

[ETUC newsletter]



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Figure of the month

23 million unemployed people

23,130 million men and women in the European Union (EU), of whom 15,808 million were in the euro area, were unemployed in March 2010. Compared with February 2010, the number of persons unemployed increased by 123 000 in the EU and by 101 000 in the euro area. (Source : Eurostat)

Note



Dear Readers,



Will posterity speak of May 2010 as Europe's month of living dangerously?

By attacking Greece, speculators had been betting that the eurozone would collapse. Beyond this budgetary attack, the project of European integration was thrown into jeopardy. Horribly late, the heads of State and of government finally set up a mechanism to support countries with difficulties borrowing money on the world markets. At national level, budgetary austerity is the order of the day. In order to cope with the public deficits exacerbated by the crisis, many European countries are adopting austerity measures for which Europe's workers and citizens will still have to foot the bill. The ETUC has sounded the alarm about the adoption of such measures, because they threaten growth and undermine purchasing power. In addition, these austerity measures will cause the shrinkage of social service provision, the last bastion against social exclusion, and they will also make an already precarious situation even worse.

Our plight is extremely serious, and we need a strong political response. This is why the European social partners will shortly be meeting with the President of the European Commission to raise the issue of the social dimension of the crisis.

There has been some progress in terms of financial regulation. On that score, we have welcomed the decision by the EU's Council on Economic and Financial Affairs to regulate hedge funds and private equity. It will now be up to the European Parliament to protect society against the 'alchemists' who have engineered the current economic catastrophe.

John Monks
General Secretary



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[ETUC in action]

May Day in Turkey: historic demonstration at Taksim square in Istanbul

01/05/2010 – Turkish trade unions affiliated to the ETUC celebrated International Labour Day by demonstrating at Taksim square in Istanbul. It was the first time in history that the Turkish authorities have authorised a joint demonstration on this square, which is a symbol of trade union demands and the struggle for democracy. A large European and international trade union delegation was present for this joint demonstration.

[ETUC press release](#)

ETUC backs Greek workers

05/05/2010 – John Monks joined the Greek general strike organised in Athens by GSEE and Adedy, trade unions affiliated to the ETUC. He brought messages of solidarity from the European trade union movement. *‘Europe and the Greek government must work together, including with the social partners, to produce a Plan for Recovery. And I mean recovery. I don’t mean cuts which will spark depression. I don’t mean conditions which will impoverish the country, neither reductions*



in pay and conditions which will depress demand and power fresh surges in unemployment’ declared John Monks.

[ETUC in a joint press release with the International Trade Union Confederation \(ITUC\) condemned the murder of three Greek bank workers](#) perpetrated after the end of the demonstration.

[ETUC press release](#)
[John Monks’ speech at the general strike in Athens](#)

MAJOR MEETINGS – CONFERENCES – PROJECTS

5th EU-Latin America Trade Union Summit dedicated to decent work

04–05/05/2010 – The 5th EU-Latin America and Caribbean Trade Union Summit organised by the ETUC, the International Trade Union Confederation (ITUC) and the Trade Union Confederation of the Americas (TUCA) took

place in Madrid. **Decent work, employment, social cohesion and respect of workers’ rights were at the centre of the discussions.** The Trade Union Summit was organised at the eve of the [6th Summit meeting](#)

[of EU-LAC Heads of State and of Governments](#) (Madrid, 18 – 19 May) to which the trade unions presented their demands.

[ETUC press release](#)
[Speech at the Trade Union Summit](#)



[Interview]



Interview with Joël Decaillon

Joël Decaillon, deputy general secretary of ETUC, talks to us about the social repercussions of the economic crisis and in particular the impact of austerity plans and job insecurity.

What lessons can we draw from the crisis that has hit Greece and, more broadly, the eurozone?

Joël Decaillon (JD): The first lesson to be drawn concerns the time it has taken Europe to react to the crisis, which shows a flagrant lack of governance, especially at the outset. Europe's response was not only late in coming, but also difficult to put in place. We must also bear in mind that at the outset, Europe did not hide the contradictions of whether aid should be offered to Greece. These contradictions were gradually reduced and led to a summit at which a European governance approach was defined and the initial responses to the request for financial aid were proposed. The second element is the incredible power of the financial markets and the role played by hedge funds in the organisation of society: we have seen the extent to which these funds can weigh on the decisions of governments and international institutions.

This crisis has shown that the European Union, and the eurozone in particular, needs real governance that can anticipate problems, negotiate growth and broach existing economic asymmetries, which have not been reduced by the creation of the single currency, as well as fix economic objectives in the medium and long term. From the beginning of the crisis in 2008, the Commission stated that the European recovery plan was to consist of an addition of different national such plans. This decision has proved catastrophic inasmuch as it has not enabled Europe to create the conditions for recovery in the short-, medium- and long-term. This choice has hindered Europe from having a strategic vision in the face of globalisation, and in turn weakens the internal and external perception of the EU. An initial disturbing sign emerged at the Copenhagen Summit on climate change. The crisis showed that Europe needs its own growth plan, its own development plan. Similarly, the resources devoted to reflation the economy are limited: in spite of its considerable public debt, the United States allocated 6.5% of GDP to that purpose, i.e. nearly four times higher than the 1.5% allocated by the European Union.

What will be the social impact of the austerity measures contained in the European bailout plan adopted at the Council of Ministers for Finance of 10 May?

JD: First of all, it is not at all certain that austerity measures reduce public deficits. The reaction of the financial markets bears witness to that: they do not believe in these austerity plans. These austerity measures reduce growth and undermine consumption, worsen unemployment and affect the production capacity. Tax and social revenues have collapsed: €200 billion less for the year as a whole (2009). These austerity measures are extremely dangerous. As the French economist Jean-Paul Fitoussi put it "*now is not the time to cut off the oxygen.*" The risks of high unemployment and a sizeable reduction in social welfare are very high. The impact of such interventions by the International Monetary Fund (IMF) in Latin America in the 1980s has shown that these policies did not solve the employment problems; on the contrary, they led to undeclared employment and undermined solidarity and social cohesion as well as the tax systems.

How can we avoid these recurrent financial crises?

JD: There is an urgent need to reinforce the means of tax coordination at European level, increase fiscal transparency and introduce new taxation, such as on financial transactions. Fiscal harmonisation must be accompanied by real bank governance, by the simplification of the supervisory structures of the public authorities, and by a selective access to refinancing resources from the European Central Bank (ECB). Another decisive element is the implementation of public policies to lead the private sector in a transition from growth to sustainable growth.

At the same time, it is imperative to have enhanced European economic integration, because the competitiveness malfunction and asymmetries in the eurozone and Europe pose a problem to securing economic coherence and cohesion. Europe therefore needs an expansive budgetary policy and a serious and coordinated recovery plan. One fundamental element to keep in mind is that today, the centre of gravity of world growth has moved towards



[Interview]

Joël Decaillon (*following*)

Asia and Latin America. In the face of such a situation, Europe has an urgent need to develop strong, sustainable and dynamic industrial policies based on low-carbon approaches and on the use of new technologies. We have to establish EU industrial coordination that relies on investment in work by reviewing the share attributed to work and to capital – a gap that has continued to widen to the benefit of capital. With unfavourable demographics, it is absolutely vital to compensate the development of human capacities by relying on the promotion of work and human capacities. Unprecedented efforts must be made on the training and qualification front.

Precarious jobs are becoming widespread, impoverishing society as a whole in the process. How can this trend be reversed?

JD: To reverse this trend, we have to turn to a new distribution between productivity and pay. The sustain-

able growth that Europe so sorely needs cannot rely only on job security and stability. Workers will accept mobility only if their occupational career is secured. This is inconceivable without respect for employment law, without supported social dialogue instruments and without a real State of social law in all the countries of the European Union. The European Commission cannot shirk its responsibilities on this matter. The development of formal or informal competencies, qualifications, and lifelong learning must not be mere empty shells, but a reality shared by workers as they face possible changes in their jobs. Wage earners must be able to enjoy guarantees and security from developed systems of solidarity and social cohesion.

These elements have historically constituted the basis of the European social model. This basis is currently being challenged in a good number of EU countries. A democratic social system cannot be based on job insecurity.



[Trade Union Agenda]

May – June 2010

04-05/05/2010	EU-Latin America Trade Union Forum (Madrid)	
05-08/05/2010	CGIL Congress (Rimini)	Congress Programme
16-20/05/2010	DGB Congress (Berlin)	Congress Programme
26/05/2010	Meeting of the Group II 'Workers' of the European Economic and Social Committee (Brussels)	
27-28/05/2010	OPZZ Congress (Warsaw)	Congress Programme
01/06/2010	ETUC Steering Committee (Brussels)	
01-02/06/2010	ETUC Executive Committee (Brussels)	
07-09/06/2010	Nordic Labour Congress (Helsingor)	
07-11/06/2010	CFDT Congress (Tours)	Congress Programme
21-25/06/2010	ITUC Congress (Vancouver)	Congress Programme



[UE Agenda]

May – June 2010

05/05/2010	Summit EU–Canada (Brussels)	Summit Agenda
05–06/05/2010	Mini–Plenary Session at the European Parliament (Brussels)	
07/05/2010	Summit of Heads of State and Government of the Euro area (Brussels)	Summit Agenda
09/05/2010	Extraordinary meeting of the Finance ministers (Brussels)	Meeting Agenda
10–11/05/2010	Education, Youth and Culture Council (Brussels)	Council Agenda
10–11/05/2010	General Affairs and External Relations Council (Brussels)	Council Agenda
16/05/2010	EU–Mexico Summit (Santander)	Summit Agenda
17/05/2010	Eurogroup Meeting (Brussels)	Meeting Agenda
17–20/05/2010	Plenary Session at the European Parliament (Strasbourg)	
18/05/2010	ECOFIN Council (Brussels)	Council Agenda
18–19/05/2010	EU–Latin America and Caribbean Summit (Madrid)	Summit Agenda
25–26/05/2010	Competitiveness Council (Brussels)	Council Agenda
26–27/05/2010	Plenary Session at the European Economic and Social Committee (Brussels)	
31/05/2010	Transport, Telecommunications and Energy Council (Brussels)	Council Agenda
03–04/06/2010	Justice and Internal Affairs Council (Luxembourg)	Council Agenda
06/06/2010	EU–Egypt Summit (Barcelona)	Summit Agenda
07/06/2010	Eurogroup Meeting (Luxembourg)	Meeting Agenda
07–08/06/2010	Employment, Social Policy, Health and Consumers Council (Luxembourg)	Council Agenda
08/06/2010	ECOFIN Council (Luxembourg)	Council Agenda
14–17/06/2010	Plenary Session at the European Parliament (Strasbourg)	
14–15/06/2010	General Affairs and External Relations Council (Luxembourg)	Council Agenda
16/06/2010	EU–New Zealand Summit (Madrid)	Summit Agenda
17–18/06/2010	European Council (Brussels)	Council Agenda
21/06/2010	Environment Council (Luxembourg)	Council Agenda



[Focus on the EU and trade union positions]

ETUC concern about Greek rescue plan

04/05/2010 – ETUC expressed its worries regarding the 110 billion Euros plan to rescue Greece. **This plan comes at an unacceptable price for workers and their families: not less than 16% of GDP will be cut from public sector wages, jobs and expenditure.** The European trade union movement fears that Greece will enter a deflationary recession lasting several years. Unemployment will be pushed up well into the double digit numbers. For the ETUC, today's cuts in social expenditure and wages in Greece may well be tomorrow's cuts in Portugal and Spain and the cuts of the day after tomorrow in France, Germany, Belgium, etc. **ETUC urged European policy makers to stop the speculators from destroying our social model and to break with this type of 'barbaric structural adjustment'.**

[ETUC press release](#)

EU crisis package: European workers risk paying a very high price

11/05/2010 – Following its [call to fight financial speculation](#), launched on the eve of the Euro area heads of State and government meeting, ETUC considers that progress was clearly made last weekend when Europe's finance ministers agreed a process of supporting countries having difficulty raising money on world markets. **But the price to be paid for safeguarding the single currency and its banking sector from the speculators will be very high: countries which need the support will have to implement drastic cuts in public expenditure**, which are likely to push the economy into prolonged recession. For the ETUC, **workers are likely to bear the costs of the crisis.**

[ETUC press release](#)

Austerity: an emergency Tripartite Social Summit is needed

14/05/2010 – ETUC [wrote to José Manuel Barroso, President of the European Commission](#), asking him to convene an emergency Tripartite Social Summit in view of the austerity packages being applied in many European countries. *'We need a more sensitive, less rigid approach from our European leaders to reconcile growth and debt repayment if Europe is to avoid a double dip recession'* declared John Monks.

ETUC welcomes ECOFIN Finance Ministers' agreement on hedge funds and private equity

18/05/2010 – The European trade union movement welcomed the [ECOFIN Council decision](#) to regulate hedge funds and private equity. **It is now for the European Parliament to improve the protection of European society against the alchemists.**

[ETUC press release](#)



[Focus on the EU and trade union positions]

John Monks at OCDE Forum 2010

26/05/2010 – John Monks intervened at [Forum 2010 organised in Paris by the Organisation for Economic Co-operation and Development \(OECD\)](http://www.viewontv.org/oecd/forum2010/) in the session dedicated to 'Financing Future Growth'. You can watch his intervention on the OECD web site : <http://www.viewontv.org/oecd/forum2010/>.



[You may be interested]

ETUC publication: new European Works Councils directive

ETUC recently published a new leaflet on European Works Councils (EWC). Following the campaign launched by the ETUC and the European trade union federations, the recast of this directive was adopted on 6 May 2009. This publication is available in English, French and German on the ETUC web site at the following page:

<http://www.etuc.org/a/7278>



Euranet, the network of European radios

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