



PROMOTING MEASURES FOR GROWTH AND EMPLOYMENT AND FIGHTING SOCIAL DEREGULATION

THE AGREEMENT FOR GROWTH, COMPETITIVENESS AND EMPLOYMENT

I. THE NEGOTIATION PROCESS

1. At the end of a long and difficult negotiation process and after the ratification by the National Secretariat, UGT has signed the Tripartite Commitment for Growth, Competitiveness and Employment.
(.....)

II. THE REASONS FOR AN AGREEMENT

1. The Tripartite Agreement that was signed promotes growth and employment measures and anti-labour deregulation.

2. The negotiation of a Tripartite Agreement always involves compromises and therefore it should be advantageous for all the signing parties and for the safeguard of the interests they are responsible for defending.

3. From UGT's analysis, this Agreement represents advantages for workers, given the changes included in the Troika Memorandum, an international commitment binding the Government and the clear majority of the Portuguese Parliament (composed by the following parties signing this memorandum: PSD/Social Democratic Party, CDS/Democratic and Social Centrum and PS/Socialist Party)¹.

We would like to underline the following matters:

- We avoided the flexibilization of redundancies;
- We preserved the right to collective bargaining;
- Labour market deregulation was halted;
- The increase of daily working time in half an hour and its consequent deregulation were defeated;
- Measures were introduced in employment and in economic policies, encouraging economic activity and avoiding the sharp increase of company closures and job cuts on the one hand and on the other hand facilitating job creation and a better response in terms of employability for the unemployed, young people and active workers;
- We fought a policy aiming only at austerity instead of growth and employment, according to the European Trade Union Confederation's point of view.

UGT's compromises are, mainly, the results of:

- To accept the discussion on the labour market measures of the Troika Memorandum;
- To accept the holidays reduction, the cancellation of the grant of 3 supplementary days in the vacation period, accepting also that the enterprises may close on bridge days (working days between holidays and weekends) from November 1st to April 30th (which they may already do from May 1st to October 31th).

¹ Concerning the composition of the European Parliament, the equivalence is the following: PSD and CDS – European People's Party - Christian Democrats; PS – Socialist & Democrats.

4. With this Agreement, UGT has introduced positive changes in all the labour measures of the Troika Memorandum.

In no case are there worse measures than those set in the Memorandum.

Without the Agreement we would get:

- Beside the application of the measures set in the Memorandum, we would get extra half hour's unpaid work per day, along with several other measures resulting in deeper labour market deregulation.
- A climate of great conflict, company by company, against the increase of working time and a major widespread social unrest against the Memorandum measures (which would not prevent its approval by the overwhelming majority of the Parliament) and also against the new measures resulting in labour deregulation.
- A total deregulation of collective bargaining, with very negative effects on trade union action and the promotion of "an arrogant attitude" by the employers.

5. It is up to the other subscribers to evaluate what they have achieved and what they have lost in the negotiation process, but **it is completely wrong** that nothing has been given up by them.

6. Without the Agreement, the Employers Confederations would obtain much more concerning labour legislation: namely the increase of half hour work and a wider deregulation of the labour law.

But they would also face greater conflicts which would undermine economic activity without obtaining counterparts in the different economic policies, including in the areas of corporate financing and payment of debts.

7. Without this Agreement, the Government would face increasing labour disputes and a greater difficulty in implementing the proposed measures. It would be possible for the Government to try to put an ideological agenda of strong deregulation with high social costs into practice, which would undermine the success of the so-called structural reforms.

Therefore, the Government gave in on important matters regarding the Growth and Employment Agenda, but also on measures listed in the Troika Memorandum:

- Not to put into practice the collective bargaining deregulation;
- Not to introduce a new ground for dismissal;
- Not to reach previously agreed goals;
- To reduce the decrease concerning the costs of unemployment benefits, of overtime and of workers compensation.

The Government accepted the UGT proposal to include a clause in the Tripartite Agreement which states that there will be no changes on the labour legislation beyond those included in this Agreement or those settled in the future through a tripartite agreement.

8. Many workers are unhappy with some of the measures included in the Agreement, especially as there is a disinformation campaign based in the comparison between the agreed measures and those settled by the current Labour Code, determined to ignore the fact that we are submitted to financial assistance and therefore we have the obligation to comply with the contents of the Troika Memorandum.

9. This Agreement has no "social peace" clause. The right to strike will continue to be exercised, as in the case of February 2nd in the transportation sector, and as in any case, provided that there is an unjustified decrease of employment, the violation of the law or if the collective bargaining is being threatened.

Likewise, conflicts will increase if unemployment, poverty and exclusion continue to grow rapidly without an adequate response, including the fast implementation of some of the measures that were now agreed.

The Agreement intends to prevent a widespread labour conflict, which will destroy collective bargaining, leading us to the situation of Greece.

10. The present Agreement also makes a clear commitment to improve collective bargaining both in the public and private sectors, holding the Government, the Trade Unions and the Employers Organizations responsible. UGT wants to reaffirm that everything shall be done to assure that this Agreement will be fully respected, including through bilateral agreements at Confederations' level. Likewise we will fight to ensure compliance with the social dialogue commitments in the Public Administration and in the State Business Sector, particularly concerning the transportation sector.

11. From our point of view this Agreement defends the Portuguese situation (as all the previous ones), but above all it is an **Agreement for the protection of both workers and employment**. This is a **Solidarity Agreement** towards the unemployed, young people and those who today are facing increasing insecurity at work. It is also an Agreement which defends future Social Security financial sustainability, which is crucial to ensure social benefits and pensions to current and future pensioners.

Lisbon, January 23rd 2012