

ETUC newsletter]



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Figure on the month

36%
Always more
for the bankers

The average pay of bank chiefs in the United States and in Europe has increased by 36% last year to \$9.7m.

(Source: Financial Times)

Note



Dear Readers,

European economic governance was at the top of the European agenda in June and on front pages across Europe. The European Trade Union Confederation (ETUC) has always acknowledged the need for economic governance, but not of the kind being proposed. What is on the table today is a governance of austerity that wrecks havoc with the European social model. The aim of the “governance package” is to reduce labour costs and cut social protection and public services. This package also threatens the autonomy of collective agreements. We reject this orientation and call for a change of course. The proposals contained in the governance package also give certain Member States a pretext to take anti-social measures at national level. More than ever before, the trade unions’ reactions and responses must be linked at the European and national levels. On 21 June, on the eve of the European Council and the European Parliament’s vote on the governance package, we demonstrated in the streets of Luxembourg to voice our rejection of this governance of austerity. There is great concern in the European trade union movement over the Greek situation. A second austerity plan has just been adopted despite the failure of the first attempt to apply this prescription. Greece is under terrible pressure. The Commission explains that there is no “Plan B” and that there is no choice but to accept austerity. At the same time, though, banks continue to grow fat at the expense of the Greek deficit. It is perfectly normal that Greek citizens refuse to tolerate this situation any longer. They are vehemently expressing their fear that Greece may become a “colony” of Europe. At its Executive Committee on 28 and 29 June, the ETUC reiterated its total solidarity with Greek trade unions and workers. By continuing down the path of austerity, political leaders are trying to mollify financial markets and are giving in to their diktat. The ratings agencies exercise illegitimate power and their blackmailing of governments and workers is intolerable. When it came to saving banks, money was spent without hesitating, in contrast with the considerable hesitation to save a country bordering on insolvency! In this crucial moment of its history, Europe is demonstrating its lack of political vision and leadership. The word “Europe” was born in Greece. Are we going to let it die there? Another way has to be found and must be based on a more generous plan for Greece and countries in difficulty, something like a new Marshall plan. Such a plan should focus on collecting income tax, fortune taxes in countries in difficulty and taxes on financial transactions and services, making investments using available structural funds, Euro-bonds, project bonds, initiatives in support of growth and innovation in line with the Europe 2020 strategy, and reducing pressure on wages, social benefits, public services and the needy. We will continue to keep up the pressure until the situation changes. The ETUC will sponsor a Euro-demonstration on 17 September in Wroclaw, Poland, with its Polish members. We intend to make our voice heard on the eve of the EU Council of Finance Ministers. See you there.

Bernadette Ségol,
General Secretary



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[ETUC in action]

ETUC CAMPAIGNS

Euro-demonstration in Luxembourg City: 20,000 European trade unionists said “No” to austerity



21/06/2011 – On the eve of the European Parliament's vote on economic governance and ahead of the European Council, the ETUC, in cooperation with its affiliates from Luxembourg, organized a [Euro-demonstration in Luxembourg City](#). More than 20,000 European trade unionists took part in the event, which was organized in the framework of the [Action and Information Day in Europe on economic governance](#). The European trade union movement sent a very clear message to European leaders: **governing Europe means strengthening – not attacking – its social model**. The responsible economic governance recommended by ETUC must be geared towards access to stable and quality jobs, the promotion of training for all, decent wages and pensions as well as strong social protection.

[Videos of the Euro-demonstration](#)
[Pictures of the Euro-demonstration](#)

MAJOR MEETINGS

ETUC Executive Committee

29/06/2011 – The Executive Committee of the ETUC met in Brussels. Opening the meeting, the ETUC President [paid tribute to Jan Kulakowski](#), the Polish and European trade unionist and politician, recently passed away. **Economic governance** was the main subject of the debates. The European trade union movement decided to **continue its mobilization** against austerity governance, by calling a **Euro-demonstration on 17 September in Wroclaw, Poland**. At its Executive Committee, the ETUC confirmed that it was ready [to enter into negotiations on working time](#), by underlining that the revision of the Working Time Directive should encompass all the sensitive issues. Nuclear security and European social dialogue working programme were also on the agenda.

ILO adopted international convention on decent work for domestic workers

16/06/2011 – The ETUC welcomed the adoption of the **Domestic Workers Convention** and Recommendation by the International Labour Organisation (ILO). In cooperation with the International Trade Union Confederation (ITUC), the European trade union movement [campaigns in favour of the adoption of this convention](#). The ETUC calls on all governments around the world to ratify and apply it.



21 June: 20,000 European trade unionists demonstrated in the streets of Luxembourg City to say **“NO” TO AUSTERITY**





[Interview]

Interview with Bernadette Ségol, ETUC General Secretary

You were recently elected to lead the European Trade Union Confederation (ETUC). What are your priorities?

Bernadette Ségol (BS): The ETUC has two essential political priorities: on the one hand, the question of European economic governance, and on the other, equal pay and treatment between workers.

We want to change the path of the 'economic governance' package that is currently on the table. Six European legislative proposals are being discussed in the European Council and Parliament. The European Commission has made some recommendations to the Member States in the framework of the Europe 2020 Strategy. All these proposals are mutually reinforcing each other in the wrong direction. We very much regret that the recommendations made to the Member States by the Commission often go further in the attack on social rights and wages than the legislative proposals under discussion in the Parliament. Economic governance is a priority question for us because it forms the future framework for the trade unions' negotiating conditions at national level. This framework will have a direct influence on the unions' scope for action, and influence on the structure of social relations: what will the unions be able to negotiate, and how? Behind the technical proposals lurks the reality of the bargaining process and the lives of workers in the years ahead.

The second priority for Europe's trade unions is linked to equal pay and treatment between workers. I am referring not just to equality between men and women, but more broadly to equality for workers regardless of their origins and their employers. If they are doing the same work in the same workplace, then they must be paid in the same way and have the same working conditions. To put it another way, the shock caused by the Laval, Viking, Ruffert and Luxembourg cases is not over. The ETUC believes it is a priority to get social rights reinstated ahead of economic rights. This is a long-term process and our last Congress spoke out clearly along these lines.

What would you say are the current challenges facing the trade union movement in Europe?

BS: In a context which is characterised by both greater economic integration and downwards pressure on wages and working conditions, it is more crucial than ever to strengthen European trade unionism. The role of the ETUC is pivotal and it needs to be reinforced.



One of the big challenges that we have to address is the feeling of disappointment and disillusionment among the workers and more generally among the citizens of Europe vis-à-vis the European project. The origins of this feeling lie in the fact that Europe is no longer offering positive solutions that protect workers. The European project is not just an economic and monetary project, but also a project for a society. Yet the societal project based on solidarity has slipped off the radar. The direct consequence of this situation is the temptation to cling to narrow national interests. This is a dangerous temptation, and one which the trade union movement at national and European level must address, and one which it opposes.

Another major challenge is trade union recruitment. Many trade union organisations have lost members or are in a situation of stagnation. European trade unionism must leave no stone unturned in trying to reverse this trend.



Interview with Bernadette Ségol, ETUC General Secretary (following)



The European Union is imposing a very strict regime on its citizens, forcing them to pick up the bill for a crisis provoked by financial deregulation and speculation. We are faced with austerity governance which is being pushed through at the workers' expense. What is the ETUC doing about this?

BS: We are active at two levels. First of all, the ETUC is acting at the public level, stating very clearly that austerity is not the solution and that it will not deliver the growth that we need. We are doing this via public interventions and Euro-demonstrations which we have been organising ever since the crisis hit. We shall continue to do so, not just to get our voice heard, but also to raise citizens' awareness of this problem.

But there is more to our action than that. We are working with the MEPs who have agreed to discuss with us – irrespective of their party colours – to change the legislative situation. At the same time, we are holding regular meetings with the permanent representations of the Member States to the European Union in Brussels to get our message across. We are trying to improve the coordination between our interventions at national level and at European level. The national confederations are speaking to their governments and their MEPs to support the ETUC's general policy line. This is essential.

The ETUC is convinced that there are alternatives to the austerity plans that are coming thick and fast and not actually helping – in fact on the contrary. What are those alternatives?

BS: We believe that you cannot solve a public debt problem in two or three years. The solution has to be seen in the long term. In addition, you cannot solve

this sort of problem with a punitive intrusion into the economy of a country, even if there were problems at the start. The issue needs to be tackled differently, by putting forward some positive policies. We need to set in place investments to restore sustainable growth. These investments can be financed through Euro-bonds, which is perfectly feasible. It is equally possible to finance these investments through bonds designed for particular projects (Project bonds). The use of the European structural funds is another option to be seized, provided that the procedure is reviewed. Other proposals from us include the introduction of a tax on financial transactions. With policies like these, we would show that Europe is not just wielding a stick, but that it is possible to drive things forward. It is crucial to give people back prospects and hope. These alternatives are not utopian, they are eminently achievable. I think we are hearing more and more talk of European bonds and that we do have some support regarding the tax on financial transactions: we cannot allow ourselves to be impressed by those who say that this way is not possible. That is an ideological response. It may be a little difficult to set up, but Euro-bonds and a tax on financial transactions are a lot easier to implement than the single currency!

Do you think that Europe's solidarity is ailing?

BS: Certainly. I think that solidarity is not just a word, nor just a word with a moral connotation. We need economic solidarity in Europe because we depend on one another. It is illusory to believe that we can do without this interdependency. It also means destroying a project and a prospect which is unique and which is necessary. It is unique because no such project has ever occurred anywhere else in the world. Even if a lot of us have forgotten it, Europe means peace. It is an exchange between peoples. Given all the intermingling and interdependence existing between our countries, I don't see how we can tell our citizens that they have to show their passports to cross an internal border, or ask for a work permit in order to work in another Member State. There are certain evolutions brought about by the European Union that we take for granted. This solidarity has been positive in economic terms, but also in human terms. The economic ties that exist in Europe imply the implementation of solidarity. We feel clearly today that certain countries are hesitating to implement this solidarity: it is very worrying.

We must not forget the other aspect of solidarity, the moral aspect. When you are the same group, you don't abandon your neighbour, you don't trample on him, on the contrary you try to help him.



Interview with Bernadette Ségol, ETUC General Secretary (following)

A Euro-demonstration was held on 21 June at the instigation of the ETUC. Twenty thousand trade unionists demonstrated on the streets of Luxembourg City to call on Europe's political leaders to change course. The unions demand different economic governance, in favour of a social Europe, fair pay, investments and employment. The trade unions are keeping up the pressure. What are the next stages in the European trade union mobilisation?

BS: The ETUC Executive Committee has given its backing to our colleagues in Poland who are proposing a further day of action. We are staging a Euro-demonstration on 17 September in Wroclaw, in Poland, on the eve of the Council of Finance Ministers. In the medium to long term, the ETUC will be organising a campaign with specific, concrete objectives to mobilise European trade unions. This campaign, decided on at the last ETUC Congress, will be up and running by the end of the year. It needs to be carefully prepared, not just by the secretariat in Brussels, but also by the ETUC members who will be involved in it. It is very important for this campaign to engage every national confederation.

The economic and financial crisis has, in many ways, become a political crisis. Europe is battling through a very difficult time in its process of integration, with nationalism becoming more powerful. How can we reverse this trend?

BS: Nationalism is a major problem. We oppose it because it often goes hand in hand with racism, xenophobia and all sorts of inequalities which we reject because they are at odds with our values. Narrow nationalism offers no prospects for future generations. It is illusory to believe that by withdrawing into nationalism, we will have more employment and give our children a better future. To counter this phenomenon, we need to do a lot of work on the values that we are defending. We must not be afraid to talk about them and to denounce the economic reality which is intimately bound up with the withdrawal into nationalism. It is very clear that the ETUC will never side with protectionism and the popular right!



[Trade Union Agenda]

June – July 2011

06/06/2011	SAK Congress (Tampere)	Congress Agenda
09-10/06/2011	Congress of the European Metalworkers' Confederation (EMF) (Duisburg)	Congress Agenda
15/06/2011	Meeting of the Group II 'Workers' of the European Economic and Social Committee (Brussels)	
21/06/2011	Trade Union Action and Information Day on Economic Governance – Euro-demonstration in Luxembourg City	Programme of the Euro-demonstration
28/06/2011	ETUC Steering Committee (Brussels)	
28-29/06/2011	ETUC Executive Committee (Brussels)	
13/07/2011	Meeting of the Group II 'Workers' of the European Economic and Social Committee (Brussels)	



[EU Agenda] June – July 2011

06/06/2011	Health Council (Luxembourg)	Council Agenda
06–09/06/2011	Plenary Session of the European Parliament (Strasbourg)	
09–10/06/2011	Justice and Home Affairs Council (Luxembourg)	Council Agenda
10/06/2011	Energy Council (Luxembourg)	Council Agenda
15–16/06/2011	Plenary Session of the European Economic and Social Committee (Brussels)	
17/06/2011	Employment and Social Affairs Council (Luxembourg)	Council Agenda
20/06/2011	Eurogroup meeting (Luxembourg)	
20/06/2011	ECOFIN Council (Luxembourg)	Council Agenda
20–21/06/2011	General Affairs and External Relations Council (Luxembourg)	Council Agenda
17/06/2011	Environment Council (Luxembourg)	Council Agenda
22–23/06/2011	Mini-Plenary Session of the European Parliament (Strasbourg)	
24/06/2011	European Council (Brussels)	Council Agenda
04–07/07/2011	Plenary Session of the European Parliament (Strasbourg)	
05–06/07/2011	Informal meeting of health ministers (Sopot)	
07–08/07/2011	Informal meeting of employment and social affairs ministers (Sopot)	
11–12/07/2011	Informal meeting of environment ministers (Sopot)	
11/07/2011	Eurogroup meeting (Brussels)	
12/07/2011	ECOFIN Council (Brussels)	
13–14/07/2011	Plenary Session of the European Economic and Social Committee (Brussels)	
14–15/07/2011	Informal meeting of development ministers (Sopot)	
18/07/2011	General Affairs and External Relations Council (Brussels)	
18–19/07/2011	Informal meeting of justice and home affairs ministers (Sopot)	
20–22/07/2011	Informal meeting of competitiveness ministers (Sopot)	
22/07/2011	ECOFIN Council dedicated to budget (Brussels)	
28–29/07/2011	Informal meeting of European affairs ministers (Sopot)	



[Focus on the EU and trade union positions]

European Parliament's vote on economic governance: **ETUC demands investment not more austerity**

23/06/2011 - The plenary of the European Parliament voted on the economic governance package. [As demanded by the European trade union movement](#), the texts voted by the Parliament help to shield collective bargaining from regulations that limit wages. **However, the bias in favour of blind austerity and against social expenditure and public investments remains.** The ETUC calls upon the Council and the Parliament to change its attitude on this before the final vote on 6 and 7th of July.

[ETUC press release](#)

ECOFIN Council: **ETUC urges ministers to break with the governance of austerity**

21/06/2011 - On the occasion of the ECOFIN Council on 20 June, the **ETUC urged ministers of finance to immediately change course and go for a different form of economic governance.** According to the European trade union movement, the governance of austerity is stifling our economies and keeping unemployment persistently high. [A European demonstration against austerity and wage interventions and for a fair economic and social governance package took place in Luxemburg City on 21 June](#) ahead of European Parliament and Council decisions on economic governance. **The ETUC urges European leaders to listen to the voice of workers' and stop using Europe to cut wages, social benefits and public expenditures.**

[ETUC press release](#)

ETUC demands full respect for autonomous collective bargaining

07/06/2011 - In the framework of the EU 2020 strategy, the **European Commission published [recommendations on the economic policies](#)** the Euro Area is to pursue. For the ETUC, the **Commission is, once again, targeting wages in a negative way and is ignoring what is a key principle in Europe: the autonomy of social partners and collective bargaining.** The ETUC regrets this situation and calls upon the European Council to change track and to consider **wages as an engine for growth and jobs and not as the enemy of the economy.**

[ETUC press release](#)

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