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Onderwerp: ETUC wants a fair, "Cooperative" Europe, not a "Race to the bottom" Competitiveness Pact

ETUC WANTS A FAIR, 'COOPERATIVE' EUROPE, NOT A 'RACE TO THE BOTTOM' COMPETITIVENESS PACT

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

The Heads of State and Government of the Euro Area are heading in the wrong direction when discussing a 'Wage Competitiveness Pact' at their informal summit this weekend. In a resolution, approved unanimously by its March Executive Committee, the European Trade Union Confederation (ETUC) is urging that there is a fundamental change of course and instead develop a Pact for Fairness and More Equality.

The 'Competitiveness Pact' is basically about exporting the model of little scope for wage increases which the Euro Area's core has been following over the last decade, this time to the entire Euro Area. The Pact, with its strict unit labour cost comparison, will force member states to enter into a competitive downward spiral of undercutting each others' wages and working conditions. This risks pushing the economy further towards deflation and depression. Meanwhile, profits, bonuses and dividends are soaring including among many of those whose actions were at the origin of the crisis.

The ETUC stands firmly against this approach to European competitiveness instead, Europe needs a Pact for Fairness and more Equality, including:

Mobilising new sources of finance by introducing a financial transaction tax as called for by the European Parliament, tackling tax havens and tax competition in the internal market.

Eurobonds to signal to financial markets that Europe is determined to see crises through together.

A major investment programme amounting to 1% of European GDP to tackle unemployment, especially youth unemployment, to upgrade industrial structures and infrastructure and to provide countries in distress with the possibility of reviving their economies so that they can grow out of debt.

Squeezing the low pay sector out of the economy by setting minimum wage floors under which wages cannot fall, while at the same time promoting institutions to extend the coverage of collective bargaining.

Regulating financial markets effectively.

John Monks, ETUC General Secretary said*: "The rules of the single currency have been seriously threatened not least by a decade-long strategy of stagnant wage development and more precarious work. To rebalance the Euro area, this strategy should now be reworked by introducing minimum wage floors, by respecting the principle of 'equal pay for equal work, and tackling the problems caused by collapsing financial markets by new initiatives in* **those** *markets, not labour markets".*

"Attacking collective bargaining is a dead end for Europe. It is an illusion to think that the single currency can be saved by repeating the same type of policies that contributed to the Euro Area being in this mess in the first place. The 'Competitiveness Pact' that is proposed will increase inequalities and unbalance the Euro Area even more."

The European Trade Union Confederation (ETUC) speaks with a single voice, on behalf of the common interests of workers, at European level. Founded in 1973, it now represents 83 trade union organisations in 36 European countries, plus 12 industry-based federations.

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ETUC Resolution: http://www.etuc.org/a/8448

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