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Comments submitted by
the European Trade Union Confederation (ETUC)
concerning the cost-of-living crisis

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CYCLE 2024

TOGETHER FOR A FAIR DEAL FOR WORKERS

1st ESC(R) Ad hoc Report on the "Cost-of-living crisis"

ETUC Submission

(July 2024)

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INTRODUCTION

In accordance with the decision of the Ministers' Deputies adopted on 27 September 2022, concerning the new system for the presentation of reports under the European Social Charter, the European Committee of Social Rights (ECSR) and the Governmental Committee of the European Social Charter and the European Code of Social Security (GC) have decided to request an *ad hoc* report on the cost-of-living crisis to all State parties to the Charter.

Whereas this request is primarily addressed to the State parties (see "Questions to States Parties on the cost-of-living"), the ETUC would hereby like to submit its observations/input for this first ad hoc report dealing with a top priority issue for the European trade union movement in particular and all European workers in general.

The information provided below pertains in particular to international, European and comparative material that the ETUC would like to bring to the attention of the ECSR as well as information on the ETUC actions and positions relating to the cost-of-living crisis (and the EU measures/policies to mitigate the impact thereof) (Part I). In Part II, the ETUC provides an overview of material it received from its affiliates during the reference period end 2021 until July 2024 in the framework of e.g. its dedicated ETUC Austerity Watch and/or meetings of its statutory bodies like the ETUC Executive Committee (hereafter 'ETUC EXCO'). Where appropriate, these contributions have to be read in conjunction (but complementary) with the targeted own contributions some ETUC affiliates have provided to the ECSR/Social Charter Department as submission to the respective national ad hoc reports provided by the governments.

PART I – INTERNATIONAL AND EUROPEAN DOCUMENTS

International and European human rights (case) law and other material

Before "setting the particular scene of the impact of the cost-of-living crisis" on human rights, including trade union, workers' and social rights, the ETUC would like to recall the vast case law that has been developed by the respective monitoring bodies to the UN, ILO, Council or Europe human rights instruments on the relation between crisis and impact on human rights (in particular social rights) as well as the eventual derogations that would be allowed and under which conditions.

The ETUC would therefore would like to refer to in particular two ETUC COVID-19 Watch briefing notes it has developed on "**Human Rights and COVID-19" and "Trade Union Rights and COVID-19".** (see also below section on "ETUC Covid-19 Watch")

The further material referred to below represents of course only a selection of the very vast amount of information and decisions produced by several international and European instances during the

reference period of this Ad hoc Report. More information/material is available on the websites of the respective institutions/organisations.

United Nations (UN)

The ETUC would like to draw in this context the particular attention to the report of the UN Special Rapporteur on Extreme Poverty and Human Rights of October 2023. The report "The working poor: a human rights approach to wages - Olivier De Schutter (srpoverty.org)", considers that workers' pay should reflect their contribution to society, thereby calling for wage increases for essential workers and pay caps for those in destructive industries such as financial trading, fossil fuels or tobacco. The report attributes the persistence of low wages to the decline in full-time employment contracts, with many workers forced by employers into low-paid 'casual' part-time contracts or misclassified as 'self-employed', particularly in the gig economy. It also points to persistent violations of trade union rights over the past 30 years, which have undermined workers' ability to negotiate higher wages. The UN Special Rapporteur calls on Governments to uphold their duty under international human rights law to ensure that all workers, including informal and migrant workers, receive a "living wage" – a wage that provides a decent standard of living for the workers and their families, or at least 60 per cent of the median wage in the country, whichever is the highest.

International Labour Organisation (ILO)

The ILO Global Wage Report 2022-2023: The impact of inflation and COVID-19 on wages and purchasing power

The Global Wage Report examines the evolution of real wages around the world, giving a unique picture of wage trends globally, by region and at country level. Over the years, the report also provided an in-depth analysis of various wage-related issues, covering topics such as wage inequality, the gender pay gap, and minimum wage systems.

The 2022-2023 Report focuses on the "Impact of inflation and Covid-19 on wages and purchasing power" (for an Executive Summary, click here). The key findings are the following:

- **Lower-income earners are the most impacted**
  Evidence for 2022 suggests that rising inflation is causing real wage growth to dip into negative figures in many countries. The increasing cost of living has the greatest impact on lower-income earners and their households. This is because they spend most of their disposable income on essential goods and services, which generally experience greater price increases than non-essential items.

  Inflation is also biting into the purchasing power of minimum wages. Despite nominal adjustments taking place, the real value of minimum wages is quickly eroding in many countries.

- **Wage employees lost six weeks of wages due to the COVID-19 crisis**
  The erosion of real wages comes in addition to significant wage losses incurred by workers and their families during the COVID-19 crisis. Data from some 30 countries covering all regions and income groups show that, on average, wage employees lost about six weeks of wages during

2020-21. The loss was larger among women, workers in the informal economy, low-paid workers and workers in low and middle-income countries.

- **Minimum wages and social dialogue are key to maintaining wage workers' living standards**
  There is an urgent need for well-designed policy measures to maintain the purchasing power and living standards of wage workers and their families. Adequate adjustment of minimum wages could be an effective tool, given that 90% of ILO Member States have minimum wage systems in place. Strong social dialogue, including collective bargaining, can help to achieve adequate wage adjustments during a crisis.

Council of Europe

Steering Committee for Human Rights (CDDH)

Within the framework of the Steering Committee for Human Rights (CDDH), a Drafting Group on Human Rights in situations of crisis (CDDH-SCR) was created in response to the Covid-19 pandemic, but its mandate relates to situations of crisis in general. Experience has shown that not only public health crises, but also natural disasters or widespread security threats may place exceptional stress on public administration, creating challenges for the full and effective respect and protection of human rights.

The CDDH-SCR was asked to produce three documents, drawing on the practical experience of member States, notably during the Covid-19 pandemic, as well as on the expertise of other Council of Europe bodies and the input of civil society organisations and national human rights institutions. The first document, a Report on member states' practice in relation to derogations from the European Convention of Human Rights in situations of crisis was adopted by the CDDH at its 97th meeting. The second, the Toolkit for human rights assessment of the measures taken by the State in situations of crisis, was adopted by the CDDH at its 99th meeting and is now on the agenda of the Committee of Ministers for adoption. At its fifth meeting, the Group decided that its third and final document, a non-binding legal instrument on the effective protection of human rights in situations of crisis based on lessons learnt from the Covid-19 pandemic, would take the form of a Recommendation of the Committee of Ministers. During its sixth and final meeting, from 31 January to 2 February 2024, the Group adopted the draft Recommendation of the Committee of Ministers on the effective protection of human rights in situations of crisis and its draft Explanatory Memorandum for transmission to the CDDH, with a view to its adoption in June 2024.

Put together, these documents provide valuable practical advice and indications of applicable standards for member States, helping them to ensure that their responses to future crisis situations are human rights-compliant.

Parliamentary assembly

The ETUC would like to particularly refer to:

PACE Resolution Nr. 2384 and Recommendation Nr. 2205 of 22 June 2021 on **Overcoming the socio-economic crisis sparked by the Covid-19 pandemic**; whereas the Resolution asks amongst others to mainstream equality into all measures taken to respond to the socio-economic crisis, expand public investment programmes and consolidate public finances, the Recommendation focuses on adding new rights to and extending the personal scope of the

European Social Charter and increase the ratification of that Charter, the Turin 1991 and the Collective Complaints Procedure Protocols;

PACE Resolution 2339 (2020) of 13 October 2020 on **"Upholding human rights in times of crisis and pandemics: gender, equality and non-discrimination"**

European Union (EU)

European Parliament

The ETUC would like to particularly refer to:

European Parliament resolution of 18 January 2024 on the **gender aspects of the rising cost of living and the impact of the energy crisis** (2023/2115(INI)) **–** EP calls on EU (Commission in particular) and Member States to elaborate gender-sensitive solutions to energy poverty and the rising cost of living

European Parliament resolution of 21 November 2023 on **reducing inequalities and promoting social inclusion in times of crisis for children and their families** (2023/2066(INI))

European Parliament resolution of 21 January 2021 on the **gender perspective in the COVID-19 crisis and post-crisis period** (2020/2121(INI))

EUROFOUND

The EU Presidency of Czechia organised a high-level conference in October 2022 on 'Tackling energy poverty: EU approach & sharing best practices'. The event aimed to bring different actors together in order to strengthen the dialogue on possible solutions on how to further tackle energy poverty in the EU. At the request of the Czech Presidency and in order to contribute to the debate, EUROFOUND prepared a background paper on "The cost-of-living crisis and energy poverty in the EU: Social impact and policy responses".

The paper highlights that the social aspects of energy policy are critical to meeting the EU climate targets and addressing the impact of Russia's war against Ukraine. Prevention of energy poverty and developing solutions to this end, including the sharing of EU best practices, will be important for the EU to face the new challenges of energy price hikes and cost-of-living increases across countries that have already been struggling to recover from the COVID-19 crisis. It will be important for governments to bear in mind the sustainability of their funds over the medium and longer terms, and to use available resources in the most efficient way, to help fulfil social and environmental targets. Investments in green technologies and energy-saving measures (such as thermal insulation or energy-efficient household appliances) will save households more in the longer run than temporary financial contributions to energy bills. Defining the most vulnerable groups and targeting the measures will also be critical. It will be important that actions and measures are designed to prevent an increase in economic and social inequalities among population groups or create divergence among Member States.

In another report, EUROFOUND highlighted that rising energy prices are putting more people under increased financial pressure and at greater risk of energy poverty. In the data story **"Energy poverty looms as cost of living increases: Data behind the difficulties"**, it took a closer look at the data from the fifth round of the EUROFOUND Living, working and COVID-19 e-survey to explore the extent of the issue and the threat of energy poverty.

Fundamental Rights Agency (FRA)

In its FRA's Fundamental Rights Report 2024 focuses on key developments and shortfalls of fundamental rights protection in the EU in 2023. These include amongst others "**Greater poverty"** as rising energy and living costs have pushed 1 in 5 people across the EU into poverty. Despite national poverty reduction measures, children and vulnerable households, like those in single-parent, Roma and migrant families, are most at risk. To address this challenge, FRA calls on the EU and EU countries to leave no-one behind and to ensure that poverty and energy reduction measures, including social and housing assistance, reach disadvantaged groups.

ETUC material

In this section, the ETUC would like to highlight some of the most important actions and messages (in the form of dedicated websites, briefing "watches", resolutions/positions, studies,…) it has developed during the reference period of this first ad hoc report in relation to the cost-of-living crisis. The information provided below is thus non-exhaustive and more information on the very vast range of actions, activities and messages of the ETUC, developed in cooperation with its affiliates, can be consulted on the ETUC website: https://www.etuc.org/en.

ETUC websites/campaigns

1. "End the Cost of Living Crisis: Increase Wages, Tax Profits!"

A specific **campaign "End the Cost of Living Crisis: Increase Wages, Tax Profits!" and dedicated section on the ETUC website** on the cost-of-living crisis was created (please find it at this link).

The campaign centred around an ETUC call for a six-point plan (available in 8 languages) to tackle the cost-of-living crisis:

This crisis is being driven by excess profits – not wages.

Wages are not the cause of inflation. Workers are the victims of this crisis, with the value of their wages falling while prices for everyday goods are rising. This is increasing existing inequalities, with low paid workers and vulnerable people hit the hardest.

Employers, governments and the EU all have a responsibility to take urgent measures to tackle the cost-of-living crisis by ensuring pay rises, emergency support for struggling families, a cap on prices, taxation and redistribution of excess profits and wealth.

That's why workers and their trade unions throughout Europe are calling for a six-point plan to tackle the cost-of-living crisis and to build an economy that delivers for workers.

ETUC demands:

1. Pay rises to meet the increase in the cost of living and ensure workers receive a fair share of productivity gains, as well as measures to promote collective bargaining as the best way to achieve fair pay and a sustainable economy.

2. Payments targeted for people struggling to afford their energy bills, put food on the table and pay the rent; the right to food and a warm home are human rights and must be protected. People in poverty cannot be expected to pay unaffordable bills. There needs to be a ban on disconnections.

3. Price caps especially on the cost of energy bills and a watertight tax on excessive profits of energy and other companies to ensure they are not allowed to speculate on this crisis, along with other measures to stop profiteering, such as curbing dividends, and to prevent speculation on food prices.

4. National and European anti-crisis support measures to protect incomes and jobs in industry, services and the public sector, including SURE-type measures to protect jobs, incomes, and to finance social measures to cope with this crisis and just transition processes.

5. Reform the functioning of the EU energy market. Recognise that energy is a public good and invest to tackle the root causes of the crisis, such as the under-investment in green energy and the consequences of privatisation.

6. A seat at the table for trade unions to design and implement anti crisis measures through social dialogue. This is the proven method to successfully manage crisis.

Governments and the EU cannot sit this crisis out. The price of inaction or adopting the wrong response, such as interest rate increases, pay freezes or return to the failed austerity agenda, will be catastrophic.

The **six-point plan formed also the centre of a huge mobilisation by ETUC of its affiliates** in particular in the months October 2022-February 2023. Over 150 trade union actions in 25 countries were reported to and published by the ETUC who in turn spread the word about many of the actions across our national borders via social media. The ETUC held a symbolic demonstration outside the European Parliament in Strasbourg with over 400 union activists from France, Belgium, Switzerland, Romania and Spain as well as from European Trade Unions Federations. (Adopted Resolution/The Cost of Living Crisis - ETUC escalation of the campaign and actions | ETUC (October 2022), followed up by a similar mobilisation resolution in December 2022). One can also find a **calendar (and photos) of trade union actions taken and planned** on the cost-of-living crisis can be found here on the ETUC website. This calendar is updated continuously.

Linked to the campaign, an **ETUC Petition** "*End the Cost of Living Crisis: Increase Wages, Tax Profits!"* was also developed. You can find the petition here (EN, FR, IT, DE).

2. EP elections 2024 campaign: "Delivering a fair deal for workers"

Although falling outside the reference period for this first ad hoc report, it was crystal clear for the ETUC that the **June 2024 European Parliament elections will mark a turning point for Europe**. They will determine at least for the next mandate 2024-2029 the EU's social and economic policies, including the choice between a return to austerity or continuing on the path of progress and solidarity, which we fought for in the framework of the EU response to the Covid-19 crisis. Workers and unions showed up during the Covid pandemic to support their communities and keep Europe going. Now they face a cost-of-living crisis with 'greedflation' caused by excessive corporate profits and benefits for CEOs and other high-paid executives. This fuelling a social justice emergency in Europe. Over the past years, working people have suffered record real-term pay cuts while unscrupulous employers continue to register record profits. Meanwhile, the EU institutions threaten to return to austerity and open the door to further deregulation, further punishing workers.

Hence, the ETUC developed a **fully-fledged campaign** called "**Delivering a fair deal for workers**" around the following 12 TWELVE COMMITMENTS FOR A FAIR DEAL FOR WORKERS, several of which are also key in relation to the first ad hoc report:

1. **Better jobs and incomes:** Take effective EU action to protect jobs and incomes, including pensions, with decisive measures to address the social dimension of the cost-of-living crisis. Europe needs a pay rise! Promote wage increases and support upwards convergence in incomes and working conditions, including through the introduction of a European framework to promote upward convergence on wages, and stronger action at EU level to eliminate the gender pay gap.
2. **End precarious work and improve working conditions:** End precarious work by guaranteeing legal rights to permanent contracts and full-time work, and a **ban on unpaid internships**. Increase workers' control over working time flexibility and reduce working time. Protect teleworkers' rights, including the right to disconnect, and ban invasive and disrespectful surveillance.
3. **Support for trade unions, collective bargaining and social dialogue**: Defend and strengthen trade union and workers' rights, including the universal right to organise, union access to workplaces, the right to bargain collectively, and the right to strike. Increase collective bargaining coverage, including through **an ambitious transposition of the Directive on Adequate Minimum Wages, targeting 80% coverage, and the Directive on Gender Pay Transparency.** Reinforce democracy at work in the first place by strengthening collective bargaining, introducing a comprehensive EU framework on information, consultation and participation and fully safeguarding well-functioning collective bargaining systems.
4. **Safe work:** Improve and expand the EU occupational health and safety legislation and other European initiatives to achieve zero deaths at work or caused by work, including domestic workers. Address psychosocial risks and online harassment and shaming at work through a European Directive. Introduce EU legislation that establishes temperature limits for work. Develop initiatives to ensure the full enforcement of workers and trade union rights and reinforce labour and social law inspection services and complaint mechanisms. Ensure an end to all forms of gender-based violence in the world of work, including online.
5. **Reject austerity - an economy for the people and the planet: Reject a return to austerity policies and promote a new economic model centred on the real economy, job creation, decent work, and redistribution through fair and progressive taxation. Ensure a revision of economic governance rules that includes the termination of the EU Fiscal Compact and the reform of the Stability and Growth Pact to align it with the achievement of the rights included in the European Pillar of Social Rights. Provide Member States with the necessary room for manoeuvre to finance the investments for a fair twin transition. Implement a new fiscal capacity for investment, an EU sovereignty fund for just socio-economic transition and common goods, leaving no one and no region behind. Regulate financial, energy and food commodities markets and tackle speculation. Combat tax evasion and avoidance and ensure that excessive profits are taxed.**
6. **Strong industrial policy and public services**: Implement a strong European industrial policy with significant and effective public and private investment that underpins quality jobs and social progress. Guarantee universal rights-based access to high-quality public services, including childcare and transport. Ensure the full respect for the right to **adequate, decent and affordable housing**. Guarantee quality services and a right for service workers to provide quality services.
7. **Public money for social progress:** Apply strong conditionalities, covering social, tax and environmental criteria, linked to all forms of public funding and support to business. **Revise EU public procurement rules to ensure that public money goes to organisations that respect workers' and trade union rights,** that negotiate with trade unions and whose workers are covered by collective agreements.
8. **Ensure just transitions**: Guarantee a just digital transformation based on human-centred digitalisation and the effective regulation of AI with the 'human in control' principle incorporated into EU law. Achieve climate targets through a just transition, including a directive for just transition in the world of work through anticipation and management of change, based on the principles of trade union involvement and collective bargaining. Ensure the right for all to lifelong training without cost to the worker and during working time.
9. **Fight against social dumping and fraud**: Regulate the role of labour intermediaries and introduce an EU general legal framework limiting subcontracting and ensuring joint and several liability through the

subcontracting chain. Improve the enforcement of labour mobility rules by a more effective European Labour Authority (ELA).

10. **A fair, rights-based approach to migration and asylum**: Strengthen safe, legal and regular migration pathways, enhance protections, rights and support for migrants and asylum-seekers within the EU. Save lives in the Mediterranean and at the external borders, also by re-introducing an EU search and rescue mechanism. Refuse borders externalisation policies and oppose multi- and bi-lateral agreements with States that do not comply with the rule of law and do not respect human rights.
11. **A progressive role for Europe in the world**: Ensure that the EU acts globally and through its trade policy, in line with our social model, to promote peace, democracy, human rights, the rule of law and global economic justice, including to end Russia's war of aggression against Ukraine.
12. **A fairer and more democratic Europe**: Establish a Social Progress Protocol, to be included in the Treaties, to guarantee that workers' and social rights take precedence over economic freedoms. Promote a reform of the European institutions to ensure a more social and democratic EU. Support EU enlargement based on the full respect of workers' and social rights, social dialogue, and the EU social acquis.

This campaign was underpinned by several mobilisation actions and activities as defined in two Resolutions of September 2023: Delivering a fair deal for workers: ETUC campaign for the 2024 European Parliament Elections | ETUC (September 2023) and Trade union mobilisation – On the Road for a Fair Deal for Workers | ETUC (September 2023)

ETUC Crisis Briefing Watches

Both in relation to the Covid-19 and the Cost-of-Living crises, the ETUC launched a series of respectively **'COVID-19 Watch' and "Austerity Watch" briefing notes**. All briefing notes benefitted from the very valuable input of the ETUC affiliated organisations.

ETUC Covid-19 Watch

During the COVID-19 crisis, the ETUC launches a series of 'COVID-19 Watch' briefing notes which are available at COVID-19 Watch // ETUC Briefing notes | ETUC.

They focus on providing critical information on the impacts of COVID-19 on labour markets, workers and citizens across Europe.

These Briefing Notes are produced by the ETUC with the support of the ETUI and ETUC affiliated organisations and cover a wide range of topics; in the framework of the first Ad hoc report on the Cost-of-Living crisis, the ETUC draws in particular the attention to the ones marked in yellow:

- **Short Time Work Measures Across Europe**
- **National measures to support households by providing different (tax) relief measures**
- **National measures to avoid collective/individual lay-offs (incl. granting (additional/special) leaves)**
- **Sick pay and social protection-related interventions: extraordinary measures to protect workers in times of Covid19**
- **National measures to protect non-standard workers including workers in the platform economy**
- **National measures to protect self-employed workers**
- **Workers' Information Consultation and Participation**

- Frontier workers
- Human Rights and COVID-19
- Trade Union Rights and COVID-19
- Occupational safety and health
- Social Dialogue Developments
- Return to the workplace measures
- Seasonal workers
- Negotiating Restructuring
- New technologies allowing more surveillance at work
- Measures undertaken in the second wave of the pandemic to preserve jobs and incomes
- Mandatory vaccination

Further information on "Trade Unions tackling Coronavirus across Europe" is also available at https://www.etuc.org/en/trade-unions-and-coronavirus.

ETUC Austerity Watch

A second, more recent, series of briefing notes concern the ETUC Austerity Watch as indeed in the framework of the cost-of-living crisis attempts to return Europe to a regime of austerity cuts are gaining ground. The European trade union movement stands united in rejecting a return to cuts that punish working communities.

In an effort to expose decision-makers who are endorsing this approach, the ETUC has launched the "ETUC Austerity Watch". This series of updates focuses on threats in the budgetary, fiscal, economic, social, and environmental fields.

The ETUC Austerity Watch briefing notes are again fed by contributions from our respective affiliated organisations as well as ETUC itself and is regularly updated; all issues are made available here. Most of the national features can also be consulted in Part II of this ETUC submission on "National material" (see below).

Already available are:

- **22 September 2023:** Austerity Watch #1

FINLAND: THE GOVERNMENT IS SEEKING SIGNIFICANT CHANGES IN LABOUR LAW, AND IN THE RIGHT TO STRIKE. 33
EUROE AREA: EUROGROUP ANTICIPATES AUSTERITY WHILE EUROPEAN PEOPLE WAIT FOR INVESTMENTS AND INCOME SUPPORT 6
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- **10 October 2023:** Austerity Watch #2

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FINLAND: STTK denounces fiscal measures with a bitter austerity taste for Finnish workers. *5*
SAN MARINO, Government fails to shelter workers and pensioners against inflation *5*

ETUC Resolutions/Positions

During the reference period, the ETUC Executive Committee (EXCO) adopted several Resolutions and Positions dealing in general with the cost-of-living crisis as well as some dedicated topics which need to be addressed at European and national level to mitigate the impact of this crisis (the European economic governance mechanisms, fiscal rules, energy policy, pension policy,…). These

Resolutions/Positions are also further elaborated in ETUC press releases, statements, policy updates (see following section below) and have to be read in conjunction with them.

EU economic governance

To tackle previous crises, the EU also developed a specific **Economic governance system** through which the EU (institutions) developed several policy priorities and recommendations for/towards the Member States to mitigate the impact of the economic/financial crisis (of 2008), the Covid-19 crisis, the energy crisis, and now the cost-of-living crisis.

In **October 2022**, the ETUC called for the European Semester has to coordinate a European effort to: protect workers and their families against the soaring cost of living; promote collective bargaining; and ensure appropriate resources for social protection systems. The Recovery and Resilience Facility (RRF) should deliver resources for investments. A refinanced European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) should guarantee resources for fairer labour transitions and shelter households against poverty, in this difficult time of sky-rocketing energy prices and a dooming economic recession. It will also continue supporting short-time work schemes and similar measures, to help Member States protect jobs and thus employees and self-employed against the risk of unemployment and loss of income. Macroeconomic and fiscal policies should go hand-in-hand to allow the much needed investments for the socio-ecological transformation of our economies, while ensuring fiscal sustainability and counter speculative attacks of financial players on sovereigns. The social dimension of the Semester should be reinforced by implementing the three EU Headline Targets for employment, skills and poverty reduction. (EN-Adopted Resolution-ETUC for Sustainable Growth and Social Progress | ETUC (October 2022))

The Reform plans of the EU economic governance that were announced in November 2022 were ere assessed as insufficient by the ETUC as it would not help to reinforce the EU capacity to provide prompt response to crisis. (ETUC Position on the Reform of the economic governance (toward an EU pact for employment and investments) | ETUC (March 2023))

Rather, the ETUC called the EU to act “towards a European Pact for employment and investments”. Referring to article 148 of the TFEU, the Council should solemnly commit to social and investment objectives, mandating the EC to operationalise the following measures that compose a **European pact for employment and investments**.

- **Adopt a benchmark for public investmen**t that keeps Europe ahead of key global competitors. Quantitative minimum benchmarks on public growth and net investment levels would be desirable, also with a golden rule for investments and a EU-debt financed budget for investments.
- Ensure the national plans are required to progress toward delivering the SDGs, Porto Headline Targets and EPSR action plan. **A procedure for social convergence** that detects and removes the social imbalances should be finally endorsed.
- **In agreement with, or on the proposal of, the European social partners, list minimum qualitative and procedural criteria for the involvement of social partners in economic governance**, also in light of the Recommendation on strengthening social dialogue in the EU. This should include the possibility for social partners to submit negotiated CSRs.
- **Confirm an instrument for stabilising employment on the SURE model** in the revised version, improved in its governance and extended in terms of objectives and resources as in the ETUC Proposal for a SURE 2.0 (ETUC Resolution of October 2022).

Given the manifold macro-economic challenges Europe will be facing and to which the envisaged reform as it stood was not able to respond, the ETUC set out it in **December 2023** its priorities and strategy for 2024 in the Resolution 'Macroeconomic challenges. ETUC priorities and strategy for 2024 ' (December 2023).

The Co-legislators reached an agreement on economic governance on February 10th 2024, but again the ETUC overall assessment being negative. The reform **fails to take advantage of the opportunity for implementing a balanced economic governance framework aimed at social progress and well-being. The reform will depress investments, harms social cohesion, and it lacks a vision for a stronger, fairer EU.** At the end, it will again be w**orkers (and not governments) that pay the bill of austerity and will promote a job-rich investment agenda instead. (**Economic governance reform: ETUC priorities against austerity and for investments, March 2024)

Pension policy

The increased cost of living (in particular energy prices but also public and private (social) housing costs) has affected **elderly people** disproportionally. Hence the ETUC has been calling for a For fair and inclusive **pension policy** in the EU (March 2024) in order to secure adequate safety nets protecting from poverty and social exclusion.

Trade unions' national priorities on pension policy, while respecting national competences, can however be conveyed towards common demands:

- more inclusive and adequate pension systems that guarantee appropriate replacement rates and a decent living standard beyond poverty protection (ETUC 2023);
- more social and public investments coherently with population ageing, in public services, including in preventive healthcare, long-term care, decent housing;
- the full indexation and revaluation of pensions to be aligned with wages or increases in the cost of living as well as the needs of old-age;
- fair and earlier access to pensions for those who perform arduous work;
- specific rules to compensate and offset the gender pension gap (3);
- effective promotion of intergenerational solidarity at both EU and MS level, for example by policies enhancing the retention of senior workers at work in good health until the legal retirement age coupled with creation of inclusion paths into quality jobs for young people such as quality apprenticeships or traineeships;
- adequate minimum pension schemes or other instruments guaranteeing that "Everyone in old age has the right to resources that ensure living in dignity", that aim to secure everyone beyond the minimum subsistence level; for younger generations, to correct the dysfunctions of the labour market, offset the negative effects of fragmented contributions and low paid careers, compensate for involuntary unemployment and training periods; for the older workers, measures must be taken aimed at compensating for any shortcomings accrued (ETUC 2016).

For further data, comparative graphs and reference documents to underpin these demands, see the Annex to this Resolution.

Taxation

The massive impact of the Covid-19 pandemic and the attempts to mitigate its social and economic effects, enabled thanks to the activation of the general escape clause of the Stability and Growth Pact, have led to significant increases in government deficits and debt levels, as well as debt to GDP ratios in many Member States. In its ETUC resolution on the European Union public debt issue and the fiscal rules | ETUC (October 2021) , ETUC is amongst others proposing a set of new fiscal rules that would allow to counter the main deficiencies of the current rules, especially their procyclical character, while supporting economic stabilisation and debt sustainability. In particular, and without changing EU Treaties, nor debt transfer:

- It supports Members States having their fiscal targets country-specific, with different adjustment paths;
- It calls for the implementation of a golden rule for public investment;
- It suggests complementing the golden rule for public investment with an expenditure rule for current budgets;
- It demands, until the new fiscal framework is in place, the Commission to provide guidelines for a transition period, whereby no excessive deficit procedure should be activated and with the possibility to use the “unusual event clause” on a country specific basis;
- It reiterates its demand for a permanent fiscal capacity and new own resources.

In the meantime, inequalities are worsening, especially since the COVID crisis and the costs of living crisis, and while wage shares and real wages are decreasing, profits and profit margins are increasing and do not translate into proportional private investment figures, while dividends are skyrocketing. The ETUC therefore supports the introduction of a European regulation or directive for progressive taxes on the richest individuals. To avoid tax competition through national differences in the taxation of the wealthiest, and promote upward convergence within the European Union, common policy approaches and coordinated action are needed to ensure a minimum tax rate. National differences in the taxation of the ultra-rich are likely to fuel increased tax competition within the Union and create distortions in the internal market. Hence the need for common policy approaches and coordinated action within the internal market, to maximise the positive impact of excess wealth taxation. These are the main messages of the ETUC Resolution Taxing the wealth for tackling social inequalities and climate change (December 2023).

Energy

Already in June 2022, the ETUC issued the ETUC recommendations in light of the Energy price Crisis | ETUC (June 2022). The key messages were:

- **The current energy price crisis, exacerbated by the recent Russian invasion of Ukraine severely affects consumers and workers.** Skyrocketing prices of oil, gas and electricity have reduced the purchasing power of many EU citizens and have increased energy poverty. At the same time, this energy inflation puts at risk the viability of many companies and therefore threatens the jobs of working people. Russia’s invasion of Ukraine has further exacerbated the tensions on the commodity and electricity markets and highlighted the EU’s dependence on Russian fossil fuels.

- **The EU needs to rapidly and drastically reduce its dependency on Russian fossil fuels imports while working towards achieving European Green Deal’s objectives.** In the short term, this means diversifying EU’s energy supplies, ensuring sufficient gas storage, and adopting a more coordinated purchasing policy. This also means that the EU should accelerate the roll out of its European Green Deal

on the basis of a strong just transition legal framework, notably when it comes to energy efficiency, energy savings, circular economy and renewable energy. Climate action is part of the solution to ensure sufficient energy supply, energy security, energy affordability, reduce fluctuation of energy prices and availability of raw materials.

- **In parallel, policy makers need to speed up and scale up policy measures supporting most affected consumers, workers and companies.** ETUC details below a list of concrete measures necessary to protect vulnerable EU citizens from the negative consequences of the crisis.

- **The current crisis should also act as a wakeup call for policy makers to question and revise the current functioning of the EU energy market.** The last section of this paper details ETUC's recommendations on how to improve the design of the energy market, notably when it comes to price setting mechanisms, emergency mechanisms to cap/regulate energy prices, increased consumer rights in energy contracts, reinforcement of public service obligations, the promotion of public ownership where relevant, the creation of a right to energy and fight against energy poverty.

This was followed up by an ETUC position on EU proposals to mitigate the energy crisis | ETUC (October 2022) of which the key messages were:

- Given the structural nature of the energy crisis, **ETUC calls policy makers to engage in a deep reform of its EU energy policies away from liberalisation dogma**, that recognizes energy as a public good and that makes effective the right to clean and affordable energy with stronger public service obligations. EU energy policy must foster a just transition towards climate neutrality by 2050 and contribute to the EU strategic autonomy.
- **The energy price crisis has considerably reduced the purchasing power of EU workers and has further increased energy poverty in Europe**. It has also already strongly impacted Europe's industrial basis, especially in Energy intensive sectors. It is high time for policy makers to adopt bold and urgent measures fitted to the scale of the problem. The energy crisis in Europe is a structural problem that requires structural solutions for demand and supply.
- **ETUC considers that measures to reduce gas and electricity consumption are absolutely essential for EU's energy security this winter as well as to reach climate objectives and build the EU open strategic autonomy.** While urgently needed, the energy demand reduction measures should however not impact the most vulnerable who have already reached the limit of what they can save. A socially fair renovation wave must be the cornerstone of the EU strategy to reduce its energy demand from households. In the same way, demand reduction measures should not be implemented at the expense of Europe's industrial basis. ETUC would also not accept demand reduction measures that would put at risk people's jobs and that would not offer adequate compensation and protection for those workers.
- **Guaranteeing EU's energy security also means to massively invest in its domestic energy supply and related infrastructures to produce the volumes of clean and affordable energy needed to reach the climate law objectives while reducing Europe's dependency on imported energy.** To achieve this in a way that is fair for workers, the EU should urgently implement its REPower EU plan as well as its European Green Deal and accompany them with a strong just transition legal framework. Diversifying EU's suppliers and ensuring sufficient gas storage are important measures to cope with the urgent risk of supply disruption, and to mitigate price hikes, but it will not fix the structural energy dependence of Europe.
- **ETUC welcomes measures to tax windfall profits such as the cap on revenues made by submarginal electricity producers and the solidarity contribution**. However, trade unions ask to go further by increasing the taxation rate and by extending them to other companies and speculators who made significant gains on the market.
- **ETUC calls EU policy makers to swiftly adopt measures to limit gas prices**. The option of a price cap on gas imported to the EU deserves to be explored but, if applied, should be designed in a way that does not put at risk the security of energy supplies. In parallel, Member States should urgently agree on a

common gas purchasing policy, mandatory requirement to reduce gas demand and intensify diplomatic talk with supplier countries while ensuring the respect of the highest human rights and environmental standards along the full supply chain.

- **ETUC calls EU policy makers to agree on a structural reform of the electricity market that will secure investment at scale in the additional generation capacity needed as well as in developing the infrastructure to transport, store and distribute clean power**. That reform must also prevent that fossil fuels set the price of decarbonised electricity. ETUC also suggests to cap the price of gas in electricity generation at a level that helps bring down electricity prices, with a financial mechanism that relies partly on contributions coming from the excess profits made by some energy compagnies.
- **A European integrated energy system is a key requirement to deal with the energy crisis in a coordinated and solidaristic way**. Implemented measures must keep developing the European energy infrastructures and avoid to fragment the European energy system.

In March 2023, a further Resolution was adopted on the revision of the EU's electricity market. (Adopted Resolution / ETUC proposals for the Revision of the EU's electricity market design | ETUC (March 2023)) The key messages here were amongst others that:

- A reform of the energy market, away from liberalisation dogma, is badly needed ;
- The Marginal pricing system needs to be revised ;
- Speculation on financial markets needs to be controlled and prevented complemented by heavy taxation of the windfall profits.
- Energy as public good needs to be ensured as affordable energy is a human right;
- Affordability of energy for citizens needs to be investigated in order to eliminate energy poverty and
- A ban on disconnections from energy.

ETUC press releases/statements/policy updates/reports

Based on the abovementioned Resolutions and Positions, as well as the new ETUC Action Programme 2023-2027 adopted at the 15th ETUC Statutory Congress in May 2023 (Berlin, Germany), and in response 2023-2027 to new policy and political developments as they occurred (at EU level) during the reference periods, the ETUC made several further statements. Below, an (again non-exhaustive) overview is proved of these statements and other material organised around **different themes: EU policies (EU budgets, (too high) interest rates, austerity measures, energy policy, tax policy, and (the need for higher) wages and (more/better) collective bargaining, (increased) costs of living (food, energy, education,…).**

EU policies

Lowering EU budgets, returning to austerity measures and cutting on investments will not help to mitigate the impact of the cost-of-living crisis for workers and citizens, on the contrary has ETUC repeatedly stated during the reference period. See amongst others:

16.07.2024 EU pushing low debt countries towards austerity

19.06.2024 Deficit procedure decision a recipe for disaster | ETUC

15.05.2024 'Slow' growth shows Europe can't afford austerity 2.0 | ETUC

27.02.2024 Cutting ambition: EU budget scaled down | ETUC

21.02.2024 EU celebrates impact of public investment – before cutting it | ETUC

15.02.2024 Weak economic forecast shows we cannot afford austerity or record interest rates | ETUC

16.01.2024 100bn in cuts next year under Council austerity plan | ETUC (including tables showing comparisons between cuts Member States will have to make every year under a four or seven year austerity plan)

15.12.2023 EUCO: Council kicks the can over economy | ETUC

12.12.2023 15,000 march in Brussels to stop return of EU austerity | ETUC (including table the minimal annual cut Member States have to make and how many nurses and/or teachers that could be funded with those amounts)

11.12.2023 Thousands to march against austerity and for a fair deal | ETUC (including table the minimal annual cut Member States have to make and how many nurses and/or teachers that could be funded with those amounts)

06.12.2023 Eurobarometer: Austerity would stop EU acting on citizens' priorities | ETUC

17.10.2023 Ministers delay decision on austerity rules after protest | ETUC

07.06.2023 EU poll shows growing anger over cost-of-living crisis | ETUC

24.05.2023 EU Rules Require €45 Billion In Spending Cuts Next Year | ETUC (including table the minimal annual cut Member States have to make and how many nurses and/or teachers that could be funded with those amounts)

26.04.2023 New EU economic rules bring back risk of austerity | ETUC

12.01.2023 Eurobarometer: EU must do more on cost of living crisis | ETUC

21.10.2022 EUCO: Progress on principles but timid measures on cost-of-living crisis | ETUC

13.10.2023 Unions protest against 45bn EU austerity plan | ETUC (+ link to Fair Deal mobilisation campaign On the road for a fair deal for workers | ETUC)

14.07.2022 EU confirms prices not wages driving inflation | ETUC

23.05.2022 Semester: Suspended austerity rules should be scrapped | ETUC

15.03.2022 Survey: 59% support end to EU austerity rules | ETUC (Based on results of The New Economics Foundation poll was carried out by Censuswide polling 5,000 consumers aged 18+ with 1000 consumers per market in Germany, France, Italy, Denmark and Ireland from 18th to 23rd February 2022. Censuswide abides by and employs members of the Market Research Society which is based on the ESOMAR principles)

A particular concern for the trade union movement was the policy by the ECB of **keeping or increasing high interest rates:**

06.06.2024 ECB must keep cutting interest rates | ETUC

11.04.2024 ECB must accept there is no wage-price spiral | ETUC

07.03.2024 ECB fails to reduce punishing interest rates | ETUC

25.01.2024 High interest rates punishing workers for profit-driven inflation | ETUC

14.09.2023 Record rate hike hits workers, helps shareholders | ETUC

16.03.2023 ECB rates hike hurts workers and risks recession | ETUC

8.11.2023 IMF hitting wrong target on inflation | ETUC

04.05.2023 Rates hikes won't stop profit-driven inflation | ETUC

03.02.2023 Unprecedented ECB rates rise hits wrong target | ETUC

09.09.2022 Statement: Workers will pay the price for the ECB rates rise | ETUC

As for specific policy fields, in the area of **taxation and the EU policy on new fiscal rules**, the ETUC considers that the EU has not always taken the right approach:

20.06.2024 EU study backs windfall taxes to tackle inflation | ETUC

23.04.2024 Tax the rich to meet new fiscal rules | ETUC

08.04.2024 Study: Fiscal rules stop new schools and hospitals | ETUC (including a table showing that 18 member states will not be able to meet the EU's social investment targets if new EU fiscal rules were adopted)

20.12.2023 Proposed fiscal rules will 'self-sabotage' EU economies and would make workers suffer for nothing | ETUC

Similarly for the policy **field of energy**, where certain EU measures and policies where often too little too late or nothing more a step in the right direction:

14.03.2023 'Cosmetic' energy reforms won't help workers | ETUC

20.12.2022 EU gas price cap too little too late for workers | ETUC

30.09.2022 Energy Council: nothing more than a step in the right direction | ETUC

24.06.2022 EUCO: Energy measures don't meet social emergency | ETUC

03.06.2022 Carbon tax change would ease cost of living crisis | ETUC

25.03.2022 Energy price cap crucial for sanctions support | ETUC

19.05.2022 ETUC welcomes REPower EU and asks for more measures to shield workers and citizens from rising energy prices | ETUC

Wages

During the reference period the main and constant feature has been that (minimum) wages/income have been/are lagging behind price increases, while profits and dividends are skyrocketing!

In August 2022, according to the newly-published Janus Henderson Global Dividend Index, European companies have paid inflation-busting dividends to their shareholders this summer while workers struggling to cope with the cost of living crisis are told they can't have a decent pay rise. The value of payouts to shareholders increased by 28.6% in Europe during the second quarter of this year. That's more than seven times faster than the rate at which wages are rising across the European Union. The

figures show again how excessive corporate profits – not wages – are driving inflation, as stated by the European Central Bank.

Country	Dividend increase Q2 2022 vs Q2 2021	Expected wage increase per employee 2022 vs 2021	Inflation rate July 2022 vs July 2021
Belgium	25.1%	5.9%	10.4%
Finland	16.7%	3.2%	8%
France	32.7%	3.8%	6.8%
Germany	36.3%	3.4%	8.5%
Ireland	7.1%	3.8%	9.6%
Italy	72.2%	3.7%	8.4%
Netherlands	23.4%	3%	11.6%
Spain	97.7%	3.3%	10.7%
Sweden	8.8%	0.7%	8.3%
Europe	28.7%*	3.8% (EU27)	9.8% (EU 27)

(Source: Janus Henderson include Norway and Switzerland, but not the UK, as part of Europe in their study; Expected wage increase – European Commission Ameco database on Nominal Compensation per Employee)

In **September 2022**, an ETUC analysis of Eurostat data has found that Europe's lowest paid workers have seen the value of their wages fall by up to 19 per cent this year, representing the biggest fall in real minimum wages this century. Statutory minimum wages have risen by an average of 7,6% over the last year in the 21 EU countries which have one. But, in the same countries, the rate of inflation has increased by an average of 12,4%. It means the real value of statutory minimum wages has fallen by an average of 4,8%, leaving millions of workers struggling to afford the most basic costs of living like food, rent and energy. It is only the second time since 2000 that growth in real minimum wages has fallen below zero and this cut is considerably higher - at the height of austerity in 2012, real minimum wages growth was -0,7%. Real statutory minimum wages have fallen most dramatically since last summer in Latvia (-19%), Czechia and Estonia (-10%), and Slovakia (-8%). (Record fall in value of statutory minimum wages | ETUC, 13.09.2022)

Table: The 18 EU member states where real statutory minimum wages have fallen between Q2 2021 and Q2 2022

Country	Nominal statutory minimum wage growth %	Rate of inflation %	Change to real statutory minimum wage %
Latvia	0	19,2	-19,2
Czechia	6,5	16,6	-10

Estonia	11,9	22	-10
Slovakia	3,6	12,6	-8,9
Lithuania	13,7	20,5	-6,7
Poland	7,5	14,2	-6,7
Ireland	2,9	9,6	-6,6
Netherlands	3,2	9,9	-6,6
Slovenia	4,9	10,8	-5,8
Bulgaria	9,2	14,8	-5,5
Luxembourg	5,0	10,3	-5,2
Malta	0,9	6,1	-5,1
Spain	5,2	10	-4,7
Portugal	6,0	9	-2,9
Romania	10,8	13	-2,1
Greece	9,6	11,6	-1,9
Croatia	10,2	12,1	-1,8
France	5,8	6,5	-0,6

In **October 2022**, new ETUC research on the cost-of-living crisis showed that real wages are falling while real profits continue to grow in half of EU member states. Real wages, which indicates pay after inflation is taken into account, have fallen in every EU member state this year by as much as 9%. At the same time, corporate profits are rising in real terms in 13 member states, with increases of up to 6.5% compared to last year. Across the EU, real profits are up by 1% while real wages are down by 2.5%. (Profits rise while wages fall | ETUC, 18.10.2022)

Table: 13 EU member states where real wages are falling despite real profits rising

	Real gross operating surplus development 2022	**Real wage development per employee 2022**
Czechia	0,2	-9,2
Slovenia	0,5	-2,3
Cyprus	0,7	-1,4
Italy	0,8	-2,1
Finland	1,8	-1,3

Croatia	2,1	-3,1
Spain	2,7	-3
Sweden	3,6	-3
Ireland	3,9	-2,3
Latvia	5,6	-4
Poland	6,3	-2,1
Portugal	6,4	-0,2
Romania	6,5	-0,6
EU	0.8	-2,5

(Source: EU Ameco database)

Payouts to shareholders are rising up to 13 times faster in Europe than pay for working people, an analysis by the European Trade Union Confederation of **September 2023** has found. Dividend payments increased by 75 per cent in Portugal and 66 per cent in Denmark between April and June this year, while nominal compensation in those countries rose by 6 per cent and 5 per cent. Across Europe, dividends increase by 10 per cent – double the rate at which wages are rising – and reached a record 184.5bn US dollars. It's the second consecutive year that shareholders have celebrated bumper payouts thanks to the increase in corporate profits which are driving inflation and the cost-of-living crisis. (Dividends rising up to 13 faster than pay | ETUC, 11.09.2023)

	Dividends Q2 2023	**Growth in nominal compensation per employee 2023**
Denmark	+66%	+5%
Portugal	+75%	+6%
Austria	+ 95%	+8%
Spain	+33%	+5%
France	+13%	+6%
Germany	+10%	+6%
Italy	+9%	+4%
Europe	+10%	+6%

(Source: Dividends - Janus Henderson Dividend Index / Compensation - AMECO database)

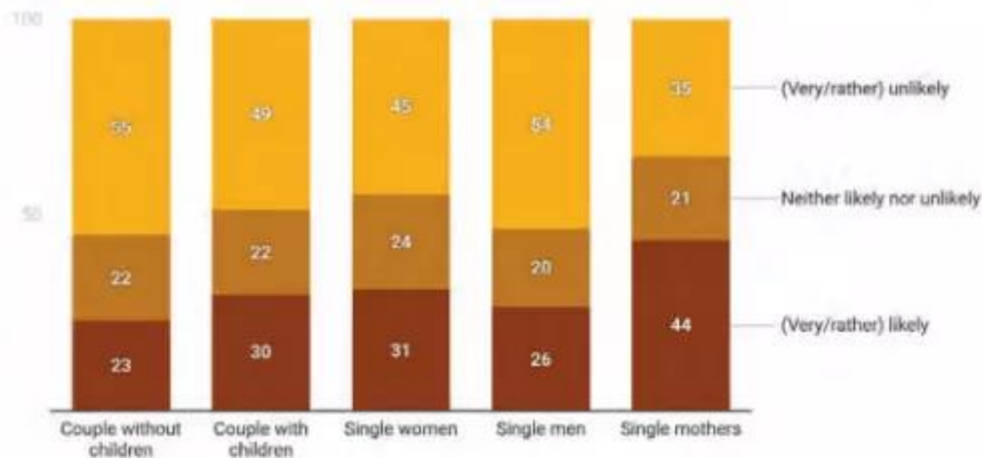
In **November 2023**, new research by the European Trade Union Confederation (ETUC) has found that the pay of European workers is still falling in real terms despite corporations making above-inflation profits. Across the European Union, the value of wages has fallen this year when inflation is taken into account. By contrast, company profits have increased by nearly 2 per cent in real terms. Real pay was falling while real profits is rising in nine member states, including Germany, France and Italy. In a further 10 member states, increases in real profits are higher than increases in real wages. The biggest increases in real profits came in Slovakia (+8%) and Romania (+7%), where real wage growth is negative. The biggest decreases in real wages came in Czechia (-5%) and Italy (-2%), where profits have increased in real terms. (Real wages falling despite inflation-busting profits | ETUC, 15.11.2023)

Table: Member States where real wages are falling despite real profits increasing:

	Change in real wages 2023 (%)	**Change in real profits 2023 (%)**
Czechia	-4,6	5,4
Germany	-1,3	1
Greece	-0.2	5,9
France	-0.2	1,4
Italy	-2,3	1,3
Romania	-0,2	6,9
Slovakia	-1,1	7,9
Finland	-0,3	0,1
Sweden	-1,9	0,1
EU	-0,7	1,5
Eurozone	-0,2	1,9

And most recently in **June 2024**, a major new trade union report on the state of the European economy has found that the living standards of European workers have still not recovered from the cost-of-living crisis. The real compensation of workers in the EU, which represents pay after inflation is taken into account, fell by 0.7% in 2023, according to Benchmarking Working Europe 2024, the European Trade Union Institute's flagship annual report. Workers in Hungary (-3.8%), Czechia (-3.8%), and Italy (-2.6%) faced the biggest falls in purchasing power last year. Germany (-0.9%) and France (-0.6%) were also among the 10 member states where wages failed to catch up with prices. It represents a double dip in living standards following the historic collapse (-4.3%) in real compensation in 2022. ECB announced that companies have further increased their profits in real terms over the last two years and that corporate profits were the primary driver of inflation, according to the European Central Bank (Data on profits for 2023 and 2022; Report: Pay still not keeping up with prices | ETUC, 21.03.2024)

The lack of sufficiently increased wages/income is not only hitting workers in general but in particular also some **vulnerable groups like women, elderly and children.** As for women, in November 2022, new research showed that equal pay is needed now more than ever as women are hardest hit by energy price rises. Single mothers and single women are more likely to have problems paying their utility bills than any other group, according to a new Eurofound survey. It found almost half of single mothers (44%) and 31% of single women anticipate difficulties affording energy costs over the next three months. That compares to 26% of single men. The figures reveal the real impact on women of Europe's 13% gender pay gap and highlight the need for urgent measures to be taken at a national and EU level to shield them from the crisis. The cost-of-living crisis is making it harder for women to flee abuse and domestic violence, because they are financially tied to an abusive partner and can't live on a single-income. (Unequal pay means women hit hardest by energy prices | ETUC, 15.11.2022)



Insufficient pay of workers in general and (single) women in particular also directly and indirectly impacts on children. Hence why in September 2023, trade unions were calling for an urgent rethink of plans to reintroduce austerity as new EU figures show the number of children living in poverty has risen for the third consecutive year. Eurostat data shows 24.7 percent of under-18s were living at risk of poverty in 2022 compared to 24.4 per cent in 2021, 24 per cent in 2020 and 22.8 per cent in 2019. It means 19.9 million children are living at risk of poverty – over than 1.5 million more than before the pandemic began in 2019. (Child poverty rises for third year running | ETUC, 28.09.2023)

Table: 12 EU member states where the number of children living in poverty has risen since 2019:

	2019	**2022**
EU	18,374,000	19,996,000
Czechia	260,000	270,000
Germany	2,151,000	3,495,000
Spain	2,571,000	2,604,000
France	3,194,000	3,739,000

Italy	2,658,000	2,660,000
Latvia	67,000	73,000
Luxembourg	28,000	31,000
Austria	312,000	353,000
Poland	1,089,000	1,138,000
Romania	1,426,000	1,496,000
Slovakia	207,000	252,000
Finland	147,000	155,000

But not only women and children are suffering also **elderly**. Millions of older people are being plunged deeper into fuel poverty by a collapse in the real value of state pensions, an analysis for the ETUC of September 2022 has found on the UN's international day for older persons. Over 65s were already among the people most likely to have problems paying their energy bills, with almost one in ten being unable to keep their home adequately warm in 2019, according to Eurostat. The recent rise in energy bills was already hitting older people as they spend more time at home. That's being made much worse by the fact state pensions aren't keeping up with inflation, meaning the real value of state pensions has fallen this year but as much as 19%. Some 17,7 million over-65s – equivalent to one fifth of all older people in the EU - were already living at risk of poverty last year. (Pension value cut by up to 19% - lives at risk this winter | ETUC, 30.09.2022)

Table: Developments in real minimum pensions (national currencies)

	2021 (Jan)	2022 (Jan)	% change	% Inflation (Aug 22)	% Real change in min. pension
Austria	1000	1030	2.9	9.2	-6.2
Belgium	1325	1445	9	10.5	-1.4
Cyprus	402	407	1.2	9.6	-8.3
Estonia	222	255	14.8	25.2	-10.3
France	646	653	1	6.6	-5.5
Hungary	28500	28500	0	18.6	-18.6
Italy	558	568	1.7	9.1	-7.3
Portugal	275	278	1	9.3	-8.2
Spain	655	721	10	10.5	-0.4

(Source: *ETUI calculation based on EU MISSOC data*)

Cost of living (food, energy, education,…)

Over the reference period it is clear that different traditional cost of living prices for food, energy, education, a much needed holiday and others only increased which made it year after year even more difficult for workers and citizens to meet ends at the end of the month/year. It is also clear that the EU responses (see also above) would not necessarily respond adequately to mitigate the impact of these price increases.

Basic costs of living in general

The most basic living costs, like housing and utilities, increased up to four times faster than wages across Europe last year, Eurostat data published in April 2023 showed. Average hourly wages increased by 4.4% across the EU in 2022, according to data published by the EU's statistics agency. With the EU inflation rate at 9.2% last year, it means the growth in wages last year was just half of the increase in the cost of living. (Eurostat: Basic living costs up 4x faster than wages | ETUC, 21.04.2023)

Table comparing Eurostat data on wages with Eurostat data on inflation in 2022

	Increase in average hourly wage %	**Headline inflation %**	**Inflation: Housing and utilities %**	**Inflation: Transport %**	**Inflation: Food and non-alcoholic drinks%**
EU	4.4	9.2	18	12.1	11.9
Belgium	6.2	10.3	32.3	11.8	9
Bulgaria	15.5	13	18.4	18.9	21.6
Czechia	4.7	14.8	20.4	18.7	17
Denmark	2.2	8.5	16	10.5	11.5
Germany	4.4	8.7	13.9	11.1	12.6
Estonia	8.8	19.4	52.3	22.4	19.8
Ireland	3.8	8.1	24.1	14.1	6.9
Greece	4.2	9.3	25	13.6	11.7
Spain	3	8.3	15	11.7	11.6
France	3.7	5.9	9.3	9.9	7.3
Croatia	8.8	10.7	13.2	13.1	15.7
Italy	2.3	8.7	35	9.7	9.3
Cyprus	7.5	8.1	21.5	14.2	9.8
Latvia	7	17.2	35	21.1	21.7
Lithuania	13.4	18.9	47.8	22.2	25.9

Luxembourg	4.9	8.2	9.4	20.9	7
Hungary	6.6	15.3	17.9	13.7	27.8
Malta	2.3	6.1	8.5	5.2	10.8
Netherlands	3.5	11.6	35.3	12.3	10.7
Austria	5.7	8.6	14.5	16.4	10.7
Poland	11.7	13.2	22.5	17.4	14.5
Portugal	4.3	8.1	12.9	9.9	13
Romania	12.3	12	22.5	17.7	16.4
Slovenia	5	9.3	16.5	15.5	12.2
Slovakia	6.1	12.1	13.4	15.7	18.6
Finland	2.3	7.2	10.4	12.5	10.5
Sweden	2	8.1	13	10.3	11.7

Energy

The average annual energy bill is now more than a month's wages for low paid workers in the majority of EU member states, an analysis by the European Trade Union Institute (ETUI) for the European Trade Union Confederation (ETUC) in September 2022 has found. Some 9.5 million people in work already had difficulties paying their energy bills before the cost-of-living crisis began. By July this year the cost of gas and electricity had risen by 38% across Europe compared to last year and the cost keeps rising. It has left workers earning the minimum wage in 16 EU member states needing to set aside the equivalent of a month's wages or more in order to keep the lights and heating on at home. In 2021, that was the case in eight member states. The number of days a person earning the minimum wage has to work to pay their energy bill has risen dramatically in some countries: Estonia (+26), Netherlands (+20), Czechia (+17), Latvia (+16). In four countries – Slovakia, Greece, Czechia and Italy – the average annual energy bill is also now more than a month's wages for a worker earning the average salary. (Energy now costs month's wages for low paid | ETUC, 06.09.2022)

Table 1: EU member states where annual energy bills cost a month's wages or more for minimum wage workers (All figures in national currencies)

Country	Annual cost of energy July 2022	Gross minimum wage (monthly) 2022	Days working at gross minimum wage to pay annual energy bills 2022*
France	1.603	1.646	30
Romania	2.506	2.550	30
Hungary	198.497	200.000	30
Germany	1.907	1.744	33
Portugal	950	823	35
Bulgaria	836	710	36
Ireland	2.104	1.775	36
Latvia	604	500	37
Belgium	2.227	1.842	37
Croatia	5.746	4.688	37
Spain	1.455	1.167	38
Slovakia	959	646	45
Netherlands	2.755	1.756	48
Greece	1.479	832	54
Estonia	1.165	654	54
Czechia	34.468	16.200	65

Table 2: Energy costs compared to average earnings in all member states with available data (All figures in national currencies)

Country	Annual cost of energy July 2022	Annual average net earnings 2022**	Days working at average net earnings to pay annual energy bill 2022
Lithuania	402	12.906	11
Luxembourg	1.870	47.967	14
Austria	1.562	34.251	17
Poland	2.344	50.051	17
Latvia	604	11.835	19
Hungary	198.497	3.768.313	19
France	1.603	29.972	20
Ireland	2.104	38.555	20
Bulgaria	836	14.854	21
Germany	1.907	33.847	21
Denmark	17.239	305.793	21
Romania	2.506	42.563	21
Portugal	950	15.444	22
Slovenia	970	15.281	23
Spain	1.455	21.872	24
Netherlands	2.755	41.363	24
Belgium	2.227	33.336	24
Estonia	1.165	16.236	26
Sweden	26.503	367.320	26
Croatia	5.746	79.061	27
Slovakia	959	11.551	30
Italy	2.071	24.849	30
Czechia	34.468	376.777	33
Greece	1.479	15.124	*36

(* Calculation based on 365 days in the year (not just working days) in order to show the fraction of time out of a total year; **: AMECO spring forecast of changes in wages/salaries 2022 compared to 2021 used to adjust wages.)

(Source: cost of electricity and natural gas based on average consumption by household in 2019 (electricity consumption from Oddyssee-Mure; gas calculated as the share of natural gas out of total energy consumption by households in 2020 from Eurostat (NRG_BAL) per country multiplied by energy consumption per household from Oddyssee-Mure; multiplied with biannual prices for electricity and natural gas obtained from Eurostat; Net annual earnings are calculated with tax rate for single person earning 100% of average from Eurostat (EARN_NT_NET), and minimum wage is expressed per month and obtained from Eurostat. The share of energy is expressed as percentage relative to average annual earnings. The estimated change to July 2022 Annual net earnings is adjusted using the percentage change in nominal employee compensation from Eurostat Ameco spring forecast, and energy is adjusted using HCIP components for electricity and gas.)

Food

As to food, an **ETUC analysis in December 2022** already found that families will be forced to cut back on their **Christmas dinner** that year as a result of food prices rising up to seven times faster than wages, as food prices, which is the second highest contributor to inflation after energy, have increased by a huge 18% across the European Union since the winter of 2021. The prices of items needed to cook a Christmas dinner have, on average across the EU, increased by +16.4% for meat, +20.2% for vegetables, +17.6% for potatoes and +32.1 for flour.

By comparison, nominal wages are expected to have increased by 4,4% in the EU by the end of this year, meaning food prices are rising more than four times faster than wages. Families face the sharpest increase in Slovenia, where food prices are rising 7,6 times quicker than wages, followed by Sweden (6.4), Spain (5.4), and Malta (4.7). (Cost of Christmas dinner up 7 times more than wages | ETUC; 13 December 2022; on the rising costs of Christmas and wages lagging far behind productivity see also Workers €649 poorer this Christmas as pay lags behind productivity | ETUC, 21.12.2021)

Table showing increase in price of food between October 2021 and October 2022, as well as the increase in nominal compensation per employee between 2021 and 2022.
(Source: Prices from Eurostat HICP. Wages from European Commission Ameco database)

Country	Meat	Vegetables	Potatoes	Bread & cereals	All food	Wages	Food price Increases vs Wage increases
Belgium	12,3	13,4	14,2	14,9	13,4	6,4	2,1 x faster
Bulgaria	25,2	18,2	35,3	26,9	27,4	15,2	1,8
Czechia	26,7	24,0	26,7	29,1	26,7	7,7	3,5
Denmark	18,0	11,0	9,8	16,5	16,5	3,3	5
Estonia	27,8	26,7	12,2	27,8	28,9	9,7	3
Ireland	13,1	5,4	3,1	11,9	10,9	3,5	3,1
Greece	17,2	13,1	25,0	19,4	15,1	5,1	2,9
Spain	12,5	21,2	19,0	19,0	15,8	2,9	5,4
France	12,4	22,1	7,8	11,2	13,2	4,6	2,9
Croatia	18,1	18,2	15,9	28,2	20,5	8,0	2,6

Italy	10,4	20,2	12,3	15,9	13,8	4,5	3,1
Cyprus	15,6	18,9	60,8	14,2	12,5	4,8	2,7
Latvia	25,2	22,7	15,0	35,5	30,0	10,9	2,8
Lithuania	27,0	32,1	12,6	35,4	33,3	10,9	3,1
Luxembourg	11,7	13,2	8,8	12,5	11,0	5,1	2,2
Hungary	34,6	39,7	45,1	60,1	45,2	14,5	3,1
Malta	16,3	21,3	4,4	15,7	15,1	3,2	4,7
Netherlands	17,3	10,7	6,1	11,3	14,0	3,3	4,2
Austria	15,5	14,8	15,3	14,4	14,5	4,2	3,5
Poland	25,4	17,2	16,2	22,5	21,8	10,9	2
Portugal	22,1	26,2	27,3	18,0	19,2	4,6	4,2
Romania	15,8	24,7	38,8	26,5	21,8	8,2	2,6
Slovenia	17,1	16,4	8,3	18,9	17,9	2,5	7,6
Slovakia	27,6	25,5	31,4	27,5	26,8	7,6	3,5
Finland	22,1	15,4	13,2	17,1	15,9	3,5	4,5
Sweden	17,1	17,0	24,1	17,7	18,0	2,8	6,4

In February 2023, the ETUC calculated that the **price of a pizza** is rising up to nine times faster than wages in Europe, showing the need to stop speculation on food prices and deliver pay rises which match the rising cost of living. The cost of shop-bought pizza increased by 16% across the EU between December 2021 and December 2022, according to Eurostar figures published to coincide with today's world pizza day. By comparison, nominal wages increased by 4% across the EU over the same period, making pizza around four times more expensive. (Rising pizza prices show knead for pay rises | ETUC, February 2023) The biggest gaps between the increase in the price of pizza and wages can be found in the following 10 countries:

Member State	% change pizza price	change wages	Pizza price vs wages
Slovenia	23.2	2.5	9x
Denmark	19.3	3.3	6x
Finland	20	3.5	6x
Sweden	16.7	2.8	6x
Spain	14.6	2.9	5x
Netherlands	17	3.3	5x
Ireland	16.1	3.5	4.5x
Austria	16.6	4.2	4x
Croatia	28.2	8	3.5x
Lithuania	38.5	10.9	3.5x

And according to Eurostat data published in November 2023, the price of the most basic food stuffs were still rising up to seven times faster than wages. The price of olive oil is 75 per cent higher than it was in January 2021, while there have also been increases in the price of potatoes (53%), eggs (37%) and butter (27%). By contrast, nominal wages have increased by 11% in the EU and 10% in the Euro area over the last three years. (Food costs still rising far quicker than pay | ETUC; 2.11.2023)

School costs

Struggling families are facing another inflation setback as children return to the classroom, with the cost of the most basic school supplies rising twice as fast as wages across Europe. The price of essential items like pens, pencils, paper, folders, erasers, sharpeners or scissors increased by 13 per cent on average between January and May this year. That's double the rate at which nominal compensation is rising this year (6 per cent) and follows an eight per cent increase last year – also double the rate at which wages grew last year. The previous highest increase in the cost of stationery was 1.7 per cent in 2019. The price of educational textbooks, children's clothing and footwear, calculators are also rising more quickly than pay in many member states, piling further pressure on working people already struggling cost-of-living crisis. (Pay failing to keep up with school costs | ETUC, September 2023)

Table: EU member states with the biggest difference in increase in basic school costs and pay:

	Increase in cost of stationery between January to May 2023	**Increase in compensation 2023**
Netherlands	22%	6%
Sweden	11%	4%
Denmark	15%	5%
Croatia	19%	8%
Spain	12%	5%
Cyprus	14%	6%
Germany	13%	6%
Malta	13%	6%
Italy	9%	4%
Estonia	23%	11%
Lithuania	18%	10%
Portugal	12%	6%
France	10%	5%
Greece	8%	4%

(Source: Monthly rate of inflation for school costs: https://ec.europa.eu/eurostat/databrowser/view/PRC_HICP_MANR__custom_7246775/default/table?lang=en ; Nominal compensation per employee from AMECO database: https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/sense/app/667e9fba-eea7-4d17-abf0-ef20f6994336/sheet/f38b3b42-402c-44a8-9264-9d422233add2/state/analysis/)

Holiday costs

Both in 2022 and 2023, ETUC demonstrated how holiday costs have increased considerably thus leading to "holiday poverty".

In **July 2022**, ETUC own analysis showed that More than 38 million people in Europe can't afford a week's holiday despite being in work, research for the European Trade Union Confederation (ETUC) has found. The share of the total population who could not afford a holiday has increased in over half of EU member states since 2019 and even the share of working people who can't afford one has increased in 11 countries. Romania, Greece and Lithuania have the highest share of workers unable to get away for a week. Italy (8m) , Spain (4.6m) and France (4.1m) have the highest number of workers

missing out on a break for financial reasons. (Cruel summer for 38m workers who can't afford a holiday | ETUC; 18.07.2022)

Country	2019 %	2020 %	Estimated total number 2020
Bulgaria	22.4	27.2	839.732
Denmark	6.4	7.5	191.654
Greece	41.3	43.4	1.629.245
Spain	24.3	25	4.601.587
Finland	6.5	7.7	176.986
Croatia	39.5	39.7	613.049
Lithuania	28.6	41	373.660
Luxembourg	7.7	7.9	21.702
Latvia	19.4	21.2	178.163
Malta	25.3	26.7	65.324
Romania	45.7	47	3.925.812

(Source: The figures are based on an analysis of Eurostat 'microdata', which is not publicly available, by the European Trade Union Institute, the independent research centre of the ETUC. The total number of workers unable to afford a holiday was calculated by the ETUI based on the percentages provided by Eurostat.)

In **July 2023**, the price of package holidays, which are meant to provide the best value breaks, at home or abroad has increased by 12.4% across the EU between January and May and that follows an 11.5% increase last year. That is the highest increase in the cost of package holidays since records began in 1996 – before last year, the previous highest annual rise was 7.2% in 2015.

The analysis of Eurostat data by the European Trade Union Confederation and European Trade Union Institute found:

- The average cost of a package holiday of four nights or more is now €2,967 – up by more than €600 since 2018.
- People in Estonia, France, Bulgaria, Sweden, and Czechia have been hit by the highest increases in the cost of a package holiday, with rises between 18% and 31%.
- The average price of a package holiday is worth more than a month's pay for those earning the minimum wage in 14 member states.
- Around 19.5% of working people can't afford a week away from home, according to the latest Eurostat data – equivalent to 38 million people.
- The highest numbers of working people unable to afford a holiday are found in Romania (43%), Greece (37%), Hungary (34%), Italy (31%), Croatia (31%) and Cyprus (30%).

For those forced to stay at home, the cost of recreation and cultural activities, including visits to the cinema or museums, has also increased by a record 6.5% - a third more than nominal wage growth. (For the different data sets and tables see: Workers hit by record rise in holiday costs | ETUC, 19.07.2023)

PART II: NATIONAL MATERIAL

In this Part II, the ETUC provides as mentioned an overview of material it received from its affiliates during the reference period end 2021 until July 2024 in the framework of e.g. its ETUC Austerity Watch and/or meetings of its statutory bodies like the ETUC Executive Committee (hereafter 'ETUC EXCO'). Where appropriate, these contributions have to be read in conjunction (but complementary) with the targeted contributions some ETUC affiliates have provided to the ECSR/Social Charter Department as submission to the respective national ad hoc reports provided by the governments.

Belgium

Joint Contribution from FGTB – CSC- CGSLB (Belgium) to the ETUC EXCO of March 2022

"- *We demand a legal initiative that restores the right to free collective bargaining on gross wages at all levels (interprofessional, sectoral, company).*
- We demand the restoration of a freely negotiated indicative margin instead of a straitjacket imposed by law.
- We demand the complete preservation of the automatic indexation of wages and allowances as well as the preservation of wage scale increases."[1]1

These are the demands of a petition the three Belgian unions recently launched under the system of online petitions organized by the Belgian parliament since 2020. More than 75,000 citizens already signed the petition, after only a few weeks of online availability. This is an unprecedented success for an online petition of the Belgian Parliament in such a short time.

"How the minimum wage law is taking us for a ride"[2]2 titles one of the articles published in the Wage Gazette, a joint publication of the 3 unions. "The wage standard law, which was updated by the Michel government in 2017, and its consequences now leave hardly any margin for wage increases. In addition, it imposes a framework that is far too strict for negotiators in the sectors and companies".

For the Belgian unions, this law is "a straitjacket that is far too tight", as it imposes a wage rise of no more than 0,4 % for 2021- 2022 based on expected wage evolutions in the neighbouring countries Germany, France and the Netherlands.

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[1] https://dekamer.mijnopinie.belgium.be/initiatives/i-653

[2] https://www.lacsc.be/docs/default-source/acv-csc-docsitemap/3980-actualiteit-actualite/3985-campagnes-- campagnes/ipa/loonkrant_fr.pdf?sfvrsn=80ca48c0_4; https://www.fgtb.be/gazette-des-salaires; https://www.cgslb.be/sites/default/files/aclvb/Documenten/Artikels/2021/gazette-salaire.pdf.

This comes at a time when "Belgian companies achieved the highest profit margins ever"[3] according to a recent report by the Belgian National Bank: "The Belgian profit margin experienced a notable increase over the past seven years, from 39.3 percent in 2014 to 42.4 percent in 2020. This is the highest level since at least 1999, when the margin rate was 35.7 percent. Moreover, the marginal rate is significantly higher than in neighbouring countries, where profit margins have remained relatively stable since 2014" and until 2020. In the first 9 months of 2021 the profit margin rose significantly to 45, 3 % in Belgium, with comparable increase rates in neighbouring countries. (See chart hereunder). "The results of listed companies show a dramatic increase of profit margins since the pandemic", according to Jan Eeckhout, professor of economics at Pompeu Fabra University in Barcelona, who published "a high-profile paper on the growing profit margins of companies in numerous sectors, from tech to textiles to beer" .

For workers in Belgium as well as all over Europe, the situation is different: "Housing, heating, food, fuel... prices are skyrocketing everywhere, making life more and more expensive!" The Federation of Belgian Food Banks issued a stern warning: "In 2021, 177,238 people stood in line for a food package. Never before have there been so many. Moreover, the Food Banks fear that this figure will only continue to rise, in part because of rising energy prices."

Joint contribution FGTB – CSC- CGSLB (Belgium) to the ETUC EXCO of October 2022

As in other European Member States, the political agenda in Belgium is currently to manage the energy crisis and the accompanying economic crisis. Traditionally, the federal government's budget negotiations take place in late September and early October. These are also entirely dominated by the energy crisis and its economic impact on workers and businesses. The multiplicity of parties (Liberals, Greens, Christian Democrats and Socialists) means that a smooth budget agreement is not a given. But most parties seem to realise the urgency of the current situation. A key issue is the **automatic wage indexation mechanism** in our country. According to the employers, this has become unsustainable for companies in the current context. Of course, we are opposed to this as trade unions and workers' representatives. For us, there can be no question of adjusting the indexation mechanism, which is a necessary tool, especially in times of crisis. The government has listened and said that it will maintain automatic indexation. Employers are getting a commitment that the tightening of the wage standards law, implemented in 2017, will be maintained. Without adjustments to this law, this means that there will be a **ban on wage increases above the index in 2023-2024**. 1 billion is promised to employers on a linear basis: employers' contributions on wages can be reduced by 7.07% in the first half of 2023 for all employers, SMEs and large energy companies alike. And for the other half of the year, there will be a deferral, until 2025, of the payment of part of these contributions. These two measures will have a major impact on the social security treasury. The government has also decided, without consulting the trade unions, to increase labour flexibility in several sectors? The government also reached an agreement on a tax on excess profits for the energy sector, as proposed by the European Union.... A step in the right direction but not enough. Household support measures have been extended to relieve household energy bills until March but the government is referring any idea of capping energy prices to the European level. At the European level, the Belgian government continues to push for decisive action against the energy crisis. **Belgium remains in favour of a European cap on gas prices**. As trade unions, we continue to press for decisive action to protect the purchasing power of workers. That is why, in this context, we organised a demonstration with the

[3] https://www.tijd.be/ondernemen/algemeen/belgische-bedrijven-halen-hoogste-winstmarges-ooit/10364040.html

common trade union front in Brussels on 21 September. On 20 October, the unions carried out decentralised actions in relation to the energy sector.

Joint Contribution CSC-FGTB-CGSLB (Belgium) to the ETUC EXCO of December 2022

General strike in Belgium Belgian trade union confederations are leading strikes and other actions a few weeks ago to challenge the **impact of inflation on workers' purchasing power** and to **recover the full freedom of collective bargaining**. Many Belgian workers can no longer make ends meet: bills are too high, wages too low. That is why Belgian trade unions are shifting gear, with a strike action a few weeks ago to put pressure on employers and the government. The day of strike and actions demands also for the ending of the 1996's wage law which restrain the freedom of collective bargaining, as the ILO has just recognised.

Energy prices - Gas prices have gone up by 130 per cent in just one year, electricity by 85 per cent and fuel by 57 per cent. And now food prices are going up too. Under pressure from trade unions, the government has taken steps to ease energy bills. Value added tax on energy products was reduced, one-off grants were introduced and a lower, 'social' tariff was extended to more vulnerable groups. These steps were welcome but the Belgian government should do more to cap prices for everyone. If it is not possible at a European level, Belgium must take steps at the national level: France, Spain and the Netherlands have already done so.

Wage indexation - Wage indexation is the best system to protect purchasing power in times of inflation. But indexation in Belgium does not offer 100 per cent protection. Some 850,000 workers have to wait a year for their next indexation, until January 1st 2023. They have meantime had to pay their higher bills, but received no compensation. Wage indexation does not take into account higher fuel prices specifically, so there is always a loss in purchasing power. Employers and the political right are pushing for an 'index jump' or even an alteration to the index mechanism. This is unacceptable to the trade unions. It would be suicide from a social but also from an economic perspective, because it would destroy consumer confidence and plunge Belgium into recession. There is no evidence that a wage-price spiral exists. Inflation in Germany and the Netherlands is higher than in Belgium, although they have no wage-indexation clauses in their collective agreements.

Profits not shared - Many companies have used the easing of the pandemic to increase their prices and profits, contributing to higher inflation, as a member of the executive board of the European Central Bank has conceded. This has also happened in Belgium. In the second quarter of 2022 profit margins were at an all-time high of 46 per cent. Only the Netherlands came close at 40 per cent. Companies thus have sufficient financial buffers not only to cope with wage indexation but also to increase wages in a more structured manner. Yet since the 2009 financial crisis real wage increases (over and above indexation) have been non-existent in Belgium. Contrast the Netherlands and France, where real wages have risen by 3 and almost 6 per cent respectively since 2009, and Germany where they have increased by 19 per cent. It is not that the productivity of Belgian companies has not increased since the financial crisis—it is that the additional profits have not been shared with workers.

Wage increases on top of indexation are limited in Belgium through a very restrictive law, the infamous 'law on competitiveness'. Although Belgian trade unions contest this law (at national and international levels), the government is applying it strictly. Employers are pushing for a wage freeze in 2023-24, based on the law.

Windfall taxation - Major energy companies are seeing their profits double or even treble compared with last year. This crisis is certainly not affecting everyone equally. But those profiting from it are not

only to be found in the energy sector. Other companies are making high profits due to the exceptional circumstances. Those who record exceptionally high margins should be subject to an increased tax rate.

Meanwhile, **many social benefits are often too low** to provide for a decent living and fall under the European poverty line. Trade unions and employer organisations have an important say in which social benefits are increased and how. The employers have however blocked such discussion, so it is up to the federal government to take a unilateral decision to raise social-security benefits.

Wage moderation - The Belgian wage moderation law prevents since 2017 trade unions to freely negotiate wage increases (above the indexation). Since then, Belgian trade unions have been fighting back against this legislation which is contrary to the right to collective bargaining, asking for its revision. A complaint to the Committee on Freedom of Association (CFA) of the ILO has been filed a year ago against this legislation. On the 9th of November, as workers were striking and taking actions across the country, the governing body of the ILO adopted the conclusions of the CFA regarding the complaint of the Belgian trade unions. These conclusions recognize “the existence of a significative restriction of the ability of the social partners to autonomously negotiate wage levels in the private sector”. This is a great victory of the Belgian trade unions against the wage moderation law as the CFA requested the Belgian government “*to take, in full consultation with the social partners the necessary steps to ensure that the social partners are able to freely determine the criteria on which to base their negotiations on wage increases at the intersectoral level, and the results of those negotiations. The Committee requests the Government to keep it informed of any developments*”.

Joint Contribution from CSC-FGTB-CGSLB (Belgium) to the ETUC EXCO of March 2023

The strict **law on wage norms** has once again made it impossible to reach a central agreement for the 2023-2024 period. This time, the law even prohibits any increase in gross wages. Through a temporary amendment to the law, the government would only allow sectors and companies to negotiate a single net bonus, up to a maximum of €750 net, but under strict conditions. This bonus could not even be paid in cash, but in the form of consumer vouchers.

However, in order to start negotiations in sectors and companies, it was necessary to clarify the extension of a series of temporary agreements centrally, including efforts by sectors and companies in favour of at-risk groups in the labour market, the future of temporary end-of-career schemes and the extension of more flexible overtime schemes.

A draft agreement was finally concluded between the social partners on 15 March. It has now been submitted to the bodies of the organisations. Some parts also need to be implemented by the government, which has yet to give its consent. The 2021-2022 agreement provided that the minimum wage would once again increase by €35 gross per month on 1 April 2024. However, the government has been asked to make its own effort via a tax increase so that workers receiving the minimum wage can have an extra €50 net per month. This measure has not yet been approved.

Meanwhile, the Minister for Finance has presented a **proposal for tax reform** to the government. Part of this proposal concerns an increase in the personal income tax allowance. This could result in a tax reduction of at least €60 for each worker on the minimum wage. The question is whether it is still possible to reach an agreement on this within the federal government. The government was initially due to make a decision in early April, but it appears that talks will take longer.

An important issue relating to purchasing power that will dominate the government's agenda concerns credits for gas and electricity bills. For some time now, Belgium has had what is known as the social energy tariff, a discount on electricity and gas bills for families with a certain social status. The tariff was extended to low-income families during the 2022 energy crisis. In 2023, it was renewed. Given the fall in energy prices, the government has decided to end this extension and thus return to the original trade group.

The Belgian trade unions are calling for an alternative to be developed quickly, not only for the lowest incomes, but also - to avoid income traps - with a sliding rate for low-income families exceeding the maximum amount.

At the same time, the Belgian trade unions are working to **strengthen social security**. They have succeeded in ensuring that on 1 July 2023 many social benefits are increased again, on top of regular indexation. Politically, the future of the statutory pension system is now the focus of major attention. On 8 May 2022, the social partners published a joint opinion on the general principles that should guide any **pension reform.** At the same time, the federal government is considering short-term reforms that should lead to overall savings. This includes introducing a pension bonus for those who continue to work, even if they are already eligible for early retirement. But it is also a matter of adjusting the conditions for early retirement. This involves both a relaxation (for everyone after 42 years of service) and a tightening up (for those who do not have enough years of actual service). This is politically connected with the aforementioned tax reform.

Joint Contribution from FGTB, CSC, CGSLB (Belgium) to the ETUC EXCO September 2023

Tax reform is a hot topic that has long occupied the government of the 7-party Vivaldi coalition. The aim is to reach agreement on this reform before the national elections in June 2024. This tax reform would help low- and medium-paid workers by transferring taxes to consumption, property and financial incomes. This reform exercise had to avoid jeopardising the State budget or reducing the range of social and public services. However, the Belgian government failed to reach an agreement before the summer holidays. Although all the parties agree on the desire to reduce the tax burden on workers' wages, the disagreement lies in the financing of the reform. The reform would make it possible to increase the tax-exempt salary base, thereby increasing the net salary and especially minimum wages. This loss of revenue would be offset by a mix of extra taxes on financial assets and on consumption. Indeed, the Belgian government was considering introducing taxes on the one hand on capital and capital incomes and on the other hand on certain essential products and foodstuffs such as bread and eggs. There are several major points of disagreement on this proposal. As for the Belgian trade unions, they are far from being in favour of the additional tax on consumption. As trade unions, we can't support a VAT increase that affects the ability of certain households to afford for their basic needs. Yet it is crucial to find a solution and adopt a fiscal reform to increase purchasing power of the middle and low-paid salary workers. However, following these setbacks and the lack of agreement within the government, negotiations on this reform seem to have been put on ice.

Czech Republic

ETUC Austerity Watch #4 (March 2024)

Fiscal measures are harming workers' wellbeing.

In the area of budgetary or fiscal measures, the Czech Government’s change to the tax system means that the amount of the membership contribution paid will no longer be a deductible item in the tax base.

A reduction in the statutory allocation to the social fund may affect the well-being of employees and their social and working conditions.

Social dialogue was conducted only formally.

In the social area, the Czech Government reduced the statutory allocation to the social fund, which may affect the wellbeing of employees and their social and working conditions. It also raised the retirement age.

Estonia

ETUC Austerity Watch #2 (October 2023): Austerity in Estonia

The 2024-2027 budget, which has just passed the negotiations of the government's coalition partners, presents some austerity-oriented measures.

The Estonian government put together the 2024-2027 budget last week. According to the press, strong savings are planned to reduce the state budget deficit. Cuts must be made by all areas of government. Salaries of civil servants will be frozen. Only teachers are allowed a 1.7% salary increase.

Investments will be severely cut, including in road construction. There is also a plan to save money from the unemployment insurance, which is still to be discussed with the social partners.

New taxes were also under negotiation, which were waived by 2024, but discussions about the future continue.

The reform affects the livelihood of officials and employees receiving salaries from the state. Inflation has been in double digits in recent years, tax increases are planned, with which lower wage earners will lose. Investment cuts lead to job losses (e.g. in road construction).

The non-progressive tax changes were already adopted in the summer.

From 1.01.2024 the VAT rate will be increased of 2% (new 22%) , there will be changes in deductions from taxable income: disappears additional tax-free income for children, additional tax-free income for the spouse and housing loan interest.

From 1.01.2025 will be income tax rate 22% (instead of the previous 20%). With the change, from 2025 the income will be set at a uniform tax-free 700 euros per month, or 8,400 euros per year, except for old-age pensioners, whose tax-free income is equal to the average old-age pension.

The dialogue with state-level partners has not yet taken place, but we are planning a tripartite meeting with the government and employers. The civil servants and employees, who get paid by the government and are better organized, have already negotiated their salary. Unfortunately, their demands have not been satisfied. Teachers are most likely planning a strike.

Finland

Joint Contribution from SAK, AKAVA and STTK (Finland) to the ETUC EXCO of September 2023

In June 2023 following lengthy negotiations Finland got a new government comprising of the National Coalition Party, the Finns party, the Swedish People’s Party and the Christian Democrats. The new

government program is problematic for Finnish workers as regards **decreases in worker's rights and social benefits,** and the fact that no real room is left for negotiation with the social partners. The measures include a **long list of restrictions on the negotiation system and the right to strike, measures to weaken the terms and conditions of employment, as well as erosions in social benefits and allowances.**

Complete lists of the measures can be found here: https://www.sak.fi/en/whats-new/news/catalogue-orpo-purra-government-cuts or https://www.sttk.fi/en/2023/09/12/we-compiled-the-effects-of-the-governmentprogramme-on-employees-rights-and-livelihoods/ . (See also table below)

The first tripartite working groups are already working on the government's proposals. First off are the group overseeing the right to strike and the group preparing the reform of the earnings-related unemployment benefit. All reforms are being prepared at a very hasty pace and the first changes are planned to enter into force at the beginning of next year. SAK, Akava and STTK have representatives in the groups, but they have had no influence on their progress. SAK, STTK and Akava have opposed the government measures that weaken workers' rights and erode social benefits. The confederations work actively to raise awareness of the effects of the suggested 'reforms' for workers. There have also been joint meetings between unions in the three confederations to discuss possible joint responses and possible actions.

ETUC Austerity Watch #1 (September 2023) Government is seeking significant changes in labour law, and in the right to strike

Announced austerity measures mainly interfere with social standards and labour-related protections.

In Finland, as a solution to the countries weakened economic situation and increased government debt, the Government is seeking significant changes in labour law, and in the right to strike. The programme of the Finnish government includes a wide range of social welfare reductions, including drastic cuts in earnings-related unemployment benefit and housing allowance. Many of these cuts and legal changes are scheduled to take effect next year, with the first already introduced at the start of 2024.

Collective bargaining	The maximum level of wage adjustments will be tied to pay increases in export sectors in conciliation.	This change will affect trade unions' free right to negotiate and cement the pay gap between male- and female-dominated sectors.
Right to strike	The provision of protection in conflict situations will be defined by law.	the change may result in significant restrictions on the right to strike in the social welfare and healthcare sector.
Right to strike	The political right to industrial action will be limited to demonstrations of one day,	The goal is to limit people's right to demonstrations regarding amendments to labour and social services legislation. Political strikes have been quite rare in Finland, the right to strike has been used moderately, and there is no need for restrictions.
Right to strike	Solidarity actions will be within the scope of the notification obligation, assessing the proportionality of solidarity strikes and limiting their impact to parties to labour disputes will be defined by law.	The right to strike will be limited significantly. Various limitations related to the procedure and content when exercising the right to strike may mean that the right to strike decreases significantly in practice.
Right to strike	The level of the financial sanctions imposed on illegal industrial actions will be increased. The lower limit will be EUR 10,000 and the upper limit EUR 150,000.	This means a significant increase in financial sanctions. Illegal strikes often involve situations where employees react to large-scale employee discharge plans of companies or weaker terms of employment.
Right to strike	A personal sanction of EUR 200 will be imposed on employees for continuing a strike deemed illegal by the Labour Court.	A strike is an industrial action, which is usually decided on by a union or member association. Consequences should not be targeted at individuals.

Right to strike	Opportunities to derogate from labour law through a company-specific collective agreement will be expanded, and employee protection based on legislation on local agreements and collective agreements will be reduced.	In the future, a union-trained shop steward does not need to be a contractual party in a local agreement. The risk is that an agreement does not reach the minimum level of employment terms safeguarded by legislation and collective agreements, resulting in unhealthy competition in labour markets based on drastically limited terms of employment. It remains unclear how the abilities and skills of employee representatives negotiating on behalf of the employees will be ensured, how contractual disputes will be settled, and who will cover the costs arising from dispute resolutions.
Decreases in terms of employment	Specific grounds for fixed-term employment contracts of one year will no longer be required.	The change will probably increase the unfounded chaining of employment contracts and therefore uncertainties in working life, and reduce the use of indefinite employment relationships. The change will especially affect young people and women. Furthermore, the change may increase discrimination based on pregnancy and family leave, considering that a significant part of discrimination is already associated with fixed-term employment relationships.
Decreases in terms of employment	The notice period for lay-offs and the related wage payment obligation will be shortened to seven days irrespective of what is defined in the collective agreement.	Currently, the notice period for lay-offs is 14 days by law. The notice period is also defined in some collective agreements. Employees will have less time to prepare for a lower level of income. At the same time, the change affects the contractual autonomy of parties to collective agreements, as the content of existing agreements is affected through legislation.
Decreases in terms of employment	The first day of sick leave will be unpaid.	The change will cause an unreasonable loss of income for employees and forces more employees to come to work ill.
Decreases in terms of employment	Employees' protection against dismissal on personal grounds will be reduced. In the future, a relevant reason will be sufficient to dismiss employees on personal grounds, whereas a relevant and weighty reason is currently required.	The change will significantly reduce employment protection.
Decreases in terms of employment	The scope of application of the Co-operation Act will be limited to companies employing at least 50 people, and the minimum negotiation periods of legal cooperation negotiations will be halved.	Currently, the Co-operation Act applies to companies employing at least 20 people. The change will leave most jobs outside the scope of the development of working life and cooperation between employers and employees, and reduce the opportunities of employees to have their voice heard in companies. STTK has proposed lowering the scope of application to companies employing at least 10 people. The minimum negotiation periods of cooperation negotiations on dismissals will be halved, which significantly reduces the purpose of negotiations and the opportunity to engage in a genuine dialogue on alternatives for dismissals.
Decreases in terms of employment	The re-employment obligation laid down in the Employment Contracts Act will be removed from companies and organisations employing fewer than 50 people irrespective of what is defined in the collective agreement.	Currently, the re-employment obligation is four or six months depending on the duration of the employment relationship. The change will reduce employment protection. It will also affect the contractual autonomy of parties to collective agreements.
Decreases in benefits and allowances	The level of the earnings-related unemployment benefit will be reduced in steps. The benefit will fall to 80 per cent after eight weeks and to 75 per cent after 34 weeks of unemployment.	The change will especially affect those who consider finding a new job difficult for various reasons. The change may lead to a cycle of social services, as people may also need to apply for other social security to protect their livelihood.
Decreases in benefits and allowances	The employment condition of the unemployment benefit will be extended to 12 months.	The change will reduce the opportunity to obtain the earnings-related unemployment benefit and increase income problems during unemployment. Combined with the easier possibility to use fixed-term employment relationships, this may also increase uncertainties in

		working life and transfer the unemployed to other social security.
Decreases in benefits and allowances	A euro limit will be set for the employment condition of the unemployment benefit.	The change will reduce the level of the unemployment benefit for some and will be particularly problematic for those with low income and who work in unusual working conditions. The change will increase income problems and lead to a cycle of social services, as people may also need to apply for other social security to protect their livelihood.
Decreases in benefits and allowances	Holiday allowances will be divided into periods, the number of deductible days will be increased from five to seven days, the accrual of the employment condition in pay-supported employment will be discontinued, child increases will be removed, and age-tied derogations and protective components will be eliminated.	The changes will reduce the level of the unemployment benefit and will be particularly problematic for those with low income and who work in unusual working conditions. Furthermore, the changes will increase income problems.
Decreases in benefits and allowances	The increment of the first 16 working days in the parental allowance will be discontinued.	The change will reduce the livelihood of families. In addition, it may make it more difficult to agree upon the paid parental leave period in collective agreement negotiations.
Decreases in benefits and allowances	The adult education allowance will be discontinued from 1 August 2024.	Because the adult education allowance supports access to income during studies, the change will particularly reduce the opportunities of the working-age population with low and medium income to update their skills during their career.
Decreases in benefits and allowances	Alternation leave will be discontinued.	The change will remove a significant benefit that has supported employees' coping at work and the diversification of careers, which has especially been used by women with extended careers.

All these changes will damage the interests of employees by increasing insecurity in the working world.

Cuts in social welfare are bad news not only for the unemployed, but also for those in low-paid jobs. The envisaged cuts are in no way marginal. The Government is planning many major changes in labour law, the right to strike and social welfare. The changes in labour law and the right to strike will exclusively benefit employers, and not their employees. The particular victims of social welfare cuts will be people on low incomes, part-time and casual employees, and the unemployed.

The Government has tried to justify the cuts on economic grounds, but undermining the status of employees will have no significant impact on the Finnish economy but will reduce opportunities on the labour market and will predictably increase poverty. Instead these measures are motivated by certain general attitudes and values. The impact on employees will at least partly conflict with international treaties.

Trade Unions have accordingly begun preparing organisational action. This may be take the form of various collective anti-government protests by employees. The SAK #SeriousGrounds and STTK #kohtuuskaikessa (loosely translated 'be reasonable') campaigns aim to inform people on the content of the government plans.

ETUC Austerity Watch #4 (March 2024)

STTK denounces fiscal measures with a bitter austerity taste for Finnish workers.

In the budgetary or fiscal domain, STTK raises attention to the fact that the fiscal stance for this year is projected to be slightly expansionary, as the scale of tax reductions is expected to surpass that of

drastic spending cuts. The total tax rate is anticipated to decrease by almost three percentage points relative to GDP by 2027.

New austerity measures will be decided in April. The austerity measures are planned to be approximately 1 % of GDP. Considering these new austerity measures, the fiscal stance can become slightly contractionary. Finland's current problem is not the fiscal stance but rather drastic tax reductions accompanied by huge spending cuts, namely in social security.

Another area of concern is the significant deterioration in several labour rights, including the right to strike and employment protection. Bargaining at the local level is expanded, while the shop steward can be bypassed in some instances. The exported model is forced on workers since it ties the National Conciliator's hands by capping the maximum wage offer to the export and domestic sectors. It is important to note that these changes do not have any budgetary impact but are simply shifting the balance towards employers. In addition, the export-led model would risk gender equality as it would become hard for female-dominated industries to catch up with the wage gap.

In the social domain, the (far)right-wing Government takes a significant step away from the Nordic welfare-state model, particularly considering the substantial reductions in social security measures. For example, earning-related unemployment insurance will be cut by 20% after eight weeks and an additional 5% after 34 weeks. Despite these cuts, individuals on the minimum level of social security are still eligible for social assistance, which should help to mitigate the impact on their income, provided they apply for such assistance.

France

Contribution from CGT (France) to the ETUC EXCO of October 2022

On 29 September 2022, an inter-professional day of action was held, called for by the CGT, FSU and Solidaires trade unions and several youth organisations, for **an increase in wages, pensions and income supports** but also against the government’s **planned raising of the retirement age to 65**. Nearly 200 scheduled events brought more than 250,000 people together across France. Around one million workers went on strike, mainly in the national education sector, with 30% striking, and agri-food, with 400 calls for strike action recorded and the numbers out on strike ranging from 30% to 100% of employees in companies in this sector.

In France, the Labour Code provides for an **indexation of the national minimum wage** (SMIC) based on inflation, but does not provide for an indexation of wages based on an increase in the SMIC. Since the latest increase in the minimum wage on 1 August last, the minimum wage under collective agreements for 152 professional sectors (out of 171) is below the national minimum wage. The CGT is calling for an increase in these collective agreement minimum wages in the branches in the same proportion as the national minimum wage.

Called for by the CGT, the main union in this sector, workers at the TOTAL and EXXONMOBIL refineries are striking to demand an increase in their wages that takes into account inflation and allows for a better sharing of the added value created by their work. Workers at TOTAL refineries are therefore demanding a pay increase of 10%, 7% for inflation and 3% as a share of profits, given that their employer earned €10.9 billion in profit in the first half of this year, and the remuneration of the CEO of TOTAL increased by more than 52%! At the time of writing, around one third of France’s petrol stations are empty, TOTAL is purposely allowing the dispute to worsen and the government is opting

for confrontation by ordering the workers back to work, even though the Sarkozy government was previously condemned by the ILO in 2010 for similar actions that violate the exercise of the right to strike.

On 9 September, the French trade unions published a joint declaration[4] to oppose a **new reform of unemployment insurance**, tightening the rules for payment of job seeker benefits, in particular by varying these rules based on the economic situation. While employers are currently having difficulty hiring staff, this is also because the working or employment conditions offered are problematic: wages too low, unusual or unpredictable hours, poor working conditions, very short contracts, transport-related difficulties, etc. In France, more than half of job seekers are not receiving any benefits.

On 3 October 2022, the French trade unions adopted a joint statement[5] in which they noted the government's desire to commence consultations on the **pension system**. They want fair and transparent consultations for greater social justice, and declare that they will work together to make common demands. They reaffirm that they are, like the majority of the population, firmly opposed to any rise in the statutory retirement age and an increase in the contribution period. They state that they will not hesitate to take all courses of action necessary if the government ploughs ahead with its unjust project.

Joint Contribution from CFDT, CGT, FO, CFTC, UNSA (France) to the ETUC EXCO of March 2023

Since January 19, 2023, employees, young people, pensioners, and more broadly the entire population have massively expressed their rejection of the government's **pension reform** by participating to ten days of strikes and demonstrations jointly called by the French trade union organisations. This reform, which puts the burden on the most modest employees, those who started working early and on women, is unfair and brutal. Each day of demonstration gathered more than 1.5 million people and up to more than 3.5 million. This overwhelming rejection of the postponement of the retirement age to 64 years and of the extension of the contribution period was consistently confirmed: 70% of the population and 94% of working people are opposed to this reform.

The government has used all the exceptional constitutional procedures to limit parliamentary debates, even by activating the so called 49.3 - the mechanism that allows a law to be passed with a vote of confidence in the government and therefore not on the content of the law itself. The parliamentary process ended with the vote on the cross-party motion of no confidence in the government on Monday, March 20. The government won this vote of confidence by 9 votes, so the pension reform is finally considered adopted. The French trade unions believe that this attitude is akin to democratic denial, in contradiction with the overwhelming opinion of the population and the expression of social democracy.

Despite the adoption, French trade unions continue to demand the withdrawal of the reform, by proposing further options to the President of the Republic, the government and the political forces of the majority. The law is now under scrutiny by the Constitutional Council. In this context, the French

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[4] https://www.cgt.fr/comm-de-presse/la-priorite-de-la-rentree-sociale-nest-pas-la-baisse-des-droits-auchomage#:~:text=A%20cette%20question%2C%20le%20gouvernement,au%20ch%C3%B4mage%20est%20totalemen t%20inefficace.

[5] https://www.cgt.fr/actualites/france/interprofessionnel/protection-sociale/determinees-pour-nos-retraites

trade unions sent their opinions explaining the reasons why this law must be entirely censured. At the same time, French trade unions called on the President of the Republic not to promulgate the law and supported the initiative of a referendum proposed by the opposition parties, to which it will actively contribute within the scope of its representation of the world of work and youth. In addition, the trade unions and youth organisations publicly requested a citizens' consultation. The powerful social rejection of this bill is legitimate and its expression continues.

At the call of all the trade unions and youth organisations, the 9th day of mobilisation against the pension reform gathered again more than 3.5 million demonstrators. This makes it one of the most important since the beginning of the social movement. The youth was also largely mobilised. New local trade union rallies took place over the last weekend and a new big day of strikes and demonstrations was held on Tuesday 28 March throughout the country.

Contribution from CGT (France) to the ETUC EXCO of September 2023

After more than 5 months of unprecedented, intense mobilisation, the unfair and unjustified **pension "reform"** continues to be largely rejected by the population and especially the working world, even after its entry into force on 1 September. The CGT believes that the page has not yet been turned on pensions: the fight continues, not only in the context of establishing the implementing decrees but also during negotiations in the branches that will specify the mechanisms relating to arduousness and during negotiations on supplementary pensions. Before the summer, the CGT submitted 100 proposals to the Prime Minister for immediate measures to protect and improve the lives of employees, measures built around 5 priority areas: wages, pensions, social democracy, unemployment and gender equality.

The many ongoing struggles in France, closely rooted in the experiences of workers and the specific features of professional sectors, in particular for a general increase in wages and the protection of jobs, remain an important reference point for influencing the future inter-professional negotiations relating to supplementary pensions (AGIRC/ARRCO) that commenced on 5 September, or the discussions around the draft Finance Law and the draft Social Security Finance Law or the draft Finance Laws on Unemployment Insurance and on the Employment of Seniors, the terms of which have not yet been determined. The French trade union organisations have adopted a joint declaration on this initiative. The demands contained in the joint declaration highlight issues of pay, gender equality, pensions, public services, the environment and the conditionality of aid for businesses. On that day, the trade unions want to put pressure on employers during the AGIRC/ARRCO negotiations and the negotiations in the branches and in companies regarding early retirement in case of arduousness, but also on the government regarding the discussions on the draft Finance Law and the draft Social Security Finance Law. We want to make the need to fight against the austerity that is rife throughout Europe at the centre of this day of action, in line with the call made by the ETUC to all its affiliates.

Following the mass strikes and demonstrations against pension "reform", we are faced with a crackdown not seen since the 1950s when the CGT mobilised against the war in Indochina. The CGT has recorded more than **1,000 comrades threatened with dismissal, disciplinary sanctions, summons or legal proceedings**, including Sébastien Menesplier, General Secretary of the Federation of Mines and Energy, and member of the Confederal Executive Committee, the national leadership of the CGT. Sébastien is thus accused of the offence of "corporate endangerment of another person (immediate risk of death or disability) by means of manifestly deliberate breach of a regulatory duty of safety or care", punishable by a fine of €75,000. This is a clear ratcheting up of the government's crackdown on

the trade union movement. The CGT thanks the ITUC and ETUC, its General Secretary and its affiliates for their support.

Joint Contribution from CFDT-CGT-FO-UNSA (France) to the ETUC EXCO of December 2023

Wages Due to the partial **automatic indexation of the French interprofessional minimum wage** on inflation, the latter was revalorized on 1 January 2023 by 1.83% and again by 2.22% on 1 May 2023 to currently amount to €1,747.20 gross monthly or €1,389.09 net. Faced with the decline in real wages and low wage dynamics or the large number of sectoral minima below the interprofessional minimum wage, and under pressure from trade unions, the government invited the social partners to attend a social conference on 16 October 2023 to discuss, in particular, wages. At the end of the social conference, the government made several proposals, mainly anticipating or supplementing the transposition of several EU directives, namely those on adequate minimum wages in Europe, or on pay transparency. The trade unions note mainly the establishment of a High Council on Remuneration and the revision of the Equality Index.

Under pressure from the unions, the government has announced possible sanctions for professional branches that do not respect their obligation to negotiate and have sectoral minima below the interprofessional minimum wage with exemptions from employer contributions in the crosshairs. The unions expressed disappointment after the conference. Although initial responses have been made, they are still far from workers' concerns about the cost of living crisis and do not resolve the situation in the short term.

Social protection The pension reform, still denounced by all French trade union organizations, entered into force on 1 September 2023 and implementing decrees continue to be published to finalize its concrete application. In parallel, a national inter-professional agreement (ANI) was signed on the supplementary pension scheme, called Agirc-Arrco, for the years 2023-2026 by some of the French trade unions and it entered into force on 1 November 2023. From this date, the supplementary pensions are revalued by 4,9% and will be revalued each year between 2024 and 2026 with an indexation on the inflation rate while keeping room to adapt to the evolution of the economic situation in the coming years. Among the main measures negotiated, in connection with the recent reform, a bonus/malus system aimed at encouraging workers to work beyond the legal retirement age will be phased out. This agreement comes at a time of increasing pressure from the French Government on the supplementary pension scheme managed by the social partners with threats to drain the surplus funds of the supplementary scheme to finance measures under the of the pension reform criticized by all French unions.

Employment The law for “full employment” was definitively adopted on 14 November 2023. Among the main measures of this reform is the reorganization of the French public employment service through a new operator called France Travail. The beneficiaries of the minimum income will now have to conclude a contract of “commitment” with an obligation of at least 15 hours of activity per week under penalty ranging from the suspension to the partial or total abolition of the benefit. Criticisms have also emerged about conditioning access to minimum income, in contrast to the recent EU recommendation on minimum income. In parallel to this reform, the majority of French social partners signed a protocol on unemployment insurance on 20 November 2023. This agreement contrasts with the previous unemployment insurance reform in 2019, unanimously decried by the French unions, where the State sat on the agreement negotiated by the social partners. A clarification of the respective responsibilities of the social partners and the government remains essential, when the latter always threatens to regain control. On November 27, 2023, it announced the postponement of

its decision on the approval of the agreement to the first half of 2024, pending the upcoming negotiations on the employment of seniors, extending the current rules.

Migrations - Initially tabled on February 1, 2023 and postponed until September 2023, the **bill «to control immigration and improve integration»** is again in the process of first reading in the French Parliament. These debates take place in a national context marked by an outburst of racist and anti-Semitic words and acts and confusion and reconciliation based on the rejection of the Other, on racism, on anti-Semitism, on the stigmatization of Muslims or on xenophobia, which are fundamentally opposed by all French trade unions. The initial version of the bill was significantly tightened during discussions in the Senate, including the elimination of state medical aid, a public health scheme for foreigners in an irregular situation. Other provisions also aim to abolish the right to jus soli, limit family reunification, introduce quotas, abolish social assistance for foreigners who have been present for less than 5 years or drastically limit the remedies related to the right of asylum... One of the main provisions related to work, Article 3 dedicated to the creation of a one-year residence card «work in professions in tension» can lead to the regularization of a large number of undocumented workers in France, is now under intense pressure. More generally, and unless the situation turns around in Parliament, this bill will result in a deterioration of the rights of foreigners in France. This reform is part of the continuity of discussions at European level on legal labour migration in favor of a utilitarian vision of migration policy in France deeply rejected by all French unions, recalling the ILO's Philadelphia declaration that work is not a commodity.

ETUC Austerity Watch #4 (March 2024)

The CFDT and UNSA denounce 10 billion Euro in arbitrary, dangerous and non-solidaristic savings.

Sunday, February 18, Bruno Le Maire, Minister of the Economy, Finance and Industrial and Digital Sovereignty, announced a ten billion savings plan, justified by initially overly optimistic growth forecasts.

Four days later, the Official Journal confirmed and detailed the budget cuts. Barely two months after the vote on the finance law for 2024, this decision was taken by decree, without a debate on the method or the substance!

The CFDT denounces the absence of a democratic debate, the brutality of the amounts demanded, and the lack of social justice. What an insolent contradiction between the incantations displayed and the crippling of specific public policies, particularly employment and training!

According to CFDT, such a decision would harm full employment, education, higher education and research, ecological transition or housing priorities, and massively force the shutdown of all support and transformation policies.

The efforts requested, for example, from the Ministry of Labor (1.1 billion out of 15 billion budget) are untenable at the time of the launch of the programme France Travail unless all investments in skills and employment are cut down for a long time.

The CFDT has always been concerned about public spending, budget deficits, and debt and their consequences for future generations. However, the expected impact on the most affected public policies is so serious that it will compromise the future and essential changes.

Decision after decision, the motives are always the same: by stubbornly persisting in its dogmatic choice of cutting expenses without being interested in revenues, by refusing to open the tax project,

the Government always concentrates the effort on the most modest. It persists in not touching the significant funding allocated to businesses even though their effectiveness is more than contested. It refuses to change the taxation of higher incomes. It rejects any sharing of efforts.

For the CFDT, the question of a united effort of these revenues to invest in the long term, particularly in ecological transformation, must finally be asked.

The measures to reduce the payroll for the Civil Service during inflation are a new blow to civil service agents, which we applauded yesterday. Public policies of a sensitive nature, such as those targeted, cannot be the adjustment variables of a dogma of tax reduction, just like the agents of the ministries responsible for implementing them.

The CFDT calls on the Government to urgently reconsider the method used to finance the priority policies of an actual future project for France in line with the needs and to finance them through a socially just and progressive tax policy.

UNSA denounces that the Government chose not to go through Parliament. In particular, the "sustainable ecology, development and mobility" budgetary item has been cut by 2.13 billion euros, the "labour and employment" item by 1.1 billion euros, and the "school education" and research and higher education" item by a total of 1.6 billion euros. These savings will adversely impact ecological ambitions, employment and vocational training policies, and health and education policies. While only some of the savings measures have been outlined, fears are high that the Government will make a series of announcements that run counter to the interests of workers, whether employed or job seekers.

According to UNSA, the Government has announced the introduction of an additional charge for working people wishing to use their personal training account (in French: CPF). This would generate 200 million euros in budget savings. Planned in the 2023 Finance Act, the Government postponed its application, which has now been all but enacted as part of the recent 10 billion euro emergency budget savings plan. Given the increase in the financial cost of training, this measure risks discouraging and/or preventing many employees, particularly the most vulnerable and least qualified, from taking up training. UNSA considers this measure unfair, set against a backdrop of budget savings of the same kind. UNSA will continue to try, through dialogue with the Government - which supposedly puts training at the heart of its policy - to put this project back on the drawing board.

In the Social domain, in January, during his general policy speech, France's new Prime Minister surprisingly announced his intention to abolish the specific solidarity allowance (ASS). The ASS is a conditional "bridging" allowance for people reaching the end of their unemployment insurance entitlement, distinct from the active solidarity income (RSA). For many potential beneficiaries, the disappearance of the ASS would lead to a drop in their disposable income, which is already low. As the ASS also enables pension quarters and supplementary pension points to be validated, its removal would have a definite impact on the pensions (lower) and retirement age (later) of those concerned. Although not quantified, the savings would undoubtedly be for public finances on pension system expenditure, particularly in the long term. For UNSA, the desire to reform the ASS by bringing it in line with, or merging it with, the RSA requires a rigorous impact study on the effects in terms of income and retirement rights for the households concerned. Two priority objectives must be pursued: combating poverty and providing better support towards employment. For UNSA, a minimum social benefit unified within the RSA should also enable 18-24 year-olds to benefit from national solidarity and improve the conditions for validating pension quarters for jobseekers not receiving compensation.

Contribution from FO (France) to ETUC EXCO June 2024

Following the European elections on 9 June 2024, French President E. MACRON announced the dissolution of the National Assembly, one of the chambers of the French Parliament, resulting in early parliamentary elections on 30 June and 7 July 2024. These latest electoral developments disrupt the reforms planned by the French executive and in particular the implementation of a fifth unemployment insurance reform in the short term, still announced for the 1st of July 2024, and Act II of the reform of French labour law announced for the fall 2024.

Regarding the **unemployment insurance reform**, it was unanimously denounced by the French trade unions. This reform continues the logic of a sharp loss of rights initiated in 2019 by the executive which has led to a significant tightening of the rules on compensation for job seekers. These previous reforms have had direct and serious consequences for job seekers both on the amount of benefits (-17%) and on the average duration of compensation (-25%) with a significant decrease in the number of people receiving an allowance compared to the number of people registered (only 38% are compensated).

This new reform follows the same logic with an increase in the duration of affiliation, from 6 to 8 months over a reference period that declines from 24 to 20 months, and a reduction in the maximum duration of compensation from 18 to 15 months for those under 57 and from 27 to 22.5 months for those over 57.

The French trade unions have warned about the consequences of this reform on what remains of the job seekers compensated and on the risk of excluding further particularly young, senior or part-time women workers. This reform is essentially financial with an attempt to save 4 to 5.4 billion a year while a total of a quarter of unemployment benefits have been eliminated since the beginning of the reforms.

Work on the **transposition of Directive (EU) 2022/2041 on adequate minimum wages** in the EU also started in France with a first informal information meeting on 29 May 2024. The government considers that French legislation already complies with the EU directive and wishes only to introduce indicative reference values to guide the assessment of the adequacy of the French legal minimum wage, which would now be provided for every 4 years.

According to an order applying to all ministries, and with the support of French employers, the government refuses to review other points of its national legislation to avoid any gold-plating of the EU directive. FO denounced the narrative on gold-plating and presented several ways of improving French legislation to effectively comply with the EU directive, particularly in terms of variations, the trade unions' role in setting the legal minimum wage.

The process must continue at the technical level until the autumn of 2024 and lead to a regulatory provision and not a legislative one, the French government refusing at this stage to begin a discussion on the transposition of the directive in front of the Parliament. Beyond the pressures exerted in the name of simplification, the narrative on the gold-plating was also taken up by the French Ministry of Labour, raising concerns about the lack of margin for trade unions in future transpositions of EU directives at national level, including in the social field.

In parallel, thanks to the union mobilization during and after the national wage conference of October 16, 2023 and unlike recent trends on the rationalization of national bodies of social dialogue, a High Council of Remuneration, Employment and Productivity was launched on March 28, 2024. This new body is composed of representatives of the social partners, qualified personalities and representatives

of public administrations. It is chaired by the Minister of Labour while its secretariat remains provided by a service of the Prime Minister. Its mission is to formulate guidelines on the determinants and evolution of remuneration, classifications, equal pay, employee savings and value sharing, the effects of part-time work and the use of short contracts on wages or the links between wages, employment, productivity and competitiveness. The scope of its work remains uncertain, particularly in the face of the risk of encroaching on the fields of other national social dialogue bodies, while union expectations on the implementation of commitments made at the October 2023 wage conference are far from being met at this stage, including in the matter of social conditionalities of total or partial exemptions of social contributions for enterprises, real low-wage traps without controls.

Germany

ETUC Austerity Watch # 2 (October 2023): Debt consolidation at expenses of workers and poorer households?

The German budgetary plan for 2024 that is currently being negotiated in parliament foresees a restrictive fiscal policy: According to the government's plans a decrease in expenditure of 30 billion euros (- 6.4 %) compared to 2023 is planned.

The consolidation of the federal government's core budget goes partly at the expense of the social security system. Federal grants to the pension system as well as grants and loans to the health system will be cut.

In addition to that, new social measures such as the anti-poverty child allowance that was planned to be introduced next year has been significantly watered down. The foreseen expenditure for this new measure has been reduced to a minimum.

Because of the strict fiscal consolidation course and the government's promise to comply with the German debt brake further measures such as the prolongation of electricity price breaks both for the energy intensive industry and for other consumers is at stake because of lack of funding. The DGB has intensively lobbied for the introduction of electricity price brakes in Germany during the crisis and demands a prolongation of a modified electricity price brake until 2030.

Regrettably, the government's fiscal policy does not foresee a significant increase in public investments. On the municipal level the investment gap meanwhile amounts to 166 billion €. Already in 2019, the German Trade Union confederation and the Federation of German Industries have together demanded an additional public investment package of 450 billion € in order to meet most urgent investment needs. The challenges have meanwhile even increased while the governments investment policy continues to stagnate on a low level.

Finally, the government has already introduced income tax reliefs particularly targeted at those citizens with middle and high incomes leading to a significant shortfall of revenues and to a higher debt consolidation pressure.

On all the reported measures, a constant dialogue between the government and the trade unions exits. All measures have been severely criticized by trade unions in Germany.

Greece

ETUC Austerity Watch #3 (November 2023)

A biased transposition of Directive on Transparent and Predictable Working Conditions strongly penalises workers

Greece suffered from terrible disaster this summer (fires and floods), and is suffering again with new floods and storms, which made the government to deciding for fiscal measures necessary to react to such emergencies. While no austerity measures are envisaged on the fiscal/economic side, other reforms may result quite harmful to workers, Greek workers still suffer from past austerity measures which today also limit their capacity to afford trade union actions that imply losses of wage, especially in the private sector.

This contribution will in particular refer to the case of transposition of Directive 2019/1152 on Transparent and Predictable Working Conditions which is creating huge problems to Greek workers. A new law transposing the EU Directive, that should be meant for the exclusive advantage of workers, includes grey areas and inconsistencies. Furthermore, there is little clarity, which the government commit to fix in the implementation stage.

What is at stake (also based on GSEE detailed proposals submitted to the Labour minister):

The new law presents a mixed set of measures attempting to bring rudimentary order on some aspects of informal and atypical work. In substance such mix of measures is assumed to circumvent the objectives of the EU Directive so that the trade union confederation, GSEE, is calling for an accurate and not flawed transposition of the Directive, demanding for the largest scope possible in order to extend protection to the highest number of workers and services by eliminating the exceptions and shady areas that the transposition law introduces.

Particularly harmful is Article 31 of the law that tend to criminalise the obstruction of an employee's work during a strike to the points that the GSEE is urgently asking to remove article 31 as it is contrary to the core of the constitutional provision on the protection of the right to strike. GSEE also asks that arrangement of work time and conditions remain on sectoral or collective agreements opposing the law that gives this prerogative to individual contracts. More in general, the GSEE is opposing the attempt of the law to set constraints to free exercise of collective bargaining.

Below, 10 GSEE complaints about the new Law:

i) GSEE argues that in fact the maximum limit of 12 to 6 months of the probationary period is not reduced from 12 to 6 months as provided by the Directive as Article 19 of the Bill maintains in force the national legislation that stipulates that that an employment contract of indefinite duration can be terminated without notice and without compensation, during the first 12 months.

ii) With regard to the possibility of parallel employment, GSEE proposed an explicit provision which prohibits to work for several employers belonging to the same group as the original employer. GSEE asks for the provision of penalties which would be explicitly mentioned in the Law and the relevant Ministry of Labour regulation protocol.

iii) GSEE calls for intensive controls on working time to guarantee actual respect of workers right concerning working time in particular that maximum working time limits are respected for both daily

and weekly hours, which cannot exceed a maximum period of four months or 48 hours on average– Including overtime.

iv) GSEE also wants that flexible working contracts could only be used to cover exceptional needs, so as not to undermine access to permanent jobs. They should not exceed 10% of the employees in a company and set a maximum time reference of 15 days.

v) The working hours within the reference period should be limited to a minimum of 24 hours per week with the parties only being able to specify a greater number of working hours than the minimum hours specified by law or any additional hours specified by the parties. 1/2 of these hours should be paid even if in case the employers does not call for. No derogations to the law provisions should be admitted. Any agreement between the parties that establish a lower number of paid hours than the ½ specified by law should be considered null and void by law.

vii) In case the employee request amending the working contract, according to a GSEE demand, the bill should provide that the employer, in case of refusal, uniformly for all enterprises, should provide a reasoned response in writing within 15.

viii) On the pre-declaration of modification of working hours in enterprises that have joined the electronic work card system, the rule of pre-declaration of work before the start of the modification should be maintained as this is the only way for effective control by labour inspectors.

ix) On the withdrawal of Article 21 which allows the employer to terminate an employment contract unilaterally if it exceeds 50 days, GSEE proposed for the decision to be taken after a court decision in case of justified absence of an employee.

x) The proposal of the GSEE aims to is to organically bring the Labour Inspectorate back under the control of the Ministry of Labour. The possibility of a sixth day of work, should be determined be done by a decision of the Supreme Labour Council, which will decide if there is an inability to find qualified personnel or an unforeseen workload.

Deterioration of working time arrangements

The new law brings about significant changes to working time, promoting greater and legitimizing deviations from standard working hours. These include:

• Allowing multiple or parallel employment, even under the same employer

• Adding a sixth workday for companies operating on a five-day system, with a prohibition on additional work (overtime) on that day and a 40% increase in pay for the 6th day.

• Extending exceptions to the Sunday work rule and permitting employers to individually arrange an employee's working hours.

• Granting companies using the digital working card system, exemption from declaring changes in staff working hours, provided changes are recorded on the employee's digital card. Failure to identify changes during inspections results in a fine of EUR 10,500 per employee, although the cross-checking method is unspecified.

For GSEE, the reference point for full-time work remains the 40-hour workweek, established by the 1975 Collective Agreement. Meanwhile, the definition of working time should be aligned with Directive 93/104/EC and its subsequent amendments, which serve as the basis for working time

regulations. The Revised European Social Charter, ratified in Greece by Law 4359/2016, links the adoption of reasonable working hours to increased productivity and enterprise profit rates.

According to GSEE:

• The new provisions do not align with the Directive at all and are tools for further labor flexibility, individualisation of labour relations and avoiding overtime pay.

• They expand of managerial prerogatives in individual employment contracts, allowing deviation from legal norms, which is a contentious issue.

• Working time and conditions should be determined through sectoral or collective agreements, respecting existing legal provisions, rather than relying on individual contracts.

• The concept of worker "consent" is problematic due to the unequal power dynamics between workers and employers, particularly in precarious work situations.

While strongly opposing the new Bill, GSEE is undertaking all legal supervisory avenues available at the national, European and International levels, including the ILO to settle the dispute.

Italy

ETUC Austerity Watch # 3 (November 2023)

Reform of the tax system in Italy with the ultimate goal of imposing a flat tax

The measure has been approved in August 2023 and has set the guidelines for the awaited implementing decrees by the government. The announced intention is to reduce the number of tax rates on income (called “IRPEF”) from 4 to 3 in the next Budget law, in order to impose a flat tax before the end of the legislature. At the same time, the corporate tax (IRES) will be reduced at certain conditions, along with the elimination of the tax on net production (IRAP).

Italy reports a tax wedge of 45.9% in 2022. But more than an indiscriminate tax reduction with regressive features, a progressive redistribution of the tax burden is needed. The 96% of the Income tax is paid by employees and retirees. At the same time, the tax rate on corporations will be reduced as in the past decades; favorable tax regimes are set for specific pressure groups and, in contrast with the government’s declarations, tax avoidance is being incentivized.

As a trade union, UIL asks for a substantial and progressive tax reduction for employees and retirees and a progressive and fair taxation of other forms of income, such as corporate profits, financial dividends and extra profits gained throughout the pandemic and inflationary crises.

UIL has not been involved in the preparative works for the reform. The hearings at which the trade unions have been invited proved meaningless and nothing more than a formality, their requests have not been taken into consideration.

Reform of the Code on Public Procurement (DL 36/2023)

The Reform affects all relevant legislation in an organic and widespread way, with strong criticalities from the point of view of workers' rights, transparency of tender assignments without ensuring effective speed and control over the quality of public works and services.

The New Code provides an opening for pirate collective bargaining by leaving excessive freedom for companies to enforce unrepresentative collective bargaining agreements that harm workers' protections.

UIL, CGIL and CISL have mobilized to demand legislative changes and have worked with The National Anticorruption Authority to prepare improved guidelines.

The government shows no intention to accept any of the proposals coming from the confederal unions (UIL, CGIL and CISL)

Minium income reform: from universalism to a categorical measure

The Law 85/2023 abolished the Italian minimum income scheme (Reddito di Cittadinanza - Rdc): a minimum income measure based on universalism. Two new measures have been established as a replacement: a specific allowance for social inclusion (Assegno di Inclusione - AdI), designed for households whose members are either over 60, minors, disabled or not self-sufficient, and a Support for training and work (Supporto per la formazione e il lavoro), accessible to people between 18 and 59 years old, considered "employable".

Net of other measures, the budget for contrasting poverty has been reduced by over 1 billion euros. Almost half of the Rdc recipients are excluded. The instrument switches from universalistic to categorical. Employability based only on an age criterion. The issue of "working poor" is not tackled with adequate income integration. Single-income households are penalized without a corresponding increase for large families. The benefit is not indexed to inflation.

The reform fails to make the minimum income scheme universalistic as stated by the Principle 14 of the European Pillar of Social rights. It fails to establish a substantial in-work benefit to fight working poverty. It does not enhance the social services system providing sufficient resources.

Despite UIL's numerous requests to discuss the reform, the debate has stopped at hearings with the Parliament and the promises of a serious confrontation from the government have never been met.

Joint Contribution from GCIL-UIL (Italy) to the ETUC EXCO of December 2023

CGIL and UIL have decided to call for a **mobilisation to change the Budget Law and the economic and social policies of the Italian Government.** The mobilisation included a call of strikes (8 hours or for the entire shift) with demonstrations to be organised on a territorial and regional basis to support the demands included in the joint trade union platforms and to raise public awareness on the serious failures of the Budget Law as presented by the Government. There has been no social dialogue on its contents and all demands of change have been unheard, so the mobilisation is the only way left to make workers' voice heard. CGIL and UIL also demand the Government and local institutions to urgently act on wages, collective agreements, precariousness and industrial policies, workplace safety, taxation, social security and pension revaluation, education and healthcare, necessary to reduce inequalities and relaunch growth. The mobilization has been structured as follows: On Friday 17 November, 8 hours or full shift of strike for all workers in the Central Regions. Furthermore, on the same day, transport and public services workers went on strike for 8 hours (or an entire shift) in the whole country. Sicily went on strike on November 20th, while Sardinia on the 27th. On Friday 24 November, the 8 hours or entire shift of strike affected all workers in the Northern Regions. Finally, on Friday 1 December, all workers from the Southern Regions went on strike for 8 hours or for the entire shift. The demonstrations and rallies were organised at province or regional level.

Lithuania

ETUC Austerity Watch # 2 (October 2023)

Less taxes for the richer?

A tax reform is currently under consideration in Lithuania. Some of the suggestions include raising the threshold for paying a higher income tax. LPSK suggests applying a higher income tax rate to all aggregated incomes above 235 thousand EUR per year. This threshold was the initial agreement, but later it was raised to 353 thousand EUR per year, meaning that the higher income tax rate would apply to a smaller part of the wealthiest group of society and less tax revenue would be collected. Meanwhile, we also suggest that individuals earning up to 35 thousand euros per year should pay a lower – 15% income tax rate (currently it is 20%). The current system leads to a situation, where the average people carry the tax burden on their shoulders, while the wealthy contribute much less to the overall welfare.

In addition, it is suggested to aggregate different types of income (wages from employment contracts, capital, and self-employment contracts) and calculate the income tax from this aggregated income. It faces strong opposition, because it would mean that the higher income tax rate would apply to a bigger part of the wealthy class. LPSK invites the Parliament, when changing the tax system, to respect the fundamental principles of a welfare state: to ease the tax burden on average income and increase it for higher income. While some dialogue with the government is present, the voice of trade unions often gets silenced by the lobbyists of the businesses.

…and disinvesting in public services…

Trade unions repot about a continued shortage of investment in public services, leading to a decrease in their quality, which eventually results in privatization and an increase in prices. In LPSK‘s view, essential areas for public welfare - such as healthcare, education, social services, environmental protection, and infrastructure - are being impoverished. By not investing in these areas, the doors are being open for private business to gain more power. Then workers have to pay twice: through taxes and tariffs to have access to private services. This places an additional burden on workers, who are already struggling because their wages do not keep up with inflation. We already have almost completely privatized communal services; partially privatized medicine and education. Trade unions call the government to solve this by increasing the funding of these services, which can be achieved by having a more progressive tax system.

… curtailing pay of civil servants

Recently, discussions have arisen regarding potential changes to the civil servants' compensation system. These discussions have raised a few concerns.

Firstly, it's been noted that the Ministry of Social Affairs and Labor has unilaterally proposed these reforms without seeking dialogue social partners. This approach has raised questions about the government‘s commitment to social dialogue principles.

Secondly, movers of the reform suggest to move away from a statutory-based wage system for civil servants. Instead, they claim that compensation should be determined by agreements at the workplace level. The Ministry has also suggested setting only a minimum wage coefficient for civil servants and a maximum coefficient for managerial positions. According to the Deputy Minister, this shift would attract new talents and offer better negotiation opportunities, however, trade unions are

concerned that it could reduce clarity of the system and remove wage increase guarantees that workers enjoyed under the previous system. What is more, the wages are 'frozen' because according to the law, the next negotiation could happen only in 2025.

Another significant change that is being considered is the abandonment of variable pay component, and switching to more flexible ways of distributing bonuses. This change would be a huge disadvantage for certain workers, for example, in the theater or music industry, where variable components make a big part of their income. In the new system, the worker's performance would only be evaluated once a year, and only then the decisions regarding bonuses or wage increases would be made.

It's important to highlight that, apart from the increase in the minimum coefficient, there is no additional funding foreseen for civil servants. This means that the public sector will have to tighten their belts even more. Underpaying civil servants has long been an issue in Lithuania, leading to labour shortages and overloaded workers who are not adequately paid. A recent example of this issue is the teachers' union warning strike that occurred on September 15th. The demands of the strike include reducing the number of students in a classroom from 30 to 20, decreasing the number of contact hours (45-minute lessons) from 24 to 18, and increasing salaries to reach 130% of the average wage. If the demands are not met, the teachers will go on a real strike in the end of September.

Norway

Contribution from LO-NO (Norway) to the ETUC EXCO of March 2022

In October 2020 the Norwegian government proposed a **new law that would make wage theft punishable.** The original proposal intended that wage theft should be punishable ETUC/EC/251/EN/04 17 according to the labour act.

After pressure from LO in Norway this was changed, and it's now punishable by criminal law instead. The parliament proposed to strengthen the law further. One proposal was in relation to workers who are tricked or pressured into contracts as self-employed. This is a common way of circumventing wages in areas where minimum wages are applicable. These practices needed to be punishable as wage theft as well. Furthermore, LO proposed that gross negligence that contributes to wage theft also should be punishable by the wage theft law.

In the consultation process, LO pointed out that when it comes to economic forms of criminality, negligence should be considered a punishable offence, such as negligent fencing/pandering, negligent money laundering and gross negligent fraud. The public prosecutor also pointed out that including negligence as an offence would make it easier to target employers who uses such tactics. The government also proposed giving the Labor Inspection Authority the opportunity to instruct an employer to pay what he owes his employees. The Labor Inspection Authority was, before the new law, only allowed to instruct the employer to correct the error so that it would be the correct salary in the future. The parliament also proposed to introduce such an instruction and to make it applicable to suppliers and subcontractors who are covered by joint and several liability, according to the law on general application of collective agreements. The law came into effect the 1st of January 2022.

Contribution from LO Norway (Norway) to the ETUC EXCO of October 2022

Norway is an important supplier of energy to Europe. This relationship is defined and regulated by Norway's participation in the **internal energy market** through the EEA agreement. Since the 1970s, Norway has built electricity interconnectors and entered into agreements for electricity exchange with European countries. This means that the electricity price crisis is shared – it affects both Norwegian and European customers. Norway also exports a significant amount of natural gas to Europe. Since the beginning of the war, Russia has weaponised energy and cut its gas exports to the EU by ca. 80%. This loss of available energy is the single most important driver of high prices. In this situation, the best contribution Norway can make is to deliver as much gas as possible to Europe. Norwegian gas production increased by ca. 8% in 2022, and now accounts for ca. 40% of Europe's consumption. Norway will continue to be a reliable and solution-oriented energy partner in times of crisis. At the same time, we are working to safeguard workplaces, households, and nature, while also preparing for a just transition. LO Norway supports a close energy dialogue between Norway and the EU.

Long before this crisis, LO Norway has supported the use of long-term contracts for natural gas, which provides trade partners with the mutual benefit of greater price stability. Going forward, Norway must be realistic about the prospects of delivering additional natural gas volumes to Europe. Developing new production requires time, and in this same time, Norway is alongside European countries transforming to a climate neutral society. How the resources are spent should be carefully considered. Hydrogen produced with natural gas and carbon capture and storage can play an important role in a climate neutral European economy, as well as in Norway's just transition. The recent sabotage of Nord Stream 1 & 2 has created concerns. LO Norway's focus is on the safety of those whose work is critical to Europe's energy supply, as well as on Norway's broader responsibility for preparedness and security. This involves establishing surveillance of the 8800 kilometres of sub-sea natural gas pipelines, as well as securing offshore and onshore facilities. These are pipelines which can carry hydrogen in the future, as the further deployment of intermittent renewables creates a need for energy carriers and storage solutions such as hydrogen and batteries.

Since autumn 2021, Norway has supported all households to mitigate the costs of high electricity prices, with additional support available to the most vulnerable. In 2022, electricity-intensive businesses may also benefit from a time-limited support scheme. Electricity taxes are reduced, and fixed-price contracts are encouraged. Funding is made available for investments in energy efficiency, targeting public housing in particular.

Portugal

Contribution UGT-P (Portugal) to the ETUC EXCO of October 2022

A TRIPARTITE AGREEMENT THAT HAS A POSITIVE INFLUENCE ON THE 2023 AND 2026 STATE BUDGETS A SIGN OF CONFIDENCE FOR WORKERS - UGT signed, on October 9th, the tripartite Medium Term Agreement for the Improvement of Income, Salaries and Competitiveness. It is a good starting point, as it brings guarantees of fairer distribution of the country's wealth and inspires confidence in the progressive improvement of workers' living conditions.

UGT strove to negotiate an Agreement, aiming mainly at valuing workers' wages, guaranteeing an increase of not less than 20% of the average income per worker in 2026 and the necessary convergence with the goals of the European Union. Thus, with this Agreement, it will be possible:

1. A nominal valuation of remunerations per employee distributed as follows: 2023 +5,1% 2024 +4,8% 2025 +4,7% 2026 +4,6%

2. Continued rise of the national minimum wage (NMW) during the legislature. Appreciation of 6% in 2022, 7.8% in 2023, reaching €900 in 2026. In four years the NMW will have an increase of 27.6%.

3. The annual update of the IRS (personal income tax) scales, based on the valuation criterion of remuneration, in order to ensure the tax neutrality of salary adjustments.

4. The relief of the progressive IRS taxation, in order to guarantee greater tax justice and relief on labour income.

5. The value increase of the tax-exempt meal allowance, whether paid in cash or on card, with limits of €5.20 and €8.32 respectively.

6. Boosting collective bargaining by establishing a 50% increase in the corporate income tax costs with wage appreciation for companies raising wages in line with, or above, the amounts set in this Agreement. These companies will have to guarantee a dynamic collective bargaining, that is, updated for less than 3 years.

7. Increasing the payment of overtime work: from 100 hours onwards this type of work will be paid at pre-Troika amounts. These amounts have a halved personal income tax deduction at source.

8. Increasing the compensation for collective dismissal or dissolution of the job, from 12 to 14 days.

9. The youth income tax increase with a 50% annual benefit increase in the first year, 40% in the second, 30% in the third and fourth years and 20% in the fifth.

10. Supporting the hiring of qualified young people with a salary equal to or higher than €1,320. UGT and its affiliated union organisations welcome the valorisation of Social Dialogue, since it is through Social Dialogue that effective results are achieved for workers.

In the current context of uncertainty, UGT will always be committed to complementing the results obtained from this Agreement by monitoring the implementation of the Agreement, by participating actively in the negotiation rounds, ensuring their correct implementation, but also through the continuous valorization of collective bargaining!

San Marino

ETUC Austerity Watch # 4 (March 2024)

Government fails to shelter workers and pensioners against inflation.

No austerity measures involving tax reductions or increases have been announced. The Government preferred to increase the public debt to a significant and worrying extent, as had never happened in San Marino. The signs of austerity lie in the fact that the renewals of single employment contracts have failed to cover losses coming from inflation, considerably penalising those with the lowest incomes. As for pensions, they have been revalued much less than inflation rates.

In 2023, our confederation organised a general strike to demand the launch of income support measures for the categories more in need, but with a modest result in the laws promulgated.

Serbia

ETUC Austerity Watch #3 (November 2023)

Lack of social dialogue and lack of transparency leads to higher inequalities

The non-existence of genuine social dialogue, makes impossible for the Confederation of Autonomous Trade Unions of Serbia to present its view on the content of key laws and their influence on the employees' financial position such as the drafts laws determining economic policy (Law on Budget of the Republic of Serbia). They are not even being considered at the sessions of the Social-Economic Council.

According to the Confederation of Autonomous Trade Unions of Serbia, if systematic laws do propose any austerity measures, they primarily seek for savings from employees' salaries and rights stemming

from compulsory social insurance system, such as the right to old-age and disability pension, right to the unemployment benefits, right to financial aid for families with children, social protection rights and other fees.

A concrete example of an area where the state makes savings, which negatively affects the standard of around 1.7 million of pensioners, is the method of pension adjustment – the indexation method. Since the Law on Pension and Disability Insurance was passed in 2003, it has passed through numerous phases, starting with 'Swiss formula', through gradual departure from it, to the point where there hasn't been a single formula for defining pensions. In 2023 the so-called modified 'Swiss formula', which takes into consideration the percentage of costs spent on pensions within the GDP, was introduced. The pension adjustment method does not ensure adequacy of pensions any longer, i.e. the average pension is far below 50% of the average wage in the Republic, not including taxes and contributions.

Trade union proposes the introduction of the institute of an extraordinary pension adjustment in case average pension turns out to be lower than the average wage, not including taxes and contributions in the Republic of Serbia.

Also, a significant part of **public procurements** that are being financed through the national budget are being handled without due transparency, i.e. contrary to the procedure envisaged by the Law on Public Procurement, which causes justified suspicion of corruption in this area. In its position on the 2024 Revised Fiscal Strategy with the projections for 2025 and 2026, the Fiscal Council states that there are numerous aspects of public policies which haven't been done correctly: employment and salaries in the public sector; social policy; public and state enterprises; selection and management of public investments; excessive environmental pollution; education; health and others. At the same time, the fiscal strategy of Serbia does not recognize these problems adequately nor does it envisage concrete reforms in those areas in order to considerably improve the quality of life for Serbian citizens.

For the past several years, a big part of **fiscal policy** in Serbia was not managed in a predictable and strategically thought-out way. Instead, important measures are being implemented without necessary analyses, even without standard budget procedures (and their funds are being taken from the existing budget reserves).

In a short period, between two fiscal strategies, the Government adopted a whole set of measures, which were envisaged neither by the Law on Budget nor by the adopted Draft of Strategy – for example extraordinary increase of pensions and agricultural subsidies, increase of duty taxes in order to compensate for new expenses. For an extensive period of time only the broad fiscal goals were planned (for example, the size of budget deficit). However, economic policy which is managed within this scope is considerably susceptible to powerful changes 'on the go', which makes it unpredictable. This leads to the reduction in the quality of economic policy.

Ad hoc measures can only be a rare exception in the fiscal policy, not the rule (which is currently happening in Serbia). Such measures are usually inefficient and expensive and do not offer permanent solutions.

Increasing social challenges are supposed to be solved systematically in a permanent and fiscally responsible way. High inflation which is present in the **increase of food prices and energy** strongly affects the most vulnerable citizens of Serbia – who spend the largest part of their income on these products.

In practice non-selective payments to broad categories of citizens were made (pensioners, children, youth). On several occasions, the Fiscal Council underlined that the payment of financial aid to citizens, which doesn't measure their actual needs, is not a justified social policy measure and this kind of practice should cease. Not only because these funds are paid to those who don't need them, but because short-term measures cannot permanently improve the living standard of socially vulnerable citizens (which is supposed to be the primary goal of good social policy).

Unfortunately, not even the new Strategy brings systematic solutions to the current problems in the sphere of **social protection**. Also, the Strategy doesn't make plans for systematic reforms of income taxation which would gradually become progressive and lead to tax relief for the supported members of the household. If this were included in the Government program, it would contribute to the reduction of inequality.

The Strategy doesn't mention the lack of experts in the public sector which threatens the quality of **public services**. It has been more than ten years since the Strategy (for 2013) included the regulation of the salary and employment system in the public sector – by the inclusion of a unique and objective salary system and adequate systematization of work places. Deadline for its realization was extended. Such an approach now becomes particularly dangerous because a badly regulated salary and employment system started to affect the quality of public services in a very bad way. The decrease in the efficiency of VAT payment in 2023 is perceptible. The realization of public investments in the environmental protection is extremely low. In many other activities low efficiency is evident.

In the Strategy there is only the total amount of planned public investments for the future and the rest is not known. The biggest investment projects of the state, the criteria by which they are selected and the amount of allocated resources for each of them are not disclosed.

Short-term macroeconomic estimations are overly optimistic. Quantitative forecast of the employment and salary developments in the next years are not explicitly reported. However, this is immensely important for the assessment of the quality of fiscal projections (primarily contributions, which are the biggest part of the state budget).

The biggest part of the Fiscal strategy relates to the measures that have already been taken while little was said about concrete future plans (even though this should be the essence of a strategic document). The majority of mentioned reforms was presented only in general terms, without concrete, detailed measures and deadlines for their adoption.

According to the aforementioned, we may conclude that there is a necessity for the trade union to affect economic policy, which is not possible under the current procedures and practices.

Spain

Joint contribution from UGT and CCOO (Spain) to the ETUC EXCO of March 2022

In December 2021, following more than nine months of negotiations, the Spanish social partners, i. e. the majority trade unions, CCOO and UGT, and the employers' organisation CEOE, together with the government, reached an **agreement on a labour reform** that involves the repeal of key aspects of the reform carried out unilaterally by the Partido Popular (People's Party) in 2012. The reform also affects issues introduced by other reforms that had profoundly devalued labour and wage rights in Spain. This agreement is an indisputable milestone in the history of our country, as it is the result of tripartite social dialogue, it is also ambitious and represents a clear recovery and a significant improvement in

workers' labour rights. The reform is based on three fundamental elements: restoring the balance and value of collective bargaining; limiting temporary contracts; and addressing internal flexibility measures as an alternative to dismissals (ERTE). Although it is not perfect, in our opinion this is the first reform that has improved labour relations in Spain in 30 years and is therefore a trade union achievement. Unfortunately, other trade union organisations that have not participated in the negotiation - because their level of representation does not allow them to be at the negotiating tables - have refused to recognise it. Both unions are of the opinion that this is a very important step but that there are still things to be done. After a “bumpy” vote, the reform was validated by Parliament on 3 February by just one vote in favour. The Popular Party and the ultra-right voted against, despite calls from employers for their support. Some of the government's investiture partners, the nationalists of Catalonia and the Basque Country (ERC and PNV), also voted against. With different arguments, at the heart of their rejection are party political motives and a clear disregard for the interests of the workers.

Another important development is the agreement reached on 9 February by the majority trade unions, UGT and CCOO, with the Spanish government to set the minimum wage (SMI) at 1,000 Euros for 14 annual payments. This increase is consistent with the **strategy of raising the minimum wage** to 60% of the average wage by the end of the legislature (2023), which would meet the recommendation of the European Social Charter.

As on previous occasions, Spanish employers' organisations opposed this increase. More than 1.8 million workers, mainly young people and women, will benefit from this increase, with the profile of the main beneficiary of the increase being a woman between 16 and 34 years old with a temporary contract working in agriculture or the service sector. In the opinion of the signatory trade unions, the increase in the SMI will help to close the gender pay gap. This agreement is a sign of the determination of CCOO and UGT to focus social dialogue on improving the living conditions of precarious workers and those in the most vulnerable situations. It now remains to finalise the collective bargaining agreement with employers to ensure sufficient wage increases to maintain workers' purchasing power despite the high levels of inflation that the rise in electricity and other energy prices have generated.

Contribution from ELA (Spain) to the ETUC EXCO of March 2022

A critical reading by ELA of the Spanish labour reform (agreed on at the social dialogue roundtable) From ELA’s point of view, the labour reform passed on the 3rd of February in Spain has been a lost opportunity to repeal the labour reforms of the Governments of Zapatero in 2010 and Rajoy in 2012, which have been so harmful for the working class, particularly the latter reform. A lost opportunity because the labour reform that has been passed has consolidated most of the previous reforms in exchange for some improvements. The agreement for the labour reform maintains intact highly detrimental aspects, amongst others:

• Dismissal compensation, decreased by the 2012 reform, is maintained; therefore dismissal continues to be as cheap as before. Consequently, behind the propaganda about the drop in temporary jobs lies the insecurity that remains in the permanent contracts.

• The need for prior administrative authorisation for collective redundancies has not been recovered.
• The salaries while undergoing dismissal procedures have also not been brought back, leaving workers immersed in a court procedure for dismissal without any remuneration.

• The temporary hiring regime has been modified, improving the identification of the causes that justify it and limiting the duration, but no steps have been established to bring an end to the fraudulent use of temporary contracts, which has always been the greatest problem.

• The field of application of the “permanent-discontinuous” contract has been extended, in such a way that in the opinion of labour experts it has become a“0 hours” contract which would allow companies to call workers in terms of their needs, without there being a minimum guaranteed working day.

• The prevalence of the State agreements has been maintained over the autonomous regional ones, meaning they can remove the possibility of improving labour conditions in lower areas. This is particularly important for us, insofar as the contents negotiated in our territory are considerably better than those negotiated on a State level.

The 2012 labour reform was imposed by the Partido Popular, without any trade union participation. The two parties that form the current government included the repeal of the aforementioned reform in their electoral manifestos and also in the government agreement. However, when the moment came to repeal it, the government has not met its commitment and has given in to the demands made by the European Commission to accept the limits of the Social Dialogue framework, with this being a condition for receiving the European recovery funds. Consequently, it granted the right of veto to the CEOE employers’ association and it has lost the opportunity to completely repeal the 2012 labour reform and fulfil their promise. For all these reasons, ELA, along with other State trade union organisations, has mobilised against this labour reform and will continue to fight to repeal the reforms made by Zapatero and Rajoy.

Joint contribution from UGT and CCOO (Spain) to the ETUC EXCO of October 2022

Despite the fact that the CPI in September was 9.0%, 1.5% less than in August, inflation in Spain remains at very high levels, in line with what is happening in the rest of the EU countries. In the opinion of the UGT and CCOO, the increase in prices and inflation is largely the result of the employers' desire to maintain high company profits, which, as in fact happens in many cases, continue to increase. In this context, CCOO and UGT, in coordination with the ETUC, have launched a campaign of mobilisations that will culminate on 3 November with a large demonstration in Madrid. The aim of the campaign is, among other things, to demand that employers raise wages and unblock the negotiation of collective agreements.

The continued refusal of employers to **raise wages** and sit down to negotiate is leading to a significant increase in wage inequalities in Spain and a clear loss of purchasing power for workers. Beyond strictly labour issues, the government and the opposition, led by the conservative Popular Party, continue to fight an important battle over the fiscal model. In fact, we could be facing one of the ideological battles that will mark the roadmap of the two major parties in the upcoming elections.

With a clear electoral interest, and defying the fiscal guidelines of the central government, numerous international institutions, tax experts, economists, etc., the Popular Party, in the autonomous regions where it governs, has begun a race to lower taxes on large fortunes and major companies, which, as they themselves say, aims to **promote tax competition between Autonomous Communities**. These measures not only clash with the central government's proposals, but also with the guidelines of the European Commission and the ECB. Moreover, trade unions are assuming that Spain cannot reduce tax revenue without major cuts in public services that are already in a very poor state at the moment.

In fact, Spain collects between 6 and 7 GDP points less each year than the average for euro zone countries. The government's proposal includes the maintenance of a "solidarity" tax for large fortunes. Ultimately, the main measures are aimed at temporarily reducing the tax burden, essentially on low and middle incomes, and raising it for people and companies with higher incomes and wealth. In other words, exactly the opposite of what the Popular Party intends to do in the autonomous regions where it governs.

Likewise, on 6 October, the Government submitted the **General State Budget Bill for 2023** to the Congress. Although the negotiation between the coalition partners, the Socialist Party and Unidas Podemos, has not been easy, an agreement was finally reached that allows for budgets with important social measures, such as the commitment to maintain the purchasing power of pensions and the minimum living income, or a wage increase for civil servants negotiated with the UGT and CCOO unions. It also includes an important item for dependency and aid to families. The Bill is now going through Parliament and, although it is foreseeable that amendments will be tabled, most of the government's allies have informally announced their support for these budgets.

Joint contribution from UGT and CCOO (Spain) to the ETUC EXCO of December 2022

Since October's Exco, the UGT and CCOO have rounded off the rallies for wage **increases** on 3 November with a massive national demonstration in Madrid. Two days before, the government announced that the **minimum wage** would be increased based on the CPI, but the employers have still not sat down at the negotiating table for wage increases. CCOO and UGT will continue with this demand until the employers give way. Inflation is contained in Spain, but wages are still not reaching the equilibrium needed for the lowest incomes to cope. The unions will keep up the rallies until the lowest wages rise. With regard to legislative activity, the State's general budgets were approved with the support of the parliament's political partners.

Joint Contribution from CC.OO and UGT (Spain) to the ETUC Executive Committee of March 2023

On 14 February, the Spanish government approved a new **increase in the minimum wage** of 8%, which represents a 47% increase, from 735.9 Euros at the end of 2018, when the coalition government started the legislature, to 1.080 Euros for fourteen payments a year, which it has just reached. However, the amount is slightly below the demand of the trade unions, which are demanding to reach 1.100 Euros. Again, the employers' organisations have not signed the agreement reached between UGT, CCOO and the government. In any case, in 2022 wages in Spain grew by an average of 2.78% and prices by 8.4%. Despite the Iberian exception that is limiting the increase in the price of gas and other energies, the truth is that inflation is having a serious impact on working people in Spain. Increasing wages to maintain purchasing power remains a trade union priority and mobilisation to achieve it remains active.

In the beginning of January, the government significantly **increased retirement pensions** by 8.5%. On the other hand, CCOO and UGT have negotiated with the government the second phase of the pension reform that was signed on 15 March. In this regard, the progressive increase in the maximum contribution bases stands out, which will gradually rise 38% above the rate of inflation until 2050, bringing us closer to the standard of the European countries around us, by raising the current maximum annual base of 53,940 Euros to 75,000 Euros in 2050, in constant Euros. The maximum contribution bases and all pensions, from the minimum to the maximum, are also guaranteed to increase in line with the average CPI. This completes the first phase of the reform initiated in 2021,

which aimed to reverse the cuts imposed without political and social consensus by the Popular Party government.

Contribution from USO (Spain) to the ETUC EXCO of September 2023

In spite of the advances in the labour field, which are reflected in the increase in the number of people in employment, precarious employment has become chronic and the unemployment rate is still the highest in the EU.

USO wishes to emphasise that it is the type of employment available that has become more precarious, and this precariousness has become chronic: low wages have become the norm, resulting in the impoverishment of workers, many of whom, even though they have a job, live below the poverty line. Here are some facts: According to data provided by the EPA (Labour Force Survey), produced by the National Statistics Institute (INE), the unemployment rate at the end of the second quarter of 2023 reached 11.6%, double the EU rate.

Unemployment among men is 10.19%, but among women it is 13.16%. Youth unemployment among the under-25s stands at 24.87%: one in four young Spaniards is unemployed. Unemployment registered by the State Public Employment Service, in year-on-year terms, fell by 221,540. But there is a large increase in the number of job seekers with an employment relationship. These people are not officially unemployed, but inactive, not employed. They are workers in “ERE” furlough schemes or on fixed-term discontinuous contracts, with contracts in force, but no work activity. The employment data, according to the advance figures for the second quarter of this year's National Accounts, show that 20,968,500 people are employed. But in FTE terms the figure is only 19,517,600 due to the increase in part-time employment. As regards indefinite contracts, they accounted for 38.5% of new contracts signed in August.

Thus, more than 60% of contracts are still temporary, and in our opinion there continues to be abuse of contracts of less than one week: 21%, one in five. Also, as in the rest of Europe, workers have continued to lose purchasing power.

Looking at the period from 2019 to August this year, pre- and post-pandemic, workers covered by a collective bargaining agreement have lost 3.4 points of purchasing power. But, in addition, the cost of food and non-alcoholic beverages has increased by 34.3 %, more than double the agreed wage increases. The average gross monthly salary is €2,126, but the most frequent monthly gross salary is around €1,400. With a 9.3% increase in the cost of rent in the last year (which brings the average monthly rent for a flat in Spain to €952) and the increase in Euribor interest rates (which has resulted in the average mortgage payment rising by €227 per month), most workers have seen their quality of life deteriorate, losing their ability to save or even to make ends meet.

Joint Contribution from UGT-E - CCOO (Spain) to the ETUC EXCO of March 2024

Comisiones Obreras (CCOO) and the Unión General de Trabajadoras y Trabajadores (UGTE) have been calling for an overall **reduction in working time with no decrease in wages,** and have taken this issue to collective bargaining, with the result that the working week has been shortened to 38.8 hours per week under agreements reached by the organisations. In this sense, at the beginning of the new term in office, the Ministry of Labour and Social Economy announced in January 2024 a proposal to reduce working time in Spain from the current 40 to 37.5 hours per week. Both, UGT-E and CCOO, have insisted that this reduction must be included in the social dialogue agenda. Therefore, a new agenda has been

created about this matter, in which they hope that an agreement will be reached with all parties, which will mean a significant change in the current productive system.

At present, there are some ongoing social dialogue roundtables. The **increase of the Minimum Interprofessional Wage** at the beginning of February by 1,134 euros in 14 payments for 2024 has already been concluded, without the agreement of the employers' organisations, a measure that affects around 2.5 million workers in Spain. The minimum wage in Spain accumulates an increase of 54% since 2018. The wage gap between women and men is still a harsh reality in Spain, standing at 18.36%, 0.36 points less than in 2020, i.e. its reduction is very slow and low despite the rise in the Minimum Interprofessional Wage. For this reason, on 8th March, the International Working Women's Day, CCOO and UGT-E will join forces once again to condemn violence against women, sexual abuse, inequality in terms of care and the persistent wage gap.

Joint Contribution from CCOO and UGT (Spain) to the ETUC EXCO June 2024

UGT and CCOO have reached an agreement with the Ministry of Labour and Social Economy to **reform unemployment benefits** that will improve the social protection of thousands of workers, especially among the most vulnerable people such as part-time workers, temporary agricultural workers, young people under 45 without family responsibilities, the long-term unemployed, returning migrants and women who have suffered gender or sexual violence.

This measure will benefit the 2.9 million workers who currently have a part-time contract. Of these, 74% (2.1 million) are women.

The **reduction of working time** is being negotiated at the Round-Table for Social Dialogue, and we at the CCOO and UGT consider it essential to reach a tripartite agreement on this issue. Improving minimum conditions in terms of wages and working hours is fundamental to redistribute income and modify old competitive patterns based on wage devaluation, favouring companies that seek profitability through greater productivity. The data on registered unemployment and social security enrolment in May reflect a positive evolution of the labour market, with a reduction in unemployment by 58,650 people, standing at 2,607,850, the lowest figure since 2008. The number of affiliated workers increased by 220,289, reaching a record 21,321,794 people, with more than 10 million women affiliated, also an all-time high. Temporary employment remains low at 12.8%, compared to 27.1% before the labour reform, and permanent contracts represent 43% of the total, almost four times more than before the reform. This reiterates, once again, that the improvement in the quality of hiring is not a drag on employment and economic growth, as some employers claimed, but quite the opposite.