



ETUC resolution
Lisbon Strategy
The ETUC's position on the revision
of the integrated guidelines

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Putting the quality of employment at the heart of the new integrated guidelines

The good news

1. By registering an impressive 3% rate of expansion in 2006, after four long years of slow growth, the European economy has finally started moving again. This improved growth has been matched with stronger employment and consequently a reduction in unemployment. At just under 7% in 2007, unemployment in Europe has not been this low since the early 1990s. The resumption in growth has also brought the average government deficit in the euro zone close to zero, although progress is uneven from one country to the next. The Nordic countries have been conspicuously successful.
2. Over the longer term, it is worth noting that while economic growth was disappointing for a number of years; the European economy nevertheless functioned as a 'job-creating machine'. For the period 1997 to 2005, the Europe of 25 created 18 million new jobs and the employment rate climbed six points in the euro zone and four to five points for the Europe of Fifteen and the Europe of Twenty-five.

What conclusions can be drawn?

3. The ETUC's demand for more and better jobs nevertheless remains more valid than ever. Europe is in the process of missing the target of a 70% general employment rate and 60% of women by 2010. What is more, the quality of jobs increasingly leaves a great deal to be desired. The joint analysis of the European social partners particularly demonstrates that, while open-ended employment contracts are still the general rule, there is

nevertheless a structural trend taking place towards an increase in atypical work: a large share of the increase in the employment rate since 2000 consists of part-time work held by more and more workers often feminine who have been unable to find full-time employment. The high proportion of fixed-term contracts is also continually increasing and represents in some countries up to one third of salaried employment.

4. The appropriate conclusions need to be drawn from these developments:
 - I. First, the upturn in growth in 2006 is proof that those who claim that the European economy cannot grow because it is hemmed in by constraints such as social Europe and workers' rights are mistaken. In fact, the European economy and labour market are reacting to the upsurge in macro-economic demand by translating it into the creation of new jobs and additional economic activities. One particular aspect concerns the fact that if the European countries cooperate with each other, the impact on the economy is amplified, as demonstrated by the joint boost in the German and French economies seen in 2006.
 - II. Second, there is a need for structural reforms based on the principle that social Europe is a factor of productivity and that there needs to be investment in people rather than reduction of their labour rights. On the one hand, workers who experience insecurity are not productive workers, as seen in the slowdown in Europe's productivity growth, which goes hand in hand with the trend towards more insecure employment since the middle of the 1990s. The opposite is also true, however. If investments are made in training workers, in making careers more secure and in stable employment contracts and relations, growth and job creation are made more sustainable.
 - III. Third, it is becoming increasingly obvious that there are no contradictions between well designed and generous welfare systems on the one hand, and economic growth and job creation on the other. On the contrary, most of the best performing Member States have guaranteed a high level of social protection while striving to attain the Lisbon Strategy targets. This shows that workers who have a sense of security and confidence contribute actively to the ongoing structural changes needed to deal with the challenges of globalisation.

Putting the quality of employment at the heart of the integrated guidelines

5. Given the necessity of promoting the quality of employment, including the quality of employment contracts, the Commission and the Council cannot afford simply to duplicate the existing guidelines. The ETUC, moreover, has not invested a year's worth of discussions and dialogue with European employers on a joint analysis and recommendations for the labour market only to have to conclude now that nothing will be changed in any case.
6. The ETUC urges the Commission and the Council to place the quality of employment at the centre of the new guidelines 2008-2010 by introducing the following recommendations:
7. Invite the Member States and the national social partners to improve compliance with and implementation of the principles of the existing European social acquis. Indeed, this European social acquis contains important principles which allow an adequate response to unsustainable labour market practices, for example, the principle of equivalent rights for part-time workers, the principle of terminating the use of successive fixed-term contracts in lieu of an open-ended contract, and the principles of equal pay for equal work and gender equality.
8. Invite the Member States and the national social partners to match strong social protection systems with policies and measures that improve productive transitions for workers. To achieve that goal, the ETUC notes the need for sufficiently long notice periods in cases of redundancy. Indeed, the notice period enables the workers concerned to prepare themselves in time. More needs to be done, however: the notice period must also be used as a platform for organising structural support for workers who have been made redundant. The idea is to help such workers immediately rather than letting them disappear into unemployment for months before the employment services finally deal with them. The social partners are in a good position to organise such complementarity between employment protection and secure transitions by using collective agreements to create and finance solidarity structures that assist workers who are made redundant.
9. Maintain and strengthen the use of target figures for getting the jobless back into jobs, lifelong learning, child care facilities, care opportunities to the elderly ones, reducing gender-based wage inequality and failure at school. These objectives have represented the heart of the European Strategy for Employment from the very beginning, but they also reflect a political will to invest in the institutions and the proper working of the labour

market by organising 'upward competition' and by promoting the best labour market practices. It is essential not only to maintain these targets but also to guarantee practical follow-up in the best way possible. Recent statistics on these targets for all the countries and reviews of these aspects should be organised by the Commission and the Labour Ministers.

10. For the ETUC, for example, it is particularly important that the following points be used methodically as benchmarks for national implementation of the Lisbon Strategy.

- A "new start" for each jobless person after six months of unemployment.
- The possibility for the long-term unemployed to participate in active measures by 2010.
- Participation in lifelong learning by at least 12.5% of the adult working population (aged 25-64 years).
- The guarantee of child care facilities by 2010 for at least 90% of children between age three and the age of school attendance and for at least 33% of children under age three.
- A substantial reduction in the wage gap between men and women to a rhythm of at least a point per year.
- A European average of less than 10% of school drop-outs.

11. With 15% of European workers earning low salaries and with millions of working poor, Europe must ensure that the Member States address these problems. Targets for the reduction of the number of working poor and/or of those earning starvation wages must be reintroduced into the integrated guidelines.

12. Lastly, if we wish to improve total employment rates and reduce the difference between employment rates for men and women, then targets for access to other kind of care facilities (for the elderly, etc.) also need to be put in place, in addition to the target for child care.

Putting the 'E' of Europe back into the Lisbon process: the Community Action Programme

13. Although the Member States have primary responsibility for implementing the Lisbon agenda, the fact remains that Europe has the responsibility to provide a European framework that enables the Member States to carry out desirable structural reforms instead of having to compete against one other in a

downward spiral. In other words, Europe and the European institutions do not exist solely to create a border-free internal market. The European Union also exists to shape this internal market, to promote cooperation between the Member States in such a way as to prevent social dumping and to ensure adequate macro-economic demand on the internal market.

14. The ETUC observes that threats to European growth often come from outside the Union and that the collapse of the dollar exchange rate and the subprime crisis on international financial markets can endanger Europe's economic prospects. A European response to these external challenges is necessary and possible, however. Indeed, the European Union has economic instruments such as the monetary policy implemented by the European Central Bank, the possibility for the ECOFIN Council to establish exchange rate policy guidelines, the co-financing of transeuropean projects by the European Investment Bank and taxation policies to ensure the proper working of the internal market. The ETUC invites the Commission to introduce in the Community Action Programme a chapter on the contribution of the Community's economic action to stabilisation and stimulation of the European economy, in particular in situations where economic shocks risk reducing or maintaining economic activity below its potential level.
15. The ETUC also urges the Commission to consider developing a 'double dividend' approach while aiming for robust growth that is qualitatively different and more 'intelligent' from the standpoint of sustainable development.
16. As described in the joint analysis by the European social partners, workers are confronted with different challenges on the European labour market. Enhanced implementation of the European social acquis can respond to certain of these challenges and phenomena of insecurity, successive fixed-term contracts for example, and can ensure equivalent rights for part-time workers. However, there are also other precarious practices such as false self-employment, starvation wages, atypical work arrangements that become traps, non-voluntary part-time work and more generally the lack of flexibility in working time from the standpoint of compatibility between work and family life. The existing social acquis either does not resolve or insufficiently resolves such practices. Since these can be used as the object of downward competition between the different Member States and can also hamper productivity and the availability of work, it is the European Union's duty to take action. The ETUC urges the Commission to develop the European social acquis within the Community Action Programme with a view to building on it and finalising it. For the ETUC, the Commission must give priority to the following themes:

- Giving a new boost to discussions on the temporary agency work directive with the objective of guaranteeing the strict principle of equal pay for equal work.
- Implementing equivalent rights for atypical workers and guaranteeing their transitional rights so that atypical work becomes a stepping stone rather than a trap of insecure employment.
- Complementing the working time directive, not only by eliminating the 'opt-out' but also by introducing the collective right for workers to request flexible working hours, a full-time contract, a part-time contract, or a return to a full-time/part-time contracts.
- Review and reinforce the directive 'parental vacation' to improve the reconciliation of family and private life.

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