



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

The Paris Declaration of the ETUC

28 May 2009



The Paris Declaration of the ETUC

Europe is now at crossroads. Europe is facing the return of mass unemployment. The coming year will see job destruction on a scale unprecedented since the 1930's yet so far the response of the authorities (both European and national) has not been adequate to meet the size of the problem.

The reason for this surge in unemployment lies in the dominance of the neoliberal economic model over the past 30 years, the collapse of which has caused the economic catastrophe that Europe and the rest of the world are now experiencing. Too many at the top of the overblown financial services sector indulged in a modern day version of alchemy. Long term prudence was ignored as greed and speculation became the order of the day in Wall Street, London and other major financial centres. The result before the crash was rapidly rising inequality, the growth of precarious jobs and pressure to cut the influence of welfare states, worker rights and collective bargaining. Now to that must be added growing unemployment, cuts in public expenditure and a collapse in demand in many countries.

Citizens are looking to Governments through public sector action and to trade unions to restore the democratic balance that had been ceded to the markets. The ETUC is demanding that "never again" must financial capitalism be allowed to inflict a comparable crisis on the world, on Europe and on workers; and that never again can growing inequality receive the encouragement, indifference or neglect of democratic governments.

The ETUC fully supports the international trade union movement's case in fighting the crisis. In this, Europe has an important and specific part to play. The EU is unique in the world in having the capacity for both direct and co-ordinated action in what is the world's largest single economic entity. It must therefore be a leader, not a follower. Too often, it has seemed to be relegated to a role behind that of major countries. Yet if the EU is not capable of concerted action towards economic and social progress, then its existing major achievements of the single market, the single currency and further enlargement will come under greater pressure as member states seek to develop their own approaches to trade, monetary policy and international relations. The EU should take its responsibilities in relation to Member States under the most extreme pressure and act so as to avoid their having to rely on the International Monetary Fund. IMF intervention should in any event aim at preserving social cohesion, rather than cutting public spending and public services.

The EU must have a convincing approach to unemployment. The ETUC is demanding a New Social Deal in the EU as a driver for social justice and more and better jobs, with the following main points:

More and better jobs: Investment in an expanded European recovery plan to mobilise a new drive for growth and jobs. The ETUC demands the European Council and Commission to draw up a European

investment plan totalling an annual 1% of European GDP for the next three years to provide more and better jobs, to promote innovation, research and development to help employment in key industries, to invest in new, green and sustainable technologies, and to sustain high quality public services. Life-long learning and education are key elements in developing more and better jobs. Now is the time for Europe to provide workers with the qualification needed for tomorrow's low carbon economy, within green technology and better qualified jobs.

Stronger welfare systems to provide more security and equality and avoid social exclusion. The ETUC demands a meaningful and a strong European Social agenda: to maintain people in jobs and to ensure protection to all workers as well as an appropriate training, taking into consideration diversity, notably in respect of gender equality, and the need to maintain social cohesion, with robust income and access to public services for all. Social policy and public services throughout Europe must be preserved, strengthened and not be undermined by a rigid implementation of the Stability Pact, forcing premature and important cuts in budget deficits as soon as economic activity stops shrinking. Such cuts would deprive member states from benefiting from economic recovery and damage public services.

Stronger workers' rights and an end to the dominance of the short-termist market principles. Stronger rights, in particular at transnational level, are necessary to stop the trend of rising inequality. The ETUC demands a Social Progress Protocol giving priority to social rights and collective action and a stronger Posted Workers Directive based on equal treatment and respect of the right applying in the place of employment. The ETUC also calls for efficient workers' participation and industrial, economic and social democracy. Stronger workers' rights are especially urgently required to stop the rising use of different forms of insecure, non-standard work. An effective Working Time Directive is urgently needed with no opt outs.

Better pay: stronger collective bargaining. Wage freezes and nominal wage and pension cuts are to be rejected. It is vital as demand collapses to protect purchasing power. The ETUC is therefore seeking a strengthening of collective bargaining and related wage formation instruments with the aim of securing decent minimum wage levels in all European countries and real wage and pension increases to support economic recovery. The European Central Bank (ECB) must also be involved in growth and be committed to full and better employment, not just price stability. The ECB must not seek to influence and weaken wage negotiations by prematurely hiking interest rates as soon as the immediate crisis seems to be over. The ETUC demands an advisory board of European social partners to the ECB.

European solidarity as a protection against the excesses of financial capitalism: Effective regulation of financial markets, a fair distribution of wealth, and no return to casino capitalism or to the 'business as usual' of the past 20 years in financial markets is crucial. The ETUC demands a major increase in European social spending enlarging the

activities of the European structural funds, notably the European Social Fund and the European Globalisation Adjustment Fund. Tax competition must also be tackled and tax havens closed because they threaten the tax base of countries and Social Europe. In particular, there is a need to work towards the harmonisation of corporation and other business taxes. A European lead is needed on a financial transaction tax.

It is vital to reinforce the integration of social issues in all European policies and to introduce social provisions in public deals, recognising appropriate collective agreements, making sure that competition is not perverted by social dumping or deflationary policies, protecting pensions and benefits, and strengthening minimum wages and the coverage of collective bargaining. Europe's social dimension has been too modest for too long. Now is the time to strengthen Europe and to restore its social ambitions.

Over the coming period the ETUC will be developing its strategy further and mobilizing to meet the massive challenges before us, notably towards an industrial policy based on innovation, research and sustainable development. In particular, the ETUC and its affiliates will be acting in support of the ITUC Day of Action on decent work on 7 October. The ETUC calls on the European Council, the new European Parliament and the new Commission to act swiftly. The ETUC calls upon the business community to engage in a social dialogue on such issues and help resolve the crisis.

The twin aims of this Declaration are: **fight the crisis – and win the aftermath**. Its ideas need wide dissemination and debate as the disaster made in the financial world hits Europe hard. But European trade unionism must seize the moment and win a better, fairer society, and a stronger, more integrated, social Europe. The overwhelming participation of workers in the ETUC's demonstrations in Mid-May showed growing support for our agenda. **Affiliated organizations undertake to mobilise behind the Paris Declaration of the ETUC.**
