

EPSU rejects European threats on wage cuts and interference in Collective Bargaining

(Brussels 24 February) The first meeting of the European Federation of Public Services Unions (EPSU) Economic Policy Group has a clear message for the president of the European Central Bank (ECB), Claude Trichet. He commented last weekend that 'increasing wages would be the ultimate error to be committed' [see the reference below]. He singled out the German public sector wages which have stayed behind the European average with 15-20% points as the model to follow.

Jan Willem Goudriaan, EPSU Deputy General Secretary *"Instead of calling for wage freezes, the ECB President is to address those who are at the root cause of the crisis - bankers and speculators - and propose ways to let them pay for the damage they have caused".* He added: *"Freezing or cutting wages of public sector workers to get Europe out of the crisis will not work. We need decent pay increases certainly in Germany, as well as more investment in good quality public services to create an environment for economic recovery. A financial transaction tax would be a start to create the revenue and at the same time address speculation".*

The ECB President is not an elected official. It is such statements as made over the weekend that underline the problematic nature of the position of the ECB as a non-democratic body in charge of monetary policy. This needs to be addressed. The ECB President could have argued that Germany should take an example from the large majority of European countries which have a legal minimum wage and introduce one to protect workers from exploitation and poverty wages. Also this would boost demand and add the recovery.

ECB President Trichet's remarks are part of the current one-sided debate taking place at the European level on Economic Governance. The European Commission, the Council of Ministers of Finance and Economy and the ECB are pushing legislative proposals that risk, once adopted, setting us on a downward spiral of public spending cuts with negative consequences for workers, the quality of public services and quality of life. EPSU rejects the interference with collective bargaining made possible by the proposals of the Commission and made explicit in the Annual

Growth Survey. It is an unacceptable step that EPSU will strongly oppose. EPSU calls on the European Parliament and the European Council to remedy this.

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Source of Claude Trichet comments: <http://www.europe1.fr/Economie/Trichet-une-betise-d-augmenter-les-salaires-420929/>

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