

*The European Confederation of Independent Trade Unions (CESI) is a confederation of more than 40 national and European trade union organisations from more than 20 European countries, with a total of more than 5 million individual members. Founded in 1990, CESI advocates improved employment conditions for workers in Europe and a strong social dimension in the EU. CESI's particular strength lies in the public sector, with most of CESI's affiliates employed in the different fields of the European, national, regional and local administrative bodies and public services. CESI also represents unions of nurses, doctors, hospital staff and further public healthcare personnel across Europe.*

### **The current challenges**

- As the number of persons infected with the Corona virus continues to rise and death tolls increase across Europe, the impact of restrictions imposed by public authorities to try to halt the virus are deeply impacting societal life.
- The first and most urgent objective is the containment of the further propagation of the virus. Measures –local, regional, national and European– to limit the further spreading are needed. Many have severe impacts on people's and workers' lives and fundamental rights, but they have to be adopted and respected – to prevent further escalations with unforeseeable social, economic and health impacts on our societies. Social distancing, travel bans and the closure of non-essential businesses and shops appear to be the only options to try to contain the virus as far as possible and prevent even further health risks and damages.
- The impacts on the economy are tremendous. Numerous SMEs, self-employed persons and even larger companies are experiencing severe demand and supply shocks, financial losses and liquidity problems, which acutely threaten their economic survival and have already led to dismissals of workers and employees. At this stage the macroeconomic impact that the Corona virus will lead to can only be guessed. But it is beyond doubt that it will lead to countless insolvencies and bankruptcies which may lead to a serious global economic recession.

## What we can learn from it

### 1. Financial assistance for companies and businesses.

The European Commission's *Corona Response Investment Initiative* and its proposal for a new 100bn euro heavy European instrument for temporary *Support to mitigate Unemployment Risks in an Emergency* (SURE) to grant swift support to the healthcare sector, to the labour market and to SMEs from all affected sectors were necessary measures.

CESI welcomes the announced additional flexibility on state aid and (overdue) flexibility for governments within the Stability and Growth Pact (SGP).

The European Central Bank's bank commitment to do "whatever it takes" to protect the euro (and company liquidity!) has been an important measure to reassure the financial markets.

Many states have quickly adopted massive economic stabilisation packages and financially protect and ensure monetary liquidity for all affected companies, businesses, employees and citizens. This will be vital to prevent or at least mitigate larger-scale economic downturn, rising unemployment and financial problems of households and families.

### 2. Safeguard employment.

Whenever possible, employment needs to be safeguarded.

The EU via its structural funds and the Member States via public investments need to ensure financial and income support for those employees and workers who are hit by unemployment, short work or a temporary reduction of work.

Importantly, support must also be given to the solo self-employed and those in atypical or new forms of employment, which are not protected by regular work contracts. This also includes platforms. Where possible, national trade unions are encouraged to enter into dialogue with employers and governments on how to protect jobs and incomes.

Employers are called upon to give employees the necessary flexibility to manage work and home office with domestic responsibilities such as extraordinary child and elderly care.

Altogether all partners and actors, trade unions included, are called upon to act in a sense of proportion and responsibility.

### 3. Performing public health services

Health care services are doing their utmost to keep us safe and to ensure the basic functions of our societies.

Despite these efforts however, the crisis also shows that in the future considerable investments will be needed to bring the resilience of health systems to a higher level. This concerns equipment, facilities, staff levels and employment conditions.

Confronted with the crisis, the public health sector lacks human and financial resources and equipment, including personal protective equipment, to deal with the large numbers of infections and to manage the multifaceted societal, economic and financial consequences for citizens, workers and companies.

Having already faced increasing work density and overtime in normal times, their working conditions have in many cases now become almost unbearable.

The current crisis reveals that it is ultimately the state which guarantees the functioning of the system. Re-communalisation of any privatised core health services should hence be increasingly considered in the future.

**4. More competence for the EU and solidarity among Member States in cases of pandemics.**

While in several Member States decentralised structures have not prevented swift and concerted crisis management at national level, coordination and solidarity among Member States and at EU level has lacked.

Several hard-hit countries were long left alone with their calls to other Member States for help and personal protective equipment. It was only days after non-EU third countries sent face masks that EU countries offered help in the same way.

CESI acknowledges the tremendous efforts which have been undertaken since the beginning of the crisis, but crisis preparedness and management will have to be further improved.

In the future, the allocation of competences, finances and capabilities will have to ensure more solidarity among Member States and a crisis management that do not stop at borders.

A stronger role, more financial resources and enhanced capacities for the EU will be necessary. This concerns uniform and comprehensive containment measures, but also for instance the protection of the EU's external borders or the intra-EU transport of (essential) goods.

In other words: management, hence competence, capabilities and financing will be required at supranational level.

**5. A strong public service for sustainable societies.**

More public investments will be needed in the future also in other public services. Sustainable societies depend on strong and efficient public services.

It is not only the Corona crisis; other crises of the more recent past (9/11, the 2008 financial crisis, the 2010 European debt crisis, the 2015 refugee crisis, the 2015/2016 terrorist attacks etc.) have underpinned the necessity of states to be run by well-functioning and well-resourced public services and administrations that are sufficiently equipped.

It is the public sector which is 'essential'. It cares, protects and supports – the citizens, the society and the economy. It determines whether societies are sustainable or not.

And the need for strong public services is increasingly recognised among citizens, the media and politicians.

CESI has been underlining for many years, that expenditures in public services are not merely costs, but that they are investments in the future.<sup>1</sup>

As a consequence, public ownership of (and significant public investment in) essential services may have to be increasingly reconsidered in the future - as the only sustainable way forward.

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<sup>1</sup> <https://www.cesi.org/joint-press-release-by-cesi-social-platform-and-eurodiaconia-the-future-of-europe-needs-more-social-investment/>

## **6. Pay tribute to the heroes of our times.**

The doctors, nurses and hospital administration staff: They are at constant risk of own infection and the truly indispensable ones who deserve extra respect and thankfulness.

But not only them: All those who keep key public services going at this very crucial moment, often also at elevated health risks, deserve deep appreciation: Teachers, child carers, staff in town halls and ministries, postal personnel, train drivers, garbage collection staff, firefighters, emergency rescue services, security personnel, policemen, judges, prosecutors and law enforcement officers, prison guards...

As do private sector employees in sectors that need to stay operational: Pharmacists, supermarket cashiers, lorry drivers and couriers, cleaning staff...

All those whose work remains often unnoticed in normal times – but who make sure our societies continue to function.

CESI says thank you – to all those at the front lines, to the heroes of our times!

## **7. Act together hand in hand**

Despite all margins for further improvements in the future, a multitude of actors have shown their willingness and ability for concerted efforts and actions.

Inter-generational solidarity has been, with some exemptions, exemplary in large parts of societies, with the vast majority of people adopting behavioural precautions and helping each other and those in particular need.

Member States quickly and unbureaucratically adopted far-reaching measures and financial assistance packages, the EU has loosened state aid rules and budgetary constraints, and the ECB committed itself to do “whatever it takes” to protect the euro and to reassure financial markets.

In many Member States, trade unions and employers have reached agreements to avoid massive dismissals and to save companies and businesses.

And citizens are increasingly looking out for each other.

At all levels, cooperation and concerted action are increasing. And solidarity across the world is on the rise.

CESI expresses its gratitude to those acting in the common interest of us all.