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## **Resolution R.2. Collective Bargaining**

### **A. Introduction**

Since the EPSU General Assembly in April 2000, the European Single Currency has become a reality. European Commission involvement in the area of economic and social policy has increased with the Broad Economic Policy guidelines, the Employment Guidelines with National Action Plans, policies on quality and sustainability of public finances and the use of structural indicators and the open method of coordination. The role of the social partners has to be reaffirmed regarding elaboration, implementation and follow-up of these policies.

A shift to the political right has taken place in many countries blocking social progress. Corporate globalisation contributes to further pressures on advancing a progressive social agenda. The comprehensive economic and social agenda aiming at full employment adopted by the Lisbon European Council is shifting towards relying on deregulation, structural economic reform and labour market flexibility as the means of addressing a lack of economic growth.

EU enlargement by 10 new Member States this year will present challenges for economic, employment and collective bargaining policies.

### **B. EPSU on Economic Policy**

EPSU confirms its commitment to European integration that contributes to economic growth, greater social justice and jobs in EU member states.

A European Union macro-economic policy focused on stimulating growth and employment while preserving macro-economic stability is needed. Macro-economic policies of the EU should assist in the transition towards a sustainable economy. Environmental protection, health and safety and vocational training policies can also contribute to economic growth and employment.

EPSU has consistently argued that the European Union needs economic governance. Structural failures, such as supposedly rigid labour markets, do not hamper Europe's economy, macro-economic ones, such as cuts in public budgets and high interest rates, do. After a period of decline, unemployment is rising again. Unemployment increases while labour markets have become more flexible, which questions the argument that states that the rigidity of labour markets causes unemployment. EPSU understands modernisation and positive change to mean improvements in working conditions and creation of employment. All too often the modernisation concepts proposed are nothing less than euphemisms for cost cutting, outsourcing and violation of worker's rights. EPSU supports modernisation that is based on negotiations between employers and unions. One-sided employer or government measures are rejected.

The Stability and Growth Pact's framework should be used to prepare and implement a European package of economic and employment measures, directed at increasing purchasing power and (public) investment. After enlargement, Europe's market will represent 450 million people. Most trade is between EU countries. This allows for a demand-orientated economic policy to foster economic growth; The EU should not rely on external factors to stimulate economic growth but should take proper initiatives including an increase in public investment to address the needs of Europe's citizens. The tight limits of the Stability and Growth Pact could lead to budget cuts at a moment of economic slowdown and thus contribute to a further increase in unemployment. In combination with restrictive inflation targets, this can cause deflation.

The European Central Bank must have broader objectives than fighting inflation. Its policies must also underpin growth and employment. Accountability towards the European Parliament and the Council must be strengthened so corrections to its policies can be made.

The Luxembourg process, based on drawing up employment guidelines at Community level and translating them into National Employment Action Plans, should focus on the employment-creating potential of public services. The European Employment Strategy should also cover the new Member States.

The Commission and the Council are relying more and more often on the so-called open method of coordination. This can be a way of achieving the goals established by the Lisbon Council and other EU strategies. EPSU is critical of the open method of coordination when used to replace necessary legislation and concrete policies. EPSU believes that the open method of coordination is most legitimate when used to extend the scope of European cooperation to fields where the EU does not have competence. A concrete set of guidelines on its use, possibly anchored in the Treaty, could enhance transparency and democratic participation. Consultation of the social partners, including at sectoral level, is to be ensured in particular regarding social policies.

### **C. On Collective Bargaining policies**

Collective bargaining is one of the means of regulating the market. Collective bargaining is essential for improving working conditions, achieving economic growth, equality, and a fair distribution of wealth. Maintaining purchasing power and a fair share of productivity increases will contribute towards sustaining demand and thus growth, employment and social protection. EPSU's collective bargaining policy acknowledges the need for stability (stable-inflationary wage policy) while at the same time seeks to contribute to growth and social justice. A wage policy orientated towards redistribution of wealth and increasing labour's share in national income will underpin a demand-orientated economic policy to strengthen growth and social cohesion. EPSU affiliated unions underline that an increase in low pay is needed to reduce differences in income. This benefits women, many of whom work in low paid jobs. In some countries, minimum wages have made an important contribution to tackling low pay and the gender pay gap. A coordinated strategy should ensure that collective agreements converge upwards and do not undermine each other.

An ongoing development is performance related pay.

The introduction of performance related pay schemes should be done through collective agreements. The implementation should involve trade union representatives.

EPSU adopted a resolution on the coordination of wage policy ("Public sector trade unions and collective bargaining in a European environment") at its General Assembly 2000, Lisbon. The wage coordination guideline defines that public sector unions should ensure that the rate of inflation is compensated and that workers maintain an appropriate share of increases in average national labour productivity. This ensures real wage increases. Public and private sector wages should develop in a parallel manner and with the aim of reducing pay gaps

between public and private sectors. EPSU continues to monitor wage developments. The EPSU position on working time adopted in Lisbon is still valid. More and more public service workers have a precarious work relationship. Collective agreements are an important means of protecting the working conditions.

Since the General Assembly in 2000, the EPSU Executive Committee adopted a Resolution on Achieving Equal Pay. The resolution urges *“each of its affiliates to agree to set as a priority objective the aim of reducing the gender pay gap within the next five years [...] Affiliates should strive to achieve a reduction of between 2% to 5% in the gender pay gap over the period.”* EPSU will continue to monitor the implementation of this resolution. EPSU affiliates confirm their strong commitment to mainstream gender equality in their collective bargaining policies.

The EPSU Executive Committee also adopted a policy on Life-Long Learning. Its implementation will continue to be monitored during the Congress period.

EPSU will develop collective bargaining policies in the forthcoming Congress period on:

- Older workers and the labour market (including recruitment and retention);
- Sustainable development and quality of jobs;
- Low pay;
- Young workers, their position on the labour market (including recruitment and retention);
- Corporate restructuring;
- Migrant workers.

EPSU's work programme will further reflect the work programme adopted by the inter-sectoral social dialogue partners ETUC and UNICE/CEEP.

EPSU fights all forms of workplace discrimination. It commits to ensuring that everyone can benefit from the same social, political and economic rights and possibilities, irrespective of their sex, sexual orientation, disability, real or supposed ethnic origin and political and/or religious convictions. All too often, disparities exist on these bases. EPSU affiliated unions are convinced of the need to develop a policy to counter the prejudices and negative attitudes towards workers from minority groups. Managers and employees have a joint responsibility to counter prejudices and negative attitudes towards workers of minority groups. Equal treatment needs to be given particular attention in connection with recruitment and is to be mainstreamed into human resources policies.

EPSU will support all policies with the ultimate aim of integrating and protecting disabled people, too few of whom are currently recruited in the public services.

EPSU will continue to develop its collective bargaining policies started at its April 2000 Congress. To this end EPSUCOB@<sup>1</sup> will be developed. The EPSU Executive Committee will continue to determine the priorities for the annual collective bargaining conferences. The network should also assist the work at sectoral levels to prepare for Social Dialogue agendas. EPSUCOB@ is thus a tool to assist in the development of EPSU policies and to monitor their implementation.

A European system of industrial relations is developing. The European social partners should therefore possess an instrument to deal with social and labour issues enabling them to bring cases before a special Chamber of the European Court of Justice (European Labour Court). This is especially important for cases dealing with agreements that employers and trade unions concluded at European level. A further complement to such a system is guaranteed transnational trade union rights in particular cross border sympathy actions, including strikes. EPSU will support affiliated unions engaged in transnational action.

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<sup>1</sup> EPSUCOB@ is an acronym used to refer to the European Federation of Public Service Unions Collective Bargaining electronic network.

## **D. On the Social Dialogue**

Social dialogue is one of EPSU's main priorities. 'Sectoral social dialogue' refers to formal and informal bilateral negotiations, at Community level, between representative socio-economic interests from the social partners, with the aim of participating actively in the improvement of living and working conditions in their sector, which ultimately produce legally and contractually binding collective agreements at the EU level, which must be implemented at the sectoral level in each member state.

An effective social dialogue is based on representative European employer and trade union organisations. The European Commission's criteria for representativity are that the organisations:

- are organised at European level,
- are an integral and recognised part of Member States' social partners structures, with the capacity to negotiate, and are representative in several Member States, and
- have adequate structures to ensure their effective participation.

As the criteria are vague and leave considerable scope for interpretation and Commission interference in the autonomy of the social partners, EPSU continues to strive towards more clarity based on:

- affiliated membership in a sector or several sectors,
- the capacity to negotiate for a sector or several sectors at nation-wide level,
- the capacity to organise industrial action,
- access to and representation in tri-partite social dialogue structures, e.g. national economic and social councils,
- results obtained by affiliates in work place and social security elections,
- role in and relation to the European intersectoral social dialogue.

'European representativity' should be the 'sum of representativity' in all EU Member States. In principle the social partners concerned should be anchored in all of the Member States and not only in some. We can accept a certain degree of flexibility, especially in the informal phase of the sectoral dialogue, based on agreement between the social partners concerned. We cannot accept a compromise on the trade unions *being "an integral and recognised part of Member States social partners structure, with the capacity to negotiate"*. The Commission must respect the autonomy of the social partners to decide with whom they wish to engage in a formalised social dialogue. The Commission should take responsibility to facilitate the social dialogue.

EPSU has made progress in the sectoral social dialogue. Further progress is however needed, including in sectors such as waste, (parts of) social services and wider health care. EPSU is committed to exploring the establishment of sectoral social dialogue committees for the different sectors it represents. While the sectoral social dialogue committees should establish a pluri-annual work programme which allows them to contribute towards achieving Europe's economic and employment policies, EPSU should develop clear agendas to be pursued in the sectoral social dialogue in order to contribute to improving working conditions. The Standing Committees continue to develop their work programmes for the social dialogue within the overall EPSU priorities. Social partners from the new Member States should henceforth be called upon to participate actively in the sectoral social dialogue committees.

The EPSU General Assembly in April 2000 affirmed EPSU's commitment to the European social model for which both legislation and collective bargaining are required. EPSU, as part

of the ETUC, has played an active role in negotiations at European level. A new feature of these negotiations are the so-called voluntary agreements, that are binding on the signatory partners. These agreements represent a part of a multi-layered bargaining system including the local, sectoral, national and European levels. For voluntary agreements not to become an escape mechanism for European employers, implementation is crucial. EPSU will actively monitor how these agreements are put into practice. EPSU should explore the possibilities for a default mechanism in voluntary agreements that allows workers to argue their case on such agreements even if the employer does not implement them. If, however, voluntary agreements are not implemented, leaving many workers without the benefits of such agreements, then EPSU will need to determine whether the only option is obtaining agreements that are binding through European legislation. Not all public sector employers are members of the intersectoral employers organisations. Public service workers thus risk not being covered by the inter-sectoral agreements. EPSU should continue its pressure to ensure public sector employers participate in the intersectoral social dialogue, including the employers from the new Member States. This necessitates new strategies through the sectoral social dialogue or via pattern bargaining to ensure public service workers are covered by agreements.

The Commission should consult the sectoral social dialogue committees about policies that impact on the sectors concerned. The Commission's contribution to the social dialogue should be in line with its stated commitments.

#### **E. Information and Consultation, European Works Councils and worker involvement in the European Company**

The Framework for informing and consulting employees in the European Community ((COM 1998) 612 final) excludes workers in public administrations from coverage. EPSU will consider an own initiative Directive to remedy this and lobby for it with members of the European Parliament, Member States and the European Commission.

EPSU continues to support the establishment of European Works Councils (EWCs) in companies in its areas of competence. Companies not yet covered should be targeted. EPSU will develop its EWC coordinators network. The coordinators network should prioritise developing concrete policies and tools for EWCs to ensure coherent trade union strategies. EPSU supports the ETUC campaign for a revision of the EWC directive. As many transnational companies are active beyond Europe, EPSU will closely collaborate with PSI to ensure a strong workers voice in these companies.

EPSU will support unions negotiating worker involvement in European Companies. To this end, the EPSU EWC coordinators network should develop appropriate materials and exchange information and experience. Workers' representatives on the Managerial Boards of European Companies should have a European mandate.

#### **F. Enlargement**

New members of the EU subscribe to the aims of article 2 of the EU Treaty, the "social acquis" and the Fundamental Charter. The "social acquis" is more than binding legal provisions. It also requires cooperation with the social partners within the economic and social sphere. EPSU and affiliates will assess governments critically regarding the involvement of public service unions and commits to campaigning with unions of new Member States for upholding fundamental trade union rights, including the right to organise, to bargain and to strike. EPSU will ensure participation of trade unions from new Member States in the European Social Dialogue.

## **G. Conclusions/ Points of Action**

### EPSU

- Will support economic policies that promote a sustainable development strategy creating employment, including in public services. A greater role in the work of the ETUC on economic issues is needed in order to promote a public service perspective.
- Will develop its collective bargaining policies in particular regarding low pay, older and young workers (recruitment and retention), sustainable development and quality of jobs, corporate restructuring and migrant workers. EPSU and affiliated unions commit to mainstreaming gender issues in their collective bargaining policies.
- Will promote a wage policy orientated towards increasing labour's share in national income. EPSU and affiliated unions will work to ensure the development in real wages, and a parallel wage development between public and private sector aiming to reduce pay gaps between public and private sector and support each others industrial actions.
- Will continue to build and strengthen its EPSUCOB@ network contributing to the exchange of information and experience on results of collective bargaining; as well as the preparation, monitoring and coordination of EPSU collective bargaining positions such as on equal pay. Annual conferences open to all affiliated unions are an essential part of this work.
- Re-affirms its commitment to establish a social dialogue with European employers in its fields of organisation. EPSU and affiliated unions commit to coordinated efforts at national level to bring employers to the table.
- Will further develop the EPSU EWC coordinators network to assist unions with the establishment and support of European Works Councils, thus providing a platform to address problems and challenges including the role of EWCs in a European Industrial Relations System. It will also address issues related to the implementation of the European company statute and the revision of the European Works Council Directive.
- Will defend trade union rights in all European countries and re-affirms its unwavering support for unions fighting violations of fundamental trade union rights.

Adopted by the Congress