and to ensure that trade unions and civil society are properly informed and consulted on PPP initiatives.
- To insist on a stronger social dimension of the internal market.

Innovation and industrial policies

- Support the Commission in its efforts for an integrated and coherent industrial policy approach which takes into consideration the horizontal and vertical policy dimensions and strengthen the effective implementation of sector specific programmes.
- Press the EU for a more targeted use of structural fund resources for regional and sectoral industry policies especially in the new Member States.

- Ensure the involvement of trade unions in the implementation of industrial policies at all levels and urge the Commission to set up a tripartite sectoral EU committee for information and consultation on the future of economic sectors.
- Call for a new energy policy which recognises energy as a social and essential good, is a crucial part of an integrated European industry policy, and which promotes renewable energy and raising energy efficiency.
- Campaign for a rise of European R&D expenditure to at least 3% of GDP and for the creation of a genuine European Research Area.
- Fight against new regulatory instruments that merely reinforce deregulation and demand the launch of a debate on new instruments intended to evaluate the costs of a lack of regulation, e.g. the costs of not taking account of the social dimension.
- Push companies to take up their responsibility for sustainable and long-term oriented innovation strategies based on an effective involvement of employees and workers' representatives.
- Ensure better policy coordination and an effective cooperation with the European Industry Federations.
- Reinforce and expand the use of the Globalisation Adjustment Fund in order to respond to the social management of change.

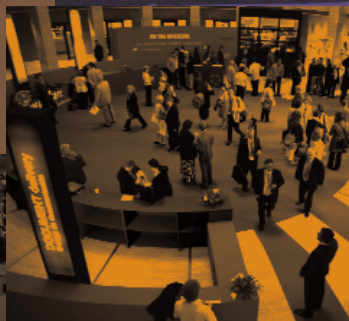
Sustainable development

- Campaign for decoupling of economic growth from environmental degradation and climate change, and linking sustainable development and employment opportunities through green innovations.
- Campaign for improved efforts towards meeting the EU goals for energy saving and renewable energies and to meet the Kyoto targets as well as the new target of 25% for

2020, by stepping up efforts in energy savings and renewable energy, with particular emphasis on the transport and housing sectors.

- Insist that all EU programmes remain in the spirit of the 3Ps of sustainable development (people, planet, profit).
- Campaign for workers' representatives to have sufficient rights to information and consultation on environment and energy questions and that the social dialogue at all levels (workplace, sector, national, EU) be broadened to cover environmental questions.
- To work towards the establishment of a European tripartite dialogue with the Commission and the social partners on the application of climate change and environmental policies, in accordance with the recommendations of the (revised) EU strategy on sustainable development adopted in 2006.
- Support the right of all European citizens to access to energy and heating.
- Ensure that international trade is used as a tool to promote real sustainable development.
- Women have a vital role in environmental management and development. The ETUC will therefore demand their full participation in any policy regarding sustainable development.
- The ETUC encourages the Commission to launch efforts to promote ethical labelling of products in order to provide a guarantee for consumers that the products they purchase have been produced under ethical and sustainable conditions and in accordance with the ILO's conventions on fundamental labour standards.

5. ON THE OFFENSIVE :



For a stronger
European Union

For a stronger European Union

1 The European Union needs new confidence and new momentum. The problems of managing 27 countries – very different in terms of income, but also outlooks – and the negative votes on the proposed constitutional treaty in the French and Dutch referendums have caused a loss of a sense of common purpose and dynamism in the institutions of the EU, especially in the Council of Ministers and the European Commission. The exception is the Parliament which is performing well in finding common approaches on key ETUC questions like the Ports Directive, the Services (former Bolkestein) Directive, and the REACH (chemicals) Directive. The Parliament has enhanced its standing and influence and this is welcome. But the overall sense of Europe being stuck in a groove, developing the single market above all else, is strong – and that in turn is leading to disillusion among workers and the unions.

2 It is not the first time that the European project has run into trouble – and it will not be the last. We should also appreciate how far Europe has come. But new momentum is required, on social Europe, on more and better jobs and the range of issues referred to in Chapters 2 and 3. The new Globalisation Adjustment Fund and the European Institute of Technology are welcome steps.

3 Enlargement continues, with strong ambitions from new candidates, yet the concept has not been redefined in accordance with the growing size of and differences across the EU; the lack of EU resources threatens policies on convergence and solidarity that aim for the highest levels of development and living standards.

4 Europe remains nonetheless attractive due to its achievements in creating unity without sacrificing diversity and the economic, social and cultural potential it harbours. The European Union is taking time to find its second wind. Europe, however, is essential and is perceived as such by the vast majority of European citizens.

5 No European country is 'large enough' to face current challenges alone, maintain its influence and preserve its independence when faced with the USA, Japan, Russia, China, India, Brazil and other powerful emerging countries: Europe must make an ever-greater effort to speak and act with one voice. What is important for the ETUC is the conviction that the experience of European integration is an asset which may still produce much fruit and represent an incontrovertible reference for the rest of the world. It has managed to guarantee peace between the peoples who make up its population, created prosperity that has been reasonably widely spread, having promoted and ensured social rights and jobs, favoured a knowledge of and dialogue between different cultures, ensuring reciprocal comprehension: all this, which has been made possible by a process of integration, is a cause for the EU and its citizens to be proud and determined to continue on this path.

6 The ETUC has to counter the ongoing "exit-strategy" for the EU Charter of Fundamental Rights. The Charter strengthens fundamental rights, including social and trade union rights, and makes them more visible. In the Charter there are guarantees about the rights to organise and to strike. These principles underpin rights in the older Member States and, more importantly, compel their inclusion in any new Member States. The Charter of Fundamental Rights must acquire legally binding force and become judiciable in the European Court of Justice. A right to transnational strikes and protection of whistleblowers should be added.

7 However, the question has been raised of the possibility of a 'mini-treaty'; leaving out the Charter of Fundamental Rights. This proposal is gathering support and the mood in political circles is changing.

8 In this situation, the ETUC reaffirms its position and maintains its global support for the draft constitutional treaty. If the text of the Charter were to be excluded from the final text, the European trade union movement would mobilise and review its position.³

9 To walk away from the Charter would in trade union eyes strike a body blow to citizens' approval of the constitutional treaty and cast further doubt on the values that underscore Community policies. Simply to make reference to the Charter in Part 1 would not give it the high profile it needs and would not make it legally binding. The ETUC therefore calls for rejection of these attacks and makes it clear to those who advocate this mini-reform that, in so doing, they are jeopardising the support of the entire European trade union movement.

³ See Annex 2 : Emergency Statement on the Charter of Fundamental Rights

For a strong and social Europe

10 The question of the EU constitution must be resolved quickly. The ETUC campaigned for the full inclusion of the EU Charter of Fundamental Rights into EU treaties and law. We failed with the Nice Treaty of 2000. But through participation in the European Convention, the ETUC was able to persuade the Convention to include the Charter in the proposed constitutional treaty as Part II. That, and other references to social Europe, produced the most 'social' and most progressive treaty that the EU has ever had and the ETUC strongly supported its ratification, including taking part in campaigns in countries where referendums were called.

11 At the same time, there are inconsistencies between the first and third part of the treaty, and inadequacies regarding the policies, instruments and the institutional assets defined in the third part. The ETUC already complained during the Convention about the weakening of the Charter and the lack of discussion on the policies.

12 The ETUC is considering what role it might play in seeking to break the current deadlock. In the event of the constitutional package being reopened and in view of the upcoming debate on how to solve the constitutional deadlock, the ETUC would like to recall a few essentials.

13 The ETUC particularly supports the following elements of the European constitution which must be retained in the event of modifications:

- the reinforcement of social values and principles (such as solidarity, equality and gender equality, non-discrimination, etc.);
- the social and employment objectives ("full employment", "social market economy");
- the recognition of the role of the social partners;
- the incorporation of the Charter of Fundamental Rights;
- the right of initiative for citizens;
- the legal base for services of general interest;
- the social clause.

14 It is necessary to confirm these key elements in the first, the second and the fourth part, and to take up the innovations of the third part, with a stronger and sharper social dimension.

15 A new social declaration could highlight the social provisions of the constitutional treaty (social market economy, social clause, social dialogue, legal base for services of general interest

etc.). Furthermore, a new Social Protocol could make it possible for those Member States which are willing to go further in establishing minimum standards or even harmonising their social policies to commit themselves to establishing a European social union. This could be achieved under the normal provisions for enhanced cooperation as long as a minimum of eight Member States were so committed (Art. 43 TEU) and as long as the procedure remained open to the participation of all Member States. The ETUC has already in the past agreed to consider the need for open groups of countries to relaunch political, economic and social integration, as a last resort solution to avoid total standstill. Such a "social core Europe" would however have to be aimed at integrating other Member States as quickly as possible and bringing them up to higher social standards, in order to stop a lasting social rift in the EU.

16 With these features the constitutional treaty would be the product of a real "constitutional pact" recognised by the whole of European society and by European citizens, establishing a political union, as a Community with more effective and democratic institutions with a decision-making process based on majority vote as the rule and with effective political, economic and social governance, a single-voiced common foreign policy, a common security and defence policy and a stronger social and employment policy.

Further enlargement

17 A positive resolution of the constitutional debate is necessary to ensure the proper functioning of a 27-member EU. Croatia is expected to join soon and other Balkan countries are clearly intent on following the same route. But further enlargement can only be carried out when the EU is provided with decision-making mechanisms that will enable it to work efficiently and democratically. Negotiations with Turkey are proving difficult on a range of issues including the final solution of the Cyprus problem - which needs to be in line with UN resolutions, the high level agreements between the two communities and in accordance with EU principles - and trade union and other human rights. The ETUC favours the accession of Turkey to the EU provided it meets, in reality and not only on paper, the requirements of membership and the provisions of the EU Charter of Fundamental Rights. A transformation of Turkish society with full rights and freedoms should be sought and completed during the challenging process of negotiations.

18 South-East Europe is entering the most decisive period in the transition towards democracy and a market economy. The region has already achieved considerable advances in terms of peace

and stabilisation recognised by the 2003 Thessalonica European Council declaration that confirmed the EU future of the countries concerned. However, there is still a need for further progress towards reconciliation among the various ethnic, religious and language communities with the aim of ensuring safety for all and the withdrawal of the interventionary forces. There is also a danger that continuing uncertainty about future EU enlargement will impact on the policy process in the region and result in a marginalisation of labour and social issues once a basic legal and institutional framework is in place, further eroding the basis for trade unionism in the region. The ETUC, in cooperation with the PERC and ITUC, will play its part in promoting trade union initiatives to improve the standard of living and protection of trade union rights in the region. The principles of diversity and non-discrimination have to be embodied in practice, and EU regulations should be implemented fully. In particular, the situation of the Roma needs urgent attention.

The European Neighbourhood

19 The establishment of a Pan-European Regional Council (PERC) of the International Trade Union Confederation, which will cooperate closely with the ETUC, provides a welcome new tool to deepen relations between trade union organisations across Europe. The ETUC supports the development of the European Neighbourhood Policy with countries of Eastern Europe and countries bordering the ultra peripheral areas as a means of promoting the European Social Model in our continent. It will continue to press for Action Plans negotiated with those countries to contain a strong social dimension, notably the respect of values set down in the Charter of Fundamental Rights.

20 At the sub-regional level, the ETUC will continue to work closely with organisations in the Balkans area through the ETUC Balkans Trade Union Forum in particular to help trade union organisations in the process of EU integration.

21 The ETUC fully supports the Baltic Sea Trade Union Network, BASTUN, in its activities to add a meaningful trade union and labour market dimension to the ever increasing political and economic cooperation around the Baltic. The BASTUN consists of the ETUC affiliates in the region and the Federation of Independent Trade Unions of Russia (FNPR). The Baltic cooperation within the whole framework of the Northern Dimension of the European Union has a key role in promoting good governance, transparency and participation, sustainable development, gender equality, the rights of persons belonging to minorities, cultural diversity, social cohesion, fair working con-

ditions and corporate social responsibility, non-discrimination and strengthening of civil society and democratic institutions in the northern parts of our continent.

22 Together with the FNPR, the ETUC will also continue to press the EU and Russian authorities for the new agreement to be negotiated between the EU and the Russian Federation to include a social dimension, formally involving the social partners, along the lines agreed at the ETUC-FNPR summit meeting held in Helsinki in November 2006, when they expressed their joint concern about issues such as industrial restructuring, industrial cooperation, and skills and training requirements, as well as involvement in the process of cooperation in energy production, delivery and consumption.

EU Mediterranean partnership

23 The ETUC is convinced that human, social and economic development in the Euro-Mediterranean area is crucial for the European Union and for the world. The ETUC believes that the EU must act resolutely within the multilateral framework of the UN to find adequate and timely solutions to conflicts in the region, based on the full respect of the relevant UN resolutions.

24 The ETUC has always worked for the inclusion of a strong social dimension in EU policies established for and with Mediterranean Partner Countries (MPCs), and specifically the development of the social dialogue and instruments to promote this, strictly linked with the process of fostering a real political and institutional democracy, for the moment insufficient or completely absent. We shall work to restore the spirit of the Barcelona Strategy, by ensuring a regional dimension for the development of the Euro-Mediterranean Partnership, which today is weakened by the prevailing bilateral dimension of the Neighbourhood Policy promoted by the Commission, that attaches priority to the bilateral association agreements. After more than a decade and in the light of the limitations which marked the partnership relations between the two Mediterranean sides, the ETUC remains committed to their promotion in an integrated approach with special attention to activities linked with the extension of citizens' rights in general and gender equality and workers' rights in particular.

25 The ETUC thus remains committed to the activities of the Euromed Trade Union Forum and, reiterating the necessity for a free and frank dialogue, will concentrate during the next four years on the following priorities:

- to deepen union cooperation with the MPC unions, specifically in the area of joint union training, labour market management policies concerning also immigrants from the region resident in the EU, trade union rights promotion policy, rights of working women and their integration into the labour market;
- to engage the Commission, the Council and the Parliament to revise existing agreements and, if necessary, to complete them with protocols regarding instruments to ensure information, consultation and participation of the social partners in the application of partnership and neighbourhood policies;
- to support common projects between the Mediterranean regions of the Union and the MPCs, including through the use of the structural funds allocated to the new objective “territorial cooperation”;
- to propose to European employers’ organisations to examine together existing and possible investment activities in the MPCs with a view to ensuring that they include the social dimension, respect for basic working norms, advanced negotiation practices, working conditions equal to those established in the EU and a constant effort to develop lifelong training;
- The existence of strong, independent, democratic, proactive and united unions is essential in the Euro-Mediterranean region to work towards conflict resolution, strengthen democracy, trade union and other human rights, fight terrorism and develop the full social, economic, human and cultural potential of the MPCs. The objectives of the Barcelona Strategy as well as the neighbourhood policy, i.e. to win the wager of peace, guarantee democracy and stability, walk together towards a shared wellbeing, develop understanding and dialogue, represent unequivocal tasks for Europe and her partners. The ETUC’s task is to ensure that each and every one assume their responsibilities.

Cooperation with other world regions

26 The ETUC, together with the ITUC and its regional organisation in the Americas which is in the process of formation, will contribute to advance the working plan jointly agreed in Brasilia in April 2005 to defend the European Social Model and support social cohesion in Latin America. Work in the context of activities of the European Economic and Social Committee in the region will be pursued. Work will also continue at sub-regional level, to ensure Mercosur’s support for the Labour Forum project and obtain the relaunch, in conditions called for by the trade union organisations, of the negotiations on the Association Agreement deadlocked by differences on trade-related issues. Work will also be pursued in the context of EU relations with the Andean Community and Central America.

27 In cooperation with the ITUC and its regional organisation in Africa, the ETUC will continue to press the European institutions to take a strong lead on international development issues in sub-Saharan Africa that has been particularly affected by war, hunger and human rights violations, and to incorporate the observance of core labour standards in cooperation agreements. It will take advantage of the new architecture of EU external aid in the context of the 2007-2013 Financial Perspectives, which gives a specific place to trade unions in EU development cooperation work, to promote international labour standards, international humanitarian law, human rights and the transfer of organisational skills and capacity-building to partner organisations in third countries. The ETUC, supported by the ITUC and ILO-ACTRAV, will continue its work to boost the capacities of trade union organisations in ACP countries within the context of the Economic Partnership Agreements. The ETUC/ITUC Cotonou trade union committee will continue to follow-up the EESC's work on these issues.

28 The conclusions of the Asia-Europe Meeting (ASEM) held in Helsinki in November 2006 offer new opportunities for the development of work with trade unions in Asia, and these will be pursued in cooperation with the ITUC, with a view to reinforcing the social dimension of ASEM.

29 The ETUC has been following closely the development of EU relations with China, which are of key strategic concern. The ETUC will continue to press for trade union and other human rights to be included in the single and over-arching Partnership and Co-Operation Agreement that is to be negotiated. We welcome the Memorandum of Understanding on labour and social issues that has been agreed between the EU and China, and expect to be fully involved in the activities that will be undertaken under it. In particular, we believe that the development of free collective bargaining, starting in TNCs operating in China, is an avenue that should be pursued energetically. We expect Europe-based multinational companies to behave in their overseas operations in the same way as we require them to act in Europe, including respect of core ILO conventions. We do not believe that China should be extended Market Economy Status so long as trade union rights are not recognised and there is state interference in trade union affairs and a lack of free collective bargaining.

30 Bilateral relations will also be maintained with national trade union centres in other countries in the context of the relations they are developing with the European Union. In particular, the ETUC and the AFL-CIO will jointly continue to raise labour and trade issues in EU-US Trans-Atlantic Relations.

More influence on trade

31 The suspension of the Doha negotiations revealed a blind stubbornness dominated by the contradictions between liberalisation at any price and corporate and market interests, and between the richest nations and some emerging countries, where both sides have tried to insist on acquiring competitive advantages in areas that are key to their own interests, without taking into account the interests of the people and the workers.

32 European trade unions demand active policy to develop employment in Europe in accordance with the EU's policy objectives, such as respect for the EU Charter of Fundamental rights, promotion of quality employment, development of environmental policy, promotion of public services, including health, education and water at international level, i.e. the emergence of new development concepts. The ETUC is in favour of a revision of European trade policy to improve its contribution to growth and the creation of jobs in Europe. The ETUC is opposed to the inclusion of public services (for example, education, health, water services, public transport ...) in trade agreements and trade rounds such as Doha. The ETUC and affiliated unions will campaign to make the case for high quality public services in Europe and across the world and to oppose the privatisation of public services in developing countries. The ETUC will work with its affiliated organisations and the global federations concerned to block trade agreements that target public services for trade liberalisation. The EU should be more active in the following areas:

- redirecting European exports to expanding markets in the emerging countries;
- reinforcing the commitments made by our trading partners on intellectual property rights when these rights do not affect public health and human development in the developing countries. This should involve technical cooperation and assistance to the developing countries and identification of the countries to which the EU's efforts should give priority;
- maintaining trade defence instruments imposing temporary targeted restrictions on certain anticompetitive imports in Europe, and reinforcing them if the EU should accept further opening of its markets;
- The ETUC supports the GSP policy, as for Belarus, in which the EU shows its will to commit itself in favour of the promotion of workers' rights through its trade policy.

33 In contrast, the ETUC is opposed to any reorientation of European trade policy in favour of an aggressive liberalisation agenda in the developing countries, without consideration for possible social and ecological implications, both positive and negative.

34 This logic, which can be considered "mercantilist", contradicts the Commission's commitments to improve coherence between trade policy and development, social and environmental objectives. These commitments are asserted in a number of communications, notably the Decent Work Communication of May 2006 and the 2004 Communication on the Social Dimension of Globalisation.

35 The Union must promote an original and transparent approach to external trade, which is not that taken by the United States. The ETUC expects the EU to align its trade policy with the principles it promotes in its policies and treaties, in particular the Charter of Fundamental Rights, namely the primacy of human rights, trade union rights and the core conventions of the ILO - the social, health, environmental and cultural rights of peoples - over trade competition rules.

36 It is urgent to examine the impact of globalisation on climate change and how international trade rules could encourage the reduction of greenhouse gas emissions. The ETUC would like to see the Commission analyse the possibility of introducing a border tax adjustment system in trade with "non-Kyoto" countries and restricting intellectual property rights on technologies essential for combating climate change.

37 The ETUC stresses its attachment to multilateralism in trade. The Doha development cycle offers numerous opportunities to help the developing countries become integrated into the world trading system. In addition, one should not overestimate the capacity of bilateral agreements to bring real benefits to the developing countries. By definition, bilateral agreements do not allow treatment of certain subjects that respond to the interests of developing countries, such as domestic support for agriculture.

38 The ETUC stresses the opportunity offered to the Commission, in the context of the relaunch of the Doha talks, to reiterate the necessity of intensifying cooperation between the WTO and the ILO with a view to ensuring recognition and respect of ILO conventions.

39 The future bilateral agreements must include a social dimension, and the ETUC welcomes recent statements by the European Commission that trade and labour standards are to be an important and essential component of bilateral deals involving the EU. This is an important step forward and represents a victory for the ITUC and the ETUC. This social dimension should, in our opinion, comprise three essential elements which constitute decent work:

- the promotion of decent work;
- the promotion of social protection through public and private institutions (mutual associations);
- the guaranteed application of human rights (the eight fundamental ILO conventions, the right to employment, parental protection, and health and safety at work), building on universal ratification and respect of minimum standards set by the ILO.

40 All bilateral agreements must be accompanied by a social dialogue committee composed of economic and social representatives of urban and rural sectors. Its task should be to monitor implementation of the social dimension and to negotiate implementing arrangements on a tripartite or bipartite basis.

41 All such agreements being discussed, notably with Latin America (Mercosur, the Andean Community, Central America), Asia (ASEAN, India, Korea), Europe (Russia, Ukraine) and Economic Partnership Agreements with ACP countries must include such a social dimension, as requested jointly by the ETUC and trade union organisations in the regions.

42 It is becoming urgent to know the consequences of the various trade proposals made by the EU Commission in order to achieve further market opening in third countries through these new free trade agreements, in particular in the sensitive sectors of services and Mode 4 (temporary movements of service providers). The protection of workers and norms must be more important than any future trade agreements.

43 The Commission has identified ASEAN, Korea and India as priorities for the conclusion of free trade agreements, and the ETUC together with the ITUC will continue to strongly press for respect of fundamental labour standards to be included in any agreements.

International peace and social wellbeing in Europe

44 EU external policy must be based on the defence of peace, democracy, trade union and other human rights, the respect of the UN Millennium Objectives, the defence of multilateral frameworks for conflict resolution and world governance, in particular the UN and the ILO, as well as firm action against terrorism and the strictest respect of international humanitarian law and human rights. While the EU can lead the world on trade and development issues, its presence in foreign relations is weak. Divided reactions between EU governments to developments in the Middle East are a sad

example of the EU's lack of effectiveness. The ETUC has called consistently for the EU to adopt a genuine Common Foreign and Security Policy, with a well-defined role for the European Parliament, so that it fully assumes its responsibilities in Europe and the world and contributes to peace, democracy and stability. The constitutional treaty offers a step forward in that direction, notably through the creation of the post of a European Foreign Minister so that the EU can speak with one voice and play a more visible role in world affairs. Europe, in an international framework increasingly marked by armed conflicts and tensions, needs to strengthen its unity to achieve, through the example of its process of balanced federal integration and its social model, a leading role in the reform of the multilateral system of international institutions. The ETUC reiterates its full commitment to the UN Charter, rejects war as a means for the resolution of conflicts and unilateralism in international affairs. The new destabilising challenges represented in particular by terrorism can be fought only by the growth of democracy and human and economic development. ETUC wishes to see a stronger and more democratic UN also through the establishment of a UN Economic, Social and Environmental Security Council, and work for global economic growth for all peoples based on full respect for the environment, human rights and needs and aimed at creating everywhere stable and decent jobs and implementing the free exercise of social and trade union rights. The ETUC calls on the EU to work to bring about a world free of weapons of mass destruction within the shortest possible time and, with the aim of converting war economies into peace economies, calls for major reductions in military expenditure which diverts resources from urgent development needs, and for new initiatives to regulate and control world arms production and trade.

45 The ETUC expresses support for the efforts of the High Representative for the CFSP to give coherence to EU foreign policy approaches and urges successive Council Presidencies to work towards that end. The ETUC notes that many EU Presidency CFSP declarations associate acceding and candidate countries as well as the countries of the Stabilisation and Association Process, and EFTA countries members of the European Economic Area. Taken together these represent a significant body of opinion whose condemnation of regimes such as those in Belarus, Burma/Myanmar and Zimbabwe should be followed by effective and concerted sanctions.

46 The ETUC subscribes to the rule of international law, as enshrined in the UN Charter, and to the principle of multilateral governance. This means that deployments of EU battle groups are only permitted if agreed by the UN Security Council. The ETUC calls for a stronger and more democratic UN, including through the establishment of a UN Economic, Social and Environment Security Council. Acting as one, notably within the UN, Europe could be a major player for peace and promoter of human rights and democracy in the world through its approaches to conflict resolution

and its use of 'soft power'. EU enlargement, and the unifying processes that surround it, has been a major contributory factor in the promotion of peace and democracy in our continent.

47 The ETUC is worried, however, that nationalist forces fostered by fear of others, on ethnic or racial grounds or on those of religion or belief, are now rising in a number of our countries. The threat of racist and xenophobic tendencies linked to migration and the movement of labour within the EU is referred to elsewhere in this document. Growing disparities between rich and poor have exacerbated tensions between communities. 'Economic patriotism' has also acted as a dividing factor in European society. Acts of terrorism, such as the atrocities in Madrid and London that the ETUC condemned unreservedly, have been seized upon by racist populists among politicians and in the media to sow further divisions between workers in Europe. At the same time, the response of governments in taking tough security measures has sometimes been perceived as a threat to democracy and European values of mutual tolerance and understanding.

48 The ETUC considers that the EU must take all necessary measures to achieve the Millennium Goals, whilst not disregarding the possibility of new sources of financing. Moreover, the ETUC believes that a greater coherence is needed between the different policies of the EU – trade, security, investment, immigration, debt cancellation, development aid – to favour social cohesion through the EU's external relations.

ACTION POINTS

The 11th Congress calls upon the ETUC to:

- Defend the substance of the constitutional treaty and to insist in particular on the Charter for Fundamental Rights being part of any European constitution or treaty reform.*
- Come out against all forms of “mini-treaty” leaving out the Charter of Fundamental Rights or “Nice II”.
- Insist on a stronger social dimension of the constitution by adding a social declaration or a Social Protocol to strengthen social objectives, social values and transnational trade union rights.
- Consider reinforced cooperation as a last resort possibility to move social Europe forwards.
- Underline that further enlargement can only be carried out when the EU is provided with decision-making mechanisms that will enable it to work efficiently and democratically and to promote in cooperation with PERC and ITUC trade union initiatives to improve the standard of living and protection of trade union rights in the accession countries.
- Support the development of the European Neighbourhood Policy with countries of Eastern Europe as a means of promoting the European Social Model on our continent.
- Continue to support the Balkans Trade Union Forum and the Baltic Sea Trade Union Network in its activities to add a meaningful trade union and labour market dimension to the ever increasing political and economic cooperation.
- Press the EU and Russian authorities to include a social dimension and to assure the involvement of social partners in any new partnership agreement.
- Continue to work for the inclusion of a strong social dimension in EU policies with Mediterranean Partner Countries and remain committed to the activity of the Euromed Trade Union Forum.

* See Annex 2: Emergency Statement on the Charter of Fundamental Rights

- Continue, together with the ITUC, cooperation with other world regions to support social cohesion and trade union and other human rights, namely in Latin America, Africa and the ASEM countries.
- Follow closely the development of EU relations with China and continue to press for trade union and other human rights to be included in the Partnership and Cooperation agreement that is to be negotiated.
- Push for a revision of European trade policy in order to improve its contribution to growth and job creation in Europe.
- Insist that future bilateral agreements must be accompanied by a social dialogue committee and must include a social dimension in which trade union rights and at least the ILO's core conventions must be an essential element.
- Call on the EU to adopt a genuine Common Foreign and Security Policy, with a well defined role for the European Parliament, so that it fully assumes its responsibilities in Europe and the world and contributes to peace, democracy and stability.
- Oppose trade agreements that target public services for trade liberalisation.
- The ETUC is committed to the realisation of the Millennium Goals fixed by the United Nations. It will support development policies, including debt cancellation and an increase in funds for these goals through the donation by each country of 0.7% of GDP and other instruments.



ANNEXES

- **On the Offensive on Pay: Towards Equality**
- **Make the Charter legally binding**
- **ETUC Charter on Gender Mainstreaming in Trade Unions**

ANNEXE 1 ON THE OFFENSIVE ON PAY: TOWARDS EQUALITY

Congress Statement on minimum wages, equality and collective bargaining

There are four facts that stand out when examining pay in the European Union of today.

Firstly, wages and salaries have a declining share in the gross domestic products of almost all the countries of the EU. Linked to this is the trend to shift risk on to workers with the growth in insecure, precarious forms of work which are embracing greater proportions of Europe's workers.

Second, pay rises in the eurozone, in particular, have barely kept pace with inflation. Real wage growth in recent years has largely been non-existent with Germany as a prime but, by no means, the only example. Similarly in many new Member States, pay has lagged behind economic growth, as governments and employers seek to compete on low wages. Meanwhile profit growth has been strong, with little evidence that this is being channelled into research and development, innovation and productive investment.

Third, just as there are widening gaps between rich and poor within countries, there remains a persistent gap between the pay of men and women despite equal pay legislation, with the **average** pay difference being at least 15%.

Fourth, just as there are large and growing gaps between high earners and low earners, men and women, there are large gaps still between EU countries. There is some emerging evidence that in some countries underpaid migrant workers are used to exert downward pressure on real pay rates for the unskilled and semi-skilled, in particular.

All these facts point to the need for concerted, coordinated, purposeful action on pay at all levels of trade union activity, including at the level of the ETUC.

ETUC Action

The ETUC and its affiliated unions must therefore go on the offensive for a better deal for the working people of Europe – men and women, new Member State and old Member State alike.

The Executive Committee proposes the following practical steps in pursuit of fair wages for all European workers:

- Support union campaigns for effective minimum wages in those countries where the unions consider them necessary. Targets should be set as part of a purposeful campaign towards “living” wages and to tackle the growing gaps between rich and poor, men and women.
- Targets to close the pay gaps should also be adopted by those unions whose confidence in the effectiveness of their collective bargaining processes means that they do not need legally established minimum wages.
- Explore continually the scope for united campaigns at European level, led by the ETUC, for common standards on minimum pay and income, and for collective bargaining strategies. Currently it may be that, for example, the differences in skills, productivity, living standards and union policies are too great for a campaign on common European-wide minimum wage mechanisms, but as circumstances change the ETUC must be ready to lead a debate on united campaigns. The ETUC Collective Bargaining Coordinating Committee will deepen its consideration of the issues involved, drawing on the work of a sub-committee composed of interested affiliates as well as on research to be undertaken by the ETUI-REHS, and will report to the Executive Committee for consideration by the Spring of 2008. In the meantime, actions will continue to build cooperation and coordination in cross border regions and at sectoral and enterprise levels, involving the European Industry Federations. And the EU will be pressed to join the campaign “Towards Equality” by increasing structural funds towards poorer countries/regions, developing a fresh initiative on agency workers and strengthening the Posted Workers Directive. Progressive taxation systems also have a part to play in dealing with growing discrepancies.
- Stronger efforts are necessary to reduce the gender pay gap using all collective bargaining and legal means.

- The emerging evidence that migrant workers are being used in some countries to check the growth of real wages for the unskilled and semi-skilled in particular needs to be confronted. The emphasis here should be on organising migrants into unions and ensuring that they are covered by collective agreements; and by applying minimum wages (where they exist) and labour laws in full. Migrants must not become second class workers nor be used to depress wage levels. The authorities must be warned that union support for free movement of labour within the EU must not be taken for granted and that pressures for migration controls could rise if no effective actions are taken. Effective labour inspectorates, public and European policy encouraging social dialogue, trade union membership and collective bargaining are all vital features of what must be done.

Conclusion

The ETUC cannot tolerate continually rising levels of poverty and inequality between, and within, EU Member States and between men and women. This statement points the way towards fair wages and greater equality.

ANNEX 2: MAKE THE CHARTER LEGALLY BINDING

Emergency Statement on the Charter of Fundamental Rights adopted by the XIth ETUC Congress on 24 May 2007

The ETUC has learned with deep concern of proposals being drawn up in secretive intergovernmental discussions to relegate the importance of the Charter of Fundamental Rights in any new shortened treaty for the European Union. The Charter would have been fully incorporated if the draft constitutional treaty had been adopted as the ETUC wishes. There is very wide support for the Charter being fully recognised in EU law. Its present legal status is that it applies fully to the EU institutions, but there is an ambiguity about how it applies to Member States, a major limitation.

The Charter of Fundamental Rights was approved at the European Council in Nice in 2000. The ETUC held a mass demonstration of 60,000 in Nice to call for its adoption as a part of the Nice Treaty so as to make it fully binding on the EU and Member States. That was not successful. But in 2001, after another mass demonstration of 100,000 in Brussels, the ETUC obtained representation on the Convention charged with revising the European treaties. That Convention, whose work was carried out with wide public participation, recommended the Charter's full incorporation in the European treaties.

It is now the most progressive Charter achieved by a trade union movement in the world. It puts economic and social rights on an equal footing with human rights generally. Specifically, it guarantees rights to information and consultation, rights to negotiate and to take collective action including strikes. It guarantees protection against unfair dismissals, social security rights and the principle of fair working conditions. It also guarantees access to public services.

Action

For the ETUC, the Charter is a fundamental part of the future of Europe. The Charter was designed to bring Europe closer to the people and if it is to be dropped or diminished, this will damage fur-

ther social Europe generally. It is the basis of an ambitious social policy that takes into consideration the need for an inclusive society leading to more and better jobs.

The EU governments, the European Commission and the European Parliament need to be clear that the ETUC will not support any new treaty that does not give the Charter unambiguous legally binding status. We will campaign against any moves aimed at omitting it or relegating its importance, including action aimed at the European and national parliaments. In the meantime we are mobilising ourselves to make our views heard by the heads of government attending the summit on June 21-22 in Brussels. In addition, we will ask affiliates in every country to campaign to make sure that heads of government attending the EU summit take the right decision. When social Europe is in danger, so is Europe generally.

There will be a delegation of union leaders, supported by a demonstration of trade unionists, who will meet the Presidents of the European Commission and Parliament and the Belgian Government. We will be asking affiliates to send delegates to this demonstration as we go on the offensive for the Charter of Fundamental Rights.

ANNEX 3: ETUC CHARTER ON GENDER MAINSTREAMING IN TRADE UNIONS

adopted by the ETUC Congress in Seville, 23 May 2007

Introduction

As expressed in “ETUC’s vision of Europe”, adopted by the X-th Congress in Prague 2003, the ETUC is committed to

“Gender Equality”, and should

- “Demand the inclusion of gender equality among the fundamental values of the EU and its inclusion in the shared competences of the EU;
- Ensure the *acquis communautaire* regarding equal pay and gender mainstreaming is maintained across all policies and encourage women’s representation in all decision-making bodies.”

To implement its commitment, the Prague Congress 2003 adopted ETUC’s third Equality Plan.

The implementation of this plan was discussed in the ETUC Executive of June 2006 on the basis of a mid-term review, in the autumn of 2006 research was carried out on the basis of a questionnaire to all affiliates, and a conference was held in March 2007 in Berlin to develop tools and instruments for gender mainstreaming.

This Charter is based on the outcomes of the survey¹ and the recommendations adopted by the Executive and the gender mainstreaming conference.

Political context

Achieving gender equality in Europe continues to be a major challenge for all stakeholders at national and European level. A lot of progress has been made since the first European Community Treaty almost 50 years ago introduced the obligation to guarantee ‘equal pay’ for men and women. On that basis an extensive body of equal treatment-legislation has been developed. Also, the labour market

¹ ETUC survey 2006-07 “
Women in Trade Unions in
Europe: bridging the gap”

participation of women has been steadily increasing. However, progress has come to a halt in recent years, and in some countries reverse trends can be observed.

- The *gender pay gap* is still around 15 percent on average in the EU-27, but in some countries more than 20 percent, while in several countries even increasing again.
- Despite the fact that women in the meantime have closed the education gap, the majority of them is still found on the *lower end of the skills and pay scale*. Investing in training and life long learning for women is still not seen as an economically viable investment.
- The increase of female employment has been mostly in highly feminised jobs and sectors, such as public and private services, and they tend to have *more precarious employment conditions* (part time, fixed term and other forms of 'flexible' contracts).
- Childcare and other facilities and measures to improve *reconciliation of work and private life* are in most countries still very *insufficiently* available and often with poor quality or at too high a price. Moreover, they are still seen as 'facilities for women' instead of for parents.
- Although the employment rate (in terms of number of women in paid employment) for women is now on average 55,7 percent (compared to men 70,9 percent) and they form around 42 percent of trade union membership, their *representation* and visibility at all levels of decision-making is *far from proportionate*.

Recently, there is new attention at EU level for the importance of taking action on all these matters:

- The European Social Partners have reached an agreement in spring 2005 on a **Gender Framework of Actions**, in which an integrated approach is advocated on occupational segregation, women in decision-making, work-life balance and equal pay.
- The European Commission has issued a **Roadmap for Equality between men and women**, running from 2006 to 2010, announcing initiatives especially on reconciliation of work and family life and equal pay.
- The Council of Ministers has adopted at the Spring Summit of 2006 a **Gender Pact**, calling on all actors at national and European level to increase efforts and actions on gender equality, close the gender gaps in employment and social protection, and meet the demographic challenges by promoting better work-life balance for women and men.

In all these documents, there is a clear reference to the importance of full and equal participation of men and women in the workplace, the labour market and society at large as being vital to the development of a competitive and prosperous Europe.

For the ETUC and its affiliates, there are many urgent reasons to increase efforts and actions in this regard. In many of ETUC's member organisations the increase in membership has been female, and their unionisation rate on average (although not in every particular country) is now more or less proportional to their labour market participation.

However, as the research that was carried out among affiliates has shown, there is still a persistent representation gap, and gender-mainstreaming is still not properly implemented everywhere.

Therefore, on the occasion of its congress in Seville in 2007, it is proposed *not* to present a new Equality plan, but to call for a stronger commitment to better implement the previous plans.

Urgent measures should be taken to improve performance of ETUC and affiliates in the forthcoming years, to close the representation gap between women and men at all levels in the trade unions, and to ensure gender mainstreaming in all processes of policy and decision making in the interest of both men and women and the future of the trade union movement.

By adopting this Charter, ETUC and its affiliates express their renewed commitment to take such urgent measures.

Article 1 **Gender mainstreaming:** **essential for social progress and sustainability**

Gender equality is an essential element of democracy in the workplace and in society.

The ETUC and its affiliates confirm their commitment to pursue gender equality as part of their broader agenda for social justice, social progress and sustainability in Europe, and therefore adopt a gender mainstreaming approach as an indispensable and integral element of all their actions and activities. To this end, they adopt the following definition of gender mainstreaming:

Definition and key elements of gender-mainstreaming

A. *“Gender mainstreaming is: the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies at all levels and at all stages, by the actors normally involved in policy-making².*

B. This involves not restricting efforts to promote equality to the implementation of specific measures to help women, but mobilising all general policies and measures specifically for the purpose of achieving equality, by actively and openly taking into account at the planning stage their possible effects on the respective situations of men and women (gender perspective). This means systematically examining measures and policies and taking into account such possible effects when defining and implementing them.³

C. Gender mainstreaming associates itself with equal visibility, empowerment and participation of men and women in public and private life. Women's priorities and needs should be accorded equal respect with those of men. Men are a 'gender' too, and an integral part of a gender approach. They are thus required, alongside women, to adapt their behaviour in order to reach gender equality.

ETUC and its affiliates recognize that gender mainstreaming clearly regards women as well as men. Essentially, the choice for implementing gender mainstreaming means a choice for structural change, regarding both women's and men's roles in public and private life, at home and in the workplace. It means that the burden of adjustment will be more evenly spread on women and men, workplaces and societies, with higher long term benefits in terms of labour participation, gender equality, fertility, and full utilisation of male and female human capital.⁴

Article 2 Effective implementation of the Equality Plan and the Gender Mainstreaming Charter

- 1) ETUC and affiliates shall take concrete and targeted measures to improve the visibility of the Equality Plan and the Charter on Gender Mainstreaming and promote a 'sense of ownership' and shared responsibility among all relevant actors at all relevant levels.
- 2) The ETUC Congress clearly expresses that more commitment and action is needed to implement the Equality Plan 2003 and the Charter. ETUC affiliates will take up the responsibility to introduce, implement and monitor equality plans, where not already existing, in their national or sectoral federations before the next Congress.
- 3) The appointment at the political leadership level in each organisation of a person that is responsible for the monitoring of the gender mainstreaming process in the organisation should be considered. This person would, preferably not be the same person as the one being responsible for (gender) equality, to clearly embody the notion of *shared responsibility* on this matter.

² Council of Europe, 1998

³ European Commission, 1996

⁴ ETUC position on the Reconciliation of work, private and family life, December 2006

- 4) Progress will be evaluated by a mid-term review between the congress of Seville and the following congress.

Article 3 Extending gender mainstreaming

A. Gender-mainstreaming in all areas of social policy

The *revision of social security and welfare systems, including pensions*, is everywhere in Europe on the agenda. Discussions on demographic change and ageing populations are putting more pressure on the debates.

In addition, recent discussions on *flexicurity* and the *modernisation of labour law* have put the issues of addressing precarious work and labour market segmentation (the growing gap between ‘insiders’ and ‘outsiders’) high on the agenda. It is more important than ever that ETUC and affiliates recognize the gender dimension of these issues, and ‘gender-proof’ all proposals and solutions in this regard.

B. Gender-mainstreaming in Collective bargaining

Mainstreaming gender equality in collective bargaining remains a major challenge, and demands stronger cooperation with and commitment of especially the industry federations and sectoral and branch unions at all levels. The following measures will be taken:

- a) explicitly inviting, supporting and training women to participate in collective bargaining committees and negotiating teams, including in EWC’s;
- b) investing in training of collective bargaining negotiators, men and women, at all relevant levels in gender equality issues;
- c) conveying clear messages that a gender perspective should be included, not only when discussing specific facilities for women/parents such as childcare and flexible working arrangements, but also when negotiating recruitment, pay systems and wage increases, life long learning, restructuring etc.
- d) a renewed effort will be made by ETUC and its affiliates to reduce the gender pay gap. As a first step, the ETUC will set the example by setting clear targets in its yearly coordination note on collective bargaining to reduce the pay gap for instance with one percent per year. In order to realise this objective, actions must be developed at the national and sectoral level,

including revision of job classification and systems of job evaluation.⁵ Activities and progress will be monitored.

- e) ETUC and its affiliates at all relevant levels will actively pursue the implementation of the Gender Framework of Actions, agreed between the Social Partners at European level in 2005.

C. Tools and guidelines to implement gender-mainstreaming

ETUC and affiliates adopt a clear commitment to implement gender-mainstreaming in all areas of policy-making and activity, and recognize that this demands the development and adoption of *tools, mechanisms and guidelines*.

- a) 'gender-mainstreaming' seems a difficult concept to understand and implement; it will therefore be considered to put the issue before the ETUC-Executive for a more detailed discussion; the basis for such a discussion could be formed by a set of draft guidelines, leading to the publication of a small brochure for dissemination;
- b) as a first step, the ETUC will set the example by introducing the policy that every document presented to its Executive Committee as well as the Congress must contain a gender impact assessment, and at least indicate with a short motivation if and how the gender perspective has been included.

Article 4 Elimination of the gender representation gap:

A. The provision of good and comparable data

To measure improvement, and find out where additional action is needed, *good and comparable data* are indispensable.

- a) ETUC shall develop tools and instruments to help affiliates in gathering data on women's participation and representation in trade unions at all levels, and will introduce an annual "8 March Survey", that will be presented around International Women's Day to the Executive Committee.
- b) Affiliates express a clear commitment to providing the ETUC with all the necessary data. Failure to do so will be publicly addressed at the Executive Committee and the next Congress.
- c) It is recommended that affiliates provide gender specific data to the ETUC on the occasion of paying their affiliation fees.

⁵ ETUC resolution on the coordination of collective bargaining 2003-2004 and the participation of workers, adopted by the Executive Committee on 17-18 March 2004

B. Actions to increase the amount of women in positions of decision-making

- a) There is a *persistent lack of women in positions of decision-making* in trade unions. A combination of measures is needed, and a much more coherent and focussed approach.
- b) Several affiliates have good experience with quantified targets and clear rules that have to be observed, to achieve at least proportional participation and representation. These practices will be gathered and evaluated by the ETUC Women's Committee, with a view to develop recommendations for further action.
- c) The ETUC shall develop, together with the training department of the ETUI-REHS, a good practice manual and training courses aiming at increasing the amount of women in positions of decision-making at all levels within trade unions.
- d) Gender audits, mentoring programmes and other forms of support for women to take up leadership roles in unions should be introduced by affiliates.

C. Including a gender-dimension in the State of the European Trade Unions exercise

The ETUC 'State of the European Trade Unions' exercise, to take place every 2 years in the ETUC Executive, will explicitly address the 'state of women in the trade unions', by assessing the developments in female membership and the reduction of the representation gap.

Article 5 Strengthening the role of equality policies and bodies: a dual approach and proper resources

ETUC affiliates are - for many different reasons related to history and culture - in different stages of developing and strengthening the role of women in their organisations. A *dual approach* remains necessary, also at European level. On the one hand gender issues should be integrated in general policy-making by general structures. On the other hand, the role of specific equality bodies should be strengthened.

This includes providing the representatives of such equality bodies with one or more reserved seats with voting rights and/or at least the clear right to speak in decision making bodies, where they could comment on policies and decisions, take initiatives and offer expertise.

ETUC and its affiliates commit themselves to clearly *earmark adequate budgets and support staff* for women and gender equality policies.

Article 6

Enhancing the role and visibility of women in all ETUC structures:

- 1) The option of conducting a gender-audit of the ETUC will be considered, after having studied the process and outcomes of similar experiences in the former ICFTU and other international organisations.
- 2) The ETUC website should be adapted to give more visibility to all actions and activities on gender equality by the ETUC, its Women's committee and affiliates.
- 3) Affiliates will take the need for gender parity into account, when sending representatives to the Executive Committee and the next Congress, as well as to standing committees, working groups, negotiating committees and conferences. Monitoring progress..... Delegations to Congress should be gender-balanced, as a very minimum in proportion to the female membership of the organisation. Women in delegations should have equal positions and voting rights.
- 4) In due time before the next Congress, the Executive Committee will discuss the adoption of appropriate sanctions ('sticks and/or carrots') to reward good performance or penalize bad performance, in accordance with the Equality Plan and the Charter on Gender Mainstreaming.

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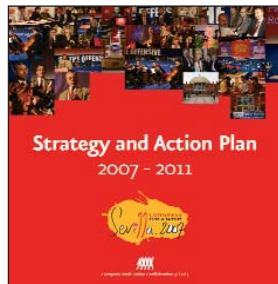
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