



European Federation of Public Service Unions (EPSU)

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2nd Annual Growth Survey unbalanced - throws us deeper into recession

(November 23) The European Commission has published today its second Annual Growth Survey. According to the European Federation of Public Service Unions (EPSU), the Commission continues with the known litany of recommendations to Member States: fiscal austerity, completing the internal market and more flexibility of the labour market and of wages. With other words the European Commission asks people in Europe to tighten their belts, forsake good quality public services and accept precarious jobs.

“The continuation of austerity policies causes misery and an increase in poverty” says Jan Willem Goudriaan, Deputy General Secretary of EPSU, Europe’s public service trade union Federation. “They do nothing to address the greed, corruption and tax evasion of corporate Europe. It is urgent that Europe changes its economic policy away from austerity, precarious jobs and inequality towards sustainable development, fair taxation, investment in public services, more equality and less poverty.”

The European Commission approach is also dangerous. Although the Commission speaks of modernization of public administration what is actually meant is to relax the rules for the corporations at a moment when controls and monitoring of corporations are badly needed. Its proposals to strengthen budgetary control over Member States further and beyond the rules already adopted are an issue of concern and poses questions of democratic legitimacy as neither Commissioner Olli Rehn nor Commission President Barroso have an elected mandate. **“How do we get rid of these persons if they continuously propose the wrong policies ?” adds Jan Willem Goudriaan.**

European trade unions are continuing the opposition against this approach and actions are foreseen in many countries in the days to come. EPSU affiliated unions are coordinating to get our message across.

Another approach is possible if the Commission and Council were less busy protecting the interests of the wealthy and corporate Europe and focus more on creating jobs for low- and middle income workers.

Missing in the Annual Growth Survey are concrete recommendations:

- To investment in public services and industry and re-launch of the economy especially against the background of a lurking recession
- To restore workers’ and trade union rights and promote social dialogue respecting the autonomy of the social partners;
- To strengthen collective bargaining and increase the number of workers covered by protection from a collective agreement
- To deal decisively with financial institutions which are too big to fail and to split retail and commercial banking from speculative banking
- To address precarious jobs, low wages and poverty and to take measures for quality jobs



- To address the crisis of democracy that is caused by the economic governance measures and the new proposals of the Commission for more control of national budgets and hence people's choices.

The new report on tax issues is welcome and in particular the attention

- To tax the wealthy.
- To step up action against tax fraud and evasion. To close down tax havens and prosecute users of tax havens.
- To shift taxation to environmentally polluting products and processes

But the proposals miss bite. Also here there is an effort to ensure that corporations pay even less tax. The corporations have already seen their effective tax rate reduced over the last decade. That is not an acceptable path.

The Green Paper on Eurobonds is the start of a much needed discussion. But the crisis of confidence in the Eurozone is now. The European Central Bank should act as a Central Bank and decisively deal with the speculation against Member States.

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EPSU is the European Federation of Public Service Unions. It is the largest federation of the ETUC and comprises 8 million public service workers from over 275 trade unions; EPSU organizes workers in the energy, water and waste sectors, health and social services and local and national administration, in all European countries including in the EU's Eastern Neighborhood. EPSU is the recognized regional organization of Public Services International (PSI).