

Listening to some EU leaders, you might think the economic crisis is all but over. But nothing could be further from the truth, as the millions of Europeans still suffering unprecedented hardship and deep cuts in living standards know only too well.

While policy-makers pay lip-service to the importance of Europe's 'social dimension', their policies ratchet up the pressure of ruthless austerity. Ordinary people are still paying for the crisis – at the cost of growing social tensions, escalating inequalities, poverty and unemployment that will impact on young Europeans' life chances for many years to come, and a dangerous increase in intolerance and xenophobia. This is fatally undermining support for the European Union itself – as the growth of nationalist, anti-EU parties in several Member States testifies. Only 30% of Europeans still have a positive image of the EU. And yet leaders have done little or nothing to shore up social Europe.

One year ago, the European Trade Union Confederation put forward its <u>Social</u> <u>Compact for Europe</u>: listing the measures needed to halt this downward spiral and restore people's faith in the EU. In April, the ETUC reiterated its demands with greater urgency. Action is long overdue.

While the ETUC welcomed the European Council's decision, at last, to publish a roadmap on the social dimension of economic and monetary union, it insists that new measures have to go wider than EMU, to harness all policy areas in promoting full employment and social progress across Europe.

European leaders hold a further summit meeting on June 27-28 when they are meant to draft a roadmap for social Europe. If they let us down again they will not be forgiven.

The EU's social dimension should mean better living and working conditions, social protection, good public services and social dialogue. But the reality is that EU leaders continue their drive to cut public spending and deregulate at any cost, undermining jobs, working conditions and vital services in many sectors.

In the pursuit of a free, cross-border labour market, governments have failed to put in place safeguards for workers – leading to widespread exploitation and social dumping on a disastrous scale. People desperate for work are being moved around Europe to undercut existing wage rates and conditions, generating a dangerous backlash.

Social dialogue too is under strain. A European Commission report published in April acknowledged that well-structured dialogue between employers and workers is indispensable to consensual social progress. And yet austerity policies and spending cuts have undermined the role of the social partners, and the inalienable trade union right to free collective bargaining and negotiated wage setting at national and EU level.

In May, EU leaders pledged to tackle the haemorrhaging of €1 trillion a year of uncollected tax revenues through fraud and evasion. The ETUC demanded a strong and binding action plan, and yet the Brussels summit failed to come up with any concrete programme.

Above all, without action to halt the relentless monthly rise in unemployment – to a rate of over 12% in the eurozone in March and twice as high among young people – there is a real risk of social breakdown. The recent Stockholm riots gave a taste of the potential impact on society.

The ETUC calls for the introduction of a minimum income in every EU Member State, and a substantial rise in statutory minimum wages in countries where trade unions consider them necessary. Finally, the EU needs to invest 1-2% of GDP in a European Recovery Programme to restore sustainable growth and tackle unemployment.

The ETUC's demands have been echoed in the European Parliament, where MEPs condemned the Commission's failure to put forward realistic proposals to strengthen social Europe, and called for a "change of direction" to foster growth, jobs and social justice.

Across the EU, our priorities are for an end to counterproductive cuts in public spending, a stop to cross-border competition driving down wages and working conditions and encouraging tax evasion, investment for sustainable growth and employment, and support for social dialogue and collective bargaining. Europe cannot afford further delay.

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