

January 2015: EPSU Collective Bargaining Conference Report

This meeting was part of a project organised with the financial support of the European Commission

Background

Austerity and the European system of economic governance continue to have a major impact on collective bargaining, particularly in the public services. Rights to collective bargaining have been undermined in the name of what the European Commission and employers would argue are necessary “structural reforms”. This was the main thread running through the discussions at the conference.

Economic governance and the pressure for structural reforms

With the European Commission again emphasising the need for structural reforms in the latest Annual Growth Survey, ETUC advisor Ronald Janssen provided a critical examination of the types of reforms being demanded. He showed data, for example, that refuted the argument that lower unit labour costs were a guarantee of higher employment levels. He also challenged the claim that wage trends had been excessive by revealing that wages in most European countries had not kept pace with productivity increases over a 15-year period. Ronald’s analysis also included evidence to counter arguments about minimum wages destroying jobs and uncompetitive tax rates and social spending in Europe.

Colleagues from Finland, France, Germany and Slovakia raised questions about taxation, labour costs and inequality, the European Commission’s investment plan and the difficulty in winning the argument with a Commission that seems more interested in theory than evidence. In response Ronald underlined the need to keep coming back with the facts and figures to refute the theory behind the structural reform arguments and to expose the reality hidden behind the distorted claims about the tax “burden”. He suggested that the investment plan might deliver in some areas but had not been set up as a real European plan that would direct

investment towards the countries that most need it.

Here is the presentation along with recent briefings on the subject:

- [Structural reforms - Ronald Janssen](#)
- [Myths of structural reforms](#)
- [Deregulation is not the answer](#)

Impact of economic governance on collective bargaining

Fernando Rocha of the trade union-backed 1st May Foundation in Spain outlined the main findings from a six-country project (GOCOBA) that had analysed the impact of economic governance on collective bargaining. He focused in particular on the effects on the public sector in Greece, Spain and Portugal. He highlighted the what was effectively a frontal assault on collective bargaining institutions, particularly at sector level, and moves towards a more authoritarian model of industrial relations. Fernando also reported on how trade unions were trying to fight back with some sticking to traditional methods of industrial action while others were looking at how to work with other social movements against austerity.

Colleagues from Cyprus, France, Finland and Spain contributed to the discussion which looked at which groups of workers had been particularly hit by austerity measures, the impact on gender equality, the link between collective bargaining and delivering quality services and the arguments that these measures weren't delivering more jobs or economic growth.

Unfortunately, colleagues from Portugal were unable to take part in the conference but the STAL local government sent a statement that explains the very difficult circumstances that public sector unions face and what they are doing in response.

- [Rocha presentation](#)
- [Economic governance report summary](#)
- [Economic governance full report](#)
- [STAL statement](#)

Pay bargaining trends in the public services over the longer term

Lionel Fulton of the Labour Research Department, a trade union research organisation in the UK, had been commissioned by EPSU to provide a 10-year review of pay bargaining trends in the public sector and compare these to the private sector. Lionel showed that there were similar trends in public and private sectors in lead up to crisis but then, in several countries, marked breaks from trend in public sector since crisis.

Public sector workers and their pay are the wrong target and pay cuts and pay freezes are threatening recruitment and retention of staff and quality of service. Public sector pay structures tend to be more equitable with smaller gender pay gap than private sector.

Those countries with more centralised and strong sector bargaining are more likely to see pay in public and private sectors move in line but Commission and ECB call for decentralisation of bargaining so making it more likely that pay trends will diverge.

Colleagues from France and the UK made some observations about the challenges in getting reliable data and the question of whether to look at net rather than gross pay.

- [Summary research overview](#)
- [Public private pay trends -LRD](#)
- [CB Trends in Public Services - Lionel Fulton](#)

Comparing public and private sector pay

Torsten Müller of the European Trade Union Institute and Thorsten Schulten of the WSI trade union research institute in Germany also examined data on public and private sector pay, comparing pay levels as well as looking at statistics available from Eurostat, the Commission's statistics agency. They highlighted how the European Central Bank and the Commission's directorate of Economic and Financial Affairs had been focusing on public sector pay trends with a reference to

moderating public sector pay in the Euro-Plus Pact in order to influence private sector pay trends.

The background research revealed some evidence of differences between public and private sector pay levels but often such differences arise from differences in the profile of jobs and workers in each sector. In terms of trends, the researchers questioned the claim that public sector pay trends determined those in the private sector with the reverse more likely to be the case or mutual influence between the sectors.

Colleagues from Spain, Slovakia, France, Finland, Germany and Sweden joined the debate raising questions about working hours and workloads, pattern bargaining and productivity. They noted in particular that the pressure on public sector pay could have serious negative consequences in recruiting and retaining skilled and committed staff and would undermine the positive characteristics of public sector pay systems in relation to fairness and equality, particularly gender equality.

- [Public and private sector pay - Mueller and Schulten](#)

Modernising public administration - a key theme from the European Semester

Since 2011 the European Commission's Annual Growth Surveys have made "modernising" public administration one of the central themes of the European Semester. EPSU policy staff Richard Pond and Nadja Salson examined the Commission's arguments and the implications for public administration, with the Commission tending to focus on the deregulation agenda and making administration more "business-friendly". There are elements here that can be seen more positively - on taxation, public employment services, use of structural funds - but the challenge was to make the best of this under continuing pressure of fiscal consolidation. They also set out plans for a new project that would enable EPSU affiliates to exchange information on the issue and improve coordination over the coming Semester.

Low pay, minimum wages and living wages

The debate about a European minimum wage policy was back on the agenda in the lead up to the ETUC Congress in September and following remarks about the need

for minimum wages by European Commission president Jean-Claude Juncker. Torsten Müller of the European Trade Union Institute and Thorsten Schulten of the WSI trade union research institute in Germany provided an overview of the state of play with minimum wages around Europe and considered the main arguments around setting a European target for minimum wages whether as a specific percentage or in terms of a “living wage” based on living costs at national level.

There was a lively debate with contributions from colleagues from Germany, Finland, Sweden, Norway, France, the UK and France. A central element of the discussion was about the systems in the Nordic countries that worked well in terms of minimising low pay and whether or not they would be threatened by a European minimum wage policy. Other contributions considered the importance of driving up minimum wages across Europe and underlined that in most countries legal minimum wages were a floor below minimum wages in collective agreements and didn't act to undermine collectively negotiated pay.

It was made clear that the main focus of the debate within the ETUC was about setting a policy for trade unions to campaign around and not about calling for EU legislation to set a European minimum wage. Participants were reminded that the resolution passed at EPSU's Congress earlier in the year called for target for legal minimum wages of 60% of national average wages and encouraged affiliates to take action to tackle low pay.

- [Minimum wages - Mueller and Schulten](#)
- [ETUC Minimum Wage Discussion Document](#)
- [Minimum wage briefing - Schulten](#)

Working time - on the collective bargaining and legislative agenda

Working time and particularly reductions in working time had dropped off the collective bargaining agenda in recent years. Sophie Jänicke, policy officer with the industriAll European trade union federation explained how they were looking at the issue and their initial debates over a new working time policy.

Sophie said that industriAll's affiliates had reported problems with longer working

hours, more precarious work, including zero-hours contracts, increasing demand from employers for flexible working time and issues arising from longer working lives. The Federation was now investigating how it would develop its working time policy in recognition of these issues. Participants revealed that there were similar problems in the public services with contributions from colleagues from France, Finland, Slovakia, Netherlands, Spain and the UK referring to split shifts, long hours resulting from understaffing, a longer working week and the impact of long hours and stress on sickness absence.

ETUC advisor Wiebke Warneck brought the conference up to date with the latest developments in relation to the Working Time Directive, raising the question of how the ETUC should respond to key questions in the latest consultation. She explained that the European Commission was putting forward four options in relation to the Directive – no change, changes related to specific sectors such as health care, more open and general revision or no specific change but some legal clarification and guidance. Wiebke said that these different challenges and should not be seen to exclude further options. She also emphasised that the ETUC would continue to press for the abolition of the opt-out, codification of the European case law on on-call time and compensatory rest, a tighter definition of autonomous workers and confirmation that the Directive applies to workers and not contracts.

Colleagues from Germany, Finland, France, Spain discussed the options facing the trade union movement in the current political climate with some concern about the need to protect what we have in the Directive and improve enforcement. It was also stressed that this is a fundamental issue for many EPSU affiliates and there needed to be time to debate the various options.

Pay and conditions in social services

Kea Tijdens of the AIAS labour research institute at the University of Amsterdam explained the development and implementation of the EPSU-backed WICARE project with a review of some of the main findings on the pay and conditions of workers in the social services. The data provides EPSU with further evidence to argue that more needs to be done to improve pay and conditions in this increasingly important sector and to address the structural inequality in pay between social services and other parts of the economy.

The project also gave affiliates in many countries additional statistics that they can

use at national level for their campaigning, lobbying and collective bargaining. A colleague from the Netherlands suggested that the data might be used to indicate whether different systems - public, private and non-profit - produced different results in terms of pay and conditions.

- [WICARE project](#)

Trade union rights

Richard Pond made a brief intervention on trade union and collective bargaining rights highlighting the current case in Turkey where nearly 100 workers at the Maltepe hospital in Istanbul had been sacked for joining a union and trying to improve their pay and conditions. Participants were urged to support the Labourstart campaign for their reinstatement.

A colleague then made a statement on behalf of Turkish unions emphasising the very difficult circumstances they faced, particularly in relation to health and safety. A colleague from Hungary also alerted the conference to demonstrations being organised across the country in support of culture workers who had gone over 10 years without a pay increase.

Richard said that trade union and collective bargaining rights would feature as the main themes at a forthcoming seminar in Madrid co-organised with the ETUI (17-19 March) and in a major project with the ILO training centre focusing on central and Eastern Europe (launch meeting 11-12 February in Brussels followed by four workshops and final conference).

Conclusions

EPSU general secretary Jan Willem Goudriaan closed the conference by underlining the major challenge facing the European trade union movement in terms of ensuring a change to the system of economic governance with the promotion of reforms, such as improving tax administration, that are to the benefit of working people.

He said that EPSU would continue to work with ETUC to get the trade union message across and make the case for a bolder and larger investment plan that focused on public investment.

Covering many of the other issues debated at the conference, Jan Willem said that EPSU would:

- use research findings to challenge the claims of the Commission and ECB in relation to collective bargaining and the role of public sector pay;
- help to make widely available evidence on the impact of economic governance and call on the new Commission to stand by its claims that it wants to improve the social dialogue;
- help affiliates with their strategies in rebuilding collective bargaining and what kind of support can be provided by EPSU and other affiliates;
- ensure active involvement in the new project that will look at the pressure to “modernise” public administration and provide opportunities to organise meetings around the national reform programmes and country-specific recommendations.
- in line with the EPSU Congress resolution, continue to call for minimum target of 60% of national average wages for legal minimum wages;
- continue to highlight the health and safety risks of long working hours and ensure that the Commission gets the message on the need to defend working time rights in the context of the current consultation;
- increase its lobbying and campaigning work around social services to tackle the major problems of low pay and poor working conditions in the sector.
- support affiliates in defending their trade union and collective bargaining rights.

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