



Letter to EU leaders

European Spring Council 8 and 9 March 2007

With the European economy growing again at more robust rates from 2006 on, the case of those who claim that the European Social Model is a 'rigidity' that is standing in the way of growth and competitiveness has become extremely weak.

These regained growth dynamics offer a momentum that must be seized now. The European Trade Union Confederation (ETUC) urges the political leaders meeting at the upcoming European Spring Council to restore the confidence of workers in the European project by giving clear and powerful messages: That Full Employment Europe can be brought within reach. That improving the quality of jobs in Europe should be a priority. That business in Europe should take part of its responsibility in the agenda of 'more and better jobs' and share the burden of adjustment instead of using globalisation as a pretext to get a 'free lunch'. That Social Europe and social dialogue, including collective bargaining practice, need to be strengthened. That both the level as well as the recent increase in poverty in Europe are unacceptable. That the European energy model of liberalisation is not the right one.

To do so, the ETUC invites the Spring Council to focus on the following key policy messages:

- Putting 'job quality' at the top of the policy agenda in Europe. Precarious work and segmented labour markets are undermining social cohesion as well as Europe's basis for innovation and productivity. To get precarious work back under control and to promote 'good jobs', Europe needs a new and credible policy agenda on the quality of jobs. The ETUC invites the Council to give a mandate to the Troika Labour Ministers to draw up by the end of the year an in-depth overview updating¹ the situation on the quality of work in Europe and to draw policy conclusions from this study under the Portuguese presidency. Such initiative will also help rebalancing the economic pillar of the Lisbon process with the social pillar.

At the same time, the ETUC strongly rejects policy proposals that try to abuse the unemployment of groups at risk in order to undercut key working conditions for all workers. Policy experience from many member states as well as the recently updated OECD jobs strategy tell us that this policy does not create more jobs but only works to substitute regular jobs for insecure and low paid jobs. Instead of redistributing the misery of unemployment, the real and productive policy reaction to address the segmentation of labour markets is to create more and good jobs for those who are now at the outside of the labour market.

- A two-handed economic policy. With structural unemployment being reduced, economic policy should set itself the goal of pushing unemployment in Europe towards 6% and even lower by allowing the European economy to continue to expand

¹ The 2001 Laeken summit decided on ten indicators of job quality. A Commission communication from 2003, using statistical sources up to 2001, summarized the situation on these ten indicators of job quality.

at a rate of at least 2.6-2.7% a year. At the same time, the point at which falling unemployment would threaten to trigger some price pressures needs to be moved even further backwards. To do so, policy should focus on those reforms that really help to unleash the full and productive potential of the European labour market such as training for the unemployed and qualitative and affordable care facilities, in particular for those who now have major difficulties in combining work and family.

- Reform the new Lisbon process to promote real social dialogue and social partnership. The process and the quality of consultation with social partners on the national action plans need major improvement. Both the timing of drawing the national action plans as well as the centralisation of the Lisbon process in the hands of one ministry need to be reconsidered. Also, guidelines on social policy and social inclusion need to be integrated in the integrated guidelines to be reviewed in 2008.
- The European energy model needs to be reformed. The challenges of sustainable energy as well as secure energy sources imply a dual agenda of investment and controlling for energy consumption. Public initiative has an important and essential role to play here in driving industrial policy, research and development and regulation of energy prices. This is the policy agenda Europe should be setting, not the standard liberalisation agenda of unbundling energy producers.

In the first attachment, the policy packages relating to these key messages are briefly summarized. Other attachments go in deeper detail into the issues of precarious work in Europe and finally on the state of play concerning ownership of the social partners of the national Lisbon plans.

Yours sincerely



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Overview of annexes:

Annex I: Policy domains for the 2007 Spring Council to consider

Annex II: Precarious work in Europe: A report from the ETUC

Annex III: Ownership by social partners of the Lisbon agenda

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