



## Action Plan for Europe 2004-2009

### ***Christian democratic workers' demands of the European Union***

#### **1. The social aspects of EU enlargement need to be developed with more urgency and determination**

The negotiations of the European Union with the individual candidate countries focused on controls for the compliance with European human rights legislation, the development of democracy, democratic institutions and the market economy and control as well as support mechanisms for the implementation of the *acquis communautaire*. This last point also happened to provide many candidate countries with their most difficult task.

The EUCDW demands that the social aspects of the EU integration in the new member states (issues such as health and safety at work, working conditions, information and consultation rights of employees, political coordination of social security provisions, the development of the Social Dialogue etc.) should be developed at the same pace as economic, financial and trade policies. Otherwise, the new member states may think that these social aspects are of a somewhat lower priority. This is a serious risk for the further development of the European Union.

The EUCDW therefore holds that the European Union needs to develop the social aspects of its enlargement with more urgency and determination. In concrete terms, it demands:

- Support (financial and material support and the provision of know-how) by the European Union for the development of a Social Dialogue respectively the trade union network in the new member states. Europe will need to integrate the social partners from the existing member states into such a development. Such an initiative will also need appropriate funding.
- EU initiatives to support the design and implementation of a pertinent legal framework.
- Support for the new member states in their attempts to develop social security systems that comply with the European model (see Chapter 5 below). This will also require the involvement of the social partners from the existing member states. Since such an objective cannot be realized within one electoral term, *a project schedule will need to be established.*

## **2. A transparent, well-governed European Union which defends, upholds and embodies the ideals of participatory democracy**

It is generally accepted that Europe is struggling to overcome a certain democratic deficit. Many people experience the European decision-making level as remote from their immediate environment. Their elected representatives in the European Parliament are still not yet speaking with the same legislative force as their colleagues in the various Councils of Ministers. In the past few years, Europe has tried to compensate this democratic deficit at least partly by integrating European citizens and the Civil Society respectively the Social Partners into the drafting of initiatives (such as the various communications and green papers of the European Commission which enable different levels of public participation). It would, however, still not be justified to certify a real participation of the European Civil Society in the policy development of the European Union. The organisations of the Civil Society must also be able to carry on a dialogue with other cultures beyond the boundaries of Europe.

The EUCDW therefore supports the introduction of the following measures:

- The European Constitution will need to give certain guaranteed rights and powers to the European Parliament for the decision-making process on various levels of the political process (apart from the second principle of qualified majority voting).
- Decision-making procedures will have to be simplified along the lines suggested by the European Constitution.
- The principle of participatory democracy and the integration of the social partners as well as the Civil Society into the European policy-making process will have to be further developed. The EUCDW suggests to consider the following initiatives and principles:
  - The definition of the principles of participatory democracy and the integration of the social partners (as suggested by the Draft Proposal of the European Constitution)
  - Support from the European Union for the development of a European Civil Society which is more than the mere sum of the national Civil Societies and which can provide a bridge between the EU and its citizens.
  - Recognition of the different and distinct roles the European Social Dialogue and the European Civil Society have to assume.

Only the social partners are entitled to enter European agreements within the framework of European social policies. Their levers of influence are therefore well defined, and the participating partners are well known. Their agreements comprise certain consultation procedures between the partners, also in respect of European employment policies.

The Civil Society is not familiar with such power and authority. It is nevertheless important to listen to the active organizations and to integrate them into certain policy-making processes. Their clearly distinct role will need to be reflected by the individual European institutions, for example the European Economic and Social Committee.

- We need to make more clearly understood what exactly the European Civil Society is. The EUCDW would define this term as the sum total of the mediation structures between government and citizens, conveying the needs and concerns of the citizens – particularly those who otherwise have no audible voice – and organizing the citizens under the banner of one or more topical issues.
- There is a need for the development of a European Civil Society, and such a development will have to comply with a number of criteria such as the number of countries in which an organization has to be active, the number of citizens it represents, its ability to function essentially without any help from the state, and the democratic nature of its internal processes.

### **3. Economic and financial policies as mere means to an end**

The current version of the European project is far too strongly influenced by economic thinking patterns. The various policies – such as economic, social, environment and education policies – have not yet been sufficiently integrated to the point where Europe could act as a single entity.

This is why economic growth is frequently understood as an end in itself (growth for growth's sake) rather than as a means to an end (growth to achieve wider objectives such as full employment and the realization of certain social policies). It is of vital importance to apply economic and financial policies for the benefit of more solidarity and social justice. This is why, from the point of view of the EUCDW, the following steps are urgently required:

- A macro-economic political approach will have to be developed – both for the Council of Economic and Finance Ministers and the European Central Bank – to guarantee that higher levels of productivity do not necessarily cause job losses.
- Social policies will have to be linked to these economic and financial policies in order to provide the employees with guaranteed high levels of protection (salaries and working conditions, safety and health at work etc.).
- With a view to the long-term preservation of the Stability Pact, budget surpluses will need to be used for the creation of reserves.
- Stability-oriented monetary policies must also, in line with the fundamental values and basic objectives of the Union, aim to increase economic growth and provide full employment. The European Central Bank has to consider the pertinent effects of its policies (in the framework of the existing statute). A consultation body of the social partners within the ECB will need to be established with the task of monitoring compliance.

#### **4. European tax policies and fiscal coordination**

One of the most severe shortcomings in European politics is the lack of a common tax policy. If the European political project is to achieve full maturity, Europe will have to treat this area with a higher priority.

Different levels of taxation (corporate taxes, social charges etc.) are an important weapon of competition within the European Union. Corporations certainly take their tax status into consideration when they decide in favour and against certain operating sites. This is why it is so important to coordinate tax policies between the individual member states. Taxation policy and the funding of social security systems are closely interlinked – changes in one area have an impact on the other. In principle, therefore, they must be subject to the same voting procedure (i.e. unanimous or qualified majority voting).

We furthermore support the introduction of European taxing powers (European taxes). This will allow the creation of European incomes that can then be distributed for a policy of solidarity and social objectives.

The EUCDW in particular demands the following elements:

- Fiscal implementation orders shall be subject to majority voting decisions, provided they do not adversely affect the funding of the EU member states' social security systems.
- The European tax policy must raise taxes in compliance with the progression principle (in other words: Identical things must be treated identically and different things differently.)
- The tax burden shall be shifted from labour to capital (the issues to be raised in this context would include the question of a capital tax, a European property tax, but also non-progressive consumer taxes such as taxes for environmental pollution (for instance, a European energy tax) and conspicuous consumption). At any rate, certain allowances will have to be provided for savings (also with a view to private retirement provisions) and inheritances. It must also be ensured that such a capital tax will not jeopardize the existence of small- and medium-sized enterprises (SMEs) and the jobs they provide.
- The state must not impose more taxes than absolutely necessary. What we need is a social consensus about the tasks of the state (taking into account price stability, growth and employment). Tax policies are an instrument to ensure the state's capability of meeting its responsibilities (tax policies are subordinate to and follow the definition of state responsibilities, not the other way round).

## 5. Further development of the European social model

If we are serious about constructing a fully rounded European Union, we must further develop and complete the European social model. Only such a social model can guarantee that economic growth and the rules of competition will not be separated from human concerns, to the detriment of the employees, the weak and the sick. It can provide a foundation on which we can build a European Union on the basis of solidarity, social justice and equal opportunities.

The further development of this model requires the following:

- We must focus on “full and high-quality employment” all over Europe. This principle must be integrated into the European Constitution and also realized within the framework of the European Employment Strategy, on the same level as the economic and financial strategy that must therefore become more binding for all member states.
- The European Constitution must be amended with a clause that states that social policy decisions will be subject to majority voting and that the European Parliament will be integrated into the decision-making process.
- With regards to social security systems we ask the Member States to remove remaining obstacles in view of free movement and to take up initiatives for strengthened collaboration.
- The European Union must continue to improve and complete the legal framework to provide high levels of employment and social protection. This will involve:
  - European minimum standards for new forms of safety and security regulations at work and the correct application of current European laws including the non-retraction clause
  - More rights for employees: the provision of a better and more complete framework for information, consultation and workers’ co-determination
  - Improved European protection by monitoring and completing European laws in respect of working conditions
- The Social Dialogue including the integration of employers and employees into employment and social policies will have to be further developed and stimulated on both the European and the domestic / national level.
- Member state policies to promote the employment of so-called ‘risk groups’ must not be inhibited or obstructed by European (competition) regulations (since they are directly derived from the fundamental values and basic objectives of the Union)
- The European Structural Funds must be used to provide training opportunities or jobs to poorly qualified or handicapped people and the long-term unemployed across the entire EU, also after the enlargement.

- Europe has to take better care of the poor and the sick in our societies. In Lisbon, the strategy was agreed for a major offensive against poverty on a pan-European front. We would want to see more binding policy guidelines, built around the hard core of a European Directive (Poverty Standard) which would also provide the basis for a European Minimum Wage (making sure that the economic circumstances of the different member states are sufficiently taken into account). Furthermore it must be assured that each European policy decision requires an analysis of its impact on poverty. All this will have to be integrated into a new Chapter (“Fighting Poverty”) of the Constitutional Treaty.
- Europe has to fight any type and form of discrimination with more determination and urgency.
- Challenges in the field of social security (health, pensions) must be seen as social challenges with an economic (financial) dimension rather than as economic (financial) challenges with a social dimension. In other words: European social policies must have priority, not economic and financial policies.
- In relation to pensions and health insurance in the member states, the European Union must support a primary, statutory system that is stable and guarantees a minimum standard of living. Everyone must be able to enjoy a certain quality of life. This is a basic social right. Pensions must be inflation-proof. In practice, they should be linked to purchasing power (at least keeping pace with inflation). With this primary pillar of welfare provision, European policy must help member states to guarantee this right for their citizens.

Given the risk that citizens who cannot afford additional insurance may become marginalized, the second pillar (collective insurance) and the third (personal insurance) should only be seen as supplements to primary provision. European policy should be further developed on this basis.

- The European approach in respect of social security systems must be further developed. This requires a social consensus. The European approach must induce a harmonization of the different national social security systems. In the long term, Europe must strive to coordinate the different social security systems better and more effectively, based on the principles of solidarity and high levels of social protection. In principle, a pan-European debate should be initiated to establish how the current levels of salary taxation and social charges could be decreased through changes of the social security systems.

## **6. We must stop the liberalisation of public services or at least exercise social and ecological controls**

The European Union currently conducts a policy intended to open up public services (such as the utilities – electricity and gas – but also transport, postal services and telecommunications) to competition.

The EUCDW opposes a liberalisation strategy at all costs. Public services are basic provisions that must not be sacrificed to competition for competition's sake. We are well aware, however, that it will be increasingly difficult to stop and reverse this trend.

We therefore call for the form and course of such liberalisation to be both socially and ecologically aware.

- a. Europe will have to define certain responsibilities and duties of the public services, preserving their essential aspects such as their provision of general access (to basic services), quality guarantees, social tariffs for the poor etc.
- b. Another important criterion for the evaluation of these services is their relationship with our natural environment. Europe must ensure that the liberalisation of these services does not adversely affect the environment.
- c. Finally, Europe must make sure that liberalisation has no adverse effects on the employment situation. It is unacceptable in socio-political terms for hundreds and thousands of jobs to be irreplaceably lost as a result of liberalisation.

## **7. A European Union which actively encourages sustainable development**

The European Union has recently taken the initiative in favour of promoting sustainable development, in other words: in favour of applying social and ecological correctives to the existing predominance of economic considerations in the Union. The EUCDW encourages the EU to continue in its efforts and would like to make the following points:

- The European Commission should continue to monitor the social and ecological consequences of its decisions and should always make pertinent provisions in its decision-making processes.
- The European strategy for sustainable development should be further developed, allowing economic, social and environment policies to be evaluated on equal terms.
- Europe must pursue and severely punish those responsible for non-compliant behaviour and environmental pollution. Communication strategies must be developed which are capable of providing target groups with information and of making them aware of the issues. In other words: Europe must also make attempts to change the mentality of some of the target groups.

- Europe must live up to its responsibilities on the global stage and must be given the powers to do so permanently by the member states. Europe must provide the global powers with the model of a viable sustainable alternative. It must also be willing to defend this model with all powers at its disposition (as it did in the dispute about the Kyoto Protocol).

## **8. Europe must defend social and ecological interests in the global trade environment**

The European Union is one of the truly big global players, particularly so in the World Trade Organization which is intent on clearing all obstacles out of the way of global trade. The European Union must use this body to demand social and ecological correctives of the global trade system in its current shape.

- The European Union must ensure that the WTO will extend its ideological base from the intention of achieving unchecked liberalisation of global trade and removing all so-called trade obstacles to a programme that also reflects legitimate social and ecological interest. Such interests must be linked with and integrated into the global trade agenda.
- The European Union must link the access to the global trade network with demands for fundamental social rights, providing the possibility – in analogy to the powers of the International Labour Organization – of issuing sanctions against countries which violate these rights (this must not be served to provide or be misconstrued as an argument in favour of protectionist practices).
- The politics of the European Union in the WTO must reflect an acute awareness of the specific problems of the developing world. This means, for instance, that the EU must favour the introduction of preferred tariffs for products from developing countries and the provision of food guarantees for these countries.
- Europe must advocate a policy of pharmaceutical distribution that has the intention of making generic products available for global use.
- Europe must encourage the integration of the Civil Society into the corresponding discussions, creating opportunities of meeting one another, of getting organized and of representing the European point of view in Europe as well as all over the world.

## **9. Europe must become the leading international advocate in favour of human asylum and migration policies**

The EUCDW demands from the European Union the development of a human asylum and migration policy. It is urgently necessary to tackle the pertinent problems quickly, effectively and in the spirit of cross-border cooperation.

In particular, we demand the following:

- concerning Asylum policies: Asylum policies must be given a European dimension. We shall have to establish on a European level how we can approach issues about which the Geneva Convention in its current form has little to say such as the possible responses to justified asylum requests and possible ways of updating the list of reasons for requesting asylum.
- Concerning migration policies: Europe must provide a shining example for the human and respectful treatment of all migrants and their families. The UN Conventions from December 18, 1990, which provide a framework of basic protection rights, must be ratified and adapted by all EU member states. A positive migration policy must be established within a European framework that is capable of serving the interests of all stakeholders.

## **10. Providing a European dimension to an independent policy of international cooperation**

European policies for international development are currently underfunded and essentially limited to emergency aid.

We demand the development of a comprehensive European policy for international development which

- shall be independent from the Union's foreign policy and capable of following self-devised strategies and objectives such as the provision of education and training opportunities as well as health care facilities etc. in developing countries.
- shall provide funds to the social midfield in EU countries with a view to creating such a social midfield in developing countries.

## **11. Europe must adapt preventive policy policies to preserve global peace**

Europe is working towards the development of a coordinated foreign and security policy in order to jointly ensure the preservation of global peace. This includes also the creation of a military capacity.

The EUCDW encourages Europe to preserve global peace particularly through the introduction of appropriate prophylactic measures.

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