



15.3.2011

### **Trioformandskab**

De faglige organisationer i Polen, Danmark og Cypern har i forbindelse med de tre landes kommende trioformandskab ønsket at fremsætte en række fælles forslag, som kan give inspiration til at finde løsninger på en række områder, som vi mener, er centrale for den europæiske dagsorden.

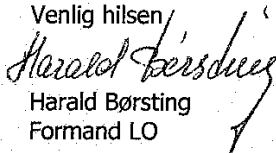
Europa står overfor en række vigtige valg i den kommende periode. Valg som vil være afgørende for unionens borgere lang tid efter trioformandskabets afslutning.

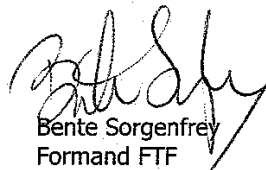
Det er derfor meget vigtigt, at der nu træffes de beslutninger der rækker fremad og skaber ro om økonomien og får sat gang i beskæftigelsen samt sikrer den langsigtede bæredygtighed på arbejdsmarkedene. Samtidig må EU gøre en aktiv indsats for at modvirke social dumping og styrke den sociale dimension for at sikre lønmodtagernes muligheder i det europæiske samarbejde.

Med dette oplæg til trioformandskaberne håber vi, at vi kan bidrage med belysning af nogle af de centrale emner i EU-politikken og kommer ligeledes med en række forslag til det videre arbejde.

Vi er selvfølgelig meget villige til at drøfte og uddybe disse forslag yderligere, hvis det skulle ønskes.

Venlig hilsen

  
Harald Børsting  
Formand LO

  
Bente Sorgenfrey  
Formand FTF

## **Trio EU Presidency for the 2nd half of 2011 and for 2012**

### **Kick-start sustainable job creation in the EU**

#### **Introduction**

The trade union organisations from Poland, Denmark and Cyprus have, in connection with their upcoming Trio EU Presidency, decided to put forward a set of proposals that they recommend their respective countries to work with during the Presidency. As of 1 July 2011, the Trio Presidency will lead the meetings of the European Union and will have ample opportunity for influencing European legislation.

The three countries encourage their governments to work for solutions that will benefit of all citizens in the European Union. It is therefore necessary to focus on creating economic growth and launch initiatives to increase the employment rate, among others by creating new sustainable workplaces.

Europe is facing major new challenges, but we believe that it will be easier to obtain good results if all 27 member states join in the efforts. We therefore encourage our governments to spearhead the creation of constructive solutions to Europe's problems.

The economic crisis has brought about major challenges. However, in the long term, Europe faces the challenge of setting up a framework for the transition to a sustainable economy. The business sector must be further developed so that it can take on a leading position on the world market in the face of competition from newly industrialized countries, such as China and India, by means of the development of products with a high knowledge-content. At the same time, there must be a continuous development of welfare systems for European citizens. This requires a well-functioning public sector in order to create the framework conditions for a continuous development of growth and welfare.

We are very willing to enter into a dialogue with the governments and our employer counterparts - both at the European and national levels - in order to bring about the conditions that are required if we are to ensure our vision of a fairer EU with equal conditions for everyone.

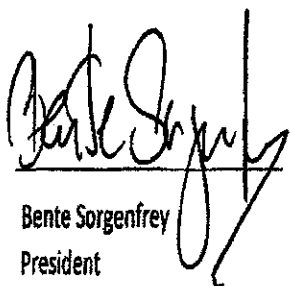
Signed by,



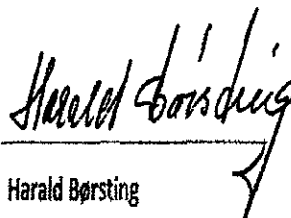
Jan Guz  
President  
OPZZ



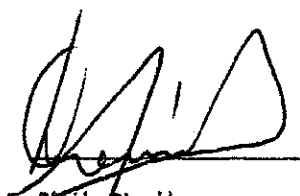
Piotr Duda  
President  
NSZZ Solidarnosc



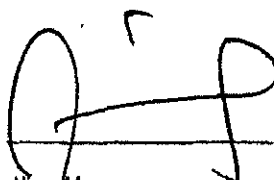
Bente Sorgenfrey  
President  
FTF



Harald Børsting  
President  
LO-Denmark



Dimides Diomidous  
General Secretary  
DEOK



Nicos Moysesos  
General Secretary  
SEK

**The trade union movements of Denmark, Cyprus and Poland have the following seven main priorities:**

**I. The creation of growth and employment - the main priority in financial policy-making**

**a.) Sustainable financial policy**

The economic crisis has led to considerable budget deficits in most EU member states - and thereby growing debt. There is a unilateral focus on reducing public spending in order to reduce debt levels. There is no consideration of the fact that when all EU member states practice budgetary austerity and cut jobs in the public sector, this can be an impediment to economic growth. There is a need to point to other roads to long term budgetary stability than shrinking the welfare state and cutting down on social schemes.

During the current economic crisis, one crucial issue has persisted, namely the lack of solidarity between the EU member states to fight the crisis by means of a coordinated political effort to defend the weaker countries. A rescue package should have been introduced much sooner, sending a signal to the market that the EU member states would stand together as one. In this way, the consequences of the crisis would have been less severe for the most vulnerable countries.

The current crisis is the result of financial speculation – especially in the form of investments into dubious projects and securities carrying very high risks. Many European countries have been hit very hard and huge amounts of money have been spent to save the banking and financial systems from complete collapse. The crisis has demonstrated a need for more efficient monitoring of financial institutions. Therefore, setting up the necessary control mechanisms for efficient monitoring of the financial sector should be an important priority for the Trio Presidency.

In order to fight the consequences of the crisis and create new growth, the EU will need increased financial resources for fighting the crisis. Introducing a financial transaction tax could be a tool for providing additional sources of income provided that it does not lead to rising unemployment.

We have also witnessed how the crisis has accelerated a negative development on the European labour market in the form of a growing number of precarious jobs. Many European workers feel that their job security is threatened. In a number of countries, the flexicurity concept has been misused as a pretext for increasing flexibility while leaving out the social safety measures and active labour market policies that are fundamental elements in the flexicurity model.

When Europe is burdened with heavy government deficits as is the case now, its member countries need to step up their sources of income. Fiscal policy is a national matter because each member country has the sovereign right to lead its own fiscal policy and thereby also the right to dispose of the state revenue. However, discussions on how best to apply the tax instruments at hand at the European level should not be ruled out. The notion that tax relief for the rich will solve all economic difficulties has not turned out to be the right solution. Taxes must be progressive since the so-called flat taxes hit the poorest citizens the hardest. No one should expect EU-funding to replace tax-financed contributions from the member states if we are to continue to develop the welfare system in the European societies.

The role of European social dialogue should remain central in dealing with issues related to economic and social governance. We propose the setting up of an 'EU 2020' group in the framework of European Social Dialogue so that all 27 countries and their social partners can be involved in ongoing policy discussions with the EU authorities on a regular basis.

**In conclusion, we therefore encourage the Trio Presidency to work towards:**

- **A targeting of the EU's financial perspectives from 2013 with a view to strengthening growth and employment and creating greater cohesion between the EU-member countries.**
- **The jobs that are created must carry a living wage and provide decent working- and living conditions. This requires a major coordinated effort in order to develop an active labour market policy.**
- **The fight against precarious work offered to young people should be a priority. Specific efforts must be put into reducing youth unemployment, among other things, by ensuring that the young have access to vocational training or tertiary education.**
- **Funds must be provided in order to finance major infrastructure projects and provide increased means for structural funds for the poorest member countries. A financial transaction tax would be an instrument to reach this objective.**

#### **b) More and better jobs and decent work**

The crisis has led to the creation of a great number of jobs that are characterized by poor working conditions and reduced job security. This is not compatible with the European social model. The Presidencies must therefore support and ensure a high level of job security in keeping with the principle of decent work as defined by the International Labour Organisation, ILO.

As a first priority, new jobs must be created as quickly as possible. Despite the crisis, millions of new jobs can be created in new sectors such as green technology or health care. This requires that both public and private investments are redirected to labour intensive sectors using European and national reform programmes for job creation. At the same time, we have to ensure skills' upgrading for our workers so that they are equipped for the jobs of the future. Europe should never attempt to compete with emerging economies on the basis of low wages, low labour costs or poor working conditions. It should, on the contrary, base its competitiveness on high skills, effectiveness, gender equality, productivity and innovation in a knowledge-driven economy. Active labour market policies must be stepped up to reduce the gender pay gap and to swiftly reintegrate recently laid-off workers and the long term unemployed on the labour market.

The crisis has underlined the importance of strong, sustainable social protection systems. Many people's living conditions depend on the welfare state, which is why reduced unemployment benefits, lower child care support and pension cuts are having very severe effects on society. Progressive action is now needed to tackle the increasing pressure on the financial sustainability of national social security systems.

Targeted policies must be established or reinforced to support those most affected by the crisis, including those on the lowest incomes. It should be highlighted that the precarious nature of employment creates difficult situations, not only for employees themselves, but also for the whole labour market and the regulated system of industrial relations. In some countries, the introduction of a national minimum wage is regarded as the core element of stability and social progress. A minimum wage system must, however, respect collective agreements contracted between workers' and employers' organizations. In countries with fragile or non-existing collective bargaining systems, minimum wages could be introduced through legislation without undermining existing collective agreements.

**In conclusion, we therefore encourage the Trio Presidency to work towards:**

- **Active labour market policies, raising the level of workers' qualifications in order to maintain their employability.**
- **Policies to improve the work-life balance.**
- **Fighting poverty actively in Europe.**

## **II. A just transition to a green economy based on alternative energy**

The global climate situation necessitates a reorganisation of the supply of energy and the production methods in order to reduce the emission of CO<sub>2</sub> and in order to reduce the impact on the environment. It is however crucial that the target of

emission reduction is observed by all countries in all parts of the world. Otherwise instead of decreasing emission, jobs will be relocated to countries of low, non-sustainable standards and quite often also to trade union free zones where core labour standards are systematically violated. The EU must seek cooperation with other global players who expose nature to major environmental burdens with a view to concluding binding climate agreements in order to contribute to the global reduction of the environmental impact. It is vital that the interests of the poorest among the developing countries are taken into due consideration with a view to ensuring that their early-stage industrialisation is not brought to a standstill.

At the same time, it is important that the transfer to climate-friendly production is based on the principle of a fair transition and not on a system based on anti-competitive taxes and subsidies. A fair transition to a green economy requires the existence of continuing training which makes it possible to adjust people's qualifications to the new conditions.

The EU's structural funds must be organised in a way which supports the objectives of the EU's climate policy and assists the member states in carrying out the transition to a more environmentally friendly production. Poland, in particular, needs the assistance of the EU due to its large mining industry.

A sustainable new deal should be focused and directed towards a just transition to decent, sustainable and green jobs as part of the global fight against climate change.

**In conclusion, we therefore encourage the Trio Presidency to work towards:**

- **Progressive environmental policies and active efforts to ensure that Rio +20 and COP17 become successes that address CO2 reduction in all parts of the world. The aim is the conclusion of a worldwide climate agreement.**
- **The development of alternative energy sources such as solar and wind energy. This will generate innovation and workplaces in European industries.**
- **A transition to a green economic policy and approach while securing the living and working conditions of employees - especially those working in industries that can be regarded as non-friendly to the environment.**
- **The adaptation to a low-energy consuming society must be based on the principle of making a just transition to decent jobs. The Structural funds and The European Social Fund can contribute to financing the retraining and readjustments necessary in companies - especially in the countries that are most severely hit by the consequences of the changes.**

### **III. A social progress protocol linked to mobility and posting of workers**

The recent ECJ decisions in the Laval and Viking cases have reinforced the superiority of economic freedoms over fundamental social rights. The EU should introduce a Social Progress Protocol in the EU Treaties in order to highlight the fact that the EU is not just an economic project but that it also includes, among its main objectives, the improvement of living and working conditions of its citizens. The ETUC's proposal for a social progress protocol is annexed to this programme as appendix 1.

The right to take collective action is fundamental. Therefore, it should be secured in order to protect workers' rights in accordance with the principles of ILO conventions 87 and 98. This issue is of great importance, for instance when it comes to safeguarding pay- and working conditions for posted workers.

The role of workers and trade unions should remain central in issues related to the improvement of living and working conditions for workers, the fight against social dumping and equal treatment of workers regardless of nationality or any other grounds.

When hearing labour market cases, the European Court of Justice should consult with experts representing the social partners. And in the long term, an actual European Labour Court should be established.

In future, most EU member states will need to attract foreign labour, particularly skilled and highly qualified manpower. Increased mobility in Europe will therefore be necessary. If this area is to be developed, we cannot have a situation by which one region is characterized by unemployment and another region by a shortage of labour. The Treaty and the Single Market support the free movement and rules have been set up regarding posted workers' conditions, including their right to health care. The EU should work to make sure that every member state has systematized services for citizens which offer them assistance for the formalities in connection with their relocation to another member state.

Social dumping takes place in a number of areas. It can be in the form of companies that move their activities from a country with good wages and working conditions to a country with considerably poorer pay and working conditions or a country with a poorer enforcement of the existing obligations. In this connection, it is important to ensure that the minimum regulation, which is laid down in EU-directives, must be enforced efficiently.

The directive on the posting of workers is essential in order to achieve equal treatment and protection of all workers and a level playing field for companies. This



is the most important guarantee against manipulation and abuse. It is therefore necessary to ensure an efficient implementation of this protocol in all member states.

In addition to this, special attention must be given to the legislative proposals of the European Commission dealing with the conditions of entry and residence of third-country nationals. There are three proposed directives in this area, namely the directives on a single permit, seasonal work and intra-corporate transfers.

It is unacceptable that after the four ECJ rulings, the Commission continues to legislate with a view to liberalizing the single market, favouring unfair competition, undermining the equal treatment principle of different groups of workers and trying to erode the host country principle. We need to follow the Lisbon Treaty's legal framework for ensuring a social market economy by demanding the European legislator to work for social progress and for the European Charter of Fundamental Rights, ensuring both equal opportunities, non-discrimination, collective bargaining and the right to strike.

The proposed directive on the posting of third country nationals should be distinguished from the posting regulated by the directive on the posting of workers in the framework of the provision services, which concerns posting within the EU.

Furthermore, it should be made clear that the inclusion of trainees in the posting process can be proved problematic since they are potentially very vulnerable to exploitation and abusive practices, which may also lead to unfair competition.

**In conclusion, we therefore encourage the Trio Presidency to work towards:**

- **Incorporating a social clause in the treaties so that fundamental workers' rights are included on a par with the four fundamental principles of free movement. If an inter-government conference is called with a view to increasing the control of the member states' economies, this will lead to further austerity which will affect the workers negatively. A social clause will be an appropriate safeguard for maintaining equality in Europe.**
- **Putting an end to the uncertainty in connection with the directive on the posting of workers which has been interpreted by means of judicial decisions by the European Court of Justice. This should be avoided by a recast of the directive with a view to clarifying it.**
- **The underlying principle should be equal pay for work of equal value regardless of the workers' country of origin. A minimum wage will not ensure that the principle of equality is observed.**

- **The directives on a single permit, seasonal workers and intra-corporate transferees must be withdrawn. The conditions regarding the free movement of service providers in third countries must be regulated by means of a services agreement in the WTO.**

#### **IV. Training, education and life-long learning**

Training, development and research must be given a high priority on the agenda of EU-cooperation.

Growth and welfare in Europe strongly depends on the training and education efforts of the member states and the ability to generate new knowledge. Promotion of the EU-cooperation on education, training and research effort should therefore be given a high priority during the Trio EU Presidency.

A number of decisive factors point to the need for giving higher priority to training and education initiatives at all levels – including elementary training as well as further education and continuing training.

The developments in demography have the consequence that many public and private employees will be retiring from the labour market in the coming years. This poses the need for a larger trained workforce - both when it comes to vocational education and training as well as tertiary education. The fast developments of new knowledge and technologies with a high knowledge content also points to the need for skills' development at all levels. Furthermore, the change in production to adjust to the increased importance of the service sector requires training and education efforts that support such a transition. The continuous qualitative development of welfare in society, including a more efficient use of resources requires continuous adjustments of training and education programmes.

The current crisis faces us with a particular set of challenges. Far too many young people cannot enter the labour market - either because they do not get formal vocational training or because they move directly from graduation to unemployment. This is a major social problem for the individual and a waste of society's resources. The crisis also accentuates the problems that arise in the wake of company closures and downsizing, a large number of jobless adults have to adjust to entering into other sectors and different jobs but lack the required skills and competences for filling these jobs. In this connection there is, not least, a need for a massive mobilisation of continuing education.

We have great innovative potential in Europe which is not fully explored. Employees and leaders who have innovative ideas are not given enough opportunities for

putting their ideas into practice in the form of new products or work methods. A lot of new knowledge is developed in exciting but isolated development projects that only benefit a small circle of stakeholders. We will therefore work to ensure that the concept of employee-driven innovation becomes part of a broad political agenda.

In view of the many major challenges to training and education and the dissemination of new knowledge in the EU, it is positive to note that training and knowledge development is high on the list of priorities in the EU 2020-strategy. It presents proposals that contain positive aspects, namely in the two flagship initiatives that emphasize training and education, namely "Youth on the move" and "New skills and jobs."

**In conclusion, we therefore encourage the Trio Presidency to work towards:**

- **Giving a high priority to the work with "Youth on the move". We need to ensure that a greater share of the young generation receives vocational training and that more young people are encouraged to continue education at a higher level. A youth guarantee ensuring work or training for young people must be introduced.**
- **The flagship initiative "New skills and new jobs" should be the starting point of an effort to solve Europe's demographic problems, among other things, by means of training and education in combination with active labour market policies.**
- **Investments into training and knowledge-development are crucial to growth and job creation in Europe.**
- **In future, the European business sector will, to a higher extent, be in need of manpower with tertiary education. The member states must therefore ensure that this manpower is available in view of the increased focus on knowledge-intensive workplaces in the EU.**

## **V. The Single Market - an open market with a social dimension**

As described in section III, The European Court of Justice has, through a number of rulings, brought The Single Market into focus by maintaining that the fundamental freedoms take precedence over other EU rules. This necessitates a strong focus on the future implementation of free movement in the Single Market, among other things when it comes to further regulation on services.

When the Single Market was launched 20 years ago, it was a clear political objective that market liberalisation and deregulation was to take place concurrently with a development of the social dimension of the EU. This aim has been increasingly eroded during the past few years and the current Commission lead by Barosso,

which has launched the initiative on the Single Market, has not even prepared a social action programme - which is a break with the past 20 years' policies of the successive Commissions. All the while, the Commission aims to make the project on the Single Market more popular among European citizens. Another Treaty objective is that the EU should be based on a highly competitive social market economy.

The preparatory work of the Commission's proposal on the Single Market included a report from previous Commissioner, Monti, who suggested that the conflicts between market integration and social aims should be solved. The proposal was to introduce a provision similar to the one which had been inserted in regulation COM 2697(1998) guaranteeing, among others, the right to strike in connection with the free movement of goods. This proposal would have been a step in the right direction as opposed to the Commission's proposal.

The trade union movement strongly emphasizes the importance of the Protocol on Services of General Interest, which is annexed to the Treaty. According to the Protocol, these services must be characterized by a high level of quality, safety and affordability and it is important to observe the wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest as closely as possible to the needs of the users

**In conclusion, we therefore encourage the Trio Presidency to work towards:**

- **Ensuring that the implementation of the Single Market is carried out in a balanced way by means of an efficient social clause. This is the only way to regain the citizens' trust.**
- **Seeing to it that it continues to be fully up to the member states to decide whether or not to award contracts to public or private bidders.**
- **Ensuring that the rules on the Single Market are efficiently implemented in the individual member states. It must not be possible to obtain any competitive advantages by refraining to implement the common rules.**

## **VI. Health and safety at work**

The development of health and safety issues should include improvements of institutional and legal frameworks and monitoring procedures based on frequent inspections at plant level.

Promotion of information and training activities are required in order to make sure that workers and employers are fully aware of issues related to health and safety at the workplace. Similarly, health and safety issues should be included in all areas of the workplaces and in additional policy sectors.

Research and academic involvement in health and safety should also be a central part of the efforts to improve health and safety standards. It should be encouraged and promoted even further.

The development of close cooperation and consultation procedures among social partners and other related stakeholders is one of the main prerequisites for improving health and safety standards and practices.

The creation and advancement of the existing procedure related to risk assessment obligations and risk management should be in line with current needs and prospects in the field of health and safety at work.

Another aspect of importance and concern relates to the improvement and strengthening of health and safety committees at the workplace, to adequate training activities and to the promotion of related issues through works councils at European level.

Finally, it is important to note that adequate health and safety standards also need to be applied for seasonal, part-time and posted workers.

**In conclusion, we therefore encourage the Trio Presidency to work towards:**

- **Incorporating health & safety at work into all areas that are related to working life.**
- **Incorporating the regulation on REACH so that all chemical substances that may affect health & safety at work are registered.**
- **Finalizing the Directive on muscular- and skeletal disorders.**
- **Ensuring that the efforts to remove administrative barriers do not lead to deteriorations in health & safety at work.**

## **VII. Gender equality**

There is a lack of understanding of the concept of equal treatment. There is no doubt that the gender segregation on the labour market is a consequence of the failure to, at the national- and the EU-level, engage in the debate on which information strategies or measures to apply in order to promote free choice in training and job choice for both sexes.

The European labour market continues to be characterized by gender segregation. This leads to a number of equal opportunities' challenges - not least when it comes to the problem of unequal pay for men and women. Since this segregation differs from one country to the other, there is a particular challenge in changing the culture underlying the gender segregation. A more equal distribution of men and women on the national labour markets would be an investment in the future because it will

assist in promoting flexibility and preventing bottlenecks on the labour market and it will work against the negative demographic development in Europe. The structures differ across the EU, and mutual exchange of experiences should be systematized.

Across Europe, women earn, on average, 17.8% less than men and in some countries the gender pay gap is widening. The gender pay gap also has an important impact on lifetime earnings and on women's pensions. Earning a lower salary means having a lower pension and this involves a higher risk of poverty among older women. The gender pay gap is the consequence of ongoing discrimination and inequalities in the labour market which, in practice, mainly affect women. The pay gap is linked to a number of legal, social and economic factors which go far beyond the single issue of equal pay for equal work.

**In conclusion, we therefore encourage the Trio Presidency to work towards:**

- **An effective launch and implementation of the strategy for 2010 – 2015, in particular, and especially on specific measures and actions to close as much as possible of the long standing and persistent gender pay gap.**
- **Increasing women's wages throughout the lifecycle. This would reduce the risk of poverty and improve pension conditions for women. Closing the gender pay gap can help create a more equal and cohesive society.**