

Public sector pay and job cuts is not the solution to the global economic crisis

Statement by EPSU Standing Committee on national and EU institutions (NEA)

(Brussels, 16 October 2009)

EPSU's trade union affiliates representing millions of state sector civil servants and employees in Europe met on 15 October 2009 in Brussels.

The Committee heard direct accounts of government plans to cut public and civil service pay, pensions, other conditions and jobs. These will make it impossible to maintain a high quality public service when people need it most.

Ongoing cuts are affecting employees who make sure we have well-functioning states working for the general interest, such as central government services for social security, employment, education, health, environment, tax collection, equality and diversity, justice, prison and probation services, defence, academics in research department, cultural services.

We express our solidarity with colleagues who are facing severe attacks and state our opposition to:

- Blaming public sector employees for a global economic crisis they did not create, neoliberal policies did;
- Attempting at restoring stability in public finances via a slash and burn exercise in public services;
- divide and rule tactics that feed media myths that public sector employees are overpaid compared to other sectors;
- using the crisis to cut trade union rights;
- Damaging the morale of hard working staff at a time when they are doing their utmost to provide good quality public services to people who need them most;
- Conditioning loans to governments from the IMF, EU or commercial banks on cuts

in public services and social contributions.

We call upon governments and EU institutions to:

- as a bare minimum, maintain staffing levels to ensure quality services can respond to social consequences of the crisis;
- hire new staff not relying on overtime and temporary workers, in tax offices which at times of recession are vital to collect the billions in uncollected tax;
- Negotiate and agree solutions with trade unions ;
- Negotiate lower loan interest rates for governments without punitive sanctions;
- Set up a social dialogue committee at EU level for central government administrations to explore jointly ways forward to improve public services based on sound working conditions.

Cuts in public sector pay is not the solution to the crisis, indeed evidence shows that low public investment and high deregulation countries are the most affected by the crisis. Whilst we need to be smarter and more strategic about how we manage public spending, it cannot be done on the back of public service workers. Tackling the crisis means tackling its roots, mainly unfair distribution of wealth between labour and capital, lax national and international regulations on banks and financial institutions, and low tax on top incomes and corporate income. What we need is a collective effort which implies as top priority payback time on corporate profits, especially from bailed out banks, and public investment in essential public services. Civil servants and state employees are part of the solution not of the problem.

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