

# [ ETUC newsletter ]



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## Figure of the month

### 75 million young unemployed worldwide

According to the latest estimations of the International Labour Organization (ILO), 75 million young people are unemployed in the world, with an increase of 4 million since 2007. In developed countries, one young person in three is unemployed and not in education. (Source: Le Figaro)



**Dear Readers,**

Europe's leaders are finally realising that austerity is a dead end. Four years of this dry regime have impoverished economies and citizens. For some weeks now, the word 'growth' seems to have replaced the word 'austerity'. We welcome this development, although we remain cautious, because there are several growth models to choose from. The choice of model will have an extremely important impact on the future construction of Europe, and on the future of millions of Europeans. Growth must not remain a slogan. It is crucial that Europe's political leaders choose the right direction. It is clear to Europe's trade union movement that growth cannot come from austerity, budget cuts or structural reforms, which is simply another term for more deregulation. The outcome of the current debates will clearly impact on the critical situation being faced by Greece, Spain and Ireland. We are extremely mindful of this.

In order to bring about growth that will deliver quality jobs with a future, Europe must come up with a plan for recovery through investment. Major changes need to be made to European economic governance and the sources of financing. The European Central Bank must guarantee the common currency for the sake of restoring confidence. New financing sources, such as the issue of euro-bonds and the introduction of a financial transaction tax, must be considered. The European Investment Bank's capital needs to be strengthened. These measures are more than necessary; they also reflect a vision of the future of the European project for greater economic integration, but not at any price. People would not accept that. Voters have already made their views felt in some countries. Without a growth initiative, the project to build Europe based on solidarity would risk coming under attack. The fate of individuals and their societies are at stake.

The discussions at the Informal Summit on Growth on 23 May confirmed an openness towards the approaches we are advocating. The Summit provided the ETUC with an opportunity to organise a gathering to reaffirm the model of growth that we want.

However, the persistence of intransigent positions defending budgetary discipline means that we have to remain vigilant. We remain mobilised for the European Council in late June, which will be decisive in that it will determine the direction to be taken by Europe. To cripple Europe with a fiscal yoke would be a huge mistake with serious consequences. A lot of time has already been wasted. Margins for manoeuvre have been pared down. Some countries are surviving. There is no time for indecision.

**Bernadette Ségol,**  
General Secretary





# [ETUC in action]

## ETUC CAMPAIGNS

### European trade union assembly “Growth and investment for jobs – No to deregulation”

23/05/12 – In the margins of the informal summit on growth, the ETUC organised a [trade union rally](#) to urge European leaders to choose a growth model wisely. For the ETUC, **growth will not come from austerity but from a plan for recovery through investment.** *“The new advocates of growth are calling for growth through structural reforms. These reforms are just another name for more deregulation. We are recommending a completely different kind of growth. We want a recovery through investment, through wage rises”* said Bernadette Ségol. Before the assembly, a trade union delegation met with European Council President Herman Van Rompuy to present the ETUC alternatives.

ETUC press release: <http://www.etuc.org/a/9994>

Flyer: [http://www.etuc.org/IMG/pdf/Tracte\\_A4\\_EN-8.pdf](http://www.etuc.org/IMG/pdf/Tracte_A4_EN-8.pdf)

Pictures of the assembly:

<http://www.flickr.com/photos/etuc-ces/sets/72157629860048200/>



### 1<sup>st</sup> of May: the day of youth employment and social justice

01/05/12 – During this time of crisis, with [the unemployment rate climbing to unacceptable levels](#), the European trade union intends to make **this 1st of May the day of youth employment and social justice.** For the ETUC, employment, and especially youth employment, is a top priority. Today, 24 million Europeans are jobless, among them 5.5 million young people: these figures are unacceptable. This 1st of May was also an opportunity to denounce the escalation of insecure employment in the labour market and demand a recovery plan: *“Making jobs insecure, and especially jobs for young people, is not a solution to the crisis. Flexible employment contracts and low salaries do not pave the way to growth. The ETUC recommends an economic recovery plan that supports quality employment”* said Bernadette Ségol.

ETUC press release: <http://www.etuc.org/a/9932>

### International Day Against Homophobia: joint commitment of ETUC, ETUCE and ILGA–Europe

16/05/12 – On the 2012 International Day Against Homophobia and Transphobia, the European Region of Education international, the European Trade Union Committee for Education (ETUCE), the European Trade Union Confederation (ETUC), and the European Region of the International Lesbian, Gay, Bisexual and Intersex Association (ILGA–Europe), affirmed their **commitment to strengthening their collaboration at national and European level in order to prevent and combat both homophobia and transphobia** at school, in the workplace and in society.

Joint press release:

<http://www.etuc.org/a/9981>



## [Dossier]

# The EU's multiannual financial framework – between austerity and recovery

The discussions on the European Union's 2014–2020 financial framework are entering a crucial phase. After the European Commission's publication of its proposal [A budget for Europe 2020](#) and proposed regulations for the structural and cohesion funds, it is now for the European Parliament and the Council to find an agreement on the Community's financial framework for the coming seven years. This is a mammoth challenge, because the outcome of this process will have a major impact on the future of European policies in key areas for the European trade union movement, and in particular employment and social cohesion. In a general context of crisis and austerity, it is the future of the European social model that is at risk of being called into question. As we shall see below, despite a number of positive elements in the European Commission's proposals, there are still several grey areas. We shall seek to clarify them by drawing on the resolution [The proposed EU Multiannual Financial Framework and Cohesion Policy 2014–2020: ETUC position and call for consultation](#) adopted by the ETUC Executive Committee on 7–8 December 2011, which forms the reference text for the European labour movement on this topic.

### A beefed-up role for the social partners

Before the publication of its legislative proposals, the Commission had staged a 'structured dialogue' with the broader civil society in order to hear contributions from all the stakeholders (associations of local authorities, non-governmental organisations (NGOs), social partners, citizens, etc.). Although this is a constructive process, the European labour movement believes that the challenges raised by the crisis need to be tackled in the framework of an official consultation and social dialogue for the social partners alone to look at all the proposals relating to the EU's budget and the regulation of the structural funds. Such a consultation would enable the social partners to contribute to the definition of the objectives, especially those relating to employment and labour market policies, and by virtue of their high level of representativeness, to secure concrete results for the cohesion policies.

The ETUC believes that the principle of partnership between the various players must play a key role in ensuring that the measures associated with the EU's structural funds operate properly. The point is that the regulations on the Structural Funds need to clearly define this principle of partnership instead of simply referring to the 'current national rules and practices', while clearly

defining the role of each partner at national, regional and local levels. The current mode of consultation of the social partners jointly with the Member States in the 'European Social Fund' (ESF) Committee might offer a promising reference basis applicable to all the other funds. On the basis of the positive experience within the ESF Committee, the ETUC is calling for the creation of a permanent tripartite Committee – composed of representatives of the European Commission, the Member States and the social partners – covering all the Structural Funds. The 'European Code of Conduct on Partnership' proposed by the Commission is very necessary and needs to be defended in the negotiations with the Member States. It is moving in this direction and may even need to be improved.

### Cohesion policy, a pillar of European solidarity

The European labour movement argues in support of the reinforcement of the EU's budget, in particular with regard to the chapters supporting economic growth, social cohesion, education and training, innovation, the green economy and sustainable development. Although this needs to remain a key objective, cohesion policy can no longer be confined simply to reducing disparities between regions. It also has to promote a society of full employment, equal opportunities and social integration, thereby reinforcing the European social model.

The ETUC believes that the European Social Fund (ESF) is the financial instrument of choice in making it possible to sustain the implementation of the European strategy for employment and must retain this role in the framework of the Europe 2020 Strategy. In the current crisis context, the ESF also needs to concentrate on the struggle against the economic crisis and protect the most disadvantaged citizens and workers against its effect. In concrete terms, it needs to support people who have lost their jobs and need to be incorporated into the labour market. Similarly, the ESF must become an instrument for the promotion of decent work. Mobility therefore needs to morph into truly 'fair mobility', combating social dumping and ensuring that labour standards and legal prescriptions are always fully observed. This makes it essential for the Member States to ensure minimum ESF funding, earmarking at least 25% of the envelope allocated to cohesion, employment and mobility as a top priority in the ESF. This should be compulsory and guarantee that 2% of the ESF resources is allocated to capacity building activities undertaken by the social partners.



## [Dossier]

### The EU's multiannual financial framework – between austerity and recovery (following)

At the same time, the European Regional Development Fund (ERDF) and the European Globalisation Adjustment Fund (EGF) must play a key role in rising to the challenges posed by changes associated with the process of greening the economy. Their contribution to reskilling workers whose skills need to be adapted or who have lost their jobs remains pivotal. In order to focus more tightly on unemployment and to facilitate the use of the EGF, the ETUC believes that this fund should be included in the ESF in such a way as to ensure the same coherence between the principles of the two funds, in particular when it comes to trade union participation and partnership.

#### Recipes and fiscal measures commensurate with the challenges

In its document, the European Commission suggested the creation of a financial transaction tax (FTT) to fund the Community multiannual budgetary framework. While supporting the introduction of an FTT, the ETUC is very worried by the fact that the Commission proposed using the income from it to reduce the Member States' contributions, rather than to finance investments. This measure would clearly be at odds with the objectives of the [campaign conducted by the European labour movement in favour of an FTT](#). Even though the tax proposed by the Commission is directed against financial speculators, it would not deliver any additional resources to support sustainable development and economic growth. Moreover, according to the recent developments in the debate, it is likely that this proposal will not be agreed to by the European Council, or that its scope will be restricted. In that case, it is most important to guarantee that the overall European budget is not reduced as a consequence. The risk would lie in opening the way for a reduction in Community resources to the detriment of policies in favour of employment and cohesion. The ETUC rejects this hypothesis out of hand: if the conditions are not met for a considerable increase in the European budget so as to further develop policies in favour of social Europe, it is crucial that it be maintained at least at its current level.

The stance of certain Member States, seeking to freeze the EU's budget, and reduce the amount of the Structural Funds, is a cause for concern and is unacceptable, in particular in the current economic climate. The ETUC argues in favour of the introduction of euro-bonds and bond issues for major European-level projects. These instruments would not only be useful in terms of tackling public debt, but also improving investments and economic and social cohesion.

#### Macro-economic conditionalities: towards a regime of sanctions?

The ETUC believes that the coordination of the funds needs to be improved, as well as the evaluation, the performance and the outcomes from their use. The European trade union movement has also supported all the measures designed to refocus the priorities of the Structural Funds, reduce bureaucratic constraints and speed up spending. Performance indicators can thus be defined, but it is equally important to have both quantitative and qualitative criteria, specifically the evaluation of the outcomes in terms of the effectiveness of the measures taken, the quality of the jobs created and the positive measures implemented to ensure social integration.

The ETUC does, however, have serious reservations about the approach linking the award of funding to the outcomes, in particular when the 'outcomes' are defined strictly. When we examine employment policy, and social policies more broadly, the qualitative aspects are of vital importance, but they have often been neglected. In addition, if the award of funding is tied to the delivery of immediate results, the people on the margins of the employment market – and therefore the least likely to achieve 'positive' outcomes – are in danger of having only limited access, if any at all, to these funds in the future. Yet the conditions around the use of the European funds should be focusing on selected, concrete objectives, not punishing the less developed Member States, and should be devoted to supporting growth, employment and social cohesion.

Europe's trade unions reject the Commission proposal to introduce financial sanctions and incentives linked to the Structural Funds in the framework of the Stability and Growth Pact. Such sanctions would penalise the Member States which are already weak, and plunge many European citizens into poverty, which runs entirely counter to the basic principles underpinning the policy of social cohesion. On the contrary: it would be helpful to adapt the rules on the spending of Community funds to the economic crisis and the crisis of unemployment, by temporarily cutting the co-financing obligations on the less developed countries.

#### The European budget must support employment and growth

In proceeding with an analysis of the European financial prospects for 2014–2020, we cannot ignore the general context of profound economic crisis which has



# [Dossier]

## The EU's multiannual financial framework – between austerity and recovery (following)

radically shaken the foundations of the Europe 2020 Strategy. The objectives and the instruments contained in the Europe 2020 Strategy, which are fundamentally positive, must thus be refocused and adapted to the new situation. The ETUC urges that this be done as part of a regulated, inclusive labour market, offering European citizens the prospect of stable, sustainable and quality jobs, suited to the skills acquired.

Experience has shown that the Structural Funds on their own are not enough to cope with the crisis. Europe needs a different economic governance, based on investments, solidarity and social integration instead of blind austerity. The EU's budget needs to be reformed in line with these principles and reflect the objectives of sustainable employment and recovery, with genuine, stronger participation by the social partners in the discussions relating to the new regulations on Structural Funds. The European Social Fund, specifically, must be used as the preferred instrument for the implementation

of the European Strategy for employment and to guarantee and reinforce European solidarity. The ETUC firmly believes in the key role of the social partners in guaranteeing the proper operation of the measures linked to the EU's Structural Funds, which is why this fund also needs to continue to support the development of the social dialogue, through improvements to the social partners' capacities.

### USEFUL LINKS

- Section of the ETUC site dedicated to economic and employment policies: <http://www.etuc.org/r/6>;
- Proposed regulation on the European Social Fund (European Commission): <http://ec.europa.eu/esf/main.jsp?catId=62&langId=en>



# [Trade Union Agenda] May – June 2012

01/05/2012	Labour Day	
16/05/2012	Founding Congress of the European trade union federation for industry workers (IndustryALL) (Brussels)	<a href="#">More information</a>
23/05/2012	European Trade Union Assembly "Growth and investment for jobs – No to deregulation" (Brussels)	<a href="#">More information</a>
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)	<a href="#">More information</a>
05–06/06/2012	ETUC Executive Committee (Brussels)	



# [ Focus on the EU and trade union positions ]

## Recovery through investment, not deregulation

10/05/12 - The ETUC welcomed the convening of an informal European summit on growth, in Brussels on 23 May. For the European trade union, **growth can only result from recovery measures, not from cutting salaries or promoting deregulation.** *“The European executive seems to be acknowledging that austerity is an impasse. We expect recovery projects based on sustainable investments, not policies focused on structural labour market reforms”* declared Bernadette Ségol.

ETUC press release: <http://www.etuc.org/a/9957>

## Energy Efficiency Directive: the ETUC demands a strong signal for job creation

03/05/12 - On the eve of the discussions within the Committee of Permanent Representatives in the European Union about the draft Energy Efficiency Directive, the ETUC called for member states to stop watering down the proposal and to **see energy efficiency as a means of creating hundreds of thousands of jobs.** The European trade union has long called for binding energy efficiency targets to **achieve at least an improvement of 20% by 2020, with a clear role for worker participation and training.** According to the European Commission’s original impact assessment, 2.4 million jobs could be created in Europe through its original proposals. On the occasion of the informal meeting of the European Council, the ETUC, together with the European Environmental Bureau (EEB), [demanded that European leaders promote investment](#) in the greening of the economy in order to stimulate Europe’s recovery and job creation.

ETUC press release: <http://www.etuc.org/a/9936>

## An EU budget for employment and growth

08/05/12 - The debate on **the future of the EU budget has moved into a crucial phase.** The European Parliament has taken its final towards finding a common position on the legislative package proposed by the Commission for the future cohesion policy, linked to the proposed Multiannual Financial Framework for 2014-2020. **The ETUC expressed serious concerns about the amount and distribution of Funds and about the macroeconomic conditionalities.** The ETUC rejected the Commission’s proposal concerning the application of financial sanctions and incentives regarding Structural Funds, linked to the Stability and Growth Pact, as they would penalise already weak Member States. According to the European trade union movement, **the extraordinary context of the economic crisis requires an EU budget aimed at supporting economic and employment growth,** as well as a proper involvement of the social partners in discussions on the new Regulations of the Structural Funds.

ETUC press release: <http://www.etuc.org/a/9949>

## Growth and insecure jobs cannot go hand in hand

30/04/12 - Growth is now at the heart of European debates. During his recent speech to the European Parliament, Mario Draghi, President of the European Central Bank (ECB), suggested complementing the “Fiscal Compact” with a “Growth Compact”. With this proposal, **Mario Draghi recognised a point which the ETUC has been making all along: austerity is lead to a dead end and sound public finances can only be achieved through economic and job revival.** On the contrary, **the European trade union strongly disagrees with the ECB’s idea of basing growth on falling wages and more insecure jobs.** *“Blind structural reforms have not proven their worth. We need a long term approach, based on good wages, social dialogue and the promotion of the European social model”* said Bernadette Ségol.

ETUC press release: <http://www.etuc.org/a/9936>



## [ Focus on the EU and trade union positions ]

### Hollande–Merkel meeting: the ETUC demands a new direction for Europe

15/05/12 – The ETUC expressed their hope that the meeting between the new president of the French Republic, François Hollande, and the German chancellor, Angela Merkel, would mark a **new beginning for a Europe of growth and no longer of austerity**. *“Even if the political discourse is moving in a direction we consider favourable, we must stress that the economic situation remains worrisome with unacceptable unemployment levels. An upturn for growth, yes – but not just any growth. We will not accept growth based on structural reforms – a euphemism for deregulation”* declared Bernadette Ségol.

ETUC press release: <http://www.etuc.org/a/9972>

### Mobilising for a European Quality Charter on Internships and Apprenticeships

16/05/12 – In connection with the “Yo Fest” organised by the European Youth Forum, the ETUC reiterated its commitment to a **“European Quality Charter on Internships and Apprenticeships.”** For the European trade union, **the general rise of job insecurity in Europe affects young people in particular, who are often considered as labour that is available at a pittance.** Often, young trainees provide a service equivalent to that of an employee but without any benefits or any entitlement to social protection. Judging this situation as unacceptable, Patrick Itschert, ETUC Deputy General Secretary stated: *“Public officials and the social partners must address concretely the situation of young people who are unemployed and in a precarious position, including internships. It is vital to look on youth not as part of the problem but as part of the solution to European integration.”*

ETUC press release: <http://www.etuc.org/a/9983>

### Financial Transaction Tax: the ETUC supports the European Parliament

24/05/12 – The ETUC welcomed the adoption by the European Parliament of the Podimata report on the **introduction of a Financial Transaction Tax (FTT)**. *“The vote sends a strong signal to governments to move ahead with the FTT. It has the backing not only of Europe’s workers and citizens, but political parties across Europe”*, said Veronica Nilsson, Confederal Secretary of the ETUC.

ETUC press release: <http://www.etuc.org/a/10002>

## [ You may be interested in ... ]

**collective bargaining**

### All you need to know about **collective bargaining in Europe**

The European Trade Union Institute (ETUI) publishes a monthly newsletter dedicated to collective bargaining in Europe. This newsletter, published in cooperation with Amsterdam University and the Amsterdam Institute for Advanced Labour Studies, provides an exhaustive outline of the developments of collective bargaining in different European countries. It aims at facilitating the exchange of information among trade unions and at supporting the ETUC Collective Bargaining Committee’s work. To register, please contact Mariya Nikolova, ETUC communication officer: [mnikolova@etui.org](mailto:mnikolova@etui.org)

More information: <http://www.etui.org/en/E-Newsletters/Collective-bargaining-newsletter>



## [EU Agenda] May – June 2012

02/05/2012	ECOFIN Council (Brussels)	<a href="#">More information</a>
09–10/05/2012	Mini-Plenary Session of the European Parliament (Brussels)	
10–11/05/2012	Education, Youth and Culture Council (Brussels)	<a href="#">More information</a>
14/05/2012	Foreign Affairs Council (Brussels)	<a href="#">More information</a>
14/05/2012	Eurogroup meeting (Brussels)	<a href="#">More information</a>
15/05/2012	ECOFIN Council (Brussels)	<a href="#">More information</a>
21–24/05/2012	Plenary Session of the European Parliament (Strasbourg)	
23/05/2012	Informal meeting of the European Council (Brussels)	<a href="#">More information</a>
23–24/05/2012	Plenary Session of the European Economic and Social Committee (Brussels)	
29/05/2012	General Affairs Council (Brussels)	<a href="#">More information</a>
30–31/05/2012	Competitiveness Council (Brussels)	<a href="#">More information</a>
07–08/06/2012	Transport, Telecommunications and Energy Council (Luxembourg)	<a href="#">More information</a>
07–08/06/2012	Justice and Home Affairs Council (Luxembourg)	<a href="#">More information</a>
10–11/06/2012	Informal Meeting of Ministers for European Affairs (Horsens)	<a href="#">More information</a>
11/06/2012	Environnement Council (Luxembourg)	<a href="#">More information</a>
11–14/06/2012	Plenary Session of the European Parliament (Strasbourg)	
15/06/2012	Transport, Telecommunications and Energy Council (Luxembourg)	<a href="#">More information</a>
21/06/2012	Eurogroup Meeting (Brussels)	<a href="#">More information</a>
21–22/06/2012	Employment and Social Affairs Council (Luxembourg)	<a href="#">More information</a>
22/06/2012	ECOFIN Council (Brussels)	<a href="#">More information</a>
25/06/2012	Foreign Affairs Council (Luxembourg)	<a href="#">More information</a>
26/06/2012	General Affairs Council (Luxembourg)	<a href="#">More information</a>
28–29/06/2012	European Council (Brussels)	<a href="#">More information</a>

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