



PERC PAN-EUROPEAN TRADE UNION COUNCIL CRE CONSEIL REGIONAL EUROPEEN
 ВЕРС ВСЕЕВРОПЕЙСКИЙ РЕГИОНАЛЬНЫЙ СОВЕТ

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Agenda Item 3: Presentation of draft PERC Programme for 2011-2015:

PERC POLICY PLATFORM 2011 – 2015 (DRAFT)

1. The Pan European Regional Council (PERC) was created in 2007 as a specific structure in the global trade union architecture. The PERC region encompasses a wide diversity of types of economies and societies with their respective industrial relations systems, labour and social protection policies. At the same time there has been a clear trend of increasing interdependence between the countries and their perspectives for development across Europe and beyond.

2. PERC is a structure of the ITUC called for by the necessity to respond to the common challenges and opportunities for trade unions in Europe in the processes of globalisation, europeanisation and, in the current period, to the impact of the crisis in the region. PERC aims at facilitating debates and joint initiatives, and at advancing trade union policies in areas of common interest, bridging over the diversity and preventing fragmentation of trade union “action field” in Europe. To these ends PERC contributes to building solidarity and collective action in the region, guided by ITUC and ETUC programmes and policy orientations.

PERC region: general overview and perspectives

3. Europe, is at a crossroad of policy choices and at a critical stage in their development. The packages of reforms and other policy initiatives undertaken in the coming months will shape the future of the countries – their economies, societies and political processes – indeed the democratic nature of development for a long period ahead.

4. With certain exceptions, the policies aimed to secure “exits” from the crisis have effectively:

- Facilitated socialising the costs for saving reckless financial institutions at taxpayer - mostly working people’s- expense and shifted the burden of recovery on their shoulders;
- Further exacerbated by the “austerity” policies, decimated public sector wages, jobs, pensions, employment opportunities and jeopardised the future of public services and the quality of human development;
- Culminated in several countries in a rising wave of official assaults on established labour, social and trade union rights in violation of ILO, Council of Europe, and EU standards with increasing ripple effect in a number of others.

5. The policies adopted or in the pipeline have profound effects on the context, the content and the practical operation of trade unions. Blatant disrespect for fundamental rights and freedoms enshrined in ILO standards and the European social model threaten to



dilute established guarantees for trade unions and undermine their presence both across Europe and globally.

6. History suggests that, along with the severe pressures on workers, their families and trade unions, a crisis of such magnitude tends to open the space for further challenges to the status quo. Faced with new policy concepts and business models as well as new patterns of structuring, mobilisation and collective action of trade union have emerged as responses to such situations. Those developments have drawn strength and built on the rising importance of fundamental trade union values and standards:

- The driving force in human beings for freedom and dignity in their lives at the workplace, at home and in the wider society that underpins all demands of trade unions.
- The importance of effective solidarity and mobilisation capacities across professional and social groups nationally and among countries to back genuine social dialogue, collective bargaining and political exchange.
- The development of clear vision and firm positions on matters of principle and democracy, along the capacity for flexible responses in structuring trade power to promote them and provide guidance for the wider society.
- The importance of protecting and further consolidating ILO labour standards and the European Social Model as a basis for exiting the crisis. They provide the basis for post-crisis arrangements leading to fairer and more inclusive, democratic societies and efficient, productive and sustainable economies in the future.

Place and role of PERC in trade union policy-making

7. The prospects of the unfolding crisis seem to be oscillating between the danger of a second dip, triggering world-wide recession and a protracted period of low growth of the economies in Europe. Trade unions can be faced with persistent shortages of employment opportunities – a continuing “job crisis” with declining or stagnating incomes matched by rising inequalities among and within countries, social and professional groups, leading to even deeper social exclusion. Unless the currently prevalent political mindset and nature of governance is changed these conditions will provide further incentives for pressuring and marginalising trade unions and social dialogue in the political process.

8. The key characteristic of such a context for work will obviously be ***instability*** and ***uncertainty***. The difficulties in foreseeing developments will necessitate higher flexibility and capacity for mobilisation for trade union policies to respond to particular situations across countries in Europe.

9. For the efficient operation of PERC in these conditions, the ***annual planning cycle*** will be even more important as the key instrument to address uncertainty, providing an active platform for trade union activities.

10. The current activity/ policy platform is aimed at outlining the scope and orientation of PERC work in view of its specific nature as a regional structure of the ITUC and its potential for closer trade union cooperation across the region. To these ends a number of priority areas for engagement of PERC are identified - to be further elaborated in the annual action plans - and to provide focus for the activities of the members as well as PERC constituent structures, networks, task forces, project teams, etc.

11. PERC areas of priority

- ❖ Unfolding of the crisis and its impact on patterns of economic governance, the crisis of employment, distribution of wealth and social cohesion. Towards a new model of sustainable economic growth.
- ❖ The fall out of the crisis on human and trade union rights, on established systems of industrial relations, social dialogue and the logic of collective action. Protecting the achievements and advancing trade union unity of action on various levels.
- ❖ Confronting the multiplying lines of inequalities, to prevent eroding the base for solidarity and collective identities among workers and citizens.
- ❖ Defending the democratic nature and legitimacy of the political process through participatory structures and dialogue in the policy-making process.
- ❖ Stabilisation of trade union organisations, strengthening their base and status at the workplace, sector and national level negotiating processes.

I. The unfolding crisis and its impact on patterns of economic governance, distribution of wealth, and on employment and social cohesion.

i.a) Overall outlook and challenges:

- Continuing austerity policies leading to a second dip recession or a protracted period of low growth under the dictates of the financial markets.
- Deepening divergent trends in different economic contexts in Europe: core-periphery, different nature of economic dynamics, resources, rationality of economic and social agents.
- Danger of “jobless growth”, protracted employment crisis particularly hitting young people, long term unemployment leading to persistent and rising poverty levels;
- Declining or stagnating wage levels, deepening mismatch with productivity and falling share of labour in total national income;
- Incentives for expansion of precarious work, and the shadow economy with particularly dangerous consequences for women and young people;
- Privatisations and assault on public services – undermining future individual and social development, particularly in situations with low rate flat tax systems and systemic problems with state capture and corruption;
- Mounting pressures on the family and community cohesion due to rising levels of poverty and stressful working and living conditions; rising violence – particularly against women.

i.b) Brave and innovative economic policies are needed to avoid dangers, to confront the challenges and proceed towards developing models for sustainable social market economies. Political elites have failed to meet the level of the challenge and allowed European economies to slip towards a new recession. At the same time, mounting anxiety and anger over irresponsible economic policies have also demonstrated impressive mobilising potential.

i.c) Trade union policies.

Three main sources of policy development and interaction will be crucial for shaping future developments in this priority area: the need to control and manage global financial system and the globalisation process; EU efforts to find real solutions and contain damage of the crisis; and the capacity of trade unions to develop alternative and adequate anti-crisis policy responses for Europe.

The direction and content of the union policies along the first two lines will be outlined and implemented primarily by ITUC/GUF/TUAC and ETUC/ETUI. It will be for national trade unions to assess and orient their strategies to the best opportunities for impact on their particular situations.

i.d). Orientation of PERC activities

The PERC will focus primarily on securing the smooth and timely information concerning developments in the policies to overcome the crisis, exchange of expertise and upgrading of skills of the relevant experts or policy actors. To these ends PERC will actively support and participate within its level of competence in the initiatives of ITUC and ETUC and other structures, e.g. the Council of Global Unions, the working group on economic policy at the Trade Union Advisory Committee (at the OECD), etc.

- Stabilise and further develop the output of the networks of TU economic experts in SEE and NIS for their respective confederations to use. Further disseminate ideas related to the concept of the “new growth model”, industrial policies, climate-resilient economic growth, the new OECD Guidelines for MNCs, IFIs policies, etc.
- Use the meetings of PERC discussion forums – e.g. the Summer school, SEE TU Forum, Women and Youth committee, etc. to promote knowledge and understanding of the overall policies or particular elements and dimensions of developments in the crisis period and beyond;
- Support integration and visualisation of gender specific and youth consequences of all trade union policies and actions;
- Improve the information flow through the PERC website and newsletter;
- Support as much as possible projects in this area supported by external actors/ western trade unions in CEE region.
- Pay attention to cases/situations where the crisis policies and realities trigger particularly dangers for certain trade unions/ countries.

II. The fall out of the crisis on human and trade union rights, on systems of industrial relations, genuine social dialogue and the logic of collective action. Protecting the achievements and advancing trade union unity of action on various levels.

ii.a) Overall outlook and challenges

The crisis and the resort to austerity policies has been increasingly used by a range of governments to launch severe attacks on established fundamental trade union and social rights, particularly on the structures and procedures for social dialogue and collective bargaining. There has been a clearly rising wave of this type of anti-union policies in a number of countries throughout Europe – both in EU member-states and further afield. The tide has been often inspired by interests external to the system, e.g. the American Chamber of Commerce, associations of foreign investors and “union-busters”. Governments have followed their advice despite agreements reached by the national social partners on the issues and official ILO opinion that it leads to violations of international

labour standards. The new wave of cases has complicated and additionally fuelled the already identified cases of systems “in danger” like Belarus and Georgia.

This priority area raises fundamental challenges for the future work of PERC members as it systematically undermines the legal, institutional and procedural basis for the operation of industrial relations and social protection policies.

ii.b) Trade union policies

The complexity of the challenges and the possible damage to the *raison d'être* of trade unionism makes trade union responses the central priority of work through combining all available channels and instruments for influence within the ILO, CoE/ESC (R) and EU institutions. Successful interventions will obviously require maximum cooperation of ITUC HTUR Department, PERC HTUR network and ETUC/ETUI in their respective areas of competence.

ii.c) Orientation of PERC activities

In the process of coordinating responses and focusing joint efforts on the necessary target PERC has already shaped its place and possibilities to contribute to the process. The necessities inevitably demand to further stabilise the approach and to continue searching for improving the efficiency of the contribution:

- Stabilise and improve the participation and pattern of operation of the PERC HTUR network as the main vehicle for communication and orientation of national organisations, for preparation and launching cases/campaigns as challenges arise.
- Securing close cooperation with ETUC/ETUI for monitoring and maintaining information flow among all cases under attack and also dissemination to other interested organisations.
- Maintaining and upgrading the professional skills of the participants of the TU legal experts networks as direct inputs in analysing and shaping relevant approaches by national organisations.
- Organising special events on specific hot issues/country meetings to develop specific understanding of problems or support for individual cases facing special difficulties.
- Encouraging and supporting all other structures to identify their angle of interest and way to contribute in confronting the challenges in this priority area.

III. Confronting the multiplying lines of inequalities, to prevent eroding the base for solidarity and collective identities among workers and citizens.

iii.a) Overall outlook and challenges

The crisis has brought the nature and effects of inequality in modern societies to the forefront of political debates in Europe and beyond. The crisis has deepened the effect of the “established” types of inequality – gender, ethnic, age, etc. and brought new dimensions to the problem.

Growing inequalities, particularly resulting in wider income gap and polarisation have been officially recognised as a crucial generator of the devastating impact of the current crisis. This further strengthens the concerns of trade unions, as inequality has been rising across the board in Europe, even in countries with successful recoveries. Austerity policies, with wage freezes and job cuts are intensifying the accumulation of explosive material for a new and more devastating crisis. On the way the process equally tends to unravel the very

fabrics of societies and threatens democratic structures and processes on all levels – from the individual person to the EU, and internationally.

Particularly alarming are the increasing number of situations resulting in the cumulative impact of multiple lines of inequality and discrimination concentrated on individuals, specific groups, regions, etc. Such cases cannot be dealt with on the basis of addressing overlapping challenges one at a time and require a holistic approach to finding real and long term solutions.

The overall effect - people and societies gradually internalising the self-consciousness of unavoidable “victims” based on feelings of hopelessness and powerlessness is one - and probably the biggest - danger for the future of trade unions. Rendering people inactive is what paves the way to undermining collective identities and actions and successful manipulations by populist, nationalist, extremist, oligarchic and other non-democratic forces.

Identifying the main causes of inequalities inevitably starts with inequalities in the fields of:

- ◆ employment, incomes and wealth distribution
- ◆ access to social protection
- ◆ access to financial, credit, technological and product markets for different types of companies and respective effects on the state of the workforce – e.g. “too big to fail”, MNCs, SMEs, etc.
- ◆ pressure on normal operation of public services
- ◆ differentiation along social and professional status, age, gender, etc.
- ◆ geographical differentiation (country, region)
- ◆ ethno-cultural, religious, etc.
- ◆ health and safety policies at the workplace, green economies, healthy and sustainable environment.
- ◆ Informal/shadow economy and corruption/state capture

iii.b) Trade Union policies

The patterns of generating inequalities across Europe differ substantially among countries and contexts and produce inequalities in various combinations. The role of labour and social policies in the EU, i.e. the traditional European social model, will continue to be a key reference point and facilitate the orientation of policies but can not be expected to exert much formatting influence outside EU, apart from SEE region. In addition the latest approaches to economic governance in the EU are further weakening that potential.

Developing policies in this priority area will be probably dominated by initiatives on the national level where local contexts and contingencies will exert direct impact. In that case special attention should be placed on horizontal communication among trade unions to avoid pressures for social dumping in a race to the bottom process legitimated by an alleged necessity for competitiveness.

iii.c) Orientation of PERC activities

PERC will facilitate and support the existing structures and networks aiming to address successfully the multiple challenges of inequality:

- The networks of economists and legal experts will lead the way, backed by expertise from ITUC, ETUI, ETUC and TUAC along with complementary support from organisations on a bilateral basis.

- Continuing and intensifying the cooperation of PER women and youth committees with their counterparts in ITUC and ETUC and external partners.
- Strengthening the efficiency of the forums of TU leaders for policy discussion and exchange – the Summer School, regional forums like SEE TU Forum or specialised thematic meetings, etc. and provide guidance for the networks and for project development and implementation.
- Projects in particular areas to develop ideas for reforms/adjustment of systems in policies in particular contexts.

IV. Defending democracy and the legitimacy of the political process through participatory structures and dialogue in the policy-making process.

iv.a) Overall outlook and challenges

The “transition” process in CEE countries consolidated the overwhelming dominance of electoral democracy over constitutional democracy in different forms and intensity. In the context of the crisis and austerity policies similar phenomena can be identified across Europe. The current situation is clearly marked by a serious erosion of social capital in practically all societies, expressed also in the lowest level of trust in political parties and institutions. Growing inequality and differentiation of the socio-political base opens new opportunities for populist/ nationalist/ extremist political forces to advance and exert a formative impact on national and EU policies.

Simultaneously, space for policy-making has been progressively curtailed by the power of the markets, particularly financial ones, big MNCs and business associations, while national is sovereignty limited by the “rescue” policies of the EU and IMF.

The pressures have been increasingly confronted from below - by an impressive mobilisation of civil society. The movements of the young and others are unravelling the legitimacy of current policy-making processes and the actors involved. In that line of conflict trade unions can face the danger of being seen as part of the “elites” from below and marginal trouble-makers from the top.

iv.b) Trade union policies

To expand the reach of trade union policies and generate support from various corners of society accepting union views of the future and interested in protecting and advancing democracy. Taking into account the weaker position of left political forces, TUs will have to concentrate more on the search of alternative policy ideas, effectively disseminate them and improve mobilisation potential.

The political resources of the CoE and the Secretariat of the ESC(R) have been already used on occasion and the practice needs to be developed. Along with that line there is a need to test the usefulness of the UN Commission for Europe.

iv.c) Orientation of PERC activities

PERC can provide an additional channel for information and interaction with ITUC initiatives as well as utilising ETUC links with European institutions, in the first place with CoE and ESC (R). Expanding the reach of trade unions to alternative actors can boost the effects of participatory democracy on the ground and strengthen the status and position of trade unions in the social dialogue process. Communication policies have a critical role to play for the success of trade union efforts.

V. Stabilisation of trade union organisations, strengthening their base and status at the workplace, sector and the national level negotiating process.

v.a) Overall outlook and challenges

TUs organisational development for quite some time had been marked by a systematic loss of membership. This is now spreading to the best systems and hitting across the region. Attempts to offset this trend have brought limited success - at best stabilising levels of unionisation, but no generalised reversal of the process can be expected in the foreseeable future.

In a number of cases, particularly in Eastern Europe, trade unions have already identified problems with the structuring of organisations in relation to the logic and operation of collective bargaining process and other important dimensions that need to be addressed.

v.b) Trade union policies

Improving membership levels is a critical challenge for trade unions in a number of directions. It is first of all an efficient shield against questioning the representativity and legitimacy of organisations in the social dialogue process. In the centre of such policy approaches are the specific organisational settings within each national context. The external inputs in processes of adjustment and improvement of internal operation can mainly follow internal initiatives and provide "relevant" reference points and experiences from outside to help initiate debates and facilitate inter-organisational exchanges.

v.c) Orientation of PERC activities

The need to continue and intensify the work of the "task force" on recruiting and organising, and on communication policies cannot be overestimated. It is necessary to make its operation more regular and efficient along with expanding the range of possible interested participants and feed results in the work of other PERC structures and initiatives.
