

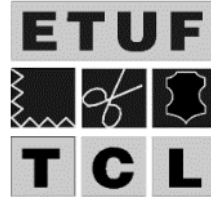


Collective Bargaining in Europe The perspective of industriAll Europe

Prague - 25.01



Created in **2012** by the merger of :



Today, a European Federation of:

- **180** trade unions representing
- **7 million** workers in industry (metal, chemical, textile), mining and energy, in
- **38** European **countries**



10 Sectors



- **Aerospace**
- **Automotive**
- **Basic metals**
- **Basic materials (rubber, glass, paper...)**
- **Chemicals & Pharmaceuticals**

- **Energy**
- **ICT**
- **Mechanical engineering**
- **Shipbuilding and ship repair**
- **Textiles, clothing, leather and footwear**

Structure of the Presentation

- **Trends in Collective Bargaining in Europe:**
 - ✓ Erosion of Collective Bargaining Coverage
- **Strengthening Sector Collective Bargaining**
 - ✓ Why is it so important?
- **How to strengthen Collective Bargaining in Europe?**
 - ✓ Strengthening the regulatory capacity of CB and increase of Collective Bargaining coverage
 - ✓ Together at Work Campaign
 - ✓ Building Trade Union Power
 - ✓ European Directive on the Minimum and the promotion of Collective Bargaining



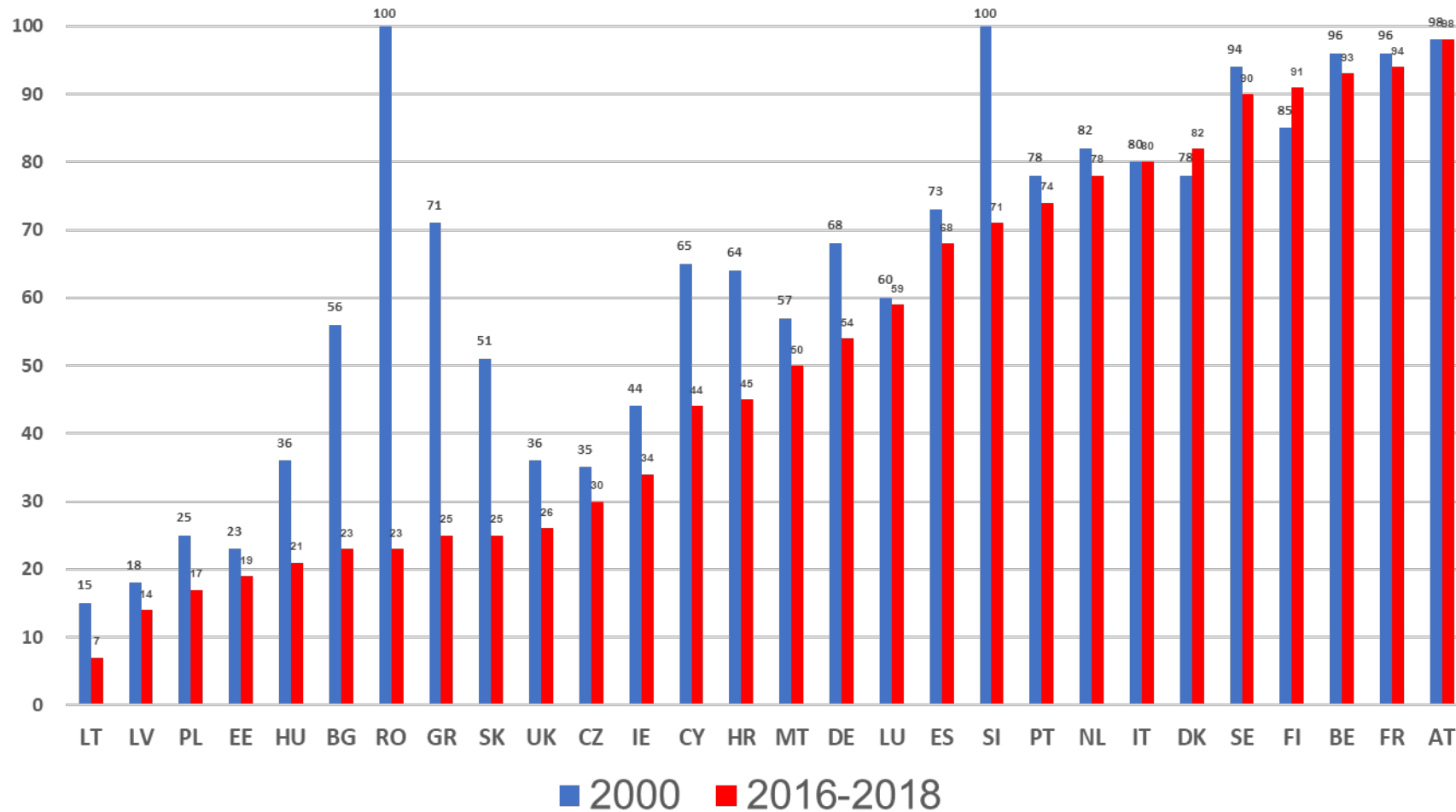
CB coverage in the EU27 2000 2016-2018

CB still a distinctive feature of European labour market regulation

Nearly 2/3 of all employees covered

Huge difference between countries

Decline since 80's mainly linked to the decentralisation of CB

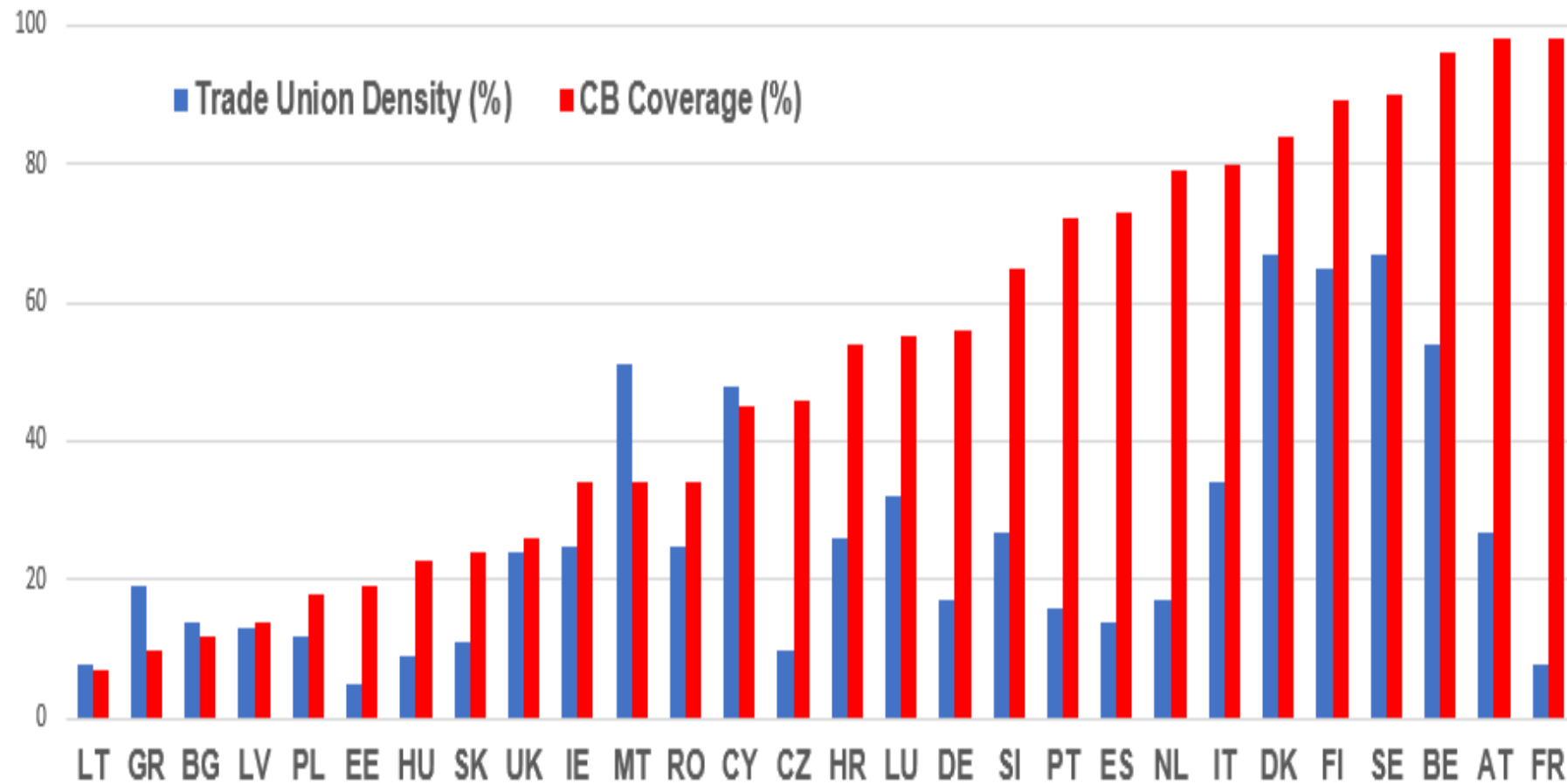


CB coverage and trade union density

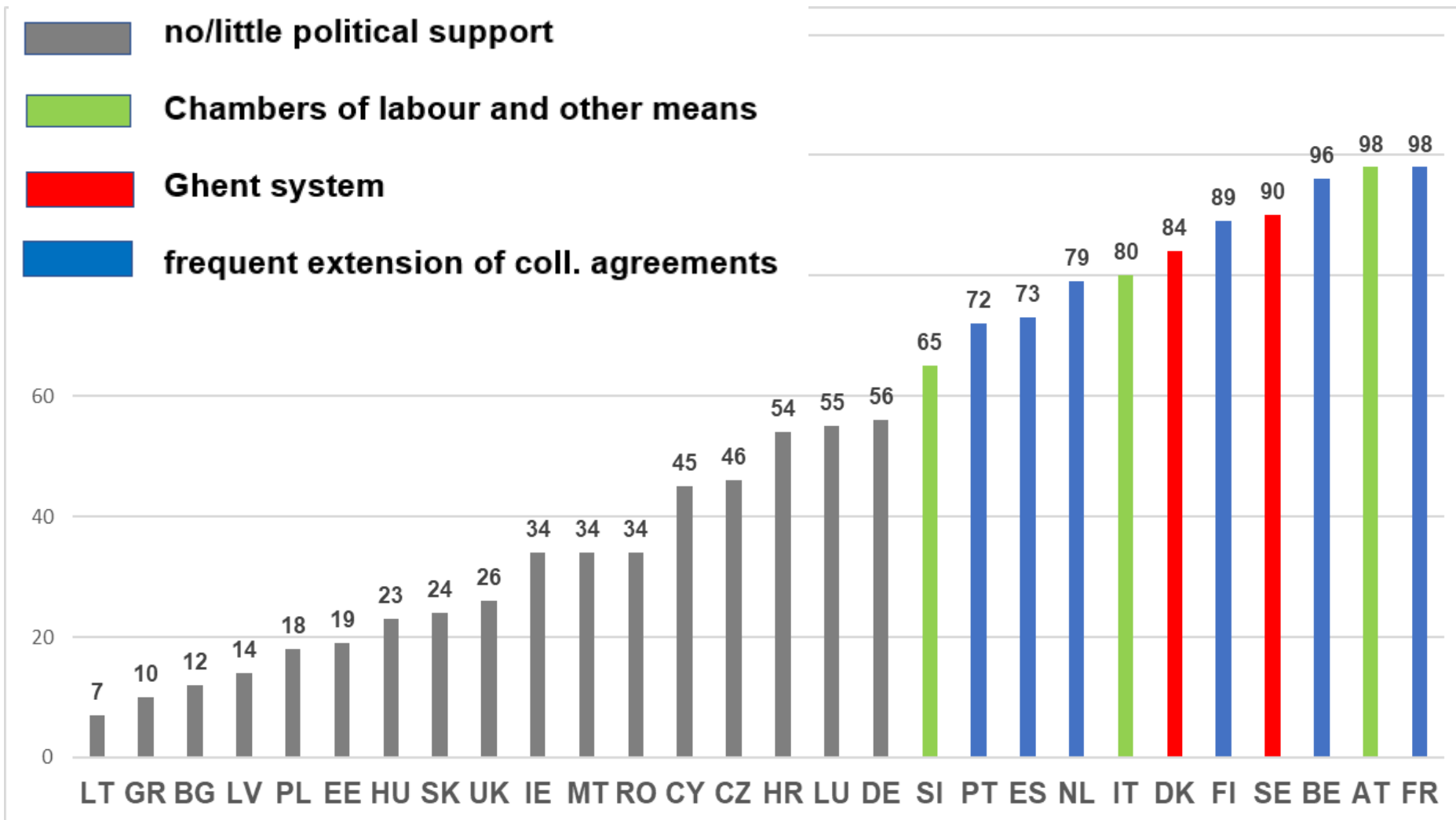
Relatively high coverage depends on strong bargaining parties

High coverage is linked to the predominance of multi-employer bargaining

Role of extension mechanisms



CB coverage and state support



Source: ILO

Decline in CB coverage: Why?

- Weakening of **state support** for sector
 - Weakening or reversing of **favourability principle**
 - More restrictive criteria for **extension**
 - Undermining **bargaining rights** for unions
 - Reduction of **wage-setting power** of TU
- Gradual **retreat of employers** from multi-employer bargaining
- Decline in **membership**



Why is it so important to strengthen collective bargaining and in particular sector collective bargaining?

- Increase wage (link between CB erosion & low paid job)
- Tackle inequalities and Contribute to a more equal distribution of wages and income (prevent the most vulnerable to fall into poverty)
- Support purchasing power, demand and growth (low wage growth)
- Success of Collective Bargaining in delivering solutions to crisis such as COVID-19 crisis
- strong CB is necessary to support a wage led recovery and to accompany a just digital and green transition which does not leave anyone behind.

Growth, but a low wage growth

**Bloomberg
Business**

“Mystery of missing wage growth” 4 July 2017



“Wage-poor recovery”
Economic Forecast, Spring 2017



“Eurozone’s strange low-wage employment boom” 5 July 2017



“Unprecedented wage stagnation”
4 July 2018

“Low wage growth puzzles economists”
12 September 2018

The New York Times

“Back in simpler days, falling unemployment usually led to higher wages. (...) But in recent years the relationship between growth, wages and inflation has become much harder to understand.”
25 July 2018

**The
Economist**

“Rich-world wage growth continues to disappoint”
11 September 2018

TOGETHER AT WORK

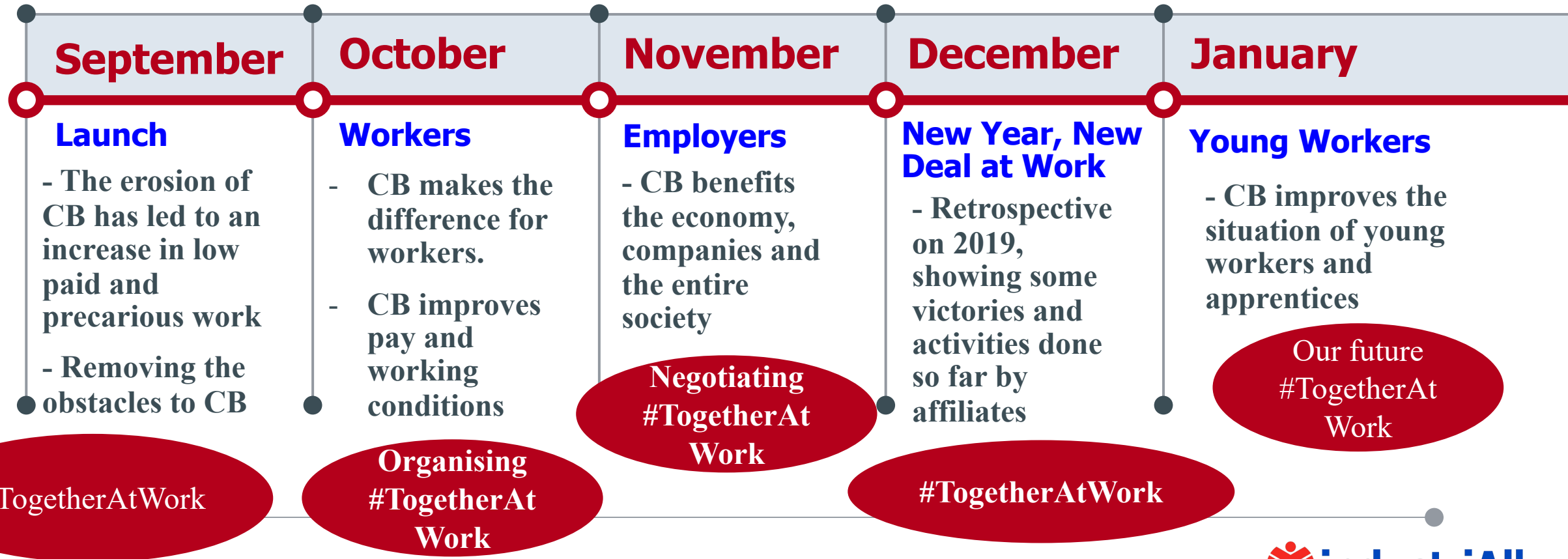
Time to Rebuild Collective Bargaining in Europe



A CAMPAIGN BY  **industriAll**
EUROPEAN TRADE UNION

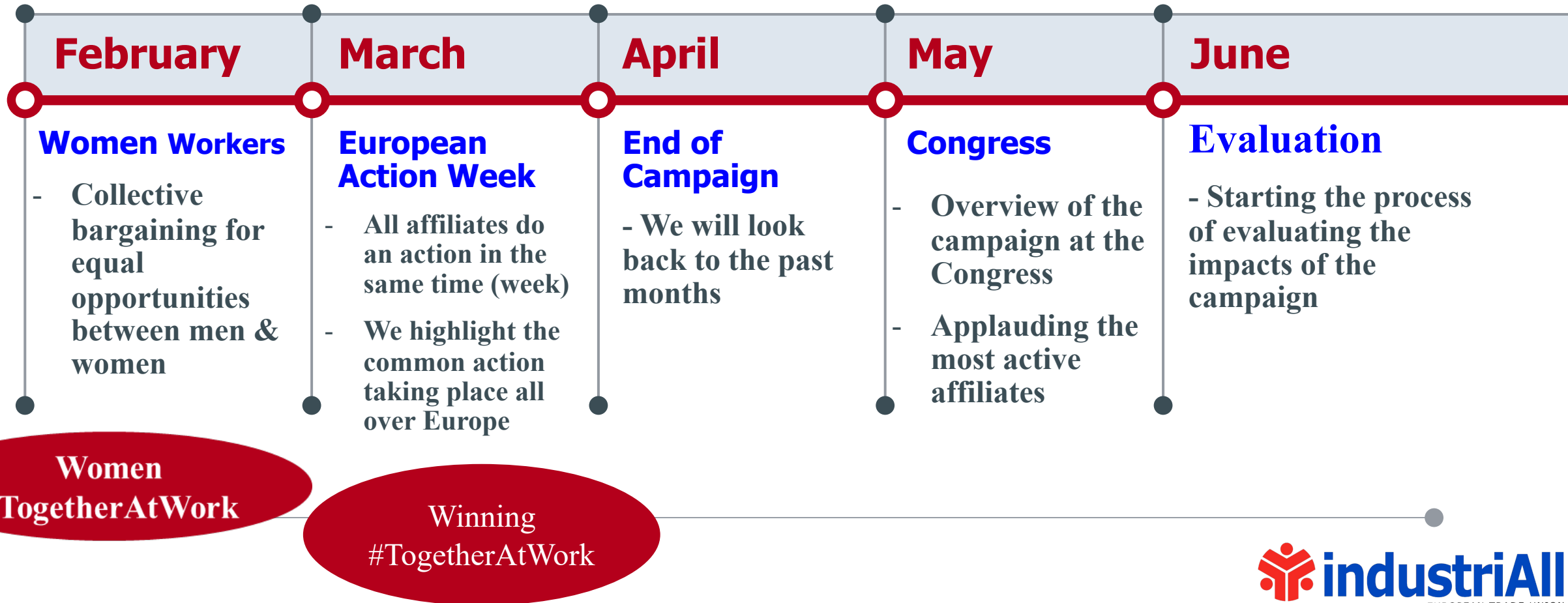
Timeline “Together at Work” Campaign

September 2019 – January 2020



Timeline “Together at Work” Campaign

February – June 2020



How to strengthening Collective Bargaining in Europe ?

Strengthening from below

Union Power at the Workplace

- Organizing to increase union density
- Innovative bargaining strategies attracting new kinds of members
- Mutual exchange on organizing experiences
- Transnational support and solidarity action

Strengthening from above

State/Politics/Society

- Supporting regulation for multi-employer bargaining Extension of agreements
- Labour clauses in public procurement
- Public discourse on the value of CB
- **European regulation**

**Increase of Collective Bargaining Coverage
Strengthen Regulatory Capacity of Collective Bargaining**

IndustriAll
Europe's Focus
on building
stronger unions



Congress period 2016
– 2020/21



Strategic plan
2021 - 2023



Every Workplace with a union. Every
worker in the union
Implementation plan
2021 -2023

Building trade Union
power is one out of four
priorities



' A strong voice for
workers needs strong
unions at work '



Companies

Sectors

Target groups

Cross-
organisational



The Organising Programme by IndustriAll Europe - Implementation



Company level

- Support of company level organising actions in Czechia, Serbia and Romania, others in preparation,
- Preparation of a transnational organising campaign for one multinational company – **also plant in Estonia!**
- Hand-out for EWC: “Organising basics for EWC – the industriAll Europe guide for practitioners”

Sector level

- Textile Sector: Strategy BTUP development with affiliate in Hungary

Target group level

- **Youth network – Series of trainings – next: train the trainers in February 2022 in Budapest**
- Southeast Europe: TCLF sector application “Ensuring a sustainable future for the Textiles, Clothing, Leather and Footwear Industries” ongoing)
- White Collar Workers network - consultation

Cross-Organisational level

- Capacity building activities and train the organisers courses: Project application: Building trade union capacities for better social dialogue, collective bargaining and sustainable industrial recovery in Central and Eastern Europe (BTUC4Recovery): 5 Organisers/recruiters (PL, CZ, HU, RO, SRB) will support affiliates in CEE/SEE to build and retain membership in industrial transition

Join our industriAll europe Task Force BTUP!

The European Minimum Wage Directive: What's new...

etui.

New view of wages and CB in EMWD:

Social goals...

- allow for a decent living
- reduce in-work poverty
- reduce inequality

Economic goals...

- provide for fair competition
- allow for more stable and inclusive economic development

Political goals...

- stabilize society in particular in times of crisis
- strengthen support for European integration project





Principal objectives of Minimum Wage Directive



- Promotion of **Adequate Minimum Wage Levels**
- Promotion of **Collective Bargaining**



FAIR WAGES!
Collective bargaining **FOR ALL**
and fair minimum wages





Principal objectives of Minimum Wage Directive



What the Directive does **not** intend to do...

- Harmonising **MW levels** across the EU
- Harmonising **MW systems**



FAIR WAGES!
Collective bargaining **FOR ALL**
and fair minimum wages



▶ Setting out procedures to achieve objective of adequate MW



Criteria to be taken into account when setting or updating minimum wages:

- (a) **the purchasing power** of statutory minimum wages, taking into account the cost of living;
- (b) the **general level of wages** and their **distribution**;
- (c) the **growth rate of wages**;
- (d) **long-term national productivity** levels and developments



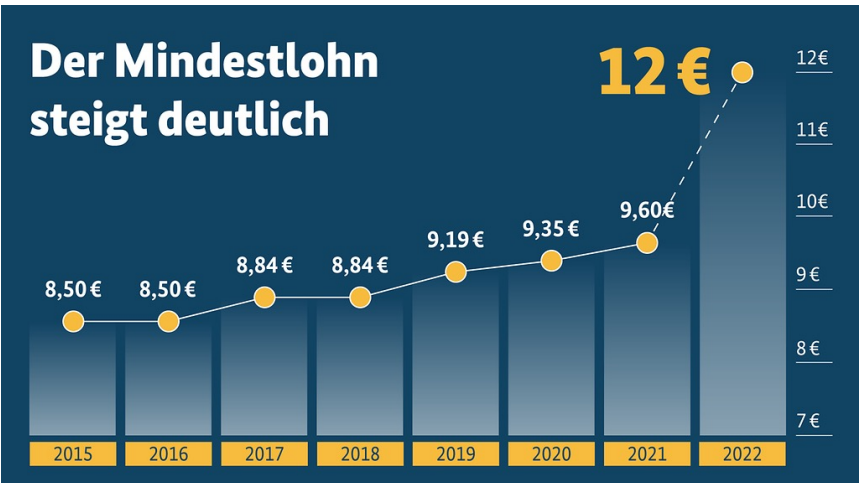
Criteria to guide the assessment of adequacy:

indicative reference values commonly used at international level such as **60%** of the **gross median wage** and **50%** of the **gross average wage**

▶ Impact on statutory minimum wages



Germany: increase to €12 = 60% of median



Ireland: plans to increase MW to 60% of median

Politics

Minimum wage to be phased out by 2026 for new living wage

Living wage will be 60% of median wage in any given year, under proposals



Source: Irish Times, 14 June 2022

Austria: Unions demand €2000 per month = more than 60% of median



Löhne und Inflation

ÖGB fordert 2000 Euro Mindestlohn



ÖGB-Chief Wolfgang Katzian. APA/EVA MANHART

Belgium: calls for MW increase to €12 to reach 60% of median

The Brussels Times

Belgian minimum wage does not meet new European standards

Friday, 10 June 2022
By Dylan Carter

Netherlands: FNV pushes for MW increase to meet European criteria

NL#TIMES

Trade union pleased with EU deal on minimum wage; Pushes for €14 p/h

▶ Setting out procedures to achieve objective strengthening CB



Criteria to ensure stronger collective bargaining:

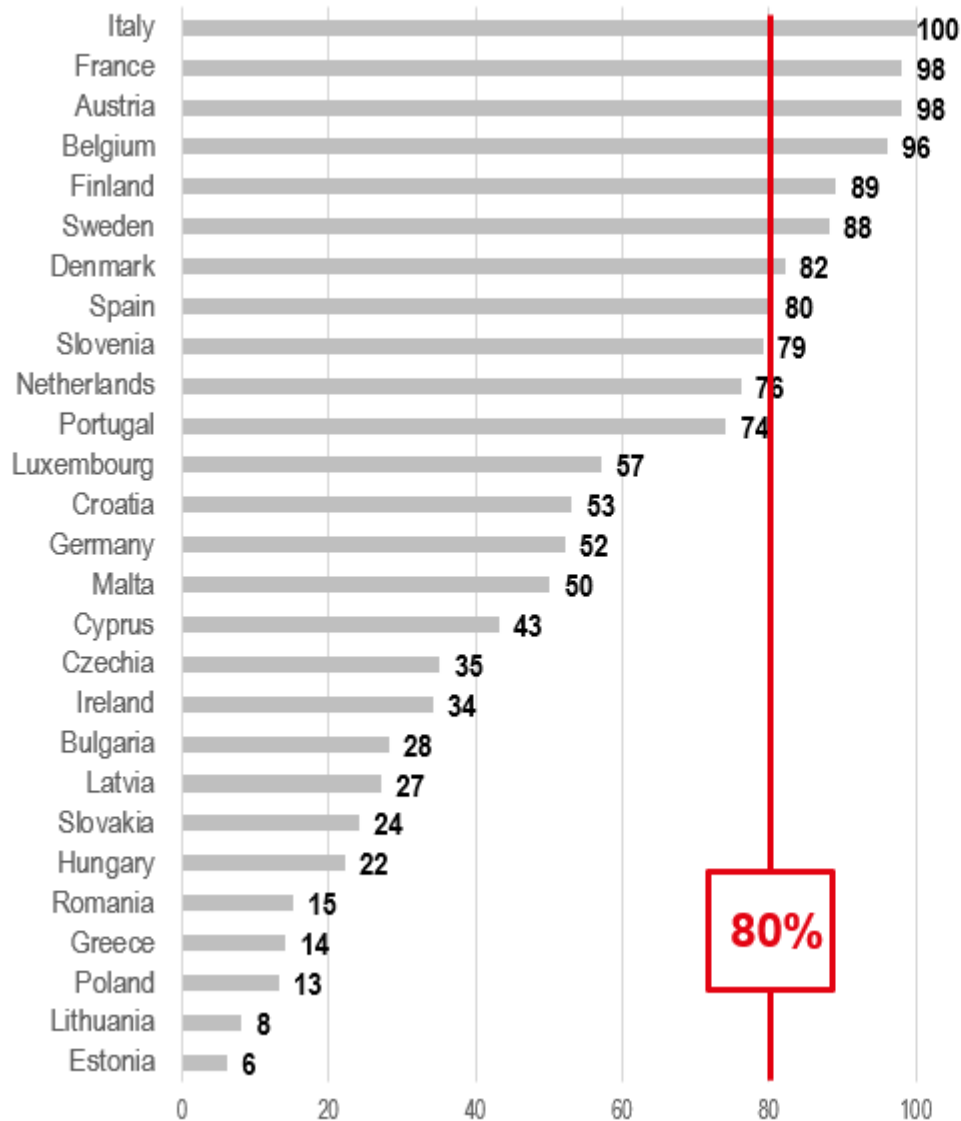
“Member States shall, where the collective bargaining coverage rate is **less than a threshold of 80%**, provide for a **framework of enabling conditions** for collective bargaining, either by law after consultation of the social partners or by agreement with them. These Member States shall also establish an **action plan to promote collective bargaining**. (...).”



The **action plan** shall

- set out a **clear timeline and concrete measures**
- be **reviewed regularly and updated** (...).
- be **made public** and notified to the Commission.

Collective Bargaining Coverage



8 EU Member States
with a
Collective Bargaining Coverage > 80%

19 EU Member States
with a
Collective Bargaining Coverage < 80%

80%

Quelle: OECD

The adequacy threshold can only be reached by means of sectoral collective bargaining.

In all 8 countries that fulfil the adequacy threshold, sector-level agreements are present.

By contrast, all the countries with 50% or less bargaining coverage company-level agreements dominate.

This clearly illustrates the importance to promote (cross-)sectoral bargaining as stipulated in Article 4.1(a) of the EWMD.



Next Strategic Steps: implementation



- Rapid action on **Action Plans** to increase collective bargaining coverage: why wait 2 years until Directive has been transposed?
- What should be included in Action Plans?
- How to use the criteria for setting adequate minimum wages?
(for instance: **purchasing power** taking into account **cost of living**)
- How to ensure **involvement of trade unions** in setting minimum wages?



Action Plan to support affiliates for the transposition and implementation of the Directive

Measures that could be considered by affiliates to be included in national action plans:

- Provide the funding necessary for **capacity building and training measures** for both trade unions and employers' federations;
- **Right of access to companies** for unions including the right of digital access;
- **Promotion of multi-employer bargaining with groups of companies in particular in sectors with only a limited amount of key players**
- Incentives to **establish sectoral employers' federations** and to assume a negotiating role;
- **Establish sectoral bargaining and an effective mechanisms of extension**
- **Continuation of collective agreements** in the case of spin-offs/transfers of undertakings
- Possibility for **differentiation clauses** in collective agreements that provide additional benefits for union members
- **Providing** union representatives and other democratically legitimised employee representation structures at company-level with the **time and facilities** to carry out their duties.
- **Anti-union busting measures** such as protecting trade unionists and other democratically legitimised employee representatives from discrimination, dismissal and blacklisting;

IRA: source of inspiration - towards social conditionalities ?

Inflation Reduction Act

Clean energy deployment tax credits: Bulk of credit requires prevailing wage and apprenticeship, bonus and direct pay require 55% domestic content

Lowering Rx Costs and Extending Health Coverage

- Medicare Price Negotiations (\$288 B in Revenues)
- Extending ACA Premium Supports (\$64 B)

Investing in Climate, Energy and American Manufacturing (\$369 B +)

- Tax credits for clean energy deployment- solar, wind, nuclear, hydrogen, CCS
- Tax credits for EVs made in NA, critical components from allies
- Tax credits, grants and loans to increase U.S. manufacturing of solar, wind, batteries, critical minerals and materials etc.

Ensuring corporations pay their fair share (\$490 B in Revenues)

- 15% Corporate Minimum (\$222 B), More \$ for IRS collections (net \$124 B), Taxing Stock Buybacks (\$74 B)

For the first time tax credits depend on prevailing wage & apprenticeship.

Bonus and direct pay require domestic content

Mfg grants, loans, and some tax credits come with construction labor standards and with agency guidance that pushes companies on manufacturing labor stds and community benefits

▶ Significance of European MW Directive



. The Directive:

- ... is currently the **most important initiative** to strengthen workers' power and to promote a more social Europe
- ... represents a **paradigm shift** in the view on minimum wages and collective bargaining
- ... contains mainly **procedural rules** but also some **none-binding quantitative targets** on adequate minimum wage levels and bargaining coverage which are already used in many EU member states
- ... creates a **reference for struggles at national level** and **supports** those who are in favor of higher minimum wages and stronger collective bargaining

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Together.
In Action.
For Higher
Wages.

IndustriAll Europe's Answer to the Cost-of-Living Crisis

IndustriAll Europe and its affiliates are joining forces to send out common demands in a European-wide campaign

[#TogetherInAction](#)
[#Together4HigherWages](#)



**Together.
In Action.
For Higher
Wages.**

IndustriAll Europe and its members mobilise: Together. In Action. For Higher Wages

Key messages of the campaign (organised around 3 thematic weeks):

- **Workers need a pay rise and big business can afford it!**
- **Inflation is not wage-driven! Inflation is not just a price hike, it is also a pay cut.**
- **Workers need stable purchasing power and anti-crisis measures, not austerity!**

Key demands to tackle the cost-of-living crisis (from already adopted Position Papers):

1. A pay rise that guarantees decent living standards
2. Fair taxes on companies and the wealthy
3. Support for workers affected by the cost-of-living crisis
4. Financial support for companies struggling with energy costs, with guarantees to save jobs and raise wages
5. Sectoral bargaining so workers can win better pay

Recent Wins after Very Tough Bargaining Rounds across Europe: Collective Agreements Signed by Our Affiliates

- Focus in bargaining rounds on protecting purchasing power to counter the cost-of-living crisis.
- **Tough encounters with employers and warning strikes across Europe.**

The most recent wins of our affiliates (some examples):

- ✓ **Germany - IG Metall: 8.5% pay rise + €3,000 tax-free**, one-off premium (24 months, metal - electrical sector)
- ✓ **Germany - IGBCE: 6.5% pay rise + €3,000 premium** (20 months, chemical sector)
- ✓ **Austria - PRO-GE and GPA: 7.4% + €75 / month lump sum** (12 months, metal - technology)
- ✓ **The Netherlands - FNV: 11% pay rise** (18 months, metal sector)
- ✓ **Romania (company level: FSLI Petrom and Metarom): between 10-14% pay rises**

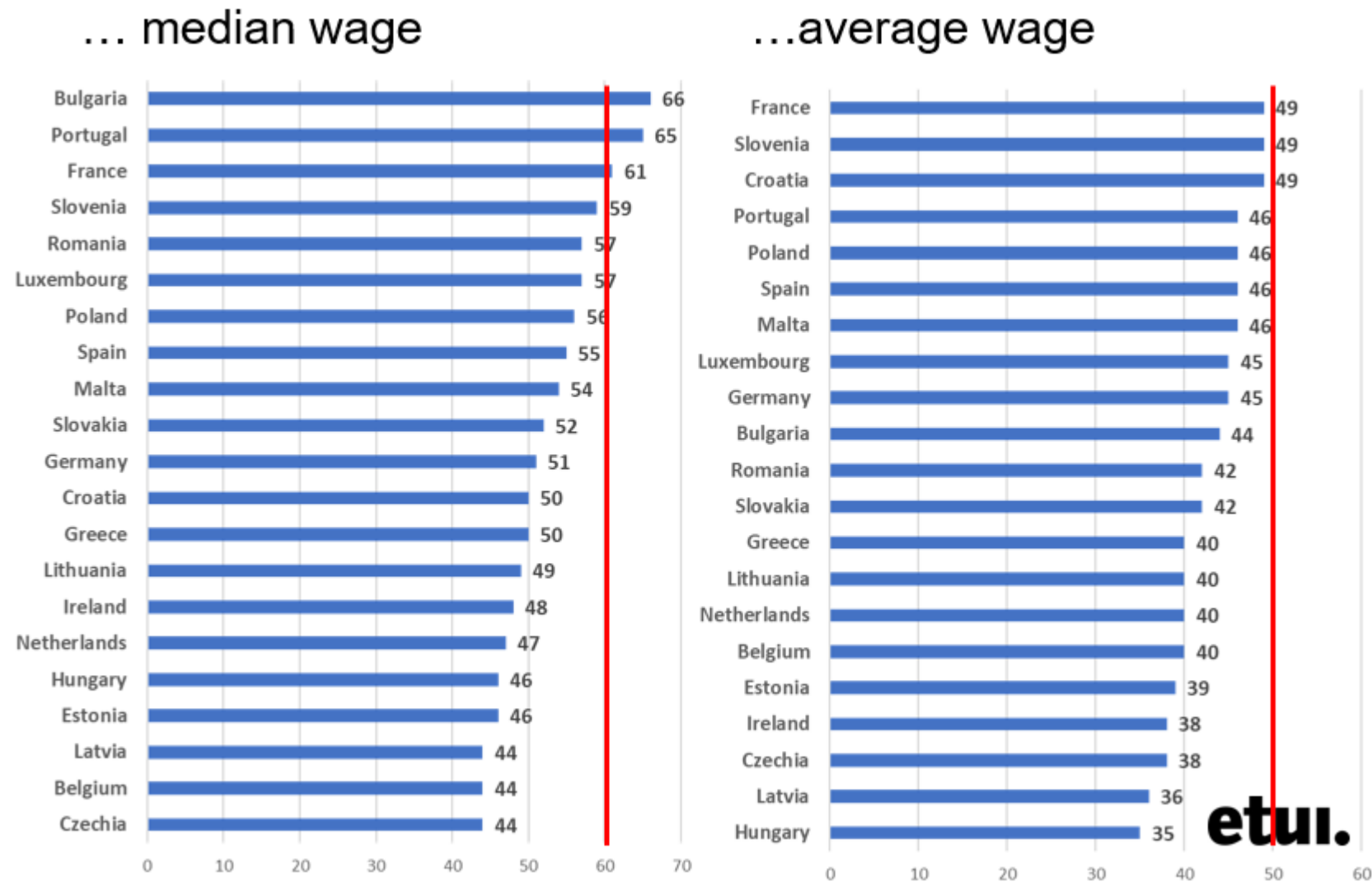
Some affiliates are continuing the mobilisation (some examples):

- ✓ **France – massive mobilisation (energy sector).** Several rounds of industrial action to move the employers.
- ✓ **Belgium – general strike on 9 November** (protect the wage indexation system, demand pay rise and measures against the current energy and cost-of-living crisis etc.)

▶ Statutory MW in 2020 as % of ...

Adequacy:

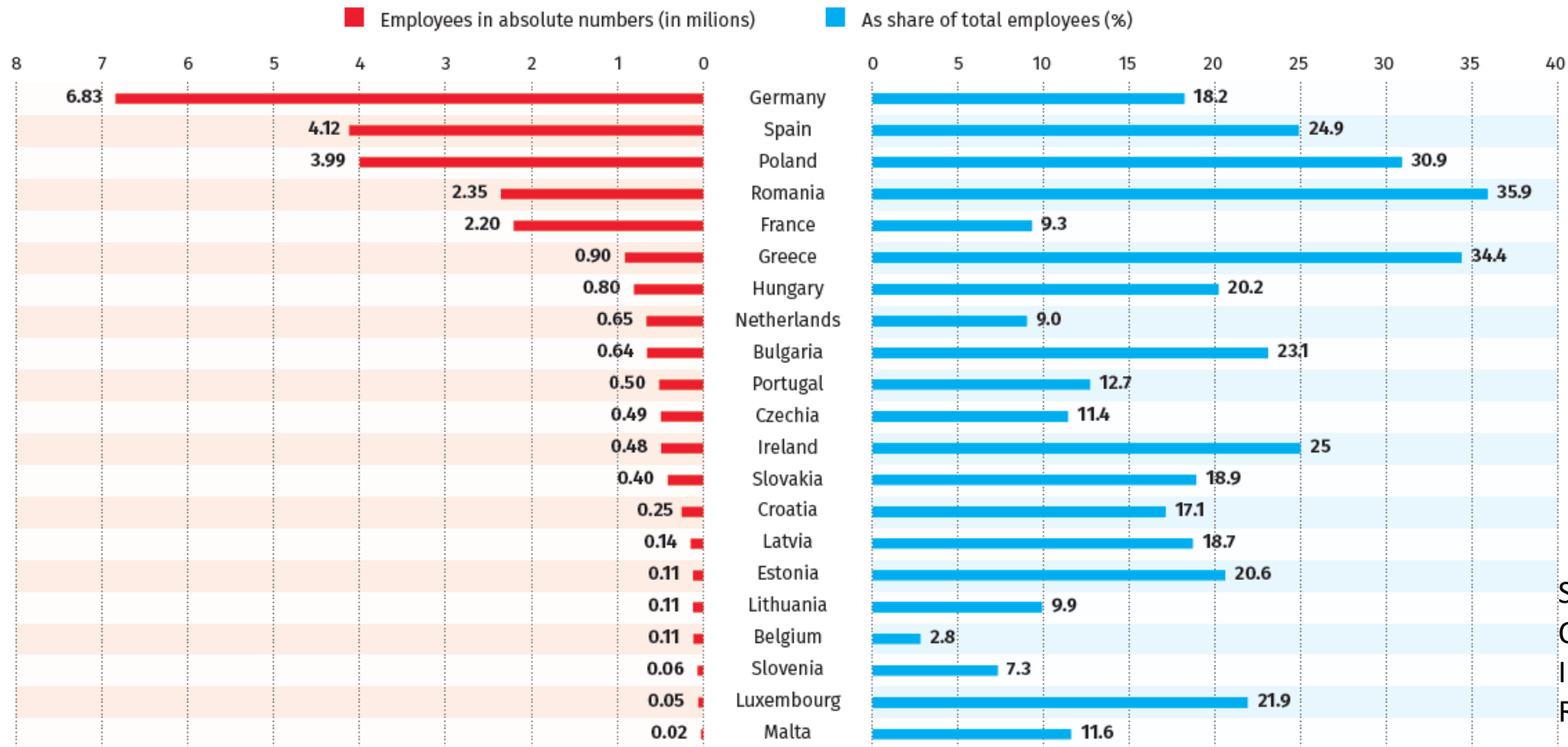
Internationally recognized standards of 60% of the national median gross wage AND 50% of the national average wage



More than 25 million employees will benefit from adequate minimum wages



Figure 3.10 Number of employees who would benefit from an increase in the statutory minimum wage to 60% of the median and 50% of the average wage (highest value in each case; in millions and %)



Source: European Commission 2020: Impact Assessment Report