

Speech given by Bernadette Ségol, General Secretary of the European Trade Union Confederation (ETUC)

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President, Friends,

Thank you for giving me the floor.

I bring you the greetings of the European Trade Union Confederation.

I would like to take this opportunity to talk to you about our main concerns, our main issues, our main priorities.

You will not be surprised if I start by a few words about the crisis we have and are still going through.

The spill over of the melt down of the financial sector has been catastrophic with of course big differences between countries; clearly we cannot compare the origin and the consequences of the Greek crisis with the origin of the crisis in Ireland, or Spain or Portugal.

But the effect of the 2008 meltdown of the financial sector has made it very obvious to all of us - if we did not already know it - how dependent we all are on a sound financial sector.

Sound, means transparent, away from what was called financial innovation, away from toxic speculation.

Sound means that the financial sector must go back to its raison d'être which is financing of the real economy, instead of making money out of money.

And friends despite some progress and positive new regulations at EU level, we have not yet achieved the aim of having a sound financial sector.

Seen from Sweden, this crisis might seem a bit far away;

However, we are all in the same boat; some better protected than others, but we are all living in a globalised world, and we are all interdependent. Within the EU and also outside the EU.

Sweden does not and cannot live in isolation.

I know that Sweden is an open trading country, and the trade unions support that approach. Much is being said about the Transatlantic Trade and Investment Partnership currently, and we are taking your views very seriously in this respect. Europe must be a global player and indeed lead in setting the best standards which, if done in conjunction with the United States, could be applied universally.

At the same time, we must not give up our heritage based on our model of social dialogue, good public services – including the ability of democratic governments to set rules and not be dictated-to by the big corporations – and the need that jobs created are

real, decent jobs. It is instructive that the AFL-CIO want to introduce some of our concepts in the US and see opportunities in TTIP.

We are all in the same boat, I said one minute ago, but yes, it is true; your country has resisted better than other countries, although the Swedish unemployment level is much higher than it used to be. Your economy and your social system has proved more resilient, and more sustainable, this is explained by reasons that we all in the ETUC know and praise: Sweden enjoys a great system of industrial relations, respect of social partnership, effective collective bargaining. Sweden has good public services; and a reliable taxation system.

It is very good that we, in the ETUC, can say, that countries like yours are competitive BECAUSE they have a good industrial relation system and collective bargaining.

It is good to be able to say that. Indeed, many amongst political leaders in the European Union believe that weakening trade union is a recipe for success. When they speak of "structural reforms", it often means that the power of unions to negotiate wages and working conditions should be weakened.

Yesterday I was part of a meeting called "the macroeconomic dialogue"; high level meeting indeed. It was quite interesting to hear differences existing between the vice president of the Commission, Mr Olli Rehn, who was carrying a fairly optimistic message about the end of the crisis and Mr Draghi, President of the European Central Bank, who was not at all convinced that we had turned the corner, that growth and jobs were in sight. It is not often, but on this we shared Mr Draghi's analysis; we might have turned the corner as far as saving the single currency, but we have not turned the corner which would lead us to sustainable growth and quality jobs;

After five years of economic and social crisis, austerity policies have failed to bring recovery to Europe, which has seen its economies stagnate, its young people forced into unemployment and emigration and a divide opening-up between various member states.

This is why, recently, on 7th November, the ETUC agreed on a proposal for a recovery plan, for investment for sustainable growth and quality jobs. We call for a new path for Europe. We are calling for investment up to 2 percent of EU GDP, to mobilise existing capital for investing in infrastructures and the greening of our economies, to invest in social housing, to invest in education, to invest in the care sector.

The ETUC recovery plan aims at creating greater solidarity in Europe, and is based on the principles of democracy, stability and cohesion.

Such a plan requires an innovative use of institutions. It requires a well-understood economic solidarity between European countries. And to achieve this, we need a long-term vision of what the EU should be. Unfortunately, that vision is desperately lacking.

Our plan encompasses proposals on the table like the DGB proposal but also the Nordic or the Italian proposal but such a plan can only work if Europe gives up its blind veneration of the 3% deficit.

Yes, public finances must be sound and debt levels must be lowered. But blindly slashing expenditure and wages as was notably imposed on the Greeks and the Spanish, the Portuguese and the Irish is counterproductive. The best way is to re-launch growth by this investment plan and to tackle the deficit and debt over a much longer period of time.

I am proud to say that we were able to sign a call for investment, together with employer's organisations at European level; like us they believe that without investment there will be stagnation for a long period of time. We addressed this call to last social summit, thus contributing to a change in the current political attitude.

To finance these investment, we, in the European Union, need to take the necessary measures to stop tax fraud, tax evasion, we need and want tax justice. The European Parliament has commissioned a study which came out with the conclusion that one trillion euros, that is one thousand billion euros, were escaping taxation every year. We know that billions of euros have escaped the Greek tax paying system and emigrated in Switzerland; we know how companies are clever to manipulate their profits to benefit to lower taxation. Tax evasion has direct consequences on workers and citizens: because of tax evasion, income tax is higher and governments have to restrict their expenditure instead of going for sustainable investments.

To have a fairer Europe we also need to fight the downward spiral which is now developing;

We need to stop competition on corporate taxation as well. We need to harmonise corporate taxation in the EU to avoid this unfair competition, ending at the disadvantage of working people.

We also have competition on wages and working conditions.

When the Commission recommends to the Spanish trade unions to lower their wages to be more competitive, Then the French will have to follow to compete, and the Spanish will have to go another step down, and so on. This rolling downward wave will reach Sweden as well...And what will be the lowest common denominator on wages and working conditions?

But competition on wages and working conditions also exists within a country, since in a number of countries posted workers are receiving lower wages than their co-workers; In Sweden the Laval case has clearly shown how a European legislation, created to prevent exploitation of posted workers could be misinterpreted and misused.

We, in the ETUC make a difference between competition and competitiveness.

We believe that competitiveness is not the result of low wages and poor working conditions.

Competitiveness is related to skills, to job or financial security, to lifelong learning.

Friends, the ETUC has always be supportive of a social Europe, not simply a free open market.

During the last forty years, despite all the crisis - and there were many - we have scored points: we have norms of health and safety, on equality - particularly between men and women- we have progressed on information, consultation and in some cases, on workers' participation. We have won the principle of equal treatment for temporary workers, the right to parental leave in all EU countries. We have managed to get an employment chapter in the treaty and recognition of social partnership at EU level.

We also achieved to impose the view that the EU could not be built on increasing inequalities and increasing poverty; the recent communication from the Commission on the social dimension of the EMU recognises that social indicators of that kind must also serve as a reference in the economic governance process; we are of course demanding more than that; we are demanding that economic policies be designed not only to decrease debt and public deficit, but also to deal with inequalities and poverty;

I am giving you some positive examples because we need to put on record what could be achieved, because this will give us courage to continue in the right direction.

The ETUC is not calling for the Euro's disappearance and the rebuilding of national borders. Consequences for workers would be dramatic.

In a globalised world, we need to closely cooperate and better integrate our economies and social systems. If we do not do it, workers, citizens and future generations would definitely be on the losing side.

We say "yes" to what still is the objective of the European Union: social progress and full employment. Let us not forget that that objective appears under Article 3 of the current Treaty.

In a few month time now European elections will take place. ETUC with its members need to mobilise to get the right composition of the European Parliament; we don't want to leave the European Parliament seats to members belonging to populist parties with their narrow view and anti-democratic attitudes; returning to national borders is not the solution; we need to be in the debate, to bring our values, and our proposal for a sustainable common future;

We should all use our manifesto and encourage workers to vote for candidates friendly to our views.

To achieve that other Europe, the ETUC uses, and will continue to use, all means at its disposal: demonstrations, lobbying, campaigns, social networks and negotiations, naturally including alliances and cooperation with all progressive forces in Society.

And friends, we will continue, to bring workers and citizens' voices in all places - particularly places where decisions are made.

This is what ETUC did since its creation. This is what you are also doing in SACO.

I thank SACO for its support, and wish full success to your congress.

We are, you are fully alive for the future;

Thank you for your support.