



EXECUTIVE COMMITTEE
Brussels, 10 May 2007
EC. 175

Item 4d(i) on the agenda

Handling the Strategy and Action Plan at Congress

The Executive Committee is asked:

- **to note this document**
-

Handling the Strategy and Action Plan at Congress

1. The version of Strategy and Action Plan that was produced after consideration by the Executive Committee in Rome attracted nearly 600 amendments!
2. Opinions on the Executive Committee will vary about which of these are of substance and which are presentational, but all will agree that the volume of amendments creates logistical problems for the Executive Committee which will, if not resolved by the Executive Committee, cause even bigger problems at Congress.
3. To minimise the risk of chaos, the following steps are proposed:
 - firstly, the Executive Committee should note the recommendations of the secretariat except on certain subjects where a view is necessary (eg minimum wages)
 - second, certain subjects will be highlighted for "special debate" status because they are clearly complex and/or controversial. These subjects include "minimum wages, collective bargaining and the role of the ETUC" (Please see the attached note by the General Secretary entitled "On the Offensive on Pay – Towards Equality" on how the debate can be handled). Other subjects may be highlighted at the meeting on May 10.
 - third, not all organizations which have submitted amendments will be called in debates. After all, those which have not submitted amendments have speaking rights too. Speakers lists will be compiled by the secretariat on that basis.
 - fourth, there will also be presentations on organising, migrants, an equality charter, and public services and short debates around the arranged panel discussions on:
 - o wages policy in the European Monetary Union
 - o casino capitalism
 - o sustainable development
 - o equal pay
 - fifth, voting on amendments will normally done by the President asking the Congress to approve the recommendations on each amendment in the Strategy and Action Plan. But rather than 600 separate votes, the

President will take the recommendations for each chapter 'en bloc'. If however an organisation specifically requests a separate vote on an amendment standing in its name, it can ask the secretariat who will discuss this with the President

- sixth, in order to keep to the timetable, scheduled business not finished during the allocated session will normally be remitted to the Executive Committee for subsequent consideration. The timetable for Congress will be under the control of the President.
- seventh, new versions of the Strategy and Action Plan and the Seville Manifesto will be produced after Congress for the first meeting of the new Executive Committee.

4. The Executive Committee are asked to note these practical arrangements.

Draft statement on Minimum Wages, Equality and Collective Bargaining

“On the Offensive on Pay: Towards Equality”

Note by the General Secretary

1. The agenda for Congress includes a number of amendments dealing with aspects of pay negotiations. These include minimum pay and minimum income and whether collective bargaining be encouraged at European level or kept within national borders. They also include whether the ETUC should expand its negotiating role.
2. The headlines at Congress must not be along the following lines
 - ETUC rejects case for European minimum wage or
 - ETUC refuses to back campaign in Germany for minimum wage or
 - ETUC defeats those who seek negotiating role at European level or
 - ETUC insists that collective bargaining must become “European” not national
3. Any such outcome would be extremely damaging, yet could be the case if certain amendments to the Strategy and Action Plan are adopted.
4. To provide a united way forward, the attached text entitled “On the Offensive on Pay: Towards Equality” has been drafted. It aims to build a unified way forward on how the ETUC approaches minimum wages/pay and the role of collective bargaining, including at European level.
5. The Executive Committee are asked to adopt this statement which will form part of a special debate at the Congress on this whole subject. Affiliates with amendments in this area are invited to agree that they be replaced by the statement.

Executive Committee Statement

On the Offensive on Pay: Towards Equality

Statement on minimum wages, equality and collective bargaining

1. There are four facts that stand out when examining pay in the European Union of today
2. Firstly, wages and salaries have a declining share in the gross domestic products of almost all the countries of the EU. Linked to this is the trend to shift risk on to workers with the growth in insecure, precarious forms of work which are embracing greater proportions of Europe's workers
3. Second, pay rises in the eurozone, in particular, have barely kept pace with inflation. Real wage growth in recent years has largely been non-existent with Germany as a prime but, by no means, the only example. Similarly in many new member states, pay has lagged behind economic growth, as Governments and employers seek to compete on low wages. Meanwhile profit growth has been strong, with little evidence that this is being channelled into research and development, innovation and productive investment.
4. Third, just as there are widening gaps between rich and poor within countries, there remains a persistent gap between the pay of men and women despite equal pay legislation, with the pay difference being at least 15%.
5. Fourth, just as there are large and growing gaps between high earners and low earners, men and women, there are large gaps still between EU countries. There is some emerging evidence that in some countries (eg the UK) underpaid migrant workers are used to exert downward pressure on real pay rates for the unskilled and semi-skilled, in particular.
6. All these facts point to the need for concerted, co-ordinated, purposeful action on pay at all levels of trade union activity, including at the level of the ETUC.

ETUC Action

7. The ETUC and its affiliated unions must therefore go on the offensive for a better deal for the working people of Europe – men and women, new member state and old member state alike.
8. The Executive Committee proposes the following practical steps in pursuit of fair wages for all European workers

- (a) Support union campaigns for effective minimum wages in those countries where the unions consider them necessary. Targets should be set as part of a purposeful campaign towards “living” wages and to tackle the growing gaps between rich and poor, men and women.
- (b) Targets to close the pay gaps should also be adopted by those unions who do not need legally established minimum wages because of confidence in the effectiveness of their collective bargaining processes
- (c) Explore continually the scope for united campaigns at European level for common standards on minimum pay and income, and for collective bargaining strategies. Currently it may be that, for example, the differences in skills, productivity, living standards and union policies are too great for a campaign on common European-wide minimum wage mechanisms, but as circumstances change the ETUC must be ready to lead a debate on united campaigns. In the meantime, actions will continue to build co-operation and co-ordination in crossborder regions and at sectoral and enterprise levels, involving the European industry federations. And the EU will be pressed to join the campaign “Towards Equality” by increasing structural funds towards poorer countries/regions, developing a fresh initiative on agency workers and strengthening the posted workers directive.
- (d) Stronger efforts are necessary to reduce the gender pay gap using all collective bargaining and legal means.
- (e) The emerging evidence that migrant workers are being used in some countries to check the growth of real wages for the unskilled and semi-skilled in particular needs to be confronted. The emphasis here should be on organising migrants into unions and ensuring that they are covered by collective agreements; and by applying minimum wages (where they exist) and labour laws in full. Migrants must not become second class workers nor be used to depress wage levels. The authorities must be warned that union support for free movement of labour within the EU must not be taken for granted and that pressures for migration controls could rise if no effective actions are taken. Effective labour inspectorates, public and European policy encouraging social dialogue, trade union membership and collective bargaining are all vital features of what must be done.

Conclusion

9. The ETUC cannot tolerate continually rising levels of poverty and inequality between, and within, EU member states and between men and women. This statement points the way towards fair wages and greater equality.