



**Joint Declaration of German and Spanish Trade Union Leaders on
Social Progress for Europe**

DGB – CC.OO. – U.G.T.

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1. Europe is in great danger. While governments and central banks in Europe have massively bailed out the banks, the financial actors are now turning against governments and against people. They were the ones which caused the crisis and now they dictate premature-exit strategies with massive wage freezes and wage cuts and cutbacks in welfare and public sector employment. Governments and European as international institutions failed to regulate the markets so far and did not put an end to speculation, wrong incentives and excessive bonuses. The financial sector is still not serving the real economy but is hazarding jobs and growth.
2. This puts social Europe at risks and brings especially young people in very difficult situations without prospects and safe perspectives. It also endangers the social bases of our social market Economy with great risks for the specific European Social Model. If Europe turns out to serve (only) the markets and not regulate them so that they serve companies and people, Europe is in great danger. Whereas more European action is needed because all European Member states are too weak and too small to solve the global problems and challenges.
3. While public deficit increased to bail out the banks and to initiate the stimulus packages, the EURO is now in danger and speculators massively speculate on the implosion of the Euro-zone. The current crisis reveals immanent weaknesses of the Euro-zone construction that have to be solved. This is the moment to act together; for a quick and pragmatic action on all sides. The Stability and growth pact has to be more flexible but nevertheless reliable, since without a stable growth, and if jobs continue to be destroyed, there also will be no reduction of the deficit!
4. Putting people first, not markets, that's what Europe is all about. Without social progress and guarantees for fundamental social rights a social market economy will not be sustainable. We therefore demand a Social Protocol and a revision of the directive of posting of workers as instruments which guarantee the substance of the European labour law and places collective bargaining as an irreplaceable component of the European Social Model.
5. In several European countries governments are suggesting reforms of the pension systems that imply a delay in the age of retirement, the stiffening of the requirements to receive or even cuts in the benefits. The European Commission supports this approach. The justification of the suggested reforms is based upon the necessity to reduce public deficits – even in public pensions systems which have surpluses - and on demographic reasons – frequently

underestimating the potential growth of active workers in the future. The trade unions which sign this declaration strongly support the public redistribution systems, the adequacy of their benefits and the need to assure their financial sufficiency. They consider essential that any reform of these be the product of social partners. The three trade union organisations ask the ETUC to open an internal debate with a view to adopt a common position of European trade unionism in defence of public pension systems and against unjustified cuts in benefits.

6. The European Trade Unions believe that clear political parameters are required to ensure the social progress in Europe. A social advancement clause in the primary legislation should clarify that the EU is not only committed to economic progress, but also to social progress. To be precise, social progress means the improvement of living and working conditions for the people of Europe. It must be ensured that fundamental social rights – and all fundamental rights in general – take precedent over economic liberties. A social progress clause should become part of the European Treaties in the form of a legally binding social advancement protocol.

The protocol is intended to further affirm important fundamental social rights in the EU Charter of Fundamental Rights. In particular, freedom of association, collective bargaining, and the unions' right to strike must be stringently recognized in a future social advancement protocol.

The European Trade Union Confederation (ETUC) has presented a concrete proposal for a "Social Progress" Protocol. UGT, DGB and CC.OO support this strongly and ask the Spanish Presidency to support this initiative.

A first step could be a declaration of the European Council and subsequently a joint agreement of the European Parliament, Commission, and Council, in which they commit themselves to promote social progress. They should make clear that fundamental economic liberties do not take precedent over fundamental social rights, and that the latter comes first in case of conflict. In particular, freedom of association, collective bargaining, the unions' right to strike, and the member states' right to decree wage agreement observance laws are to be stringently recognized; their practical implementation must be reliably ensured.

The posting of Workers Directive as Minimum Protection

The European Posting of Workers Directive stipulates European minimum standards, not maximum standards. The interpretation of the Posting of Workers Directive by the European Court of Justice as a "maximum directive" contradicts the intention of the European legislative body. This should be made unmistakably clear by a joint agreement of Council, Parliament, and Commission.

CC.OO, DGB and UGT advocate a clarification of the EU Posting of Workers Directive. This must lead to an improvement of the rights of employees. It must be made unmistakably clear that the Posting of Workers Directive and other directives do not prevent member states and social partners from asking for more favourable conditions regarding the equal treatment of workers.

In regard to the European Court of Justice's interpretation of the directive, it must be ensured at present that common law is applicable on the basis of all existing labour market models. The protection of employee rights and the prevention of social dumping practices are European issues. Equal pay and

working conditions for equal work at the same workplace – this principle must be binding throughout Europe and be enforced with consequence.

7. Spain as the current EU-Presidency is a key actor in a very difficult time. We therefore urge the Spanish presidency to act as a string actor for the rights and interests of the working people of Europe and start a renewal of European politics through an initiative on a new macroeconomic policy accompanied by a new social deal, including a social protocol.
8. Europe is not going to be able to compete in the globalised world if it stands for the cut in salaries and the worsening of the labour conditions, but only if it strengthens its capacity to promote technological development, an increase in the added value of its industries and services, more productivity based on these factors. We need, within the 2020 Strategy of the EU, concrete objectives and European projects that work in that direction. These would be: education and vocational training, R+D+I, industry and green employments, etc.
9. The European Social Model and its systems of social protection are at risk: because of the need to cut public deficits, because of the return to neoliberal policies – once the financial system and the national economies were saved with the taxpayers' money -, and because of the financial economy and of the speculators' persistence in power.
10. For this reason we consider of the highest importance:
 - a. Regulation of financial policies: European tax on financial transactions as source of resources and tool against speculative movements
 - b. Economic governance of Europe
 - c. Tax harmonisation in Europe
 - d. A deepening of political Europe
11. We support the ETUC's campaign in favour of the European Social Model and a consolidated EMU.