



TOGETHER FOR A FAIR DEAL FOR WORKERS

ETUC Open Letter

Competitiveness for Europe must be based on quality jobs in every region and in every sector

In light of increasing geopolitical and economic tensions, the informal retreat of heads of state and governments on 12 February constitutes an essential moment for the EU institutions to respond with clarity, unity and resolve and deliver a vision and plan for economic and social progress.

The European trade union movement calls on the European Council to ensure that quality jobs and collective bargaining, and quality public services and infrastructures are recognised as key pillars for European competitiveness plans. We call upon you to commit to deliver measures and investments of the scale needed to defend and develop economic production and innovation in Europe, to ensure energy security, to support public services, to guarantee just transitions, and to safeguard and create quality jobs in every sector and in every region.

We expect European leaders to boost the European economy with a massive investment plan (especially in light of the end of the NGEU) and to stop the deregulation agenda that is undermining labour rights, social and environmental standards. Competitiveness must not be an end in itself. Plans to reinforce European competitiveness must point in the direction of defending and creating quality jobs in every sector and in every region, ensuring higher wages and improving living standards, reinforcing social dialogue and collective bargaining, and democracy at work, guaranteeing adequate pensions that provide a decent standard of living. They should guarantee strong social and territorial cohesion, fair competition based on quality and innovation and equal treatment and deliver high-quality public services, while ensuring ecological resilience.

The competitiveness of the European economy must be based on a strong common set of rules to ensure fairness, innovation and quality. Protective rules ensure a level-playing field and resilient, high-quality and future-proof economic activities and should not be considered as a drag on competitiveness. We need a regulatory environment that protects workers and the environment.

The EU must not contribute to the ongoing dismantling of international norms and standards, including labour rights' and workers' protection, adequate social protection and pensions. Europe will not improve its competitiveness in a race to the bottom on lowering standards.

It is unacceptable to dismantle regulatory safeguards for workers and society while claiming to be only simplifying administrative burdens. Protecting workers and respecting their fundamental rights is not a regulatory burden. It's what makes Europe a well-functioning social-market economy based on social dialogue. That's the basis for our democracy.

Also, the EU scores much better on regulatory performance than the United States, according to OECD analysis. Our legislative framework is an enhancing factor for productivity and competitiveness. No deregulation proposals will strengthen competitiveness. The Omnibus deregulation packages will not deliver investments or growth, but they will negatively affect the level of protection of workers.

We call on the Council to stop pushing for more so-called "simplification", and to instead support the European Commission in delivering an ambitious Quality Jobs Act and pursuing the Quality Jobs Roadmap.



Public money, public procurement reform, industrial and energy policies and trade must work together to reduce vulnerabilities and deliver strategic autonomy and promote sustainable business models, to raise standards and not to fuel downward competition.

There is now the urgent need for a robust European industrial policy covering all sectors underpinned by significant investment of the scale necessary to meet the challenges. Productive investments have been lagging behind for the last decade and a half, especially on the private side. Meanwhile, profits have remained stable, whilst the labour income share has been decreasing.

A key component for an effective industrial policy must be a “Made in Europe” approach that defends and creates quality jobs in Europe.

The Made in Europe is more than geography, it's about our values. It must be about anchoring competitiveness in high standards in Europe, and defending those standards globally. It must be a guarantee of quality jobs, fair wages, strong workers' rights, collective bargaining and sustainable value creation in all sectors. Any investments, support schemes or subsidies must come with clear social conditionalities. Minimum local content requirements, employment and resilience criteria in EU-funded projects must be established. Made in Europe must also ensure against delocalisation. Made in Europe must be used throughout the EU economy: it is about services too, and all sectors of the economy. It must also be a guarantee that companies pay their fair share of taxes in Europe.

To achieve this objective, there can be no blank checks. Social conditionalities to promote quality jobs and collective bargaining are essential and must be included in all public funding, state aid and subsidies. In this framework, extraordinary dividend payments should be banned and the share of profit that is reinvested in the company and shared equitably with workers increased.

The revision of the public procurement rules must also ensure that public money supports quality jobs and collective bargaining, as well as the exclusion of companies involved in social fraud and social dumping or tax evasion and avoidance. Collective bargaining is a competitive advantage for Europe and an essential element for social Europe.

Also, promoting direct employment and tackling every form of abuse and exploitation in our labour markets is essential, including by limiting subcontracting and regulating labour intermediation.

Investment in upskilling and reskilling and lifelong learning, and the individual right to training are essential and must support workers in all sectors and all regions. Ongoing transitions must be just, negotiated with trade unions, and designed to reduce social and territorial inequalities – not deepen them. It is also essential to ensure universal rights-based access to high-quality public services, and we advocate the role of public ownership in order to better guarantee equal access to public services for all.

Fostering gender equality and eradicating the gender pay gap and pension gap are key values of the European Union. The Pay Transparency Directive creates the necessary conditions to deliver for fairness and competitiveness in the internal market through a consistent framework for equal pay. It yields positive effects for businesses, boosts fair competition and job quality, brings social accountability and helps to attract talent and to motivate staff, when the EU economy needs it the most.

And Europe cannot deliver its objectives with the hands tied behind its back: a suspension and revision of the EU economic governance framework and permanent common investment tools based on the model of Next Generation EU and SURE are urgently needed. The EU's fiscal policy must secure reinforced public investment and



allow Member States the fiscal space to safeguard their social protection systems and public services, and to put in place new investments.

Trade is increasingly being used as a political weapon that can undermine standards and protections, including workers' rights. Recent US trade policy has openly pressured trading partners to lower standards and weaken rules, and has challenged employment protections. Europe must not respond by diluting its own protections or allowing trade to become a vehicle for downward competition on wages and working conditions. The long-term objective must be to build functioning multilateral system and balanced and fair trade relations based on high social standards and ambitious environmental requirements.

The enlargement process should ensure full adherence to the EU social acquis, respect for workers and trade union rights, strong social dialogue and collective bargaining, as well as upward wage and social convergence.

Europe has always been able to adapt to overcome the challenges and crisis it faced. Business as usual will not deliver in a changed world. Europe must not – and will not – be bullied out of its values of strong social model, peace, democracy, prosperity, equality, unity, cohesion, and openness.

Recent developments are warnings that lasting peace and security are impossible without social justice and a fair economy that values income and wealth equality and redistribution, that fosters and guarantees fair mobility and equal treatment of workers, and which provides good living standards for workers, pensioners, families and communities.

It is high time to be united, resolute and decisive and chart a new course that will deliver social and economic progress for Europe and all its Member States.

In the current geopolitical crisis, it is high time to be serious about strategic autonomy while reinforcing multilateralism and the rule-based international system.

It is high time to work towards European integration and to guarantee a more effective, social and progressive institutional framework for the European Union to deliver better living and working conditions.

It is high time to reinforce European economy with a wave of investments linked with social conditionalities.

It is high time to introduce a Made in Europe approach that protects and creates quality jobs in Europe, for all workers, in every region and in every sector.

It is high time to reject the deregulation and austerity agenda as counterproductive and recognise it will undermine our competitiveness and hurt the weakest.

Let's build a Europe that we can be proud to pass on to future generations.