

[ETUC newsletter]



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Figures of the month

Greece: wage cuts up to 28%

Under the Troika's pressure, labour market deregulation in Greece has led to major wage cuts in the private sector. Since February, 33.133 individual contracts have been signed in 7.800 companies, reviewing wage cuts between 22% and 28%.

(Source: Libération)



Dear Readers,

Faced with a worsening economic and social situation, ETUC is gaining more and more support in its argument that the current policies are driving us further into recession, not towards employment and growth. Systematic use of austerity is playing into the hands of the far right, whose nationalist solutions reek of racism and xenophobia and offer no economic and social prospects.

It is time to change tack. Europe must quickly put austerity behind it and set up a recovery plan based on investment in sectors promising jobs and a future. Even the president of the European Central Bank is now arguing for a European growth plan. We are delighted with this announcement, but we are not deluding ourselves: growth must be brought about by recovery, not by wage cuts and deregulation.

Employment is the absolute priority. The very latest Eurostat statistics on unemployment (February 2012) indicate that over 24.5 million people in Europe are currently out of work, a rise of about 200,000 from the previous month. This month has seen the Commission publishing its 'Employment Package', whose ambition is to guide Europe 'towards job-rich growth'. Unfortunately, this document simply repeats the mantra of 'flexicurity', which - with very few exceptions - is a byword for less employment security. If they are to have confidence, workers need security. We have to beef up active labour market policies, not make it easier to lay people off. Unless we challenge austerity, and come up with a European investment plan, Europe will not achieve these objectives. However, some doors are open in terms of job creation in areas of information technologies, health and the environment. The ETUC is pleased to see the Commission proposing tripartite discussions on the situation with regard to wages, inequalities, unemployment and internal demand. The next Executive Committee will adopt an explicit stance on this employment package.

Solidarity is not just an empty word. The only way out is by working together, implementing medium- and long-term policies, reinforcing social dialogue and promoting the European social model.

Bernadette Ségol,
General Secretary



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[ETUC in action]

MAJOR MEETINGS

ETUC Steering Committee

19/04/12 – The Steering Committee of the ETUC met in Brussels. The economic and social crisis was the main subject of the discussions. The Monti II regulation and the enforcement directive of the posting of workers were also discussed.

From Stockholm+40 to Rio+20: it is time to achieve real results on sustainable development

23/04/12 – Forty years on from the United Nations’ first environmental conference, held in Stockholm in 1972, the anniversary is to be celebrated in Sweden on 23–25 April with a pre-conference two months prior to the “earth summit” in Rio. **The ETUC and its affiliates are actively preparing for Rio+20.** Trade unions are calling for the UN conference to be more than just a talking shop, **resulting in clear commitments and concrete action plans and goals ensuring a Just Transition,** minimum standards in social protection, and adequate financing. The ETUC demands the creation of a new UN environmental organisation, including unions as key stakeholders in the transition.

ETUC press release: <http://www.etuc.org/a/9898>

28 April 2012 – Workers’ Memorial Day

28/04/12 – International Workers’ Memorial Day, remembered and **honoured those who have been killed, injured, or suffered ill-health due to their working conditions.** According to the ILO at least **167 000 fatalities have been attributed to work-related accidents and diseases in the EU** demonstrating a range of bad working practices and poor health and safety conditions in the workplace. This day is an opportunity to highlight **the preventable nature of most workplace accidents.** The ETUC calls for **systematic and substantive improvements in health and safety** especially in times of economic crises when the risk of overlooking the psychosocial aspects due to the pressure of an increasingly heavy workload is increased.

ETUC press release: <http://www.etuc.org/a/9920>



[Trade Union Agenda]

April – May 2012

19/04/2012	ETUC Steering Committee (Brussels)	
25/04/2012	Meeting of the Group II ‘Workers’ of the European Economic and Social Committee (Brussels)	
01/05/2012	Labour Day	
23/05/2012	Meeting of the Group II ‘Workers’ of the European Economic and Social Committee (Brussels)	
25–28/05/2012	LO–Sweden Congress (Stockholm)	More information



[Interview]

Interview with Józef Niemiec, ETUC Deputy General Secretary, in charge of employment



The European Commission has recently published its Employment Package. Does the ETUC believe that the Commission's proposals will help to tackle the challenge of employment and restore growth?

Józef Niemiec (JN): The ETUC has some very clear ideas on restoring growth and employment: we need a two-pronged approach, both to review and correct the austerity policies and to promote a huge European recovery plan. Neither of these elements is included in the communication 'Towards a job-rich recovery', better known as the 'Employment Package', published recently by the European Commission. This omission makes the European labour movement highly critical of most of the proposals contained in the document. Faced with recession and spiralling unemployment, the Commission is doing no more than simply trot out the same old mantra: mobility, investment in skills or flexicurity. The Commission has rejected our call for a European recovery plan based on investments in sectors offering job potential. The solutions being advocated will either be hard to put into practice unless we challenge the policy of austerity, such as for investment in skills, or else they will be dangerous, such as the idea of promoting greater flexibility in labour relations without guaranteeing adequate security.

On the other hand, we firmly believe that if it is to achieve a sustainable exit from the crisis, Europe has to change course, coming up with a genuine recovery plan and stimulating internal demand. So far, this idea has not been adopted.

Can the idea of advocating a job-rich recovery be reconciled with continued budgetary austerity?

JN: We reject the austerity-employment equation, because budgetary rigour is incompatible with the objective of a recovery that will deliver jobs. Austerity, encouraged by the EU as being the only answer to the crisis, has unquestionably exacerbated our economic and social situation. One need only look at Europe's unemployment statistics to see this. According to the latest figures published by Eurostat (February 2012), over 24.5 million people in Europe are currently unemployed, a rise of about 200,000 people compared to the previous month. With figures of this magnitude, and no challenge to the rigorous policies, the prospect for the months ahead is increasingly gloomy. In addition, because of the budgetary austerity plans, most countries in Europe have opted to slash public-sector jobs and to squeeze public-sector funding. Layoffs, budget cuts and reduced or frozen civil service pay have led to a vicious circle, with negative consequences in the private sector as well, specifically in industry.

Even if the 'Employment Package' does contain some positive ideas, such as investing in skills, implementing them will inevitably involve making available sufficient resources, something that can never be achieved in a context of austerity. Even before the crisis, we had witnessed a significant fall-off of funding allocated by businesses to the development of qualifications and skills. This example clearly shows how empty certain announcements or promises are when compared to the reality.

Even some centre-right governments, which have drawn up draconian austerity programmes, are beginning to realise that such programmes are stifling growth and imposing a crippling cost burden on their citizens. When describing the EU's behaviour in response to the objective of debt reduction, some leading economists are speaking of a real obsession. They agree with us: the only way to reverse the trend and stop the catastrophic haemorrhage of jobs is to boost the economy. The United States, for example, has decided to follow this path. Thanks to the introduction of a recovery



Interview with Józef Niemiec (suite)

plan, growth – however halting – has returned across the pond, accompanied by an upturn in the job market. The International Monetary Fund has likewise warned Europe’s political leaders about the negative repercussions of austerity measures on growth.

According to the latest unemployment figures, over 24 million people in Europe today are out of work, which confirms a sharp deterioration in the economic situation. What should the priorities be, and what measures need to be taken, to create jobs and generate growth?

JN: At the last Executive Committee meeting (6–7 March 2012), we adopted the resolution [‘Investing for growth and jobs – ETUC reaction to the Annual Growth Survey 2012’](#), in which we address this issue. The ETUC has opted for two major political choices to be made to get growth back on track: stepping out of the circle of austerity and investing in the economy. To achieve this objective, Europe needs a new investment plan, backed by new funding streams, such as the tax on financial transactions or euro-bonds. This European investment plan would need to be geared to structural investments rather than structural reforms. Instead of leading the Member States to jockey for position in the field of wages, Europe needs to invest to get out of the crisis and the debt by developing new sectors and new economic activities based on a coherent European industrial strategy and public service investments. This ‘Union for investment’ will need to transfer sizeable surplus savings from one part of the eurozone in support of a structural investment policy designed to bring the economic and industrial structures of the ‘deficit’ economies into line while developing a close synergy with the greening of the European economy. It is vital to act simultaneously on internal demand by increasing workers’ purchasing power and thereby triggering a process of wage-based growth. We need to see fair wages being promoted through serious and effective bargaining between the social partners and an increase in national minimum wages.

Does the Commission’s Employment Package recognise the role of the social partners?

JN: This is one of the positive aspects of the Employment Package. In its communication, the Commission proposes getting the social partners more closely involved in the process of European economic governance. Even if the Commission could have gone further in this field, this move does respond to one of our demands. The point is that we were demanding to be consulted upstream, during the process of defining European economic governance. This aspect was crucial for the European labour movement, because up until



now, the social partners had had no more than a limited role, unlike the role played by the European Commission’s economic and financial experts. We now have to fight to be allowed to state our positions throughout the process and get our ideas across. The ETUC’s aim is to wield real influence in this debate, because the effects on workers’ lives are considerable.

The fact that it recognises the role of the social partners is not the only positive aspect about the Employment Package. The reassertion of the fight against illegal work, through improvements to cooperation between the Member States, is a positive point which we welcome. Likewise, we salute the advances in terms of decent pay. In spite of intense negotiations within the Commission, which made the final wording of the communication ambiguous compared to the previous versions, we can sense a desire to address the question of decent pay, starting by improving minimum wages. The European labour movement confirms its commitment to drive forward this debate in a positive way and to do its utmost to guide economic governance towards greater fairness, social justice, sustainable growth and quality jobs.



[EU Agenda] April – May 2012

17–20/04/2012	Plenary Session of the European Parliament (Strasbourg)	
18–20/04/2012	Informal meeting of Ministers for Energy and Environment (Horsens)	More information
23/04/2012	General Affairs Council (Luxembourg)	More information
23–25/04/2012	Informal meeting of Ministers for Employment, Social Policy and Health (Horsens)	More information
24/04/2012	General Affairs Council (Luxembourg)	More information
25–26/03/2012	Plenary Session of the European Economic and Social Committee (Brussels)	
26–27/04/2012	Justice and Home Affairs Council (Luxembourg)	More information
02/05/2012	ECOFIN Council (Brussels)	More information
09–10/05/2012	Mini-Plenary Session of the European Parliament (Brussels)	
10–11/05/2012	Education, Youth and Culture Council (Brussels)	More information
14/05/2012	Foreign Affairs Council (Brussels)	More information
14/05/2012	Eurogroup meeting (Brussels)	More information
15/05/2012	ECOFIN Council (Brussels)	More information
21–24/05/2012	Plenary Session of the European Parliament (Strasbourg)	
23–24/05/2012	Plenary Session of the European Economic and Social Committee (Brussels)	
29/05/2012	General Affairs Council (Brussels)	More information
30–31/05/2012	Competitiveness Council (Brussels)	More information



[Focus on the EU and trade union positions]

Employment package: without a re-assessment of austerity, Europe will continue to fail to deliver

18/04/12 – The European Commission published its Employment Package. Even if the ETUC shares the aim of a “job-rich recovery”, **any relevant results will not be achieved without a re-assessment of austerity in Europe**. On the contrary, **cutting deficits in the midst of a recession will produce a deeper recession and even higher unemployment rates**. In the opinion of the European trade union, the Commission has correctly identified several sectors – the green economy, health and information, communication and technology – with the potential to create employment. However, **without the necessary investment to develop these sectors**, including investment in skills, training and higher wages, particularly in the health and social services sector, **this will merely remain good intentions**.

ETUC press release: <http://www.etuc.org/a/9890>

Restructuring: it's time to propose measures to support workers

02/04/12 – In responding to the consultation on restructuring and anticipation of change, the ETUC took the opportunity to **demand concrete action from the European Commission** to create a strong legal framework **on the anticipation of change**. For the ETUC, any European framework on anticipation of change should be based on 5 key areas: preparing workers; maintaining and creating jobs; workers' information, consultation and participation; collective bargaining as well as support measures.

ETUC press release:
<http://www.etuc.org/a/9856>

A common consolidated corporate tax base means tax justice for the internal market

19/04/12 – The ETUC welcomed the adoption by the European Parliament of the **Directive on a Common Consolidated Corporate Tax Base**. It represents a **first important step towards limiting corporate tax dumping**. For the European trade union movement, tax competition in the internal market should end, and business needs to pay its fair share of taxes on the profits they make. In this context, **the ETUC calls upon the Commission** to complement the common tax base with a proposal **to define a minimum tax rate on corporate profits**.

ETUC press release: <http://www.etuc.org/a/9894>



[Focus on the EU and trade union positions]

Burma: the suspension of sanctions must be accompanied by the respect of human rights

24/04/12 – The [ETUC has written to Catherine Ashton](#), High Representative of the European Union for Foreign Affairs and Security Policy, on the subject of the recent suspension of sanctions against Burma. For the European trade union movement, **this suspension must be accompanied by measures which ensure respect for human and trade union rights**, specifically by investors.

ETUC press release : <http://www.etuc.org/a/9913>

Financial transaction tax: the ETUC backs the vote of the European Parliament

24/04/12 – The ETUC welcomed the vote in the European Parliament's Economic and Monetary Affairs Committee calling for **the introduction of a financial transaction tax (FTT) at EU level**. For the ETUC, the introduction of an FTT would raise much needed revenue and contribute to regulating the financial markets. *"The FTT would be a start in ensuring that the financial sector also pays for the costs of the crisis"* said Veronica Nilsson, ETUC Confederal Secretary.

ETUC press release: <http://www.etuc.org/a/9919>



[You may be interested in ...]

Training: support for European trade union projects

In cooperation with the ETUC, the Training Department of the European Trade Union Institute (ETUI) organises **training sessions for the setting up and management of projects dedicated to European trade unions**. This initiative, based on training modules provided by ETUI experts, aims to promote the participation of trade unions members of the ETUC in national and European projects. The acquiring of competences in project setting up and management will allow the participants **to improve their efficiency in the planning, development and follow-up phases**.

To know more about current and future training sessions and events, please contact Silvana Pennella: spennell@etui.org.

ETUI web page dedicated to training: <http://www.etui.org/en/Training>

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