

To: Members of the European Council
[Letter sent by e-mail]

Trade unions mobilise against austerity and for a fair deal for workers

Dear Members of the European Council,

I am contacting you to bring the message of workers and trade unions from across Europe in advance of our demonstration in Brussels tomorrow.

The demonstration is a clear call to governments for a fair deal for workers in advance of the final negotiations on the reform of the economic governance rules.

The ETUC is gravely concerned that the proposals on the reform the EU economic governance rules that you are discussing will put Europe's economic and social success at risk and hurt the most vulnerable. Our assessment is that the compromise proposal under discussion in the Council fails to correct the shortcomings of the EU economic governance rules.

At a time when private investment and real wages are falling – despite profit margins increasing, further austerity would have a devastating effect on the economy and on workers, deepening the social justice emergency. During the pandemic, Europe showed it had learned the lessons of past and ensured that the health crisis did not become a long-lasting economic crisis through investments which saved jobs and companies. Investment needs to be further scaled up to ensure quality jobs, a robust industrial policy, just green and digital transitions, which will raise living standards and address the climate crisis. We must maintain a solidaristic and forward-looking approach. It is particularly unacceptable that defence expenditure is protected while investments for the just transition, social spending and social investments are not.

We are concerned that Member States have not set out publicly the effects on national budgets that the new economic governance rules will entail.

The real consequences of the proposals must come out into the open. There must be transparency towards working people on the effects of the decisions that are being taken.

We call for the publication of budgetary effects, such as cuts or investments forgone, year by year for each member state of the proposed new rules.

The ETUC is calling for a rethink. A smarter reform is needed. The austerity measures imposed following the financial crisis had a profoundly damaging effect on Europe, with the scars still visible in our economy, our society, and our politics.

That is why thousands of workers will be demonstrating in Brussels tomorrow. Their message to all governments is clear:

- Reject the return to austerity that would enforce drastic spending cuts on public services, or that would encourage wage restraint, reduce pensions or increase pension ages, or prevent much needed investments for the green and just transition;
- Support reinforced investments for our social and environmental objectives, for higher wages and quality jobs, for stronger social protection and public services;
- Commit to working with trade unions to deliver a fair deal for workers.

We also call for a further one year extension of the general escape clause of the Stability and Growth Pact in order to give proper time to achieve a sustainable reform of economic governance that responds to the needs of people in Europe. A reform of the fiscal rules has been long awaited and we are concerned that a rush to reach a deal may mean that any reform will not properly address the shortcomings which made it necessary and put Europe's economic and social wellbeing at risk going forward. We must also avoid falling back into the application of the current rules of the Stability and Growth Pact.

Workers and trade unions in Europe are watching carefully the decisions you will be taking in the next weeks.

We call on you to ensure that the European Union does not go back to austerity but moves forward to fairer rules that ensure social progress.

Yours sincerely,

Esther Lynch,



General Secretary of the European Trade Union Confederation