

Solidarity in the Crisis

Resolution submitted by the ETUC Executive Committee to Congress

The ETUC has been following up the terms of the Paris Declaration (28 May 2009) and campaigning for a Europe which stands for employment, solidarity and a strong social dimension, and which confronts the policies of the narrow nationalists, racists and xenophobes.

In this regard, the ETUC expresses its deep alarm at the negative consequences so far of the bailouts organised by the EU and the international Monetary Fund of economies in distress. The austerity measures imposed, for example in Greece and Ireland, have made the situation worse, and the countries concerned face a long period of continued recession, rising debt burdens and unemployment. There is a real risk of countries and their populations becoming even more strongly indebted, with huge dangers for Europe and its Member States.

The ETUC therefore urgently demands an important change in the EU's approach and for it to provide greater help to countries in difficulty including:

- a major European investment plan, funded among others by the current non use of European structural funds,
- the issue of bonds by the EU, backed by the ECB, to ease the strains on the distressed economies,
- the provision of cheap liquidity as necessary by the ECB to Member States as is provided currently to the banking sector,
- the development of a low-carbon industrial policy supported by fiscal reform including a tax on financial transactions.

The Euro Plus pact (concerning the 17 Euro zone Member States and six others) has far reaching implications particularly on pay since it includes recommendations to member states on:

- comparisons of unit labour costs,
- hostility to wage indexation and more generally to centralised bargaining,
- linking pay to productivity, not including inflation or comparability,
- downward pressure on public sector pay and, in some cases, on minimum wages,
- downward pressure on pension entitlements,
- the promotion of strict constitutional controls on public debt (i.e. the so-called 'debt brake').

The ETUC asserts that this approach is totally unacceptable to the trade unions of Europe and insists that the following principles must be upheld:

- wages are not the enemy of the economy but a key motor, prompting growth and jobs,
- the autonomy of social partners in collective bargaining and wage negotiations,

- improvement of the purchasing power of workers' wages and salaries, with increases being in line with inflation and productivity, with the overall goal of a fair distribution of wealth,
- the process towards income inequality should be reversed,
- the fight against wage and fiscal dumping must be intensified and the principle of equal pay, equal work applied (see Supplementary Report),
- pensions should be protected and ensure decent living conditions, and
- rules on public debt should reflect external realities and exceptional circumstances and not provoke recession through austerity measures. The state should be able to maintain its stabilising role and to lead in encouraging the creation of quality jobs.

Congress considers that early in the next mandate there will be an urgent need to examine the full implications of the Euro Plus Pact and its provisions on pay, which are likely to introduce a strong element of wage competition. This will also take account of the various propositions on minimum wages which have been submitted during the Congress preparatory phase, and of the fact that collective bargaining and its co-ordination is a matter for trade unions only.

The new Executive Committee is charged urgently with conducting this examination as soon as possible with a view to maximising unity and coherence and finding joint answers in the face of some of the most difficult circumstances ever faced by the ETUC, and to launch the necessary action including initiatives and campaigns to prevent social dumping and to promote co-ordination of collective bargaining policies in order to set up an autonomous and successful strategy about wages and trade unions in Europe.