

ETUC Platform on the Future of Europe

Resolution adopted at the Executive Committee of 26-27 October 2016

We, the European trade unions, want a European Union and a single market based on cooperation, solidarity and social justice – a European Union capable of competing in the world with a sustainable economic and social model.

Together we are stronger – economically, socially and democratically. The EU cannot achieve higher standards of living for all without fairer integration and upward convergence.

We all deserve a better European Union for its people and workers.

The EU to react to its crisis

The economic crisis, high unemployment, social exclusion and discontent – together with the refugee emergency, Brexit and terrorism: all this creates a crisis of trust in the EU among workers and citizens, but also rising sentiments of populism, nationalism, and xenophobia.

Physical and cultural borders are reintroduced, conflicts and divergence between Member States are blocking progress on common projects. Europe is blamed for all the problems that are currently affecting people, although most of the responsibility lies with decisions taken by national governments and institutions.

The EU decision-making process has been weakened, and the intergovernmental mechanisms introduced after the economic crisis have often replaced the community method enshrined in the EU Treaties, so depriving citizens of democratic control over European decisions.

It is crystal clear that until the economy recovers and austerity and neoliberal policies have stopped, and until unemployment, poverty and social fragmentation are tackled, the fear, uncertainty and anger among workers will not be replaced by hope for a better future.

The European Union is now at a crossroads: either it is reshaped and reformed into a fairer and more social Europe, or it will collapse.

Nevertheless, polls show that Brexit has increased support for the EU among citizens in several Member States. There are challenges and opportunities ahead of us, and we must work together to build up a positive alternative.

The main achievements of the European integration process (such as peace and democracy – the single market and economic cooperation – high levels of education, innovation, technological development – protection of human rights and a well-functioning social model – freedom of movement) have made Europe a very good place to live: this inheritance must not be undermined.

Change is urgently needed, and the European trade union movement contributes to it, together with others who care about the future of Europe.

Relaunching the EU: a trade union Platform for the Future of Europe

Reshaping Europe, relaunching the EU project. These require different policies, different rules and a greater participation by citizens, working people and organisations representing them.

It requires more upward convergence in terms of living and working conditions between countries and within countries, less inequality and more economic and social cohesion.

Better living standards for people must be designed, and stronger policies put in place to achieve them.

The EU can once again be cherished by workers and citizens if it finds and provides concrete solutions to their problems, if it contributes to quality jobs and full employment – equal economic/social opportunities – social protection – personal security and well-being.

We propose a new Pact for the Future of Europe, based on prosperity, social justice and democracy.

Sustainable economic growth for quality job creation and better working conditions

The EU has reacted to the global economic crisis solely by focusing on public budget constraints and exports – structural reforms for labour market flexibility, cuts in public spending, services and social protection, wage depression and the dismantling of collective bargaining have been the main tools for adjustment.

This has not resolved any of the problems our economy faces, but has instead generated poorer recovery, stagnation and deflation, unacceptable levels of unemployment and precariousness, poverty and social exclusion.

It is high time for sustainable growth – which for us means quality jobs, fair working conditions, equality in the labour market and society, social inclusion and integration for all. It means also a different global and European economic agenda, aimed at achieving better living and working conditions for people. To achieve all this, some urgent measures are needed.

An extraordinary plan for investment and quality job creation is needed, which the ETUC has already proposed in its 'A New Path for Europe' initiative, launched in 2013. **Public investment should be reinforced**, as the only effective way to trigger private investment too. The "Juncker Plan", especially now that the second phase has been announced, must be redirected towards the countries and sectors most in need, while supporting an EU industrial policy, and the amount of available public resources must be significantly increased.

To allow Member States to invest, **the Stability and Growth Pact must be reformed**, by revising and adapting its targets to the current macroeconomic context, and by introducing a stable and transparent 'golden rule' for flexibility, excluding from deficit and debt targets productive investment for hard and soft infrastructures, the green economy, innovation and research, education and training, social infrastructures and public services.

Beside this, **the European Union itself must be allowed to mobilise public investment** for transnational projects, via the European Investment Bank (EIB) issuing investment bonds and by setting up an autonomous EU budget and a Euro Treasury.

Coordination of taxation is needed, as well as fighting tax evasion, and ensuring fair and progressive taxation for people and businesses and providing support to the EU budget.

The essential role of efficient and inclusive public services for social justice and social cohesion, as well as for fair and sustainable growth, must be recognised, and the widespread propaganda against everything public (investment, services, workers) must be countered.

Specific enhanced coordination must be foreseen for the Economic and Monetary Union (EMU), in the framework of the process of completing its architecture, including how to link the Euro Treasury with the financing of public investment. Moreover, **the mandate of the ECB must be revised** and enlarged, by including full employment among its targets. A sound economic and employment policy should back the single

currency, and **creating a Labour Ministers' Euro Group** beside the existing Financial Ministers' Euro Group should be considered.

The challenges raised by **climate change, sustainable energy supply, digitalisation, automation and restructuring processes** triggered by globalisation, have to be addressed via a **'just transition' strategy**, which ensures that quality job creation compensates job destruction, that workers' and citizens' interests are protected first so that they can benefit from this new economic revolution. Additionally, Europe needs a **sound industrial policy**, supporting the mature sectors and promoting the innovative ones towards such a just transition.

International trade agreements must follow the same logic, they have to be progressive and fair, and the social, environmental and public dimensions in these must be preserved and even enhanced. They must keep the right and the space for governments at all levels to legislate and to run public services in the public interest, as well as for social partners to develop social dialogue and industrial relations with their own autonomy.

European internal demand must be boosted to achieve a fair recovery. Wages have been lagging behind productivity in all EU countries in recent years, while living costs have increased, so it is now time for a **general pay rise for European workers**. This must be achieved by reinforcing collective bargaining where it works, restabilising it where it has been dismantled, and creating collective bargaining institutions and practices where they do not exist: capacity building of social partners and national legal frameworks, where needed, are the tools to achieve this goal. Higher minimum and living wages also have to be pursued where needed. **The upward wage convergence dimension**, between countries (especially Eastern and Western) and sectors, must be considered as a fundamental tool for reducing macroeconomic imbalances, inequalities (including gender pay gaps), any kind of wage dumping and discrimination.

Relaunching the European social model: stronger labour rights and social protection

An unprecedented crisis in European social cohesion is right before our eyes, with growing youth and long term unemployment – precariousness, fragmentation, difficulties in entering the labour market – rising inequalities, social exclusion and discrimination. The European Social Model, which was a benchmark for the rest of the world, has been weakened, jeopardised, and in some countries even dismantled.

Europe needs to relaunch and reinforce its Social Model, first of all by changing the mainstreaming narrative, which considers it as an obstacle to competitiveness and economic growth. It must be recognised that countries with high wages, strong social dialogue and collective bargaining, sound social protection systems, are the ones that perform better in the economy.

The social dimension of the European Union must achieve the same relevance as economic governance. It is time to set up a European Social Semester process and to make sure that the European Pillar of Social Rights is not simply and only a palliative for repairing the effects of austerity, but part of the overall strategy for designing the future of Europe. The 'social market economy', as described by Jacques Delors, must be back at the core of the European Union.

The EU must make sure that **the European Pillar of Social Rights** is not an empty promise. Workers and citizens need concrete proposals; measures that can make a difference to their daily lives, and which can improve their living and working conditions.

Adequate levels of social protection and rights should be guaranteed to all citizens in employment, unemployment, or retirement. **EU standards** should be set for all countries, and achieved **through upward convergence**, fully respecting existing better conditions.

Effective and progressive benchmarking, recommendations, legislation and funding should be implemented to help Member States in this process. **Specific tools can be established at the EU/EMU level**, to support and integrate malfunctioning or insufficient social protection mechanisms and funding at the national level, as well as in situations of employment or social crises and shocks. For instance, supplementary unemployment schemes and minimum income frameworks (similar to the Youth Guarantee/Youth Employment initiative) can be considered for countries most in need, while preserving the autonomy of social partners and existing national systems.

Specific areas for intervention should be prioritised at EU level; such as youth and long-term unemployment, inequality and discrimination based on gender, poverty, in-work poverty and social exclusion, undocumented work, skills and lifelong learning, just transition, family benefits, pension systems, health and long-term care, discrimination against disadvantaged and vulnerable categories, illness and disability. All these areas deserve upward convergence towards better standards, and appropriate and efficient tools to achieve it. And the principle of 'equal treatment' must be affirmed and implemented in all EU policy, initiatives and legislation.

Precariousness and fragmentation in the labour market require specific consideration, as do new forms of economic activity and employment influencing the future of work. Beside the **fight against old and new forms of exploitation**, such as undocumented work and bogus self-employment, **non-standard workers and self-employed workers** deserve specific measures and frameworks to guarantee them the same rights as other workers, such as the right to bargain for their remuneration, to enjoy social, health and pension protection, to have access to continuous training, and to join a trade union.

The right of free movement must be enforced, by protecting the Schengen Treaty, fighting against social dumping, and ensuring voluntary and fair mobility, full equal treatment, integration and inclusion of native and mobile workers. Portability and coordination of social protection in the cross-border dimension must be strengthened. **A fairer European migration agenda** must be set, focused on integration and equality. **A stronger and more humanitarian asylum policy** must be established, based on solidarity, responsibility and cooperation.

EU frameworks must be set up to **protect and re-establish trade union rights**, which have been under attack and even dismantled following the introduction of austerity policies over the last few years.

More democratic values: workers and citizens at the heart of Europe

EU institutions should be more democratic, transparent, accountable and efficient – workers and citizens want to feel that their voice is heard by decision makers, and that the EU governance (but also the national decision-making processes) can be understood and influenced by them.

EU workers and citizens are to be treated equally and fairly. Channels are to be restored for information, consultation, and dialogue between EU workers and citizens, EU institutions, politicians and stakeholders, including social partners and civil society organisations.

The European elections must be an opportunity for real democratic participation, by giving people the possibility of influencing European policies and governance and the composition of the European Commission. The European Commission must be given a sound executive power, while reinforcing the democratic control and legislative initiative of the European Parliament.

Social dialogue, between social partners and at the institutional level, workers' participation and influence on corporate policy must be supported and reinforced,

to be stronger and fully implemented in the Member States and in all sectors, where necessary also through legal frameworks and compulsory measures for capacity building of social partners.

The negotiations on Brexit and the inclusion of the Fiscal Compact in the Treaty will require **some Treaty changes**. This should be an opportunity to **set up a Convention** with the involvement of social partners and civil society, to **profoundly change the Fiscal Compact** into a tool to support sustainable and fair growth, to **reform the Stability and Growth Pact**, and to introduce **a Social Progress Protocol, a Social Semester and a European Pillar of Social rights** in the Treaties.

Trade unions must be involved in the negotiations following the British referendum and are in favour of the UK keeping access to the single market, but this must go hand in hand with full respect for the four freedoms, particularly the freedom of movement for workers, and UK respect for the EU social *acquis communautaire*. Workers must not pay the price of Brexit!

The negotiations on Brexit, as on any kind of Treaty change, should become the opportunity for reinforcing and relaunching the European values of peace, democracy, prosperity and social justice – **to build up a better and fairer Europe for the people**.