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# ***PERC 2015 – 2019***

***policy orientation and  
operational profile***



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## *policy orientation and operational profile*

### Europe at crossroads

1. The Pan-European Regional Council (PERC) was created as a response to rising common interests across the European region, primarily along the East-West axis in the context of a wide diversity of types and levels of development of economies, societies and political systems. The crisis and particularly the “austerity” approach – the dominant policy of choice of European elites to confront the challenges of the crisis – unleashed powerful divergence trends across the region currently being consolidated and institutionalised through particular projects and initiatives on the sub-regional level and other multilateral contexts.
2. Two major projects are emerging as the main centres of dynamics that will shape developments in Europe in the next years – the next stage of the EU integration process and the Eurasian Economic Union (EEU). The EU has embarked on an ambitious programme to deepen the integration process through developing a row of new political structures and governance regimes to face the challenges ahead<sup>1</sup>. The process, however, will need to be embedded in societies where the legitimacy and trust in the EU have hit historic lows, particularly among working people. Second, a new centre of gravity is emerging further East in the interaction of the EEU, the BRICS, the Shanghai Cooperation Organisation (SCO) backed by respective financial and development structures. Thus, a number of countries find themselves in between and facing hard choices between simultaneously overlapping and conflicting alternative strategies linked to both centres, trapped in a complicated geopolitical context.
3. The European Social Model (ESM), the hallmark of the unique achievement of economic success matched by social development and cohesion, has been severely hit by the destructive power of the “austerity” policy compromising chances for efficient growth, for quality jobs creation, for meaningful social dialogue and social protection policies to counter the already rising inequalities and poverty levels. Once an orientation source and reference

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<sup>1</sup> **Completing Europe’s Economic and Monetary Union**, EC, 2015 (Five Presidents’ Report) - [http://ec.europa.eu/priorities/economic-monetary-union/docs/5-presidents-report\\_en.pdf](http://ec.europa.eu/priorities/economic-monetary-union/docs/5-presidents-report_en.pdf) ; Emmanuel Macron and Sigmar Gabriel, **Europe cannot wait any longer: France and Germany must drive ahead**, The Guardian, 3 June 2015 - <http://www.theguardian.com/commentisfree/2015/jun/03/europe-france-germany-eu-eurozone-future-integrate> ; Jean-Claude Juncker, **A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change**, July 2014 - [http://ec.europa.eu/priorities/docs/pg\\_en.pdf](http://ec.europa.eu/priorities/docs/pg_en.pdf)

frame for trade unions and public policy discourse inside and outside the EU, the ESM has been persistently marginalised or excluded in the new mode of economic governance in the EU. For the other actors in the European region, the EU policy has effectively eroded the appeal of the ESM in terms of transferable standards and practices. Labour and social systems across Europe also indicate divergent tendencies inevitably “framing” trade union interests on the way. Regretfully, when convergence effects are visible in the region, this is primarily in the level of degradation or violation of labour and trade union rights.

4. The combined effects of the multi-level pressures and diversities of the crisis years have significantly narrowed the trade union “action field”, undermined the membership base and the potential for mobilisation for pressing for change of course. The ITUC and ETUC congress priorities and perspectives clearly point to the urgency of the situation and provide frames for guiding the search for alternative policy solutions and initiatives in specific contexts. With all the problems and challenges Europe is facing, it still offers one of the best bases and creative potential for delivering change, and PERC is a convenient platform to facilitate and support such innovative efforts.

**PERC *raison d'être*: the multi-level bridging function**

5. The increasing diversity and complexity of the challenges across the European region necessitate ever more active and efficient interaction among trade unions to develop a trade union perspective and pro-active approach to the developments and prevent external divergences exerting formative impact on internal debate and relations. To effectively focus elaboration of alternative solutions and joint activities, PERC is well positioned to facilitate and lead to
  - Development of better mutual understanding and support for the capacities of all affiliates to develop policies and efficiently implement them in their own contexts and in view of confronting common European challenges;
  - Consensus building on the issues of regional/sub-regional importance and feeding these proposals into the policies and decision-making processes of the ITUC and, where relevant, the ETUC;
  - More efficient use of available channels and instruments to inform and influence relevant external actors on international, European and national levels; and
  - A strengthened notion of “solidarity” as a unity of understanding the other, joint development of ideas and actions that goes beyond simple transfer of resources or exchange of descriptions of models and experiences. The deepening divergences and the real potential of organisations to cope with the outcomes too often limit if not preclude expectations for productive “transfers” from one context to another.

The efficiency and success of this multi-dimensional and multi-level “bridging function” of PERC would be made possible through direct and continuous engagement of the relevant affiliates or group of affiliates of PERC initiating and implementing in practice particular ideas, projects and actions. The open nature of the operational cycle of PERC embedded in the respective annual Programme of Activities allows sufficient space and incentives for necessary targeting and flexibility of action in real time and context. Affiliates’ initiative and

cooperation is the key to realise that potential. Financial resources are an important but not the ultimate decisive factor in all cases.

### **Boosting PERC visibility in the European trade union architecture and involvement in the policy process in ITUC and ETUC**

6. The PERC General Secretary is a full member of the ITUC General Council and Executive Bureau and can intervene directly in the work of these bodies. The General Secretary of ETUC is also the General Secretary of PERC, which secures direct access to the work of the ETUC Executive Committee when needed. This has been already an emerging practice with the Communications of the General Secretary and the adoption of the PERC resolution on Ukraine by the ETUC. So the necessary statutory and institutional preconditions and channels are in place, and all that is needed is more active involvement of PERC itself in the process.
7. To these ends PERC will need to revisit the current pattern of operation in view of utilising the available opportunities to
  - Provide the General Secretary with the relevant mandate for a position/proposal aligned with the respective agenda of ITUC or ETUC or to introduce a specific PERC issue or initiative to be considered and acted upon; and
  - Streamline the PERC operation pattern in terms of timing and substance of debate to match the respective schedules of the ITUC General Council and eventually the ETUC Executive Committee meetings. This concerns primarily the timing and sequence of the PERC Executive Committee and the second policy discussion forum (currently coming under the label of “Summer School”) within the annual cycle of PERC activities. The second could precede the meeting of the ITUC General Council, to discuss the issues on the agenda relevant to the European region and mandate the General Secretary to present PERC views and opinions in the General Council.
8. The review process will need to also address the expert and logistical capacities of the current PERC secretariat to efficiently support the development of PERC positions/proposals in view of the limited access to external expertise, particularly “on demand”.

### **PERC in interaction with external contexts and actors**

9. PERC has already established a level of interaction with relevant structures in the EU, primarily the European Commission, the European Parliament, EBRD and EIB and through the ITUC with the IFIs in Washington. These relations need to be further consolidated and enriched through the ETUC and other civil society channels to maintain access to information and feed in trade union opinions and proposals in the respective EU policies, development programmes and particular projects.
10. The next years will be of utmost importance for the countries bound by Association Agreements and DCFTA Agreements with the EU – Georgia, Moldova, Ukraine. They will be engaged in reforming the structure and regimes of operation of their economies while

stretched to align their labour relations and social protection systems with EU standards. These are expected to be accomplished in pretty short time periods with unclear real potential of local contexts to successfully absorb such changes and deliver long-term positive results. The effects of these agreements and the involvement of trade unions will be felt well beyond the borders of the countries, so the review of the European Neighbourhood Policy should promote the achievements of the Social Europe and social progress for all in the implementation process. To these ends it will be important to use all available possibilities to support trade unions in their engagement with the reform processes primarily through targeted capacity building on the specific reforms. Addressing labour/social dimensions in trade agreements with the EFTA countries can also contribute to maximising the effects of local and joint trade union initiatives and actions.

11. Closer monitoring and contributing to the work of the Council of Europe (CoE) and particularly to the European Social Chapter (R) is a complementary source of influence that needs to be used more efficiently, particularly by individual affiliates. Good coordination with the procedures and opinions of the ILO on the same issues and timely involvement of the ETUC, particularly in collective complaints at the CoE/ ESC (R) or cases at the European Court of Human Rights are very important as past cases have demonstrated. For trade unions, the importance of the standards of these institutions, encompassing all of Europe, can be expected to grow in the next years in line with the developments in the EU and the new Eurasian formation.
12. The ILO and international labour standards traditionally provide the necessary common ground across the region for joint trade union actions for defending and promoting labour and social rights through PERC in coordination with the ILO Workers' Group and ACTRAV.
13. The role of the IFIs in the crisis has grown significantly and is exerting formative impact on anti-crisis policy design and implementation in Europe. Unilaterally or jointly with the EU, they have imposed various "stabilisation" and "rescue" programmes, primarily advancing the "austerity" approach or openly supporting local governing elites to resort to such policies even in relatively good situations. The outcomes have usually resulted in decentralisation and crippling collective bargaining systems, disrupting employment and social protection systems, which in turn have deepened inequalities, pushed up levels of unemployment, poverty and social exclusion. PERC and the regional offices need to continue the communication and joint actions with the ITUC office in Washington to secure maximum information and adequate chances for reactions of affiliates to such challenges in their countries.
14. Trade unions need to shift to more effective communication and pro-active engagement with wider society to shape and lead informed public debates on strategic issues of economic development, labour and social policy. They should pre-empt the initiatives of external institutions/organisations or internal extreme policy interventions and prevent their political agendas gaining dominant support in the society, particularly among working people. This pro-active engagement is important in minimum in two aspects, central to trade union policy in the next years:

- First, to ensure rational frames for the public discourse upholding values and activities advancing real democracy, transparency, responsibility and social justice. This is also to prevent labour and social issues or “worker interests” being hijacked and mobilised by extreme interests in society; and
- Second, to open space for young people’s need for search of ideas outside the frames of thinking imposed by the “establishment” and gradually draw them closer to alternative trajectories of trade union policy tracking the way to trade union membership.

### **Priority areas for trade union policy orientation and action in the period 2015 - 2019**

15. The next several years may turn out to be of utmost importance for the future of Europe and its chances in the globalised, multi-polar world. In pursuit of these goals, a number of “grand design” blueprints have been laid out on sub-regional and national levels. The cumulative outcomes of these endeavors will shape the profile/s of the region and the interdependence with the rest of the world assembling the puzzle “One Europe or more ...”. The only way to secure an outcome with a real future is the involvement of societies through democratic political debate, with social dialogue shaping the discourse to secure that the interests of citizens and working people as well as sustainability of the project are an integral part of the proposed new construction.
16. Whatever the outcomes, they will have a profound effect on labour and social rights, trade unionism and social protection systems. Current trends and approaches to these policy areas suggest further marginalisation of trade unions and other non-state stakeholders, made easier in the context of overarching aims of a “grand design” type of policy. Real social and civil dialogues may find themselves successfully “boxed” in the periphery of the policy process while preserving the institutional façade of partnership and democratic participatory rhetoric and ritual. These general pressures would be expected to produce different effects in different countries, basically hitting the weaker union movements harder, leading to deeper social differentiation inside societies and among unions from different regions and countries. PERC affiliates need to be on the alert and prepared to face the challenges and strengthen solidarity and unity of action as needed.
17. In general, the operation of PERC in the next mandate period will continue in an environment characterised by **uncertainty** and **insecurity**. At the same time fundamental changes in society generate new dynamics, open the space for new ideas and offer new opportunities for communicating and activating people. Trade unions should spare no effort and use all skills to anticipate and identify such shifts and developments, tap the new energy and channel it to creative and sustainable solutions. Again, organisations in different contexts can face quite diverse forms of challenges, even if of similar nature and policy appearance. More comprehensive solutions will be needed and initiatives to reflect the rising interconnectedness of the challenges as well as to combine national- with supranational-level dimensions. This is where PERC can provide a useful platform to keep efficient flow of information and communication and also to provide for capacity building for professional policy discussions in various relevant formats in line with shifting interests and support in implementing initiatives and actions.

18. To these ends the following priority policy areas are proposed to guide activities of PERC in the period 2015 - 2019:

- I. Peace, democracy and stability in Europe***
- II. Next stage of the crisis/transformation in Europe: labour market, social policy and the challenge of the rising migration/refugee wave***
- III. Confronting rising and multiple inequalities***
- IV. Safeguarding labour and social rights, genuine social dialogue and collective bargaining – instruments for market correction, not for competition***
- V. Organising and organisational development – the way to real power***

***I. Peace, democracy and stability in Europe***

19. The general policy reaction to the crisis of the dominant part of political elites in Europe has failed to deliver adequate results, effectively compromising the chances for recovery for too many countries, eroding social cohesion and the integrity of the democratic process and institutions. These results have opened substantial political space for direct populist and outright nationalist impacts on the policy process and its outcomes. Rising tensions and divisions inside societies and between different peoples in Europe have never been so high in the post-WWII period, awakening dangerous feelings of the past. In more extreme circumstances as in Ukraine the natural drive of people to live in democracy and take active part in shaping their future has been suppressed by crude force by the authorities and has led eventually to an armed confrontation with thousands of human lives lost. The political elites concerned have performed far below the level of the historical challenge and demonstrated clear deficit of creative statesmanship and strategic vision. The strive for a common peaceful and prosperous future for European people clearly demands in all cases and under all circumstances to stick to peaceful and negotiated means for conflict resolution despite the complexity of challenges faced.

20. In too many cases crucial decisions have been taken or/and imposed disregarding the democratic will of citizens or openly against it. The persistence of the current trends is hardly conducive to genuine dialogue in society and to effective exercise of “voice” by working people. Trade unions need to keep in focus these trends and counter them in any possible way. PERC can provide a convenient platform for discussion of complicated and often sensitive issues in the region and in return feed the results in ITUC and ETUC political debates. Specific activities and engagements:

- Distributing relevant information from affiliates, European/international sources to all PERC members;
- Organising targeted discussions on issues proposed or prepared by particular affiliate/group of affiliates, e.g., on the role of financial capital and MNCs in shaping regional/national political space and policy orientations; and

- Systematic capacity building to face the fast pace of change in the region. Maintaining and upgrading the expertise of the networks of legal and economic experts in SEE and NIS regions and connect them as much as possible to events and professional discussions in the EU area – ETUI/ETUC events as well as to developments in the EEU.

**II. *Next stage of the crisis/transformation in Europe: labour market, social policy and the rising migration/refugee wave***

21. Provided no major “accident” will totally disrupt current economic trends, the key characteristics of the next period can be expected to be “uncertainty” and “insecurity”. Available forecasts, even when upbeat on certain signs of “recovery”, suggest another period of several years of low economic growth further pressed by the heavy (and still rising) burden of debts, of protracted employment crisis, often coupled with wage stagnation, increasingly unreliable social protection systems, fueling rising inequalities and social exclusion. The pressure of the massive migrant/refugee wave in the EU and the disordered reactions of various authorities, too often pretty cynical and insensitive to human tragedy, are indicative of the limited capacities of the current powerholders to engage in common solutions and take coordinated responsibilities. Trade union policies need to mobilise all creative potential and prepare to face diverse combinations of challenges along these lines, further complicated by important contextual variations and competitions on country/sub-regional basis. These will shape the interests of the working people and inevitably press trade union policies in particular orientations. PERC can assist the search for solutions through the following:

- Distributing relevant information from affiliates, European/international sources (IFIs) to all PERC members;
- Targeted capacity building (in cooperation with ETUI and other sources of expertise) to maintain and upgrade the effects of the regional networks of trade union experts in SEE and NIS and connect them as much as possible to events and professional discussions in the rest of PERC area/ETUI/ETUC on issues of “jobless growth”, revamped “flexicurity” approach, youth employment and life strategies, new technologies’ effects on the nature of work, etc.;
- Protecting and improving the efficiency of public services as stabilising economic factors and enabling responses to the investment/employment puzzle and revitalising the welfare-state effects in the new conditions;
- Integrating trade union responses to climate change problems and sustainable development in the diverse contexts of the region;
- Interregional cooperation and development projects of the type of the “Danube strategy”, the network of capital cities in Europe, involving different countries as well as social partners and other stakeholders;
- Addressing and confronting the negative impacts from MNCs on country development strategies, particularly on labour market segmentation and on employment and labour standards; similarly to confront the undermining effects on social cohesion of individual communities and among economies in various parts of the European region; European trade unions need to engage the companies along



European parts of global supply chains of MNCs in Europe to advance the respect for labour and social standards and human dignity in their operations around the world;

- Addressing the mounting challenges and fall-out effects of migration pressures in the different contexts of sending and receiving countries within the PERC region;
- Tackling the issues of “informality” in the contexts and prospects of new forms of business operation/models often in inefficient/corrupt rule-of-law governance regimes;
- Organising discussions/training and expert support for organisations facing particular challenges in reforming social protection policy, e.g., pension systems reforms; and

### **III. Confronting rising and multiple inequalities**

22. The challenge of rising inequalities has been widely recognised and referred to from political statements at practically all official levels and public debates in Europe to street protest and outright fights. The effect so far has brought next to no effect in terms of progress on substance, and the dominant addiction to austerity policy will not allow real space for a meaningful change of course in the near future. An OECD study rings an alarm bell in estimating that the current global income gap stands on the level of 1820 and is moving away from previous state of balanced societies<sup>2</sup>. In a similar fashion, even Christine Lagarde, head of the IMF, recognises inequality as one of the three crucial challenges to the “new multilateralism” of the 21 century: “... *a severely skewed income distribution harms the pace and sustainability of growth over the longer term. It leads to an economy of exclusion, and a wasteland of discarded potential*”<sup>3</sup>. Still, it is hard to find these ideas in the respective policies of adjustment and stabilisation and in their official policy recommendations to countries in economic or financial troubles.

23. Inequalities have been on the rise almost everywhere across all Europe already before the crisis including in societies with well-functioning economies and the most advanced labour relations and social models. These developments indicate the need to search for deeper, systemic forces at work shifting modern societies in a new direction. The crisis has significantly amplified the effects of already familiar types of inequality linked to gender, age, ethno-cultural or precarious employment and intensified the accumulation of multiple lines of inequality in one person, group, locality or country. If let continue, the effects threaten to unravel the fundamentals of individual and collective/community identities and social cohesion, undermine democratic structures and cultivate worldviews of powerlessness and cynicism in shaping individual work and life strategies. These in turn will impact on the value and the potential for collective action. The rising wave of technological innovation, robotisation and emerging new business models – share economy, crowdsourcing, crowdfunding, etc. have the potential to significantly threaten the traditional structure of the labour market and particularly employment policies but also to give rise to new types of jobs and organisation of work. Trade unions need to focus on and anticipate

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<sup>2</sup> <http://www.oecd.org/statistics/how-was-life-9789264214262-en.htm>

<sup>3</sup> <https://www.imf.org/external/np/speeches/2014/020314.htm>

such challenges if they are to succeed to maximise the positive potential of the changes in the world of work.

24. Addressing inequality tends to focus primarily on the main line of social divide – the 1 vs. 99 per cent of wealth distribution but the internal composition of the 99 per cent has been subject to structural shifts leading to differentiation and diversities of major importance for trade union policies of organising and building worker power.
25. Equality between women and men is a fundamental principle enshrined in the international treaties and fully endorsed by ITUC. Trade unions have built on existing gender equality legislation on national and international levels and used it to promote further equality between men and women through collective bargaining and social dialogue. This applies to equality between men and women in the labour market, in the economy and politics generally, as well as between women and men within home and family life. Despite all efforts, gender based inequalities remain substantial in all spheres. Addressing persistent gender-based gaps such as the pay gap, the pension gap and representation in decision-making are essential to consolidating trade union identity and crucial factor for success of other trade union initiatives, i.e., it must be mainstreamed in all trade union policies.
26. On the basis of ITUC and ETUC policy guidelines, PERC can further take a more in-depth engagement with the challenges – in particular contexts, with various combinations of factors involved. Policy responses and actions will require much more comprehensive, system-oriented approaches, as targeting separate aspects on their own may not be very efficient in many cases. PERC can facilitate development of such approaches with interested organisations along the lines of a “decent work” agenda, the ETUC proposals for EU investment plan and social protocol:
  - Confronting income and wealth inequality directly through employment/quality policies, collective bargaining that effectively improves terms and conditions of work, information and consultation systems, social protection floors and reliable pension systems, fair and efficient tax systems, adequate public services and a developing care economy;
  - Confronting specific types of overlapping forms or multiple inequalities – gender-based employment and gender pay gap, age-based employment and pay, ethnic/cultural divides, precarious and informal work arrangements, migrant status;
  - Advancing women and young people to leadership and decision-making positions on all levels, starting with internal trade unions structures, is a widely recognized necessity but a still insufficiently used channel to reinforce efforts in confronting inequality and discrimination in the labour market and wider society;
  - Confronting company and geographical based inequalities – type and size of company (access to credits, innovation, skills and management support), MNCs and global supply chains, investment/FDI concentrations in clusters, regional disparities, country differentials;
  - Facilitating and promoting climate change, greening of economies and sustainability strategies, community-based initiatives;

- Advancing workplace OSH policies and worker participation through stabilising the networks of trade union OSH experts; and
- Equalising regimes of operation of economic actors – tackling informality and corruption/state (policy) capture.

**IV. *Safeguarding labour and social rights, genuine social dialogue and collective bargaining – instruments for market correction, not for competition***

27. The impact of the crisis and the sovereign debt pressures compounded by the austerity effects have provided governments, employer organisations and other external actors, e.g., the “troika”, the American Chamber of Commerce or special structures of foreign investors with unique opportunities to roll back or eliminate sets of established labour and social rights, and to dismantle parts or whole levels of collective bargaining where existent – sectoral, national. This general trend has in turn been used to prevent and reverse the chances of efficient consolidation of systems still in the process of development, particularly in some Eastern European countries.
28. The economic and employment perspectives for the next years indicate a continuing, mostly hostile environment for social dialogue and collective bargaining. To restore structures, regain positive dynamics and start reversing the inequality trends will require major mobilisation of trade union potential and particularly efficient organising efforts.
29. Revitalizing the “flexicurity” approach to resolve the employment crisis in the EU coupled with the European Semester recommendations and the “better governance” exercise of the European Commission will continue to exert strong pressure for limiting/“boxing” the scope of labour and social rights, and the role and efficiency of collective bargaining. These have been some of the first targets initially highlighted by UK government in the expected renegotiation of the UK membership in the EU. How far the ripple effects will reach is to be seen.
30. The European Commission has already come out with a formal statement of the importance of social dialogue in the new economic governance policy and insists on social partners’ involvement in the policy process from the start of the annual review cycle. However, these proposals are primarily used to secure social partners support and legitimation of the analysis and recommendations of the Commission and for propping up sufficient public consensus on the issues. From the EU such considerations and ideas can easily flow across the borders into the rest of Europe where other governance systems are already moving in similar direction.
31. To these ends PERC and the interested organisations foresee activities to accomplish the following:
- Strengthen the protection of existing arrangements and the chances for improvement in the forthcoming period – continuous cooperation and joint actions with ITUC Legal and HTUR departments, ETUC/ETUI and the Workers Group and ACTRAV at the ILO;

- Maintain the networks of trade union experts in law, economics, and labour relations to continuously build and expand the capacities of the organisations to develop strategies in this area and facilitate implementation;
- Organise special events for countries with similar problems in response to events unfolding on the ground;
- Communicate information and confront attempts to push through anti-labour conditions in IFIs' rescue or stabilisation programmes.

**V. *Organising and organisational development – the way to real power***

32. With a couple of exceptions, trade unions in Europe have continued to lose members and still quite a number have found it difficult to engage in active organising initiatives. At the same time, again with a couple of exceptions, trade unions have witnessed a loss of positive public perception and trust in societies, particularly in the countries under EU-ECB-IMF programmes. PERC can facilitate efforts for organising through the following:

- Following activities in the organising of individual affiliates and spreading the experience throughout the region;
- Developing efficient communication channels in side organisations and with working people/communities and joint actions – trainings with the ITUC Organising Academy where conditions allow, particularly in view of focusing on attracting working women and young people to trade unions;
- Efforts to restore and promote labour rights, collective bargaining and social dialogue with a view to facilitating the expansion of the base through organising new members; and
- Working with young people in the education system to develop perceptions of society and the world of work conducive to interest in collective activities and the role of trade unions in society.

33. Cooperation with organisations providing financial support for trade unions, e.g. ILO/ACTRAV, Friedrich Ebert Stiftung and national solidarity support organisations needs to continue along well-established patterns of joint planning and operation. The general trend of shrinking of available resources for trade union activities in the last years can be expected to continue, so the support from these partners can only grow in importance. PERC needs to maintain project development and project running skills in the affiliates to develop their autonomous channels to tap existing and so far missed chances for financing of their own initiatives.