Trade unions at EU Tripartite Social Summit: invest, invest, invest

The ETUC delegation made clear that the economic situation in the European Union is not improving and that the EU needs public investment to restore sustainable growth and create quality jobs at the Tripartite Social Summit 23 October. The summit preceeds the autumn European Council in which the economy and the Annual Growth Survey are discussed. Unemployment remains high especially for young people, some countries see years of decline, while poverty and inequality grow. Public investment is lower than in the US.

ETUC underlined that the EU is on the brink of a triple dip recession, the Eurozone on the verge of deflation and that there is a real risk of a new unemployment peak.

"The European Trade Union Confederation fears that if the deflationary trend is not reversed urgently, it will have devastating consequences for the Eurozone economy, and for the highly indebted member states in particular, as their high debt burden will increase further."

The way out of the crisis is to restore demand, by restoring investment and decent pay increases. The so-called Juncker plan for investment of 300 billion EUR needs to be credible and composed of new funding, not money already made available packaged under a new name.

The ETUC delegation also stressed that structural reform of the labour market that would weaken employment and income protection, for example through increasing flexibility or pushing wages agrees to company level, would only increase economic insecurity, making households save money rather than having the confidence to spend. It would push the European economy deeper into recession and deflation.

EPSU General Secretary asked the Commission and three Presidencies (Italian, Latvian and Luxembourg) to work together to end austerity which undermines the long term prospects of the European economy. Europe's workers deserve a pay increase which will also support the demand side in the economy.

He further underlined the need to restore confidence in and support for the European social dialogue which has been seriously undermined by the attack of Barroso on the health and safety of workers and the blocking of social partner agreements. Similarly the EU should listen to voice of trade unions and social movements regarding such issues as trade to ensure that the EU is not a corporate project.

He echoed the demands of the ETUC for public investment, stressing that the recent inclusion of investment in social infrastructure by the Economic and Monetary Affairs Council should be built upon. Like investments in public infrastructure such investments in child and elderly care, health and education have large benefits for the economy and society also making it possible for women and men to take on jobs.

Other issues addressed at the Tripartite summit were the Climate Change policies of the Commission and Trade. ETUC asked for ambitious and binding targets while corporate Europe and the SME's seek a weak package of measures allowing more pollution to take place.

As regards trade ETUC raised its concerns regarding CETA and TTIP underlining that the trade unions can not support CETA that includes investor state dispute settlement procedures, does not exclude public services and has a weak labour chapter that does not improve rights of workers. BusinessEurope speaking for corporate Europe was adamant in defending CETA and the TTIP negotiations.

The press release of the Commission following the meeting underlined that all aprties do agree on the need for more public investment. It was the last meeting with Commission President Barroso, Council President Van Rompuy and Commissioner for Social Affairs Laszlo Andor. The air was full of expectation for the team of Juncker to come in. The ETUC Delegation included colleagues from ETUC secretariat, LBAS from Latvia, OGB-L and LCGB from Luxembourg, CISL, UIL, CGIL from Italy and EPSU General Secretary. It took place 23 October 2014, Brussels.

Some economic facts

- In the second quarter of 2014, GDP growth slowed to 1.3%, down from 1.5% in the first quarter, and below the figure for the second quarter of 2013.
- 10.1% of the EU workforce remains jobless, and in 2013 nearly one in five workers (19.5%) in the EU had a part-time job: 3 million more than in 2008, showing that the

overall demand for labour shrank more than employment figures show
- Average headline inflation in September in the Eurozone is estimated at 0.3%, with Greece, Spain and Portugal already experiencing negative inflation
- Investment has fallen more from pre-2008 levels than any other component of GDP, with dramatic declines in countries hit hardest by reductions in credit and public spending. Investment fell across the EU 2008-2013 by 21%, in Germany by 4%, Ireland 52%, Greece 56%, and Latvia 30%.

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