



European Trade Union Confederation (ETUC)
Confédération européenne des syndicats (CES)

Brussels, 11 January 2011

JM/sw

Mr Olli Rehn
Commissioner for Economic and Monetary Affairs
European Commission
Berlaymont
1049 Brussels

*Copy to: Mr José Manuel Barroso, President of the European Commission
Mr László Andor, Commissioner for Employment, Social Affairs and
Inclusion
Mr Herman Van Rompuy, President of the European Council
Mr Dominique Strauss-Kahn, International Monetary Fund Managing
Director
Mr Jean-Claude Trichet, President of the European Central Bank
Mr Viktor Orbán, Prime Minister of Hungary – the EU Presidency
Mr Philippe De Buck, Director General of Business Europe*

[Letter sent by e-mail]

Dear Commissioner,

I am receiving reports from trade unions in Greece and Ireland about the role of your officials in implementing the EU/IMF rescue packages.

The specific charge is that the Commission officials are ignoring social dialogue and collective bargaining processes and directly intervening in the labour markets of these countries. Diktats are being issued which are designed to lower living standards. Thus proposals are coming from the Commission which are designed to cut minimum wages and reduce wage “rigidities”, cut pension entitlements, make labour markets more flexible, and in Ireland’s case provide for wages to reflect “market conditions” (The words in quotation marks are quotes from correspondence from Mr Szekely of DG Economic and Financial Affairs).

I should not have to remind you that this policy of detailed interference in labour markets tramples all over pious commission statements about the autonomy of the social partners, the importance of social dialogue and the specific exclusion in the EU treaties of a European competence on pay.

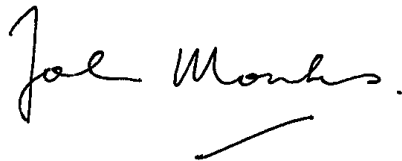
Indeed, it is an attack on Social Europe and is in marked contrast to the relaxed, non-interfering view on rapidly increasing levels of top pay, including bank bonuses.

It is now clear that this attack is a prime case of Commission-promoted downward pressure on Europe's social conditions. The proposals on economic governance are likely to generalise these pressures in the eurozone and beyond, and not just apply to countries in difficulties on the world's bond markets.

In these circumstances, I request an emergency meeting with you to clarify matters and to warn that the ETUC will find it impossible to support action by the EU along these lines, or proposals on economic governance, and any new treaty which contains them, which resemble in some aspects the reparation (punishment) provisions of the Treaty of Versailles, and reduce member states to quasi colonial status.

I look forward to an immediate response to my request.

Yours sincerely

A handwritten signature in black ink that reads "John Monks." The signature is written in a cursive style with a long horizontal stroke at the end.

John Monks
General Secretary