

[ETUC newsletter]



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Figure of the month

135 billion dollars

Pay levels at Wall Street's top 25 banks reached a record high of 135bn dollars last year.

(Source : Financial Times)

Note



Dear Readers,



At the European Council on 24–25 March, the political leaders of the European Union secured an agreement on the ‘Pact for the euro plus’. Even though some of the proposals framed by Chancellor Merkel and President Sarkozy were not included in its final version, the substance of the pact remains to ask all the Member States for a policy to adjust wages downwards. Wage moderation has become the ‘dogma’ to be followed for the years ahead. This pact opens the way for a type of austerity governance that we denounce, because it will have disastrous consequences on the employment market which will be characterised by ever-increasing insecurity, flexibility and deterioration in working conditions and contracts. We refuse to go down this path. We urge a different type of economic governance, social and based on solidarity. Stable, high-quality jobs, decent wages, strong social protection, better pensions and quality social services are the vital elements in economic governance worthy of the name. It is for all these reasons, and to say No to austerity, that we have been demonstrating in various places across Europe, attracting a massive turnout of workers. We support Europe, but not the political direction that the European Union is in the process of embarking on, a direction that is damaging to workers and to their – essential – support for the European project. Our mobilisation is continuing. Indeed, with our Hungarian members, we are staging a Euro-demonstration on 9 April 2011 in Budapest, where the Council of Ministers of the Economy and Finances will be held. This will be the opportunity to reassert our opposition to any austerity plan and put forward alternative solutions based on solidarity, sustainability and social criteria.

John Monks
General Secretary





[ETUC in action]

Day of action against Austerity Governance

24/03/2011 – [On 24 March](#), 30,000 trade unionists **demonstrated** in Brussels, on the fringes of the European Council, **against European austerity governance**. The ETUC was pleased with the march, which sent out a clear message to Europe's leaders. Protest movements were also staged in parallel in France, Germany, Spain and Latvia, and on 26 March in London. During the demonstration, John Monks stated: "We protest not against Europe but against the latest European decisions on European economic governance which are ratcheting

up the austerity measures at the expense of workers. The employment market cannot be a by-word for insecurity, ever greater flexibility and deterioration in working contracts and conditions. We will continue to oppose this approach, which is very much in fashion at the moment, because we are defending European economic governance that is resolutely social and based on solidarity."

[ETUC press release](#)



"March for an Alternative" in London: ETUC solidarity

26/03/2011 – Bernadette Ségol, the future ETUC General Secretary, took part at the "March for an Alternative" in London, where about 500000 people demonstrated against deep cuts in public spending. During her speech at the demonstration, Mrs Ségol expressed the **solidarity of whole the European trade union movement with the British trade union movement in its fight against austerity** and for a better future.

[Bernadette Ségol's speech at the demonstration](#)

International Women's Day: according to ETUC survey, the crisis affects women more

08/03/2011 – On the occasion of this year's International Women's Day, the ETUC has conducted a survey among its national and European member organizations to look at how the economic crisis is affecting female workers. The [survey](#) revealed that **women workers are paying a high price for the crisis**: sectors with a robust feminine workforce are undergoing changes that worsen both the quality and the quantity of available work. Moreover, other negative effects that the ETUC survey has shown relate to the increase of precarious work, with a rise in atypical working contracts being offered especially to young female workers.

[ETUC press release](#)

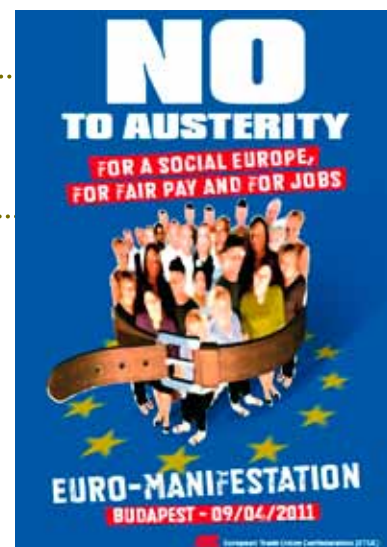


[ETUC in action]

Euro-demonstration for Social Europe – Budapest, 9 April

07/03/2011 - The ETUC together with its Hungarian affiliates (LIGA, ASZSZ, SZEF, ESZT, MSZosz and MOSz) will organise a **Euro-demonstration on Saturday 9 April 2011 in Budapest**, where the European Economic and Financial Affairs Council (ECOFIN) will meet during the Hungarian presidency. European trade unions will make their voice heard in the streets of Budapest to say no to austerity and to call for more social Europe, fair wages and quality jobs.

[More information on the Euro-demonstration](#)
[Manifesto for the Euro-demonstration](#)



Trade union rights: support to TURK-SEN's mobilisation

02/03/2011 - The ETUC backed the mobilisation of TURK-SEN – its affiliate from Cyprus – against the reforms proposed by the Government in Ankara, aimed at jeopardising collective bargaining and the right to strike.

This mobilisation followed the [massive general strike](#) which took place in January, gathering about 30,000 workers.

[ETUC press release](#)

MAJOR MEETINGS CONFERENCES – PROJECTS

Together for inclusive labour market

10-11/03/2011 - The ETUC and the European Disability Forum (EDF) organised the conference 'Fight discrimination of people with disabilities to employment and training', in Brussels. According to the organizers, meeting the target of 75% of employment rate by 2020 means that people with disabilities have to be taken into account as they represent 15% of the working population of the EU. In this context, the framework agreement for the inclusive labour markets, signed by the European social partners on 25 March 2010, will be a key instrument in achieving the targets of the EU 2020 Strategy. As result of the conference, the **common declaration on the 'access to employment and training for persons with disabilities: a right still to be acquired'** was unanimously adopted.

[Joint ETUC-EDF press release](#)

MAJOR MEETINGS – CONFERENCES – PROJECTS

ETUC Executive Committee

08-09/03/2011 - **European economic governance** was discussed at the Executive Committee which took place on 8-9 March. This subject was the main item for discussions at the Euro zone member states Summit on 11 March, where, European trade unions reiterated their opposition to recent **proposals by Chancellor Merkel and President Sarkozy, as they threaten social standards and exert a downward pressure on wages**. Discussions on the various trade union actions and activities against austerity and reminders that an alternative approach exists, also took place. **Austerity Europe is not a fate**. Other subjects, such as the Arab situation, the working time directive, European industrial policy as well as EU financial perspectives were on the meeting agenda.



[Dossier]

Another kind of European economic governance is possible

In recent months, economic governance has become the main topic of policy discussions at European level. Faced with the impossibility of running a monetary union without enhanced economic coordination and cooperation, ETUC has long called for the introduction of a social and inclusive economic governance system in Europe. Yet the economic governance model currently on the table (the “Euro Plus Pact”) is more about austerity governance, where wages are considered to be the only adjustment variable of the system. To counter this approach and to propose alternatives, European trade unions are mobilising to obtain a change of direction.

Governing Europe means reinforcing – not attacking – its social model

Faced with a financial crisis that has plunged Europe in the worst situation in several decades with more than 23 million unemployed, the only response by policy makers has been to adopt austerity measures, reduce social standards and call into question wages, pensions and collective bargaining agreements. On the pretext of calming financial markets that are “worried” about the future of the European economy, austerity measures, adopted virtually everywhere in Europe, have been geared chiefly to wage-earners and pensioners. The direct consequences are: more precarious employment, the continuing deregulation of labour codes, and regression. Furthermore, in certain countries that have turned to the International Monetary Fund and the European Commission to avoid default, pressure has been exerted to undermine the independence of collective bargaining and industrial relations. These attacks are corrosive for social Europe and are not helping to “save” the Euro.

ETUC rejects this approach which turns competition into the only element of social life. For the European trade union movement, governing Europe means aiming for a more social and more inclusive Europe for all citizens, in particular young people, retired people and women. The responsible economic governance recommended by ETUC should be geared to access to stable and quality jobs, generalised promotion of training for all, decent wages, and strong social protection. The protection of purchasing power, the guarantee of better pensions and access to quality social services must also be defended and secured.

Real economic governance in Europe will never come about without sustainable growth. To this end, ETUC calls for: the introduction of a tax on financial transactions, the revenues from which could be used for a public investment policy; the development of dynamic industrial policies based on low-carbon and green economy policies; the issue of eurobonds that would help check speculation and finance a European recovery plan.

THE “EURO PLUS PACT”

The European Council of 24–25 March adopted the “Euro Plus Pact,” which had been approved on 11 March by the informal summit of the heads of state and government of the Euro zone. The purpose of the Pact is to enhance economic coordination in a widened euro zone* so as to boost its competitiveness. The countries concerned undertake to implement concrete and coordinated actions at European level in accordance with an annual schedule. Regular and occasional checks will be carried out to assess the attainment of the goals set. The pact sets four macroeconomic goals, namely to: promote competitiveness, promote employment, contribute better to the viability of public finance, and strengthen financial stability. According to the Pact, the unit cost of labour must be linked, there must be a limit to public-sector wage increases, and flexibility must be promoted. The States of the Euro zone are also called upon to model their pension system to the national demographic situation, to limit early retirements and to encourage workers to work longer. The announcement that “large and sustained increases may lead to the erosion of competitiveness,” clearly indicates the direction that European leaders have opted to take...

**The signatories of the Euro Plus Pact are composed of the 17 members of the Euro zone, plus Bulgaria, Denmark, Latvia, Lithuania, Poland and Romania.*

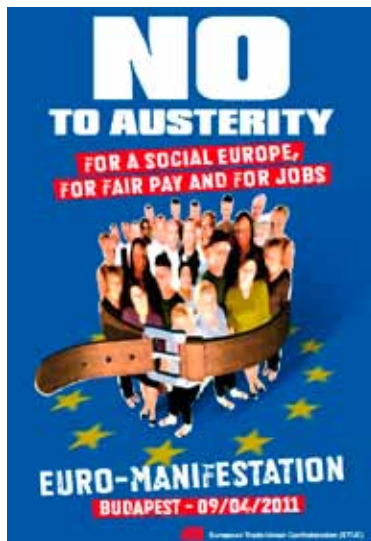
[Link to the Euro Plus Pact](#)



Dossier European economic governance (following)

Generalised trade union mobilisation

ETUC continues to campaign in favour of greater fairness and equality and against austerity. At the European Council of 24 and 25 March which approved the “Euro Plus Pact,” ETUC called for the mobilisation of trade unions in Europe. Several demonstrations were held in many European cities, particularly in Brussels, Paris, Berlin, Madrid, Bucharest, Riga and London. European workers made their voice heard and called for a change of course. These protest movements were widely followed and



the European mobilisation continues: ETUC will actually organise a Euro-demonstration on Saturday, 9 April 2011 in Budapest, where the European Council for Economic and Financial Affairs (ECOFIN) will meet under the Hungarian presidency. The watchwords of the Euro-demonstration will be “no” to austerity, more social Europe, fair wages, and quality jobs.

REFERENCES

ETUC resolution on European economic governance: <http://www.etuc.org/a/8448>

Section of ETUC website devoted to the Euro-demonstration in Budapest: <http://www.etuc.org/a/8313>

Austerity Watch: <http://www.etuc.org/r/1598>



[Trade Union Agenda] March – April 2011

07/03/2011	Pan-European Regional Council Executive Committee (Brussels)	
08/03/2011	ETUC Steering Committee (Brussels)	
08-09/03/2011	ETUC Executive Committee (Brussels)	
14/03/2011	Meeting of the Group II ‘Workers’ of the European Economic and Social Committee (Brussels)	
24/03/2011	European Day of Action (Brussels and other countries)	More information
09/04/2011	Euro-demonstration (Budapest)	More information
28/04/2011	ETUC Executive Committee (Brussels)	



[Focus on the EU and trade union positions]

No to an Economic Governance which jeopardizes wages and social rights

24/03/2011 - An ETUC delegation took part in the [Tripartite Social Summit ahead of the European Council](#), one of the key themes of which was **European economic governance**. The **European trade union movement defended the idea of responsible economic governance offering social guarantees**. According to the ETUC, even if the European leaders changed the initial approach proposed by Chancellor Merkel and President Sarkozy, it is clear that **wage moderation will be central to future strategy**. For this reason, protests took place in a number of European cities to demand alternative solutions to austerity measures. This mobilization will continue with a Euro-demonstration in Budapest on April the 9th.

[ETUC press release](#)

Joint Employment Report: the EPSCO Council misses the point

08/03/2011 - The ETUC is disappointed with the [conclusions on the Joint Employment Report](#) adopted by the Employment and Social Affairs (EPSCO) Council in the context of the Annual Growth Survey 2011. For the European trade union movement, **the Council misses the point**: employment ministers should stop putting labour market policy at the exclusive service of narrow competitiveness goals.

[ETUC press release](#)

Financial transactions tax: the European Parliament shows the way

08/03/2011 - The ETUC **welcomed the outcome of the European Parliament vote** on the financial reform report which included a statement about the **adoption of a financial transaction tax (FTT)**. According to the members of the European Parliament, this tax should be introduced, even in the absence of an international agreement on it the European trade union movement [has been calling for a tax on the financial sector for the past 2 years](#). **A FTT with a 0.05% rate could yield €200bn per year** that could be used to relaunch employment and growth.

[ETUC Press release](#)
[ETUC website section dedicated to Finance Regulation](#)

Arab Spring: EU must ensure all possible measures of support

14/03/2011 - In a letter sent to Mrs Ashton, EU High Representative for Foreign Affairs and Security policy, **the ETUC expressed hopes for moves towards democracy in countries in Europe's Southern neighbourhood** at the same time as extreme concerns at the use of state violence against the people, particularly in Libya. *"Europe should not export lessons but offer partnership and support predicated on the respect of universally recognised human and trade union rights, including the protection of minorities"* said John Monks.

[ETUC press release](#)
[Letter sent to Mrs Ashton](#)



[Focus on the EU and trade union positions]

Pact for the Euro: the fight against the wage race to bottom continues

14/03/2011 – At the informal summit of 11 March, the heads of State and Government of the eurozone agreed on a [Pact for the euro](#). Although the text of the Pact omits explicit references to some of the remarks expressed recently by Chancellor Merkel and President Sarkozy, **its basic thrust is still a policy of squeezing wages across Europe**. In particular, pay increases are to be limited to productivity, thereby implicitly preventing wages from reflecting increases in prices. **Such a policy will systematically redistribute income from wages to profits**, dividends and bonuses. **The ETUC continues to reject this approach** and to campaign for a Pact for More Fairness and More Equality and against Austerity.

[ETUC press release](#)
[ETUC Resolution on Economic Governance](#)

Concerns about new European Private Company proposal

16/03/2011 – The ETUC has called on the EU Hungarian Presidency **to reconsider its draft compromise on the European Private Company statute (SPE)**. According to the ETUC, **it is fundamental that the negotiations lead to effective workers' participation rights in the SPE**. *“European legislation should support workers' rights and Social Europe, not undermine it. It is unacceptable that new proposal by the Hungarian Presidency would allow companies to register in other Member States in order to avoid worker participation”* said John Monks.

[ETUC press release](#)

The situation in Japan must push EU to open a democratic debate about nuclear energy

16/03/2011 – The ETUC expressed its **support for the Japanese people faced with the drama** unfolding in their country. For the European trade union movement, the extreme gravity of the situation must force **Europe to draw the appropriate conclusions and ensure that it guarantees and steps up the security of its own nuclear facilities** under all circumstances, specifically in an emergency. Stress and security tests must be conducted as a matter of urgency in all nuclear facilities in Europe. Moreover, [the ETUC believes that a more democratic debate](#) needs to be conducted on Europe's energy policy than the one recently embarked upon by the European Commission.

[ETUC press release](#)

Working time: European Commission's proposals disappoint

28/03/2011 – The ETUC declared itself **disappointed at the proposals advanced by the European Commission after the social partners' consultation on the Working Time Directive revision**, concluded on 25 March 2011. The ETUC regrets that the concerns it expressed during the first phase of the Commission consultation were not sufficiently taken into account, in particular the ones related to **health and safety risks**, such as **maintaining the opt-out and extending the reference periods**. Nevertheless, **the ETUC says it is ready to start negotiations with other social partners on working time**.

[ETUC press release](#)



[EU Agenda]

March – April 2011

07/03/2011	Employment, Social Policy, Health and Consumer Affairs Council (Brussels)	Council Agenda
07–10/03/2011	Plenary Session of the European Parliament (Strasbourg)	
10–11/03/2011	Competitiveness Council (Brussels)	Council Agenda
11–12/03/2011	Informal meeting of foreign affairs ministers (Budapest)	Meeting Agenda
14/03/2011	Eurogroup meeting (Brussels)	Meeting Agenda
14/03/2011	Environment Council (Brussels)	Council Agenda
15/03/2011	Economic and Financial Affairs Council (Brussels)	Council Agenda
15–16/03/2011	Plenary Session of the European Economic and Social Committee (Brussels)	
23–24/03/2011	Mini-Plenary Session of the European Parliament (Brussels)	
24/03/2011	Tripartite Social Summit (Brussels)	
24–25/03/2011	European Council (Brussels)	Council Agenda
04–07/04/2011	Plenary Session of the European Parliament (Strasbourg)	
07–09/04/2011	Informal meeting of economic and financial affairs ministers (Budapest)	Meeting Agenda
11–12/04/2011	Justice and Home Affairs Council (Luxembourg)	Council Agenda
18/04/2011	General Affairs and External Relations Council (Luxembourg)	Council Agenda

[You may be interested]

ETUC–ETUI Benchmarking assesses the situation of Social Europe



Is the Europe 2020 strategy leading us, as it promises, towards smart, sustainable and inclusive growth? This is the main question addressed by the “Benchmarking Working Europe 2011”, a joint publication by the ETUC and the European Trade Union Institute (ETUI), published on the eve of the Spring European Summit. The publication, which focuses on the different facets of Europe 2020, contains a carefully argued and criti-

cal analysis of the design and contents of the European mid-term strategy and of the state of the European economic, employment and social indicators. The analysis questions the underlying foundation of the strategy which firmly places the emphasis on fiscal consolidation while neglecting economic growth and quality jobs. On the contrary, the publication shows that by raising social and environmental standards and wellbeing we might succeed in achieving sustainable growth.

[Link to the publication](#)

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NO TO AUSTERITY

FOR A SOCIAL EUROPE,
FOR FAIR PAY AND FOR JOBS



EURO-MANIFESTATION

BUDAPEST - 09/04/2011



European Trade Union Confederation (ETUC)