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Onderwerp: Employment and Social Affairs Council : beware of the temptation to reduce public spending



EMPLOYMENT AND SOCIAL AFFAIRS COUNCIL: BEWARE OF THE TEMPTATION TO REDUCE PUBLIC SPENDING

26 January 2010

European Trade Union Confederation [ETUC]
 Confédération européenne des syndicats [CES]

The European Trade Union Confederation (ETUC) will take part in the social Troika due to meet the day before the informal Council of the European Ministers in charge of Employment and Social Security from 27 to 29 January in Barcelona. The trade union delegation will ask that employment, and especially youth employment, as well as policies for investment in training and research, be placed at the heart of the European agenda to ensure full and quality employment.

The financial and economic crisis occurred in an already weakened job market characterized by flexible employment contracts, unemployment, lack of security and big inequalities. This economic crisis has already destroyed five million jobs in 2009, unemployment continues to rise and we are faced with a deep social crisis. And yet, we note a return to risky financial practices and to a political line recommending a reduction of public spending and promoting "Business as usual".

Joël Decailion, Deputy General Secretary of the ETUC, leading the delegation in the framework of the social Troika, said: *"Today, it is the youth and the most vulnerable workers who are suffering from the economic crisis. Our message is clear: beware of the temptation to reduce public spending. The priority is first to extend the mechanisms limiting redundancies and ensuring workers' protection. Economies still need to be supported if we are to avoid the private sector collapsing. Europe needs to develop its own strategy for green growth".*

The ETUC delegation will carry the following demands:

- Guarantees that all **young people** benefit from a quality job and training to avoid a wasted generation.
- **Invest in social protection and public spending** which are essential in preventing the recession from developing into a depression. If we were at war, no one would worry about the state of public spending or the level of the debt. This is the way of the budgetary policy of the United States. We are of the opinion that governments must continue to support the economy and maintain social protection. The money allocated to social spending is not a cost but rather collective spending for essential needs: health, pensions and education. It also helps the development of businesses.
- **The matter of salaries and purchasing power** is also crucial. The ETUC asks that the temptation be resisted to push for a salary freeze.
- The ETUC asks for investments in strong industrial policies and in policies for research and innovation. **The work on training and research must be resumed to ensure full and quality employment.** This should be one of the priorities of the EU 2020 strategy. Europe can no longer mainly count on growth happening outside of its borders. **Europe must on the other hand develop its own growth strategy based on green growth.** Climate change leads to new choices that must dictate the outline of industrial policies. To that effect, we need long-term policies with a vision for the future and put an end to financial short-termism.
- **Europe needs more budgetary and fiscal solidarity** through an efficient regulation of the

financial markets to prevent such a disaster happening again, since, it must be remembered, the economic crisis did not come from nowhere. The ETUC requests that a tax on financial transactions be levied to support green growth.

The ETUC will follow up on its demands for guarantees on the occasion of the informal European Council of 11 February and of the Spring Summit of 24 and 25 March.

The ETUC exists to speak with a single voice, on behalf of the common interests of workers, at European level. Founded in 1973, it now represents 82 trade union organisations in 36 European countries, plus 12 industry-based federations.

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