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# Europe's unions flex muscles against austerity plans

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Trade unions in southern Europe have ramped up their efforts to block deficit cutting austerity plans, as Spain saw its sovereign debt rating cut on Friday (28 May), causing markets to tumble.

## Background

EU finance ministers agreed on 9 May to establish a rescue mechanism worth around €750 billion to protect the euro from collapsing under the weight of debt accumulated in countries such as Greece, Spain or Portugal ([EurActiv 10/05/10](#)).

Crisis-hit EU countries have adopted highly unpopular austerity measures, which in the case of Greece sparked violent street protests ([EurActiv 05/05/10](#)).

Spain, the country holding the rotating presidency of the EU, managed to win approval for a 15-billion-euro austerity package by a single vote in parliament on 27 May.

Fitch downgraded Spain's sovereign debt rating the following day amid concerns over sluggish economic growth.

Italy's six-million strong CGIL union announced a nationwide stoppage on June 25 to be preceded by protest rallies around the country two weeks earlier, while Greece's private sector union GSEE said it would strike next month against pension reform.

While Portugal's largest labour group girded for a mass protest through the streets of Lisbon on Saturday, Spain's unions kept up their threat of a general strike as talks with the socialist government over labour reform remained deadlocked.

## Pressure on Madrid

Pressure on Madrid to push ahead with the reforms grew on Friday after ratings agency Fitch cut Spain's credit rating to AA-plus from AAA on Friday, saying it expects a very slow economic recovery in the next few years as a result of fiscal austerity measures.

Fitch said it won't downgrade Spain's ratings again in the next 12 months despite an expected deterioration in public finances.

The unions have already promised a public sector strike over pay cuts.

As workers in all four nations resist government attempts to push through painful budget cuts, the leader of Greece's GCEE said he would lobby counterparts around Europe to take joint action, a call quickly supported by Italy's left-wing CGIL.

"In this moment we need initiatives at a European level," CGIL leader Guglielmo Epifani told Reuters on Friday, adding this will be his union's position at a meeting of European unions in Brussels on 1 June. Portugal's CGTP union confederation said its rally this weekend was only the first step in protest at an austerity plan including tax hikes and a freeze on civil servants' pay.

"It's a stage of a continuous struggle that will intensify," Armenio Carlos, a member of the CGTP's national leadership committee, told Reuters. "We're leaving all options open, including calling a national general strike."

## **Austerity spreading**

An increasing number of European countries are announcing austerity measures to placate nervous bond markets in the wake of Greece's debt crisis. Spain, Portugal, Britain, Italy, Holland and France all announced new steps in recent weeks.

While unions have tended to respond with hostility, complaining that the poor and public sector workers are being made to pay the cost of the mistakes of the rich, analysts say the chances of co-ordinated protests all over Europe are slim.

They point to divisions in trade union movements in some countries, including Italy and Portugal, while in northern Europe, voters already angry at having to bail out Greece are unlikely to tolerate disruptions caused by any show of solidarity.

In Italy, CGIL chief Epifani was bitter that the country's other main union confederations, the CISL and the UIL, were not joining the planned four-hour stoppage around the country.

"All around Europe the unions strike together, and it's strange that we in Italy have the most unfair budget and two unions that support it," he told Reuters.

Despite the growing strike calls in southern Europe, there are also signs the appetite for protest among unions' members may be limited. In Greece, whose debt crisis sparked the austerity drive around Europe, a march last week drew only half the crowd seen in protests on 5 May, while in France the government signalled it would push ahead with plans to raise the pension age after weak protests.

"The public support just isn't there," said David Lea, Western Europe analyst at Control Risks. "The unions will need to take some action to avoid accusations of irrelevance but it will be limited."

*(EurActiv with Reuters.)*

## **Links**

### Press articles

- EurActiv Spain: [Almunia afirma que el recorte fiscal español es 'estrictamente necesario'](#)
- EurActiv Czech Republic: [Odbory v jižní Evropě bojují proti úsporám](#)
- EurActiv Slovakia: [Odbory protestujú proti šetreniu](#)