

## **ETUC Economic and Employment Committee**

### **2.10.12**

The ETUC's economic and employment committee met in Brussels yesterday (2.10.12) to discuss several key themes related to austerity, economic governance and responses to the crisis.

The main highlights are listed below along with the relevant documents and presentations.

#### **The net tightens on wages and collective bargaining**

Ronald Janssen of the ETUC outlined how wages were being targeted in two elements of the European Semester. In the country specific recommendations, 17 out of 27 EU Member States face some kind of recommendation to amend wage indexation systems, review minimum wages, ensure closer link between wages and productivity and allow for more wage differentiation.

Meanwhile the procedures to monitor macroeconomic imbalances also included 11 country reports with recommendations on wages.

Despite statements about respecting the autonomy of the national social partners, it is clear that the European institutions are determined to impose greater wage moderation and flexibility.

Below are two presentations and a discussion note from Ronald Janssen.

#### **Labour law under fire**

Stefan Clauwaert, senior researcher at the ETUI, explained how governments in many countries were overhauling labour codes, weakening employment rights and making fundamental changes to industrial changes.



Some of the changes were clearly linked to economic governance and pressure from the European institutions and Stefan clearly indicated that these infringements of fundamental social rights were opening up a new battlefield for trade unions.

Below is the presentation by Stefan along with a country-by-country list of labour law reforms linked to the country-specific recommendations.

## **Feedback on the European Semester**

Representatives of national confederations were asked to comment on the economic governance process at national level and in particular the extent that trade unions were involved in the debate over the national reform programmes and resulting country-specific recommendations.

The overall message was one of little or no consultation, with governments mainly informing trade unions and with no real evidence that confederations' views were taken on board. It was proposed that the ETUC call for a change in the procedure and that, as a minimum, social partner comments and proposals should be included as annexes to the national reform programmes.

Below is a European Commission table setting out the country-specific recommendations for 2011 and 2012 and progress on implementing the 2011 recommendations.

## **Consultation on the Annual Growth Survey**

The ETUC has criticised the European Semester for failing to provide adequate roles for the European Parliament, national parliaments and the social partners at both national and European level. One change this year is the decision by the European Commission to consult with social partners over the forthcoming Annual Growth Survey, although not a full-scale consultation involving representatives of all EU Member States as requested by the ETUC.

In advance of that meeting the ETUC Economic and Employment Committee discussed a note from DG Employment (see below) and made a number of suggestions in relation to the 2013 Annual Growth Survey (AGS):

- the AGS had to acknowledge the continuing crisis and therefore there had to be a new approach and not the continuity called for in the note from DG Employment;



- social dialogue was being attacked and undermined and not used to help tackle the crisis but DG Employment's note made absolutely no reference to social dialogue;
- there had to be an initiative to mobilise the resources of surplus countries; and
- different kinds of scoreboards had to be developed, such as benchmarks on creating decent jobs.

Below is the discussion note from DG Employment.

- [DOCUMENT AGS-JER priorities final](#)

## **A critique of the EU2020 strategy**

ETUC advisor Wolfgang Kowalsky introduced a note analysing the EU2020 strategy and arguing the ETUC should take a more critical stance. While the individual goals of EU2020 were positive it was evident that there was no real strategy to achieve them. Moreover, in the context of the crisis, the austerity-focused strategy of the European Union meant that the goals were even less likely to be achieved. The note was due to be discussed initially at the next ETUC Executive Committee and finalised at the following meeting.

## **Responding to the jobs crisis in the eurozone**

Vincenzo Spiezia, senior economist at the International Labour Organisation (ILO), presented the main points of the ILO's report, *Eurozone jobs crisis: trends and policy responses* (see below).

The ILO warns of rising unemployment and a long-term jobs crisis if there is no concerted action to boost the eurozone economy. The ILO also challenges the prevailing approach of the European institutions by arguing strongly for a central role for social dialogue.

- [ILO Eurozone Jobs Crisis](#)

## **Wage monitoring group**

A proposal in DG Employment's Employment Package published in April this year, was to establish some kind of group to analyse wage trends across Europe. There was some concern from the trade union side that the hidden intention was to



achieve more control over wages and the argument from the ETUC was that wage monitoring should be in the context of the existing arrangements in the Macroeconomic Dialogue.

The employers (businessseurope) have rejected a tripartite body and the latest information is that DG Employment will produce a report towards the end of this year or beginning of 2013 that will propose a body to analyse long-term wage trends. This would be outside of the European Semester process.

## **Employment package**

A brief discussion on the DG Employment conference on 6-7 September concluded that there was little new to emerge along with criticism of the failure to include a trade union speaker in the debate on wages. As yet there was no indication of what the next steps might be in relation to the various elements of the employment package.

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