



Joint Social Conference

March 2011, thu 10th and fri 11th

Draft declaration

On status and structure of the document :

On December 2nd 2010 and January 26th 2011, the Initiative Committee for the Joint Social Conference discussed the proposal of the draft declaration and modified it as follows. The declaration will be distributed, from now on, and discussed during the first “Social Spring Conference”, following the “discussion rules” below.

The draft consists of four parts:

I. The Europe we want!

1. Our statement
2. Our common goals & how we want to work together
3. Our vision on Europe

II. Our agenda of priorities for 2011

Discussion rules:

According to the method of debate which the JSC as a kind of new alliance of trade unions and movements wants to try, we suggest that at the conference in March the 2 parts should not be discussed in the same way.

The organizations should take into consideration:

- **Part I** may be commented before or during the Conference, but it is not to be deeply changed. In particular:
 - * Point 1 and point 2 describe the project of the JSC itself. For this reason it should not be discussed during the conference. In these two chapters we are looking for a sufficiently consensual wording within the Initiative Committee. It ought to be brief.
 - * Point 3 contains our analysis and proposals with regard to the five thematic areas currently in debate within the JSC. It concerns our medium-term and long-term vision on which we do not need to achieve full agreement on all details, nor unanimity. The goal is rather to construct progressively an as broad as possible consensus. We therefore want to come with a vision on “How Europe should be”, which is shared as broadly as possible amongst us. This may imply that some points remain worded in a questioning form. During the conference in March, according to the respective mandates of each of the attending organizations, we still can modify this chapter and add to it questions as well as comments. They will be subject of the debate in the follow-up.
- The most significant work at the conference will be performed with regard to **part II first of all because the list of priorities may be changed (keeping this list short!); secondly because each organization can decide to commit itself in favor of all the priorities or only part of them, and in its own way.**

I. The Europe we want!

1. Statement

The trade unions and movements which participate in the process of the "Joint Social Conference" commonly assess that

- 1.1 The social situation has continuously deteriorated over the past 25 years. During this period economic growth has served substantially the capital owners and led to higher profits. In some countries the workers have lost in relative terms, in other even in absolute terms. The unemployment rates remain high, employment has become more precarious, social security and public services are downgraded.
- 1.2 Since the financial crisis of 2008 the situation even worsened the financial crisis took the dimension of a systemic crisis which embraces the economy, the ecology as well as the social and political system. The political aspect of the crisis even threatens the post-war democracy established in the name of peace and cooperation: some political parties opposed to democracy are electorally successful
- 1.3 This crisis which by no means is a simple accident highlights the dead end of a development model based on growth regardless of the social and ecological price, on hyper-consumption and on the frenetic exploitation of nature and of workers.
- 1.4 The crisis is also due to decade-long unbalanced economic policies, in particular to the decreasing share of wages. This led to a system in which instead of sufficient wages and stable employment the consumption became increasingly dependent on private indebtedness.
- 1.5 In spite of the demands and the hopes of the populations, the political institutions did not countervail this change for the worse, neither at the national nor at the European level. On the contrary, the decisions they have taken were of the same neoliberal character.
- 1.6 The social movements and the trade unions on their part have not yet been able to create a favorable balance of power at the EU level; there have been massive mobilizations in many countries, though only at the national level, without any link to the European dimension for most of the economic and social issues. There have also been some European rallies (e.g. 29 September) but the authorities did not adequately respond to them.
- 1.7 In spite of the crisis Europe still is a big and rich economy as well as a strong commercial power. The European scale then, is relevant for finding systemic solutions which go beyond the frame of the single states.
- 1.8 Unfortunately, European policies are ever more driven by business and financial interests rather than by the interests of the workers and the population. This especially applies to the austerity measures pushed for by the European Commission. Therefore a huge gap was created between the "European social model" accomplished during the 20th century in most European countries and the continuous political orientation adopted at the level of the EU.

2. Common goals ... & how we want to work together

- 2.1 We, some twenty unions and social movements have agreed to develop and to voice, with other interested organizations, another social agenda for the EU. We want to share our priorities and coordinate our strategies for national and European mobilizations. We are convinced that the deep changes in our societies and the dimension of the problems require an alliance of the various forces of the social movements and the trade unions. We belong, in different ways, to a broad social movement, as well at the European as at a global scale. The JSC was born in the European Social Forum; it is supported by the European Trade Union Confederation (ETUC) and works with various other thematic networks.
- 2.2 We want Europe to become internally more social and more democratic, based on cooperation and solidarity between individuals and populations; and externally to be committed to a fairer world, instead of on competition between countries and regions. Therefore and vis-a-vis the serious situation with which we have to cope, we want to take the time to deepen our **common analysis** and to reinforce our **unity in action**.
We are “pro-Europe” in the sense that we believe that a better economic and social integration at the European level is possible and necessary for
- constructing a political and democratic space which is able to resist the financial globalization;
 - consolidating a space of democracy and civil liberties resisting the rise of nationalisms, authoritarianisms and xenophobia.
- 2.3 It will be impossible to re-build the trust in the European ideals as long as Europe’s populations suffer the bitter consequences of an unleashed liberalism. Instead of distributing propaganda, the European Union should improve the democracy, the well-being, the equality and the social security of all citizens.
- 2.4 Regarding to the well coordinated political powers, our own political and social action is too often impeded by approaches which isolate the European and the national levels. However, there are almost no problems for which the solution lies exclusively either at the national or at the European level. Hence, one of our central ideas is the promotion of a so-called “bi-level” approach in all the issues, from the very beginning, both for analysis and for mobilization.
- 2.5 Consequently, in alliance with the ETUC and the ESF as well as in the closest possible cooperation with other unions & networks we want to contribute to the development of a strong **European social movement** :
- To initiate new alliances between the trade unions and the social movements, in full recognition of their diversity, and to enhance the cooperation and to join efforts in the searching for alternatives.
 - We want to see the social movements and trade unions together, strongly rooted in the national societies and on the basis of joint European-wide coordinated goals.
 - To provide the time and the means to transform joint analysis into the capacity of acting jointly in order to influence the economic policies. That is why part I (“The Europe we want”) is completed by part II (“Our agenda for 2011”)
- 2.6 On the eve of the “Spring Summit” of the EU we will annually host a “**Social Spring Conference**”, aiming at
- The sharing of analysis between the different parts of Europe and the various social movements and the converging of the interpretations of the situation,
 - The developing and deepening of a common vision of social progress, and speaking out on it,
 - The defining of the best strategies and the coordinating of actions in order to achieve the paramount goals we will define. Keeping in mind our vision for Europe, but also the political agenda, and the priorities of the EU’s “Spring Summit”

3. Our vision for Europe

During the preparatory meetings in 2009 and September 2010 analysis and proposals were discussed in 5 thematic areas which necessarily have to be interrelated. However for the sake of clarity they are presented here in 5 points.

1. Monetary policies

The euro is caught in a fundamental contradiction: it is a single currency for a set of states based on social and economic competition between states. We have a single currency but different economic policies and no political unity. Instead of fighting the social heterogeneity with European public policies that would allow for the start of a convergence process, the choice of EU institutions and governments has been to let these differences to create social and tax dumping policies (see paragraph 2 and 3) .

The ECB is, according to the European treaties, independent of any political control and works beyond any democratic control, unlike the central bank of the United States, the Fed, which reports to Congress. Monetary policy, a decisive part of economic policy, is not part of any deliberation. The main objective of the ECB, established by the treaties, is price stability, again unlike the Fed, which also has to promote employment.

The ECB and the monetary policies of the EU put member states excessively under the influence and pressure of financial markets. The Stability Pact and the new “economic governance” seem to be the only instrument of European harmonization of budget and policies; but it is based only on financial and fiscal criteria without any reference to sustainability criteria, growth of employment, or development of social protection.

Some proposals :

- 3.1 The ECB should be allowed to finance government deficits under European democratic control (Parliament and Council). The point is to monetize, at least in part, the public deficits. (Eurobonds)
- 3.2 The public debt must be audited and restructured. The debt service should be capped at a percentage of GDP and exorbitant rates renegotiated. ETUC launched an idea: transfer a slice of national debts (max.60% of GDP) into Eurobonds owned by the ECB. This is similar to the Fed Bonds in the USA for the debt of a State, like California). This debt should not be taken into account in the national debt, but the member state would keep the responsibility to reimburse it.
- 3.3 A strict partition of financial markets is needed, and especially strictly separate deposit banks and business & investment banks.
- 3.4 . The ECB must be accountable for its exchange rate policy to the Eurozone’s governments and to the European Parliament; and it should promote policies in favor of employment
- 3.5 We need to reinforce the European skills for development and innovation (like EBI) to support sustainable employment in the European Union.

2. Budget, debt, tax policies

The tax situation in Europe is characterized by TAX COMPETITION, Declining INCOMES and INCREASING INEQUALITY. In a context which is not in favor of public services, the decline of tax revenue leads to the degradation or privatization of public services, and to public deficits. Deficit increases debt, and debt increases deficit.

In most countries policies (see point 3) led to an increase in household debt. The 2008 crisis has much worsened the situation of debt and deficit (because of the assumption by the states of huge private debt).

It should also be stressed that at the European level:

- there is a lack of an ambitious tax harmonization whereas tax havens are maintained with legal ways for tax evasion;
- the European budget is limited to 1% of GDP, without possibilities for own tax incomes for the EU;
- Since 2009, in all countries, huge austerity plans exist : particularly in Greece, Ireland, Spain, Portugal, Italy and Eastern countries

Some proposals:

- 3.6 Harmonization of tax policies in the EU in order to avoid tax competition and to answer to the present priorities : balanced budgets and defense of public services.
- 3.7 We need progressive tax policies as well as taxes on finance and capital : we can't accept that workers' incomes are taxed more than capital incomes.
- 3.8 Tax haven or legal ways for tax evasion are a major problem and must be abolished.
- 3.9 Establish a tax on financial transactions
- 3.10 Recent fiscal deficits are the result of fiscal competition and of the failure of "all-to-the-market" liberalization : the solution should not consist of wage restrictions which are counter-productive, but of the correction of the causes of the deficits. States should intervene in case of market failures, defend a strong public sector and promote a more responsible economy. See "Austeritywatch" project of ETUC.
- 3.11 Provide an EU budget in line with the needs of European social and economic policies

3. Wage competitiveness, social dumping, precariousness

The key point is the more and more **precarious employment** (casual, part time, poorly paid, subcontracting etc..) which leads to the multiplication of working poor, with increasing inequalities for the past 30 years.

The issue of **productivity** is important: it is interesting when it does not result from deterioration of working conditions or increased stress or ecological destruction ... as long as productivity gains are equitably distributed (otherwise they feed "financiarisation" of economy). Productivity gains could be used to reduce the working time and to avoid rising unemployment.

The notion of **competitiveness** is entirely different (productivity means "produce with less time"; competitiveness means (in its current use: cost-competitiveness) "with lower wages or less social protection". If we may recognize the competition of some use (for innovation, etc..), we believe that when competition is on wages and social standards (competitiveness) it leads to social dumping and precarious jobs in a "race to the bottom".

The abusive use of posted workers in order to avoid equal treatment and the laws of the country is one form of such a competitiveness.

At the macro-economic level, decline in the wage share in the GDP, and increase of inequalities between wages show another problem, feeding "financialisation" by the both sides: more accumulation of profits which need to be invested; and too poorly paid households that increase their debts. Lower wages weaken the domestic market and push towards an export-led economy or towards recession.

Some proposals :

- 3.12 The decline in the share of wages in recent decades should be adjusted upwards. ILO insists on the importance of strong structures for the social dialogue, linked to a strong welfare-state, as a key factor to reduce inequalities and poverty. Adjusting upwards the wage share in GDP, and fighting inequalities, depends on a strong trade-union movement.
- 3.13 We need to coordinate wage policies and national minimum wages (the way to do this must be studied) to counter the effects of degradation at lower levels of the wage scale. These national salaries are set by law in some countries, through collective bargaining in others. In any case, it must be guaranteed that household incomes exceed the national "poverty level" and that wages reach a decent level, see the initiative www.adequateincome.eu
- 3.14 The trade union movement must continue to develop wage coordination projects on regional basis (see Doorn group) or on a professional basis (see Eucoban initiative of the EMF)
- 3.15 States must opt resolutely for coordination rather than dumping : trade surpluses of some countries lead to trade deficits of others, and to major threats to the currencies.
- 3.16 The "posted workers" Directive must be reformed in order to protect the pay conditions prevailing in each country, including social security, respect of working time and of legal or conventional rules. There is a need to develop a policy of open access and presence of migrants, while ensuring them the same wage conditions and rights as nationals.

4. Pensions

Social Protection systems are threatened globally; but in this 2011 conference we only focus on the pension systems

All national pension systems face similar challenges and developments: the age of legal or effective departure is being raised; the calculation basis becomes less favorable; there is a move to the private sector and/or the capitalization (from pay-as-you-go systems to funded systems). The national systems and the timing of the reforms are different, but the direction of these reforms is the same. The GREEN BOOK of the commission symbolizes this similarity and could help to shape our reactions. (See ETUC's resolution of October 2010)

Upstream of the technical debates, there is a "war of ideas" that we have currently lost in the opinion of the majority (but not everywhere! See the greet mobilization in France!): « the ageing of the population is a fatality which threatens the system » «there is not enough public money anymore »; « better capitalizing (funded systems) is to be favored over more distribution (pay as you go) »

The question of the pensions is linked to all the subjects discussed in the other paragraphs:

- « primary distribution » (sharing wages / profit) : there is a need for a better balance of wages and contributions for a viable pension system
- employment
- foreign trade (with consequences on employment) ;

- public budgets and public debts ;
- systemic effects of the financial giants sustained by the private pensions.

Beyond the general problems of the pension systems, there are in each country specific questions : women's pensions; young and precarious worker's situations; state employees' pension.

There is no short term perspective of a "unified european solution" for the pensions but we can define five common objectives, subject to debate:

- 3.17 No privatization ! Everywhere, maintain and increase the public pension share
- 3.18 No further move towards funded systems ! Maintain and reinforce the pay-as-you-go systems.
- 3.19 No shrinkage of the rights (and if possible, definition of a minimum amount, linked to the IBP by resident of each country, and of a minimum replacement rate)
- 3.20 No postponement of the age of retirement (even having a common objective of age ?)
- 3.21 To counter the "war of idea" : launch a strong communication campaign for the public pension systems, based on repartition

5. EU External Trade Strategy

After the failure of the Global Europe Strategy launched in 2006, the EU Commission has just launched its "new" trade strategy called Trade Growth and World Affairs.

Although very similar to the general approach of "Global Europe", the new strategy is even more aggressive and is based on some new priorities:

- The CCE notes that 90% of the global economic growth in the future will be generated outside Europe, so the EU TNCs have to be on "that train", with a better access to foreign markets for investment and selling their goods and services.
- If Europe wants to have full access to new markets it will have to be ready to give something in exchange; this means more industrial sectors will be sacrificed and the "European social model" will be even more "harmonized" down to the low standards that the EU is demanding of its trade partners.

The mandate given to the Commission by member states has many negative consequences, both for European workers and for the peoples of the world, and also for the future of the planet:

It pushes an "all export" model that makes more difficult the construction of a stable domestic demand in poor countries and creates dependency and unemployment in rich countries. In order to fulfill the international concurrency requirement in the "economy of knowledge", reinforced between the European Union countries and the others, this model tend to deviate the education towards the only vocational education and the public research towards the only innovation. This against the development of other missions of these sectors.

The issues of food, water and energy are of particular concern. The initiative "Towards an alternative trade mandate" of S2B network must be studied and elaborated by all socially progressive groups and international trade must be rethought in terms of universal satisfaction of basic needs rather than the discredited 'trickle-down' theory.

Some proposals :

- 3.22 The trade policies of Europe must aim to well-balanced trade relations, ensuring the international stability, environmental sustainability and guaranteeing the rights of workers in all the countries.
- 3.23 The external energy dependence of Europe is considerable; policies for truly renewable energy (e.g. not biofuels) are a major axis for future economic development.
- 3.24 Stopping the ratification of the EU - Colombia/Peru Free Trade Agreement is necessary to reaffirm the priority of human rights and labor rights over commercial profits.
- 3.25 Stopping the negotiations of the FTA with Canada, which are strongly opposed by trade unions in Canada and Europe, must become a common demand based on defense of the social model and public goods of both partners.
- 3.26 Labor movements should make their own proposals for a different trade, investment, energy and industrial development model, through the Alternative Trade Mandate process.
- 3.27 The question of enforcing international standards (ILO etc.) in international trade must be studied, including the use of social clauses, but ultimately we need a different model of trade that goes beyond "free trade" in order to address the basic issues.

II. Our agenda of priorities for 2011 (up for discussion)

The organizations participating in the Joint Social Conference (11 - 12 March, 2011) decide to elaborate coordinated strategies in order to put on the social agenda of the European Union the following urgent issues:

1. We join in the numerous voices against the austerity plans. We oppose the downturn of wages, social benefits and public services. In order to create new, qualitative, socially and ecologically useful employment as well as to enhance the public services we advocate just taxes (increased taxation of profits, abolishment of the tax havens, taxation of financial transactions etc).

For these goals we will take the following actions.....

2. We want to fight wage dumping in the EU and the multiplication of working poor. Therefore we will struggle for an upward harmonization of the wages in Europe and for real wages minimally equivalent to the national poverty lines.

For these goals we will take the following actions.....

3. The public pensions are the best instrument to assure a satisfactory allocation, while the Green Book of the European Commission and the capital funded pension systems will boost the financialisation of the economy and foster social inequality..:

Therefore we will take the following actions.....

4. The trade agreements which the EU already concluded or is currently negotiating with other countries (Columbia, India, Canada) have widespread political dimensions. They risk having negative impacts on the workers here as well as overseas. We want these agreements to be submitted to a fundamental and democratic scrutiny. If necessary we will oppose them. Basically we advocate a redefinition of the mandate of the Commission regarding the external trade in order to prioritize the fundamental human rights.

For these goals we will take the following actions.....