

## ETUC Pay Rise Campaign: why it's a priority for industriAll Europe.

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### Background

**2015:** ETUC Congress decision which made “economic recovery and ETUC influence on economic governance” its top priority, including ‘a pay rise to support aggregate demand’.

**April 2016:** ETUC Spring School decision to develop and run a campaign “Europe needs a pay rise”.

**December 2016:** ETUC EC resolution approving the campaign and budget. The resolution recognises the importance of the involvement of European Trade Union Federations and sets out three specific roles:

“European sectoral unions have a particular role to play in the campaign:

- a) in helping to produce European comparative data to show the need for pay rises,
- b) communicating pay rise successes during the campaign,
- c) organising activities.”

### What are the basic premises for the campaign?

1. For years, wages have been considered as the sole cost adjustment for recovery. But wage cuts and wage moderation did not bring back recovery. They only led to stagnation, increasing inequality and social hardship.
2. Boosting purchasing power is key to driving economic growth in Europe. Wages must be considered the main tool to sustain economic recovery, fight inequality, and ensure fairness in distribution. At this point, even the European Commission acknowledges that domestic demand is the most important component of economic growth in Europe (European Commission 2016b<sup>1</sup>).
3. Workers are the ones who have paid the highest price for the crisis and they are still not feeling the economic recovery. According to recent research (March 2017) published by the European Trade Union Institute (ETUI)<sup>2</sup>, wages are lower now than they were eight years ago, in seven EU member states. The research also shows that, in 18 EU countries, wages have grown much slower over the seven years after the crisis than in the eight years before that.
4. A pay rise is also necessary to fight precarious jobs, which are often jobs with low and unsecured wages, and in-work poverty, which has reached an unprecedented level in Europe. Today, in-work poverty affects 10% of European workers. Making sure that wages provide workers with a decent living must be an absolute priority!

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<sup>1</sup> Economic Forecast for Spring 2016: [https://ec.europa.eu/info/sites/info/files/file\\_import/ip025\\_en\\_2.pdf](https://ec.europa.eu/info/sites/info/files/file_import/ip025_en_2.pdf)  
[ec.europa.eu](https://ec.europa.eu) INSTITUTIONAL PAPER 025 | MAY 2016

<sup>2</sup> Benchmarking working Europe 2017 <http://www.etui.org/Publications2/Books/Benchmarking-Working-Europe-2017>

5. In addition to a general pay rise, upward wage convergence between countries, regions but also companies within the same country needs to be addressed as a fundamental tool for achieving equality, fairness and to tackle social dumping in the European Union. For industriAll Europe, addressing the wage gap between regions of Europe and especially between eastern and western parts of Europe is a matter of priority. It is no longer acceptable that workers in the same company or sector, doing the same job and performing at similar levels of productivity, but based in different member states, receive different wages.

For all these reasons, it high time for a pay rise campaign.

### **Main objectives of the campaign and industriAll Europe's objectives in the campaign**

To change the negative attitude among the public, policymakers and business about wage increases and to move a pay rise at the top of the agenda at both European and national level.

The public debate has been dominated by a neo-liberal narrative which led people to think that it is unfair to look for a pay rise. With this campaign, we must change people's beliefs and instil confidence in workers so that they turn to their employers and their government to demand a wage increase. The campaign focuses also on making collective bargaining at national sectoral level more robust, ensuring high collective bargaining coverage and high trade union density.

The ETUC campaign builds momentum by making the case for pay rises. It is organised around a series of "launches" (campaign timing and key moments in annex). Each launch provides a mix of written and visual materials. It is also an opportunity to organise political activities and lobby work both at national and European level.

*For industriAll Europe, the pay rise campaign ties in also with some of the priorities identified in the 2016 Congress in Madrid:*

Addressing the wage gap between Eastern and Western parts of Europe is a matter of priority for industriAll Europe. Despite similar levels of education and skills, doing the same jobs and performing at similar levels of productivity, workers in Eastern European countries get lower wages. This no longer acceptable! Member States in Central and Eastern Europe must start considering the quality of their labour force as a key element for their competitiveness.

Equal pay for equal work throughout Europe will not be achieved overnight. This is likely to be a lengthy process which will require political determination from European and national policy-makers as well as from the trade unions and will probably meet a strong resistance on the employers' side. However, this is the only way! The completion of the European integration will also come from achieving equal pay for equal work in the EU.

Since the onset of the crisis in 2008, real wages have been lagging behind productivity in most CEE countries as wage moderation was imposed. To start with, wages increases have to reach the level of productivity gains. However, if we want to make progress on upward convergence, a catch-up process has to be put in place. The best tool to ensure a more equal distribution of income and higher wage level is to establish effective Collective Bargaining Structures; and where this is not enough it can be supplemented by national minimum wage floors which guarantee a decent living. Where this will be the case, it must be put in place respecting the traditions and wishes of the national trade unions either through collective bargaining, by statutory measures and/or by legal extension. The wage coordination rule of industriAll must also make the

case for a wage increase which goes beyond productivity gains to respond to certain country specific situations.

Closing the pay gap between the North and the South of Europe, but also within countries between workers who are covered by collective agreements, and those who are not, is also a challenge for industriAll Europe. In this respect, strengthening collective bargaining structures, setting them up where they have been destroyed, or where they do not yet exist, and increasing collective bargaining coverage, remain a fundamental priority for industriAll Europe. Where collective bargaining structures have been destroyed by legislative reforms, it is urgent to ensure that wages are set by collective agreement as it is the best way to restore wage level. European institutions and some Member States must stop asking for the dismantling of collective bargaining structures and pushing for further decentralisation. On the contrary, they should actively support the establishment of effective collective bargaining structures

### **Involvement of industriAll Europe in the Pay Rise Campaign**

IndustriAll Europe is taking an active part in the different “launches” using its own data or information provided by the ETUC. Visuals, and press communiqués are issued. Member organisations are requested to relay and/or use the information.

In connection with the campaign, industriAll Europe proposes to:

- Organise a “launch” of the industriAll pay rise campaign with visuals of EC members
- End of June: focus on youth pay with ETUC Youth Committee
- October 7- World Day of Decent Work: focus on minimum and living wages – a threshold of decency for Europe (link with ITUC)
- Joint ETUFs event in BXL (tbc)
  - ‘workplace week’ subject to consultation with ETUFs and national affiliates. During that week, which will take place either in November 2017 or in January 2018, industriAll Europe will ask its affiliated organisations to take up actions and communicate widely around “issues” which are relevant for them For instance Central and Eastern Europe trade union could plan actions and activities around wage and purchasing power gap (other countries could join in), Germany and others could organise actions on extension of collective bargaining, France and other countries in the South of Europe could engage around a general pay rise. Others could address the issue of excessive pay ratio between the executives and the workers The list would need to be completed. IndustriAll Europe will ask affiliated organisations to plan activities in line with their priorities.
- The workplace week could also be combined with a wider strategy to engage other stakeholders in the campaign: academics, politicians, think tanks etc. – into a debate about wages

## Annex 1: Campaign timing and key moments of the campaign

A preliminary timetable of pre-planned activities has been drafted:

- February 14/15th – launch with a conference, a video to explain the demand economy, a photo action at the conference, and the campaign website and social media accounts. The campaign will have a clear visual identity for the launch – background information on why a pay rise is good for the economy and jobs.
- February 22 – date tbc – European Commission publishes Semester ‘Country Reports’: immediate ETUC response. Main message: ‘the missing ingredient is growth and growth needs a pay rise’ also response to Social Pillar of Rights;
- March 8 - International Women’s Day: press release, visual and social media campaign with focus on how to cut the gender pay gap, with ETUC Women’s Cttee;
- April (after 11/4) – Supporting national trade unions proposals for pay rise and increasing collective bargaining in the Country Specific recommendations
- May 1 - focus on the link between trade union membership, collective agreements and pay (i.e. if you want a pay rise join a union) – ideally ETUFs will assist with identifying examples from their sector;
- May-June – dates tbc – EC publishes country specific recommendations, ETUC response with ‘score card’ to focus on presence/absence of positive recommendations on pay, minimum wages and collective bargaining
- May 30-31 - ETUC Mid-term conference, in Rome pay rise campaign action to be determined
- July - Focus on youth pay with ETUC Youth Committee. The focus is on activism for three demands (end precarious work, pay interns and end pay discrimination on age)
- September – date tbd – focus on ‘financialisation’ (ratio of profits and pay)
- September – date tbd – possible ‘state of the Worker’ speech by Luca with focus on pay and collective bargaining - in advance of Juncker’s ‘State of the Union’ annual speech
- October 7- World Day of Decent Work: focus on minimum and living wages – a threshold of decency for Europe (link with ITUC)
- November – possible ‘workplace week’ subject to consultation with ETUFs and national affiliates
- Mid-late December – possible humorous Christmas-themed social media campaign