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Brussels, 7 February 2022

Valdis Dombrovskis
Executive Vice President of the European Commission

Paolo Gentiloni
EU Commissioner for Economy

Nicolas Schmit
EU Commissioner for Jobs and Social Rights

Paschal Donohoe
President of the Eurogroup

Christine Lagarde
President of the European Central Bank

Bruno Le Maire
French Minister of Economy, Finance and the Recovery

Ambassadors of the Permanent Representations to the EU

Letter sent by e-mail

Dear Executive Vice President,
Dear Commissioners,
Dear Presidents,
Dear Minister,
Dear Ambassadors,

Today is the 30th anniversary of the signing the Maastricht Treaty. The ETUC joins many others in saluting the creation of the European Union with its social policy commitments alongside ambitious economic goals. It remains a milestone in the history of Europe and European integration. For all its faults, the European Union is a model of regional cooperation without parallel in the world.

But while we should celebrate the Union, we should not overlook its failings. The house that is the EU is much needed - all the more reason to keep it in good repair.

There is one repair that the EU has an opportunity to make in the coming months, and the French Presidency of the EU is encouragingly keen to get done by June: the reform of EU economic policy-making rules.

The Maastricht Treaty contained the seeds of the 1997 Stability and Growth Pact, reinforced later by a series of rigid measures - inflexible application of which after the financial crisis of 2007-8 has been a disaster. Greece has still not recovered and youth unemployment in Spain is only now in 2022 lower than it was before the financial crisis. Italy, Portugal and Ireland are among those still feeling the scars. The EU was unique in the world in experiencing a double dip crisis, a direct result of rigid economic policy rules.

If anyone is in doubt of the need for change, they just need to see what happened during the COVID pandemic. Thanks to suspending enforcement of the EU's debt and deficit rules, and to establishing unprecedented investment plans based on EU debt, the EU and member states managed to invest money on the scale required to save tens of millions of workers from unemployment, save hundreds of thousands of companies from bankruptcy and generate the substantial economic recovery we are seeing now.

Suspension of the EU's economic policy-making rules and issuing for the first time ever EU debt was also necessary to allow enough spending on health care to deal with the pandemic: health care systems weakened by the spending cuts resulting from rigid implementation of those same rules.

Of course, extraordinary times require extraordinary measures which would not be justified in ordinary times. But the coming years will be far from ordinary for at least two reasons:

Firstly, climate change poses an existential danger to our planetary home and living conditions on it. There is overwhelming consensus on what needs to be done to limit, and adapt to, climate change - and we all know it requires huge investment. This transition has to be socially fair as well as economically viable. If managed well it is an opportunity for Europe to create millions of new and quality jobs.

Secondly, we need to invest in revitalising our industries to make Europe not only greener but also more competitive, more modern (digital, including artificial intelligence) and less dependent on vulnerable global supply chains (less dependent on geo-political rivals Russia and China). It is for that reason there has been so much debate about European ‘strategic autonomy’ and ‘sovereignty’. Achieving it will need substantial private and public investment. The Maastricht Treaty means that such an initiative should aim for full employment and fairer wages.

In addition, the pandemic is not actually over yet. People are still dying, and new variants may still require new lockdowns. COVID shows we need to be better prepared for future pandemics, and indeed be able to cope better with other predictable risks so that they do not become major crises.

There are also important social needs which cannot be ignored. An ageing population will need more health and social care. The need to get more working age adults into work to help fund future care will require more childcare. The EU has committed to a ‘Pillar of Social Rights’ which needs to be implemented. The growing gap between rich and poor, including increasing numbers of working poor is a serious threat to social and political stability.

A more balanced approach to EU economic policy-making is also needed. All countries should work together through the EU to contribute to our mutual economic well-being and the reduction of inequalities: countries in surplus as well as those who have a deficit problem; not just countries being forced to make painful and damaging cuts. After all, the single market makes all the economies of all member states highly inter-dependent, with many of the better off countries creating wealth through their access to markets in less well-off countries.

For all these reasons it is crystal-clear we need new better economic policy-making rules. New rules that put people and planet first, that are genuinely sustainable, flexible, and support strategic and necessary investment.

On the anniversary of the Maastricht Treaty let’s not just look back, but also forward. Without far-reaching reform of EU economic policy-making rules: we will neither be able to make the investment Europe and its people, and our planetary home, desperately need, nor achieve a union that is socially fair as well as economically successful.

We fully share the concept that we need an economy that works for people. We do not need economic rules that prevent Europe’s people from doing what is needed now and for future generations. That’s why we count on you and your ambition to deliver a historical reform of European economic governance, which equips our social market economic to successfully face the challenges of the future.

Yours sincerely,

Luca Visentini

General Secretary of the ETUC

Liina Carr

Confederal Secretary of the ETUC