

Pensions Provide Pillar for Europe's Social Future

The **European Federation of Public Service Unions (EPSU)** sees pensions as one of the pillars on which the social future of Europe will be built. It is a "priority" for the next four years.

EPSU's future vision is of well-managed and indexed state and occupational pensions. The poor management and "speculative investment" linked to pensions in the recent past has blighted the future of countless employees.

These views are reflected in a document: **Resolution: R.3. Pensions**, to be presented at EPSU's 7th Congress, to be held in Stockholm on 14-17 June. Seeing pensions as a "primary social issue" the EPSU document reflects awareness of demographic and other trends, but sees no evidence for radical change of public pension provision. "The current focus on financial and short-term perspectives clouds the broader picture in which pensions also fulfil social objectives," according to EPSU's Congress document.

There is anger at attempts to avoid negotiation and consultation with unions. EPSU is committed to "quality well-funded and sustainable public pension schemes" with the aim of ensuring "an important means of achieving social inclusion and social cohesion in Europe". The principle of indexing pensions to earnings is also clearly implicit.

The resolutions states that a healthy pension environment requires "coordination at European and national levels of macro-economic, employment, social protection and fiscal policies," with the Lisbon objectives used as a guide for government action. The European Commission's support for a framework agreement involving the social partners is also cited.

Portability of occupational pensions is highlighted by the document. Sorting out pension rights is seen as vital for the free movement of labour, a central component of the internal market. The tendency by employers to disengage from the pension process, invokes concern. "Mechanisms of indexation" must be an integral feature of occupational schemes so that retirement living standards are protected. And because "occupational pensions are deferred wages", it is believed that unions should be involved in creating and managing pensions.

EPSU General Secretary Ms Carola Fischbach-Pyttel commented: "There is an urgent need for clarity on pensions given the EU's expansion and the appalling legacy surrounding pension schemes and funds. This document provides such clarity." The document also reflected support, according to Ms Fischbach-Pyttel, for EPSU's sister organisation, Public Service International's (PSI) "monitoring of investment behaviour of pension funds."

Where pension schemes EPSU should be involved, if they become a reality in companies/sectors covered by EPSU, negotiation with EPSU affiliates must be implicit.

The pension rights of migrant workers and workers into the private sector, the document asserts, will feature in social dialogue. On privatisation, it is said, "EPSU affiliates will fight for workers to remain in good public service schemes, or have access to schemes offering comparable or better provisions."

Pensions will be a central aspect of EPSU's programme in the forthcoming Congress period, contributing to social cohesion. The aim of "guaranteeing sustainable and quality pensions...." will inform this work. Monitoring the new member states will be another key action point.

- ends -