

NEW TREATY: no to rigid fiscal discipline without sustainable growth (12.1.12)

ETUC Press Release, 12 January 2012. The international agreement put in place at the European Council on 9 December 2011 is currently the subject of intense discussion. The objective seems to be to impose even stricter austerity measures without offering any prospects for growth. The European Trade Union Confederation (ETUC) condemns this approach. Fiscal discipline alone, in the absence of recovery and investment measures, is dragging countries into crisis. Employment and social justice are top priority today for millions of Europeans.

The text currently being circulated does not address the challenges created by the crisis. There is a real risk that a new treaty may further strengthen the obligation of member states to adopt fiscal policies that will accentuate rigid economic rules. A fiscal compact must go hand in hand with a social contract for Europe. It must give priority to investments that promote a sustainable economy, quality jobs and social justice, while combating inequalities.

ETUC General Secretary Bernadette Ségol commented: *"We seriously doubt that the draft international treaty resulting from last December's Summit will be followed by positive effects for the economy and for workers. It is intended only to reassure markets. This agreement offers no long-term prospects for restoring employment and sustainable growth. Its sole objective is to tighten fiscal discipline and to have such discipline written into national constitutions or legislations. Europe must not become synonymous with sanctions and rigid fiscal policies. It must be identified with prosperity and must offer prospects for the future."*

The agreement is being negotiated hastily and without any real democratic consultation. This is not acceptable to the ETUC, which asks to be consulted on the negotiations under way. It is essential to comply with rules set by the European treaties.

The new treaty reinforces policies that do not work and fails to take up today's challenges. Bernadette Ségol added: *"Austerity does not work. We know this. It is clear from the effects of austerity measures on Greece that this is not the right way forward. Europe is its citizens, its workers, its young people and retired people. The approach cannot be based solely on management principles and accounts. The latest employment figures from Eurostat are damning. Jobs are the priority for Europeans, who want to be able to live in dignity and plan their future. European trade unions consider that the social sphere cannot be the poor relation of the European treaties. This approach would be a major political mistake. The ETUC therefore calls for the adoption of a social protocol to the treaties that guarantees respect for fundamental social rights and social protection. A clause protecting the wage formation must also be adopted. The proposal on the table sends a bad signal to Europeans."*

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