

**ETUC press release**

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**EUROPE NEEDS A GROWTH,  
INVESTMENT AND SOCIAL  
COMPACT**

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*Speaking to the European Parliament recently, Mario Draghi, president of the European Central Bank (ECB), suggested complementing the “Fiscal Compact” with a “Growth Compact”. With this proposal, Mario Draghi recognises a point which the European Trade Union Confederation (ETUC) has been making all along: Austerity is a dead end road and sound public finances can only be achieved through economic and jobs revival.*

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

Growth is now at the heart of European debates. Since Mario Draghi's declaration, Herman Van Rompuy, President of the European Council sent a letter to the Heads of State encouraging them to foster growth. Angela Merkel is also calling for growth without renouncing the Fiscal compact.

The ETUC strongly disagrees with the ECB's idea of basing growth on labour market reforms: Falling wages and more precarious work will not produce economic revival. Instead, they will depress activity by taking much needed demand dynamics out of the economy. Moreover, alarmed by a state of persistent recession, financial markets will continue to hike interest rates on sovereign debt and restrict funds to the banking sector, this will make things even worse.

*According to Bernadette Ségol, ETUC General Secretary: “Mr Draghi took one step forward but immediately took another one backwards. An innovative and competitive economy cannot be built on the basis of an impoverished society. Blind structural reforms have not proven their worth. We need a long term approach, based on good wages, social dialogue and the promotion of the European social model”.*

*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 85 trade union organisations in 36 European countries, plus 12 industry-based federations.*

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