



European Trade Union Confederation (ETUC)
Confédération européenne des syndicats (CES)

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ELA Congress

President, friends, it is with great pleasure that I come to address the ELA Congress in Bilbao, a city and region in the Basque country with traditional, commercial, sporting and cultural connections with my own country.

In the late 19th century, the iron mines and shipyards here attracted migrant workers from other countries. Among them were miners from the North east of England and shipyard workers from Sunderland, Southampton and Portsmouth. They introduced football to Bilbao, along with Basque students returning from schools in Britain. And the original name of Atletico was Athletic Club de Bilbao. Things have moved on. Now Spain have won the European Cup while England did not even qualify for the tournament. I am not sure whether that deserved Spanish triumph was welcomed in the Basque country or not. Scottish football fans have been celebrating for thirty years Maradona's goal against England scored with his hand in the World Cup of 1986. So I know how complicated loyalties can be and not just in football.

Things have moved on in other ways since then. Bilbao is a model for urban regeneration the world over. Prosperity has come to the Basque country and Spain, following on democracy's restoration after the death of Franco.

The whole world remembers Guernica. It was a terrible overture of what was to follow in the Second World War for many other cities. And out of the ashes of war arose the European Union dedicated to peace, prosperity, toleration and democracy.

The EU is not perfect but not a shot has been fired between its 27 countries since it was established. The story has been economic and democratic growth and long may it continue. You know what it has done here. It is now doing the same in the new member states of Central and Eastern Europe. Europe can handle its historical rivalries and nationalisms – a great achievement. And it can handle a future of more emerging great powers that will dwarf any individual state in Europe. We must not lose sight of that as we deal with local, regional and national concerns.

Yet no-one should take anything for granted. There is no room for complacency of any kind. Our economies are rocking, recession looms;

there are these new powers rising in the world as the West struggles. In the 1930s, similar problems favoured the far Right.

The world is changing. Who would have predicted a year ago that an American Republican President would have made huge public investments in private companies. In the past this American President has viewed public health care as communism, but he has presided over the creation of a welfare state for banks.

Who would have thought that after years of rejecting multilateralism, especially by going ahead with an invasion of Iraq without the support of the United Nations, this President would convene a new global effort to re-build a new international regulatory system. The inconceivable has become the inevitable.

But the cause of all this is the failure of financial capitalism. The result is a manic fall in stock markets, and most worryingly of all for trade unions rising unemployment and slow growth. We have to get through the dark period and then we must use the world financial crisis as a turning point and secure a complete change in the way the financial world works.

The dominant model of financial capitalism is close to collapse. This capitalism, liberated from long-standing restraints around 25 years ago, especially in the USA, has been used since as a role model for the rest of the world to follow. It has patronised the many while it exploited them for the benefit of the few, following years of exalting privatisation, deregulation and unfettered markets.

Let us be absolutely clear. This crisis was caused by greed and recklessness in Wall Street, London and other major financial centres. Senior executives permitted speculation on a huge scale on investments they ill understood. Speculators have exacerbated the serious rises in fuel, food and raw materials. Spanish banks are better regulated than many others but, as you know, Spain is seriously affected by recession. No-one is immune.

That's why this time there must be a turning point. Never again can irresponsibility by banks and hedge funds and the rest be allowed to come close to bankrupting nations. Never again must taxpayers' money be used to prop up institutions that continue to pay huge salaries and bonuses to their top executives. Never again can shareholder value, with directors' bonuses linked to it, be allowed to be the sole goal of companies. We cannot risk a repeat of this gross irresponsibility, greed and negligence.

The ETUC has worked with the International Trade Union Confederation (ITUC) and TUAC on a trade union response to this crisis, but it is already clear to us that there need to be:

- injections of public money into financial institutions that carry with them public influence and control so causing a fundamental change in behaviour;
- much tighter control of financial institutions' ability to leverage their operations, by strengthening the ratios of solid assets to liabilities;
- an international, certainly European, level of effective regulation. This is necessitated by the scale of global financial capitalism which now transcends most individual nations;
- government action to ensure that funds are available for investment in the real economy, helping develop green jobs and technologies and sustainable development;
- help provided for workers affected, for householders threatened by eviction, for pensioners threatened with poverty in old age, for entrepreneurs seeking investment capital. It is not fair that the main beneficiaries might be those who caused the mess;
- a European-level response to the slowdown that is unfolding in the real economy to prevent the financial turmoil intensifying further as well as to avoid a return to the 'beggar-my-neighbour' approach of competitive wage moderation and reductions in social protection which harm workers and their families;
- urgent return of public policy attention to the major issues of income and wage inequalities. It is inequality and poor wage income for ordinary workers that are driving households into ever more debt through risky financial market techniques.

Our Governments and the European Commission should have seen this coming. The wealth and income gains from the easy availability of credit were highly concentrated in the hands of a fortunate few. There was a doubling of the share of income going to the top one per cent of the population.

For the world and European trade union movement, the explosion is therefore an opportunity to build a better system. The gravity of our situation is matched only by the opportunity it presents.

In future any prosperity must be for the many, not for the few. In the short-term workers, pensioners and genuine entrepreneurs need help too - not just banks.

And we must build a much stronger Social Europe with strong welfare states, good public services and workers rights and collective bargaining.

We have made some good progress recently on a new directive on temporary agency workers and with a deal with Europe's employers to strengthen European Works Councils.

We will be on the streets of Strasbourg on December 16 to demonstrate our refusal to accept a weakening of the Working Time Directive. I hope to see some of you there despite the geographical problems. Your members know the danger. We must fight back.

We must seize the moment to build a fairer system, a fairer country and a fairer Europe.
