



# Negotiating our future!

Trade union strategies  
in times of economic crisis



**Vienna, 12-13 June 2014**  
Collective Bargaining and Social Policy Conference

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# Preface

When the financial sector collapsed in 2008, the world was quickly confronted with a global crisis of catastrophic scale. Although, it may have begun in the banking sector, the crisis had immediate effects on the global economy and up until today this crisis has still not ended. The devastating effects it had on the economy were soon to be followed by massive redundancies, plant closures - sometimes of a temporary nature - soaring unemployment figures and neo-liberal policies aiming at just one thing: lowering wages, working conditions and social benefits in a huge effort to cut down on expenditure.

Trade unions and some economists pointed out from the start that these neo-liberal policies of austerity would not help, that in fact the crisis itself was proof of the inefficiency of these policies. We have already been seeing the results for more than 10 years: continuous efforts at flexibilising the labour market, aiming at creating new jobs in the low-wage sectors of the economy, and a general policy of moderate to low wage increases. This was pursued to the point that consumption, especially in the USA, became so low that to improve the consumption rate – and thus support the economy – special creativity had to be developed in order not to have to raise wages... and the money availability scheme through second mortgages was born.

And this, as we all know, created a new bubble, which could not last and eventually plunged us into this global crisis. The crisis had, and continues to have, a devastating effect on our European labour market, our social welfare systems, our collective bargaining systems and our wage developments. The effects have not been equal in all countries: some were hit harder than others. But most shockingly, in order to safeguard the financial sector and the European currency, the Troika (which in one of our Conference documents is rightly called the “unholy alliance”) forced several countries into taking appalling measures which created a social bloodbath. These effects are going to stay with us for many years to come.

The trade union world has to stand united in Europe against these challenges. Even if the effects are not felt with equal severity in all countries, the final outcome will weigh on all of us. Measures in one country will have a ripple effect in others, and we could easily end up in an overall downward spiral. Hence the importance of our Collective Bargaining and Social Policy Conference in Vienna on 12-13 June. Included here in this brochure are the Conference documents, which reflect all of the issues mentioned above.

May 2014



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# Tendencies in Collective Bargaining and Social Policy over the last few years

## Collective Bargaining

The autonomy of the trade union movement has been threatened as a result of the influence of the austerity measures both during and following the financial and economic crisis. We have seen external intervention in collective bargaining systems in some countries, and even in respect of the validity of collective agreements. There is also a trend to change the levels of bargaining systems from the national to the sector level and to the company level. The reason for this is that employers want to obtain more flexibilisation at company level, but this leads to a worsening of conditions for the workers. Collective bargaining is a core issue of trade unionism, and we have carried out many actions and demonstrations in order to defend working conditions, workers' rights and the autonomy of the trade union movement against such attacks and all attempts to undermine our strength and solidarity. Responsibility for ensuring that the autonomy of the social partners and their negotiation rights are not attacked lies with the European Commission. This is independent of the current economic and/or political situation in the country. Collective bargaining still provides the best results for the workers and companies when carried out by autonomous social partners, following the rules and traditions of each country.

## European Social Dialogue

While the situation in the European sectoral social dialogues is quite acceptable, the European social dialogue between ETUC and BusinessEurope, CEEP and UEAPME has been deteriorating over the last few years.

IndustriAll Europe is involved in many sectoral social dialogues and there have been several examples of good practice that have emerged from these, such as:

- › *The joint declaration on the global crisis, the European framework agreement on competence profiles for process operators and first line supervisors in the chemical industry, and the framework conditions for a sustainable chemical industry in Europe such as: "The view of the social partners (Chemical sector)".*
- › *"The framework of actions - competences, qualifications, anticipation of change and change in the European electricity sector".*
- › *"Working together for risk prevention - campaign in the paper sector".*
- › *"H&S Declaration in the extractive industries".*
- › *The main issues tackled by the sectoral social dialogue in the European steel industry were demographic change in the sector and the demand for a sustainable European industrial policy for the sector. We also made a Joint Statement on the Tajani Steel Plan for Europe.*
- › *Within the sectoral social dialogue in the MET industry, there was an open debate about atypical contracts and precarious employment, as well as on the effects of economic governance and country specific recommendations on competitiveness and collective bargaining results. It also produced a joint declaration on education and training "Rethink education, but do it together with industry".*

The picture is completely different when we look at our experience with the European cross-sectoral social dialogue. The negotiations on the Recast Working Time Directive are one example. The most important items for the trade unions were the question of the opt-out possibility and the fact that the protection afforded by the directive regulations did not extend to all workers. Some judgements from the EU Court of Justice on on-call time and sick leave/holiday rights have also given a clearer view on the interpretation of what is working time. The trade union movement went into these negotiations without much hope that acceptable results could be achieved. The preconditions for the negotiations, which are significant for the development of the social dialogue, were in fact extremely limited from the outset. In the end, the negotiations were unsuccessful and broke down. The next step would be an initiative from the EU Commission. The outcome of the process of changing the directive is very important to the trade unions as we want to ensure that the working time regulations shall be improved rather than impaired.

We have even experienced a situation in which the European Commission has gone against the social partners. When Coiffure EU and UNI Europa Hair & Beauty, the social partners in the hairdressing sector, succeeded in concluding a mutually successful and important agreement - "The European framework agreement on the protection of occupational health and safety in the hairdressing sector" - the Commission decided to prevent the agreement from being transformed into a directive. This was a clear attack, aimed at undermining social Europe and the autonomy of the social partners, and is yet another facet of the austerity policies.

In the NEPSI sectors, economic constraints will also affect the monitoring of the agreement on crystalline silica since the Commission is no longer funding the Council activities.

Another example of how the social dialogue between the social partners, as well as possible industrial actions, has been undermined is shown by the interpretation of the Posting of Workers Directive. This directive has raised the threshold thus making it more difficult to negotiate the content of collective agreements in order to protect posted workers' conditions. The Commission then promised to take steps to reduce the undesirable effects on the labour market caused by the EU Court's interpretation of the Directive. The result was a proposal for a further directive known as the Enforcement Directive because it was supposed to enforce the Posting Directive. This proposal has now been watered down to such an extent that it has become a paper tiger. Many actions have been undertaken by the trade union movement with a view to improving this proposal, but without much success.

## Wage Policies and tools

### The Wage Coordination Rule

A Wage Coordination Rule had previously been adopted within each of the three founding federations of IndustriAll Europe. Such a rule is of high priority for the co-ordination of collective bargaining. The core arguments for such a rule, and the content of these rules, were essentially the same, but the texts were slightly different, and needed to be harmonised and clarified. IndustriAll Europe therefore approved a new wording of the Wage Coordination Rule for the new federation:

**The key point of reference and criterion for trade union wage policy in all countries must be to offset the rate of inflation and to ensure that workers' incomes retain their participation in productivity gains.**

Our experience from the years of crisis shows that the Wage Coordination Rule could not be applied in countries experiencing long periods of deflation. Real wage increases and improved purchasing power were impossible to

secure even though they are also very important for economic recovery through internal demand. We have noticed a further and deeper degradation through wage cuts for the public but also for the private sector. In fact many companies seem to be only interested in restoring their profit share to the pre-crisis levels using wage-cutting as a form of blackmail for maintaining production in a country. It is also important to consider the situations where we encountered negative wage drift in spite of the coverage rate of collective agreements. Real wage increases and improved purchasing power are always very important, but this is even more the case in years of bad economic conditions.

It is intended to undertake closer monitoring of the development of the wage share in total GDP.

## The Eucob@n system

### The Eucob@an network

The network of rapporteurs providing information to the Eucob@n system is of crucial importance for the success of the system. They give information as an input to the Annual Eucob@n Report, but should also be closely linked to the daily collective bargaining work within their affiliated trade union so that they can contribute to the day-to-day information system quickly and effectively. The efficiency of the network is dependent upon whether the affiliated trade unions have the resources to make reports and provide information in the way required. During the last few years, when the crisis in Europe became worse, we noted that there was less reporting to the system. This is understandable because the trade union workload increases in times of economic crisis when it is important to be everywhere to save what you can for the workers. But it also leads to the question of how to improve our work in this field in order to ensure that Eucob@n is not only an instrument for good times but also for bad times, when in fact it is needed even more.

### “Day-to-day” information

Rapid sharing of information throughout the wide network of trade unions that are members of industriAll Europe has created added value in situations where such information is of the essence, i.e. when starting important negotiations, in the event of industrial action and when completing such negotiations at national or sector level. The same can be said in cases when proposed changes to labour legislation will have a large impact or when important company-level negotiations are carried out. It is to be noted that the system has been used less since the start of the crisis.

### Annual Report

The annual report within the Eucob@n system is to provide statistical information to the affiliated organisations so that they can use this information in upcoming negotiations or as a tool to evaluate the results of such negotiations. It is obvious, therefore, that the statistical information must be as up to date and appropriate as possible. It is important to take into consideration our experiences when it comes to analysing the outcome of the Wage Co-ordination Rule. Difficulties can be linked to the fact that analyses are made only retrospectively, and for a time period of one year only. The transparency of the report is crucial. Being able to compare reported figures and data in detail as far as possible, is an added value for the participating trade unions. Incorporating the Wage Co-ordination Rule also requires the inclusion of a more detailed macro-economic chapter where focus is also put on forecasts of trends in inflation and productivity in the individual countries.



## Minimum Wages

Low incomes must be one of the focal points of collective bargaining and/or legal regulation - for instance on minimum wages - in accordance with the practice and/or regulation in the individual countries. Different countries have adopted different systems. However, both systems with statutory minimum wages and systems of collectively agreed minimum wages or minimum wage levels have been agreed upon in accordance with the traditions of the various countries concerned. Systems with statutory minimum wages in countries wanting such rules can be a good tool for the protection of low-wage groups in these countries. In some other countries, however, the existing models of collective agreements contribute adequately and effectively to improving the position of the lowest paid.

The debate on minimum wages has long been a burning issue. The debate in Germany has led to a change in the view as to which type of system is preferable: collectively bargained minimum wages are now complemented with a statutory minimum wage to secure a general minimum level of wages. We need to ensure a minimum wage which secures decent living conditions, is substantially above the poverty line as defined by the social benefit system of each country, and which is therefore independent of the economic situation in the country.

There is also an ongoing discussion across Europe concerning some sort of European minimum wage system. Here also, we can see a clear dividing line between different opinions, with some trade unions in favour of such a system and some trade unions repudiating any such proposal.

We have also had to face the fact that the European Commission has used the crisis as an excuse to launch a discussion on reducing minimum wage levels as a regulator, supposedly in order to achieve an increase in employment. This attempt has been totally rejected by the trade union movement, but existing national minimum wage systems in a number of countries, e.g. Greece and Portugal, have been attacked despite this, resulting in even worse working conditions for poorer workers.

## Working Time

The Troika and neo-liberal governments have forced changes in regulations and collective agreements concerning working time. These changes have increased the amount of overtime, daily working time limits and working time flexibility.

From the start of the crisis, it was obvious that measures had to be taken when needed to retain as many jobs as possible. In many countries, short-time working schemes, e.g. 'Kurzarbeit' and temporary unemployment, already existed. They were now used to improve the chances for the workers who risked being made redundant to keep their jobs, through different working time reductions. Sometimes - but regrettably not in enough cases - the time not worked was combined with occupational training to improve skills. There were also examples of trade unions that, in the absence of pre-existing, short-time working schemes, agreed on some reduction in wages, through collective agreements, in exchange for a temporary reduction of working hours and the right to training during the unworked period.

Other examples of measures might be: a division of labour through part-time jobs, early retirement and a permanent working time reduction. Some unions have started discussions about such a reduction of working time.



This led, for example, to a reduction of working time in the steel sector in the Czech Republic.

A major problem concerning working time is that more and more working time rules are not applicable to workers or not applied in a correct or adequate way. This applies to those workers considered to have the ability to self-regulate the amount of their working time or when to work. This was usually the case for professional and managerial staff in particular, but is now the reality for more and more types of workers. In many cases workers in this situation also had no right to payment for overtime according to their individual contract.

## Flexible working time and mobile work

Today's labour market is demanding more and more of the worker when it comes to being available to the employer. Workers in Europe are working in a highly flexible manner. This concerns blue-collar workers as well as white-collar workers.

Flexibility in production areas mainly consists of highly flexible shift systems. Due to lean production concepts like just-in-time or just-in-sequence, production systems are very vulnerable to production fluctuations, and have to react to these very quickly. This demands a high degree of flexibility from workers, such as fast changes in shift systems due to the order books. Unhealthy shift systems, especially for the ageing workforce, are just one part of the increasing flexibilisation of work that we face today.

Lean concepts are also being introduced in offices and non-manual working areas. This means that processes, work and work results are increasingly digitalised. Companies can reduce costs by providing mobile organisation of work to their employees (downsizing office costs, working materials and means of production, etc.) and hope to increase productivity. This new organisation of the work process has numerous consequences for mobile workers.

Working from home or another place outside the workplace can be seen by workers as something positive that gives them an opportunity to organise their work in what they consider to be a more satisfactory way. But being a mobile worker can also lead to situations where such workers miss, and need, the social contacts enjoyed at a workplace. This development especially affects the need of protection enabling workers to have the opportunity for a good balance between private life and work. This can be a challenge, taking among other things the aspect of stress and burnout into consideration. This is reflected not least in the need for working time regulations for mobile workers. Indeed, many of the workers that are affected by this development are not covered by such regulations. And even if working time rules are valid, it is challenging for the trade unions to be able to monitor such regulations when the work in question is performed outside the workplace.

Developing concepts for organising and protecting mobile workers is a new challenge for trade unions.

## Work-life balance

Flexibility of working time has two faces. On the one hand it can provide more freedom and work-life balance for workers, if they are able to decide how and when they are working. And it can even secure employment in a company, when internal working time flexibility prevents dismissals.

But blue-collar workers in particular do not have that freedom in most cases, because they are dependent on the respective shift systems. Furthermore, a lot of white-collar workers consider that their freedom to choose is limited

due to the high workload they have to cope with. Self-determination often turns out to be a false promise.

Due to austerity measures and neo-liberal politics, social systems are more and more under pressure in Europe, and care facilities and arrangements, formerly organised by public authorities, are now being privatised. This means that work-life balance is not a luxury, but a necessity for many workers, who have to take care of dependent family members or close personal relations.

The balance between work and private life is also affected by the rights to various periods of leave during working life. This also relates to parental leave for the father and the mother at child birth, and leave when a child is sick. The same is the case when someone has to take care of an elderly or disabled relative. The right to, and economic conditions for such leave, are being improved by successful bargaining. There is more recognition also of the right for children to also benefit from having their father as their carer.

Domestic unpaid work and its consequences for women's contributions to the labour market have been highlighted much more frequently. The unequal division of domestic work between women and men does not only have a negative impact on the daily income for many women but also on the level of pension benefits that they are entitled to. The wage gap between women and men in our part of the world is now 16% and the difference in pension benefit is 39%. Some of the difference in wages can be explained by reasons other than discrimination, but the rest cannot be explained in any other way. But whatever the reasons for the wage difference, it does affect pensions significantly.

We can find examples in which the gap between men's and women's wages has been reduced to some extent, but the reason is not always linked to progressive gender equality work but due to the fact that men's wages have simply decreased as a result of the crisis.

## Precarious work

Awareness of the threatening development on the labour market towards more and more precarious employment was the reason behind the decision to agree on a common demand regarding precarious work. We have seen a higher rate of temporary and fixed-term contracts, forced part-time contracts, and the use of bogus self-employment. Here and there, we have also found the use of zero-hour contracts and other contractual forms of employment that are simply unacceptable. Precariousness does not only affect working life; it can not only result in an erosion of normal living and working conditions for the individual worker but also impact on the whole economic and social situation for his/her family.

In recent decades there has been a dramatic and far-reaching increase in precarious work in all countries and industrial sectors, which is of major concern. The economic crisis has also given some employers and governments the possibility to exploit this situation in order to lower wages, worsen working conditions and introduce precarious work on a larger scale. Particularly affected by this development are young people, women and migrant workers. It is necessary to reduce the low-wage sector in Europe, through collective bargaining and/or legal regulation - for instance on minimum wages - in accordance with the practices in the individual countries. Limited use of flexible work is necessary in order to be able to deal with upcoming peaks of work, but a flexible labour market without enough social security, including training and active labour market policies to reduce unemployment, is a precarious one. It is noted that a precarious situation can also arise when workers are targets of non-solicitation agreements between employers.

Collective agreements provide a high level of protection against precariousness. So protecting and increasing the coverage rate of collective agreements is a core issue for the trade union movement. But it is now a fact that the coverage rate and the trade union membership rate are decreasing in many countries. This development mostly affects the blue-collar workforce, and those trade unions organising blue-collar workers. One of the reasons for this is structural change, leading to a shift from blue-collar to white-collar work. In countries where white-collar workers are less organised, this means a reduction in the total membership rate. This has less effect in countries where the organisation rate among white-collar workers is high. (See also Appendix I)

## Temporary Agency Work

One factor leading to more precariousness on the labour market is that temporary agencies have been established in more and more sectors, also in industry, in recent years. Having temporary agency workers in the workplace has become more the rule than the exception. In uncertain economic times, the temporary agency workers' assignments and other temporary contracts are the first ones to be terminated. The proportion of the workforce on open-ended contracts is often reduced and these workers are being made redundant and then get assignments as temporary agency workers at their former workplace. In a continued or new, strained financial situation, or even a crisis, the next step is to reduce the workforce at the user company by terminating many or all temporary assignments.

The trade unions have realised that these workers must be recognised as colleagues and organised in trade unions - even if they are employed under circumstances that were more or less unknown not so long ago, and are in any case unacceptable compared to the normal situation in a workplace. As a result of this development, many trade unions are endeavouring to organise these workers, whether they work in the country where they reside or are posted workers. The major problems encountered in temporary agency work are that the periods of employment are usually short, the working conditions are under the norm and that no or very low compensation is paid between assignment periods. There are, however, good examples of collective agreements that provide open-ended employment contracts with sufficient remuneration rights also between assignments. The Directive on Temporary Agency Work lays down the principle of non-discrimination between temporary agency workers and workers who are recruited by the user company with regard to the basic conditions of work and employment. This means that the wages and other employment benefits to be paid during the assignments should be the same as if the temporary agency worker had been employed by the user company. When implementing the Directive, however, some countries have nevertheless resorted to the possibility of derogations from certain regulations.

In 2013 industriAll Europe started informal discussions about working conditions of temporary agency workers with Eurociett, the employers' organisation which represents Temporary Agencies at the European level.

## Social dumping

When talking about social dumping, we often refer to the situation concerning posted workers. The rulings by the European Court of Justice in the Laval, Viking, Rüffert and Luxembourg cases show that the Directive on Posted Workers is a maximum and not a minimum directive. This interpretation has major implications when efforts are made to prevent wage conditions from deteriorating in the domestic labour market whilst posted workers are receiving worse terms. The Commission has described the practice as a situation 'where foreign service providers can undercut local service providers because their labour standards are lower'. Particularly problematic is the

situation in countries where there are no rules about erga omnes, or any possibility to make collective agreements generally binding. The new Enforcement Directive for the Posting of Workers Directive has been sharply criticised by the trade union movement because it has become too watered down to make any real difference, or even makes things worse, as mentioned earlier.

The European Commission (in office until May 2014) is encouraging social dumping also in other fields, for example when it discusses the indicators of the Social Scoreboard in the European Semester as maximum standards as well. But other groups of workers can also be under pressure to accept low wages. Workers performing undeclared work are in a very difficult situation, and this can also apply to young workers, or migrant workers without papers, not yet established on the labour market.

## Demographic developments

When looking at the demographic developments in the labour market, we see various significant trends emerging. It is now absolutely necessary, for many reasons, to ensure that the youth unemployment rate decreases and that as many young people as possible enter the labour market. A massive unemployment rate among young people is not only devastating to their self-confidence, both socially and professionally, but will also be a great loss for society in general. Youth unemployment being a structural problem in some countries – and facing a generation without any solid ties to the labour market or secure employment with humane and fair working conditions – will make it even more difficult to avoid a precarious situation and poverty also after the crisis. The fact that there is a big difference in the demographic development of the different regions in Europe needs to be taken into consideration too.

It is also to be noted that demographic development is changing the composition of the workforce as a whole. Already today we can see that the number of older people on the labour market in Europe is increasing, due to demographic as well as social reasons.

We have faced a number of proposals and decisions about raising the retirement age. We have to point out that even today many workers cannot work right up to their retirement age because of the arduous work and bad working conditions they have been exposed to during a long working life. Good working conditions are therefore an absolutely essential requirement if we are to ensure that workers are actually able to remain on the labour market until they reach their pension age, and are able to live out their retirement in good health.

Workplaces need to be adapted and optimised for older workers too. Such adaptations shall of course consider all the health and safety regulations needed for any worker, but also acknowledge the special needs of older workers. Another way of adapting employment for an older worker could be by means of partial retirement schemes, perhaps linked to early retirement schemes.

Even so, this can still give rise to problems. Today, the working conditions and longer career, especially combined with high stress levels, are factors that have a negative effect on life expectancy. Occupational effects play a big role in this and we notice a widening gap, especially as regards some more stressful and/or heavy physical jobs. In this context, we should also be aware that the increasingly widespread ability to work at a distance, rather than in a fixed workplace, may mean that rules relating to working time and working conditions are not maintained.

Older workers are a major asset to companies in terms of competence. The competence gained during a working

life is evidently important, but the pace of technological development will require even greater technical knowledge in the future. A trade union task could therefore be to develop special rules and regulations for older workers at the workplace via collective agreements, i.e. a senior policy that enables them to stay on as employees. Skills and performance are the basis for wages, and training should be given to all generations. Ensuring that workers have the right qualifications to be able to keep their jobs in the future is a dual responsibility in that the employer has to provide training possibilities and the worker has to seize the opportunity to increase his/her qualifications. Trade unions should also take into account the fact that there are great, but not always sufficiently used sources of competence, skills and knowledge in the large group of migrant workers. Policies for education and training, enabling this group of workers to enter into the regular labour market, are thus of great importance.

## Industry attractiveness

The youth unemployment rate in many countries and sectors is very high compared to what was previously the case. This can largely be blamed on the actions taken by businesses and governments during the crisis. But one must also be aware that there is actually a discrepancy between the supply of labour and skills for jobs within industry.

We are seeing a lack of skilled labour in more and more sectors and areas. This is the case not only as regards jobs requiring high qualifications but also for jobs that require a different set of skills. We have discerned a general tendency of decreased interest in working in industry, but this is particularly visible in countries and sectors where the crisis has not hit so hard. It is young people in particular who are not drawn to industrial work, but turn instead to other areas of education and professional life that they feel are more attractive. Employers and unions have a common interest in solving this problem, and in improving the image of working in industry.

One way of dealing with this would be to increase the number of apprenticeship and training contracts, but we have to be aware of the need to avoid abuse of these systems, as is the case in some countries today, as low-paid or even largely unpaid “internships”. Another way - if no apprenticeship and training contracts are available – is to promote closer links between the school system and the workplace. Each company should have a forward-looking plan indicating how many apprentices and trainees they would need for several years ahead, and how they can guarantee good training for these workers. The trade unions should be involved in the process of drawing up these plans.

## European transnational agreements and systems

### European Framework Agreements

Negotiations of European Framework Agreements (EFAs) at transnational company level are an important instrument for the trade unions, and the experience of the last few years is that the content of such agreements is more and more clearly linked to collective bargaining aspects. The experience of such negotiations shows that it is essential that the European trade union federations take part in such negotiations and are signatories to the agreements in accordance with the mandate system. The implementation of the agreements, however, relies on the national industrial relations systems and traditions in each country due to the lack of an optional legal framework at European level. It is therefore important that such implementation takes place.

## European system for transnational company agreements

The problems surrounding the creation of such an optional legal framework still remain unsolved despite the efforts made by the European Commission. The employer organisations are clinging to their resistance to any such system. In all discussions where this topic is on the agenda, it is important to ensure that trade union organisations are recognised as representatives of the employees. This was fortunately the case in the European Parliament's Resolution on cross-border collective bargaining and transnational dialogue (the Handel Report), adopted in the autumn of 2013.

It is to be noted that since there is no European legal framework for transnational company agreements, the mandate procedure of industriAll Europe has become a model for other federations.

## Social Policy

In many situations - differing from country to country - collective bargaining is a tool that can be used alongside other efforts to improve legislation.

In times of economic crisis and austerity, social benefit systems are constantly under pressure. It is one of the trade unions' main tasks to defend these systems so as to secure adequate provisions for people in need of welfare benefits and to maintain decent social security systems as an automatic stabiliser for the economy.

On the EU level, there have been initiatives on several issues. Some of the key initiatives were in relation to working time, flexicurity, pensions, health and safety at work, and the interpretation and implementation of the Posting of Workers Directive, and the draft Enforcement Directive. Another important issue to consider is that of existing systems of whistle blowing and their related problems.

## Unemployment

Budget problems in many countries have had a negative impact on the unemployment benefit system leading to lower benefit levels and cuts in benefit time periods by governments with the aim of getting people to go back to work. This is the wrong way to consolidate budget deficits. Workers must be able to rely on social security systems in case of unemployment. The uncertainty with regard to social security also affects school leavers, who have not yet entered the labour market and therefore do not receive any benefits.

## Common demands

The common demand on precarious work was a joint demand coming from all three founding federations of industriAll Europe. It was also recognised as the first common demand for the new federation. In some sectors there has also been a common demand concerning training. The evaluation of these demands continues, as does the struggle to obtain results. It must be noted that there are several good examples with regard to training in the sectoral social dialogues. Experiences with VET projects or sector skills councils can be exchanged between all industriAll Europe's affiliates and used as a background for further discussions.

The concept of a common demand, and recommendations as to how to work with such demands, have been approved. (See also Appendix II)

## Appendix I

### The Eucob@n Reports 2009 - 2013

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# 1 Introduction

The period between 2009 and 2013 has been the most dramatic in Europe's economy since World War II. The crisis has had a severe impact on employment, collective bargaining and workers' rights. Coordination of national wage negotiations across Europe has become more difficult in the wake of the crisis.

The key findings in our annual Eucob@n<sup>1</sup> reports for the years 2009-13 are that there have been massive job losses (especially in manufacturing industry) and that wage increases have been low, with very few exceptions. Unions under heavy pressure and in the face of keen international competition have focused on upholding purchasing power and employment, but in many cases have not been able to fulfil the industriAll European Trade Union Wage Coordination Rule (i.e. that wage increases should, as a minimum, offset the national inflation rate and increase of real labour productivity).

Decentralisation and individualisation of negotiations have followed as a result of national political decisions, pressure from the EU, the Troika and of course the employers. Uncertainty regarding future economic developments and market perspectives has triggered a more extensive use of both opening clauses and lump sum wage increases.

This condensed report gives a brief overview of the contents of the annual reports from industriAll Europe and its three founding federations. The main emphasis has been placed on the Wage Coordination Rule, but some changes in social aspects have also been included.

One should be careful, however, about drawing distinct conclusions based on a report on national wage negotiations. The monitoring of national collective bargaining is a demanding exercise and reliable findings depend on a number of factors, like the survey response rate, the countries and sectors covered, reduced trade unions densities and the lack of national collective agreements in a number of countries. Moreover, we do not have any data on wage drift, i.e. the difference between collectively agreed and actual wages.

At the end of the report we have included tables based on statistical indicators from the European Commission's database, Eurostat. We have made calculations for manufacturing industries which, to a certain extent, give possibilities for comparisons with the data from the Eucob@n reports.

There is only one "official" European database on collectively agreed wages which is the "indicator of negotiated wage rates" of the European Central Bank and which is calculated as an aggregate figure. The underlying national data are not published and this indicator only contains a rough calculation with which no comparative analysis can be undertaken. The indicator is considered by the ECB itself as experimental data from ten countries in the Euro area.

## 2 Economic developments in 2009-2013

Europe as a whole felt the full effects of the crisis in 2009 with some Member States being particularly hardly hit. A fragile recovery started in the years to follow, but not in all countries. And even if production picked up again in most countries, the unemployment levels continued to rise.

### 2.1 Growth and employment

The emergence of the crisis and the demand shock in 2008 caused an unprecedented fall in Europe's production. In 2009 GDP fell by 4.5% in both EU 28 and EA 18. In the biggest economy, Germany, the reduction was 5.1% and around 15% in the Baltic States (see table 1 at the end of the report).

Obviously, such a decline in economic activity had a severe impact on employment, both in terms of levels and types. In 2013, the average unemployment rate in the EU was 10.8% (see table 2) and 23.4% among persons under 25 (see table 3).

Part-time work increased and rose to 19% in the EU in 2012. The increase was especially high among women workers and white-collar employees. Much of this part-time work was involuntary. Other types of precarious work also increased, in particular temporary agency work, even if this still represents a minority of fixed-term contracts.

### 2.2 Inflation

The growth in consumer prices fell radically as a result of the demand shock in the wake of the crisis. Four Member States (Ireland, Spain, Portugal and Switzerland) registered deflation in 2009 and the EA 18 average was close to zero as opposed to 3.3 % in 2008 (see table 4).

Since then, the situation has been more normal with an inflation peak in 2011 (2.7% in EA 18 and 3.1% in EU 28). The latest forecasts from Eurostat (30 March 2014) indicate inflation rates of about half of these for 2013: 1.3% in EA and 1.5% in EU. It is noticeable that consumer prices rise less in the euro zone than in the whole of the EU every year.

In a few specific countries, there has been deflation also after 2009, i.e. in Greece in 2013. The inflation rates in four of the five biggest European economies (Germany, Spain, France and Italy) were very similar in 2013 in that they varied from 1.0-1.6%. In the UK, consumer prices have risen quite rapidly the last few years. However, the forecast for 2013 (2.6%) is far below the level of 2011 (4.5%).

## 2.3 Real labour productivity

Real labour productivity is calculated as real output per unit of labour. Measuring labour productivity per hour worked provides a better picture of productivity developments in the economy than labour productivity per person employed because it eliminates differences in the full-time/part-time composition of the workforce across countries and years. This has been done in this 4-year overview (except for a handful of countries in 2013 for which figures per hour are not yet available).

As can be seen from table 5, productivity fell in 26 out of 31 countries in 2009, meaning that output volumes fell even more than employment (hours worked). This development started in 2008 with reductions in around half of the countries. Reduced productivity is like deflation – unusual – and causes difficulties for unions which base their collective bargaining demands on the Wage Coordination Rule. Unions simply cannot demand lower nominal wages as this would cause considerable political and psychological problems. In other words, when labour productivity and/or inflation fall, the Wage Coordination Rule just does not work.

Registered figures and forecasts indicate a slight increase in productivity in 2012 and 2013, but only around 0.5% in EU 28.

## 3 Outcomes of national collective bargaining

The keyword in our terminology is VOWA, which stands for the Value Of the Whole Agreement. It includes wage increases and calculable improvements of non-tariff working conditions like pension rights, working time, training etc. on an annual basis. National affiliates are asked to fill in the VOWA figures for two years in each questionnaire; the current year and the preceding year. On some occasions we see that figures for one year are corrected in the following year's reply. The tables in this report are based on the corrected figures if they apply to the same sector agreement.

In general, wage increases have been low after the outbreak of the crisis. The exceptions are few and far between when it comes to our members. The best results have been achieved in the most privileged countries, sectors with high union densities and for white-collar workers, for example Nordic engineers. We have received few reports on industrial action during collective bargaining rounds although there have been many political demonstrations.

Table 6 shows that there have been wide variations with regard to nominal wage increases in EU 28 between 2007 and 2013. Capital goods, which by and large cover the metal industries, have done relatively well, with an increase of 12.3 %. The average increase for the manufacturing sector (NACE C, which includes metal, chemicals, textiles, food, wood, etc) was 5.5 %, and 6.5 % if one takes NACE B-D, which also includes mining and extraction of petroleum. Not surprisingly, the most negative developments could be found in the textiles and clothing sectors, which face

extremely tough international competition.

According to tables 7-11, official statistics for the years 2007 to 2013 show huge inequalities between Member States (see table 7). There are several explanations for this, such as differences in productivity developments, the national balance of power and recent changes in national wage-setting systems. Nominal wage increases per hour have varied from 1.5 % to 15% per year. Only Greece has registered a decline during this period (see table 8). When looking at real wages per hour, it is to be seen that countries in the South-East and in Eastern Europe are catching up. Wage devaluation has taken place in Greece, Cyprus, Portugal and the UK (see table 9). The average wage increase was 3% in EU 28 (see table 10). And there has been an improvement as regards cost competitiveness in the Eastern region (see table 11).

The share of wages in gross domestic product, which indicates the extent to which workers participate in the accumulated wealth of a country throughout the EU, has declined continuously since 2009 (see table 12). The EU average went down from 58.9 % to 57.4 % during this 5-year period. The reduction in Portugal was 5.5%, Spain 5.9%, Ireland 7.3% and Turkey 8.6% (to only 28%). This development has gone on for decades and even if Germany has enjoyed a stable wage share over the past five years, it has fallen by 5.1% over the last 20 years.

When it comes to social rights and the qualitative aspects of work, the information reported is somewhat scattered but, as a general rule, the few positive developments are those that we have received information on. Working conditions other than wages are laid down to a larger extent in collective agreements in the Nordic countries than in the southern parts of Europe.

During the same period, national governments have implemented negative labour reforms in relation to retirement, protection against dismissal, unemployment benefits etc., that are not included in the Eucob@n reports.

At European level, attempts to revise or replace the Working Time Directive of 2003 have failed several times and a proposed regulation on the relationship between market freedoms and fundamental social rights - like the right to strike - was withdrawn (ref. Monti II in 2012).

The implementation of the Temporary Agency Work Directive of 2008 has been an issue in collective bargaining in many countries, but the whole area of precarious work, together with training and education, is included in a special conference document on the common demands.

### 3.1 Metal

Metalworking unions were affiliated to the EMF, which was the frontrunner as far as coordination of European collective bargaining is concerned, until the founding of industriAll European Trade Union in 2012. The EMF adopted its Wage Coordination

Rule in the late 1990s and its first common demand on training in 2005. It was also the EMF that initiated the European Collective Bargaining Network (Eucob@n).

Participation in the annual survey has traditionally been comparatively high in the metal sector. The biggest economies have taken part, with the exception of the UK where there exist very few national collective agreements.

### 3.1.1 Wages

The replies to the annual questionnaire received by the former EMF show that the value of the whole agreements (VOWAs) varied between 2.1 % in Belgium to 4.5 % for the best agreement in Norway in 2009 (see table 13). This was high enough to cover the harmonised index of inflation rates (HICP from Eurostat<sup>2</sup>) in all countries but Hungary. Because of the decline in GDP and labour productivity in most countries in 2009, the balanced participation in productivity gains (BPPG) increased in all countries.

In 2010, around half of the agreements on which the EMF received feed-back compensated the HICP. However, this was a year of corrections of labour productivity, with quite remarkable increases in some countries, so that the BPPGs were negative as far as the vast majority of the agreements were concerned.

2011 was a year of rather high inflation rates (3.1 % in EU 28) and many unions lost purchasing power that year in the sense that the VOWAs did not offset the inflation rates. This development continued in 2012, even if the inflation was slightly reduced. However, in 2013 the picture was brighter, with low inflation (1.5 %) and positive offset inflation rates in all countries which replied to the survey except the Netherlands. Not all labour productivity figures have yet been reported to Eurostat, but the forecasts indicate increases, however small.

### 3.1.2 Social rights

In 2009, several metal agreements included temporary working time reductions. Other results were achieved in relation to early retirement. Equal opportunities and gender equality were not given priority. This changed slightly in 2010 when a handful of unions tabled demands on equal opportunities. Moreover, temporary working schemes (Kurzarbeit) increased, while little happened in the area of retirement (perhaps because of confusion following the EU Green Paper on pensions of July 2010).

In 2011, a few member organisations demanded shorter working hours, while metal unions in the Czech Republic and the Slovak Republic had to defend themselves to avoid increases in working time. Work-life balance then started to become an issue, especially in negotiations for white-collar workers. Early retirement, as well as partial retirement and employability for older workers, became more relevant as the retirement age was hiked in numerous countries and unions feared that members

<sup>2</sup> HICP is, in most cases, equal or very close to the national inflation rate on which national collective bargaining demands are based.

would lose their jobs long before they were entitled to state pensions.

In the two surveys conducted after the founding of industriAll Europe, it was noted that many unions struggled to maintain status quo and to avoid for example longer working hours. Because of the weak EU Directive on Working Time, unions would have wished for strong regulations to be laid down in collective agreements in order to protect the health and safety of their members. However, very few improvements have been achieved, neither for blue-collar workers nor white-collar workers, and the latter do not normally even get paid for overtime.

## 3.2 Chemicals

### 3.2.1 Wages

The former EMCEF issued annual reports on collective bargaining, but did not ask its affiliates for the calculation of the VOWA. Hence, we have only got figures from the chemical, energy and mining sectors for 2012 and 2013, five from each year.

In 2012, only one Norwegian collective agreement compensated for the inflation rate. The following year, this was the case in the Czech Republic, Latvia and Sweden and all these agreements gave positive BPPGs, meaning the wage increases compensated for both inflation and productivity.

### 3.2.2 Social rights

In 2009 demands on working time and pensions were the social policy issues which were addressed in most bargaining rounds in the chemical, mining and energy sectors. In the following years (2010 and 2011), health and safety were dominant, but employability, equal opportunities and gender equality also ranked high on the agenda of the former EMCEF affiliates.

## 3.3 Textiles, clothing, leather and footwear

### 3.3.1 Wages

For 2009 we received VOWA figures from eight countries based on agreements which all compensated for the HICP, which was close to zero or even negative in five of these eight countries. As mentioned before, the situation with regard to real labour productivity (we use figures for the whole economy) was unusual and the BPPG figures were abnormally high, for example 7.7% in Belgium.

The picture in the textiles, clothing, leather (TCL) and footwear sectors changed in 2010 with lower wage increases and reduced purchasing power in a number of countries. Positive productivity figures in all countries led to negative participation in productivity gains, as low as -4.9% in Denmark.

Then in 2011 we again registered reductions in real wages in most countries because of the inflation peak (3.1 % in EU 28), with a few exceptions in countries with high union densities, i.e. Belgium, Norway and Sweden. We have unfortunately received very few replies from the TCL and footwear sectors since the founding of industriAll European Trade Union, and some replies come from countries with little production in these sectors. There is little to analyse but Germany has had positive BPPGs both years.

### 3.3.2 Social rights

TCL unions often find themselves in a comparatively weak bargaining position and many agreements are concluded at company level. In the reports we received from the affiliates of the former ETUF:TCL, the focus was on working time, equal opportunities and early retirement. But, as a general rule, unions gave priority to upholding purchasing power since wage levels are so low and many workers have been hit by austerity measures such as cuts in social benefits.

## 3.4 Steel

The special survey for the steel sector was introduced in the former EMF in 2009 and the level of participation in this survey has been acceptable. It is to be noted that the majority of the replies concern company agreements and that the questionnaire does not ask for VOWA figures.

Trade unions in the steel industry are also in a difficult bargaining position due to the ongoing crisis in the European economy. The impact of EU austerity policies and interference in collective bargaining systems are a heavy burden for the trade unions. The main collective agreement results since the crisis are a clear reflection of this economic situation and the limited powers of self-assertion, which are also due to this.

Wage increases have been low in the period covered by the report, especially in the most recent years. The period of validity of the collective agreements has become longer.

However, wage agreements are normally combined with qualitative elements, for example instruments for safeguarding employment, regulations to reduce precarious work or qualification tools.



## 4 Tables

Table 1

### GDP growth 2008-2013

Eurostat March 2014

GEO/TIME	2008	2009	2010	2011	2012	2013
EU 28	0.4	-4.5	2.0	1.6	-0.4	0.1
EA 18	0.4	-4.5	1.9	1.6	-0.7	-0.4
Belgium	1.0	-2.8	2.3	1.8	-0.1	0.2
Bulgaria	6.2	-5.5	0.4	1.8	0.6	0.9
Czech	3.1	-4.5	2.5	1.8	-1.0	-0.9
Denmark	-0.8	-5.7	1.4	1.1	-0.4	0.4
Germany	1.1	-5.1	4.0	3.3	0.7	0.4
Estonia	-4.2	-14.1	2.6	9.6	3.9	0.8
Ireland	-2.2	-6.4	-1.1	2.2	0.2	
Greece	-0.2	-3.1	-4.9	-7.1	-7.0	-3.9
Spain	0.9	-3.8	-0.2	0.1	-1.6	
France	-0.1	-3.1	1.7	2.0	0.0	0.2
Croatia	2.1	-6.9	-2.3	-0.2	-1.9	-1.0
Italy	-1.2	-5.5	1.7	0.4	-2.4	-1.9
Cyprus	3.6	-1.9	1.3	0.4	-2.4	-5.4
Latvia	-2.8	-17.7	-1.3	5.3	5.2	4.1
Lithuania	2.9	-14.8	1.6	6.0	3.7	3.3
Luxembourg	-0.7	-5.6	3.1	1.9	-0.2	
Hungary	0.9	-6.8	1.1	1.6	-1.7	1.1
Malta	3.9	-2.8	4.1	1.6	0.6	2.4
Netherlands	1.8	-3.7	1.5	0.9	-1.2	-0.8
Austria	1.4	-3.8	1.8	2.8	0.9	
Poland	5.1	1.6	3.9	4.5	2.0	1.6
Portugal	0.0	-2.9	1.9	-1.3	-3.2	-1.4
Romania	7.3	-6.6	-1.1	2.3	0.6	3.5
Slovenia	3.4	-7.9	1.3	0.7	-2.5	-1.1
Slovakia	5.8	-4.9	4.4	3.0	1.8	0.9
Finland	0.3	-8.5	3.4	2.8	-1.0	-1.4
Sweden	-0.6	-5.0	6.6	2.9	0.9	1.5
UK	-0.8	-5.2	1.7	1.1	0.3	1.7
Iceland	1.2	-6.6	-4.1	2.7	1.5	3.3
Norway	0.1	-1.6	0.5	1.3	2.9	0.6
Switzerland	2.2	-1.9	3.0	1.8	1.0	2.0
Montenegro	6.9	-5.7	2.5	3.2	-2.5	
Macedonia	5.0	-0.9	2.9	2.8	-0.4	3.1
Serbia	3.8	-3.5	1.0	1.6	-1.5	

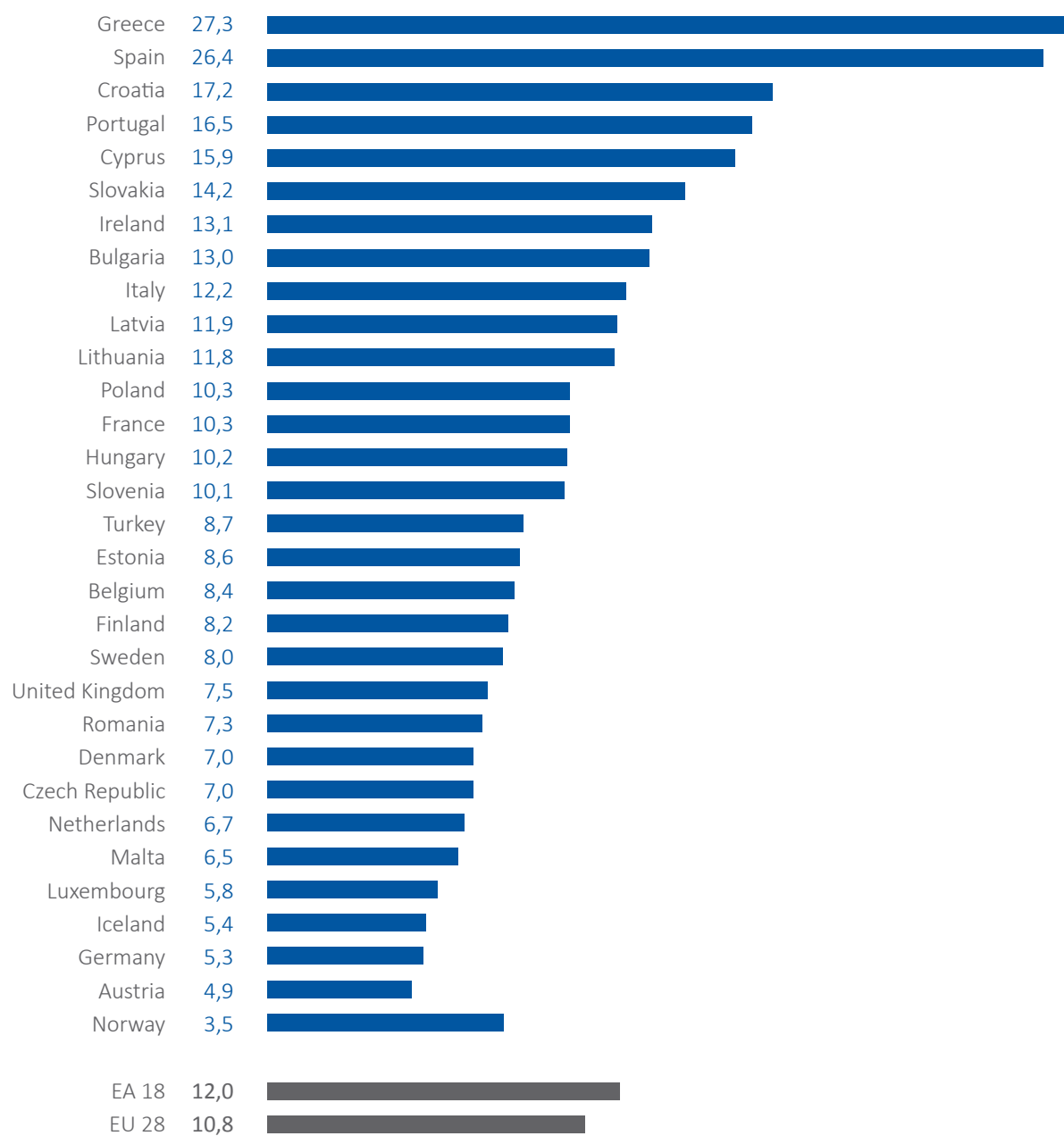
## Table 2

### Unemployment rates

Unemployment per country

Eurostat March 2013

Annual averages in 2013



Source: Eurostat, labour force survey

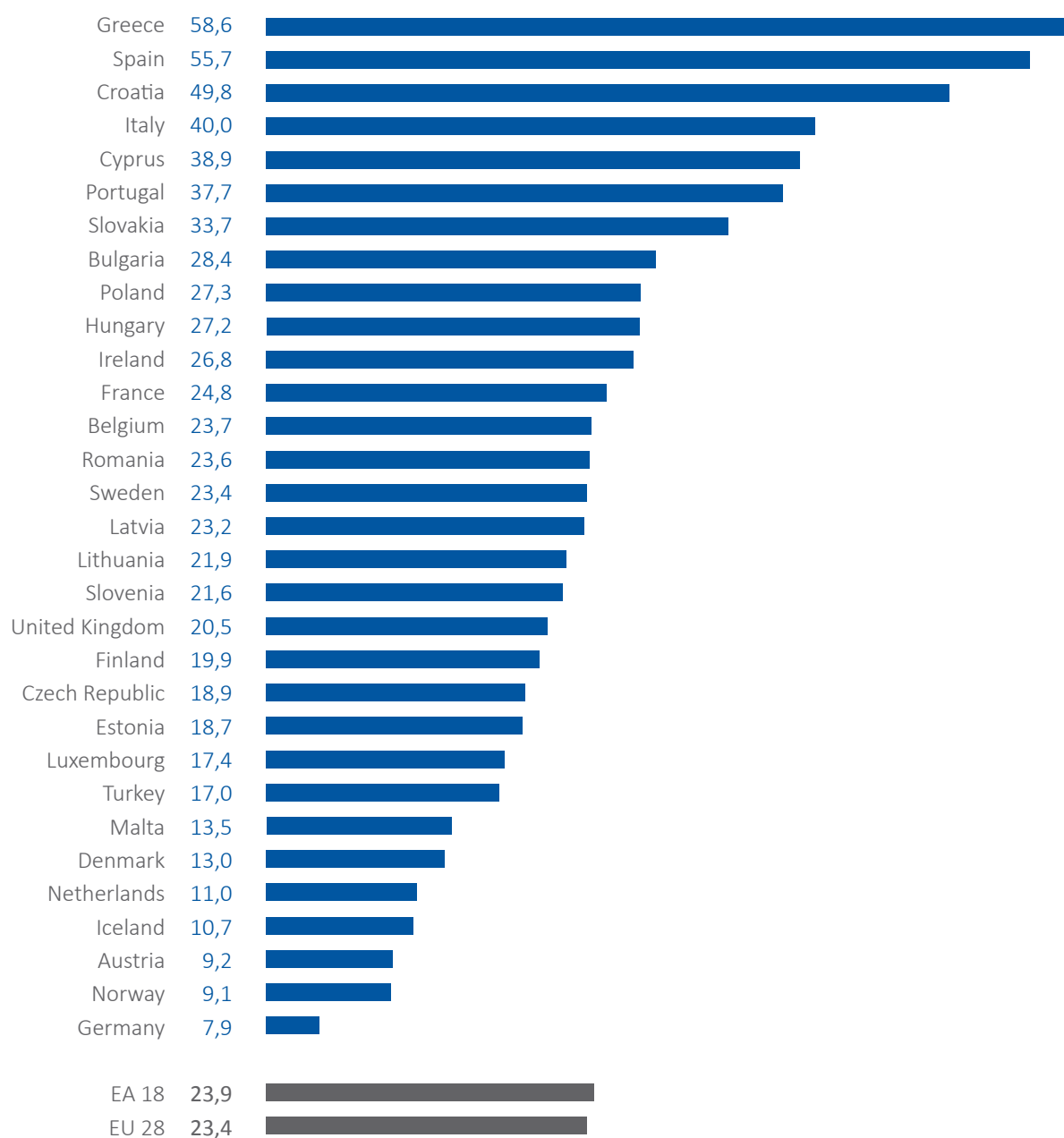
# Table 3

## Youth unemployment rates

Youth unemployment (less than 25 years)

Eurostat March 2013

Annual averages in 2013



Source: Eurostat, labour force survey

Table 4

## Harmonised index of consumer prices

Eurostat March 2014

HICP all items

GEO/TIME	2007	2008	2009	2010	2011	2012	2013
EU 28	2,4	3,7	1,0	2,1	3,1	2,6	1,5
EA 18	2,2	3,3	0,3	1,6	2,7	2,5	1,3
Belgium	1,8	4,5	0,0	2,3	3,4	2,6	1,2
Bulgaria	7,6	12,0	2,5	3,0	3,4	2,4	0,4
Czech Republic	3,0	6,3	0,6	1,2	2,1	3,5	1,4
Denmark	1,7	3,6	1,1	2,2	2,7	2,4	0,5
Germany	2,3	2,8	0,2	1,2	2,5	2,1	1,6
Estonia	6,7	10,6	0,2	2,7	5,1	4,2	3,2
Ireland	2,9	3,1	-1,7	-1,6	1,2	1,9	0,5
Greece	3,0	4,2	1,3	4,7	3,1	1,0	-0,9
Spain	2,8	4,1	-0,2	2,0	3,1	2,4	1,5
France	1,6	3,2	0,1	1,7	2,3	2,2	1,0
Croatia	2,7	5,8	2,2	1,1	2,2	3,4	2,3
Italy	2,0	3,5	0,8	1,6	2,9	3,3	1,3
Cyprus	2,2	4,4	0,2	2,6	3,5	3,1	0,4
Latvia	10,1	15,3	3,3	-1,2	4,2	2,3	0,0
Lithuania	5,8	11,1	4,2	1,2	4,1	3,2	1,2
Luxembourg	2,7	4,1	0,0	2,8	3,7	2,9	1,7
Hungary	7,9	6,0	4,0	4,7	3,9	5,7	1,7
Malta	0,7	4,7	1,8	2,0	2,5	3,2	1,0
Netherlands	1,6	2,2	1,0	0,9	2,5	2,8	2,6
Austria	2,2	3,2	0,4	1,7	3,6	2,6	2,1
Poland	2,6	4,2	4,0	2,7	3,9	3,7	0,8
Portugal	2,4	2,7	-0,9	1,4	3,6	2,8	0,4
Romania	4,9	7,9	5,6	6,1	5,8	3,4	3,2
Slovenia	3,8	5,5	0,9	2,1	2,1	2,8	1,9
Slovakia	1,9	3,9	0,9	0,7	4,1	3,7	1,5
Finland	1,6	3,9	1,6	1,7	3,3	3,2	2,2
Sweden	1,7	3,3	1,9	1,9	1,4	0,9	0,4
United Kingdom	2,3	3,6	2,2	3,3	4,5	2,8	2,6
Iceland	3,6	12,8	16,3	7,5	4,2	6,0	4,1
Norway	0,7	3,4	2,3	2,3	1,2	0,4	2,0
Switzerland	0,8	2,3	-0,7	0,6	0,1	-0,7	0,1
Turkey	8,8	10,4	6,3	8,6	6,5	9,0	7,5

Table 5

## Real labour productivity in the total economy

Eurostat March 2014 Real labour productivity shows the ratio between production volumes in the total economy and the developments of hours worked (the figures for Croatia, Macedonia and Switzerland are for employed persons)

GEO/TIME	2007	2008	2009	2010	2011	2012	2013
EU 28	1,5	-0,4	-1,5	2,4	1,3	0,4	0,6
EA 18	1,4	-0,2	-1,1	2,0	1,3	0,7	0,7
Belgium	0,9	-0,4	-1,5	1,3	-0,3	-0,2	0,5*
Bulgaria	3,1	1,3	-1,1	4,5	4,2	3,1	-0,2
Czech Republic	4,4	0,4	-1,5	1,7	1,8	-0,9	
Denmark	0,6	-1,9	-2,5	5,2	0,2	0,1	0,8
Germany	1,7	-0,1	-2,5	1,8	1,8	0,4	0,3
Estonia	6,8	-2,8	2,5	5,0	0,1	3,5	
Ireland	1,3	-0,4	3,4	3,7	4,0	0,5	
Greece	3,5	3,0	-4,9	-3,3	-2,7	1,7	0,1
Spain	1,3	0,7	2,4	1,9	1,6	3,5	1,8*
France	0,1	-1,0	-0,6	1,2	1,2	0,2	
Croatia	1,5	1,0	-5,2	3,0	2,2	2,1	
Italy	0,3	-0,7	-2,2	2,4	0,2	-1,0	
Cyprus	2,2	1,9	-0,9	1,1	-0,1	1,1	
Latvia	26,1	-8,0	-1,5	6,7	2,9	4,7	2,1
Lithuania	5,7	1,9	-6,5	14,0	7,0	1,9	
Luxembourg	1,5	-6,3	-2,4	1,1	-0,9	-2,1	0,4*
Hungary	-0,3	2,6	-3,6	0,5	0,4	2,9	1,0
Malta	-0,3	-0,1	-4,9	3,5	-6,3	2,2	
Netherlands	1,6	0,1	-2,4	2,1	0,2	-1,2	0,5
Austria	2,2	0,5	-0,2	1,9	0,5	0,9	
Poland	2,3	1,7	2,0	7,0	4,2	2,1	
Portugal	1,7	0,2	-0,2	3,7	1,3	0,5	
Romania	5,4	7,3	-4,2	-0,5	1,4	-0,3	
Slovenia	4,3	-0,1	-0,2	2,8	3,9	-0,4	0,2
Slovakia	7,2	2,3	-2,3	4,4	2,0	2,0	0,9*
Finland	3,2	-1,2	-5,2	3,2	1,5	-1,2	0,5
Sweden	0,2	-1,8	-2,2	3,9	0,9	1,1	1,2
United Kingdom	2,6	-1,2	-2,3	1,1	0,7	-1,7	0,7*
Norway	-1,8	-3,4	0,4	0,4	-0,5	0,9	0,0
Switzerland	1,9	0,3	-2,4	2,4	-0,6	-0,4	
Macedonia	1,8	-1,2	-3,4	1,4	-0,3		

\*Per person

## Table 6

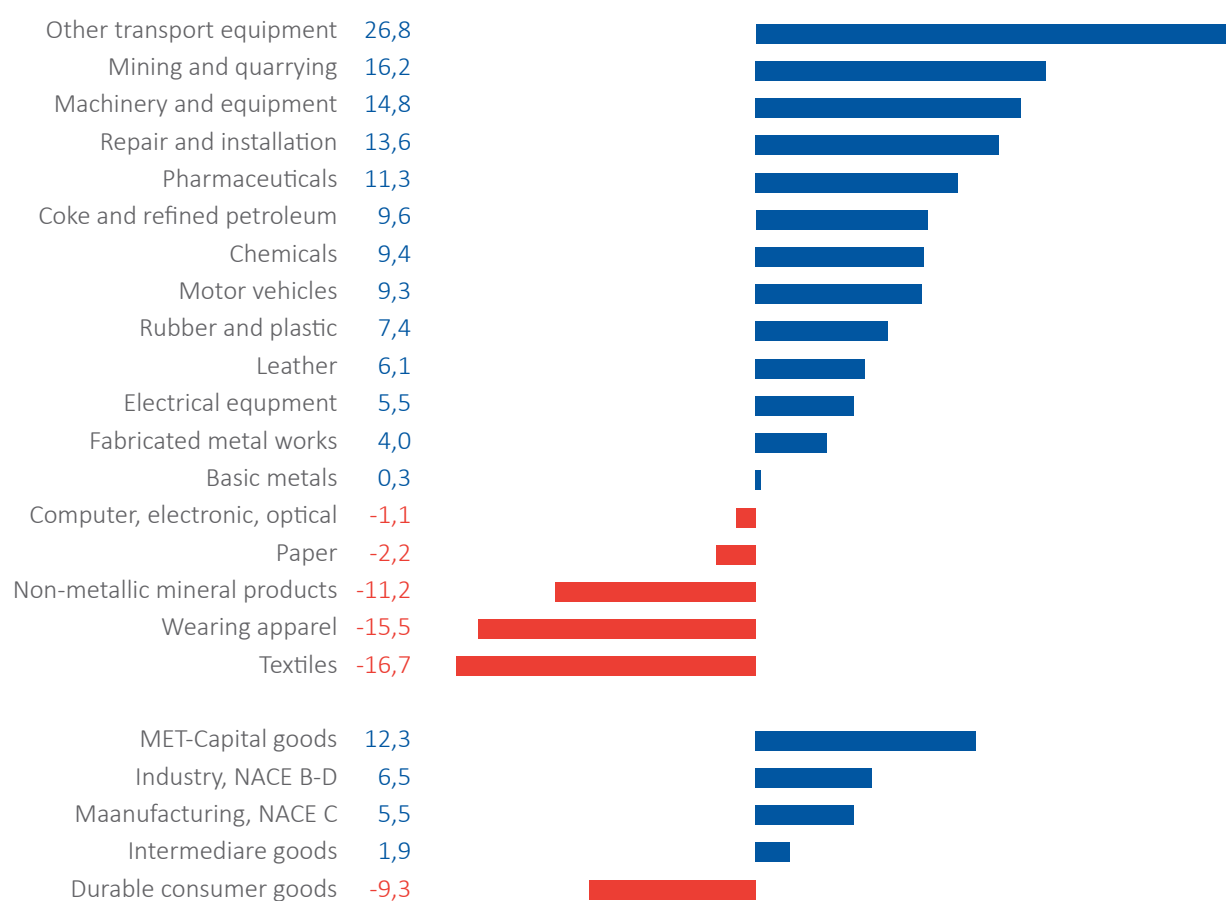
### Nominal gross wages and salaries

(Total remuneration, income taxes and social contributions paid by the workers, not by the employers)

Eurostat March 2014

EU 28: Nominal wage increases sectors

Percentage changes 2013/2007

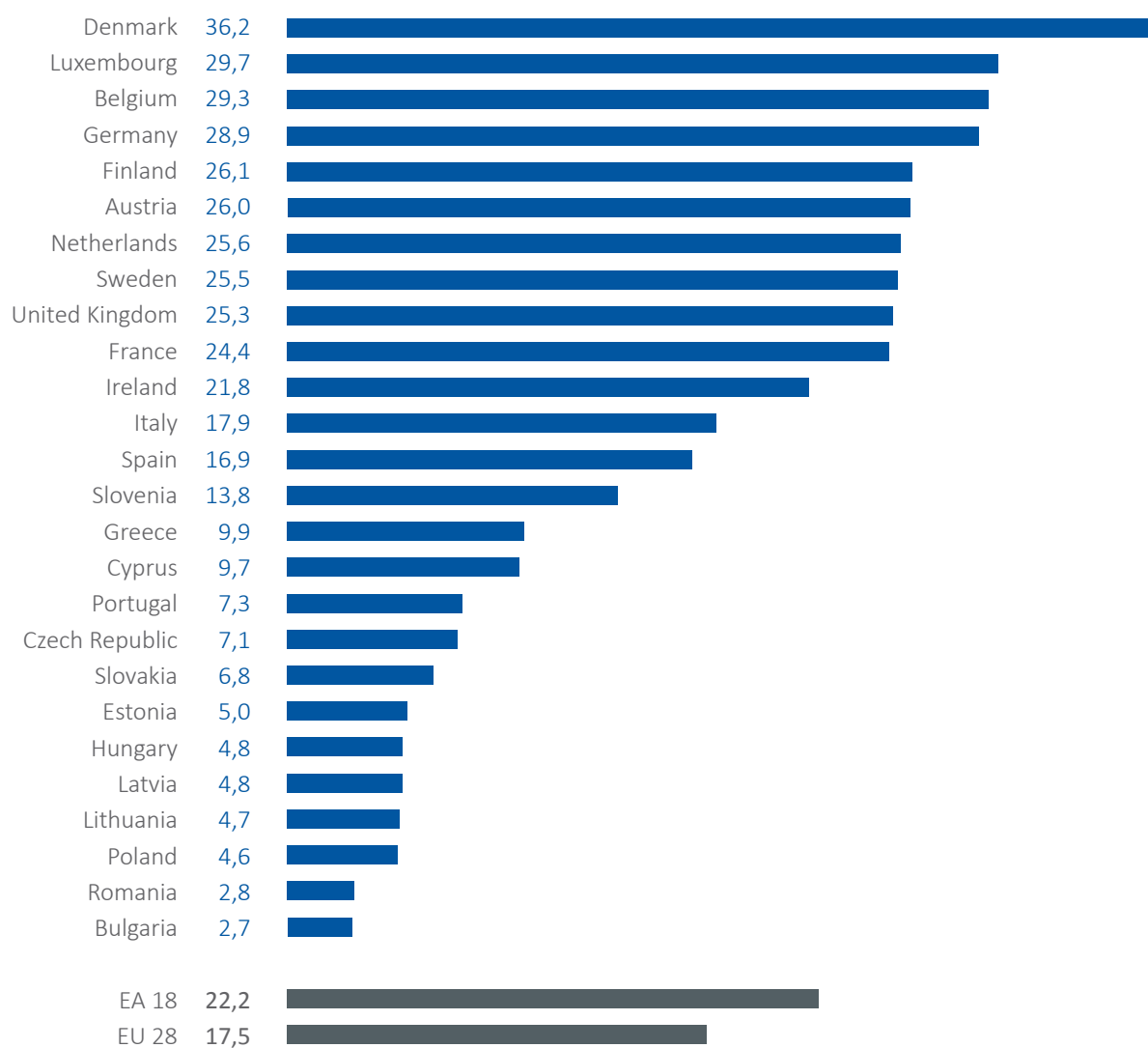


Source: Eurostat, short term business statistics

Table 7

## Wages per hour in euro in the manufacturing sector

Industry wages per hour in euro 2012



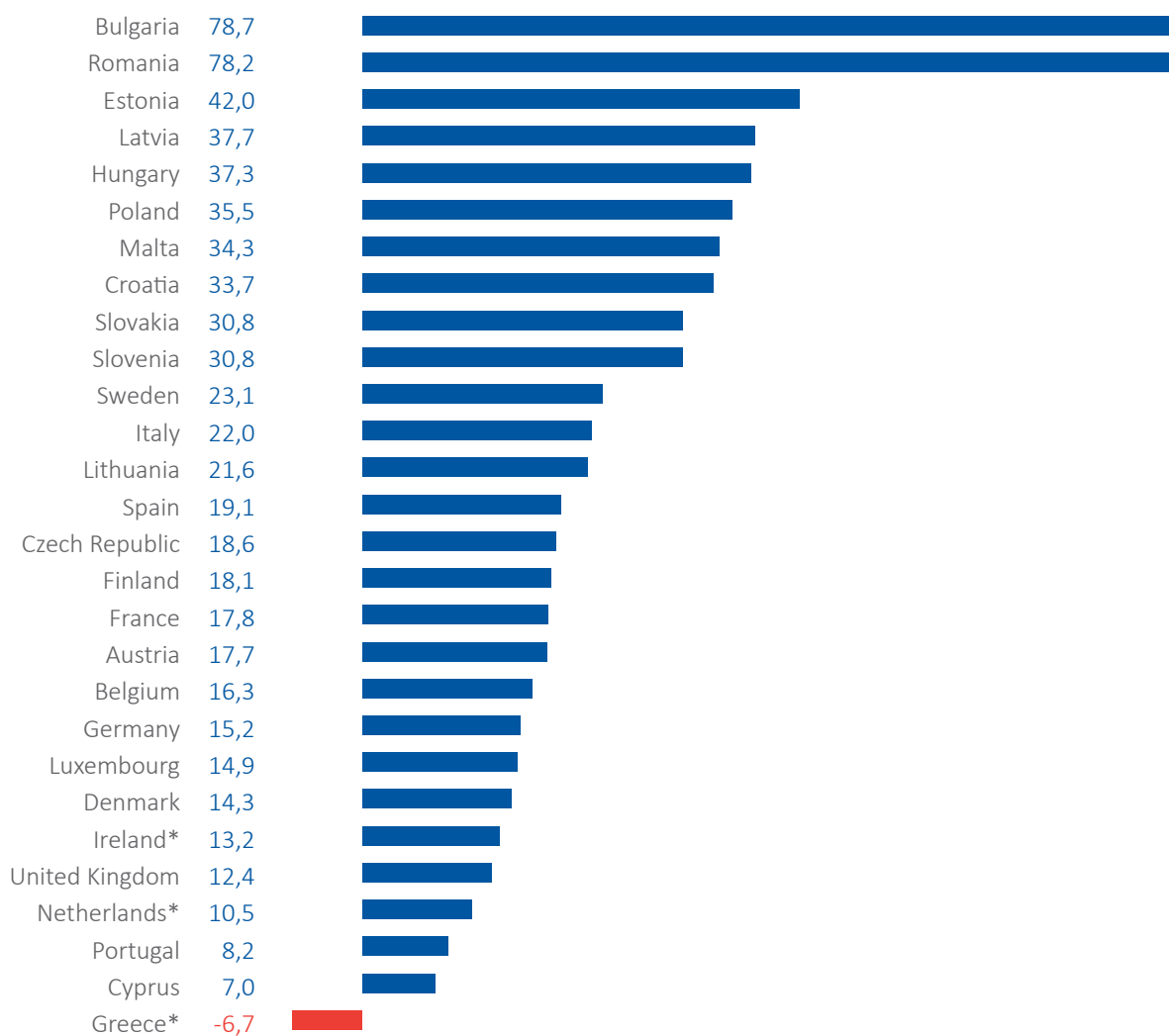
Source: Eurostat, national accounts, NACE B-E



## Table 8

### Percentage changes in nominal wages per hour in the manufacturing sector

Nominal wages per hour in euro 2012



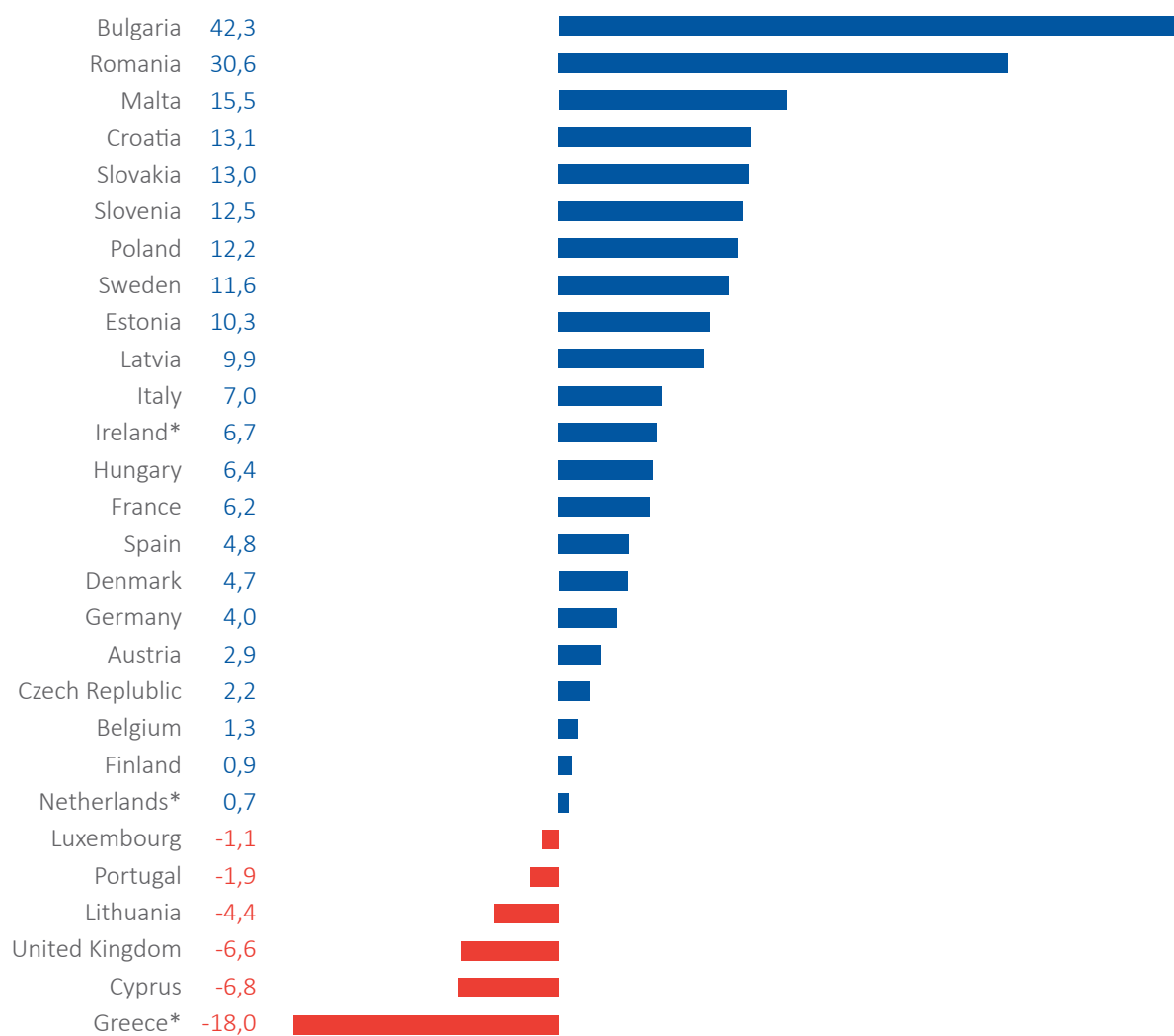
\*2012

Source: Eurostat, short-term business statistics, NACE B-D

## Table 9

### Real wages per hour in the manufacturing sector

Real wages per hour, percentage changes 2013/07



\*2012

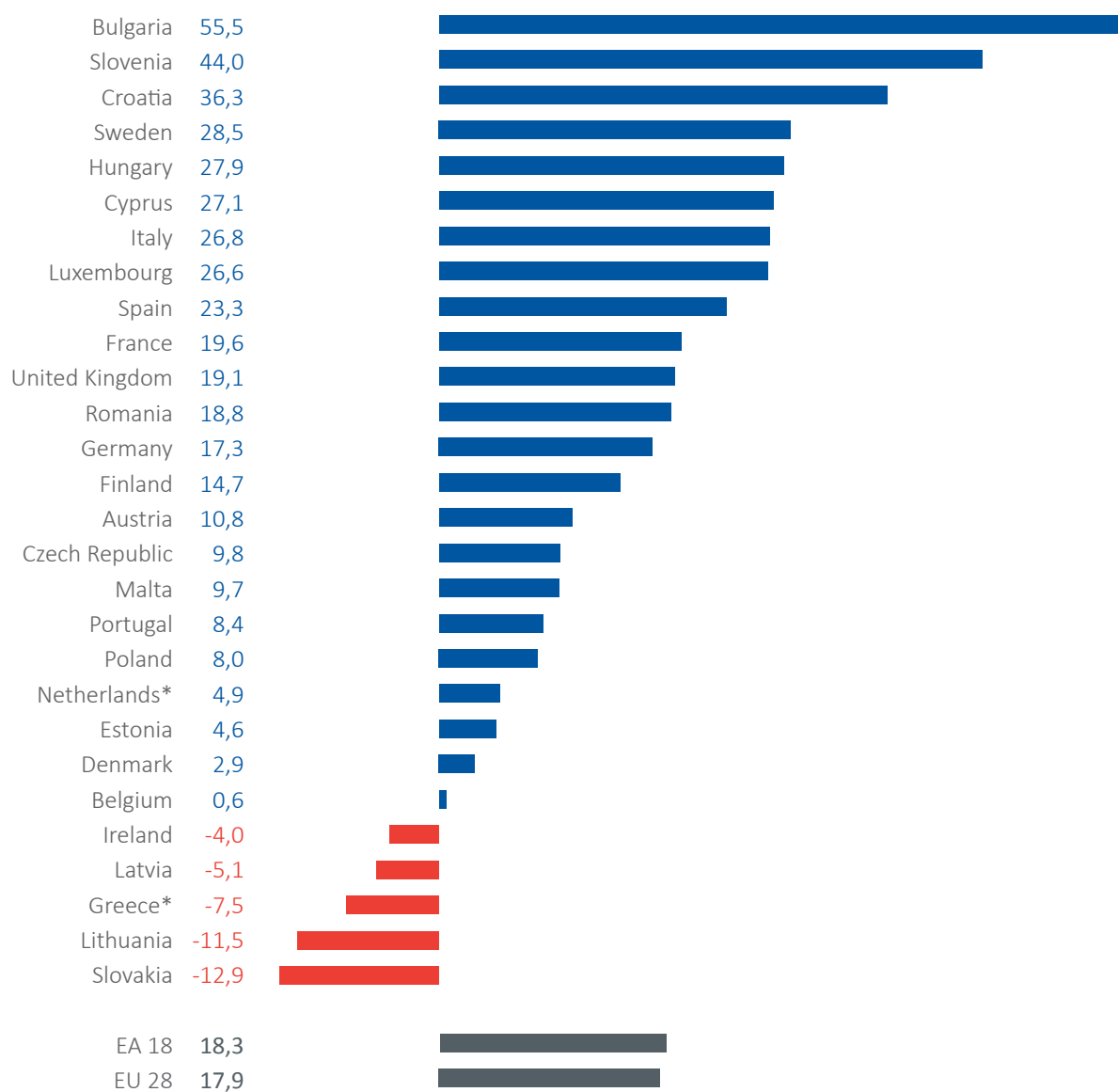
Source: Eurostat, short-term business statistics, NACE B-D

## Table 10

### Nominal unit labour cost in the manufacturing sector

(nominal wages divided by production volumes)

Nominal unit labour cost, percentage changes 2013/07



\*2012

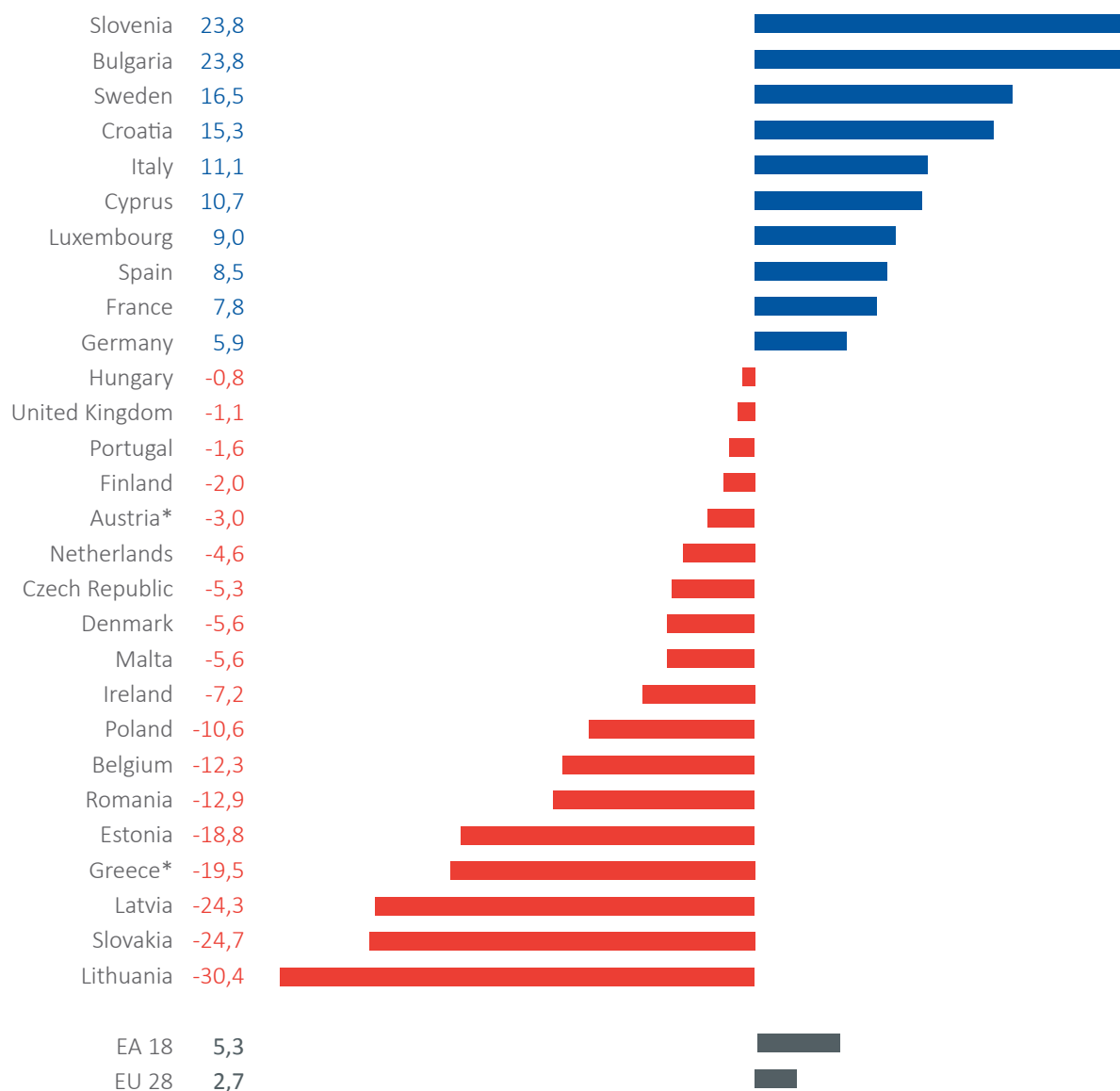
Source: Eurostat, short-term business statistics, NACE B-D

## Table 11

### Real unit labour cost in the manufacturing sector

(nominal labour cost deflated by the harmonised index of consumer prices)

Real unit labour cost, percentage changes 2013/07



\*2012

Source: Eurostat, short-term business statistics, NACE B-D

Table 12

## Adjusted wage share

AMECO, total economy

Country/year	2007	2008	2009	2010	2011	2012	2013
EU 27	56.5	57.1	58.9	58.0	57.7	57.8	57.4
EA 17	55.4	56.3	58.1	57.3	57.0	57.2	56.8
Belgium	59.6	60.9	62.5	61.4	61.7	62.4	61.9
Bulgaria	46.1	47.8	51.7	53.1	51.1	50.8	50.9
Czech	49.5	50.3	50.5	51.0	51.5	51.4	51.3
Denmark	58.3	59.4	62.1	59.2	58.8	58.1	57.5
Germany	55.1	55.9	58.3	57.3	57.6	58.4	58.2
Estonia	50.6	54.8	56.2	52.5	51.0	51.0	50.9
Ireland	50.2	55.3	56.2	53.7	51.7	50.1	48.9
Greece	53.3	54.5	56.8	54.9	52.4	48.5	48.0
Spain	55.3	56.6	57.3	55.6	53.8	52.3	51.4
France	56.8	57.2	58.7	58.7	58.8	59.1	58.8
Italy	53.7	54.7	55.7	55.2	55.1	54.9	54.2
Cyprus	55.0	53.5	57.1	55.4	55.4	53.4	52.3
Latvia	53.0	56.6	52.8	48.7	47.2	46.4	45.6
Lithuania	49.7	50.0	51.2	46.5	44.0	43.3	42.1
Luxembourg	45.8	46.6	50.5	49.0	48.3	49.6	49.3
Hungary	53.0	52.5	52.2	49.0	49.4	49.6	49.5
Malta	51.4	51.5	53.2	51.4	50.6	50.3	49.8
Netherlands	56.8	57.3	60.5	59.2	58.9	59.5	59.0
Austria	55.5	56.6	58.7	57.7	57.2	58.0	57.6
Poland	46.5	48.5	47.8	48.2	47.5	47.0	47.3
Portugal	57.2	58.3	59.6	58.1	57.2	55.1	54.1
Romania	56.6	60.4	59.7	60.7	57.1	56.5	55.7
Slovenia	59.9	61.1	64.5	65.4	65.2	65.1	63.7
Slovakia	42.3	43.0	46.5	45.7	44.7	44.2	43.5
Finland	53.7	55.6	59.6	58.6	57.1	56.9	56.6
Sweden	56.9	56.9	58.2	56.5	55.5	56.4	56.5
UK	62.0	62.3	64.8	64.0	63.6	63.4	62.8
Croatia	56.1	57.2	58.4	59.2	57.1	56.8	56.2
Macedonia	47.0	48.5	53.4	54.0	54.0	53.8	53.8
Iceland	69.9	65.0	59.1	59.9	60.7	61.2	61.5
Turkey	33.8	33.0	34.6	34.1	29.7	28.7	28.0
Montenegro	65.5	70.1	67.8	72.0	69.6	67.1	66.1
Switzerland	69.1	69.0	71.5	70.1	70.8	72.0	72.0
Norway	45.9	45.2	50.5	48.9	48.3	47.6	47.2

Table 13

## The Wage Coordination Rule 2009

deducting harmonised consumer price indices (not national) and real labour productivity growth per hour in the total economy from the value of the whole agreement as reported by affiliates per country in the same years

Country	Value of the Whole Agreement (VOWA)	Inflation	Offset inflation rate	Labour productivity	Balanced participation in productivity gains (BPPG)
Metal					
Belgium	2.1	0.0	2.1	-1.5	3.6
Czech	3.1-3.6	0.6	2.5-3.0	-1.5	4.0-4.5
Croatia	2.5	2.2	0.3	-5.2	5.5
Denmark	3.5	1.1	2.4	-2.5	4.9
Germany	1.5-3.9	0.2	1.3-3.7	-2.5	3.8-6.2
Hungary	2.7	4.0	-1.3	-3.6	4.9
Netherlands	6.3	1.0	5.3	-2.4	7.7
Norway	3.6-4.5	2.3	1.3-2.2	0.4	0.9-1.8
Slovakia	2.7-3.3	0.9	1.8-2.4	-2.3	4.1-4.7
Slovenia	2.3	0.9	1.4	-0.2	1.6
Spain	2.4	-0.2	2.6	2.4	0.2
Sweden	4.1	1.9	2.2	-2.2	4.4
Switzerland	2.2	-0.7	2.9	-2.4	5.3
TCL					
Austria	2.7-3.6	0.4	2.3-3.2	-0.2	2.5-3.4
Belgium	2.0-6.2	0.0	6.2	-1.5	7.7
Denmark	2.0	1.1	0.9	-2.5	3.4
Germany	1.7-2.0	0.2	1.5-1.8	-2.5	4.0-4.3
Portugal	2.1-4.3	0.9	3.0-5.2	-0.2	3.2-5.4
Spain	0.8-2.5	-0.2	1.0-2.7	2.4	3.5-5.1
Sweden	3.8	1.9	1.9	-2.2	4.1
UK	1.5-4.7	2.2	3.7-6.9	-2.3	6.0-9.2

Table 14

2010

Country	Value of the Whole Agreement (VOWA)	Inflation	Offset inflation rate	Labour productivity	Balanced participation in productivity gains (BPPG)
Metal					
Belgium	1.4	2.3	-0.7	1.3	-2.0
Bulgaria	1.8-3.0	3.0	-1.2-0.0	4.5	-3.3 to -4.5
Croatia	2.5	1.1	1.4	3.0	-1.6
Czech	0.1-1.1	1.2	-1.1 to -0,1	1.7	-1.6 to -0.6
Denmark	2.1	2.2	-0,1	5.2	-5.3
Germany	1.8	1.2	0.6	1.8	-1,2
Netherlands	2.5	0.9	1.6	2.1	-0.5
Norway	3.8	2.3	1.5	0.4	1.1
Slovakia	2.3-3.1	0.7	1.6-2.4	4.4	-2.8 to -2.0
Slovenia	5.0	2.1	2.9	2.8	0.1
Sweden	1.2	1.9	-0.7	3.9	- 4.6
TCL					
Austria	1.3-1.8	1.7	-0.4-0.1	1.9	-2.3 to -1.8
Belgium	2.0-3.0	2.3	-0.3-0.7	1.3	-1.6 to -0.6
Denmark	2.5	2.2	0.3	5.2	-4.9
Finland	1.1	1.7	-0.6	3.2	-3.8
Germany	2.0-2.6	1.2	0.8-1.4	1.8	-1.0 to -0.4
Italy	1.8	1.6	0.2	2.4	-2.2
Norway	3.0	2.3	0.7	0.4	0.3
Portugal	1.5-5.1	1.4	0.1-3.7	3.7	-3.6-0.0
Spain	0.8-2.58	2.0	-1.2-0.5	1.9	-3.1 to -1.4
Sweden	1.1	1.9	-0.8	3.9	-3.1

Table 15

2011

Country	Value of the Whole Agreement (VOWA)	Inflation	Offset inflation rate	Labour productivity	Balanced participation in productivity gains (BPPG)
Metal					
Belgium	2.5	3.4	-1.1	-0.3	-0.3
Czech	1.8	2.1	-0.3	1.8	-2.1
France	2.5	2.3	0.2	1.2	-1.0
Germany	1.5	2.5	-1.0	1.8	-2.8
Netherlands	3.0-5.3	2.5	0.5-2.8	0.2	0.3-2.6
Norway	3.9	1.2	2.7	-0.5	3.2
Slovakia	2.8-3.6	4.1	-1.3 to -0.5	2.0	0.7-1.5
TCL					
Belgium	2.0-3.1	3.4	-1.4-0.3	-0.3	-1.1-0.0
Finland	2.0	3.3	-1.3	1.5	-1.8
France	2.0	2.3	-0.3	1.2	-1.5
Germany	2.0-4.3	2.5	-0.5-1.8	1.8	-2.3-0.0
Italy	2.9	2.9	-0.9	0.2	-1.1
Norway	3.5	1.4	2.3	-0.5	2.8
Portugal	1.5-2.5	3.6	-2.1 to -1.1	1.3	-3.4 to -2.4
Sweden	2.3	1.4	0.9	0.9	0.0



Table 16

2012

Country	Value of the Whole Agreement (VOWA)	Inflation	Offset inflation rate	Labour productivity	Balanced participation in productivity gains (BPPG)
Metal					
Belgium	2.7	2.6	0.1	-0.2	0.3
Bulgaria	5.8	2.4	3.4	3.1	0.3
Czech	1.8-2.6	3.5	-1.7 to -0.9	-0.9	-0.8-0.0
Denmark	2.0	é.4	-0.4	0.1	-0.5
Germany	3.5	2.1	1.4	0.4	1.0
Ireland	1.0-2.5	1.9	-0.9-0.6	4.0	1.0
Netherlands	2.0-3.5	2.8	-0.8-0.7	-1.2	1.4-1.9
Norway	4.0	0.4	3.6	0.9	2.7
Slovakia	2.0-3.5	3.7	-1.7 to -0.2	2.0	0.3-1.8
Slovenia	3.5-4.0	2.8	0.7-1.2	-0.4	1.1-1.6
Spain	1.9	2.4	-0.5	3.5	-4.0
Sweden	2.6	0.9	1.7	1.1	0.6
Chemical					
Czech	1.9	3.5	-1.6	-0.9	-0.7
Finland	2.4	3.2	-0.8	-1.2	0.4
Latvia	2.0	2.3	-0.3	4.7	-4.4
Norway	4.0	0.4	3.6	0.9	2.7
Spain	0.5-1.9	2.4	-1.9	3.5	-5.4
TCI					
Belgium	2.0-3.7	2.6	-0.6-1.1	-0.2	-0.4-0.9
Finland	2.6	3.2	-0.6	-1.2	0.6
Germany	0.3	2.1	0.9	0.4	0.5
Sweden	2.6	0.9	1.7	1.1	0.6

Table 17

2013

Country	Value of the Whole Agreement (VOWA)	Inflation	Offset inflation rate	Labour productivity	Balanced participation in productivity gains (BPPG)
Metal					
Bulgaria	5.4	1.2	4.2	2.4**	1.8
Czech	1.6-2.1	1.4	0.2-0.7	-0.2	0.0-0.9
Germany	3.1	1.6	1.5	0.3	1.2
Netherlands	2.0	2.6	-0.6	0.5	-0.1
Slovakia	3.3	1.5	1.8	0.9*	0.9
Slovenia	3.5-4.5	1.9	1.6-2.6	0.2	1.4-2.4
Sweden	1.9-2.2	0.4	1.5-1.8	1.2	0.3-1.6
Chemical					
Czech	2.0	1.4	0.6	-0.2	0.8
Finland	1.9	2.2	-0.3	0.5	-0.8
Latvia	3.0	0.0	3.0	2.1	0.9
Spain	0.0	1.5	-1.5	1.8	-3.3
Sweden	2.0	0.4	1.6	1.2	0.4
TCI					
Belgium	0.0	1.2	-1.2	0.5*	-1.7
Finland	2.4	2.2	0.2	0.5	-0.3
Germany	2.2-3.3	1.6	0.6-1.7	0.3	0.3-1.4
Sweden	2.1-2.2	0.4	1.7-1.8	1.2	0.5-1.6

\*Per person, not per hour

\*\*AMECO forecast per person



## Appendix II

### The Common Demands 2005-2014

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- 3 The common demand for collective bargaining, for more secure employment, against precarious work
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- 4 Cooperation with other organisations
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# 1 Introduction

IndustriAll European Trade Union and its three founding federations (EMF, EMCEF and ETUF/TCL) took an important step in the further coordination of national collective bargaining policies by launching the principle of having European-wide common demands. The idea behind this was to identify issues of concern and to highlight important elements within the collective bargaining rounds in all European countries at the same time. Trade unions were invited to act upon the common demands in an open and creative way, adapting them to the systems in their respective countries.

The common demands give a clear message to the employers and the national and European political authorities: that the topics are of great significance to the workers in the whole of Europe and that trade unions are determined to work closely together in these fields. The common demand on **training** in 2005 and the later one on **precarious employment** were first launched separately by the highest decision-making bodies of the three former federations. A joint decision on a common demand against precarious work was adopted by the first ever industriAll Europe Executive Committee meeting in November 2012.

The common demands include:

- *Political goals agreed at European level*
- *A method of implementation (Open method of coordination)*
- *A time frame*
- *A campaign.*

Roadmaps describing plans for collective bargaining, political lobbying, media campaigns, events, etc. have been disseminated, collected and put together by industriAll Europe. Mid-term evaluations and targeted surveys - for example on temporary agency work - have been conducted.

This report on implementation includes an up-date on good practices per country, either new initiatives or prolongations or improvements of already existing systems. Based on an overall assessment, both common demands have been successful, and unions in manufacturing industries across Europe are still following them up.

## 2 The common demand on the individual right to training

The common demand on the individual right to training guaranteed by collective agreements was adopted by the European Metalworkers' Federation (EMF) Collective Bargaining Conference in Rome in 2005 and was later followed-up by a similar decision by the European Trade Union Federation: Textiles, Clothing and Leather (ETUF/TCL).

The idea was to establish a common European policy platform in the form of a

common European demand, which the national affiliates should use in their collective bargaining rounds in order to secure rights for workers in the area of education and training.

Via a “Method of Open Co-ordination”, the EMF, the ETUF/TCL and their member organisations set out on a new and challenging path. Different methods of evaluation were used in order to follow the process and exchange good practices regarding the implementation of the common demand in the member organisations and its use in bargaining rounds.

## 2.1 The follow-up in the EMF

Roadmaps describing how the member organisations intended to work with the demand were circulated in January 2006 and a mid-term evaluation was conducted in August 2007. A third questionnaire was disseminated in December 2008. The response rate was 53% of the member organisations and 62% of the countries. With this, a process of evaluation had been established within the EMF.

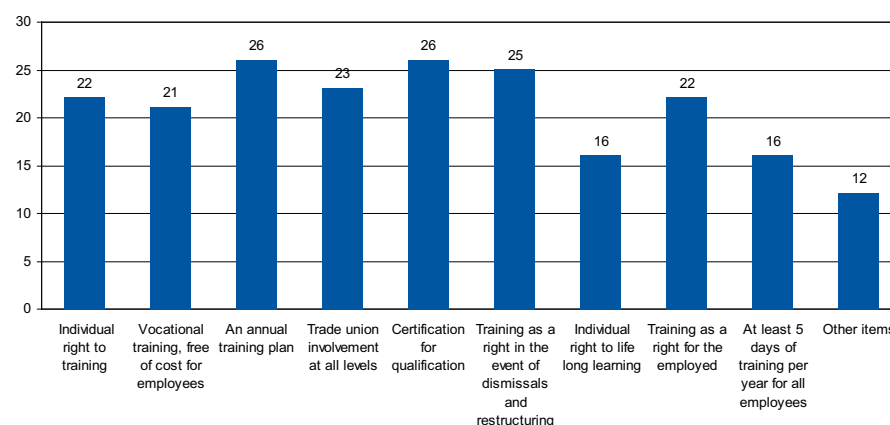
One of the first steps in achieving results was, of course, to have it raised in the national collective bargaining rounds. Asked whether or not the demand had been raised by the trade unions, 90% answered “yes” and the remaining 10% “no”.

Participants in the survey were also asked how the objective of the common demand had been integrated in their organisations. A wide range of different methods had been used including:

- › *Publications and promotion in member magazines and on websites*
- › *Discussions among members, shop stewards and trade union officers*
- › *Special resolutions at congresses*
- › *Training seminars and workshops.*

Figure 1 below gives an overview of main demands raised by EMF member organisations

### 1. Demands raised by category



The results reached by the EMF affiliates in the negotiations can be seen in figure 2. The results reached by most organisations were an annual training plan and training as a right for the employed. Results were also reached on other items. There were fewer achievements concerning the individual right to lifelong learning and at least five days of training per year for all employees.

## 2. Results achieved by category

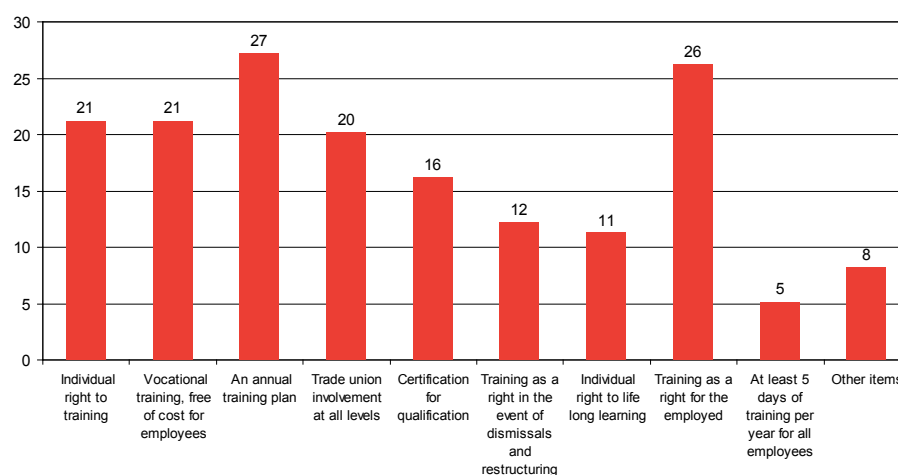
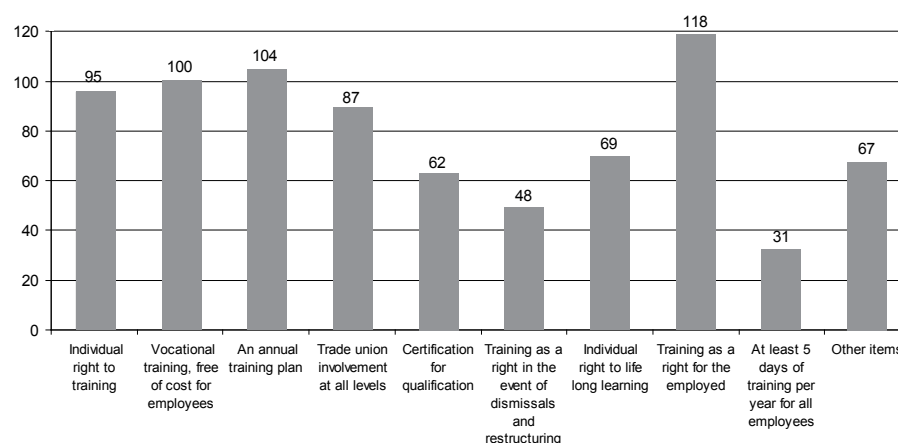


Figure 3 below contains information on the actual results reached in the area of education and training. It gives an indication of the “success rate” of the different demands raised by comparing the number of demands submitted in one category with the number of results reached in that same category. In some instances, the number of results reached is higher than the number of demands originally raised, which shows how priorities can be changed during a collective bargaining round.

Training as a right for the employed, an annual training plan and the individual right to training are the demands with the highest success rate, whereas the individual right to lifelong learning and at least five days of training per year for all employees are the demands with the lowest success rate on the collective bargaining table.

## 3. Results as a percentage of the demands



## 2.2 The follow-up by the ETUF/TCL

As previously mentioned, the ETUF/TCL made a similar decision to that of the EMF and conducted a parallel evaluation through surveys and a mid-term evaluation. 27 member organisations from 19 different countries took part in its mid-term evaluation.

This showed that, in the main, the old Member States of the EU (plus Norway) had already conducted negotiations as opposed to the newer Member States. Of the 18 member organisations which had had negotiations with the employers, only two did not manage to reach an agreement, meaning that results had been accomplished in 89% of the bargaining rounds or consultations where the demand had been submitted.

Trade unions had been involved at all levels and an individual right to training, an annual training plan and certification for qualification were the most common results achieved. On the other hand, at least five days of training per year for all employees and vocational training cost-free for employees were also the least common results reached in the bargaining/consultation rounds within ETUF/TCL.

In addition, respondents also had the opportunity to describe other accomplishments such as the right for apprentices to have one week of paid training leave ahead of final graduation.

## 2.3 Further initiatives and results after 2009

Within the EMF, efforts were made and results achieved by numerous affiliates also after 2009. Here are some examples:

- › *Austria: One week of paid training leave was given for preparation of final exams in connection with vocational training, higher allowances for apprentices and better job opportunities after completion of education.*
- › *Belgium: In the metal industry, 0.2% was provided for two years, on top of wages, in order to provide training opportunities for workers who found themselves in a risky situation in the labour market. This arrangement was established back in the 1990s and was prolonged after the adoption of the common demand on training. The money is transferred to a metal sector fund (other sectors have similar training funds). In addition, 1.9% has been set aside for education purposes according to an inter-sectoral agreement. However, Belgian unions do not have a complete overview with regard to how much of this money is actually spent.*
- › *Bulgaria: Training financed by the employer for training and re-training included courses in foreign languages, including special courses for workers who are less than three years away from retirement in order to better protect their jobs.*
- › *Denmark: Unions managed to combine both common demands through*



*new tools aimed at ensuring that the key competences of employees matched the demands in the labour market in order to reduce employers' incentives to resort to various types of precarious employment.*

- › *Finland: In collective agreements there was special focus on the skills needs of older workers so that ageing staff would be able to keep up with changes in their job situations.*
- › *France: A detailed agreement on education in the metalworking sector was concluded between five federations and their counterparts in 2011. A national collective agreement was signed in December 2013 by the confederations CFDT, CFE-CGC, CFTC and FO. The collective agreement created a new individual right to vocational training by setting up an individual account. This right was enforced by law in March 2014. Starting from the age of 16 year until retirement, each employee will have an "individual training account" as from 1st January 2015, which makes it possible to accumulate hours of training: at least 24 hours a year over five years, plus twelve hours per year over two years, limited to 150 hours. These hours can be supplemented by the company, the unemployment system, the public authorities (state, region) or by the employee.*
- › *Germany: A recent major accomplishment has been a collective agreement on part-time work and qualifications called "Future in qualification". It combines partial wage reductions with training and was an instrument promoted during the crisis years for workers who benefited from training instead of losing their jobs.*
- › *The Netherlands: The individual right to two days of training were given inside companies, also with career coaches, in order to improve employees' employability.*
- › *Slovakia: Many company agreements include the right to professional development. The employers have committed themselves to improving training rights for trade union representatives and health and safety representatives.*
- › *Sweden: The parties to an agreement for white-collar workers agreed to create a training system in order to avoid future lay-offs (0.2%). Special training was offered to employees who returned to work after long periods of sickness.*

Initiatives were taken and a few achievements were made also in ETUF/TCL in the years 2009-2011.

- › *Austria: The social partners held talks on the introduction of individual training accounts for workers.*
- › *Czech Republic: Financing of retraining programmes by the employers was an issue in collective bargaining.*
- › *Finland: The social partners agreed on three days per year for training activities.*
- › *Italy: Annual meetings between management and workers' representatives were laid down in collective agreements as well as training schemes, which*

*were activated in the event of temporary working time reductions.*

- › *Sweden: Unions demanded training as an alternative to lay-offs.*
- › *Slovakia and Turkey: Unions demanded training during working hours.*

IndustriAll European Trade Union has negotiated and signed transnational collective agreements which include rights to training. A good example is an agreement on “A Transparent annual Activity Discussion for mutual Listening and developing professional Knowledge” (TALK) signed in 2010 with the Thales Group. An agreement on anticipation of change was signed in 2011 with another large French multinational conglomerate, Alstom, which includes numerous references to the necessity of providing training. The upgrading of the skills of each employee, through lifelong learning, in order to enable the workers to maintain and progress professionally in the job market is guaranteed in an agreement on corporate social responsibility of 2005 with the multinational steel giant ArcelorMittal.

## 2.4 Main conclusions on training rights

The following conclusions and recommendations stem from the complete evaluations of the federations concerned, and also the Eucob@n reports, up to 2013:

- › *The issue of training and education has been raised in a large number of collective bargaining rounds since 2005, mostly in the first years, but also after 2009.*
- › *Concrete results have been reached in most of these collective bargaining rounds, but the issue is not closed since a collective bargaining demand, and the topic, will continue to be on the collective bargaining table in the future.*
- › *However, one could wish that improved training rights had been promoted as a **European** common demand in more bargaining rounds than has been the case.*

## 3 The common demand for collective bargaining, for more secure employment, against precarious work

The three founding members of industriAll European Trade Union had all approved common demands on the topic of creating more secure employment and fighting against precarious work. The campaigns on these common demands were still ongoing at the time of the creation of industriAll European Trade Union. In 2013, industriAll Europe therefore strongly reaffirmed this common demand as a priority topic. The reasons for this demand, as well as its objectives, as elaborated by the original founding members, had remained largely unchanged.

The background for these decisions was the dramatic increase in precarious work

in all countries in Europe, in particular after the onset of the financial and economic crisis in 2008. Not only was there a persistently high rate of unemployment in many EU Member States, but there was also an erosion of what are classified as the 'norm', 'standard' or 'typical' forms of employment. Unemployment statistics clearly demonstrated that the most vulnerable groups were young and migrant workers and, above all, women.

Trade unions throughout Europe had been constantly faced with attempts from employers to erode workers' rights in a quest to gain greater flexibility. The EU, governments and employers had argued that flexibility gave rise to employment opportunities, but they normally overlooked/forgot the security and labour rights elements. This resulted in higher levels of more precarious employment.

According to IndustriAll Europe, jobs are precarious if they are jobs:

- › *With little or no job security*
- › *With low and unsecured wages*
- › *Without or with insufficient access to social security (concerning pension, health insurance, unemployment payment)*
- › *Without control over the labour process, which is linked to the presence or absence of trade unions and relates to control over working conditions, wages, working time and the pace of work*
- › *Without any protection against dismissals*
- › *Without access to vocational training*
- › *Without career opportunities*
- › *With little or no health and safety protection at work*
- › *Without legal or contractual protection*
- › *With no trade union representation.*

### 3.1 Types of precarious work

It is virtually impossible to cite all of the new kind of contract relationships that have been created in the last few years simply because there are too many of them. The decision nevertheless provided a **non-limitative** list of **possible** action points:

- › *Fixed-term contracts*
- › *Temporary agency work (through agencies, triangular model)*
- › *Bogus self-employed (self-employed under the supervision and direct control of a company.*
- › *Project-based contracts (contracts which provide a task the worker has to undertake in return for a given remuneration. Often there are no provisions for working time, working conditions and no social security.*
- › *Zero-hour contracts (this is employment outside the scope of traditional on-call work. The worker is on-call if and when the company needs him/her and the worker is only paid for the hours he/she is called to carry out).*
- › *Unwanted part-time work*

- › *Outsourcing/subcontracting often resulting in precariousness for the down chain firms.*
- › *Non-solicitation agreement/non-competition agreement (arrangements between two companies for the purpose of preventing one company from hiring employees from the other).*

In most cases, it is the open-ended contracts in a company that come under more and more competition from these more atypical contracts. This means that open-ended contracts can also become more and more precarious if they are under pressure of being replaced by other contracts. IndustriAll Europe therefore wants open-ended contracts as the standard contracts in our industries.

### 3.2. Trade union initiatives

Both the European federations and the national member organisations (alone or jointly with sister unions) have undertaken a wide range of activities in order to raise the common demand against precarious work.

- › *Collective bargaining at different levels aimed at better protection of precarious workers.*
- › *Political lobbying at national and European level*
- › *PR activities, newspaper articles and material like posters or brochures were produced especially for the campaign in several languages with a distinctive slogan and logo. All decisions of the EMF's Collective Bargaining Conference of 2009 were collected on a CD.*
- › *The EMF had its own website on precarious work with news on campaigns, events, etc. in all the Member States.*
- › *IndustriAll Europe sector committee meetings and other bodies*
- › *European sectoral social dialogue committee meetings*
- › *Regional trade union meetings*
- › *Events, demonstrations and industrial actions.*

### 3.3 Results achieved by the national affiliates - Best practices

Here follows a list of examples of the follow-up of the common demand on precarious work. The list must not be understood to mean that achievements were only made in the areas mentioned in the respective countries. These are different types of best practices which illustrate the variety of initiatives that have been taken since the adoption of the common demand on precarious work. Unfortunately, many unions have experienced that success in one area has led to deteriorations in others. Employers seek to obtain flexibility and lower costs in many different ways so the issue still needs to be tackled and remains on the table.

## Austria

A collective agreement for about 60,000 temporary agency workers is negotiated by PRO-GE every year. It includes minimum wages, holiday pay, Christmas bonuses, etc. There is also a national law in this field.

Moreover, PRO-GE has initiated an information offensive for temporary agency workers within the framework of an information portal in several languages. A special magazine has been distributed.

## Belgium

Unions are represented at a negotiation body for temporary workers. They focus on hired workers during branch negotiations and have a website focused on temporary work.

There exists a law concerning conditions for temporary agency workers (TAWs), which guarantees the principle of equal pay. There are still bans on agency work in certain sectors. Agency workers may not replace workers on strike. They train and try to make their shop-stewards aware of the specific problems of TAWs.

Belgium has legislation in place concerning bogus self-employed.

## The Czech Republic

A chapter on precarious employment has been included by OS KOVO in a methodological guide for collective bargaining. This guide has assisted local unions in their preparation and drafting of texts for collective agreements for over ten years. The importance of implementation of the common demand is stressed in training activities at all levels. Articles, leaflets etc. have been published in Czech in order to stress the importance of implementation of the common demand against precarious work. Furthermore, union representatives cooperate with the employers and the government - including Labour Offices in the regions - on a proper regulation of precarious employment. This tripartite cooperation has resulted in some stricter rules, especially regarding agencies and illegal employment. Foreigners from third countries and disabled workers may no longer be employed via agencies. Sanctions (fines) for violation of the national labour law have been increased.

In March 2014, OS KOVO signed a framework agreement on cooperation with the Association of Personnel Services Providers (APPS). This association represents 60% of the agency work market in the Czech Republic. The main aim of this agreement is to eradicate agency employment in which the respective legislation is violated and to promote cooperation with the Czech monitoring bodies in the sphere of employment. Furthermore, the two parties have agreed on mutual cooperation in the legislative field. Last but not least, both parties agreed on the content of the term "comparable wage and working conditions of agency workers with other workers in

the user company in the same positions”.

## Denmark

The TAW directive has been implemented in collective agreements. This means that, in principle, TAWs have the same rights as workers on open-ended contracts. This does not prevent the employers from using TAWs, but the TAWs cost a lot more than they used to do.

Furthermore, Danish unions in the manufacturing sector are very vigilant regarding outsourcing/subcontracting if companies do not offer the terms and rights stipulated in the collective agreements. Some cases have been brought before the national labour court.

## Finland

Improvements for dealing with outsourcing/subcontracting have been included in collective agreements. When using outsourced labour or contract agency labour, doubts can arise as to whether all the obligations laid down by legislation and collective agreement are observed. If so, then the subscribing company shall evaluate the situation together with the shop-stewards and seek to obtain the required reports. This clause will help shop-stewards to check that workers employed by subcontractors will get all the benefits they are entitled to.

In 2013, a white-collar union (TEK) received enormous publicity when campaigning for an eight-hour working day also for white-collar workers.

## France

In January 2013 three of the national confederations (CFDT, CFE-CGC, CFTC) signed an agreement on job security which had a number of aims, among them to decrease precariousness in the labour market, to boost long-term employment, to improve the organisation of working time for part-time employed and to set up life-long individual learning accounts which may be mobilised at any time.

CGT and FO were unwilling to sign the agreement as they thought it posed a threat to workers' rights in many ways, for example by attacking open-ended contracts.

## Germany

A collective agreement has been concluded by a joint negotiation group of the DGB affiliates for wages of temporary agency workers.

In the steel sector, collective agreements guarantee equal pay for agency workers. Agreements in other sectors go in the same direction. A supplementary agreement for TAWs in the metal and electrical industries secures wage increases varying from

15% to 50% depending on the length of hire (six weeks to nine months). This sector-related supplement must be observed also in cases of deployment in a company of the metal and electrical industries which is not covered by a collective agreement.

Important collective agreements also contain provisions on maximum permitted percentages of hired workers.

Job security for younger workers is an important issue in Germany where guaranteed employment of apprentices after their apprenticeship in companies (open-ended contracts) is laid down in numerous recent agreements signed by both IG Metall and IG BCE.

Moreover, unions have launched a political campaign to limit the use of bogus self-employed and another to unionise workers of outsourced companies.

## Hungary

Unions have raised their voices in many cases against the practice of outsourcing/ subcontracting, by presenting our statements at conferences and in the media, at the workplace, in collective bargaining and other forms of negotiations.

## Italy

Unions have concluded a unitary agreement in craft metal businesses which is relevant for the fight against precarious employment. It covers nearly 500,000 workers from 150,000 businesses. For the adoption of “flexible and elastic clauses,” businesses and unions have to sign a “written pact”, which will determine changes to working time as regards part-time work (flexible clause) or the increase in working time (elastic clause) up to 50%, without exceeding 8 hours a day or 40 hours a week. Moreover, the agreement defines the conditions for recruiting people on a fixed-term contract (number of workers and maximum duration).

## The Netherlands

There is bipartite cooperation to ensure proper behaviour by work agencies. Companies bound by collective agreements only work with certified agencies. Moreover, at company level, unions use a tool to compare all terms of employment of temporary workers with those of workers on open-ended contracts in order to secure equal pay for equal work. If a company refuses to compensate wage differences, it can be taken to court.

The collective agreement for the metal industry applies to TAWs. Wages and other calculable working conditions may be up to 10% better or worse than those of regular workers.

## Norway

The second common demand has been promoted in meetings with members during the whole period, and this has been important in our work towards the authorities to secure a governmental plan against social dumping, legislation on ID-cards for workers, the right to inspection for shop stewards regarding working conditions in subcontracting firms, the general applicability of collective agreements and several liabilities for wages in cases of subcontracting.

In 2012, collective agreements in all sectors were extended to also cover hired workers. Moreover, unions have achieved positive court rulings defining bogus self-employed as workers. It is not legal to dismiss workers in order to re-employ them under other conditions, including self-employment.

## Slovenia

This country already had better legislation for hired workers than that set out in the EU Directive.

## Switzerland

Unions have negotiated agreements on temporary agency work with employers even if the EU Directive does not apply to this country.

## 4 Cooperation with other organisations

- › *The International Metalworkers' Federation (IMF)/IndustriALL Global Union, for example the annual World Day for Decent Work*
- › *The European Trade Union Confederation (ETUC), regarding policy coordination*
- › *Other affected European Trade Union Federations like EFFAT and EFBWW*
- › *The ILO Bureau for Workers' Activities (ACTRAV), which held a symposium on precarious work in Geneva in 2011 and also with the ILO training centre in Turin*
- › *The European Trade Union Institute (ETUI), which provides documentation*
- › *The European Economic and Social Committee (EESC), which adopted an own-initiative opinion for sustainable jobs in 2011*
- › *Precarious work initiatives have been taken in sectoral social dialogue committees*
- › *An informal social dialogue on temporary agency work with Eurociett started in 2012*



## 5 Main conclusions on precarious work

IndustriAll Europe's main assessment of the common demand on precarious work is positive. This topical issue has drawn the attention of all the affiliated organisations, even if not all of them can show concrete results. The affiliates are putting in a lot of efforts in order to combat precarious employment and make the struggle visible to the authorities, general public, employers and workers. Agency work has represented the most severe challenges.

It should be highlighted that an important new initiative has been taken in Brussels recently in order to improve cooperation with other European trade union federations which are faced with similar challenges to those faced by IndustriAll Europe concerning precarious work. The newly-established informal social dialogue with Eurociett is also considered as a major step forward to address problems in the field of temporary agency work.

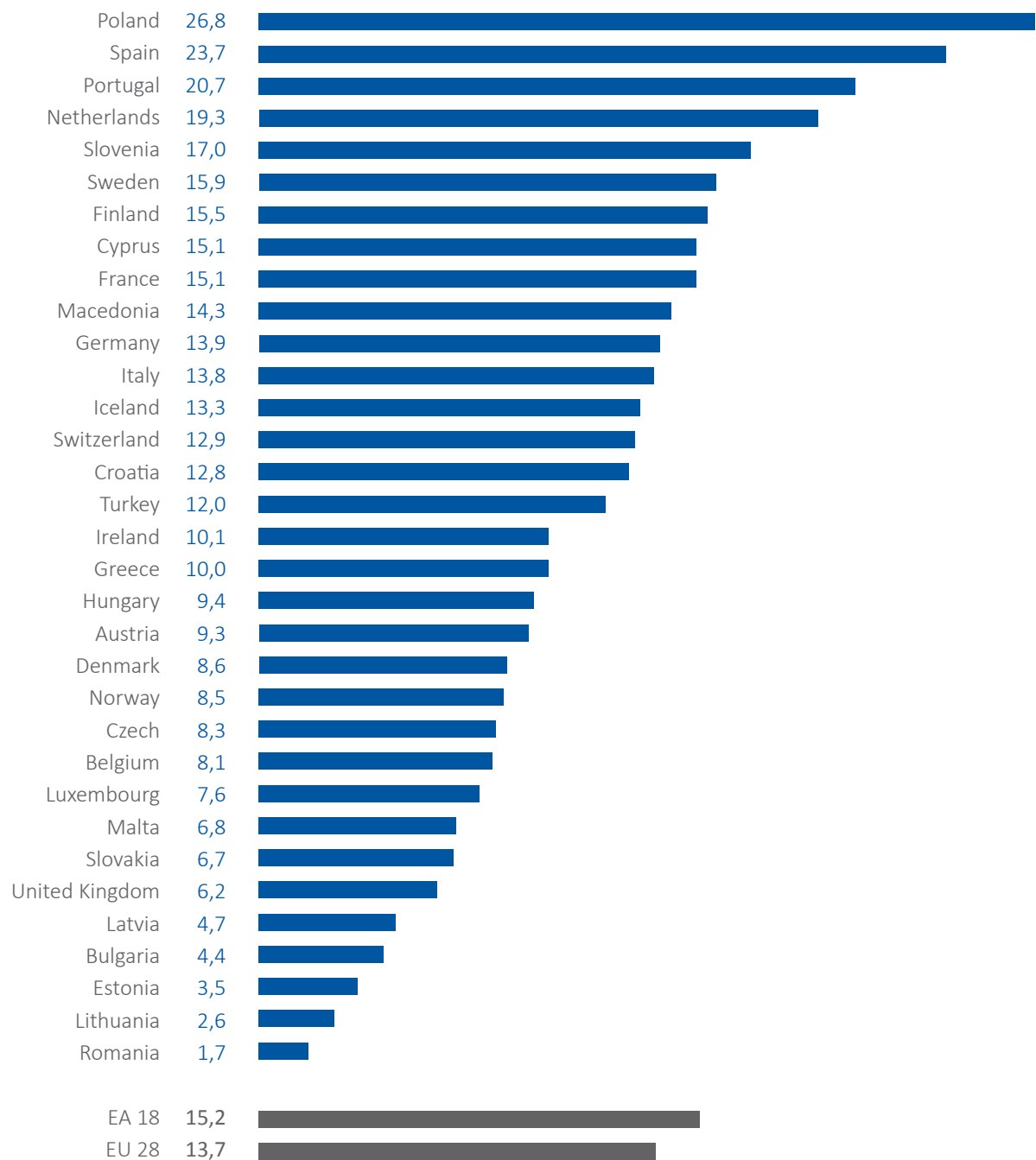
The common demand against precarious work has been a great success. It was the right demand at the right time as precariousness was rising. European unions in the manufacturing sector have pulled together and taken major steps forward even if not every single union can show concrete results of their efforts. The joint campaign has made us stronger. It is also to be noted that the scepticism and resistance within some unions against the demand has now disappeared.

The fight against precarious work is still on the agenda. Our main goal is traditional open-ended contracts, but we will also try to unionise as many precarious workers as possible in order to improve their working conditions, preferably by having their contracts changed into open-ended ones.

## 6 European statistics

### Temporary employment in 2012

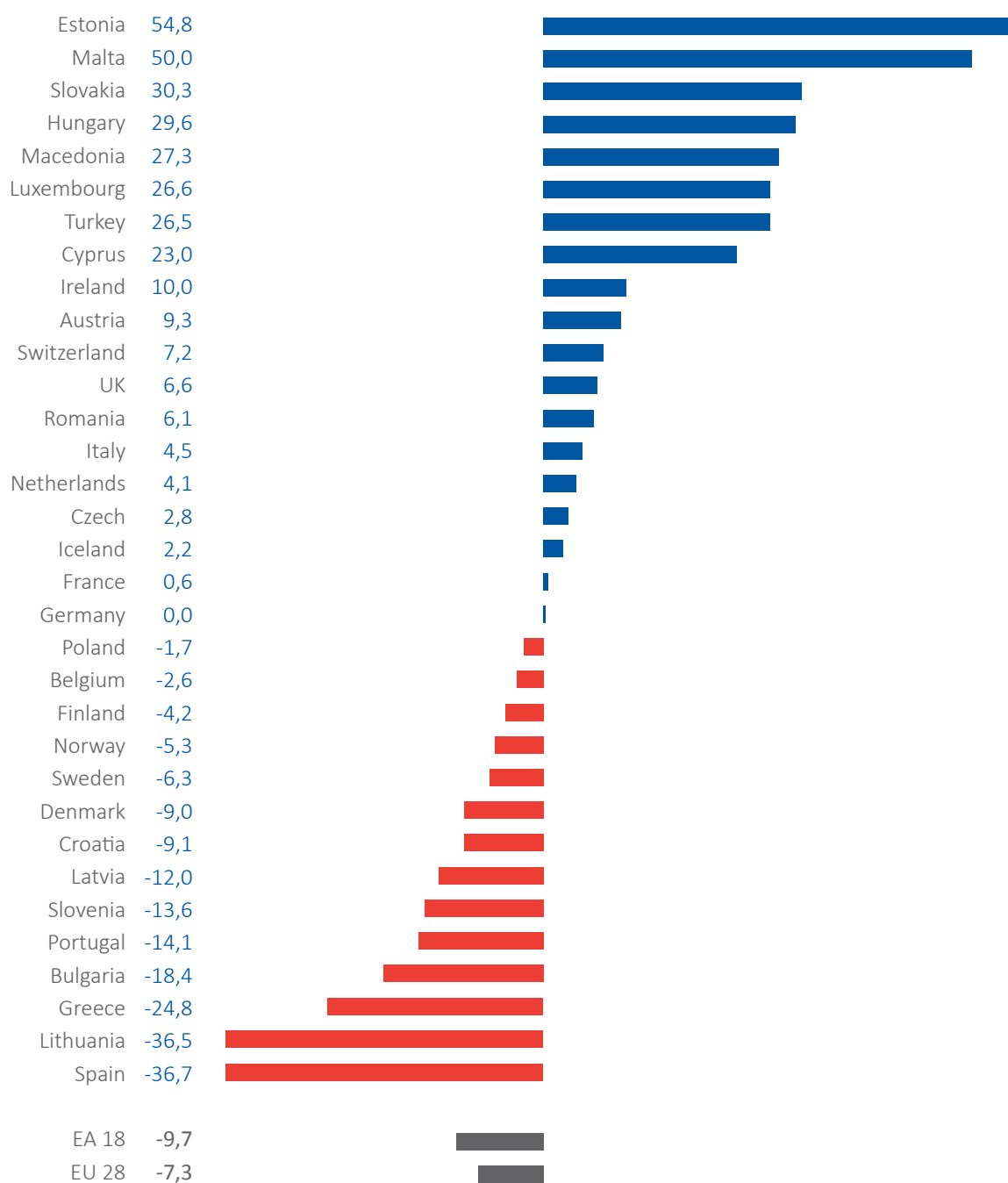
Percentage of total employment



Source: Eurostat, labour force survey

## Temporary Workers

Percentage change 2012/07



Source: Eurostat, labour force survey

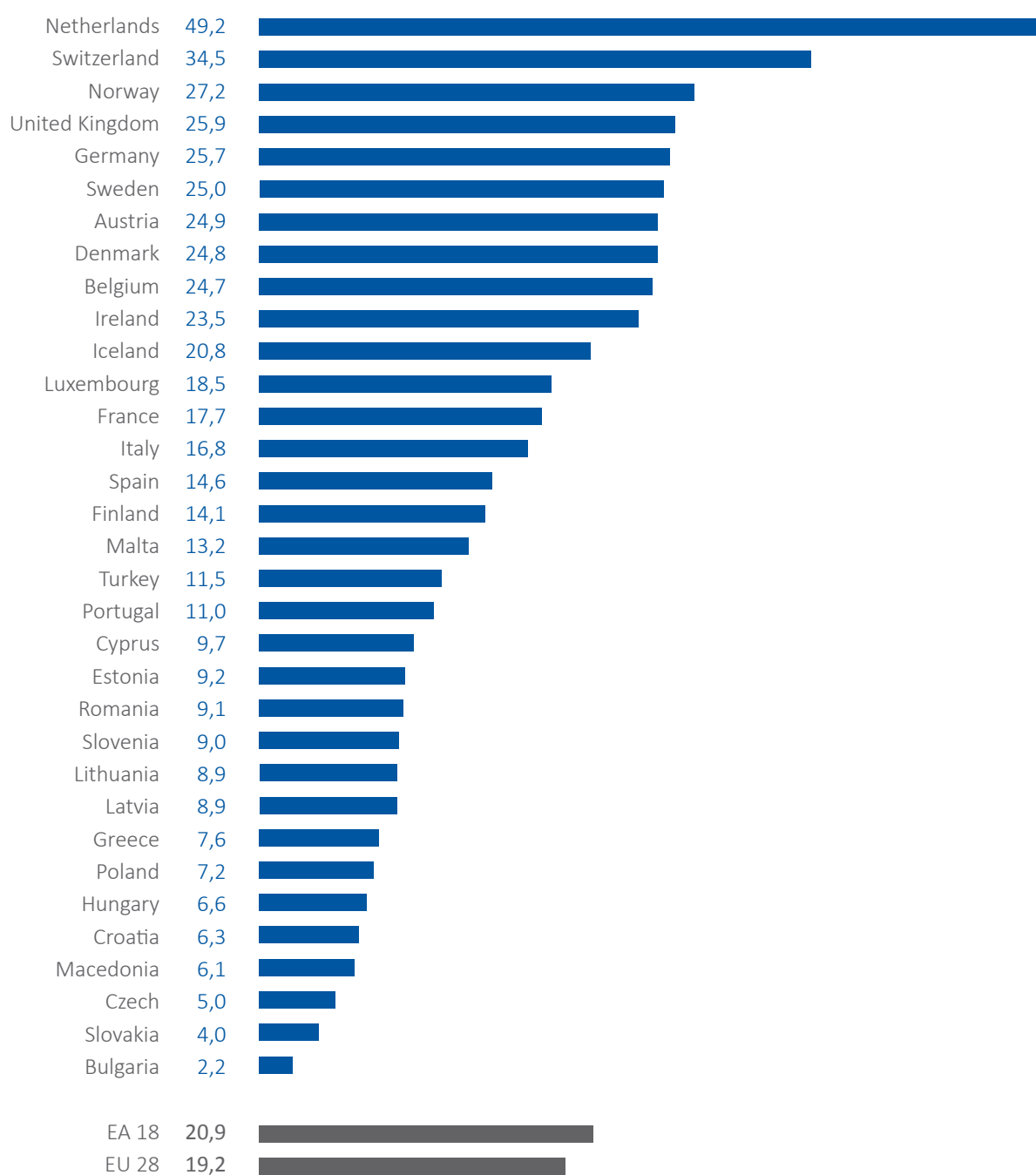
## Temporary workers

(percentages) who state that the main reason for taking temporary employment is that they could not find permanent employment, sorted 2012, source Eurostat.

GEO/TIME	2007	2008	2009	2010	2011	2012
EU 28	60.2	59.6	60.3	61.6	60.3	60.8
EA 18	58.8	58.4	58.1	59.1	59.9	59.5
Cyprus	89.5	90.9	93.6	93.9	94.6	95.1
Spain	84.5	87.3	90.4	91.5	91.5	91.9
Turkey	88.8	90.1	91.2	89.0	88.9	88.5
Portugal	81.7	81.9	82.4	84.2	85.7	87.2
Greece	82.5	82.5	82.2	84.9	86.1	86.4
Romania	78.1	79.2	83.4	78.7	80.1	85.7
Slovakia	68.8	74.0	79.5	76.1	84.5	84.6
Czech Republic	63.6	67.7	67.2	75.2	80.1	82.5
Belgium	80.0	78.6	77.7	74.5	75.9	77.1
Bulgaria	65.3	63.6	75.8	73.3	70.6	72.8
Macedonia	73.4	73.8	75.4	77.8	75.7	71.4
Italy	64.9	64.6	66.9	67.8	70.5	71.2
Latvia	60.2	67.6	80.0	71.5	72.5	71.1
Hungary	60.3	59.8	64.7	69.0	65.4	70.6
Ireland	40.0	40.8	56.7	62.8	67.0	67.7
Finland	64.5	61.9	67.8	65.1	64.2	67.3
Lithuania	68.0	56.8	74.9	71.5	61.7	65.5
Poland	73.1	71.0	72.6	74.1	61.6	64.9
United Kingdom	44.8	42.5	51.0	57.2	59.3	58.2
Sweden	57.1	54.3	59.6	59.1	57.3	57.4
France	55.4	55.9	55.2	57.4	57.3	56.9
Malta	50.2	50.6	53.3	52.4	50.7	53.5
Norway	52.9	52.0	49.6	47.2	52.5	53.2
Luxembourg	36.5	48.1	43.7	41.4	45.2	52.7
Denmark	39.2	38.9	43.7	47.6	45.7	51.1
Slovenia	52.0	44.8	47.9	51.8	56.6	50.8
Croatia	50.0	52.5	50.0	48.3	48.9	48.9
Estonia	29.7	31.9	42.0	43.0	36.2	43.7
Netherlands	37.9	35.5	38.1	31.9	32.3	34.2
Germany	26.6	24.0	21.7	24.0	24.7	22.6
Iceland	9.7	6.3	14.9	19.7	18.2	16.7
Switzerland	-	-	-	13.4	13.0	11.7
Austria	18.1	12.5	11.4	8.6	8.5	8.6

## Part-time work in 2012

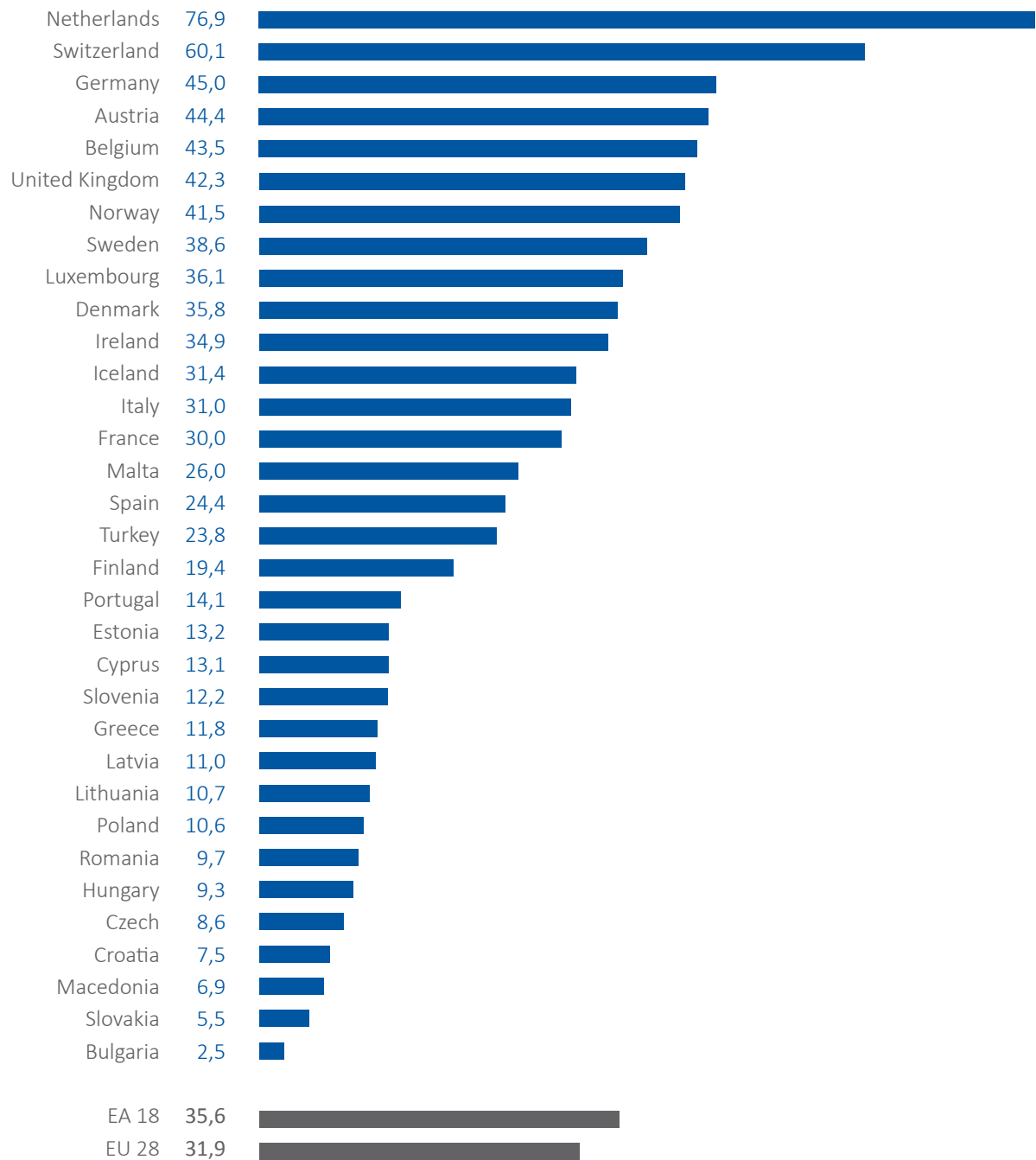
Percentage of total employment



Source: Eurostat, labour force survey

## Part-time work for women in 2012

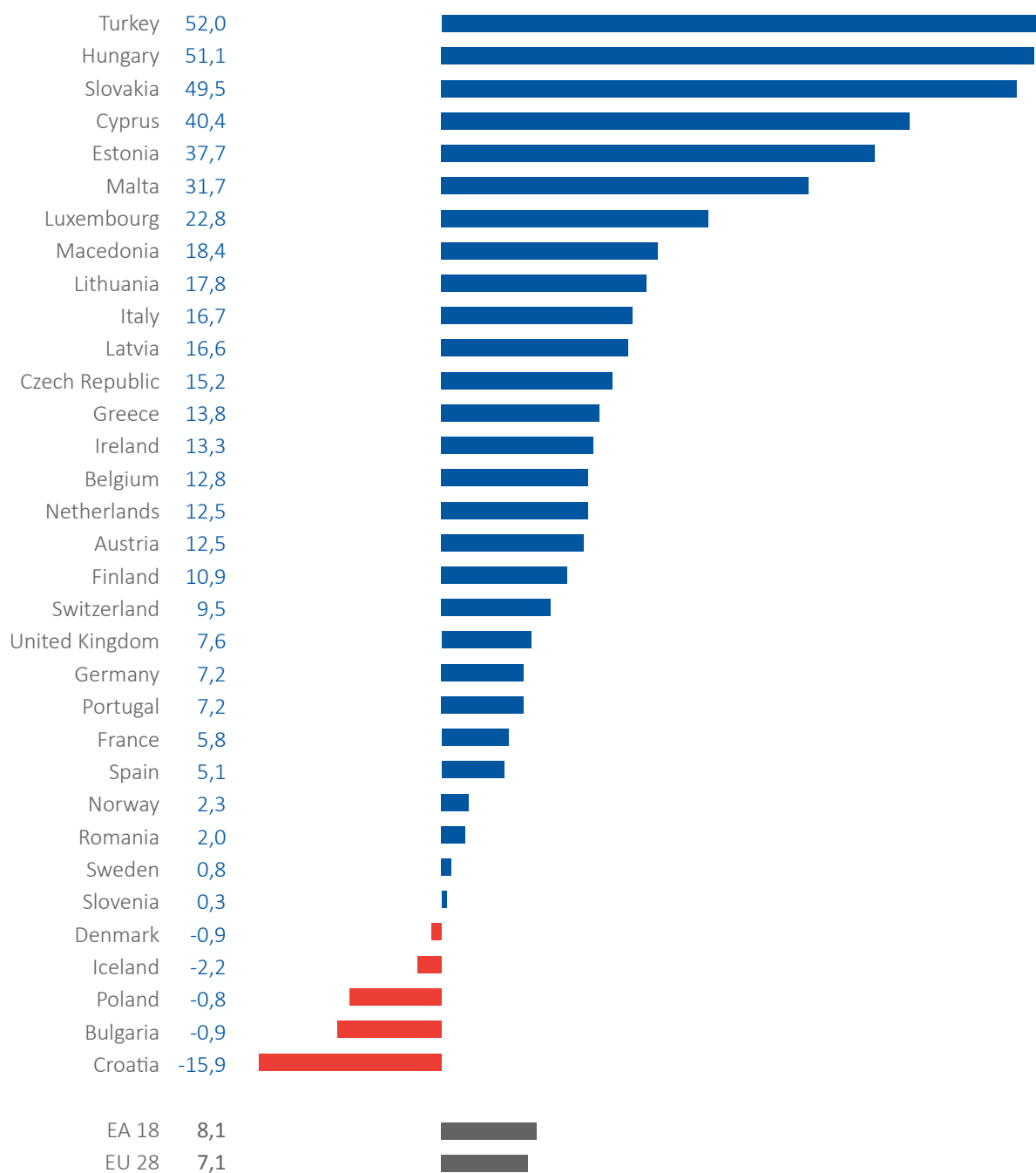
Percentage of female employment



Source: Eurostat, labour force survey

## Part-time work, total economy

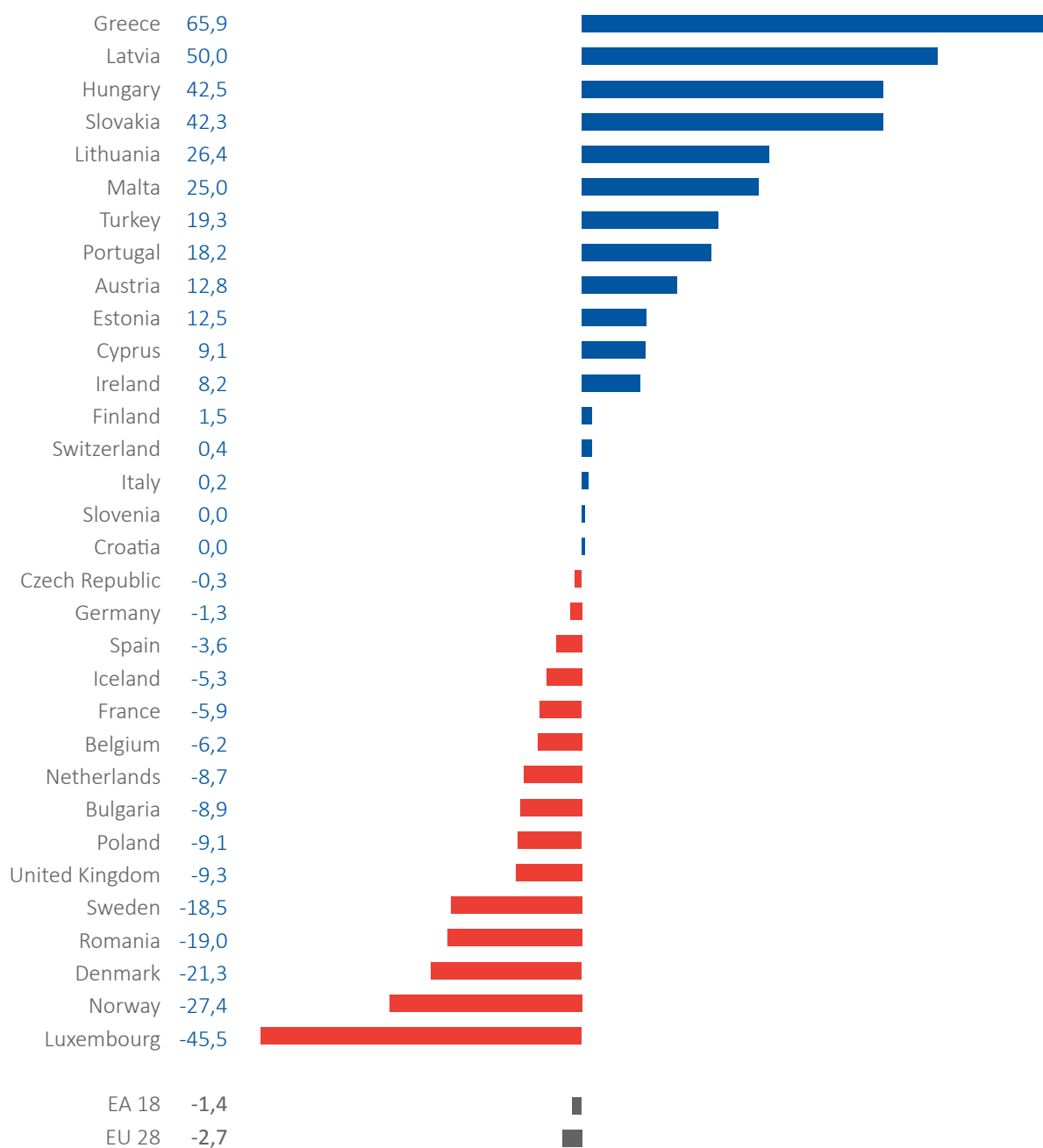
Percentage change 2012/2008



Source: Eurostat, labour force survey

## Part-time work, manufacturing sector

Percentage change 2012/2008

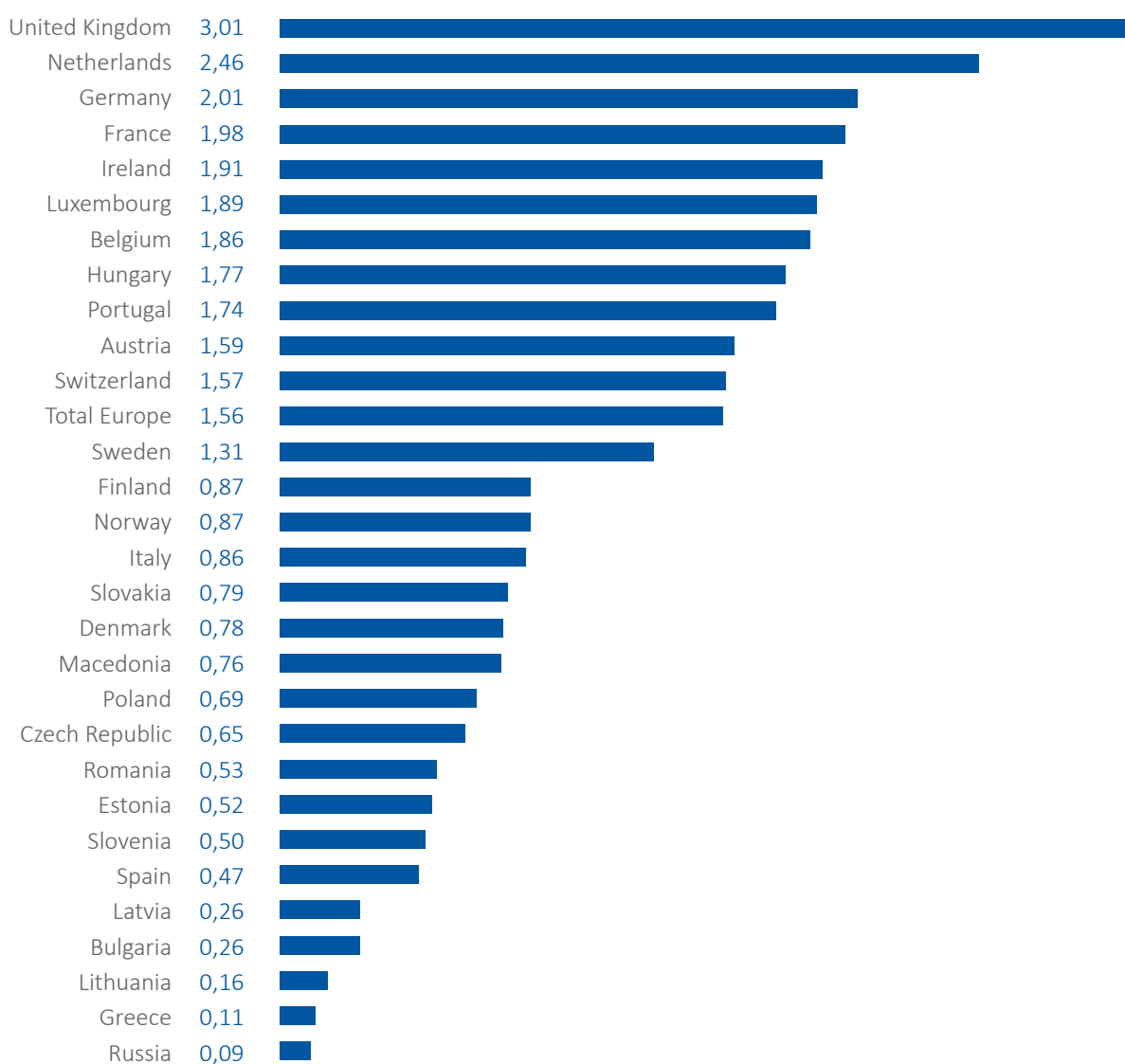


Source: Eurostat, labour force survey



## Agency work penetration rate in 2010

Penetration rate" means the daily average number of agency workers [in full-time equivalents] divided by the total active working population. Most of these rates have been multiplied since the registration started in 1996.



Source: Eurociett, the European employers' association for work agencies

# Securing decent work: Increasing the Coverage Rate of Collective Agreements in Europe

## Collective agreements under constant pressure

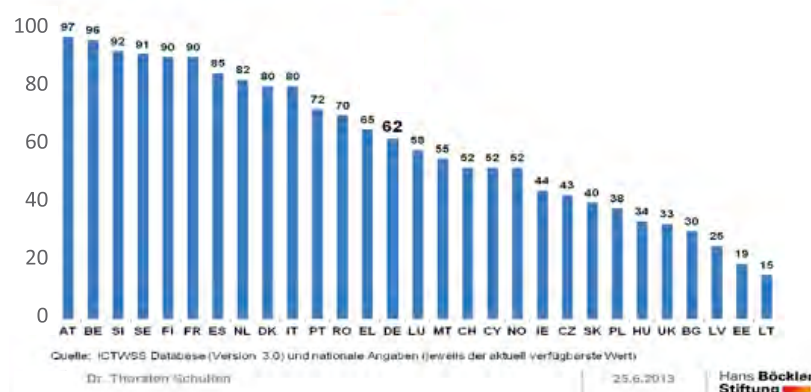
Ever since the foundation of the European Union, trade unions have been fighting to have not only an economic but also a social Union. A Union for the majority of its citizens - not only for the profit of a few. European trade unions are struggling, in all European countries, to improve the working and living conditions of their members and of working people as a whole.

During the first decades of the European Union (EU), the compromise between labour and capital led to the development of a European social model, which was seen as unique by many progressive forces in the world because it provided high living standards for a vast majority of the workforce and prevented social tensions between contradicting groups in society.

Collective agreements between trade unions and employers' associations or single employers were one of the strong pillars of this European social model. Trade unions were strong enough to achieve good results, and recognition of collective agreements by governments and public authorities was particularly high, as is visible for example in legal regulations concerning the general application of collective agreements or in regulations concerning minimum wages. Collective agreements provided decent living and working conditions for a majority of workers as well as industrial peace in companies and in labour relations in general. As such, they were one of the main instruments of regulation of labour relations throughout the EU.

This changed with the fall of the iron curtain and the enlargement of the European Union in the Nineties. In the majority of the New Member States (NMS) there was no established tradition of free trade unions, and with the transition to capitalist systems the question of how labour relations would be organised was always a very conflictual area. So while collective agreements were still very well established in the old EU Member States, it was (and still is) a hard struggle to implement them in most of the NMS. This is still visible today in the coverage rates of collective agreements in the European Union.

*Coverage rate of  
employees in Europe  
2007-2010*



During the last two decades, we have been faced with a decrease in the coverage rate of collective agreements also in the old EU Member States, to varying degrees. If we see collective agreements as a compromise between two partners - whether in a single company or in society as a whole - it is clear that this compromise is questioned more and more by the employers' side.

But even if we take that into account, it is evident that the coverage rate of collective agreements in Europe is still particularly high. The forces calling out for the death of collective agreements are more ideologically motivated than in tune with the reality of today. It is a matter of fact that collective agreements are still the most important instrument of wage-setting in Europe.

The second turning point concerning the meaning of collective agreements is the Troika policy of the European Commission, IMF and ECB during the current economic crisis. In Greece, the number of sector agreements decreased from 65 to 14 in 2013 as a result of the austerity measures. In Spain, a total of five million workers were covered by collective agreements in 2013 while the figure was still 12 million workers in 2008. In Portugal, the number of covered workers has decreased from 1.2 million in 2008 to 330,000 in 2013.

This clearly shows that the compromise which lay in the widespread use of collective agreements is no longer valid in the eyes of the neoliberal forces promoting austerity policies in Europe. The Troika measures are the fulfilment of a long-known 'wish list' of strong forces in the employers' camp.

## Strengthen a success model - increase coverage rates

But collective agreements are a success model.

They are a successful instrument to secure the living and working conditions of workers and guarantee them participation in created wealth.

They are economically useful because they prevent poverty, lead to stimulation of demand and motivation of workers, and hence are part of an industrial relations system which is one of the most successful in the world.

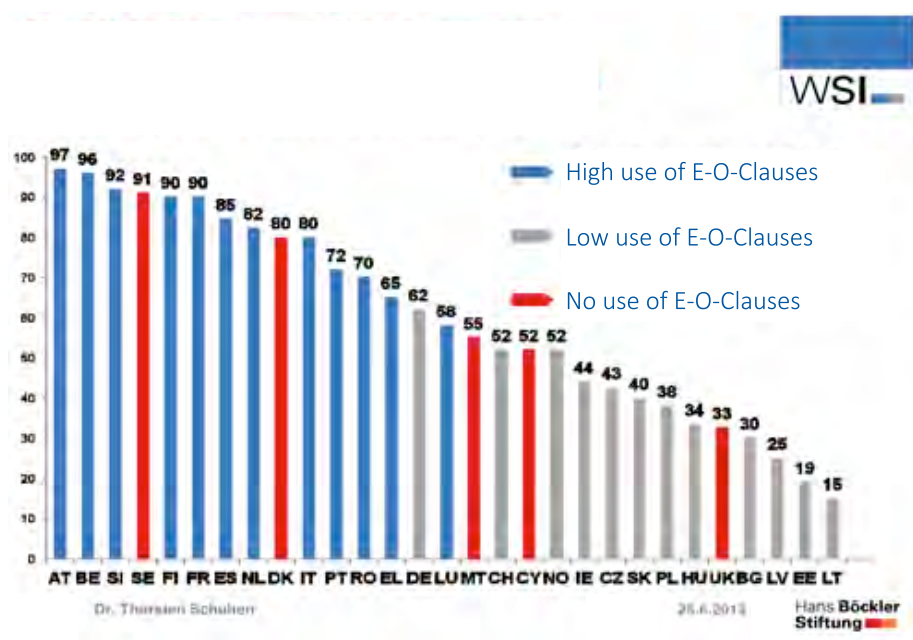
Collective agreements are a pillar of democracy because they guarantee self-determination and participation by the workers via their unions and give them the power to struggle for better work and a better life.

In this sense, one of the main tasks for trade unions is to fight for more and better collective agreements. The higher the coverage rate of collective agreements, the higher the protection against poverty and the better the basic working conditions of the workers.

The discussion as to how to reach a higher coverage rate of collective agreements is an ongoing discussion today in all European trade unions. The proposed strategies vary from union to union.

One approach is to go for more erga omnes regulations so as to make collective agreements binding for all workers in one sector. The figures show that the coverage rate in countries with strong erga omnes regulations is much higher than in countries without such possibilities.

Coverage rate and use of  
E-O-Clauses  
2007-2010  
in % of workers



Another approach is to put a huge effort into increasing trade union membership in order to increase the power to reach more and better collective agreements as an autonomous trade union act, i.e. without using state authorities to make them binding.

The figures show that the coverage rate of collective agreements is not necessarily connected with union density. The most obvious example of this is France, where the union density is around 8% while the coverage rate of around 90% is one of the highest in Europe.

But this example also leads to the question of whether strong erga omnes regulations lead to a weakening of trade union membership. If the collective agreement is valid for everybody, why would it make sense to be a member of a union?

The example of Belgium shows that this argument might also be a little bit too simple. Strong regulations on erga omnes exist in Belgium, and unionisation of the workforce - at over 50% - is nearly twice as high as in Germany, where there is a very low use of erga omnes regulations. One could even argue that a high density of good collective agreements is a good reason to motivate workers to join the union, as can be seen in the Danish example of a membership campaign via the promotion of knowledge about collective agreements.

And also in France, it is notable that the conditions for workers are much better in companies with high union density than in companies with low union density, where only the binding minimum standards are valid.

## Increase trade union membership

To reach strong bargaining power and high visibility, trade unions need to increase their membership. We need more and more active members to obtain this power. Organising target groups that are not always in the main focus of unions, like the increasing number of white-collar workers, can lead to more union strength in today's

context of a more knowledge-based industry than that of previous decades. Organising temporary and contract workers is a necessity if trade unions are to maintain their power to protect all workers' interests, as companies tend to reduce their core workforce in favour of more precarious forms of work.

Strength within companies and strength in the society are preconditions for securing more and better collective agreements. These are also preconditions for securing more influence in the political sphere in order to reach better regulations on erga omnes or similar instruments if wanted.

The current crisis represents a threat to the unions. The above-mentioned examples of the countries under the Troika regime show that erga omnes regulations can indeed lead to a high coverage rate of collective agreements, but they are also very vulnerable when it comes to political majorities that are more in favour of acting in the interests of employers.

But the crisis also represents an opportunity to mobilise more people for justice in society. The conflicts that we are experiencing are more than obvious: precariousness, unemployment and poverty. Let us use these conflicts as a chance to mobilise for strong trade unions. We are the ones advocating more justice, secure jobs and better working and living conditions. Our job is to seek to improve the world of employment, from traditional production areas to modern mobile work. We have more than one hundred years of experience in doing that. Our product is organising solidarity. This is now needed more than ever - for everyone.

## Work towards better legal regulation

Governments can be strong partners in efforts to reach better living and working conditions via legislation, for example decent minimum wages, erga omnes or similar regulations. That is why trade unions must continue to press for involvement as stakeholders and must play an active role in tripartite and social dialogue, in all manner of consultations at political level and in all levels of society.

Aiming for better legislation is also valid for the European level. Better legal regulations at European level set the framework for national and transnational trade union work and collective bargaining. We have to continue to work for a better legal framework for transnational company agreements and to develop further perspectives for transnational European collective bargaining strategies, including the guaranteed right to transnational industrial action and strikes.



# Collective Bargaining Strategies in the Ongoing Crisis

Europe is still suffering the worst economic crisis of the past 80 years – albeit with a different level of intensity in each Member State of the European Union (EU). The pressure on wages and working conditions is evident.

Trade union room for manoeuvre has been limited in many countries and the collective bargaining systems of some countries have been changed to the detriment of workers due to so-called ‘anti-crisis policies’. It is high time for European industrial trade unions to fight back with a common strategy to stop the current austerity policies, which lead us down a path of poverty and economic depression.

## It's the economy, obviously!

Since 2008 the economic and financial market crisis has determined the parameters for collective bargaining policy. The duration and severity of the current crisis - which has had a different impact in the different European countries - shows that this is not an economic fluctuation crisis. It can be described as an economic and systemic caesura.

The current crisis is more intractable. The economic downturn is more intensive than the previous ones and affects all regions of the world. During the short periods of intermediate recovery, production capacities have been under-utilised and unemployment rates have remained high in most of the countries. Even in the European country with the best performance during the crisis - Germany - investments are still as weak as in the other OECD countries.

The social impact of the current crisis is much stronger than anything we have been used to. Unemployment rates and precarious work are on the rise in most European countries and there is a significant increase in poverty in Europe.

This did not happen by chance. The dominance of neoliberal economic and political forces since the Seventies has led to a more and more unequal distribution of income that resulted in an over-production crisis. A crisis, stronger than the one we faced in the Great Depression of 1929 and deeper than that in the 1970s when the Keynesian Model was brought to an end. The neoliberal regime then became more and more dominant and this has now led to a fundamental crisis.

We are currently facing typical neoliberal symptoms in our economies and societies, partly cushioned by governments, but partly also enforced by them:

- *Aggressive strategies are solely geared to a return on equity. They therefore require a systematic reduction of trade union power. This is because of the need to pit workers against workers and limit trade union representation and labour rights. Wages are under heavy pressure as a result.*
- *National regulation of trade in goods and capital transactions has been systematically reduced. Stronger*

*economies clearly benefit from that policy.*

- › *Transnational companies have created production clusters in the industrialised countries of the Western world. After 1989/90 they did the same in so-called second and third world countries in order to secure cheap labour and their access to raw materials.*
- › *State assets are being privatised and public investments in infrastructure, education, health and social security are being cut.*
- › *The financial sector had been rapidly growing before the crisis, and, despite a short period of discussion about possible restrictions for the sector, it is now growing again. This oversized financial sector is the result of the more and more unequal distribution of income. The owners of the growing profit are looking for investment, not in more production of the industry sectors but in the financial markets.*

Speculative profits generated in the financial markets overlay the tendencies of stagnation and under-consumption which are symptomatic of the neoliberal model, promising increasing profits for the future and promoting an economic upswing - till the bubble bursts. This burst of the speculative financial bubble was seen in 2007/08.

The common strategies to counter the crisis adopted by the European Commission, the European Council and the Troika (IMF, EU Commission and the European Central Bank) continue, with the old and already dead neoliberal policies, pushing Europe even deeper into the crisis.

There is a big focus on wages, working conditions and social security instruments, which are blamed as the main reason for macroeconomic imbalances and the weak competitiveness of the deficit countries.

The European Commission continuously addresses its political objectives for the European wage bargaining framework, and is very clearly demanding “an overall reduction in the wage-setting power of trade unions.” (European Commission, DG Economic and Financial Affairs, Labour Market Developments in Europe 2012).

Furthermore, many national governments of EU Member States - as well as employers - are using the crisis and the European Commission’s recommendations as a good opportunity for railroading excessive reforms, which reduce labour rights, social rights and even democratic rights. The country-specific recommendations include attacks on collective bargaining systems as well as reduced rights for national governments to decide on their national budgets.

## Regain visibility and power

The economic and financial crisis and the resulting changed conditions for action give rise to many new challenges for industrial Europe and its affiliates.

Trade union work becomes more and more a defensive fight to maintain previous conditions due to the fact that it is coming increasingly under economic and political pressure. Reduced production volumes and increasing unemployment have negative effects on the assertiveness of trade unions. In such a situation, it is difficult to build up the necessary momentum to undertake successful, forward-looking and ambitious collective bargaining campaigns.

Furthermore, the current labour legislation reforms - as the core of the austerity policies - have put extra pressure on trade unions.

The European trade union movement has already waited too long to develop and implement a joint strategy to put a halt to the attacks on workers' and trade union rights.

We must regain visibility!

There are a lot of positive and successful trade union actions against neoliberal austerity measures to be seen at company level, local and national level, and even at international level. Trade unions have been able to safeguard employment during the crisis. They are able to prove that austerity measures are not in accordance with international conventions, as in Greece, where the ILO admitted to the Greek trade unions that the political interventions by the Troika in the collective bargaining system are against ILO conventions 87 and 98.

These multiple experiences should be used to formulate a joint trade union strategy, bring the current attacks on workers' rights to an end and regain the initiative.

## Stepping up trade union action

The bankruptcy of the neoliberal regime is obvious. In order to defend workers' interests, European trade unions have to advocate fundamental changes and, at the least, a bold, demand-orientated policy, with the aim of securing decent work for everybody.

## Redistribute now

### Restore collective bargaining systems to secure decent working and living conditions

Collective agreements regulate the relation of the distribution of income between workers and employers. They are therefore the basis for the living and working conditions of workers.

Trade unions are obliged to defend the **autonomy of collective bargaining** in reaction to the new interventionism of the European Commission in wage systems. In cases where the fundamental democratic right to collective bargaining has already been limited, we must jointly fight to restore it.

We, the European trade unions, are committing ourselves to further strengthening **European wage coordination**. There is a need to coordinate in order to avoid a downward spiral of wages and this is particularly important in times of crisis. The classic Wage Coordination Rule of industriAll Europe (aimed at reaching at least a wage increase equal to the increase in productivity + inflation) is still highly relevant for avoiding European wage dumping competition. Even if we see that trade union bargaining power is not strong enough to reach such a wage increase under economic crisis and austerity policy conditions, this rule remains both economically reasonable and socially responsible. Reasons for non-compliance with the Wage Coordination Rule should therefore be made transparent and common national and transnational strategies have to be developed to counter these.

We, the European trade unions, also commit ourselves to **enlarging the coverage rate of collective agreements** and to **strengthening sectoral agreements**. This creates the institutional framework for a more wage and demand-orientated and more social, economic model.



We reaffirm that wage-setting remains a national matter to be dealt with according to the respective national practices and industrial relation systems. We strongly oppose the attempts by the European Commission, the European Central Bank and the International Monetary Fund to influence collective bargaining, wage-setting and wage levels.

It is the relevant social partners within each country that can ensure decent wage levels, through collective bargaining and/or tripartite negotiations, which will strengthen the purchasing power of the workers and stimulate economic growth.

The current direct attacks on both the statutory minimum wage levels and collectively bargained wages and wage floors have to be rejected. Instead we have to make sure that it is the lowest levels of wages - whether set by law or by collective agreement – that experience the highest increases.

We need a new European strategy of redistribution. An **active and counter-cyclical wage policy** with the objective of a strong increase in real wages and income is a way to fight the current crisis and obtain more justice in our societies. Strong increases in wages (to maintain purchasing power at the very least, and income support for workers) are absolutely necessary in an economic crisis, for both social and economic reasons. Only with a secure income can internal demand within the European Union be stabilised and risks of deflation rejected.

**Working time policy can be an instrument to safeguard employment** in the current crisis. There is a wide range of possible instruments to use:

- › *limiting overtime and make it more expensive for companies*
- › *solidarity contracts*
- › *flextime accounts*
- › *short-time work*
- › *temporary unemployment*
- › *training and education provisions*
- › *early retirement models, combined with an employment guarantee for young workers after apprenticeship, as an employment bridge for young people and in order to limit the increase in the pension age.*
- › ...

Over and beyond the aspect of safeguarding employment, some European trade unions already have started a working time debate considering the following tendencies:

- › *blurring of the boundaries of working time*
- › *the increasing flexibility of working time*
- › *the increase in atypical and stressful working hours*

We must react to these tendencies and establish regulations to:

- › *Ensure that working time is registered as a first step so as to re-regulate it and to compensate for every hour worked in terms of pay and/or time off in lieu*
- › *Stop the increase of individual working time and strengthen workers' control over their own working time*
- › *Limit atypical and stressful working hours and provide better compensation possibilities for workers with particularly heavy burdens*

A debate about the strategic option of a general reduction of working time is an additional element that should be taken into consideration by the European industrial trade unions - not least because of the fact that a general

working time reduction can be an instrument to create new jobs.

## For an alternative anti-crisis policy

The economic crisis cannot be resolved by means of collective bargaining and wage policy alone. We need further instruments to build up a social Europe on the way to recovery.

European industrial trade unions therefore demand a coherent European industrial, labour market and social policy.

Tax competition within the European Union has to end, as well as tax fraud and evasion. We need a taxation of capital and financial transactions to limit financial market speculation.

Investments in industries and services of the future will create new jobs and sustainable growth.

European industrial trade unions will strengthen their position against attacks on workers' and trade union rights, as well as against unsocial and undemocratic austerity policies, vis-à-vis the European Commission and national governments.

We have to put industry back to work by:

- *Restarting the economy: Implementation of the industriAll Europe "Manifesto to put industry back to work" and the ETUC plan "A new path for Europe"*
- *Identifying and promoting future sectors to create new jobs*
- *Stopping internal devaluation and making the system of economic governance socially and democratically responsible*
- *Restoring access to finance for the crisis countries*
- *Obligation to increase the reinvestment of profits in industry*

Labour markets need to be regulated. Recovery has to be driven by decent jobs, not by precarious work. As European trade unions, we are taking a position against precarious work, and we are taking action, as we still commit ourselves to our common demand against precarious work. The fight against precarious work is a permanent item on our agenda.

We are also expecting a clear commitment from governments, public authorities and employers to create decent jobs that provide secure work with an adequate income and working conditions.

We have to build up a Europe for the benefit of all the people who are living here, not just for the benefit of a small, privileged section of the economy. A well-functioning industry as the backbone of the economy, decent work and strong collective bargaining power for trade unions are the pillars for the social Europe that we want to achieve.

# Youth unemployment and demographic development

The crisis continues and clear economic recovery is still not underway. It has in fact hit all the countries in the Euro zone, and indeed goes beyond the 28 Member States of the European Union (EU), leading to an unprecedented recession, a huge increase in the numbers of unemployed, a far-reaching change in the policies regarding working conditions, and changes in, amongst others, employment contracts and industrial relations.

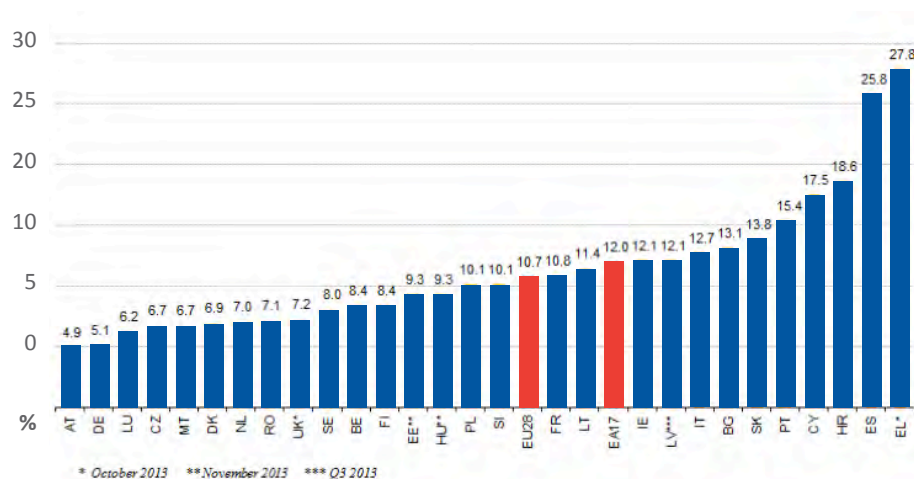
Moreover, Europe has still not decided upon the necessary financial measures or the policies likely to trigger a genuine investment policy and economic recovery generating growth and employment.

Instead, there is a continuing barrage of austerity policies that are having a severe impact on many countries. The pursuit of these austerity policies is impeding renewed growth throughout Europe and at a substantial social cost for some countries: loss of purchasing power, loss of wages and social benefits (together with a slump in domestic demand), tax hikes, a deterioration in public services and other measures including government cuts in social benefits.

These measures are in fact not only impeding renewed growth, but are actually aggravating the crisis, since consumption per household accounts for more than 50% of GDP in many countries (Source: Eurostat, in 2007 57.6% in EU-27).

## The result is dramatic

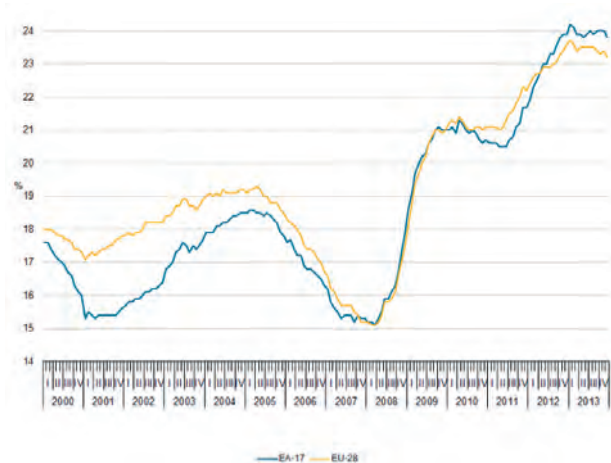
Unemployment continues to rise in many countries. The EU now officially totals more than 26.2 million unemployed (source Eurostat - December 2013). The number of long-term unemployed is also on the increase. Job losses, and especially job losses in industry, continue in most countries. In general, working conditions are worsening and precariousness and poverty are on the increase.



Source Eurostat December 2013

Especially hard hit by the crisis are women, younger workers and migrant workers. The unemployment figures for these categories of workers have in all cases been higher than the average, and these workers also tend to end up more quickly and more frequently in precarious jobs.

It is also clear that the youth employment situation in Europe has never been this grim. The unemployment rate among young people has thus exceeded the 20% mark in 18 Member States, is over 30% in five countries, and below 10% in only three. Greece has a 64.9% youth unemployment rate, and Spain has just crossed the 56.5% threshold. The overall average (EU-28) is currently higher than 23.5%!



Source Eurostat December 2013

In December 2013, a total of 5.6 million young people under 25 were unemployed in the EU - more than one in five! The estimated loss in terms of economic potential within the framework of long-term unemployment is €153 billion or 1.2% of GDP. The other consequence of long-term unemployment is the explosion of a population of 14 million young people who are not in education, not in employment and have no access to training - a discouraged population, whereas it constitutes our potential for the future.

Young people are being hit by poverty and precariousness to the point where their very future is being called into question. What a horrible waste for the whole of Europe.

And even when young people are in work, their jobs are often less stable. In 2012, 42% of young workers were employed on a temporary contract (4 times higher than amongst adults) and 32% were working part-time (almost double the figure of adults). In addition, 12% of Europe's young people are considered to be living in poverty. Many qualified - and even overqualified - young people are in badly-paid jobs that do not correlate with their qualifications. And when they are finally offered a job, it is usually on a fixed-term contract basis and often of very limited duration.

European governments and the Commission have just set aside a budget of €6 billion over two years - at a time when the International Labour Office considers that some €21 billion are needed to tackle the problem - using the following slogan: "Every young person under 25 will be offered a quality job, training, an apprenticeship or traineeship within four months of arriving on the labour market".

The Commission's "Youth Guarantee" initiative proposes measures that extend the training cycles, traineeships and apprenticeships in a process of flexibilisation through integration and transition. Whilst more jobs are being destroyed than created, the labour market is seen as being able to welcome more trainees and more apprentices, who are also mobile and willing, by encouraging them to set up their own businesses. This policy merely postpones the entry of young people into the world of work without any guarantee regarding work status and even less guarantee of an open-ended contract. And whilst we can support the principle of offering young people decent jobs, further training, an apprenticeship or traineeship during the 4 months that follow the loss of a job or the completion of education, we fear that this will not be enough in terms of tackling the problem of mass unemployment and securing career paths for these young people.

They are asked in fact to accept greater flexibility, and there again the Commission is very clear when it says: “by reducing excessive rigidity in open-ended contracts” whereas one of the objectives of the EU’s 2020 strategy is to reduce poverty and social exclusion, which already affect 24.2% of the population.

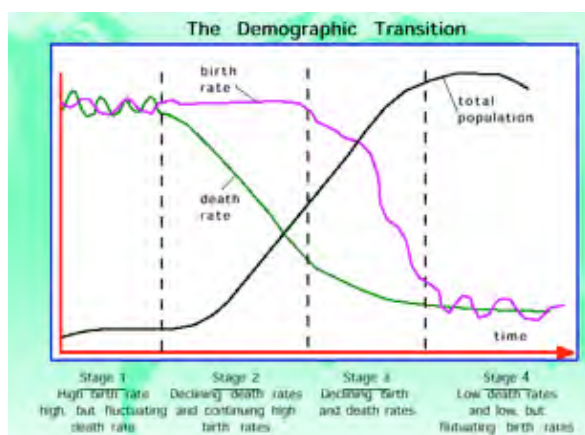
One subject that keeps coming forward is the mobility of workers. One solution that has been advocated both by governments as well as employers is to promote a select migration flow of young precarious workers as a possible solution to the unemployment situation in several countries. As trade unions, we strongly oppose the notion of “select” migration. Although migration and mobility - on a voluntary basis - can be seen as a solution by young workers, the chosen policy of using an underpaid foreign population that does not enjoy the same social protection and is faced with conditional integration in the labour market of the host country is not acceptable. It also creates huge problems because of the brain drain from the countries of origin.

## Demographic developments

All across Europe, countries are being confronted, albeit in varying degrees, with an ageing population, with a longer life expectancy and a declining overall birth rate. Some European countries have to deal with a significantly changed proportion of the number of people in active employment compared with the number of people who are retired. This poses major challenges with regard to our social protection systems, whether this be our pension schemes (when they are contributory pension schemes) or health systems (a longer life expectancy not always meaning a longer healthy life expectancy).

At the same time, older (‘senior’) workers find themselves being excluded from employment, despite the fact that in numerous European countries the reform of pension schemes has generally led to increases in the retirement age and/or a lengthening of the contribution period which gives the right to qualify for a pension.

And the European Employment Strategy (EES) has set itself the task of quantifying the employability of European citizens. There are actually two objectives: to achieve a 75% employment rate for the population aged 20 to 64, and a 50% rate of employment for those over 55. Demographic development in the EU will basically pose the question of the ratio of the gainfully employed in relation to the ageing of the population - whence the postulate that this situation should be seen as a change that challenges our social protection systems, which have suddenly come under threat. In 2025, the number of people over 65 will exceed one billion worldwide, and how to deal with that situation is a heavily debated issue at this time.



Part of the debate is the so-called demographic transition, which is drawing attention not only to the lower birth rates but equally to the lower death rates (because of living longer). This transition is important to the debate linked to the higher pressure put on the social security systems or other financing systems for pensions in the different countries - with more older people benefiting from the system and less young people contributing to the system.

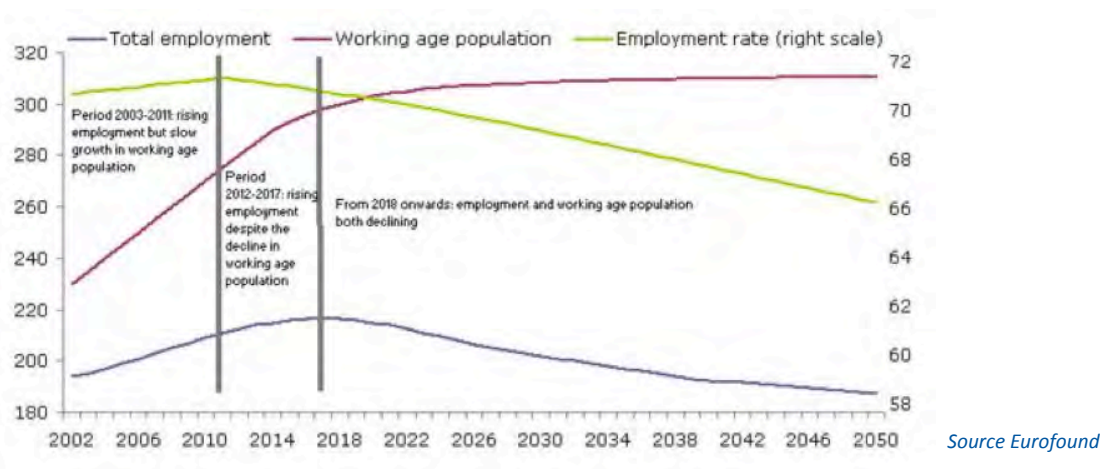
In most countries in Europe, the first pillar of the pension system is financed through a system of contributions via the national social security systems. The most notable exceptions to these methods can be found in some Nordic countries where the first pillar (or parts of the first pillar) is financed through tax contributions. The right to a basic pension is then not reliant on the personal contributions to the system, but is considered a right for all citizens.

But in the cases where the financing is managed through social security systems, we should also never forget that these older workers also contributed to the social security system throughout their careers and their contributions have to be considered as deferred wages.

Eurofound made a study before the onslaught of the crisis which reflected the following “expected” tendencies:

When examining the present age structure of the workforce in Europe, it is easy to see how the so-called ‘baby boomer’ generation, which was born in the 1950s and 1960s, has stabilised labour market supply. But it is also clear that the baby-boom cohorts will start to retire within a few years. This will lead to a decline in the population of working age people (those aged 15-64 years) from 2011 onwards. Nevertheless, this will not automatically result in a shrinking workforce as a rise in labour market participation is expected at the same time (especially due to the effects of the changing age of retirement). Employment rates of older workers are thus expected to rise.

- *Until 2011, an increase in labour market supply is expected as both the working age population and labour market participation rates rise*
- *Between 2012 and 2017, the rise in employment rates will overcompensate for the decline in the size of the working age population and, therefore, the European workforce will still grow during this period*
- *After 2018, the ageing effect will no longer be compensated for by growing labour market participation rates, leading to a decline in total employment in Europe.*



But of course then came the crisis .... and this prediction model is no longer valid, especially for the short term. We are now confronted with less jobs, huge unemployment, especially with regard to young workers, and an increased working age for the population (increased retirement age), with an even quicker fall in the employment rate as a direct result.

The recommendations of the European Semester nevertheless regularly take up the connection between the retirement age and life expectancy, as well as the increase in the career length. A quantitative analysis that is once

again ultimately aimed at reducing social benefit incomes under one and the same rationale i.e. that the latter are costs. The approach to active ageing in employment neglects a good number of qualitative elements, whereas recent data on life expectancy in good health point to a declining phenomenon in respect of this indicator. For the very first time, we are witnessing a rise in inequalities as man's mastery of time regresses.

We also see a shift in the Commission's and most governments' official arguments regarding the increased participation of older workers in the labour market: from increased living age (and thus longer working age) towards the financial burden of an increasing older, retired population.

**Increasing the retirement age under these conditions cannot be a solution and will only increase the problem of - youth - unemployment.**

Alternative solutions have to be developed. Since the end of the Seventies, productivity gains have been multiplied by 5 without these producing equal benefits for wage-earners, as is clearly shown in the diminishing share of wages in the last decades. This is the crux of the problem, and explains also why there is so much pressure on social benefits and retirement payments. It is important to reaffirm the social role of a pay-as-you go pension system as a tool for redistribution, solidarity and justice.

## Suggested courses of action and trade union demands

All over Europe, European trade unions are committed to ensuring the survival of our social protection systems, and especially our pension schemes. They defend the principles of inter-generational solidarity, the maintenance of contributory pension schemes, decent pensions and a retirement age that is compatible with a healthy life expectancy and which takes the harshness and difficulties of working conditions into account.

The mere pursuit of a quantitative objective of employability for senior citizens ignores all the different stages of a working life. Trade unions must make sure that active ageing in employment within companies continues to be geared to the inter-generational transfer of knowledge. It becomes urgent to counter the current measures of intensifying work and increased flexibilisation through a trade union approach to job-sharing and knowledge-sharing.

Combating unemployment and ensuring access to high-quality, stable jobs are key requirements. Improving employment rates throughout Europe, both for young people and for older workers, is crucial if we are to guarantee the survival of our social protection systems, which have suffered as a result of both the austerity policies and mass unemployment. We condemn all redundancies resulting from austerity policies and call for increased investment to enable growth in employment levels and furthermore a shorter weekly working week and shorter working life in order to secure jobs.

We need to formulate active public employment policies which ensure the financing of systems and measures specifically targeted towards young people, whilst creating the necessary conditions to facilitate their access to better quality and more sustainable employment.

## 10 Recommendations and demands

- › **1** Develop, and mobilise on, a European trade union policy aimed at raising wages and social benefit incomes and respect the equal pay for equal work principle in the case of youth employment. Guarantee a benefit income threshold via minimum social benefits above the poverty level.
- › **2** Set the open-ended contract as a frame of reference for contracts of employment as opposed to the proliferation of involuntary temporary and part-time jobs which already account for 40.5% of young people's jobs within the EU.
- › **3** Open up a public debate about working time reduction, without loss of pay, as well as on working time schemes and job-sharing. Promote the development of employment, particularly industrial employment. To achieve this, industrial, public and company policies need to be put in place, aimed at safeguarding existing jobs and creating new ones.
- › **4** Guarantee access to education and training, with high-quality teaching which is open to all, without discrimination, in every EU country.
- › **5** Regulate traineeships and other integration/transition policies by provisions in collective agreements regarding equal treatment and pay, the limitation of their duration and number, introducing skills validation and by taking seniority into account, etc.
- › **6** Guarantee - through agreements - access to decent, stable employment following completion of training or apprenticeship and ensure a stable career path throughout working life.
- › **7** Put an end to the gender wage gap and all kinds of discrimination and fight against recruitment-related discrimination.
- › **8** Reject the increase of the retirement age and assert inter-generational solidarity through the collective financing of a pay-as-you-go pension and, if necessary, increase the employer contribution threshold.
- › **9** Develop sources of alternative financing for social security through taxation of capital income.
- › **10** Adapt working conditions, as well as career length, in relation to the issues of the arduous nature of work and stress. Continue efforts to reduce inequalities between workers in line with life expectancy without disabilities.



