

# **Declaration by the Austrian social partners**



## **50 YEARS OF THE TREATIES OF ROME**

**Towards more growth  
and employment**

Vienna, March 2007

## TOWARDS MORE GROWTH AND EMPLOYMENT

### 50 YEARS OF THE TREATIES OF ROME - RECONCILIATION, SECURING PEACE, AND PROGRESS

In 2007, the European Union is marking the 50<sup>th</sup> anniversary of the Treaties of Rome. The work of European unification, rooted in the resolute determination to create the foundations for ever closer ties between the people of Europe, and to act together to ensure the economic and social progress of their countries, has developed into a process of peacefulness unparalleled in history.

Even in his address on 9 May 1950 - this date has since been designated 'Europe Day' - the French Foreign Minister Robert Schuman referred to this founding aspect:

*'The contribution which an organised and energetic Europe can deliver for civilisation is essential for the sake of preserving peaceful relations ... Europe cannot be built overnight, nor to a simple overall design: it will be built through practical achievements'.*

The Europe of six Member States has blossomed into a Union with 27 Member States, which defend their interests on a footing of equality and jointly pursue the objectives enshrined in the treaties.

Against this background, the Austrian social partners affirm their commitment to European integration. Their argument in 1989 that *'from the economic and social point of view, Austria's comprehensive participation on an equal footing in the internal market is sensible'* (*Social partners' position, 1989*) has been vindicated by the moves towards integration that have been achieved since the application for accession. The Maastricht Treaty laid the foundations for monetary union, while the

treaties of Amsterdam and Nice represented a reaction to the impending accession of the countries of Central and Eastern Europe and brought changes in some individual policy areas and some institutional reforms. Its accession in 1995 guaranteed Austria unrestricted access to the largest internal market in the world, and a chance to take a role in shaping the European project.

### **OBJECTIVES: SOCIAL MARKET ECONOMY - FULL EMPLOYMENT - SUSTAINABILITY**

The European Union is unquestionably one of the most important political projects of the present day. Whilst national differences and particularities do continue to exist, it stands for an independent social and societal model which differs from other models.

The Austrian social partners represent an economic and social model which includes both European values and lifestyle culture - a social market economy, a sustainable and qualitatively growing economy with a policy of securing business settlement, solidarity and social cohesion as well as a comprehensive quality of life for people. This model must respond to the current demands from the citizens of Europe regarding the security of their existence and their future, which can be guaranteed by a thriving economy on the basis of an economic policy geared to growth and employment. The response to the challenges of global competition must not be to withdraw: instead, it must be to use Europe's strengths, reduce its weaknesses and set ourselves some common objectives.

These objectives - good economic performances, a high level of social protection and a high standard of education and training - chime with the arguments of the European Council in Barcelona in March 2002. The goal of full employment as the cornerstone of the Lisbon Strategy and the main aim of economic and social policy is also fully supported by the Austrian social partners

(most recently in the declaration by the Austrian social partners, Bad Ischl, September 2006).

## DISCUSSION ON THE EUROPEAN CONSTITUTIONAL TREATY - THE CHANCE FOR EXTENSIVE REFORM

The constitutional referenda in France and the Netherlands demonstrated clear unease on the part of the citizens. For this reason, it is important on the one hand for European policy to be geared to the expectations of the citizens, and on the other, for a corresponding dialogue and comprehensible communication to take place.

The Heads of State and of government articulated this view as long ago as 2001, in the 'Laeken declaration', stating that: '...citizens are calling for a clear, open, effective, democratically controlled Community approach, developing a Europe which points the way ahead for the world. An approach that provides concrete results in terms of more jobs, better quality of life, less crime, decent education and better health care. There can be no doubt that this will require Europe to undergo renewal and reform'.

In the view of the Austrian social partners, the current draft for a 'constitution for Europe' meets these expectations no more than partially. The German and subsequent EU Presidencies are thus called upon to achieve a consensus on the reworking of the draft. The reflection phase must be taken as an opportunity for a more radical reform of the EU, which leads to the reinforcement of European integration, greater democracy and a greater appreciation of the role of the social partners.

## THE SOCIAL PARTNERS - HELPING TO SHAPE THE TRANSFORMATION

*'The social partners will strengthen their co-operation at European level. If Europe seeks to be a concern that its citizens will take to their hearts, it needs to be not just a Europe of markets, but also a Europe of people.*

*A significant part of our wealth is earned outside the borders of Austria. This means that securing and expanding our international competitiveness, as well as supporting our businesses on non-Austrian markets, is a crucial activity for the social partners.*

*Globalisation should enable not just global competition, but also global solidarity. A global social partnership which jointly develops a global ethos along the lines of shared social responsibility, supports Fair Trade, backs a global Marshall Plan and involves the social partner organisation the ILO (International Labour Organisation), should be aimed at, and its development should be given a particular push from Austria'.*

*(Declaration by the Austrian social partners, Bad Ischl, September 2006)*

The Austrian social partners see themselves as the managers of change. They have made major contributions to the Austrian success story. They have greatly helped in smoothing the way into the EU. And they have practical ideas about the direction in which Europe must develop in the future. The social partners want a Europe which combines economic efficiency with full employment and social security, and thereby restores the faith of the citizens in the ability of European politics to deliver solutions.

## WHAT SORT OF EUROPE DO WE WANT?

1. *A Europe with growth and prosperity*
2. *A social Europe with more and better jobs*
3. *A Europe which is close to the citizens*
4. *A humane Europe characterised by solidarity*
5. *A strong Europe with the ability to act*
6. *A Europe of peace and security*
7. *A creative, culturally rich Europe*
8. *A Europe as a region of unity and diversity, in which the principle of subsidiarity applies*
9. *A Europe of quality of life and sustainability*
10. *A Europe of social partnership*

That being so, the social partners see a need for action in the following policy areas:

- **Enlargement and deepening:**

The attractiveness of the European Union for potential applicants for enlargement remains undimmed. This gives the EU the chance to become a global anchor for stability, standing for peace, democracy and prosperity. However, the further development of the EU is in danger of hitting the limits of the Union's ability to absorb new members, and of acceptance from the citizens. Accordingly, the Austrian social partners are in favour of a clear design of the Union's absorption capacity, with particular attention being paid to the institutional, economic and social aspects. To enable the EU to retain its ability to act both internally and vis-à-vis the challenges of globalisation, future enlargements with significant ramifications for the Union must be made only after deepening. This would be an important contribution towards increasing citizens' faith in the Union's ability to resolve problems.

- **Growth and employment:**

Growth and employment are central challenges facing the Union, and are at the heart of the Lisbon Strategy. However, Europe is progressing only slowly along the path towards economic, social

and environmental renewal which it embarked upon with the Lisbon Strategy. The reorientation since 2005, with its focus on research, innovation, employment and training, offers the chance to raise Europe's competitiveness and get closer to achieving the Lisbon Strategy objectives. Europe will not be able to succeed in competition in terms of costs, but it will have to make use of its chance in the rapid application of know-how, knowledge, qualifications and innovation.

- **More and better jobs:**

One of the major concerns for citizens is the employment situation. Even if unemployment in Europe has declined, more vigorous joint efforts need to be made to promote more and good-quality jobs. These include good working conditions such as codecision and collective representation of interests, fair pay, equal opportunities for men and women, the protection of health and safety in the workplace, a family-friendly way of organising work and encouragement for lifelong learning, plus the possibility of vocational further training.

- **Improved organisation and co-ordination of economic policy:**

The Austrian social partners confirm the recommendations they put forward in 2005 in the study on 'The macro-economic policy of the EU and the Lisbon Strategy of the EU', aimed at improved organisation and co-ordination of economic policy within the European Union. These include *'improved harmonisation between monetary and fiscal policy, which must both be oriented towards the objective of economic growth'*.

Furthermore, the Austrian social partners also urge the widest possible convergence of taxation systems, so as to achieve transparency and simplification and to close off tax loopholes and combat unfair tax competition within the EU.

Improved co-ordination of the various elements in economic policy within the European Union also requires a stronger involvement of the European Parliament and the social partners in European policy-making.

- **An internal market for the citizens:**

From the point of view of the Austrian social partners, the internal market should be a motor for growth and employment, and at the same time an instrument to improve the quality of life in Europe. Internal market policy must take greater account of all these dimensions. The social partners simultaneously reassert their view that services of general interest form an important instrument in guaranteeing social and territorial cohesion, which are established individually by every State and which should be affordable, efficiently provided and accessible to all.

- **Environmental and energy policy as central themes:**

The social partners emphasise that a high level of environmental protection and a secure energy supply - with due regard to renewable energy sources - at affordable prices are of pivotal importance to the future of the Union. The Union must summon up the ambition to become not only the most dynamic knowledge-based economy, but also the most energy- and resource-efficient economy in the world.

In addition, this would be an important contribution by Europe in the battle against climate change.

- **A Europe of diversity in unity:**

The process of European unification goes far beyond the economy and politics. Europe is characterised by a long and rich cultural tradition. Language training and mutual familiarity between different cultures are important preconditions in making it possible to experience/understand the EU. We need to provide encouragement for the young people who represent the future of Europe. Programmes such as the ones designed to promote youth exchanges are therefore of great importance in fostering mutual understanding. They are essential for the sake of creating a Europe 'of citizens for citizens', characterised by diversity in unity.

The Austrian social partners accordingly urge the federal government to ensure that the 50<sup>th</sup> anniversary of the Treaties of

Rome is seized as an occasion to make the European Union a little bit better able to act, and therefore better able to face the future: this means increasing economic growth, creating jobs, tackling the consequences of globalisation, promoting sustainable development and solidarity - a Europe of the future, which meets the expectations of its people in the best possible way.



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Mag. Herbert Tumpel  
Bundesarbeitskammer

Wien, am 22. März 2007

