



European Trade Union Confederation (ETUC)  
Confédération européenne des syndicats (CES)

Intervention by:

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President, Secretary-Treasurer, Sisters and Brothers, this is the third time that I have had the very great privilege of addressing this Executive Council. The first two times were when I was General Secretary of the British TUC, an organisation with which the AFL-CIO is very familiar, as we share the oldest international trade union relationship in the world, stretching back to 1894.

I guess that the ETUC is not so clear in all your minds.

The ETUC was founded in 1973 when Britain, Ireland and Denmark joined the six countries of the Common Market to form what is today called the European Union. Today, the ETUC actually covers 36 countries – the 27 members of the EU plus others who are eligible to join. We cover around 60 million workers with a union density of 28 percent. Under the rules of the European Union, the ETUC is recognized as the sole union body able to negotiate European-wide collective agreements and laws.

The ETUC has been responsible for over 60 laws for workers in the fields of health and safety, equality and information and consultation. We now have 800 European Works Councils with leading multinational companies, 150 of which are American in origin. Recently, we have secured an agreement that these companies must consult unions in advance of any proposed restructurings before final decisions are taken. And we have just negotiated equal pay for agency workers.

Strikes and collective bargaining are covered by national, not European law but there is an emerging area of great dispute about the relationship of the right to strike to the free movement of labour around Europe. We have recently lost cases in the European Court of Justice which is now licensing employers to only pay minimum terms of conditions to certain migrant workers rather than the rate for the job. All this is explosive, especially against the background of recession.

I was very interested in your debate yesterday about the economic crisis which is surging across the world economy. In the 27 countries of the EU unemployment will reach 10 percent by the end of this year. Everyone is in trouble - the importing countries that had real estate booms like the UK, Ireland and Spain and the exporting countries like Germany whose markets have collapsed. The Eastern European countries are now very vulnerable.

There are rising signs of discontent as despair grows about the way national authorities are handling the crisis. Recently, there have been national strikes and demonstrations in France -with more to come - in Greece, the Baltic States, in Bulgaria. The Irish economy is teetering: the unions led a massive demonstration in Dublin a few days ago and are now balloting for a national strike on 30 March. The Icelandic government fell under the pressure of popular demonstrations, and that in Latvia is now gone too.

The fall-out from the situation in General Motors is particularly significant, and the European Metalworkers' Federation last week organised coordinated actions in thirteen countries where Opel/Vauxhall and Saab production is located. In Britain, unease over migrant labour undercutting collective agreements has led to strikes.

The ETUC will be organising demonstrations mid-May with our affiliates in key European cities, from Prague in the East, via Berlin and Brussels to Spain in the South. "Fight the crisis – Put People First" will be the slogan.

So our continent is in turmoil. There is anger about the conduct of many banks. The massive deleveraging of private sector debt, the credit crunch born in the USA, is undermining the real economies. After the subprime crisis, our own bubbles, made in Europe, are bursting.

We, like you, are bailing out companies weakened by their own CEOs drawing huge pay and bonus packages. Banks have practised what Paul Volcker has called 'alchemy'. In some cases they have been looted by their own CEOs. We are pressing hard for these practices to be stopped and to ensure that never again can so few wreck so much, and that the growing inequality trend is strongly reversed.

Employers and governments can't expect working people to bear the brunt of a crisis that is none of our doing. Cutting our wages and forcing more flexibility on us is not acceptable. Purchasing power must be kept up. Workers must be properly informed, consulted and protected. Finding alternatives to firing workers is a key priority.

Politics and democracy must now resume the responsibility that was abandoned to the markets in the Reagan-Thatcher era. The parallels with the 1930's are only too clear.

I have been reading everything I can find about what Roosevelt did in the New Deal.

We want Europe's plans to be as ambitious as those we see developing on this side of the Atlantic, starting at the G20 meeting in April. We do not want a repeat of the fiasco of the London conference on 1933 whose collapse cleared the way for Adolf Hitler to take command in Germany. We want to convince all of America of the great virtue of what we call the European Social Model with quality universal welfare states, public services and extensive collective bargaining. They were derided by the Bob Rubins of this world as too inflexible and expensive but they are certainly proving their worth now. Once again, just like Roosevelt, we seem to be saving capitalism from itself. As President Sarkozy of France said recently "we're all socialists now."

Europe and America can, must, give a lead - including in the necessary reengineering of the international system of governance.

Our combined economies account for more than half of global GDP. The EU and the US are each other's main trading partners. Trade flows across the Atlantic amount to around €1.7 billion every day. The two economies are interdependent to a high degree. Close to a quarter of all EU-US trade consists of transactions within firms based on their investments on either side of the Atlantic. The overall "transatlantic workforce" is estimated at 12 to 14 million people, of which roughly half are Americans who are employed directly or indirectly by EU companies.

Which brings me to the issue of "protectionism." An invective particularly thrown at trade unions which by their very nature act "in restraint of trade" in the widest sense of the word in looking after their members' interests.

Europe itself is a single market with plenty of rules –indeed with the equivalent of a Constitution- defending that single market. But these rules are under strain and contradictions are appearing between fundamental collective rights and principles regarding freedoms of movement and establishment.

We have called for common rules for industry policy to stop beggar-thy-neighbour approaches while helping our key industries get through the recession.

We have followed carefully evolutions in the ‘buy American’ debate. We are mindful of America’s role as a motor for world demand and would of course wish to see it nurtured. Ambitious action that rekindles growth in both Europe and the US is the best way of preventing protectionism.

There is a lot of common ground between us. We agree that we all need global rules of the road. There is a good trade union principle: no free riders. That applies also to social and fiscal dumpers.

Our common principled approach that ILO rules must be applied by WTO members –indeed all countries- as part of their trade relations is one that we have pressed for many a year. But maybe, just maybe, it’s time has now come.

I’ve painted a grim picture. But let’s look at the upside.

Trade unions in Europe and the US are resurgent. Our enemies, the financial capitalists who have patronized us are in disgrace. We matter in the eyes of the public authorities. Our ideas are on the table and are being taken seriously. I addressed the whole European Commission on all this just last week. We need to seize the moment. This is a time for people to turn to unions and for us to fire up a renaissance.

At the institutional level, there is a need to change the current corporate-led transatlantic relationship to one that reflects the interests of all our people. The EU-US Transatlantic Economic Council set up a couple of years ago to advise the EU and US Administrations integrates business but excludes labour. That must change. And the advice we should be jointly be called upon to give cannot simply focus on the alignment of technical standards. Our economic relations range much further than that, and the spread of regulation needs to change also.

It would be a fitting start if the next US-EU Summit planned for next April would announce the formal AFL-CIO – ETUC entry into the transatlantic relationship.

We also have a joint agenda on industrial relations and organising.

I was interested to see the statement issued last week, signed by 39 of America's top economists, including two Nobel Prize winners, pointing to the failure of U.S. labour laws to protect employees' freedom to form a union and bargain as a major factor in the economic crisis. I salute your campaign for the Employee Free Choice Act and I pledge the support of the ETUC. We will be talking to governments in Western Europe to underline the importance of this measure to all of us. The protection and extension of collective bargaining must be one of our top priorities. We will join your fight.

On economic policy, we have meetings of mind in our discussions in the ITUC and TUAC. Trade unions were the first to ring the alarm bell about the danger of financialisation.

And, while concentrating on EU-US relations, I don't want to imply that our responsibilities world-wide are slight. They are not. We want to continue cooperating closely together with you in strengthening the ITUC, that great international organisation.

There is much that we can do together there, as well as bilaterally, in relation to energy and climate change. This isn't an easy subject either and at a time of economic crisis there is a temptation to let the issue slide down the priorities agenda. That would be wrong and a grave mistake.

President,

We are currently launching our next campaign on the theme: *Fight the Crisis: Put People First – ETUC Demands New Social Deal in Europe*. You will note the reference to the New Deal. We, like you, see great historical parallels.

Of course we are a long way from the economic nationalisms of the 1930s that degenerated further into the worse forms of political and military nationalism. Another European civil war in which the USA would be called to settle the matter is inconceivable now, if only because the EU exists. Indeed, that was the original reason for its existence.

In his speech to Congress last week, President Obama said: “In words and deeds, we are showing the world that a new era of engagement has begun.”

We in the trade union Movement have never stopped engaging.

But we have a chance now to do so with renewed purpose and effect. So priority to jobs and collective bargaining, a determination to prevent a slide back to business as usual, new systems, new rights, new jobs.

To paraphrase Charles Dickens when he wrote of the French Revolution “it was the worst of times, it was the best of times”. This recession is the worst job crisis of our life times, but it is too the very best chance for union rebirth since the 1930’s. We must take it, together, with both hands.

Thank you.