

## Congress Statement to Committee on the Future of Europe

October 18, 2017

Why do we have a European Union? We need only look back to the twentieth century when Europe was laid waste twice in thirty years. This week a hundred years ago armies were grinding each other down in the muddy fields of Passchendaele. As the number of veterans of these wars dwindles, so the collective memory of the founding purpose of the European Union has dimmed. That said, the Union particularly under the Barroso commission has been its own worst enemy.

We welcome the attempt by the Juncker Commission to relaunch Europe (and indeed to relaunch social dialogue at a European level). Congress has participated in the debate on the future of Europe already through the European Economic & Social Committee, which recently held a seminar in Dublin to discuss the issue. We also have an input at European level through our affiliation to the European Trade Union Congress (ETUC).

Apart altogether from the options being explored at a European level, Congress has two strategic priorities in the European area. These centre on the task of restoring the concept of **Social Europe**, and of reversing or mitigating some of the policies and ECJ judgements which privileged freedom to conduct business over labour rights. I refer to the action of the Troika in their visits to programme countries and the ECJ judgements in the cases such as Viking and Laval.

It would appear to us that President Juncker's proposed **European Pillar of Social Rights** constitutes a recognition by Brussels that the union will not survive if it does not re-establish some social credentials with its citizens. Since 2008 the EU has been seen as the bearer of harsh tidings to its citizens. Much of the Pillar is at present aspirational, but it will evolve as time goes on, and will form a reference point for the development of European Social policy in the future. The two concrete proposals of the Pillar are a written statement directive – which is aimed at clarifying some of the issues around the so called 'gig economy' and bogus self-employment- and a proposal for a revised social security directive which will enhance the social security rights of self-employed people – again with cases such as Uber in mind. It is planned to proclaim the Pillar at the Gothenburg summit in November and we expect the full support of the Irish Government for this process

The other important point for Congress is a modification of the mandate of the ECB, beyond combatting inflation. The ECB website informs us that its mandate is:

*To maintain price stability is the primary objective of the Eurosystem and of the single monetary policy for which it is responsible. This is laid down in the Treaty on the Functioning of the European Union, Article 127 (1).*

If we look to the mandate of the Federal Reserve Bank in the US we see that it is governed by the Full Employment and Balanced Growth Act of 1978. The Act explicitly instructs the nation to strive toward four ultimate goals: full employment, growth in production, price stability, and balance of trade and budget. This is indeed a tall order – but the debate must start somewhere. Modifying the ECB mandate along the lines suggested would send a signal to citizens that the EU was adjusting the balance between the economic and the social.

By way of an endnote I would like to draw the Committee's attention to a recent spat between France and Germany on the one hand, and the Eastern member states on the other. France and Germany decided to apply their minimum wage laws to trucks passing through their territory – say from Hungary to Spain. The Commission launched infringement procedures against France and Germany. So far a mundane subject. However according to a Polish radio website Ireland joined with the Eastern countries, Spain and Portugal in supporting the Commission's action.<sup>1</sup>

My point is not the subject matter. It is the question that when a policy matter is implemented in a Committee in Brussels by Irish representatives, when and how does the Oireachtas have an input into the process?

In the world after Brexit, Ireland's foreign policy in Europe will have to undergo a reappraisal. Our traditional allies among the large countries will be gone and the Franco German axis will probably be revived. Where will Ireland sit in this new scheme of things? Where will our allies be? These are matters for our society and for you as legislators and I welcome the opportunity of putting forward our views.

## **Irish Congress of Trade Unions**

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<sup>1</sup> <http://euranetplus-inside.eu/poland-is-sounding-the-alarm-over-german-minimum-wage/>