



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

A Social Compact for Europe

ETUC resolution adopted by the Executive Committee at its meeting on 5-6 June 2012

Gathered within the European Trade Union Confederation, we, trade union leaders of Europe, want to launch an appeal and propose a Social Compact for Europe.

We see increasing inequalities, rising poverty and exclusion, soaring unemployment, work insecurity that affects particularly young people, and growing disillusion about the European project.

We see a worrying increase in nationalism, racism and xenophobia. This trend, exacerbated by low wage competition, could lead to a rejection of the European project that the ETUC has always supported.

We see that the post-war economic and social settlement, which led to the creation of the European Union and the European social model, is threatened. This unique social model has brought considerable gains for citizens and workers and has allowed us to rebuild from crisis to prosperity.

We affirm that fundamental social rights must have priority over economic freedoms. That is the spirit of the Charter of Fundamental Rights integrated in the Treaty of Lisbon. That should be emphasised in a Social Progress Protocol to be appended to the Treaties.

We believe that monetary union must serve the European integration process, based on the principles of peace, democracy and solidarity, as well as economic, social and territorial cohesion. This is the way to secure a future for citizens in a globalised world.

We recall that the EU's stated purpose is economic and social progress. Achieving the EU's 2020 objectives requires socially stable societies, sustainable economic growth and financial institutions serving the real economy.

We believe that it is through social dialogue that we will be able to seek fair and efficient solutions in response to the grave crisis that the Union faces. But, regrettably, we see democracy at work and social dialogue often being disregarded, attacked and undermined.

We call on the EU to focus on policies improving living and working conditions, quality employment, fair wages, equal treatment, effective social dialogue, trade union and other human rights, quality public services, social protection - including fair and sustainable health and pension provisions - as well as an industrial policy favouring a just transition towards a sustainable development model. Such policies would contribute to building citizens' trust in their common future.

We reject all policies leading to downwards competition be it on labour rights, wages, working

time, social security, taxes or the environment.

We support coordinated economic policies as well as the objective of sound public accounts but we deplore the economic governance measures put in place that undermine social achievements of the past decades, stifle sustainable development, economic recovery and employment and destroy public services. This is why we oppose the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG).

We are also concerned at the method used to produce the TSCG Treaty that excluded meaningful involvement of the European Parliament and citizens.

We insist that the EU and its member states should observe scrupulously European and international instruments such as ILO conventions, the jurisprudence of the European Court of Human Rights and the revised European Social Charter, to which the European Union should accede as well as to its Protocol providing for a system of collective complaints (1995).

For all these reasons, we demand a Social Compact for Europe, the contents of which we offer to discuss and agree upon at EU tripartite level.

The European Trade Union Confederation considers that the following elements should be included in this Social Compact:

Collective bargaining and Social dialogue:

Free collective bargaining and social dialogue are an integral part of the European Social Model. Both must be guaranteed at the EU and national level. Each member state should put in place the relevant supporting measures;

The autonomy of the social partners at national and European level as well as their role and position must be respected; there must be no unilateral intervention by the public authorities in collective bargaining or existing collective agreements; and coverage of workers by collective agreements should be maximised;

Effective involvement of social partners, as from the diagnostic phase, in European economic governance and national reform plans is essential. Efforts to adapt to changing circumstances should be commensurate with peoples' means and not be borne by workers and their families alone.

Economic governance for sustainable growth and employment:

Urgent measures to bring the sovereign debt crisis to an end and give the ECB the role of lender of last resort, thus enabling it to issue Eurobonds. Growth programmes adapted to each country should be discussed, agreed and monitored with social partners;

European industrial and investment policies aimed at meeting the economic and environmental challenges; priority should be given to investments in sustainable infrastructure, research and development, climate technology and renewable resources. They should not be included in the calculation of public deficits;

Rules to secure a regulated, solid and transparent financial sector at the service of the real economy;

Extra resources, raised from improved use of the European structural funds, the European Investment Bank, project bonds, and an adequately engineered financial transaction tax, should be allocated to social and environmental purposes;

Stop EU pressure to liberalise public services which are a national responsibility;

Decent wages for all, contributing to growth and internal demand;

A youth guarantee for all young people in Europe, ensuring the provision of a decent job, or of adequate training opportunities, within four months of unemployment or leaving school;

Measures to improve the quality of jobs and combat precarious jobs; fight abuses in the practice of part time, temporary and fixed term contracts;

Active labour market policies including initiatives to support people with little or no links to the labour market.

Economic and social justice:

Redistributive and graduated taxation on income and wealth, and the end of tax havens, tax evasion, tax fraud, corruption and undeclared work;

Determined action against speculation;

Effective measures to secure equal pay and equal rights for work of equal value for all; collective agreements and equal wages should apply to all whatever the form of their contract, specifically when they work at the same work place;

Implementation of policies to end the pay gap between women and men;

Wage-setting to remain a national matter and to be dealt with according to national practices and industrial relation systems. Negotiations between social partners at the relevant level are the best tool to secure good wages and working conditions; the statutory minimum wage, in those countries where trade unions consider it necessary, should be increased substantially. In any event, all wage floors should respect Council of Europe standards on fair wages.

Harmonisation of the corporate tax base and minimum rates of taxation for companies, possibly with the introduction of a minimum rate of 25%, the current average level of imposition in Europe.

We call on European employers' organisations, EU institutions, national governments and supportive organisations to engage in a discussion on this ETUC proposal for a Social Compact for Europe.