

# GENERAL TRADE UNION POLICY RESOLUTION

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## **Introduction**

1. The trade union movement in Europe, as in other parts of the world is faced with the need to change its policies and its organisational forms, to meet both the challenges of a new environment, marked by globalisation of the economy and the advent of the information society, and the demands of a largely new world of work. This process is crucial to maintain the representative strength of trade unionism and its future legitimacy as the voice of organised labour. Nevertheless, our core values and purposes will never change: democracy, peace, social justice, full employment and solidarity.
2. In Europe, however, a specific challenge must be met. The European integration process has prompted multi-national business and finance, as well as important elements of government, to shift the point of decision-making away from the national level. This has inevitably reduced the capacity of trade unions to influence political decision-making and business behaviour in a whole range of areas to the extent that they continue to act only in the national framework. The only means of recovering this capacity is to create a trade union counter-weight, in order to establish the necessary influence on the employers and policy-makers at European level.

3. The introduction of the euro is a landmark in the building of Europe. But the single currency must be the basis for launching a co-ordinated strategy for sustainable economic growth and development, which respects the needs of the environment and which has the objective of ending unemployment and providing improved employment prospects as well as raising the living standards for all in Europe.

Beyond this immediate requirement, the European Trade Union Confederation remains convinced that European integration cannot be confined to the single market and the single currency. The process must be completed by a real Social Union - of which developed industrial relations form an essential part - and evolve towards a Political Union based on democratic institutions and the full recognition of civil and social rights.

The Yugoslavian tragedy, and the return to a state of war in the heart of Europe confirm the need for the European Union to adopt a common foreign and security policy appropriate to its international responsibilities, and, more particularly, to contribute to political stability, democratisation, and economic and social development in neighbouring regions such as the Balkans and the Mediterranean.

### ***I - The European Social Model***

4. Over the last fifty years Europe has become one of the most advanced societies in the world because economic and social progress have gone hand in hand and thus been mutually reinforcing.

Making this link is the core of the European social model. Although this model has taken different forms from country to country it reflects everywhere the same set of values and produces comparable policies and institutions. The actual vision of the European Member States as "welfare states", the recognition of the social rights of workers and of the trade unions role, the existence of public services and the systems of social protection are such elements which together, form the European Social Model.

The European integration process took shape against this common background. The European social model must remain at the heart of the European integration process in the future.

5. During the last two decades, the European social model has been brought into question, considered as an obstacle for competitiveness and job creation. This has created a casualisation of the labour market, a weakening of social protection and redistribution policies. Unemployment in Europe has reached historic figures; inequality has grown, poverty and social exclusion have increased.
6. Today the social political climate is changing. The neo-liberal dogmas are losing credibility. The need to re-establish the balance between economic efficiency and social justice is more and more widely recognised. A new political configuration is emerging in the EU which could be significant in this respect. This is the moment for the trade unions to voice their demands with force: An active role for governments in steering the economy; effective

redistribution policies and social protection; high quality and fully accessible public services; and comprehensive systems of collective bargaining. This amounts to the revitalisation of the European social model. The ETUC has a special responsibility in this respect.

An essential element of the revitalisation of the European social model is the consequent follow-up of the minimum upward social standards policy in the view of the harmonisation of working and living conditions. In this respect, the Treaty of Amsterdam, by the integration of the social protocol and the right of co-decision of the European Parliament in the important fields of social policy, offers a better basis of action, of which it is convenient to take advantage of in order to expand the European social dimension.

7. Deep changes are taking place in our societies. These changes reflect both demographic factors, such as the ageing of the population, and the impact of new technologies. They are felt in the economic environment, in the organisation of work and in the nature of the workforce itself, especially in view of higher participation of women in the labour market, the incorporation of handicapped persons and black and ethnic minority workers of the growing number of workers in small enterprises and with non-standard employment contracts. Taking account of the need to adapt and to modernise social regulations and provisions in the light of that these factors can only strengthen trade union demands.
8. The ETUC believes however that such a process of adaptation can be carried through only with involvement of the workers concerned and their trade unions. Reform must be negotiated at all the appropriate levels. At this stage of European integration, this process must also be put into a European perspective, which guarantees social harmonisation and upward convergence in the integrated economic area. The aim is to construct a reordered and updated European social model, which reinforces the basic link and balance between economic efficiency and external competitiveness on the one hand, and basic rights and social justice on the other.

***The 9th Congress commits the ETUC to :***

- ◆ *Promote and defend the basic values and institutions of the European social model at all levels.*
- ◆ *Strive in order to ensure that the principle of economic and social cohesion is respected and integrated in the policies of the Union.*
- ◆ *Take the lead in developing and strengthening the European Social Model to become a benchmark model for other regions in the world.*
- ◆ *Ensure the adaptation and modernisation of the European social model on the basis of balance between economic efficiency, competitiveness and the social rights of working people. In particular, the model should reflect the changes in the roles of men and women.*
- ◆ *Campaign at all levels and in a European perspective, to reinforce collective bargaining and social co-operation as the best means to achieve the social reforms which are needed.*
- ◆ *Call on the Commission, in co-operation with the European Parliament to take action for the establishment of minimum standards on the outstanding social dimension issues.*
- ◆ *Defend and promote the public services on the basis of the ETUC Charter.*

## **II. Europe and globalisation**

9. The globalisation of markets plays an ever more central role in economic and social life. Multinational companies, banks and financial institutions play a vital part in a process characterised by the free flow of capital and the pursuit of short term profits. The recent crises in Asia, Russia and parts of Latin America have shown the inherent dangers in the development models of these countries, which have taken no account of social aspects or of the need to control speculative movements of capital. At the same time, this approach of exaggerated competition is putting constraints on wages and conditions of employment. The "needs" of the global economy are constantly used as an alibi by those who wish to roll back workers' rights and downgrade social and labour standards.
10. This cannot continue. If globalisation is pursued on the present basis of greater freedom for owners of capital, with no countervailing rules, then the result will be ever greater inequalities both within and between countries, challenges to democratic government, exploitation of environmental resources taking no account of future generations, and the undermining of social and labour standards – and ultimately the forces of economic development – in a competitive race to the bottom. In this case the victims will not only be those directly exploited – such as child-labourers and the women workers whose rights to equality will continue to be denied – but all those who must work for their living.

The challenge confronting us is therefore to develop a framework of rules and policies to shape the globalisation process in the interests of the mass of the population – allowing us to take advantage of the opportunities for creating and spreading prosperity throughout the world, while limiting the adverse consequences of free markets.

11. Although they have a number of common features - the liberalisation of trade and the circulation of capital - European integration and globalisation are not the same. The EU is different in that it has political institutions capable of regulating the market. This regulation remains incomplete, but it has nevertheless made possible a more balanced integration process, which includes the social dimension than anywhere else. Thus, Europe has already begun to respond to the problems which globalisation brings to its citizens.

The European Trade union Confederation is convinced that Europe has a positive role to play in developing a response to globalisation through promoting a benchmark social model for other regional groupings for economic integration which are emerging in the world economy.

12. If Europe is to play a full role, commensurate with its economic weight, in shaping the rules for the global economy, then the EU must speak with one voice. As a priority, the EU should use its weight to press for the reform of the Bretton-Woods institutions (the International Monetary Fund and the World Bank), so that they are able to counter speculation and bring order to international capital markets.

The ETUC insists that one of the most urgent tasks is to work out new rules

for dealing with the flows of speculative capital, which vastly outweigh the capital flows associated with trade and investment. The introduction of the Tobin tax on short-term capital flows, or some similar regulation, would be a major contribution. There must also be proper oversight and regulation of the activities of multinational companies, banks, and financial institutions. A strong multilateral instrument is needed to regulate international direct investment flows, and should promote the respect of fundamental workers' rights.

A multilateral agreement can only be considered if it leads the parties concerned towards better conditions of production and the distribution of wealth, the improvement of social and environmental standards, a qualitative and quantitative improvement in employment, and improvements in technological development, environmental quality, tax receipts, economic democracy, social participation and the respect of local cultures.

13. The ETUC believes that the larger need to master the process of globalisation cannot be realised through the G 8 alone. In this process, governments have lost or even ceded economic sovereignty to market forces. To regain it, a new institutional framework capable of setting global rules and directing the process must be established. For the rules to carry legitimacy, both developed and developing countries must be involved.
14. A global free and fair trade is a precondition for increased global growth. The ETUC can support a new millennium round provided it promotes the growth of living standards and employment in Europe and throughout the world. A new world order must be built which properly reflects the needs of all countries, both rich and poor.

The EU must confirm its commitment and sense of solidarity towards the poorest countries by reducing or cancelling outstanding debt and by increasing the financial resources made available to co-operation so that they reach, as a minimum, the 0.7% of GDP suggested by the UNO. However, the specific rights and interests of workers in developing, as in developed countries, must be also be defended. Accordingly, social clauses, defined in line with the relevant ILO Conventions covering core labour rights, should be integrated into treaties and agreements governing economic global integration, in particular in the context of the WTO, thereby cementing the link between economic and social development.

The ETUC welcomes the incentives to apply social standards provided in the framework of the Community GSP, and urges the EU to take the lead in generalising this approach. The ETUC will continue to seek effective implementation of the codes of conduct for multinational companies agreed within the OECD and the ILO, as well as to promote the negotiation of agreements with multinational companies to respect social standards. In co-operation with NGOs and consumers, the trade union movement will seek to promote ethical trade through mechanisms such as " social labels".

15. Finally, the ETUC insists that in negotiating bilateral and multilateral agreements, such as the EU-Mediterranean Partnership, the EU-ACP Lomé Convention, and EU-Latin American co-operation, the EU must pursue a consistent approach in favour of balanced economic and social development,

which is sustainable from an environmental perspective and which guarantees respect for the rights established by the Universal Declaration of Human Rights and by the ILO Declaration on fundamental rights and principles of 1998. Social, democratic and environmental clauses must therefore be included in all the EU's trade and economic co-operation agreements.

The ETUC believes that the challenge of globalisation requires ever closer co-operation between trade unions at every level - national, European and global level. The current co-operation between the international and European trade union structures should be improved, both at sectoral and intersectoral level.

***The 9th Congress commits the ETUC to:***

- ◆ *Put pressure on the EU and the individual European governments to take the lead internationally in establishing a framework of rules and policies able to avoid the negative social consequences of the globalisation process, and to steer it towards effective economic development for all.*
- ◆ *Considering that women make up the majority of the cheap labour force in the new global division of labour, it is vital to act to ensure that globalisation does not continue to bring about even greater inequalities between women and men on the labour market.*
- ◆ *Support the need for the EU to speak with one voice in international economic and financial institutions to enhance its influence in promoting such a framework.*
- ◆ *Join forces with international trade union organisations to press for the reform of the Bretton-Woods organisations to include the social dimension of development, increasing its co-operation with the ILO, promoting measures to control speculative financial flows including taxes and regulating international investments and the activities of multinational companies and banks by binding multilateral agreements.*
- ◆ *Continue its co-operation with international trade union organisations through a campaign in the ILO, the WTO and all other international organisations to obtain the inclusion in all treaties regulating international trade of environmental and social norms (including children's, young people's, and women's rights) based on the fundamental agreements of the ILO. Develop trade union action in collaboration with NGOs and consumers associations to negotiate a code of conduct with multinational companies for the respect of social norms and trade union rights and for the introduction of "labels" which cover social, environmental and public health problems.*
- ◆ *Maintain pressure on the EU for the application of all the social provisions contained in the GSP regulations regarding forced labour, child labour, discrimination and respect for trade union freedoms.*
- ◆ *Work towards the inclusion of a strong social dimension in all EU policies for trade and for development aid and co-operation with other parts of the world. This is particularly important for the Euro-Mediterranean partnership, co-operation between the EU and Latin America, and the renewal of the EU-ACP Treaty.*
- ◆ *Call for all transactions between the EU and third countries to include a conditional clause for immediate application with respect to the Human Rights, democratic freedoms and the fundamental standards of the ILO.*

### **III. Monetary Union, "economic government", social cohesion**

16. The EU needs Economic Union, not just Monetary Union. Monetary policy management has passed to the ECB, and the need to put in place a system of economic government, with procedures to steer the European economy, is more and more evident. This economic government must work in parallel to the ECB, and must include the capacity to manage budgetary and tax policies, and to foster economic cohesion.

Over 90% of EU production is consumed or invested within the internal market, underlining the extent to which Europe's economic fate is determined by the management of Europe's "domestic economy". The positive spill-over effects from the economic policies of one Member State to its neighbours represent the real "value-added" of a European policy and policy-makers must exploit the full potential of Europe as an economic entity by promoting growth, competitiveness and employment.

17. The agreement to move to a single currency produced its first pay-off, even before the introduction of the euro. It is true that the relative calm on European exchange markets during the gathering financial and economic crisis in Asia and Russia has been in marked contrast to the instability affecting various European currencies in previous moments of international monetary turbulence. But avoiding dangers, however necessary, is not sufficient. The long, and often painful, path to the single currency was not followed only to achieve stability. Stability is welcome, and must now be used as the basis of a strategy for growth and employment. Monetary union is in this context not an end in itself, but the base on which monetary policy must be co-ordinated with tax and expenditure measures and sustainable growth in real wages in order to ensure sustainable economic expansion and increases in employment.
18. The ETUC believes it is essential to ensure a coherent strategy for higher growth and more employment. To this end, the EU will increasingly have to ensure the co-ordination of budgetary policy across the European economy, including EFTA. Budgetary policy is a key component of demand management, and also has a direct impact on supply conditions. The stability and growth pact must not be interpreted only as a tool to restrict spending, especially with respect to public investment. Investment in new capacity and in the skills of the workforce will be the key to achieving a sustained period of growth. The EU must contribute by developing and co-ordinating the operations of the European Investment Fund and the European Investment Bank, and by mobilising long-overdue financial support for investment in the Trans-European Networks (TENs) as originally foreseen in the White Paper on "Growth, competitiveness and employment". The ETUC calls for additional resources to be found, including through the issue of stock in a European loan which can direct savings towards investment which creates jobs. Furthermore, investment in innovation, research and human resources should not be included in the accounts submitted under the Stability Pact. In addition, in order to provide assistance to a Member State in the event of a local crisis (asymmetric shock) the EU should create a stabilisation fund to complement the national level instruments.
19. During the successive stages of European integration the EU Member States

have demonstrated their lack of political will to define common tax policies, by insisting over and over again on the unanimity principle. By doing so, governments have safeguarded formal competence over tax policies, but at the same time lost progressively real influence over more and more tax areas. The free circulation of capital, goods and services within the EU, the Europeanisation and internationalisation of companies and the globalisation of trade and financial markets leads in the meantime, in the absence of effective transnational tax co-ordination, to harmful tax competition and risks a dramatic erosion of the tax base and the tax sovereignty of the Member States.

20. So far, the stability of the level of total tax revenues has been achieved at the cost of a progressive alteration in the structure of taxation : the tax burden has been shifted to the less mobile tax base – labour – in order to recover the tax lost from the erosion of other more mobile bases. In this way the tax systems became not only employment-unfriendly but also socially unjust. Between 1980 and 1994, the effective tax burden on paid work has passed from 34.7% (1980) to 40.5% (1994) on average in Member States, while the rates on other factors of production (capital, non-employed workers, energy, natural resources) fell from 44.1% to 35.2%.
21. In the context of far-reaching economic integration in Europe, the ETUC considers the need for a tighter co-ordination and harmonisation in certain fields of taxation policies to be obvious. The loss of tax sovereignty for the Member States is indeed of particular concern under EMU conditions since, in the absence of the exchange rate mechanism, governments will need the tax instrument in order to reach their economic, budgetary, employment and social objectives in conformity with the European monetary convergence criteria and the employment guidelines. Therefore unfair tax competition must be stopped and taxation with cross-frontier effects, namely corporation tax, taxation of income from capital and eco-taxes, should be subjected to basic common rules agreed at the level of the EU by majority voting.
22. The tax systems must also be made more socially just and more employment-friendly. Therefore the shift in the burden of taxation must be reversed. The ETUC reiterates its support for a co-ordinated European policy which shifts the tax burden from labour to capital (gains), savings, energy and environmental taxes and VAT (which can be adjusted according to social and employment objectives). As a priority step, taxes on labour should be reduced. Labour intensive activities, especially those at local level, could benefit from a reduced VAT rate. To reinforce its policies, the European Union should take the lead in seeking to reach binding international agreements on taxation.
23. The absence of a European budget capable of macro-economic management and rebalancing regional disparities leaves EMU with a distorted public finance system which relies on national budgetary policy. This must be remedied by more active and co-ordinated use of national budgetary policy and by both rebalancing the existing EU budget and, in due course, by a larger EU budget, better adapted to macro-economic management. The decisions on Agenda 2000 are only a start, and are not enough to enable the

budget to reflect the priorities of Europe's citizens and the structure of a modern economy.

24. In the ETUC's view, the move to a single currency underlines the need for strong policies to promote economic and social cohesion if growing inequality is to be avoided. Cohesion is a wide concept, encompassing not only the structural policies developed by the Union but also improvements in pay and working conditions and a much more general attack on poverty, inequality and their causes. A horizontal strategy is therefore needed, leading to greater complementarity between Community policies and national policies, and within which the cohesion implications of all policies are considered. In terms of economic cohesion, however, it is structural policies which are to the fore.
25. Although the EU structural funds have been expanded in the past, and have played an important part in the development strategies of some member states, not only are the funds clearly limited in their scope up to now, but Europe is experiencing growing problems of inequality, poverty and exclusion. There remain major, and even growing, imbalances between regions. The prospect of enlargement, and the role of the structural funds in the pre-accession strategy for candidate countries only reinforces this point.
26. In the reform of the structural funds, significant improvements must be made in respect of the partnership principle, with greater involvement of the social partners in the definition, implementation, follow-up and evaluation of the structural funds operations. The experience of the Territorial Pacts for jobs and development have shown that at the local level it is possible to create conditions for growth to increase employment, on the condition that the social partners make an active contribution. The need to develop common and transparent methods and indicators for the monitoring and evaluation of the impact of structural policies both in qualitative and quantitative terms should also be stressed. These should be integrated into the programming of interventions right from the beginning and they should make it possible to assess contributions in terms of job creation and gender proofing, as well as in terms of economic and social cohesion.

**The 9<sup>th</sup> Congress commits the ETUC to :**

- ◆ *Support the establishment of a "European economic government" to enable the EU to act as a single economic entity, to act as the political counterpart of the ECB and to achieve a policy-mix which retains stability while promoting sustainable growth and employment; press for the co-ordination of budgetary policy at European level.*
- ◆ *Demand a European-wide strategy for promoting economic and industrial growth by way of public investment in infrastructure, innovation and research and to define innovative approaches to finance including some form of European loans.*
- ◆ *Campaign for co-ordination and closer harmonisation, by qualified majority vote, in the taxation of companies, capital revenue and green taxes.*
- ◆ *Call for a redistribution of fiscal charges to encourage employment and to make available new resources to meet new needs at both national and European level, transferring the fiscal charges which affect labour to capital (plus values), savings, environmental and energy taxes and adapting VAT to take account of*

*social needs and promote jobs. In practical terms, in order to reverse the changes of the last fifteen years, this shift should take place at the rate of 2% for the next 5 years, reversing one third of the changes noted above.*

- ◆ *Press the EU for a more effective and better targeted structural policy in the face of the need to promote regional cohesion and employment, and to campaign for the full involvement of the social partners in definition, implementation and evaluation of structural fund operations.*
- ◆ *Ensure that investment in new capacity and in the skills of the workforce is applicable for both women and men.*

#### **IV. Top priority for employment**

27. Unemployment remains disastrously high: the most serious problem confronting Europe. The number of registered unemployed people is equivalent to the population of a medium-sized Member State, but even this is to underestimate the problem, for there are many who wish to work, or to work more, who are not included in the registered unemployment total. The high and persistent level of unemployment is a powerful force undermining standards of employment. The casualisation of work and the scale of the black economy attest to this reality.

The establishment of a European employment strategy, as agreed by the European Council at the Luxembourg "Jobs Summit" in 1997, and the definition of the employment policy guidelines – as confirmed by the Vienna European Council in December 1998, proves that the gravity and urgency of the problem are now recognised at European level. However, this strategy is based essentially on labour market policies which, however necessary they may be, remain inadequate without the framework of macro-economic policies favourable to growth and employment.

28. According to the ETUC, the achievement of stability means that we can now put in place this framework, through the co-ordination at EU level of the budgetary and investment policies of Member States. This co-ordination, together with relaxation of monetary policy and an appropriate development of wages, would produce the policy-mix needed to relaunch growth and employment in Europe.

It is only through the mobilisation of all the parties concerned – the public authorities and the social partners – that the effort needed to get to the root of the problem of unemployment can be successful. What proved possible for EMU must also be possible for employment. This combined effort, according to the ETUC, should take the form of a European Employment Pact with the same importance as the Stability and Growth Pact.

29. The sectoral restructuring which is taking place has serious consequences for employment. Changes are taking place today as much in the Third Sector as in industry. The process cannot be left to market forces alone. The EU must develop a framework for active industrial policies, including transitional support measures for workers more directly affected by industrial restructuring.

Industrial change must be anticipated, prepared for and managed. The

foundation for this is dialogue – at all levels and with full and transparent information as its basis. In order to increase the capacity to anticipate, a European observatory should be set up to gather and disseminate information on ongoing industrial change. The model of competitiveness in the EU should be characterised by quality and by innovative products and services, not by a headlong rush to reduce costs which penalises employment and the living and working conditions of citizens.

Technological change is a major driving force behind the transformation of economic life. New markets develop as new products and services appear. The negotiation of technological change is essential if the rapid productivity growth which it unleashes resulting inter alia from more efficient forms of work organisation leads to new employment opportunities, rather than being a threat to employment.

30. Europe has a role to play in setting the framework for an active industrial policy, and must mobilise all the relevant instruments to provide horizontal support for innovation policies through increased and sustained investments in research and development, training as well as in the Trans European Networks. The European approach must be articulated with that of governments at national and regional level and of companies, including SMEs, in order to create a favourable framework to develop European industries. Sectoral approaches must also be developed at European level to ensure the competitiveness of European industries (such as aerospace) where scale economies cannot be secured within a national framework.
31. Structural change must respect the environment, and experience shows that there is a positive relationship between active environmental policies and employment creation. Such a positive relationship exists in such areas as public transport, spatial planning and environmental protection including biological agriculture, rural development, energy efficiency and conservation and urban renewal. Political initiatives by government and social partners can create substantial double dividends for both environment and employment. This should inform policies in the fields of taxation, the structural funds and local economic development.
32. To stress the importance of sustained economic growth in order to ensure job creation is not to underestimate the importance of active labour market policies. The inclusion in the Amsterdam Treaty of a Title on “Employment” represents a clear success for the ETUC, which had made this demand a central plank of its proposals to the IGC for revision of the Treaty. The decision to put this Title into effect immediately, before ratification of the Treaty, has enabled significant progress to be made in the development of the labour market component of the European employment strategy. The development of common guidelines, including specific verifiable targets, their translation into National Action Plans for Employment and the multilateral surveillance of these Plans have combined to place the issue of employment higher up the political agenda. Furthermore, the process has taken forward the debate on key elements of labour market policy : the importance of strategies to prevent the development of long-term unemployment through early intervention; the need to focus on active policies for integration in the labour market; the mobilising effects of transparent targets, timetables and indicators; and the benefits of an approach built on partnership.

33. Efforts to bring down the alarmingly high levels of unemployment must remain the number one goal of a European employment strategy, and this applies most particularly to the fight against youth and long-term unemployment. The absolute priority given to employment must first be expressed in a reduction of the unemployment rate to 7% with a programme for job creation for the next 5 years. At the same time, steps should be taken to bring the employment rate gradually to 70 per cent. This requires effective political measures to curb discrimination against black and ethnic minorities and disabled workers. The European Summit in Luxembourg gave equal opportunities for women and men in the labour market the same importance as the guidelines for employment. We must identify appropriate guidelines similar to those existing for youth unemployment and long-term unemployment in all other areas of employment and labour market policy.
34. In the ETUC's view, there are three priority areas in the field of employment and labour market policy: working time policy; the development of human resources through lifelong learning; and local economic development and employment initiatives. The trade unions continue to regard an innovative working time policy which valorises and dignifies work and seeks security for the workers as an important instrument in the fight against unemployment and for a redistribution of work.

Determined action to eliminate structural overtime working would make a significant contribution to job creation; to promoting innovative forms of work organisation; to meeting the need for training; and to improving the quality of working life and the working environment, especially with respect to health and safety. The reduction of working time must be a possibility open to all workers including professional and managerial staff and must take forms which reflect the diversity of working life.

The priority demand for many workers is the establishment of the 35 hour working week through negotiations at the appropriate level, though trade unions will continue to pursue more ambitious working time policy goals (e.g. 32-hour/4-day week), taking account of specific regional and sectoral conditions. The trade unions have shown their readiness to negotiate on positive flexibility wherever its introduction is accompanied by innovative working time models. Such approaches enhance firms' capacity for innovation, calling for new forms of work organisation, improving productivity and hence the competitiveness of the European economy. Meanwhile, there will be an increasing tendency towards the incorporation of the new approaches to working time developed over the past few years into an overall concept of lifetime working hours, providing workers the necessary flexibility to manage better their time throughout their professional career.

35. At its 8<sup>th</sup> statutory congress the ETUC already stressed that working time should be regarded in relation to total lifetime working hours which means taking account of voluntary periods of part time work, time out, early retirement or progressive early retirement. Taking all the various elements into account, and recognising the need to reconcile work and family life, lifetime working hours could be reduced to below 50,000 as an average. Such a prospect is not in the least bit unrealistic. Already today there is hardly a worker who tops up the "normal lifetime quota" of 70,000 hours. A prerequisite for the implementation of lifetime working hours models is an

overhaul and adjustment of social security systems, in close conjunction with active labour market and further training policies.

36. The transition from an industrial society to an information society puts education and training policies high on the national and European agenda. A central objective of education policy must therefore be to enhance the individuals' opportunities in society. Access to qualified education and training, at universities and colleges, must be broadened in order to respond to the demands of both young people and adults seeking further training. It is important that access policies can counteract present socio-economic imbalances in the recruitment to higher education.

More specifically, the development of human resources will also be an important means of getting to grips with the overwhelming structural changes affecting labour markets and of seeking a reduction in the unacceptable levels of unemployment currently plaguing Europe. On this basis ETUC and its member organisations have issued repeated calls for the requisite level of investment in human resources. In the first instance this depends on high quality basic education, accessibly and freely available to all. Further education and training opportunities must be extended to encompass continued enhancement of personal and general qualifications, as well as technical skills, which are adapted to specific career paths and occupations in line with the demands of the market and the needs of workers.

37. In the current context of advancing globalisation it is particularly vital that the idea of lifelong learning for all gain practical currency. Changes in the demand for skills implies that workers will be faced with the challenge of developing new skills several times during their working life. The European social model – based on high skills, high productivity and quality products and services – will carry positive conviction and strength only if the enhancement and renewal of workers' qualifications and skills is effectively turned into a lifelong process.

Ideas such as "paid educational leave" are not new; yet still only a minute proportion of workers are involved in training measures. The national employment plans first submitted in 1998 on the basis of the employment guidelines once more provide clear illustration of the deficit in lifelong further training. Accordingly, the ETUC demands a formal and guaranteed right to further training time throughout working life. Only in this way will it be possible to ensure the effective achievement of lifelong further training processes and their incorporation into an overall concept of flexible lifelong working time. Access to further training measures must be recognised as an individual and collective right at national and European level.

In order to take account of the different realities experienced by women and men, all workers, irrespective of their form of employment, including the hidden and part-time unemployed, who are predominantly women, must have access to training courses, which should link training to existing skills.

Furthermore, qualifications and diplomas, whether acquired through initial training, through further training or through working experience, must be based on the principle of mutual recognition in Europe.

38. Alongside the manufacturing and services sector, characterised by high productivity, the advent of monetary union will increase the employment policy significance of local economic initiatives, and especially of job creation in sectors not exposed to the demands of world-wide competition. By systematically fostering the strengths of regional and local economies, developing local, cultural and personal services, and promoting local products, new employment opportunities can be created. An active labour market and employment policy geared to meeting the new needs arising in daily life can promote the supply of labour-intensive services at local level. In parallel with European employment policies, local or regional initiatives have often proved more effective than those at national level, particularly for combating mass structural unemployment which is often concentrated in certain areas.

The experience of territorial jobs pacts, anchored in the principle of partnership and making it possible to co-ordinate Structural Fund interventions, infrastructure and development policies and labour supply policies through a decentralised programme has proved positive, and should be supported by the EU. In this context, social economy organisations can play an important role in making the link between real, unmet needs and those seeking employment. Trade unions should support such initiatives, while ensuring that the legitimate role of the public sector is respected and that the social economy sector applies recognised labour standards. EU structural funds should also be used to encourage and assist entrepreneurship and employment in the social economy on this basis.

***The 9<sup>th</sup> Congress commits the ETUC to :***

- ◆ *Continue to campaign against mass unemployment and to seek the restoration of full employment through a co-ordinated approach, including a macro-economic policy-mix favourable to sustainable growth and employment, forward-looking structural policies and active labour market policies.*
- ◆ *Realise the objective of a return to full employment by a job creation programme over five years leading to an unemployment rate of 7% with 70% in work.*
- ◆ *Reinforce the European employment strategy, while pressing for its development beyond its main current focus of labour market policies, to take the form of a European Employment Pact, to include a macro-economic policy oriented to growth and with the involvement of all the actors.*
- ◆ *Press for a forward-looking strategy to master structural and industrial change, including the establishment of a European observatory, with the participation of the social partners, to monitor the process.*
- ◆ *Refocus existing European policy instruments in the fields of research, environment policy, structural policy and innovation in order to shape industrial change.*
- ◆ *Campaign vigorously for equal opportunities and equal pay for women and men. Concrete measures in this regard should be included in the collective bargaining process.*
- ◆ *Press for affordable, quality child care services and care for the elderly, provided for by Member States, with budgetary commitments as well as a timetable for implementation.*
- ◆ *Ensure that black and ethnic minority workers and people with disabilities fully benefit from all aspects of EU employment policy.*

- ◆ *Continue to campaign for the 35 hour week and all other forms of reduction and reorganisation of working time through collective bargaining combined, where necessary, in an appropriate fashion with legislative initiatives.*
- ◆ *Give strong support for initiatives to promote life-long learning for all, including the right of access to continuing vocational training.*
- ◆ *Support local employment initiatives, especially territorial pacts for employment and social economy initiatives.*
- ◆ *Support the creation of a labour market in the frontier regions through the EURES-Cross-border programme, and ensure the participation of ITUCs in cross-border co-operation programmes for employment and vocational training.*

## **V - The future of social protection**

39. The systems of social protection constitute an essential pillar of the European social model. Today they face major challenges, including the ageing of the population, changing family models and mass unemployment. Budgetary consolidation policies due to EMU have frequently attacked social protection expenditure. The ETUC believes, on the contrary, that social protection policies should be seen as a positive social and economic force promoting development, social integration and cohesion, facilitating structural change and supporting consumption and economic growth and therefore employment. The ETUC wants to preserve and develop social protection, including that of future generations, in a collective and solidarity-based fashion, in order to avoid social marginalisation, exclusion and poverty.

It is particularly necessary, if competition between social protection systems is to be resisted, on to improve levels of protection and adapt them to the new forms of employment and family structures, to the ageing of society, and to anticipate possible asymmetric shocks following EMU. Systems based on solidarity will be strengthened if the single currency is put to work for a strategy for economic development and jobs and if a demographic reserve fund is set up.

40. The EU should offer to its citizens a solid basis of guaranteed social protection rights, taking into account the different Treaty provisions in this respect and the subsidiarity principle with respect to organisation and financing. To achieve this, the ETUC demands a more European approach to social security, guaranteeing a degree of upward convergence. This approach must build in the spirit and on the proposals of the 1992 Council Recommendation on the convergence of social protection objectives and policies, and translate the intentions into binding commitments.

Following the example of the European employment policy guidelines, a similar initiative should be launched with the setting of guidelines for social convergence, with a timetable and a monitoring system in which the social partners are represented. They would leave to national governments and the social partners the method of implementation.

In the first instance, guidelines for social convergence would pursue the following objectives:

- increase the overall social security budget, shifting labour charges to

- other factors of production;
- aim for a minimum percentage of GDP to be spent on social protection, gradually moving towards the average of the three countries with the highest percentage;
- guarantee health care to all;
- adapt social security systems to changes in the world of work and the reconciliation of responsibilities at work and at home.

Certain objectives are aimed at establishing a set of basic standards for social protection, including:

- a guaranteed income for all of at least 50% of the national disposable income;
- a guaranteed minimum pension which takes account of the average national full-time wage in each Member State;
- guaranteed rights for workers in atypical situations in both legal and supplementary social security systems.

41. The basic legal systems of social protection, which constitute a solid guarantee for the preservation of social justice and social cohesion, should remain the core of the European Welfare State. They must therefore be adapted to the new forms of work, to changing family structures and to the ageing population. This adaptation should be based on the twin principles of solidarity and social insurance. The ETUC argues for personal rights to social protection, so that everybody, whatever their work situation, may be covered, regardless of their family situation.

In particular, all workers, including workers with atypical contracts and those in false self-employment should be covered by social protection systems and have equal rights and a duty to make contributions. However, this shift to personal rights, sometimes called the individualisation of rights, implies a distinction between universal rights and derived rights. This change must be accompanied, in those Member States which are lagging behind, by appropriate care services for dependent people and child care facilities for young children, and by rights to leave to care for children and other dependants. It also requires a transitional period to guarantee rights and benefits to those who have not been able to acquire personal rights. In addition, these individualised rights should be at a sufficiently high level to enable them to live independently, as recommended by the "Council Recommendation on common criteria regarding sufficient resources and benefits". Further, the ETUC demands an evaluation of the mechanisms for guaranteeing a minimum wage, and demands that the principle that everyone should have an adequate income should be written into the Treaty as a right.

42. The financial viability of our social protection systems depends in large measure on future economic growth and the expansion of employment. It is vital that the resources of social protection systems are guaranteed (including supplementary finance, and finance from diversified sources), in particular through alternative financing to compensate for the loss of revenue due to the reduction in non-wage labour costs, and through additional resources to finance new needs (elderly people, non-standard workers, parental leave).

This is, therefore, an area in which the kind of guidelines sought by the ETUC might have a practical effect. The EU should fix the objectives and guidelines, and the Member States, working with the social partners, should put them into effect. This could lead, for example, to taxes on capital, savings, energy and consumption and environmental taxes.

43. For the ETUC, the priority remains the long-term viability of public pensions systems, based on solidarity between the generations and financed on a “pay as you go” basis. In view of demographic ageing, this means that Member States need to be prepared for an increase in pension costs.

In most Member States supplementary insurance systems have either been developed or are being discussed. Occupational pension funds are becoming an important feature of the European social protection landscape. The ETUC believes that the development of second and third pillars of pension provision should remain supplementary arrangements. They should not, therefore, infringe on the legal pension systems, and should not be considered as alternatives to these systems or bring them into question. The development of supplementary pension schemes should result from collective agreements and should guarantee genuine pension rights for their contributors. Particular attention should be given to preserving the supplementary pension rights of workers who move within the Union, in order to guarantee the transferability of rights.

In addition to existing national legislation, there should be a legal framework defined at European level guaranteeing the rights and interests of workers, equal rights for women and men, and the transferability of rights, which recognises the place and the role of the trade unions in the implementation, monitoring and supervision of supplementary pension fund management, including investment policy, and fixing rules for prudence, security, transparency and taxation.

Investment should guarantee a safe return on contributions and should respect socio-ethical standards. In this way, supplementary pension funds may also become a tool for promoting employment.

**The 9<sup>th</sup> Congress commits the ETUC to :**

- ◆ *Defend legal social protection systems, make their financing more employment-friendly, and ensure that changing family structures are taken into account (personal rights).*
- ◆ *Demand that all workers be covered by social protection schemes, especially young people, those working on atypical contracts and the “false self-employed”.*
- ◆ *Call for guidelines for social convergence at EU level in order to fight against all forms of exclusion which might arise from unchecked competition between different systems of social protection.*
- ◆ *Campaign to broaden the financial base of social protection and for the development of additional and alternative financing.*
- ◆ *Call for an EU legal framework for the establishment of supplementary pension funds on the basis of collective agreements, ensuring the participation of the social partners in their management and guaranteeing the transferability of the rights of workers moving within the EU.*

- ◆ *Fight against the systematic exclusion of elderly workers from employment and call for formulas allowing a gradually passage from working to retirement alongside the systems of early retirement and complete retirement.*
- ◆ *Call for a European initiative guaranteeing the maintenance of social security rights during parental leave, and for the revision of existing European legislation regarding equal treatment for women and men to strengthen personal rights and maternity rights.*
- ◆ *Support the reform of Regulation 1408/71.*
- ◆ *Call for a consistent approach to the co-ordination of tax and social security systems, particularly for workers moving within the EU; this requires a systematic examination of the impact of new measures in this area on these workers.*

## **VI. Enlargement of the European Union for peace, rights and solidarity**

44. The enlargement of the European Union, and the further progress towards European integration entailed by this process, is the most historically significant development to take place in Europe since the end of World War II. It underpins democracy, peace and stability for the whole European continent, and has the potential to foster economic success and social progress for all of Europe. Enlargement means investing in the common future of the European peoples.
45. For the process to lead to success, both the EU and the applicant countries must be prepared to adapt their policies and structures. The applicant countries in Central and Eastern Europe, as well as in the Mediterranean, must consolidate democratic standards and transform and develop their economies. They deserve the full support of the EU in pursuing this difficult path, and this support will be particularly important for those countries with the greatest distance to travel. The EU must reform internal policies, to prepare for the realities of a larger and more diverse membership. But it must also tackle institutional reform so that a larger EU can be effectively managed. This institutional reform is also in the interests of the applicant countries: it is not a weak and unguided EU which they wish to join, but a Union capable of coherent decision-making, and thereby capable of playing an appropriate political and economic role, in line with Europe's responsibilities. Institutional reform is now urgent.
46. Enlargement of the European Union must be open to all the countries eligible in the light of the democratic principles on which the EU is founded.
- In the case of Turkey, a country already linked to the EU by both an Association Agreement and a Customs Union and which is a candidate for accession, a specific strategy must be put in place to underpin its evolution in this direction, supporting the trade union movement and other forces in Turkish society which are fighting for the full democratisation of their country.
47. For the trade union movement, the Union's social *acquis*, including provisions relating to equal opportunities, represents an essential core to the process of enlargement. Specific attention must be given to this in the pre-accession strategy and partnerships. Success in integrating the social *acquis* can only

be guaranteed if there is full involvement of the trade unions in the accession countries. This requires Governments to recognise their role as legitimate partners in the process and involve them in the future in all stages of the accession process.

48. Incorporation of the Union's social *acquis*, and the social reorganisation which this inevitably entails, will not produce a successful outcome unless a firm social consensus can be established. The development of genuine social dialogue and authentic industrial relations in the accession countries is therefore a key element for a successful enlargement process, as a means of ensuring that the social dimension is given the requisite weight. A significant and integral part of the social *acquis* derives from the European social dialogue and negotiation. The social partners of the applicant countries must therefore be progressively associated with the European social dialogue.
49. The application of the "four freedoms" of the internal market could have a major impact on labour markets, especially in border regions. The extent of this impact will depend on the degree of success achieved in securing economic and social stability and development in the applicant countries. There is a responsibility on the EU in this respect to support economic and social progress in the applicant countries through active policies and financial aid. The negotiations must be conducted in a spirit of solidarity, and conflictual issues will require careful management. Previous accessions have been successful on the basis of agreed transitional periods. A positive outcome will only be reached if there is a global trade-off within which all the parties can find genuine advantage.
50. Alongside the enlargement process, the EU has a vital interest in promoting social and political stability for the whole of the European continent. In this context the EU must reinforce its efforts to support economic and social reform and to consolidate democratic institutions in Russia. In the light Northern Dimension declaration adopted by the EU, the ETUC stresses the importance of social and labour market policies for the development of the region, and welcomes the increased political and trade union co-operation in the Baltic Sea region.

For the promotion of the rule of law and the respect of human rights, the Council of Europe plays a role of the greatest importance. Among its instruments, the (revised) Charter of Social Rights and its collective complaints procedure represent a valuable tool for trade union action.

The Mediterranean is another zone of tension and instability the future of which is of the greatest concern to Europe, in view of its geographical proximity to Europe and the growing interdependence between its two shores, with their marked inequalities in economic and social development and their different demographic trends.

The ETUC had welcomed the Barcelona conference of 1995 as the point of departure for a new European policy with respect to this region. However, it must be said that the Euro-Mediterranean Partnership has fallen short of what is needed. Beyond the political difficulties which hamper its implementation, the project itself must be refocused to become the instrument of a regional strategy for economic development employment

creation and social progress strengthening the democratisation process, and encouraging the participation of trade unions and other social groups. The establishment of a trade union forum in the Mediterranean region will help to influence the Euro-Mediterranean Partnership in this direction.

In the aftermath of the dramatic events in the area of former Yugoslavia and of their repercussions on the Balkans region, the European Union must take full responsibility and strong commitment to offer to all countries concerned a framework of partnership and co-operation to promote democratisation, civic society development, economic reconstruction and development, political stability.

***The 9<sup>th</sup> Congress commits the ETUC to :***

- ◆ *Continue to monitor the negotiations underway with the applicant countries to ensure the social acquis of the Union is fully taken on board in the process.*
- ◆ *Help the affiliated organisations in the countries concerned, via the existing network of Integration Commissions, to be involved in the process and to be properly consulted by Governments on all matters of concern.*
- ◆ *Work for the establishment of social dialogue mechanisms and industrial relations systems in the applicant countries in line with the ones existing in the EU.*
- ◆ *Ensure that the pre-accession strategy is also directed to job creation and social protection policies in the applicant countries.*
- ◆ *Exploit the possibilities offered by the Social Charter of the Council of Europe to promote respect for social and trade union rights in all the countries of the European continent.*
- ◆ *Welcome the new Northern Dimension of the EU and the Trade Unions co-operation in the Baltic Sea region.*
- ◆ *Support the Mediterranean Trade Union Forum as an instrument to influence the Euro-Mediterranean Partnership towards social goals and democratic development.*
- ◆ *Call on the EU to take action to ensure democratisation, political stability and economic reconstruction in former Yugoslavia and the Balkans through a partnership framework with all countries concerned.*

***VII. A more effective and democratic European Union***

51. The VIIIth ETUC Congress called on the Intergovernmental Conference, when revising the Treaty, to remedy the social and political deficit of the Union and to increase the democracy, transparency and openness of its institutions. The Treaty of Amsterdam satisfied these demands only to a limited extent. While significant progress - to which trade union mobilisation also contributed - has been made on the social front (new employment provisions, and incorporation of the Social Protocol into the Treaty), and the co-decision powers of the European Parliament have been stepped up, there can be no denying that Political Union remains a mere embryo and that Social Union is still a fragile construction.
52. The ETUC's demands are as relevant and urgent as ever, particularly now that EMU is in place and preparations for enlargement are underway. Should these demands not be met, the chronic imbalance of European integration

will continue, giving ever more weight to the economic and monetary dimensions. The ETUC's demands are especially relevant in view of enlargement of the Union, which calls for a reform of the institutions, geared to increasing both their efficiency and their democracy. Furthermore, the demands of trade unions for a strong social dimension, which enjoy widespread support among other sections of civic society, will not be fully met unless there are clear advances towards Political Union.

The method to be followed in reforming the institutions is particularly important. Each institution, as defined in the existing Treaty, must act, using its powers and assuming its responsibilities: the Commission, which has the power of proposal, must put forward reforms to the Parliament and the Council which hold the legislative powers. Citizens' organisations, and especially trade unions, should be involved at every stage in this process. Countries in the process of accession should also be consulted. The new "European Constitution" should be the fruit of a "Constitutional Pact" which reflects the whole of European society and all its citizens. Transparency and closeness to citizens can only be guaranteed by the involvement of the latter in the decision making process.

53. The Union requires institutions more efficient at decision-making, as well as more democratic and closer to citizens. Progress in this direction entails strengthening the role of the European Parliament, which is the only institution directly elected by the citizens. The function of the European Parliament as an instrument of democratic control of EU policies and decisions must be enhanced, as must its legislative power.
54. The Commission must remain the guarantor of the Treaties and the driving force of the European integration process. It must retain full autonomy vis-à-vis the Member States and be responsible to the European Parliament. The Council of Ministers, when sitting in its legislative capacity, must be fully transparent and open to scrutiny. Within the Council qualified majority voting must be extended and should become the general rule for social policy, the European employment strategy, environmental policy decisions and for decisions on minimum levels for corporate capital and environment taxation. The Economic and Social Committee deserves the active support of the trade union movement to be able to play to the full its role as an advisory body on economic, employment and social issues and to take its own initiatives in the same fields, and thus to gain weight and visibility among the EU institutions.

The principle of transparency and of public access to information and documentation must cover all the EU Institutions. Exceptions must be specified and strictly defined.

55. The independence of the ECB cannot mean that it is separate from the political process. The existing requirement to report to the European Parliament is welcome, but it is insufficient and should be reinforced. Moreover, the social partners should have a voice. Trade unions in certain European countries have in the past been represented, formally or informally, in the structures of the national central bank, and have thus had the possibility of expressing their views on the conduct of monetary policy from within the bank. Now that responsibility for monetary policy has been shifted to European level this possibility has been lost. It is therefore necessary to

establish a dialogue between the social partners and the ECB, to ensure that the shared responsibility of the Bank for employment is acknowledged.

The ETUC believes that the ECB should not merely aim for stability but should also take an interest in the real economy, growth and employment in order not to expose the system to a downward deflationary spiral.

56. Only through such a complete package of reforms can the Union acquire a political dimension enabling it to speak with one voice and exert its true weight in the life and institutions of the international community. In the first place, the launch of the single currency places responsibility directly on the EU to contribute to the operation of the international economic and financial institutions, in line with the role of the euro as a major world currency. Beyond this, however, the Union must develop a coherent Common Foreign and Security Policy in order to contribute to peace, democracy and stability.
57. Above all, bringing the Union closer to its citizens requires that political, civil and social, trade union rights - including cross-border sympathy action, including strikes - are fully recognised by the Union and enshrined in the Treaty. These reforms must be dealt with in the next revision of the Treaty to be carried out with a more transparent and participative method. In this respect the newly elected European Parliament has a major role to play. National Parliament and civil society, especially trade unions must also be involved. In this light, the ETUC endorses the need for a genuine Constitution which clearly defines the aims, the jurisdiction and the responsibilities of the Union in relation to those of the Member States.
58. To preserve Europe as an open society, equal treatment must be extended to all people who are legally resident in the EU, whether or not they are EU citizens. Building on the new provisions of the Amsterdam Treaty, the EU must take the lead in fighting all forms of discrimination. Immigrant workers, black workers and workers from ethnic minorities must, like their fellow workers, enjoy social rights and the terms and conditions of employment provided in the appropriate collective agreements. They and their families must be offered the possibility to integrate in the societies where they live and work, while their cultural and religious identities are fully respected. The trade union movement has the responsibility to act in a spirit of solidarity and to contribute to this work.
59. Building an "ever closer union", as stated in the Treaty, requires a clear definition of the competences and responsibilities of the various institutions concerned at different levels. The principle of subsidiarity must apply. The ETUC, however, resists the abuse of the concept of subsidiarity as a pretext for diluting the process of European integration, renationalising policies, or setting obstacles in the way of establishing a social level playing field via a process of upward harmonisation. The Union must simultaneously practise subsidiarity, complementarity and solidarity in order to achieve the indispensable goal of cohesion. The development of the Union according to this federally balanced scheme, should permit us to draw the maximum benefits from the potential of the integration process while preserving the necessary respect for European plurality in all its dimensions.

**The 9<sup>th</sup> Congress commits the ETUC to:**

- ◆ *Press for the Conference for the reform of the institutions to be called before the end of the century and for it to aim for a "Constitutional Pact" between the institutions and European society to increase democracy and the efficiency of the integration process in view of the forthcoming enlargement of the EU.*
- ◆ *To strongly promote greater transparency and free access to information and documentation in the institutions of the EU, governed by laws in which transparency is guaranteed and exceptions are specified.*
- ◆ *Demand that the EU should adopt a genuine Common Foreign and Security Policy so that it fully assumes its responsibilities in Europe and the world.*
- ◆ *Call for a structured dialogue with the ECB to make it aware of its responsibility to support economic activity and employment.*
- ◆ *Campaign for full recognition of civic and social rights, trade union rights including cross-border sympathy action, including strikes, to be enshrined in the Treaty on the occasion of its next revision.*
- ◆ *Maintain its commitment to equal rights for immigrant, black and ethnic minority workers.*
- ◆ *Call for fair and open legislation regarding immigration and the right to asylum.*

**VIII. New rights at work**

60. The ETUC has repeatedly made the point that working people's support for European integration depends substantially upon the extent to which the process reflects their aspirations, meets their needs and enhances their rights. It is particularly important both to guarantee effective enforcement of existing European social legislation and to ensure its continuing enhancement. This requires, amongst other things, the removal of remaining obstacles to the free movement of people. In the light of ongoing industrial and technical change, the improvement of workers' rights, both individual and collective, and including trade union rights is indispensable. The ETUC demands the recognition by the EU of the right to cross-border sympathy action, including strikes.
61. The development of new forms of work is pervasive. Among the consequences have been a rapid growth of precarious or contingent jobs and widespread insecurity and exploitation. These trends, which have resulted from deregulation of the labour market and the downgrading of workers' rights, must be stopped. Re-regulation is needed, through both negotiated agreements and legislation, taking account of the real, present day needs of workers. Within such a strategy of re-regulation, European framework agreements can play a significant part, as the agreements on part-time work, parental leave, fixed term contract have shown. The forward-looking approach of these agreements and of legislation should be extended to all forms of non-standard work, especially those, such as telework, which appear likely to grow significantly.
62. Despite the substantial body of legislation developed by the EU in the area of health and safety, working conditions have been deteriorating in many countries and the number of accidents at work has increased. This is due to the casualisation of work, inadequate monitoring and the failure to enforce existing rules. At the same time, changes in the nature of work have brought new risks to physical and mental health. This calls for the development of

measures at EU level to combat these new hazards, as well as complete transposition into national law of European Directives and the implementation of this law in workplaces. The ETUC will call on the expertise of the Trade Union Technical Bureau in pursuit of these objectives. Trade unions must make more use of the opportunities which health and safety directives offer for strengthening and extending union organisation at the workplace. The inclusion in the Framework Directive of provisions for workers' safety representatives should be used to strengthen union organisation – especially in applicant countries. In small-and-medium-sized enterprises, and for peripatetic and precarious labour forces, the ETUC should promote the creation of roving safety representatives.

63. A fundamental area where action is needed to extend workers' rights is in the field of equality. Notwithstanding the principles set out in the Treaty, the successive Directives promoting equality between women and men and a number of Court decisions which have advanced rights to equality, the reality remains of segmented labour markets with unequal treatment of men and women in all elements of the employment relationship, from pay and working hours (with consequences in turn for social protection), through access to training and career development. These inequalities, and the wider inequalities between women and men in society are mutually reinforcing. Sexual harassment at work is an issue of growing concern for trade unions in the context of the growing female participation in the labour market and the unequal power relations at the workplace encountered by women workers.
64. Gender is not the only basis for unacceptable practices of discrimination at the workplace. Race, ethnic origin, religion or conviction, disability, age and sexual preference, have all been the basis for discrimination, which must be eliminated if workers are to enjoy the equal rights which they deserve. Article 13 of the Treaty of Amsterdam provides for EU action on these issues, which need to be addressed not only in legislation, but also in the social dialogue between the European social partners. The value of the social dialogue is shown by the effective national follow-up to the joint Declaration on racism and xenophobia at work.
65. Continuing industrial change is a reality throughout Europe and underlines the need for information and consultation rights for workers at all levels. The adoption of the European Works Councils Directive represented a breakthrough in this area. In the framework of the forthcoming revision of the EWC Directive, further improvements are called for. These include strengthening the mandatory nature of the consultation process and the introduction of effective sanctions in the case of infringement of agreements by the company.

The ETUC demands, furthermore, the recognition of the right to information and consultation in all companies, irrespective of their size and in the public sector. European legislation must guarantee the universal coverage of this right, while the precise methods of its application either by law or collection agreement will reflect the diversity of practices in Member States.

This right must extend to environmental questions and permit the involvement of workers in "eco-audits".

The right of workers' representatives to use the internal communications networks of companies to diffuse trade union information must also be

recognised.

66. Trade unions also insist on improving the possibilities for workers to exert influence on decisions within companies. There are different national traditions as to how this should be done, varying from ad-hoc representation in company boards to structured co-determination rights and supervisory rights. At European level, the legislation to establish the European Company is of particular importance. For the ETUC, it is a basic principle that European legislation must require companies which choose to become European Companies, under the Statute, to respect rights to information and consultation and to workers' participation.
67. In the course of structural change the importance of small and medium-sized firms has grown perceptibly. Furthermore, much emphasis is placed on SMEs as a major source of new employment, and there are considerable pressures for the deregulation of SMEs in the interests of employment creation. These proposals include exempting SMEs from various social obligations and denying workers in SMEs the right to trade union representation. Such exemptions and derogations are not acceptable. The way in which social and labour standards apply in SMEs must, of course, be adapted to their situation. Exemption and derogation per se would give rise, however, to social dumping. Growth of the SME sector must be dependent on its dynamism and capacity for innovation and on the motivation of the workforce, not on the denial of workers' rights.

***The 9<sup>th</sup> Congress commits the ETUC to :***

- ◆ *Establish, through a negotiated agreement or by legislation, regulations which preserve the rights of workers and which prevent enterprises abusing temporary work.*
- ◆ *Pursue the necessary regulation of atypical work and of new forms of work (temporary work, home working, tele-working, etc.) through framework agreements or European legislation.*
- ◆ *Continue to promote health and safety at work through strict enforcement of existing rules and measures to combat new hazards.*
- ◆ *Act to foster equality between women and men in all aspects of working relations and conditions.*
- ◆ *Call for data on men and women's salaries to be collected by sector of activity and for conciliatory procedure to handle complaints of wage discrimination.*
- ◆ *Call for a Directive for protection of dignity of the workplace.*
- ◆ *Campaign against all forms of discrimination, using the new dispositions (Article 13.) of the Treaty of Amsterdam.*
- ◆ *Promote, through European legislation, the recognition of the rights to information and consultation at company level.*
- ◆ *Call for the revision of the EWC Directive, strengthening the provisions concerning the consultation process, reflect the need for sanctions in case of breach of this and associated legislation; improving the position of trade union experts.*
- ◆ *Continue to press for workers' rights to information, consultation and participation in relation to the establishment of the European Company Statute to complement national rights.*

*Campaign for social and labour standards as well as for trade union representation in SMEs.*

## **IX Meeting the new challenges**

68. The ETUC has evolved continuously ever since its foundation 25 years ago. Significant results have been achieved in building an organisation allowing the trade unions to express themselves with one voice in Europe. Today, however, to succeed in meeting the new challenges of the European integration process, the ETUC must increase its effectiveness and deepen its role as a "social actor" at European level.

This involves a dual track development of the ETUC : in relation to, the European Institutions and also to employer's organisations.

69. The first role will require an increased capacity to influence the legislative process at European level and decision making within the EU institutions, including the European Central Bank.

This will need a better co-ordination between initiatives to be taken at national level, with individual governments, and European level ones towards the Council of Ministers in the preparation of their decisions in areas relevant to working people.

Further developments are also needed in the relations with the European Parliament both directly and via permanent co-operation with the Parliamentary Trade Union Inter-Group.

70. In the framework of the new procedures necessary to implement the "European economic government", social partners must be involved. The reformed Standing Employment Committee (SEC) can contribute towards this result. . This Committee must become a "Social Concertation" body, including the ECOFIN and Social Affairs Councils, the Commission, and the European Social Partners, to provide for consultation on both Macro-economic and Employment Guidelines, pursuing their indispensable integration. Consultations in this Committee should be mandatory prior to the relevant Council's decisions.

71. In respect of relations with employers, the European Social Dialogue, especially in its negotiating dimension, remains crucial. This is the responsibility of the Confederation at cross-industry level and of the European industry federations at sectoral level.

In 1991, the European Social Partners were able to negotiate an agreement on Social Dialogue that subsequently was enshrined in the Maastricht Social Protocol. The ETUC believes that a new agreement with UNICE and CEEP is now needed to fix the rules for further developments allowing the full exploitation of the potentiality of Social Dialogue and to pave the way to the establishment of a system of industrial relations at European level.

72. As early as 1993, in its "Guidelines for Collective bargaining and the prospects for the development of the Social Dialogue", the ETUC pointed out that, under conditions of EMU, there would be a need for a European level co-ordination of national and sectoral bargaining. The paramount goal is to guarantee the workers a fair share of income. Promoting real growth, taking

into account productivity levels, and ensuring that they contribute to real wage increases and social regulation is particularly important to counter the danger of social dumping within the European Union. The European trade union movement has to act swiftly to put in place instruments and procedures to promote such co-ordination now that the Euro-zone is a reality.

73. These new steps will only be possible through the full involvement of affiliated organisations at all stages of the process. The sectoral dimension will be essential in collective bargaining co-ordination and this requires the European Industry Federations to create the structures and instruments needed, adapted to the needs of the sector concerned. The ETUC will be competent for overall co-ordination, to provide the necessary framework to guarantee the overall coherence of the process. To this end an ETUC Committee for collective bargaining co-ordination will be created. Building on past experience, the ETUC must also further develop the capacity for European-wide actions and mobilisation.
74. All this amounts to the need to improve the ETUC's operational capacity. This can be done in part through better focusing and reorientation of existing resources and working tools, including the ETUC-related Institutes. This concerns in particular the ETUI and the ETUCO in the fields of research and training respectively. Nevertheless, new resources will also be required.

Equally, if the representativeness of the ETUC as the single cross-industry trade union organisation at European level is, by now, beyond question, it is nevertheless still necessary to reinforce its capacity to express the demands and expectations of specific components of the labour world: women, the unemployed, young people – whose recruitment is the key to the prosperity of the trade union movement, pensioners, and professional and managerial staff.

The ETUC will continue to promote equal opportunity policies, as well as measures to better integrate women in the trade unions - including in the decision-making process, in order to improve the representative character of the European trade union movement.

75. The regional dimension and various forms of co-operation among regional entities are playing a larger and larger role in European integration. The ETUC must support the efforts made by the relevant trade union structures to ensure that questions of importance to workers are taken into account in the framework.

In particular, in the context of cross-frontier co-operation, the ETUC will continue to support the work of the Interregional Trade Union Councils and to co-ordinate their activities at European level. The ITUCs, of their nature and function, constitute zones of experimentation and practical implementation of integrated trade union policies in a European perspective.

76. The EU is more and more developing economic and political relations with other countries or groups of countries. These relations have important implications for the policies of the Union. It is therefore necessary for the ETUC, in its role of representative of European trade unionism, to have the

possibility to influence these relations in the interests of workers.

In this context, contact and co-operation with the trade unions in these countries and regions are indispensable. The ETUC has started to build such co-operation with in the Mediterranean region with USTMA and now through the Euro-Med Trade Union Forum, with the trade unions in Latin America, especially in the Mercosur region and, through the establishment of the Trans-Atlantic Labour Dialogue, with the AFL-CIO in parallel to the EU-USA Trans-Atlantic Partnership. These contacts must be pursued in consultation with the international trade union organisations to which the trade unions of the third countries are affiliated.

77. An ever more effective ETUC is necessary in view of the accelerating pace and growing depth of economic and monetary integration. The creation of the social framework which is necessary to these processes requires an higher degree of "Europeanisation" of trade union work. Acting at national and European levels are not alternatives for the trade unions. They are complementary steps. Both are needed to preserve and develop the bargaining power and the social influence of trade unionism as a force capable of shaping the future of the EU in the interests of working people.

***The 9<sup>th</sup> Congress commits the ETUC to :***

- ◆ *Continue to fight for social Europe, both through the social dialogue and European negotiations and by means of legislation.*
- ◆ *Ensure the development of "social concertation" at European level, including through the reformed Standing Committee on Employment.*
- ◆ *Develop the social dialogue at cross-industry and sectoral levels, taking full advantage of the potential offered by the Social Policy Agreement while working to develop autonomous negotiations between the social partners at European level.*
- ◆ *Put in place the tools and procedures needed to support co-ordinated collective bargaining in EMU conditions through the establishment of an ad hoc Committee.*
- ◆ *Further develop its capacity of action and mobilisation in pursuit of common goals.*
- ◆ *Improve its representative capacity by better encompassing all the components of the labour world and, with the launch together with the member confederations and industry federations, an information campaign on trade union membership values and on trade union work on national, European and global levels, thereby enhancing the perspectives for young people's recruitment and involvement.*
- ◆ *Further promote the participation of women in the trade movement, including in decision-making bodies and in collective bargaining. Promote the inclusion of the equality factor (gender mainstreaming) in all its policies and introduce mechanisms to encourage this integration.*
- ◆ *Pursue the Europeanisation of trade union work, combining initiatives and action at all levels.*