

The ETUC Coordination of Collective Bargaining and Wages in the EU Economic Governance

Adopted at the meeting of the Executive Committee on 22-23 October 2013

- The EU economic governance introduced unwanted interventions on collective bargaining and wage setting mechanisms, particularly through the CSRs.
- In this context a new method of internal and autonomous coordination is needed to prevent and/or counter such interventions, by involving the ETUC affiliates in a multi-level exercise (EU, national, sectoral), fully respecting the autonomy of social partners at the appropriate levels.
- This new method of coordination is described in this resolution and will be led by the ETUC Collective Bargaining Coordination Committee.
- It will improve the priorities and orientations set by the resolution “Collective Bargaining: The ETUC Priorities and Working Programme” adopted by the Executive Committee in March 2012.
- Such method will be coherent with the general strategy of the ETUC to cope with the EU Economic Governance.
- The “Toolkit for Coordination of Collective Bargaining and Wages in the EU Economic Governance” will support this exercise, by collecting and comparing data and best practices and implementing ETUC internal training on collective bargaining.

Background

Implementation of the Resolution adopted on 6-7 March 2012 and Recent Developments

In the meeting held on 6-7 March 2012, the Executive Committee of the ETUC approved a resolution named Collective bargaining: The ETUC Priorities and Working Programme. The resolution set down a new method of internal coordination of collective bargaining and wage policies within the ETUC, according to the changes that impacted trade union strategies in these fields as a result of the economic crisis.

The resolution also set out four priorities underpinning this coordination:

- The confirmation of the so-called “golden rule” (inflation plus productivity) in addressing wage rounds, with some flexibility according to the different countries’ and sectors’ specificities, but with nominal wage dynamics to remain in positive terrain and a rejection of wage freezes and wage cuts; actions for preserving collective bargaining rights and the autonomy of social partners, as well as fighting against the unwanted decentralisation of collective bargaining, achieved by putting an end to the undermining of collective agreements at national level;
- The red lines to be adopted as guidelines for defensive agreements and opening clauses in cross-industry, sectoral and company agreements, in order to keep them temporary, bargained and monitored by social partners and in

exchange of clear and well-defined compensations in terms of employment and investment;

- The ETUC common priorities on minimum wages and collective bargaining coverage;
- The need to spread and strengthen the European Framework Agreements' practices in the multinational companies.
- The resolution also stressed the necessity to close the gender pay gap. Collective bargaining proved to be effective in tackling gender inequalities and in removing causes of all forms of discrimination.

Since then, the ETUC Secretariat, the Collective Bargaining Coordination Committee and the Task Force have jointly put in place a number of activities and projects, in order to implement priorities and directions set in the resolution.

In this context, specific activities have been developed:

- A new ETUC coordination of collective bargaining and wages within the framework of EU economic governance (to be submitted for endorsement to the Executive Committee through this resolution).
- A position on the current economic governance and EU Semester process and their consequences for wage setting mechanisms and collective bargaining (Statement adopted by the Collective Bargaining Coordination Committee – Annex 1).
- A toolkit to support the ETUC and its affiliates when facing such processes to improve their internal method of coordination, as well as to implement training activities for collective bargaining and wage negotiations (Annex 2).

For adoption

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The new Economic Governance is based on multilevel policy making and on a multilateral system of surveillance in which national and European policies are closely interlinked. Wage trends and collective bargaining reforms are monitored during the European Semester and are often the subject of policy recommendations.

Country Specific Recommendations, as formulated so far, are the basis for reforms of labour law and industrial relations that have downgraded the rights and working conditions of employees. The current strategy for the decentralisation of collective bargaining has turned into the deregulation of collective bargaining systems.

It is clear that the International Labour Organisation is continuing to denounce this deregulation and interference in the collective negotiations linked to austerity policies imposed at the European level. These policies are not a solution and do not produce any positive effects, even pushing some Member States to no longer respect the fundamental conventions of the ILO at the risk of endangering their population.

If the general bias in favour of wages as a downward adjustment mechanism persists, this implies that the NRPs and the CSRs following from this will continue to promote wage moderation and wage cuts and will also continue to attack collective bargaining systems, even when there is no evidence to justify this.

Decisions on how to organise collective bargaining and wage setting is a national competence, falling within the social partners' autonomy and sovereignty. The collective bargaining systems differ according to national industrial relations and traditions. Article 153 5 of the Treaty establishes that the issue of pay is outside the scope of EU competences. This should be strictly respected by the EU institutions and national governments.

It is vital that the influence of trade unions in the EU Semester is increased. Unfortunately, the majority of national governments do not involve social partners when drawing up their NRPs. Social partners are often also excluded from the process of transforming NRPs into CSRs.

In 2012, only the Finnish, Swedish, and Italian governments obtained changes in their CSRs related to the section concerning collective bargaining and wage-setting mechanisms, following a request from social partners. If this demonstrates a general weakness of the trade union movement in the European Semester, these two cases show that it is possible to strengthen the trade union voice.

In its conclusions at the summit in December 2012, the European Council declared itself ready to enhance the role of social partners in the new economic governance and launched a debate to establish how social partners could be involved in the European Semester. It is a long and complicated process.

European trade unions need to increase their influence on the European Semester now. The 2013 CSRs focus once again on collective bargaining and wage formation systems at national level, and the ETUC should not leave its affiliates alone in tackling further government interventions and reforms.

The ETUC rejected new tripartite formats at EU level for monitoring wage trends and collective bargaining activities, such as the EMCO exercise of 1 February 2013. At the same time the ETUC highlights the need for renewed and strengthened internal coordination, aimed at countering EU interference in the autonomy of social partners as well as in confronting the EU Semester when it looks at wage developments.

New ETUC coordination of collective bargaining facing the Economic Governance has to be autonomous and easily applicable. It should aim at making the trade union voice more influential within such a process and at the same time avoid and/or counter interference on collective bargaining and wage setting systems coming from the EU and national institutions.

This objective could be achieved by enhancing trade union capacities to be consulted and to react in a timely manner to the decisions made within the EU Semester.

ETUC coordination should enhance the position of the ETUC affiliates to defend collective bargaining systems and to increase their bargaining power. National social partners, in their full autonomy, have to be involved in all steps of government decisions concerning NRPs and CSRs, particularly when wages and collective bargaining are at stake. The ETUC has to demand this from the European institutions.

The ETUC will improve and better coordinate its method of collecting data, information and evaluations from its affiliates, in order to set up an annual report on wages and collective bargaining at EU level and to be able to react in a coordinated way to the general strategies carried out by the European Commission through the CSRs.

This "two-level" method of coordination includes a more structured and continuous exchange of information aimed at setting common strategies. It implies comparison for measuring the quantitative and qualitative effects of the coordination action.

It includes monitoring trends, which are relevant to collective bargaining and wage development at any level (national, sectoral, company, cross-border and transnational levels), as well as the analysis of other complementary factors influencing wage and purchasing power dynamics, as, for instance, gross labour costs, fiscal burdens, pay discriminations between women and men performing the same work or a work of equal value, the economic dependency of unemployed people, etc.

Specific actions could be planned for the ETUC to support an affiliated organisation at its own request. This could be when an affiliated organisation is opposing attacks on collective bargaining and/or wages led by its government, whether implementing recommendations issued by the EU institutions within the framework of the EU Semester or not.

The ETUC Toolkit for Coordination of Collective Bargaining and Wages

The ETUC Collective Bargaining Coordination Committee began setting up a Collective Bargaining Toolkit to support its new method of coordination. The toolkit has been further developed and finalised over recent months.

The document in attachment includes 5 specific toolkits, which propose a working method for the Collective Bargaining Coordination Committee (CBCC). Building a trade union toolkit to enhance coordination of collective bargaining in Europe is primarily a 'capacity building' exercise.

A common methodology can only be built together. That is why this document must be seen as a 'work-in-progress'.

It is also a 'work-in-progress' because, for the moment, the 5 toolkits only cover the first priority set out in the ETUC resolution adopted in March 2012: "Collective bargaining: The ETUC Priorities and Working Programme" in addition to the priorities set out in this resolution.

A specific toolkit to tackle the gender pay gap will be developed in cooperation with the ETUC's Women's Committee, as a result of the on-going project "Bargaining for Equality".

Toolkits 1 to 3 aim at enhancing the trade union position in the EU Semester. Toolkits 4 and 5 deal with the so-called 'golden rule' of inflation + productivity.

The 2012 ETUC resolution also includes defensive agreements, opening clauses, minimum wages and collective bargaining coverage. These issues will be addressed in the near future.

As far as transnational negotiations are concerned, this issue is dealt by a specific ETUC project.

Collecting and analysing data correctly is a difficult exercise. It will be implemented and adjusted step by step over time. The ETUC, together with the European Trade Union Federations and the national confederations, have already developed different methods and tools to support this activity. Now it is time to make it more systematic and effective.

One of the ways the toolkit aims to facilitate this process, is by setting up a specific interactive website within the ETUC's general website (collective.etuc.org). Furthermore, the toolkit will become a facility for the collective bargaining internal training course that is going to be organised in cooperation with the ETUI. ETUI data collection and surveys will form the basis for the implementation of the toolkit.

The coordinating and collecting activity supported by the toolkit will fully respect the autonomy of the national and sectoral trade unions, and their strategies in the negotiations. The objective of such an exercise is to strengthen and implement the ETUC's internal coordination, according to the priorities set out in this resolution and in the one adopted in March 2012.

Annex 1 - The ETUC position on the current economic governance and Semester process, with regard to their effects on collective bargaining and wage-setting mechanisms (Final Statement adopted by the Collective Bargaining Coordination Committee in the ETUC Collective Bargaining School, Florence on 10-11 June 2013)

Annex 2 – The ETUC Toolkit for coordination of collective bargaining and wages in the EU Economic Governance