

ETUC COLLECTIVE BARGAINING
COMMITTEE
OCTOBER 2004

AN OVERVIEW OF COLLECTIVE
BARGAINING SETTLEMENTS 2004

ON WAGES : FIRST OVERVIEW

Euro area	Collectively bargained	Effective wage increases (per hour)
Belgium	1,9	2,4
Germany	2	0,1
Italy	2,2	2,8
Spain	2,9	4,1
Portugal	2,9	-
Finland	2,4	3,5
Notherlands	0,25	3 (?)

ON WAGES : FIRST OVERVIEW

Non- euro Western Europe	Collectively Bargained	Effective wage increases
Denmark	2,6	3,4
Sweden	3,4	3,2
UK	3	1,9

ON WAGES : FIRST OVERVIEW

New member states	Collectively Bargained	Effective wage increases
CR	3,8	
Estonia		10,2
Hungary	8	14,5
Poland	3,2	5
Slovenia	3,2	8,9

THE ETUC FORMULAE (total wage minus inflation and productivity, figures per head) 2004 outcomes

Germany	-3
Spain	-0,1
Ireland	5,4
Estonia	-2
Poland	-3,1
Slovenia	-0,8

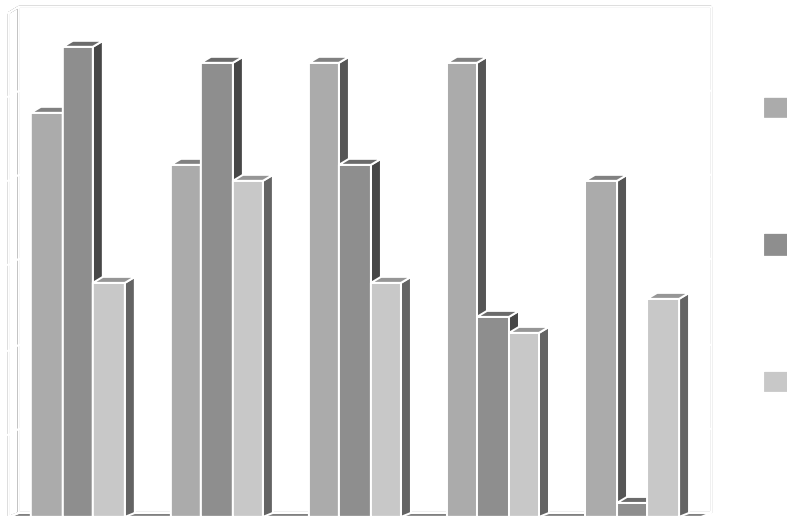
ON WAGES

- Germany :
 - Metal agreement : 2,2% (2004) / 2,7% (2005)
(includes reservations for a fund to finance a new pay structure). Agreement also includes clause to 'discuss the gap between expectations and economic developments before implementing the 2.7% pay increase.
 - Chemicals : 2.1% over 13 months including an opening clause concerning a 7% one-off payment
 - Opening clause also in banking (for the first time ; benefit cuts not to exceed more than 8% of wage + enterprise should be in difficulties)

ON WAGES

- Germany (continued)

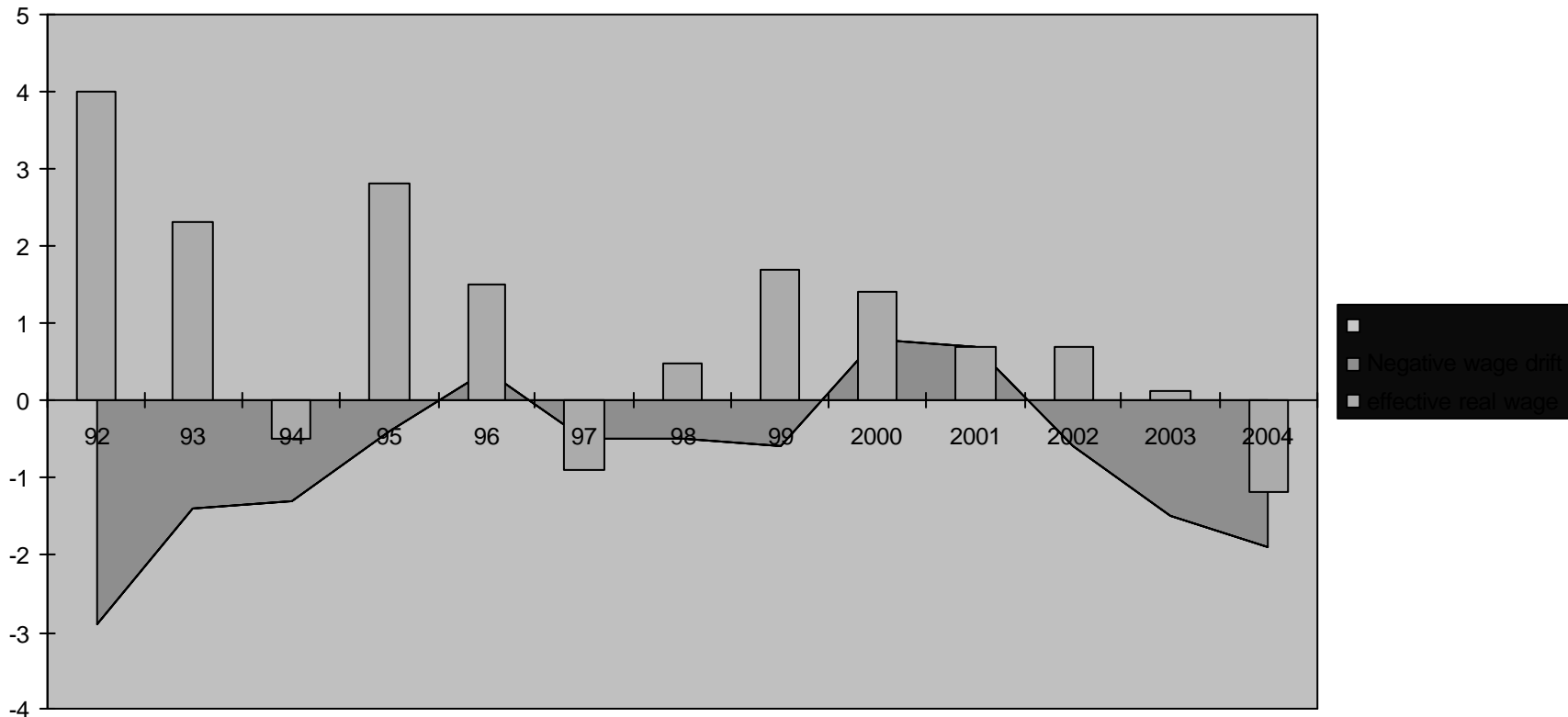
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ON WAGES

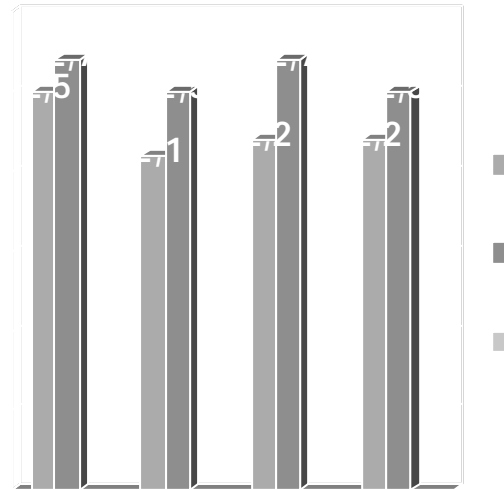
Germ : Negative wage drift is increasing

source : WSI DP nr 124



ON WAGES

Italy : Collective negotiated wages are not able to keep in line with inflation (Chemicals, printing, textiles, construction: increases of about 100 euro over several years)



ON WAGES

- Spain : National agreement on a collective bargaining framework (third in a row) : Wage settlements should keep in line with government inflation forecast (2%) and productivity (1% ?). Pay revision clauses are possible (cover now 70% of workers). Particular circumstances of a company or a sector can be taken into account.
 - Average negotiated increase for 2004 : 2,69%
 - Labour cost increase in 2003 : 3,7% (2,7% inflation)
 - SEAT five year agreement : yearly increase of 0.3% (to recoup transferred production)

ON WAGES

- Netherlands : 'Zero' agreement 2004 is not respected everywhere :
 - Conventions with creativity (KPN,Shell,Corus,...) However, with limited wage increases (1,5%).
 - Subsequent negotiations on retirement system have broken down because of opt-out proposed by government ; also different views concerning pay of workers on sick leave for more than 1 year (94% versus 70%)
 - Over past three years : pensions contributions up by 40% to 14% of total wage bill

ON WAGES

- Netherlands (continued) :
 - FNV metal : calls for 1.25% wage increase in 2005 with a 3% total wage cost margin
 - Government reacts by questioning the general binding of agreements that do not respect the 0% line

On wages

- Switzerland : average pay deals about 0.9%, even lower in net terms because of rising social contributions
- Denmark : Three year agreement in manufacturing : 3% a year (inflation 2%) (apprentice pay : + 4,5%).
- Sweden : average 2,4% increase for next three years in industry sectors /3% in commerce sector; minimum wage levels to increase by 10 or 12% and increased holiday pay for lowest paid workers (revival of wage solidarity) ; 0,5%/one extra day off for working time reduction in 2007 (or pension fund or wages)

ON WAGES

- Portugal : government awards 2% to lower paid civil workers (inflation running at 2.9%). Higher paid workers receive nothing.

ON WAGES

- Greece : National agreement offering 6% in 2004 and 5.5% in 2005 (Minimum wages up by 13% by September 2005), with difficulties in some sectors (fex banking)

ON WAGES : 2002 -2004

	2002	2003	2004
Belgium	1.8	3.6	
Italy	2.6	2.2	2.2
Austria		2.5	2
Germany	2.7	2.5	2
France	3.1	3	
Netherland	3.75		
Spain		3.7	2.7
DK			3

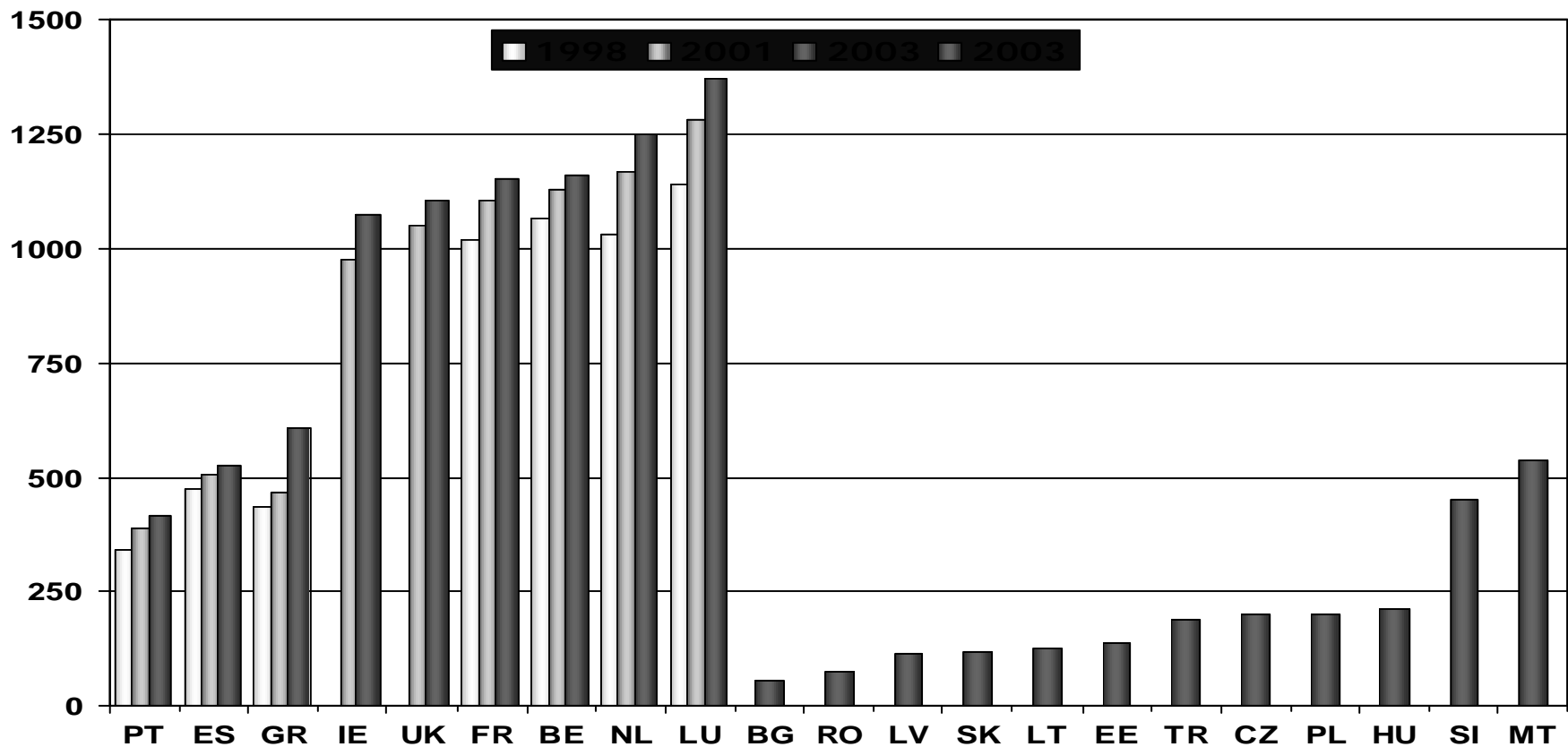
ON MINIMUM WAGES

- Czech Republic : 8% increase on 1 January 2004 (36% in '99 and 25% in 2000) (38% of average wage = substantially lower compared with other countries)
- Ireland : 5% of workforce ; 10% rise on 1 February
- UK : Minimum wage extended to home workers

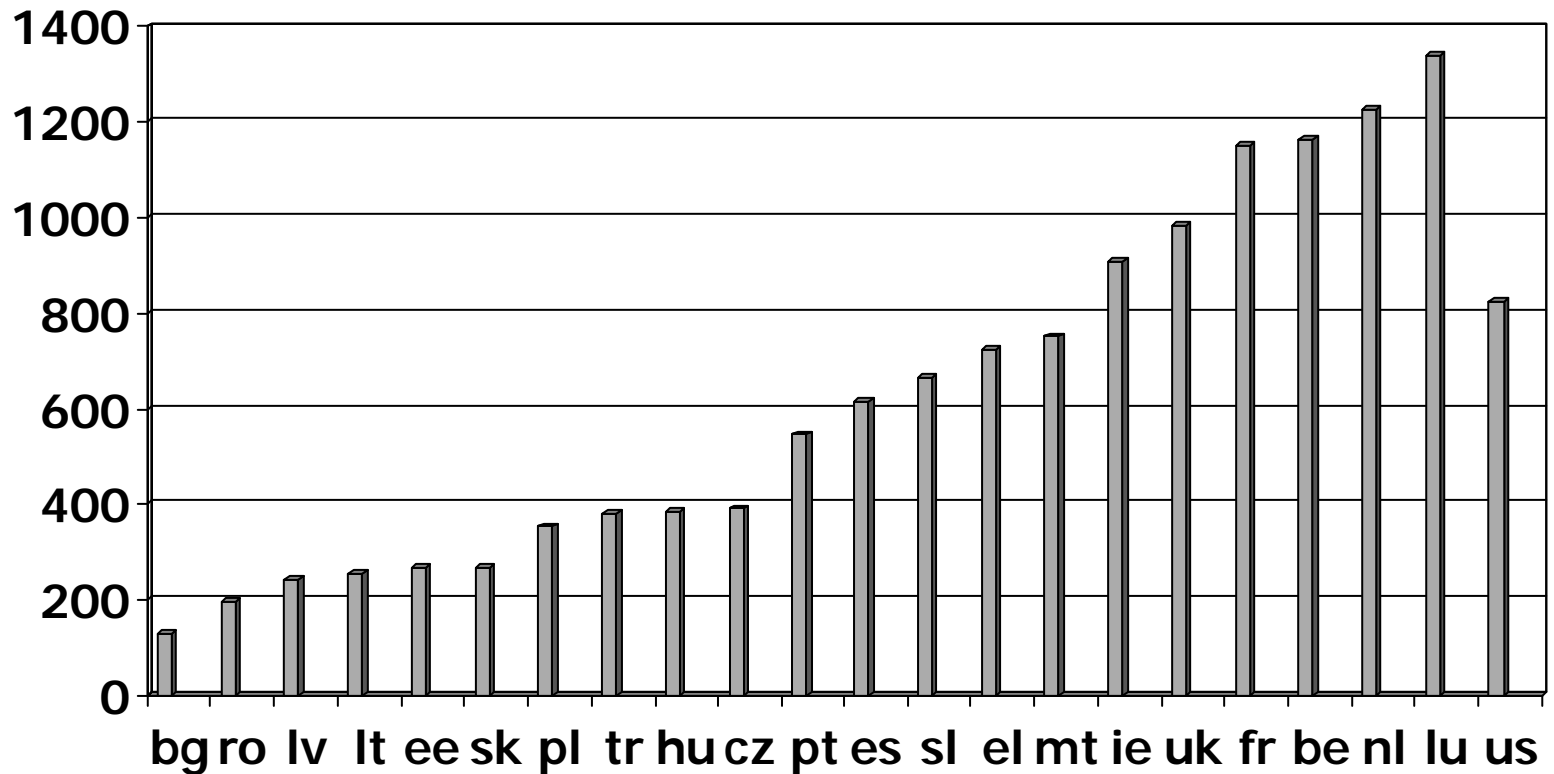
ON MINIMUM WAGES

- Austria : 95% of workers are covered by CA and almost all of them earn at least 1.000 euro a month /14 months.
- Spain : 6.6% increase (1 July) with further rises foreseen in coming years
- France : + 5.8% on 1th July (link with 35 hour week : to streamline different minimum wage levels

Monthly minimum wages in Europe, 1998, 2001, 2003



Minimum wages in purchasing parity power



ON MINIMUM WAGES

- Scandinavian countries : changing their mind ?
- Commission : Rumour on a communication on minimum wages

ON UNEMPLOYMENT BENEFITS

- France : Intention to improve the monitoring of the unemployed in their search for work
- Germany : Hartz reform : Starting from January 2005 benefits become limited 'social assistance'. Moreover, obligation to accept jobs paying up to 30% less than the collectively bargained wages.

ON UNEMPLOYMENT BENEFITS

- Czech Republic : conditions to enter and remain on unemployment register strengthened, benefits up to 45% of previous net income (in line with ILO), longer benefit periods for older people, combining half of min wage with unemployment benefit

ON WORKING TIME

- France : Elimination of 1 public holiday (with employers paying 0,3% into a national fund)
- Portugal : Autoeuropa exchanges the 2004 3,9% wage increase for extra holidays to prevent retrenchment.
- Denmark : no further increase in holiday but extension of maternity leave (two years) and sickness pay. Increased possibility to negotiate on flexible working time. No overtime pay for overtime due to illegal strike action.

ON WORKING TIME

- Netherlands : government plans to delegate overtime, nightwork, safety rules, leave and childcare arrangements to work councils. FNV does not agree
- Norway : Government proposes to expand overtime work, and to allow more temporary employment.

ON WORKING TIME

- Belgium : agreement in construction sector to allow 130 overtime hours instead of 65 (either paid at 120% or compensation day offs).Goal : reduce unofficial overtime.
- Austria : Government wants to allow annualisation of working time even without collective agreements

ON WORKING TIME

- Hungary : Trade unions want to introduce 38 hour week by 2006
- Germany : Metal agreement allows 50% of staff to work 40 hours (paid ! Although no overtime premium) provided majority of workers in high end pay scales. Other firms can do this also, provided they're heavily engaged in R and D plus IG – Metall agreement

ON SYSTEMS OF COLLECTIVE BARGAINING

- Hungary : Sectoral bargaining structures being set up to extend bargaining impact to SME's (July 2003 agreement)
- Italy : discussions on a new structure of bargaining. National agreement in artisanal sector as pilot case ? (national bargaining level on the basis of official inflation forecast, every four years : regional bargaining to recover differences / national negotiations if regional level does not compensate for inflation).

A REBIRTH OF CONCESSIONAL BARGAINING (with job and investments guarantees in return)

- Germany : Siemens, Daimler Chrysler, Tomas Cook and many others (linked to opening clauses, declining coverage of collective bargaining, in-house barema's)

CONCESSIONAL BARGAINING

- Siemens case :
 - 40 hours working week (5 hours for free + losing overtime premium) in 2 plants (4000)
 - Holiday pay and bonus become profit related
 - Wage bill is thus cut by 15 to 20%
 - In return : keep current employment for 2 years; new investments ; in-sourcing; training

CONCESSIONAL BARGAINING

- Daimler case
 - 6000 employees to work 39 hours
 - Lower wages for new employees
 - In 2006, reduction of pay package by 2.79%
 - In return : job security for all 160.000 workers in Germany; two training days a year : temp agency workers receive sectoral wage : 34.5 hour week for older workers

CONCESSIONAL BARGAINING

- Tomas Cook (travelling agency) case :
 - 1.5 extra unpaid working hour a week for two years
 - 2006/2007 : lump sum 1000 or 2000 euro as compensation, depending on profits

CONCESSIONAL BARGAINING

- In the pipeline :
 - VW
 - OPEL
 - Karstadt
 - Michelin (already agreed)
 - SME's in metal : two thirds of requested opening clause rejected by IG Metall

REBIRTH OF CONCESSIONAL BARGAINING

- France : Bosch case, Doux,...
- Spain : Nissan (new employees temporarily at lower wages ; introducing paid Saturday work ; shortening of pause break ; lower level of subcontracting
- Belgium : Siemens Herentals
- Italy : Metal agreement under discussion

ON GENDER GAPS

- France : National agreement on equality between men and women (no sanctions or targets but creating an environment in which a discussion on gender takes place / several links with previous training agreement).

ON TRAINING FOR WORKERS

- Germany : Crisis in apprenticeships continues (decline three years in a row) ; Debate on a 'training tax'. Agreement between government and employers to create 30.000 new training places and 25.000 places for young difficult to place workers

ON TRAINING FOR WORKERS

- France : Training agreement finalised
 - Every worker (2 years) has a right to a review of professional skills
 - Training passport
 - Skills assesment and validation of experience outside working hours (paid by sector fund)/inside working hours for workers having three years' service)

ON EMPLOYMENT PROTECTION

- Finland : massive restructuring triggers debate on weaker EPL in Finland/key demand for trade unions in Autumn negotiations
- UK and Spain : Samsung closure triggers debate on subsidies.(idem Panasonic case in Spain)

ON ACTIVE AGEING

- Austria : Harmonisation of white and blue collar workers' statute : pay increases after 2, 4,7 and 10 years.
- Poland : new law stating that older workers (4 years from pension) cannot be fired

On flexicurity

- Italy: National agreement for call centres (trade unions accepting outsourcing to call centers provided : minimum rates of pay, maternity leave, paid training leave, 8% retrenchment bonus)
- Sweden : 'Readjustment' agreement extended to blue collar workers (additional severance for plus 40 workers; individually designed job counselling, retraining or help to start up a business)

ON FLEXICURITY

- Finland : recommendation to extend right on paid leave to part time (and fixed term workers) workers (35 hour threshold).
- France : Wärtsilä extends reclassification leave from 9 to 18 months ; introducing bonus for workers finding a new job rapidly
- Italy : sectoral agreements implement new national labour law (rules for fixed term/part time/job-sharing/staff leasing contracts) (fex commerce sector limit of 20% on fixed term contracts)

ON FLEXICURITY

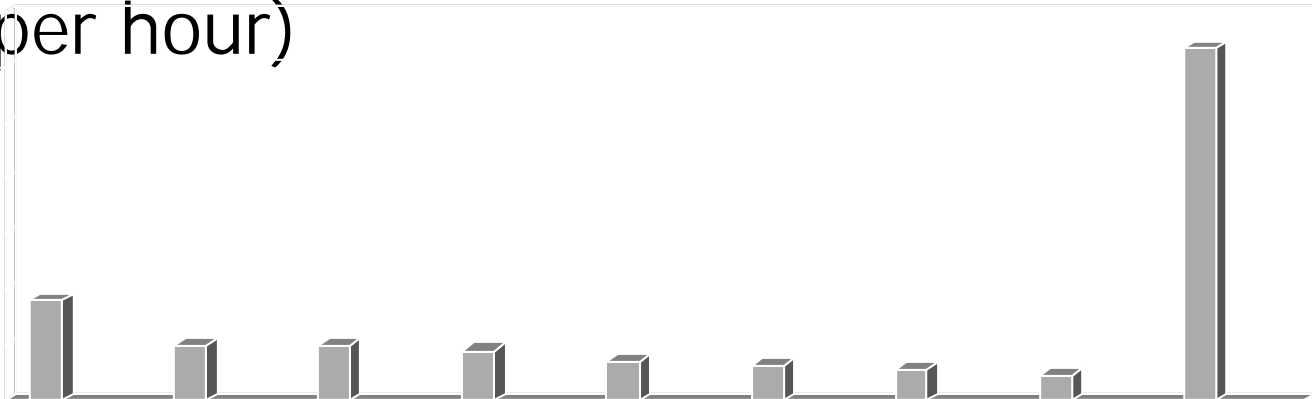
- Italy : national agreement on telework, implementing the European level agreement

ON SOCIAL PACTS

- Spain : Social partners will review several policy domains (decreasing temporary work, increase training, increase young people' employment, industrial policy, minimum wage, system of collective bargaining,...) in order to improve productivity and secure employment.

IW WAGE STATISTICS

- Levels of labour costs in manufacturing (in euro per hour)



IW WAGE STATISTICS

- Labour cost increase
2000 -2002 in %



IW ON UNIT WAGE COSTS 2002 IN MANUFACTURING



ON COMBATING ILLEGAL WORK

- Austria : Responsibility of employer in construction for social payments of sub contracted workers
- Italy : Construction agreement between social partners and social security administration (one document to prove social payments of firms).