Europäischer Metallgewerkschaftsbund
Fédération Européenne des Métallurgistes
European Metalworker's Federation

COLLECTIVE BARGAINING IN THE EUROPEAN METAL INDUSTRY

-

EUCOB@ REPORT 2004

EUCOB@ - The European Collective Bargaining Correspondent Network

of the

European Metalworkers' Federation EMF

Fédération Européenne des Métallurgistes FEM

Europäischen Metallgewerkschaftsbund EMB

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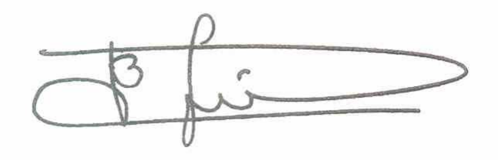
1 PART I: Introduction and Overview

1.1 Preface

This is the fifth EMF EUCOB@ REPORT since the year 2000. Today the EUCOB@ EUROPEAN CORRESPONDENT NETWORK is the backbone of the EMF's European coordination approach. The concept was adopted by the EMF Collective Bargaining Committee in November 1999 and the first EUCOB@ REPORT was presented in March 2000. A section on the evaluation of the EMF coordination rule (see part III) has been included in every subsequent report.

At first sight the present EMF EUCOB@ REPORT looks similar to its predecessors, but we can say that it is indeed a kind of "special issue". The reason for this is, firstly, the integration of the former "acceding countries" into the tables of the "old" European countries. Hence, the integration of our New Member States (NMS) into the European Union since 1st May 2004 is also visible in the EMF EUCOB@ REPORT. Secondly, this is the first report since the EMF EUCOB@ CORRESPONDENT NETWORK became an integral part of the EMF Secretariat in Brussels. Therefore we added in this issue a chapter where we present the new structure and the contents of this network. And, finally, for the first time we have documented in the current EUCOB@ REPORT collective agreements that have been signed at company level (SIEMENS and DaimlerChrysler). We see a necessity for this because these two agreements, in which flexibilisation and the lengthening of working time are foreseen, are being used by employers all over Europe to put pressure on trade unions and works councils to do the same - usually with partially incorrect information.



Bart SAMYN Deputy General Secretary	Jochen Gollbach EUCOB@ Coordinator

1.2 The EUCOB@ INFORMATION SYSTEM

The EUCOBA INFORMATION SYSTEM is part of the threefold EMF coordination approach to avoid social and wage dumping and to manage the growing competition between locations/countries. The other two pillars are the coordination of national collective bargaining policy by coordination rules and minimum standards and the interregional networks.

The EUCOBA Information System is both a tool to improve and enhance the EMF coordination approach as well as a tool to strengthen national collective bargaining across Europe by a structured and permanent information exchange and consultation process.

The heart of the EUCOBA Information System is the EUCOB@ CORRESPONDENT NETWORK, which is organised within the EMF Secretariat, under the section Collective Bargaining, in Brussels.

This network consists of correspondents from the EMF affiliates. In order to be representative there has to be at least one correspondent per country. The means of communication is a structured and daily E-mail exchange. The working language is English. Currently there are 48 correspondents in 26 European countries.

The current “products” of the EUCOBA Information System are:

- EUCOB@ CORRESPONDENT NETWORK: The day-by-day information exchange
- EUCOB@ DAY-BY-DAY INFORMATION ARCHIVE where the information exchange is documented (start-up in autumn 2004)
- An annual EUCOB@ REPORT
- Periodical EUCOB@ SURVEYS on special issues
- The EUCOB@ INFORMATION PLATFORM that delivers support in cases of industrial action
- The integration of the support for solidarity action.

In addition to this, EUCOBA also operates in cooperation and coordination with other European Industry Federations and the ETUC, the ETUI and the IMF.

So it is obvious that the EMF coordination approach is developing more and more alongside the pillar “content” (EMF Coordination rule, EMF Working Time Charter, etc.), which is also an institutional pillar.

This ensures that our activities will in future strengthen both the national trade unions and the coordination approach itself.

One fact that shows the extent to which the EUCOB@ INFORMATION SYSTEM is accepted and implemented within the affiliated organisations is the increasing participation in the EUCOB@ REPORT.

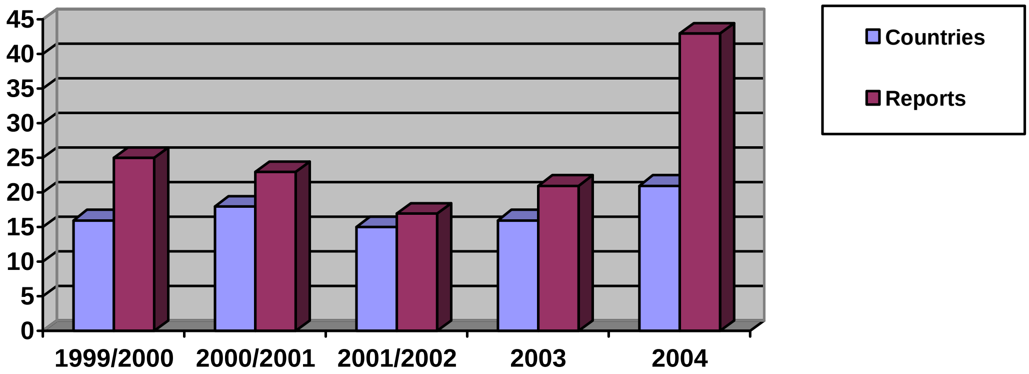
1.3 Participation in the EUCOB@ REPORT

This year we received 43 reports from 21 European countries (Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Great Britain, Greece, Hungary, Italy, Netherlands, Norway, Poland, Romania, Slovak Republic, Slovenia, Spain, Sweden and Switzerland).

This means a renewed increase in the participation rate (see chart 1). It is obvious that after a first period of “enthusiasm” in the years 1999 and 2000 marked by high participation in the surveys, there was a slight decrease in the participating countries in the years 2001, 2002 and 2003. After integrating the EUCOB@ INFORMATION SYSTEM within the EMF Secretariat, we have seen the empirical basis in form of the reports almost double and the number of participating countries rise to the highest ever level in the albeit short history of EUCOB@.

Hence, the participation in the annual report is fairly satisfactory but could and should have been better. In recent months we have started to evaluate why some countries have never or never regularly sent reports to the EMF. In the case of France we identified the fact that the questionnaire is not well suited to their collective bargaining system and we therefore launched a “small working group” to obtain adequate information from the collective bargaining results there. Finding how to obtain more and better information could be the way to integrate more and more countries into the EUCOB@ REPORT.

Chart 1: Participation in the EUCOB@ REPORT 2004



2 European Collective Bargaining Basics

In this chapter we give an overview of the development in collective bargaining in the surveyed countries for the period summer 2003 to summer 2004.

2.1 Collective Bargaining Calendar

Based on the information given in the questionnaires the following can be concluded as regards the collective bargaining calendar:

a) Collective bargaining negotiations took place in most of the European countries in the period under review.

b) There are just three counties (Austria, Czech Republic and Hungary) where the duration of the wage agreements is just one year. Most of the countries secured agreements of between 2 and 3 years (Belgium, France, Finland, Germany, Netherlands, Norway, Slovak Republic, Slovenia and Sweden). Only two counties have collective agreements running for three years or over (Denmark and Switzerland). The calendar is set out overleaf.

Table 1: European Collective Bargaining Calendar

Country	Organisation	Current agreements valid		Terms in years	Next negotiation:		Current situation
		from	To		start	finished	
Austria	Austrian Metal and Textile Workers´ Union (GMT)	1.11.2003	unlimited	Yearly renegotiated	Presumably in autumn 2004	Not fixed yet	
Belgium	CCMB, CMB and ACLVB	01.01.2003	31.12.2004	2 years	January 2005	Spring 2005	The new collective agreement is concluded and has to be implemented at company level
Croatia	- No National CA; negotiations are under way- Proposal on the National CA prepared the month before. Negotiations are expected to end in 6-12 months.						
Czech Republic	OS KOVO	1.1.2004	31.12.2004	1	9/2004	11/2004	Preparation of consultations*
Denmark	*National agreement:* CO-industri Company agreements: *IDA (graduate engineers):* DTI TDC A/S CSC CPH TG	 31.03.2004 01.04.2004 01.04.2004 01.04.2004 01.03.2004 01.03.2004	 31.03.2007 01.04.2008 31.03.2007 31.03.2007 31.03.2007 01.03.2007	 3 4 3 3 3 3			
France	No data						
Finland	Insinööriliitto	1st Feb. 2003	15th Feb. 2005				
Germany	IG Metall	1.1.2004	28.2.2006	2 years 2 months	January 2006		
Great Britain	Amicus	Collective agreements just on company level; ongoing negotiations every time					
Greece	POEM	01.01.2004	31.12.2005	2 years			
Hungary	Local unions from Sectors no. 29-35	Various	CAs: unlimited, Wage agreements: 1 year	CAs: 2-3 months before end of expiry Wage Agr.: from January	No deadline	Wage negotiations for 2004 are ongoing	
Italy	FIOM-CGIL	The current agreement is not valid for FIOM			End 2004		
Netherlands	NL	End of June 2004	Not yet known				
Norway	Fellesforbundet, Nito	1 April 2004	31 March 2006	2	March 2006	March/April 2006	Still valid
Poland	NSZZ “Solidarność” - National Steelworkers Section (SKH)	13.09.1996	No expiry date fixed	-	-	-	Updated: 1. 1998 2. 2000 3. 2002 4. 2004
Poland	NSZZ “Solidarność” - National Armament and Aerospace Industry Section (SKPZiPL)	01.01.1997	No expiry date fixed	-	-	-	

Romania	National TU Federation METAROM	01.06.2004	01.08.2004				
Slovak Republic	OZ KOVO	01.04 2002	31.12 2004	2 years and 9 months	11/2004	1/3 2005	Remuneration of employees; bargaining in process
Slovak Republic	OZ KOVO	01.07 2002	30.06 2003 There is no sectoral CA today	2 years	11/2004	1/5 2005	Minimum wages; waiting for mediator
Slovenia	SKEI	28.7.2002	28.7.2004	2	18. 3.2004	Estimate end of May 2004	
Spain	MCA-UGT	In the metalworking sector in Spain, 50 collective agreements were concluded at Province-level and 500 at company level					
Sweden	Svenska Metall, CF and SIF	01-04-04	31-03-07	3	01-01-07	31/03/07	
Switzerland	Swiss Union of Metalworkers and Watchmakers	01.07.98	31.12.2005 (duration postponed)	7			

2.2 Bargaining Levels

“Bargaining levels” are important to understand the structures of collective bargaining in the member countries. These structures have changed in recent years.

A lot of collective agreements covered by the reports are annual or multi-annual sectoral agreements concluded at national level (Austria, Belgium, Netherlands, Poland, Slovak Republic, Slovenia), dealing for the most part comprehensively with a wide range of topics (pay, working time and other matters).

However, in most countries the described level of collective bargaining is linked to a structured bargaining system, which assigns both a higher, inter-sectoral level and a lower, local or company level - a role that is important for the understanding of the described collective agreement.

At the higher level, in countries like Belgium, Denmark, Finland, Italy, Norway, Poland, Slovak Republic, Slovenia, Switzerland, and similarly, in a recent development, also in Sweden, basic or framework agreements have been concluded which constitute the basis for the described collective agreements.

At the same time the negotiations at regional and company level seem to become more and more important when it comes to understanding European trade union structures and their policy. At that level, in virtually all countries, it is possible or customary for agreements concluded at national level to be complemented by company-level agreements and especially improved upon where pay-related issues are concerned. There are countries where negotiations on that level have traditionally been a fixed part of the industrial relations within these countries (regional level: Germany, Italy and Spain; company level: Croatia, Denmark, France, Great Britain, Italy, Norway, Poland, Slovenia and Switzerland). (See Table 2 below).

Table 2: Classification: Bargaining Levels

Country	National Intersectoral	National Sectoral	Regional Sectoral	Local/company	National/Regional Subsectors
Austria		X			
Belgium	X	X			
Croatia				X	
Czech Republic					NACE CODES
Denmark		X		X	
France	X	X	X	X	
Finland		X			
Germany			X	X	
Great Britain				X	
Greece		X		X	
Hungary			X		
Italy		X		X	
Netherlands	X	X			
Norway		X		X	
Poland	X	X		X	
Slovak Republic		X			NACE CODES
Slovenia		X		X	
Spain			X	X	
Sweden		X			
Switzerland		X		X	

In at least half of the surveyed countries these pay talks play an important role, and in Denmark and Switzerland even a key role. In previous EUCOB@ REPORTS these negotiations could be described, on the basis of the national reports, as highlighting "the importance of other levels of settlement on a sporadic, rather than a systematic basis" (see EUCOB@ REPORT 1999/2000).

Currently we see that, in contrast to the previously described developments in some countries, national cross-sectoral agreements and sectoral agreements do not exist or are “only” framework agreements that have to be implemented at company level (Croatia, France, Great Britain, Hungary, Poland, Romania and Spain). Germany has a signed agreement that allows “variations” from the sectoral collective agreement under special circumstances. Additional agreements in two Siemens plants and at DaimlerChrysler used this opening clause to prolong weekly working time to up to 40 hours a week.

The above-mentioned report concluded that “the company level should be systematically incorporated into the reporting system if it is to provide an accurate reflection of reality.”

Although we see that “additional” collective agreements to the sectoral collective agreements are taking on an increasingly important role both as far as the number of agreements and their content are concerned and the political signals that such agreements “send” to the outside world, there is no doubt that the conclusion made in 2000 is more than true and that, in future, we will not only have to integrate them together with the national collective agreements (the part that concerns the metal sector) but also have to find a way to integrate the collective agreements that have been made in the European metal sector in an adequate way into the EUCOB@ REPORT.

2.3 Coverage of Collective Agreements

The political relevance of the concluded collective agreements also depends on the scope of the labour relations they cover. For instance, it is not uninteresting to note that the described collective agreements concluded in Austria, Belgium, Hungary and Slovenia share roughly the same quantitative significance.

As the overview in table 3 (overleaf) shows there are at least three important facts that have to be taken into account when comparing the reports: the different descriptions of the “branch” where the collective agreement is valid and the different “group of employees” (white- or blue-collar workers, engineers) as well as whether it is possible to declare the agreement generally binding by law in a given country (for example in Austria).

Table 3: Classification: Coverage of the agreement (Who is concerned?)

Country	Organisation	Number of members affected	Number of Employees affected	Total number of workforce in the metal sector	Blue/ white-collar workers affected?
Austria	a) Metal industry Austrian Metal and Textile Workers´ Union (GMT) Austrian Union of Private Sector Employees – White-collar Workers (GPA) b) Craft GMT c) Electro-industry GMT + GPA d) Temporary workers GMT		103.000 (blue-collar workers) 56.000(white-collar workers) 100.000 (blue-collar workers) 26.200 blue-collar workers 27.000 white-collar workers 31.411 (blue-collar workers)	213.401 219.183 213.401 38.491	Joint negotiations, but separate agreements for each category Only blue-collar workers affected Only blue-collar workers affected (white-collar workers- 18% of the total workforce in the outsourcing sector) are already covered by collective agreement for "general trade and crafts sector"
Belgium	Total workforce of blue-collar workers is affected		144.000 blue-collar workers		144.000 blue-collar workers
Croatia	Metal companies with SMH membership	25950	44470	76007	both
Czech Republic	OS KOVO a) Foundries b) Electrical Engineering c) Aircraft production	 2 806 6 267 2101	 5 858 18 988 5417	521 779	
Denmark	a) Blue-/white collar - CO-Industri b) IDA (graduate engineers) - DTI - TDC - CSC - CPH - TG	 220.000 250 200 100 50 14	 300.000 (plus 100.000 indirectly	 178.000	
Finland		9500	9500	9500	
Germany	IGM	1,35 Mil.	3,4 Mil.	3,4 Mil	60% blue-collar
Great Britain					
Greece	POEM	100.000			blue-collar
Hungary	181 different CAs by VASAS local unions in sectors Nr.29-35		81.916	98.890	both
Italy					

Netherlands	Unions: - CNV Bedrijven Bond - De Unie - FNV Bondgenoten Metalectro Metaal&Techniek - VHP	 50.000 45.000	 162.000 350.000	340.000	 Both Both Both White
Norway	Unions: -Fellesforbundet - Nito	 40.000 15.000	 55.000 15.000		 Blue-collar White-collar
Poland	Unions/Branches: - SKH - SKPZiPL – total - PZ - PL	 10.888 11 500 8 000 3 500	 32.995 32.500 8.500 24.000	900.000	24 746/8 248
Romania				-	
Slovak Republic	Branches: - Metallurgy - Electro-technical industry - Engineering - Forging and Foundries	 10.000 9.900 31.600 2.700	 12.500 16.500 54.00 5.700	 31.277 46.048 105.252 31.277	 both both both Both
Slovenia	5 Branch trade unions	42.000	98.000	98.000	both
Spain	Unions: - MGA-UGT	 100.000	700.000	1,1 Mil.	72% blue-collar 28% white-collar
Sweden	Unions: - Svenska Metall (blue-collar) - SIF (white-collar) - CF (white-collar)	 170.000 (Engineering) 24.000 (Steel) 80.000 25.000	 6.200 200 110.000	380.000	
Switzerland	SMUV			241.000	

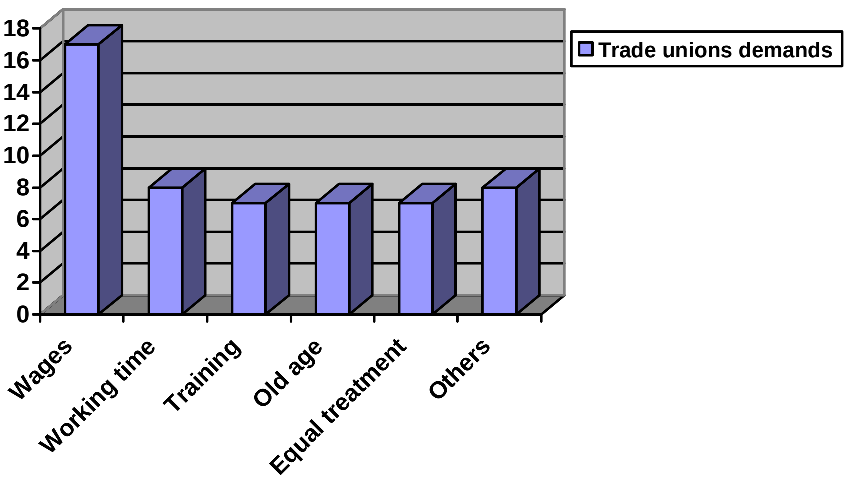
3 European Collective Bargaining- Demands and Results

This year we have slightly changed the structure of the EUCOB@ REPORT. In order to cover the whole process of the collective bargaining rounds in Europe we decided not just to present the results of the agreements but also the trade unions' demands towards the employers' organisations. This allows us to get a clearer "picture" of the situations with which trade unions are confronted within their country and may help to identify general trends in Europe.

3.1 Overview of trade union demands

If we compare the policy areas where the trade unions have demands for their collective bargaining round we can see that wages and working time still count as the most important issues.

Chart 2: Trade Union Demands in 2003/2004



But, and this is obvious if we compare the figures with those in the last EUCOB@ REPORTS, its also clear that issues like training, equal treatment and regulations for “older” workers are becoming more and more important. The category “others” also grew significantly. This again makes it clear that trade union policy is much broader than just wage increases and working time reductions. Nevertheless the collective bargaining rounds in Europe in the year 2004 could be described as “wage rounds”.

3.1.1 **Demand “Wages”**

The main points of the European trade unions’ wage increase demands is the increase of minimum wages / salaries and the increase of the tariff wage / salary increases. Most of the countries in the new Member States (NMS) differentiate between “tariff wages” and “real wages”. This is because of the high inflation rate in most of those countries.

As we will see in table 4 (overleaf), most of the trade union demands lay in the corridor of the “neutral distribution margin” that consists of “inflation plus productivity”.

Table 4: Demand: Wages

Austria	Increase in minimum wages/salaries; Increase in effective wages/salaries; Increase in additional payments and expense allowances, Increase in apprentices´ remunerations to the level of those in the collective agreement in the metal industry; additional benefit in case of an occupational accident; continued full pay during sickness; extraordinary rise in night shift allowances;
Belgium	Substantial wage increase
Croatia	Wages are determined on the basis of minimum wage for least qualified jobs and coefficients for the complexity of a particular job. Minimum wage is 1910 kuna (for certain companies it is between 1910 and 3400 kuna) .The employer is obliged to determine 15% of wage mass for ‘incentives’ and overtime.
Czech Republic	Foundries / Electrical Engineering: real wage increase 2%; tariff wage increase 10% Aircraft production: Real wage increase 4%
Denmark	The actual wage negotiations take place at the enterprise-level. Here demands are formulated by each company without interference from national level. At the national bargaining round the minimum wage level is agreed, and there was a demand for an increase in this. Also there was a demand for better pay for students and apprentices
Finland	Considerable salary increase
Germany	Wage increase 5.5% plus adjustment of blue/white-collar pay system (ERA.)
Great Britain	
Greece	Wage increase
Hungary	Minimum wage: 54.000 HUF/month; 5-7 % personal basic wage increase, a 6-10 % increase of the total wage, simplified wage categories, 13 month wage, guaranteed wage in efficiency wage areas.
Italy	No data

Netherlands	No data
Norway	Fellesforbundet: Wage increase for everybody with a special focus on low-paid workers Nito: Prognosis for the white collar workers: 4% wage increase (only company level)
Poland	No data
Slovak Republic	Metallurgy: 10% increase in the scale of minimal wages tariffs valid from 01.01 2004. Average wages have grown by 10% in real terms compared with 2003. Electro-Technical Industry: 48% increase in the scale of the minimal wages tariffs. Level 1. is on the level of 60% of average wage in the electro technical industry in SR, Level 12 is on the level of 2x Level 1. Average wages increase of 10% compared with 2003. Engineering: 10% increase in the minimal wages tariffs Forging and Foundry: Increasing of the minimal wages tariffs of 13% from 01.01 2004. Average wages have grown by 10% in real terms compared with 2003.
Slovenia	No data
Spain	The objectives are: 1) to maintain the wage-bargaining model, which is based on productivity and the predicted consumer price index for the following year, by means of revision clauses which protect wages from potential deviations from officially predicted rates of inflation; 2) to guarantee that the revision clauses are fully effective and retroactively take full account of the potential deviations from inflation from the first day on which the wage agreement takes effect.
Sweden	Minimum 2.7 % wage kitty; minimum individual increment 350 SEK per month; better procedures on wage review, to enhance the propelling force for the development of the employee’s skill, competence and duties; the agreement covering one year;
Switzerland	Wage negotiations on company level only

3.1.2 **Demand "working time"**

The second important issue on the trade unions' collective bargaining agenda in the year 2004 is "working time".

Here we can see that Finland, Spain and Sweden and two of the NMS (Czech Republic and Hungary) as well as Croatia went for a collective working time reduction. The Dutch trade unions wanted to have more rights for the employees in the working time organization and their "working time save account".

Table 5: Demand: Working Time

Austria	No specific demand
Belgium	No data
Croatia	Working time is 40 hours per week, 30 minutes break per day included. 5-day working week. Working time may be redistributed over the year (in part of the year with more than 40 hours per week and another part of the year with less than 40 hours in which case working time may not exceed 52 hours per week. Over time is paid 50% more than regular working time.
Czech Republic	Reduced working time 37.5 hours/week.
Denmark	No specific demand as working time was lowered substantially in the previous agreement. Working time remains a general demand in the longer run.
Finland	Working time 37.5 hours/week + travel time compensation when travelling for work in one's leisure time
Germany	No specific demand
Great Britain	No data
Greece	No data
Hungary	Decreasing of weekly working time; 20 minutes rest is be a part of the daily working time
Italy	No specific demand
Netherlands	Reduction time days same status as holidays (more rights)
Norway	No specific demand
Poland	No data
Slovak Republic	No specific demand
Slovenia	No specific demand
Spain	Reduction and new organisation of working time in order to further implement the 35-hour week and gradually eliminate overtime, which can only be compensated by time off. New working time structure so as to better reconcile careers and family life.
Sweden	Further working time reduction by 9 hours a year, the cost equals 0,5%
Switzerland	No change

3.1.3 **Demand "Training"**

Training is an issue that is mainly organized at company level. All trade union demands intend therefore to implement regulations to improve the employees' possibilities to follow vocational and further training in the sector collective agreements.

Table 6: Demand: Training

Austria	Continuation of talks on vocational training and further training
Belgium	No data
Croatia	Clauses about yearly training seminars
Czech Republic	No specific demands
Denmark	General demand on improving training
Finland	No specific demands
Germany	No specific demands
Great Britain	No data
Greece	No data
Hungary	Regulation of education agreements, support for retraining
Italy	No specific demands
Netherlands	Individual training budgets, recognition of gained competences; Empl. Advisors on the shop-floor
Norway	No specific demands
Poland	No specific demands
Slovak Republic	No specific demands
Slovenia	No specific demands
Spain	Build into company-level agreements the need for employers and workforce representatives to draw up a jointly agreed training plan that covers the following aspects: ● the introduction of training measures ● types of training measures and their respective timetables ● recognition of time spent training as paid leave from work ● recognition of individual educational leave. The establishment of training committees to monitor the suitability of training measures has been suggested.
Sweden	Employers and local trade union shall follow up and discuss content and system on work regarding competence development and individual development schemes each year.
Switzerland	No specific demands

3.1.4 **Demand "Older workers"**

Collective bargaining agreements on regulations for "older workers" contain at least two possible areas: firstly, "work organization" for older colleagues such as special working time arrangements or the possibility of part-time jobs to enable them to work as per their physical situation; and secondly, the arrangement of fair conditions if older colleagues decide to stop their active working life. Here we find for example regulations on early retirement systems or pension systems.

In 2004 the trade unions in Austria and Norway went for a collectively agreed pre-pension system, a suitable pension system and the adaptation of part-time regulations for older workers. The trade unions in Croatia and Hungary demanded better conditions for older colleagues during their active time in a company.

Table 7: Demand: Older Workers

Austria	Development of a collectively agreed pre-retirement scheme; Adaptation of part-time regulation for older workers
Belgium	No data
Croatia	Special clause to abolish dismissals of male workers older than 55 and female workers older than 50.
Czech Republic	No specific demand
Denmark	Further extension of the pension system, which has been under build-up since 1991. A special problem was that the white-collar groups for historical reasons were lagging 0.9% behind the blue-collar workers
Finland	No specific demand
Germany	No specific demand
Great Britain	No data
Greece	No data
Hungary	In case of staff reduction: costs of early retirement paid by the company + 3 months lump-sum settlement
Italy	No specific demand
Netherlands	Depending on negotiations with government
Norway	Collective agreed collective company pension
Poland	No data
Slovak Republic	No specific demand
Slovenia	No specific demand
Spain	No specific demand
Sweden	No specific demand
Switzerland	No specific demand

3.1.5 Demand “Equal Treatment”

Equal treatment is an ongoing trade union demand. This year trade unions in Austria, Croatia, Hungary, Netherlands and Spain had specific demands for regulations on early retirement in their collective agreements.

Table 8: Demand “Equal Treatment”

Austria	Industry: Harmonization of the grading scheme between metal industry workers and those employed in the small crafts sector
Belgium	No data
Croatia	Equal rights are arranged through special individual rights and there are specific sanctions for sexual harassment
Czech Republic	No specific demand
Denmark	Full pay for a longer part of the parental leave. Extending beyond the currently covered 14 weeks would mean that fathers (according to Danish law) could take part of the leave.
Finland	No specific demand
Germany	No specific demand
Great Britain	No data
Greece	No data
Hungary	Equal pay for equal work.
Italy	No specific demand
Netherlands	1000 work experience places for youth Team workers same wages, bonuses and working time
Norway	No specific demand
Poland	No data
Slovak Republic	No specific demand
Slovenia	No specific demand
Spain	The following are just some of the measures required to make equal opportunities a reality: • Replace methods of selection, recruitment and promotion with objective systems that do not permit discrimination based on gender or family status; also hear out workforce representatives. • Incorporate a guarantee clause in all collective agreements on equal opportunities. • Review wage- and pay-scale systems in all collective agreements so that equal work means equal pay. • Establish, improve and expand statutory protective measures to reconcile work and family life by making these rights no longer apply exclusively to women and by encouraging men to take advantage of their leave and holiday entitlements.
Sweden	No specific demand
Switzerland	No specific demand

3.1.6 Demand “Other issues”

The trade unions’ list of “other issues” is still growing. As mentioned above, this again makes it very clear that the variety of jobs the trade unions have to do is getting wider and wider.

Table 9: Demand: Other Issues

Austria	Metal industry / Metal-Electro industry: Improvement for part time work and parental leave Industry: - December 24th and 31st as fully paid holidays; - A fully paid day off for taking a driving license exam; - Improvements of legal conditions for taking days off for personal reasons - Extension of notice periods; - Regulation of posting conditions for assembly work Temporary workers: - Improvement of labour law regulations - New agreement shall take effect from January 2004
Belgium	No data
Croatia	Negotiations will start in 6-12 months
Czech Republic	Holidays + 1 week but at least no shortening of the holidays compared to 2003
Denmark	Extension of the periods where full pay is received during illness (beyond 4 weeks) and parental leave (beyond 14 weeks) This latter has the special effect, that since under DK legislation the father is entitled to take part of the parental leave, fathers would have to be included (importance for industry with an over 70 % male workforce). There was a special discussion in DK prior to the collective bargaining round involving the financing of full pay during parental leave (actually the state pays some 50-60% of the pay - the rest is financed by the employers for the first 14 weeks before we signed the agreement we are reporting on). When we achieved the 14 weeks in industry, our employers' association created a parental leave fund in order to even out costs between employers with many and few women.
Finland	No specific demands
Germany	Adjustment of blue-/ white-collar pay system (ERA.)
Great Britain	No data
Greece	No data
Hungary	Allowances (holiday vouchers, assumption of welfare-office membership fee, school aid, luncheon vouchers)
Italy	No specific demands
Netherlands	Insurance for illness and reintegration
Norway	Nito: How to better resolve local disagreements on wages.
Poland	No data
Slovak Republic	No specific demands
Slovenia	No specific demands
Spain	1.- QUALITY OF EMPLOYMENT: The fundamental demand in the round of collective bargaining in 2004 will be to step up the fight for better-quality employment. a) Limitation of fixed-term contracts: - by limiting the amount, percentage or specifications of the contracts; - by increasing compensation upon termination; - by introducing clauses to prevent consecutive fixed-term contracts; - by reinforcing the causality of fixed-term contracts; - by stepping up the monitoring of fixed-term contracts. b) Making jobs less precarious, especially in connection with outsourcing and temporary work. Here a dual approach would be required: The companies concluding contracts would select the appropriate measures from among the following: - Activities that are not clearly set out should be defined and delimited by a description of specific duties and tasks which are either suitable or unsuitable for outsourcing; - expand the wage responsibility of the main employer; - limit chain subcontracting; - ensure that union representatives, who must be given a copy of the draft contracts, have the right to be heard; - ensure respect for workers' acquired rights when changes occur in the outsourcing company; In the outsourcing companies: - coordinate union action to guarantee the representation of all workers in outsourcing companies; - introduce specific frameworks for collective bargaining that regulate and improve conditions of pay and of work.
Sweden	No specific demands
Switzerland	No specific demands

3.2 Collective Bargaining results in Europe

The economic background for the collective bargaining in the year 2004 has not been an easy one. Trade unions have also to deal with the different economic situations in the “Old EU” and those of the new Member States. Since economic development in the old Member States is still fighting with low economic growth and a high level of unemployment, the integration of the acceding countries on 1st May 2004 has led to high economic growth there, sometimes combined with a high inflation rate and also a high unemployment rate. Furthermore, the European trade unions - especially in the metal industry - have been confronted in summer 2004 with demands from the employers to prolong working time (see Chapter 4 for the results of two company-level negotiations in Siemens and DaimlerChrysler).

3.2.1 **Results “wages”**

In the previous reports it was stated that there is hardly any other area in which it is more difficult to get an appropriate overview of what is going on than the area of European wage increases. This is also true in 2004.

The periods over which the increases apply differ in length, ranging from 12 months to four years.

The period over which the wage increases apply is not always clear.

Furthermore, it is sometimes possible (e.g. in Belgium) to increase the wages at company level or, as in Italy, to negotiate “inflation” at sectoral level and additional increases at company level. The worst cases for getting comparable figures are countries where wages are negotiated only at company level (e.g. Great Britain, Denmark, most of the NMS).

In 2004 there appeared a problem that seemed to have been solved: some countries reported wage increases in their national currency. This however makes it even more complicated to make comparisons.

A solution for these problems could be a method that calculates the percentage wage increase on a yearly basis.

Table 10 shows an overview of the results concerning wages:

Table 10: Results: Wages

Austria	a) Metal industry: Pay increases: - Minimum wages (by 2.1 percent, new collectively agreed monthly minimum wages thus stand at € 1.240, 76) - Effective wages (by 2.1 percent; minimum pay rise of at least 35€) - Renewal of the distribution option (on the basis of a works´ agreement option either to raise total pay by 2,4% or to increase total pay by at least 1,8 percent while distributing 0,6 percent individually) - Increase in additional payments and expense allowances by 2,1 percent - Increase in apprentices´ remunerations by 2,1 percent b) Electro industry: - Final agreement on a new, common pay system for blue and white-collar workers - Pay increases -- Increase in effective wages by 2,5% from 1.11.2003 (duration 18 months) -- Increase in minimum wages: due to the introduction of a new, integrated pay system for blue- and white-collar workers, increase in minimum wages postponed till 1 May 2004. The scheduled pay increase will then be at least 2,6% -- Agreement of a distribution option (choice either to increase total pay by 2,9% or at least 2,3%, while distributing 0,6% individually) -- Increase in apprentices´ remunerations by 2,6%; New, more favourable grading system for apprentices with preferential pay rises for apprentices in their first year and graduates with higher education diploma -- Increase in collectively agreed additional payments by 2,6% on the average c) Temporary workers - Increase in minimum wages by 2,1%. New collectively agreed hourly wages for temporary agency workers - Increase in travel allowances. Collectively agreed rates for travel allowances (effective from 1 January 2004)
Belgium	*Inflation: 01.07.2003* + 1, 38 % on the July 1, 2003 on all wages (also minimum wages, effective wages) Wage increase above inflation: 01.04.2004 (part 1) + 1 % (+ 0,0 % or + 0,1 % or + 0,2 % or + 0,3 % depending on the situation of the non-refunded first day of sick leave *) : 01.01.2004 This budget has to be implemented at company level: they can conclude an agreement on company level to use this budget in another way, i.e. the union representatives + employer can use it to increase wages, create working time reduction, or other advantages (luncheon vouchers, hospitalization insurance, supplementary pensions etc.) If no agreement is made, the budget will automatically be transformed into a wage increase of 1 %, 1,1 % , 1,2 % or 1,3 %. * Situation of the non-refunded first day of sick leave In companies where the first day of sick leave was always refunded: the budget is 1,3 %. In companies where only the 2 first cases (on yearly basis) of the first day of sick leave is refunded: the budget is 1,2 %. In companies where only the first case (on yearly basis) of the first day of sick leave is refunded: the budget is 1,1 %. When the company never pays the first day of sick leave (which is the legal situation, provided for in the labour law) : the budget is 1 %. *Inflation: 01.07.2004* + 1,6 % (estimated) on July 7, 2004 Wage increase above inflation: 01.10.2004 (part 2)

	The second part of the wage increase is the more complicated. The agreement says this will be an increase of 1 % minus or plus the result of the following calculation: 3,1 % (= estimated inflation on July 1, 2003 and July 1, 2004) – (real inflation on July 1, 2003 + real inflation on July 1, 2004) This means e.g. the second wage increase can be 0,8 % when the real inflation in 2003 and 2004 is 3,3 % all together, or the second wage increase can be 1,2 % when the real inflation in 2003 and 2004 is 2,9 % all together. Globally, the pay rise will reach the level of 5,4 % for the companies where the first day of sick leave was always refunded, and will be 5,1 % for the companies that never pay the first day of sick leave.
Croatia	Negotiations will start in 6-12 months
Czech Republic	Increase of tariff wages with 7,3 – 8,4%; average nominal wage increase of 2 – 3%
Denmark	CO-industri (national sectoral agreement): - Minimum pay, today 88.40 DKr /hour (approx. €11,80) will be increased by 2.25 Dkr/hr (approx. .€ 0,30) per year on 1 March 2004, 2005, 2006 - Allowances for shift work, night work etc. are regulated by an average of 3% per year. - Payment of apprentices increased by an average of 4.5% per year - Payment for public holidays is increased per 1 January 2005 from a total of 3.5% to a total of 4.0 % of pay- and 24 December will be included in this payment in future - This agreement is followed by agreements at company level Some selected agreements for graduate engineers at company level: CSC: The general wage adjustment is minimum 2.25%. CPH: The general wage adjustment is minimum 1.5%. DTI: The general wage adjustment is 3.2% in addition there is a productivity bonus of 0.5% at a productivity level at 1.53 and 1.54. TG: Individual wage negotiations, no general wage adjustment. TDC: The general wage adjustment is minimum 3,5% plus individual bonus agreements
Finland	Salary increases: on 1st of March 2003 , 2.7 %/month and on 1st of March 2004, 2.2 %/month
Germany	Two increases during the period of validity 26 months: - 1.3.2004: 2,2 % (results in an average increase of 3,2 % for 2004, due to impacts from the agreement 2003) - 1.3. 2005: 2,7 %.
Great Britain	Only company data
Greece	Wage increases: - 2004: 4% from 01.01.2004 plus 2,5% from 01.09.2004 on - 2005: 3% from 01.01.2005 plus 3,5% from 01.09.2005 on
Hungary	5-7 % personal basic wage rise; the increase of total wage was 7-9 %, a minimum wage in about 50 % of the CAs reaches only the compulsory 50.000 HUF/month/pax, in the other 50 % bracket surpasses the 54.000 HUF/month/pax VASAS demand, in the vehicle industry its even higher than that of 70-100.000 HUF/month/pax. No simplified wage categories were introduced, 13th month wage, holiday allowance /in form of cash/ in an increasing number.
Italy	Negotiations will start in December 2004
Netherlands	2,75% in 2004, for 2005 is still uncertain because of negotiations with government
Norway	6,5% increase of all wage rates within the collective agreements Wage increase for everyone: NOK 1950 annually Extra wage increase for workers without local bargaining: NOK 975 annually Additional extra wage increase for low-paid workers without local bargaining: NOK 975 annually
Poland	In the collective agreement comprising all plants, only the minimum wages have been defined, binding for both sectors. Negotiations concerning details of wage categories/tables take place at plant level. The average monthly salary in the metalworker sector differs between 1,500 and 4000 PLN
Slovak Republic	The bargaining continues. Given that many employers’ organisations are no longer part of the employers' association the employers want to bargain at company level.
Slovenia	2 – 3% increase real wages
Spain	Out of the 50 existing provincial collective agreements in the metal sector in Spain, 28 were negotiated, affecting 513,953 workers in all. The average wage increase was 2.87% i.e. 0.87% more than the officially forecast consumer-price index of 2%. In 26 of these agreements, the wage increase is safeguarded by a revision clause that will come into effect if the CPI for 2004 is higher than the original index projected by the government.
Sweden	1,7 % 2004, 2,5 % 2005 and 2,6 % 2006
Switzerland	No data

3.2.2 **Results "working time"**

In summer 2004 the metal trade unions in some European countries had to face a tough attack from the employers to prolong the collectively agreed working time. This was especially the case in Germany and France. In other countries like Austria and the Netherlands collective agreements have been signed that allow the workers' representatives, in cooperation with the trade unions, to make the working time systems at company level more flexible.

In other countries like Belgium, Hungary, Spain and Sweden, the trade unions achieved a decrease of working time of 20 minutes a day (Hungary) up to 1 day per year (Sweden).

Table 11: Results: Working Time

Austria	- Metal and Metal-Electro industry / Temporary workers: Not negotiated - Industry: Prolongation of collective agreement on working time flexibilisation ("extended band width varying between 32-45 hours) and continuation of the 9 weeks reference period for calculation of overtime work
Belgium	Working time reduction: Possibility to reduce working time or if necessary to preserve jobs, legal possibility to introduce the 4 days-week
Croatia	Negotiations will start in 6-12 months
Czech Republic	Reduction of working time to 37,5h/week or at least no increase of working time
Denmark	- Special clauses are introduced on varied weekly working time No changes in the maximum period of variation. Where today the majority of workers in a group had to accept varied weekly working time and it applied to the whole group, a system can now be introduced on a voluntary basis, provided the Shop Steward approves. - The clause, introduced in the agreement in 2000, which made it possible to make experimental schemes which might modify the agreement primarily on working, time has been changed to allow such a scheme to go ahead on the basis of local agreements between the shop-steward and the enterprise. It is no longer necessary to acquire approval of the organisations. This possibility exists only where there is a shop-steward. This clause expires with the expiration of the agreement and will have to be specifically renewed in 2007 if we want to continue it.
Finland	No result
Germany	Agreement to increase working time up to 40h/week with special well defined conditions
Great Britain	Only company data
Greece	No data
Hungary	A daily 20 minute break in 50% of the CAs is an integral part of the daily 8 hours working time. Hence, it does not prolong the working hours. Both the 6-month and 1-year working time framework increased, as did the number of employers operating a full continuous system.
Italy	No data
Netherlands	No data
Norway	Not negotiated
Poland	No data
Slovak Republic	Not negotiated
Slovenia	No data
Spain	The average working time established in the 28 signed collective agreements is 1,762.81 hours per year. In 20 collective agreements, the annual working time was reduced by an average of 4.15 hours per year per worker.
Sweden	Working time reduction 1 day per year (0,5% costs)
Switzerland	Not negotiated

3.2.3 Results "Training"

Training has not been negotiated in the majority of the countries. Therefore there is no indication of any trend with regard to the results on the issue of training. In Austria, Hungary and Spain we see improvements in the employees' situation as regards in-company training. In Denmark a regulation has been reached in respect of dismissals of colleagues with 3 or more years' seniority. And in France a study is to be undertaken concerning the training situation.

Table 12: Results "training"

Austria	Social partners underline importance of training and further training; the drafting of working time schemes, scheduling of outside work and business trips should be compatible with training interests
Belgium	Not negotiated
Croatia	Not negotiated
Czech Republic	Not negotiated
Denmark	For dismissed workers with more than 3 years seniority, the employer pays two weeks further training
France	The observatory will be charged to undertake studies and research on the trades and the qualifications in the metal branch. The results will make it possible to supplement and to bring up to date the priority orientations of the profession.
Finland	Not negotiated
Germany	Not negotiated
Great Britain	Only company results
Greece	No data
Hungary	Specific cases of study-contract are basically regulated by the CAs while encourage the employees for further trainings.
Italy	Negotiations not started yet
Netherlands	No data
Norway	Not negotiated
Poland	No data
Slovak Republic	Not negotiated
Slovenia	Not negotiated
Spain	Mechanisms incorporated into signed collective agreements will permit greater participation by workforce representatives in all matters related to continuing training.
Sweden	Not negotiated
Switzerland	No data

3.2.4 Results "Older workers"

"Older Workers" have always played an important role for the trade unions with both solutions for "active aging" within the company (e.g. part-time work solutions) and regulations for ensuring a good standard of living after finishing active working life (e.g. early retirement, additional retirement payments) being obtained. In 2004 the same picture can be shown: in Austria a group has been launched to begin developing pre-retirement schemes for older workers; in Belgium an improved time-frame for early retirement has been reached; and in Denmark payments for pensions have been increased.

The Netherlands is a “special case” this year: The validity of the signed “zero wage increase” agreement is dependent upon whether the social partners are successful in reaching a new statute on early retirement. In August 2004 no suitable solution was yet in sight; so the trade unions may go into the next negotiations starting in spring 2005 with their “normal” wage demands.

Table 13: results “Older workers”

Austria	A special working group should embark on developing pre retirement schemes for older workers, alleviating the negative effects of the recent pension reform
Belgium	- Old age :possibility of early retirement from the age of: a. 58 (after 25 years service), b. 56 (after 33 years service of which 20 years in nightshifts) c. 55 (on halftime basis) d. 55 (for women only with 38 years of service) e. other company agreement providing an age below 58 (mostly 57 or 56) - Pensions: maintaining the system up to level reached in 2002: this is a 1,50% cost for the employer per year / per blue-collar worker.
Croatia	No result
Czech Republic	Not negotiated
Denmark	National agreement: CO-industri: pensions payments will be increased as follows: *Blue-collar* *Employers' contribution /* *Workers' Contribution* 1. July 2005: 0,6 % 0,3 % 1. July 2006: 0,6 % 0,3 % *White-collar* *Employers' contribution /* *Workers' Contribution* 1. July 2005: 0,6 % 0,3 % 1. July 2006: 0,6 % 0,3 % This means that the white-collar groups will catch up with the percentage of the blue-collar workers. The difference until now was for historical reasons. Company agreement for graduate engineers: DTI: At the age of 58 the worker’s wishes for the remaining working years are discussed. At the age of 59 the expectations for the remaining working years are clarified.
France	Attention paid to the rights of older workers as regards vocational training
Finland	Not negotiated
Germany	Not negotiated
Great Britain	Only company data
Greece	Not negotiated
Hungary	The number of employers, who voluntarily deposit money to pension-banks is on the increase. The assumption of early retirement pension is decreasingly characteristic.
Italy	Negotiations not started yet
Netherlands	Social partners are still negotiating on pension schemes.
Norway	A Government promise of a statutory minimum collective company pension
Poland	No data
Slovak Republic	Not negotiated
Slovenia	Not negotiated
Spain	No results
Sweden	Not negotiated
Switzerland	remained

3.2.5 **Results “Equal treatment”**

Equal treatment is an important and broad policy field. The harmonization of labour conditions, e.g. for men and women as well as the integration of handicapped persons, is gradually improving within the collective agreements. The results are listed in table 14 below.

Table 14: Results “Equal treatment”

Austria	- Harmonization of new, integrated vocational training schemes for handicapped young workers with those of regular vocational training regarding remuneration and regular training period - Provision that temporary agency workers continue to receive the local extra payment to the basic wages as comparable workers in the user company, as well as usual wages above the collectively agreed rate
Belgium	Working party for equality for women – will be activated. (has not worked until now)
Croatia	No result
Czech Republic	Not negotiated
Denmark	National Level: CO-industri: Payment during parental leave is increased per 1. July 2004 from 14 to 20 weeks, with a maximum of 125 Dkr/hour (approx €16.50) for the last 6 weeks. This payment for the last 6 weeks is available to men as well as to women. Company agreement for graduate engineers: TDC: During maternity leave from week 24 to 52 the employer pays the employer pension contribution.
France	Equal treatment in the use of the right of professional training
Finland	Not negotiated
Germany	Not negotiated
Great Britain	Only company data
Greece	No data
Hungary	Demands for equal treatment are recorded only in one or two CA.
Italy	Negotiations not started yet
Netherlands	No data
Norway	Not negotiated
Poland	No data
Slovak Republic	Not negotiated
Slovenia	Not negotiated
Spain	- The rights incorporated into collective agreements (paid holiday, bonuses, etc.) were extended to include unmarried partners. - Adoptive parents are given equal holiday rights. - All aspects of the law which foster the reconciliation of work and family life are taken into consideration.
Sweden	- Irrelevant and unaccountable wage differences between men and women shall be identified and taken care of in a joint project. - A joint committee to advise on the issue of analysing and correcting unfair wage differences between sexes, also to develop manuals and training. - Parental pay: extended from 2 to 3 months, may be used within 18 month of the child’s birth
Switzerland	No data

3.2.6 **Results “other issues”**

Since the results in this chapter are even broader and more diversified than those under “equal treatment”, we have not attempted to summarise or establish the average of the results. Please find them listed in table 15 (overleaf):

Table 15: Results "other issues"

Austria	New common pay system for blue- and white-collar workers, providing: - a new grading system specifying not only 11 newly-designed grades to replace the "old" pay grades (wage categories) for manual workers and their counterparts for white-collar workers (grades) - a new increments scheme (Vorrückungsschema) replacing the current scheme based on two-yearly increments only for white-collar workers - a flexible wage component of at least 0,35% of the wage bill has to be distributed annually among employee groups at company level; in contrast to the distribution option obligatory for the employer
Belgium	- Abolition of the non-refunded first day of sick leave (for blue-collar workers with 3 months service in the company) (<-> legal system: for blue-collar workers the first day of sick leave (minus 14 days) is never refunded) - Procedure to designate shop stewards (this is a neutral and protecting procedure to avoid dismissals because of the fact that a blue-collar worker wants to become a shop steward)
Croatia	Not negotiated
Czech Republic	No less holidays than in 2003.
Denmark	Agreement on national level: - From 1. July 2004 full pay during last 4 weeks of pregnancy - Payment of full pay during sickness is prolonged per 1. July 2004 from 5 weeks to 9 weeks. - From 1. July 2004 one week full pay is introduced for parents whose children are hospitalized so that they may stay with their children at the hospital. - A special effort will be made to ensure that the peace pact is respected. o In cases where unrest emerges in a company, both parties are obliged to ensure that a local meeting is called within 1 day, and a meeting between the organisations is called within 5 days in order to try to resolve the problem. o In cases of strike against the peace pact, the present procedure will come into force within the first 24 hours of a strike rather than the current 48 hours. o In case of strikes against the peace pact, the employers' possibility to call for overtime without extra overtime payment in order to catch up with lost production is extended from 8 to 14 days after the end of the strike. Supplementary company agreements for graduate engineers: TDC: In case of sick children the engineers and other academic workers are entitled to leave until the child's recovery / CPH: Pension increase of 2.25 percentage points over a period of three years.
France	- Insertion of young workers - Attention to be paid to the situation the weakest categories of workers
Finland	Remuneration of safety representatives depending on the number of employees represented by the safety representative in question: from 10 – 24 employees: 42 euros/month; up to 83 euros per month if there are more than 600 employees represented by the safety representative
Germany	Agreement on adjustment of blue-/white-collar pay system (agreement called "era.")
Great Britain	Only company data
Greece	No data
Hungary	The circle of fringe benefits is growing, an essential portion of trade union demands are met. The reason: employers do not pay either tax or contributions for the majority of benefits of this kind, i.e. schooling aid, meal-checks, holiday-checks, assumption of welfare-office membership fee
Italy	Negotiations not started yet
Netherlands	No data
Norway	Not negotiated
Poland	No data
Slovak Republic	Not negotiated
Slovenia	Not negotiated

Spain	- Recruitment: Increase in the number of days awarded as compensation at the end of the 'Reduced work load contract' - 'Reduced work load contract' for older workers at the age of 60. Inability to work: Increase in the percentage made up by companies in the case of staff member's inability to work, an accident at work, occupational disease or collective illness. - Adaptation of the respective national agreement on classification.
Sweden	- Parallel negotiations were taking place in the meantime between Svenska LO and the Swedish employers' association to reach an agreement for better security in the case of restructuring and un-employment for the blue-collar workers in the private sector. An agreement was reached in mid- Feb 2004, which gives workers better opportunity for training, job finding and in some cases retirement when made redundant. The value of this agreement is estimated at 0,5% on annual basis. - The right to additional parental leave pay has been extended from two to three months. It is a right for both parents including adoptive parents. - Work environment: a joint committee to discuss the working environment, to discuss and provide advice on how to cope with sickness leave, and to collect and distribute good examples on the same.
Switzerland	Not negotiated

4 Attacks to lower labour costs by increasing working time and flexibilisation via “additional collective agreements” at company level

In spring and summer 2004 European trade unions and in particular the metalworkers’ unions have been faced with an offensive from the employers, who are pushing for an extension of working time without pay compensation.

Every day, there have been new examples in which employers exert pressure on the workers of individual locations and their trade union representatives, using cost-related arguments and threats to relocate jobs.

Because of the current “employer -friendly situation” concessions have been obtained from the workers in Siemens and DaimlerChrysler factories in Germany but also in Bosch in France to give just three examples. Further companies, such as Ford, General Motors (GM), MAN, VW and Linde have also been trying to get their workers to agree to more concessions with threats of relocation and/or redundancies.

The aforementioned company cases have been all different. They were taking place under different framework conditions within the company or branch. However, the common denominator has been the extension of working time without pay compensation in order to bring down hourly labour costs. The employers are arguing that this is to improve the competitiveness of the company, so as to safeguard jobs at the respective plants, or, in other words, to avoid relocating the jobs to low-cost countries. This escalation of competition has been also being practised to some extent, within the nation states, in which regional differences in working conditions are being exploited.

For the EMF, working time policy is an important collective bargaining instrument, which is being applied in a responsible way by the EMF affiliates.

The EMF supports the trade union view that this is a matter of individual cases of agreements with individual companies and/or employers, which are taking place under quite specific conditions. However, it is clear to the EMF that, for one thing, the individual cases have been increasing at a worrying rate recently. At the same time, it is apparent that the individual agreements, as in the cases of Siemens and DaimlerChrysler, are building on existing collective agreements, which contain opening clauses allowing a departure from the framework collective agreement on competition grounds. If this practice spreads further, there is a danger that it could give rise to a collective bargaining trend in Europe’s key sectors.

It is the EMF’s view that the managerial calculation to improve competitiveness through extending working time without pay compensation in individual companies, and the de-facto wage cut it entails, does not make economic sense. Rather, is it to be feared that extending working time neither leads to increased employment nor creates incentives for increased consumption. In the EMF’s view, if applied across the board, the extension of working time will give rise to wage and social dumping in Europe.

Trade union practice has shown that additional agreements which deviate from the framework collective agreement, but are established for a specific period and are clearly defined, have always been possible in companies experiencing temporary problems. This demonstrates the flexibility of existing collective bargaining structures. In the EMF’s view, however, current employer initiatives to reduce the real wage demonstrate a worrying new quality as they are not just taking place in companies experiencing difficulties but are evidently aimed at contributing to raising corporate rates of return.

In the Working Time Charter, adopted by the EMF in 1998, the EMF and its affiliates advocate bringing about a reduction of existing working time levels and preventing a general extension of the agreed working time. It has to be ensured that reducing working time and monitoring on the part of the trade union representatives lead to better working conditions and more jobs.

For the first time in the history of the EUCOB@ REPORTs we document this year two cases of “additional” collective agreements at company level that can be located under the policy chapter “extending working time and other instruments to lower labour costs so as to increase company interest rates”: Siemens and DaimlerChrysler.

This is mainly in order to bring all EMF affiliates to the same level of information and avoid that the trade unions are played off one against another by the employers using incomplete information. Moreover, the cases of extending working time without pay compensation will be discussed at forthcoming meetings of the Collective Bargaining Policy Committee and Executive Committee. The aim in particular is to set in motion an ‘initiative for a new policy on working time’ alongside a detailed information exchange.

4.1 The Siemens case

In summer 2004 IG Metall and SIEMENS reached a 2-year on job security and working time for the mobile phone production plants in Bocholt and Kamp-Lintfort. The existence of two mobile phone production plants in the western part of Germany (Bocholt and Kamp-Lintfort, North-Rhine-Westphalia) had been threatened by a SIEMENS management plan to relocate the production to Hungary.

The agreement contains concessions from IG Metall on working time and wages and - on the other hand - the commitment of SIEMENS to undertake specific measures in order to safeguard production and employment.

In detail:

4.1.1 **Concessions of IG Metall**

- working time increase from 35 to 40 hours weekly (1760 hours on an annual basis) without pay;
- replacement of the current payment of extra pay and fringe benefits (holiday payment; bonus payment) by a system of performance- and profit-related additional pay.

4.1.2 **Commitment of SIEMENS**

- to guarantee production and current employment level for at least two years (i.e. for the duration of the agreement);
- investment in new products: 30 Million € in the business year 2004/2005;

- to build up new activities regarding the development of new products (so-called “third generation” of mobile phone - UMTS) in Bocholt and Kamp-Lintfort;
- in-sourcing of consulting services currently provided from external sources;
- training programmes for the employees.

Additionally:

- In a separately signed general agreement on “Job security, competitiveness and innovation within the Siemens Company”, the SIEMENS management commits itself to the validity of the branch collective agreement and acknowledges it as the basis for the regulation of working conditions.

- The 35-hour week is still the predominant working-time standard within the SIEMENS company. Only 4,000 out of 160,000 employees in the whole SIEMENS company will - in the next two years - work 40 hours without getting paid for the extra 5 hours.

In a short assessment of the additional SIEMENS agreement IG Metall comes to the following conclusions (source: IGM correspondent’s report on the SIEMENS case):

- IG Metall had to pay a rather high price for securing employment and production. But the alternative was unemployment for 4000 people in a region with only few job opportunities.

- The commitment of SIEMENS to undertake certain measures to secure employment and production (see above) was a fundamental pre-condition for IG Metall to sign the agreement.

- The agreement is a specific case and does not indicate a general withdrawal from the 35-hour week. The collective agreement on 35 hours is still valid for the overwhelming majority of the SIEMENS workforce.

- The solution found in this dispute with SIEMENS about mobile-phone production is not a blueprint for other cases in the metal industry.

4.2 The DaimlerChrysler case

The DaimlerChrysler agreement to save a volume of 500 Million Euro was signed on 23.7.2004. After long and tough negotiations which were accompanied by protests and a token strike of 60,000 employees of the Daimler Company, the works council of DaimlerChrysler, IG Metall and the management of Daimler Chrysler reached an agreement. The starting point to the dispute was Daimler Chrysler demand to cut back production costs at the Sindelfingen plant (close to Stuttgart) by 500 Million € In the event of refusal, they threatened their employees that they would relocate a specific production line of Mercedes ("C-Class") to the Northern part of Germany (Bremen) and South Africa and cut at least 6,000 jobs in Sindelfingen.

The main results of the settlement of 23.7.2004 are:

- Job security for the whole company workforce(i.e. 160.000) in Germany (not only Sindelfingen) till the year 2012 - more than seven years
- No reduction of collectively agreed standard wages and salaries
- but reduction of parts of the additional pay (pay above standard wages)
- At the same time: some reduction in managerial pay (about 10 %) (including that of middle management)
- Commitment by management to follow up investment into new products (part of a long-term job security concept)
- Paid increase of working hours for employees working in the fields of Research and Development (R&D) - from 35 hours to 40 hours weekly (This part of the agreement makes use of the possibilities given in our collective concluded in February 2004 which defines certain conditions under which the increase of working hours is allowed.)
- A new agreement for the service sector of Daimler-Chrysler (about 6,000 people), i.e.: Factory canteen (cooks, kitchen service, catering); printing works; company security service. - All those sectors were threatened by outsourcing, which would have meant a drastic fall in income.

This new agreement contains:

- an increase in weekly working hours by steps up to 39 hours (39 hours come into effect on 1. 7. 2007), maintaining their present income level (including pension, performance-related annual extra pay etc.);

- a reduction in working hours without loss of income for employees aged over 54 by steps down to 34.5 hours (34.5 hours come into effect on reaching the age of 60).

All the measures undertaken lead to a cost reduction of approximately 500 Million €. The DaimlerChrysler Works Council and IG Metall underlined the importance of safeguarding income (as far as collectively agreed standard wages and salaries are concerned) and of the long-term job security (including long-term investment plans).

These local company agreements were embedded in an overall attempt to safeguard production sites and especially employment. In this sense they took into consideration many different special aspects related to the situation of the companies in question, hence they cannot really be seen as examples of benchmarks for a more general approach to the debate on working time.

Nevertheless these examples have started a more general debate throughout Europe. On the basis of the examples set in the agreements of Siemens and DaimlerChrysler in Germany and Bosch in France, the French Government has decided to go to the inter-professional dialogue with the social partners in the autumn of this year with one extra element on the agenda: the possible revision of the law on the 35-hour week. This, in spite of the fact, that the French President has already announced that no general revision of this law would be foreseen.

The Dutch Government, for its part, has also already announced its intention to debate with the social partners the possibility of lengthening the working week. After the break-up of the inter-professional agreement last year, this will once again inflame the social agenda in the Netherlands. The effects are also already noticeable in Belgium. In Maréchal Ketin, a German-owned company, an extension of working time has been fiercely opposed by the trade unions. In Siemens Herentals, the trade unions have accepted an increase of one hour (from 37 to 38 hours per week) in order to provide job security, although this is accompanied by a partial raise of 1% in wages. This has led the Belgian employers' organisation to announce a general debate on working time in the autumn in the inter-professional bargaining round.

A current survey by the European Trade Union Institute states very clearly that a lengthening of the working week will increase the unemployment rate by the same amount as the increase in working time, unless this increase is accompanied by an equal increase in purchasing power and consumption. It is unlikely that such an increase in consumption could be achieved together with growing unemployment and longer working time without pay, in an economy already performing badly. In our view, if applied across the board, the extension of working time will give rise to wage and social dumping in Europe.

As we will see in the next chapter these recently signed agreements do not show up in the results of the EMF Coordination Rule because their "monetary worth" is hard to calculate. But what will be obvious is that with the above-mentioned "opening clause" IG Metall in Germany paid a high price for reaching wage increases covering the sum of inflation and productivity.

5 Evaluation of the EMF Coordination Rule

The EMF coordination rule was proposed by the 3rd Collective Bargaining Conference in 1998 and later confirmed by the EMF Executive Committee and the EMF Congress in 1999. It is an important part of the overall EMF political project: To strengthen the coordination of collective bargaining policies and provide an answer to the possible downward spiral of cost-competitive wage bargaining.

We discussed the methodological problems of comparing national data on a European level in detail in the previous EUCOB@ REPORTS. We do not need to repeat this here. We would just like to recall that the EMF coordination rule states “that the main reference point for the EMF affiliates must be to maintain purchasing power and achieve a balanced participation in productivity increases”. Just how this is implemented is part of the sovereignty of the individual unions, and among other elements mentions income redistribution, improved wages and salaries, job-creation, including training and reduced working time, new forms of work organisation, fostering equal opportunities and early retirement. The coordination rule should be interpreted to include the “whole collective bargaining package” – and not only the wage elements.

We decided that

a) The bargaining figure to enter into the comparison is at all times the nationally reported figure for the whole collective bargaining package; in the report we call it “the value of the whole agreement” (VOWA)

b) To ensure a European comparability of the figures, the national bargaining results have been compared with the Eurostat figures for consumer price inflation and productivity development for the entire economy.

In this report for the EU member states we use the data from the report on economic trends (in “European Economy”, spring forecast 2004). This data can be downloaded from: http://europa.eu.int/.

For the European countries that are not members of the EU, like Norway and Switzerland, we have to rely on OECD data. We have used the last issue of the “OECD economic outlook” from December 2003. As a matter of fact this is not a satisfying solution because Eurostat and OECD data are inconsistent.

We have chosen to present four tables from the EUCOB@ report:

Tables 16 and 17 on the economic data (inflation, labour productivity and the unemployment figures) that the trade unions used for the collective bargaining negotiations in the years 2003 and 2004.
Tables 18 and 19 on European collective bargaining included the figures on wage increases and the value of the whole agreement (VOWA) for the years 2003 and 2004
Tables 20 and 21 on the balance sheet of the collective agreements in the light of the EMF coordination rule for the years 2003 and 2004.
Table 22 on a mid-term evaluation of the collective agreements in the light of the EMF coordination rule

This EUCOB@ REPORT intends to continue the good tradition of the “economic” evaluation of the national collective agreements in the light of the EMF coordination rule. We know that an economic type of evaluation such as this can be only on part of an evaluation of the EMF coordination rule, because it focuses only on the collective bargaining “result” side and is not able to include the negotiation “processes” and the role of the EMF coordination rule in that respect. But it has always been clear that the EMF coordination rule is a “policy rule" and not just a mathematic formula. Therefore we intend to also make a “political evaluation” of the EMF coordination rule next year.

5.1 The economic data reported by the trade unions

Trade unions look forwards. That means that collective bargaining negotiations are usually based on economical developments (inflation, productivity) that will happen in the future. To give an evaluation of the results of the collective bargaining we decided to show both the Eurostat figures and the figures used by the trade unions at the very beginning of their negotiations with the employers’ organisations.

This permits at least two things: firstly, a comparison of the two sets of figures (Eurostat and trade union figures) to see how precise the estimations have been, and secondly, if there are huge differences between the trade unions estimations and the definitive Eurostat figures, to see why that has occurred.

Table 16: Macro-economic parameters 2003 (as %) used in collective bargaining rounds [(1)]

	Inflation	Productivity		Unemployment
		National	Sectoral	
Austria	1,3	GDP per employee: +0,6	Per hour: +3,0 (in manufacturing)	4,3
Belgium	1,5 estimated / 1,38 real	n.d.	n.d.	n.d.
Croatia	1,4	7,0		19
Czech Republic	0,0	not used in negotiations		10,3
Denmark	2,1	2,3 (not used in negotiations)	5,8 (not used in negotiations)	5,6
Finland	2,0	2,9	2,9	Development: minus 0,1
Germany	1,0	0,8	1,1	10,3
Great Britain	1,5 (CPI)	1,5		
Greece	3,4	1,9		
Hungary	4,7	8,8 (industry)	4,3 -19,7	5,5
Italy	n.d.	n.d.	n.d.	n.d.
Netherlands	2,0	1,75	n.d.	4,5
Norway	2,5	n.d.	n.d.	4,5
Poland	1,9	1,5	24,6	18,8
Slovak Republic	8,5	n.d.	n.d.	15,6
Slovenia	4,6	2,3	2,6 (industry)	11,2 total; 6,7 ILO method
Spain	2,6	0,5	n.d.	11,2
Sweden	2,3	3,5	n.d.	4,9
Switzerland	0,6	n.d.	n.d.	3,7

Table 17: Macro-economic parameters 2004 (estimated, as %) used in collective bargaining rounds [(1)]

	Inflation	Productivity		Unemployment
		National	Sectoral	
Austria	1,3	GDP per employee: +0,9	Per hour: +3,1 (in manufacturing)	4,4
Belgium	1,6	n.d.	n.d.	n.d.
Croatia	2	n.d.		18
Czech Republic	3,5	not used in negotiations		10,6
Denmark	1,6	2,3		5,6
Finland	1,0	2,2	2,2	Development: plus 0,4
Germany	1,6	1,8	2,5	10,2
Great Britain	1,4 (CPI)	1,3	n.d.	4,8
Greece	3,4	2,3		
Hungary	6,5	n.d.	n.d.	6
Italy	n.d.	n.d.	n.d.	n.d.
Netherlands	1,25	2,75	n.d.	6,0
Norway	0,5	n.d.	n.d.	4,
Poland	0,8	3,7	n.d.	20
Slovak Republic	8,1	n.d.	n.d.	15
Slovenia	3,2	3,6	n.d.	11,0 total; 6,6 ILO method
Spain	2,0	1,1	n.d.	11,4
Sweden	1,1	3,2	n.d.	5,6
Switzerland	0,2	n.d.	n.d.	4,2

1 source: Trade Unions

What we can see is that both the inflation rates and productivity growth are at a relatively low level. The exceptions are most of the NMS where both inflation and productivity growth is higher than the average. Unfortunately the unemployment rate is moving only slightly and remains at a relatively high level.

5.2 The value of the whole agreement (VOWA)

The fact that the trade unions' policy is a “responsible” one can be demonstrated by the tables “Value of the whole agreement (VOWA)” for the years 2003 and 2004. The values range between 1.39% in Belgium and 8.6% in Hungary for the year 2003 and between 2.19% in Austria and 7.3% in Hungary for the year 2004. The average value is 3.5% in the year 2003 and 3.2% in 2004.

Table 18: Value of the whole agreement (VOWA) 2003 (in %)

	Wages	Working time	Vocational training	Pensions, Early retirement	Equal treatment	Other elements	Value of the whole agreement (VOWA)
Austria	2,1% - 4,2					Minimum pay rise 35€	2,1 – 4,2 %
Belgium	1,38 %	-	0,1	-	-	-	1,48
Croatia	No data						
Czech Republic	2,5 - 10						2,5 - 10
Denmark	Individual figures not calculated: VOWA is 1% national level plus 2,6% enterprise level						3,6
Finland	2,7						2,7
Germany	3,1	-	-	-	-	-	3,1
Great Britain							
Greece	No data						
Hungary	8,6	-	-	-	-	-	8,6
Italy	2,15					One-off payment 220€ (0,15%)	2,3
Netherlands	3,25						3,25
Norway	4,5	-	-	-	-	-	4,5
Poland	No data						
Slovak Republic	Ongoing negotiations						
Slovenia	2-3 real increase	-	-	-	-	-	2 - 3
Spain	Ongoing negotiations						
Sweden	2,7	0,5	-	-	-	-	3,2
Switzerland	1,8						1,8

Italics: Figures Eucoba report 2003

Table 19: Value of the whole agreement (VOWA) 2004 (as %)

	Wages	Working time	Vocational training	Pensions, Early retirement	Equal treatment	Other elements	Value of the whole agreement (VOWA)
Austria	ongoing negotiations						
Belgium	4,02	-	0,1			First day sickleave: 0,1-0,3	4,22 – 4,52
Croatia	No data						
Czech Republic	2 - 7,3						2 - 7,3
Denmark	Individual figures not calculated: VOWA is 0,95% national level plus x% enterprise level (figure not available yet)						0,95+x
Finland	2,2						2,2
Germany	3,2	-	-	-	-	-	3,2
Great Britain							
Greece	6,5						6,5
Hungary	No data						
Italy	No data						
Netherlands	2,75	-	-	-	-	-	2,75
Norway	3,5	-	-	-	-	-	3,5
Poland	no data						
Slovak Republic	Ongoing negotiations						
Slovenia	No data						
Spain	Ongoing negotiations						
Sweden	1,7	-	-	-	-	0,4	2,2
Switzerland	No data						

Italics: Figures Eucoba report 2003

5.3 The balance sheet of VOWA in the light of the EMF coordination rule

The next step we have to deal with is the evaluation of the concluded agreements in the light of the EMF coordination rule.

The EMF coordination rule states that the main reference points should be “maintaining purchasing power” and “achieving a balanced participation in productivity increases”.

Thus the first step is to compare the VOWA with the inflation rates. Being in line with the EMF coordination rule means that the VOWA has to be at least above the inflation rate.

Secondly, we have to compare the remaining value with labour productivity. The EMF coordination rule states that on the basis of the sovereignty of the individual unions it is up to them to decide how the leeway of bargaining is taken up; different elements are mentioned: income redistribution, improved wages and salaries, job-creation, including training and reduced working time, new forms of work organisation, fostering equal opportunities and early retirement.

We know that the trade unions have different interpretations as to what “a balanced participation” means. What we do, however, is to compare the complete value of the productivity development with the VOWA. We leave the interpretation, i.e. as to whether they have reached a “balanced” participation or not, to the trade unions in accordance with their sovereignty.

In **2003** most of the surveyed EMF affiliates concluded agreements that were higher than the inflation rate (Austria, Belgium, Denmark, Finland, Germany, Hungary, Netherlands, Norway, Sweden, Switzerland and several branches in the Czech Republic); the exceptions were Italy, Slovenia and single branches in Austria and the Czech Republic. We will call the result of VOWA minus the inflation rate (HICP) in our tables “OIR” (offset of inflation rate).

The "full Monty" of inflation and productivity development was reached or transgressed in Austria (+0,3 – 0,6), Denmark (+0.3%), Germany (+1.1%), Hungary (+1.5%), the Netherlands (+0.85%), Norway (+0.1%) and Switzerland (+1.7%). Below that figure can be found: Belgium (-0.11%), Finland (-0.8%), Slovenia (-0.1 - -6.5%), Sweden (-1.0%) and single branches in the Czech Republic (up to -1.1%). The result of the calculation VOWA minus HICP minus productivity development will be named BPPG (Balanced participation productivity growth).

Most of the surveyed EMF affiliates concluded agreements that were higher than the inflation rate in **2004** also (Belgium, Czech Republic, Finland, Germany, Hungary, Italy, Netherlands, Norway, Sweden, Switzerland and several branches in the Czech Republic). Exceptions this year are just Slovenia and single branches in the Czech Republic.[1]

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1 Figures from Denmark are not fully available yet.

The big difference in 2004 compared with 2003 is that just Germany (+0.2%), Norway (+0.2%), Switzerland (+0.3%) as well as several branches in the Czech Republic and Slovenia were able to attain the full amount of inflation rate and productivity growth. All the other countries are below that margin: Belgium (-0.21%), Finland (-0.2%), Hungary (-0.9%), Italy (-0.8%). Netherlands (-0.45%), Sweden (-0.8%) and some branches in Czech Republic (up to -3.5%) and Slovenia (up to -4.7%).

Key to reading the following tables: The OIR (offset of inflation rate) and the BPPG (figure on balanced participation of productivity growth) will be marked in three different colours. Green for the positive figures, red for the negative figures, and light green for the figures containing positive and negative values resulting from different agreements.

So what you can see in table 20 for instance is that almost all countries secured via their collective agreements wage increases that are at least above the inflation rate (excepted Italy and Slovenia). Furthermore, you can easily see that seven countries reached the full amount of inflation plus productivity (BPPG) and five countries did not. In the Czech Republic agreements have been signed that all reached the inflation rate; however, not all of them are above the amount of inflation plus productivity.

Table 20: Balance Sheet VOWA-Inflation-Productivity 2003 (as %)

		minus		minus	
	VOWA(1)	Harmonized index of consumer prices(2)	OIR (offset inflation rate)	Labour productivity (real GDP per occupied person)(2)	BPPG (balanced participation productivity growth)
Austria	2,1 – 2,4	1,3	0,8 – 1,1	0,5	0,3 – 0,6
Belgium	1,48	+/- 0 (3)	1,48	1,5	-0,02
Croatia					
Czech Republic	2,5 – 10	-0,1	2,6 – 10,01	3,7	-1,1 – 6,31
Denmark	3,6	2,0	1,6	1,3	0,3
Finland	2,7	1,3	1,4	2,2	-0,8
Germany	3,1	1,0	2,1	1,0	1,1
Great Britain		1,4		1,3	
Hungary	8,6	4,7	3,9	2,4	1,5
Italy	2,3	2,8	-0,5	-0,2	-0,3
Netherlands	3,25	2,2	1,05	0,2	0,85
Norway	4,5	2,5 (4)	2,0	1,9 (4)	0,1
Poland		0,7		4,9	
Slovak Rep.		8,5		2,4	
Slovenia	2 – 3	5,7	-3,7 - -2,7	3,8	-0,1 - -6,5
Spain		3,1		0,6	
Sweden	3,2	2,3	0,9	1,9	-1,0
Switzerland	1,8	0,6 (4)	1,2	-0,5 (4)	1,7

(1) Source: Trade unions
(2) Source: European Commission (2004a), own calculations
(3) Automatic equalization of inflation
(4) OECD data

Table 21: Balance sheet VOWA-Inflation-Productivity 2004 (as %)

		minus		minus	
	VOWA(1)	Harmonized index of consumer prices(2)	OIR	Labour productivity (real GDP per occupied person)(2)	BPPG
Austria	ongoing negotiations				
Belgium	1,39	+/- 0 (3)	1,39	1,6	-0,21
Croatia					
Czech Republic	2,5 – 10	2,8	-0,3 – 7,2	3,3	-3,5 – 3,9
Denmark	0,95+x	1,5		2,0	
Finland	2,7	0,4	2,3	2,5	-0,2
Germany	3,1	1,3	1,8	1,6	0,2
Great Britain		1,6		2,6	
Greece	6,5	3,4	3,1	2,3	0,8
Hungary	8,6	6,9	1,7	2,6	-0,9
Italy	2,3	2,2	0,1	0,9	-0,8
Netherlands	3,25	1,4	1,85	2,3	-0,45
Norway	4,5	0,5 (4)	4,0	3,8 (4)	0,2
Poland		2,3		4,2	
Slovak Republic		8,2		3,4	
Slovenia	2 – 3	3,6	-1,6 - -0,6	3,1	-4,7 – 2,5
Spain		2,4		0,6	
Sweden	2,2	1,1	1,1	2,2	-1,1
Switzerland	1,8	0,2 (4)	1,6	1,3	0,3

(1) Source: Trade unions, own calculations
(2) Source: European Commission (2004), own calculations
(3) Automatic equalization of inflation
(4) OECD data

5.4 Mid-term evaluation of collective agreements in the light of the EMF coordination rule

There are many reasons to compare the trade union collective agreement outcome figures not just on a single year basis but over the long term. Here is just one example: as seen in Chapter 2.1, most of the agreements are valid for more than one year. Traditionally trade unions try to put the higher wage increase at the beginning of the period of validity of the agreement. So, in a 2-year agreement, they could for example lie above the EMF coordination rule in the first year and below the sum of inflation and productivity increase in the second year. They could however attain the “goal” of the EMF coordination rule on average.

5.5 Year-by-year analysis 2000 - 2004

As we can see in table 22 most of the countries regularly manage to maintain the purchasing power of their members (Austria, Belgium, Czech Republic, Denmark, Finland, Germany, Ireland, Norway and Switzerland), but some countries seem to have difficulty in constantly attaining that goal (Greece, Italy, Netherlands, Poland, Sweden).

Table 22: Mid-Term Evaluation "National Collective Agreements in the Light of the EMF-Coordination Rule" 2000-2004

	OIR = Offset Inflation Rate (VOWA minus HICP)					**BPPG = Balanced participation productivity growth (OIR minus development labour productivity)**				
	2000	**2001**	**2002**	**2003**	**2004**	**2000**	**2001**	**2002**	**2003**	**2004**
Austria	1,5	0,6	0,94	0,8 – 1,1		-0,4	0,5	-0,46	0,3 – 0,6	
Belgium	0,5	3,17	1,6	0,95	1,48	-1,4	3,97	0,6	-0,02	-0,1
Croatia	No data									
Czech Republic	No data			2,6 – 10,01	-0,3 – 7,2	No data			-1,1 – 6,31	-3,5 - 3,9
Denmark	1,4	1,8	1,5	1,6		-0,9	1,6	-0,1	No data	No data
Finland	0,8	0	0,65	1,4	2,3	-2,0	0,4	-0,65	-0,8	-0,2
Germany	1,9	0,5	2,7	2,1	1,8	0,8	0,1	1,9	1,1	0,2
Great Britain	Only company data									
Greece	2,1	1,3	-0,9	No data	3,1	-2,1	-3,1	-4,7	No data	0,8
Hungary	No data			3,9	1,7	No data			1,5	-0,9
Italy	-1,4	-0,55	-0,85	-0,5	0,1	-2,7	-0,45	+0,05	-0,3	-0,8
Ireland	0,2	0	No data			-5,0	-3,1	No data		
Netherlands	1,5	-0,1	-1,65	1,05	1,85	-0,1	-1,55	-0,5	0,85	-0,45
Norway	2,3	2,1	No data	2,0	4,0	0,1	-0,1	No data	0,1	0,2
Poland	-6,6	-1,6	2,2	No data		-13	-3,3	-1,5	No data	
Slovak Republic	No data									
Slovenia	No data			-3,7 - - 2,7	-1,6 - - 0,6	No data			-0,1 - - 6,5	-4,7 – 2,5
Spain	No data									
Sweden	1,8	1,1	1,0	-0,9	1,1	-0,1	0,1	-0,9	-1,0	-1,1
Switzerland	No data			1,2	1,6	No data			1,7	0,3

If we look at the goal of reaching a balanced participation of productivity growth the picture is more diffuse. Within the period 2000 to 2004 only Germany lay regularly above the margin "Inflation plus Productivity". On the other hand, there is also just one country (Poland) where that margin could not be reached at all within that timeframe. There is no clear pattern as regards the other countries in respect of fully meeting with the EMF coordination rule. There are also a high variety of. This again makes it very clear that it there is not much sense in picking out one year and comparing it with another single year. We are in the fifth year of the EUCOB@ REPORT. This data basis allows us to see whether the trade unions were able to attain the goal of maintaining purchasing power plus achieving a balanced part of productivity growth on the average over these five years.

5.6 Average OIR and BPPG 2000 – 2004

As we can see in Chart 3 it is possible to identify three patterns concerning the average results in the years 2000 to 2004:

a) Countries above inflation and above productivity growth
b) Countries above inflation but below productivity growth
c) Countries below inflation and below productivity growth

a) Countries above inflation and above productivity growth:

The value of the collective agreements in Austria, Belgium, the Czech Republic, Denmark, Germany, Hungary, Norway and Switzerland have been on average above the margin "Inflation plus productivity growth" in the years 2000 to 2004.

b) Countries above inflation but below productivity growth:

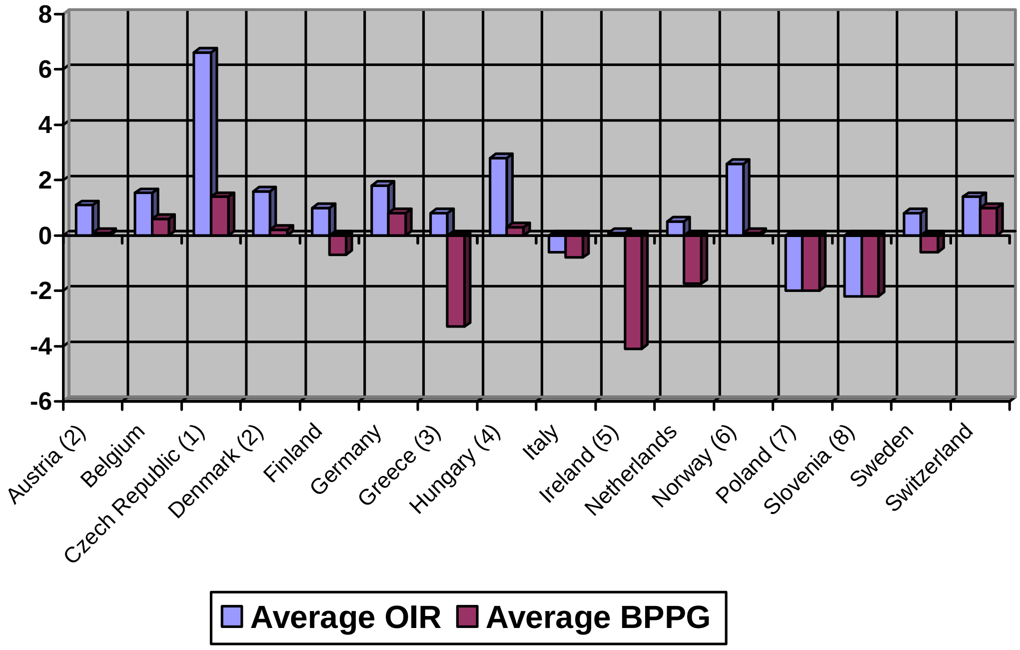
The trade unions in Finland and Sweden secured agreements where it was possible to reach the inflation rate but which are just slightly below (up to -2%) the whole amount of "inflation plus productivity" on average in the period 2000 to 2004. Greece, Ireland, Poland and Slovenia signed agreements where the inflation rate was reached but the gap between reaching the whole amount of inflation and productivity was more than 2%.

Hence, most of the countries (Austria, Belgium, Czech Republic, Denmark, Finland, Germany, Greece, Hungary, Ireland, Norway, Sweden and Switzerland) achieved a positive OIR in the timeframe 2000 – 2004.

c) Countries below inflation and below productivity growth:

Only Italy, the Netherlands, Poland and Slovenia secured agreements where the VOWA was on average below the inflation rate (and below productivity growth) and hence did not achieve the minimum goal of maintaining purchasing power within that timeframe.

Chart 3: Average OIR and BPPG 2000-2004



(1) 2003 and 2004; (2) 2000-2003), (3) 2000-2002; (4) 2003-2004; (5) 2000 + 2001; (6) without 2002; (7) 2000-2002; (8) 2003 + 2004

However, the EMF has pointed out on several occasions that it is important not to reduce the coordination approach to rules and formulas, and insists instead on a political approach. Being below the coordination rules does not necessarily mean that social dumping is occurring. There are no indicators based on our EUCOB@ information that this is the case in the countries below the coordination rule. Wage moderation is mostly part of national social pacts or sometimes it is just difficult for trade unions to successfully achieve their current demands. These figures are important but they are only one side of the ‚coordination medal‘.

The other side is the political impact on the EMF policy as a whole and the policies of the EMF affiliates. The basic impact of the coordination rule in the EMF view has been to establish a moral claim that no negotiations are a national issue alone, but that all have implications beyond national borders and consequently are a shared responsibility.

These activities prove that coordination in the EMF is going to work in a political sense.

This aspect can be demonstrated by the intensified exchange of information via our EUCOBA@ CORRESPONDENT NETWORK especially regarding industrial actions such as seen in Austria, Germany, Portugal, the Netherlands, Spain, Italy, the Czech Republic and other countries in recent years. These examples also prove that our reporting system is increasingly becoming an element of national bargaining rounds as well.

Nevertheless, we have seen some problems increasing within the last few years: We can see that more and more trade unions in the metal sector are confronted and have to deal with a process of centralisation of industrial relations and decentralisation at the same time.

As said before, it is therefore important to incorporate the processes going on at national level and company level into our EUCOB@ INFORMATION SYSTEM as well as into our collective bargaining coordination approach in general.

6 Some tentative empirical results

Within this chapter we intend to identify empirical trends that influence the EMF coordination approach itself and/or its evaluation and, moreover, see whether these empirical conclusions could be issues to be discussed in the Select Working Party, the Collective Bargaining Policy Committee and the Executive Committee.

a) Duration of agreements

Compared within a mid-term reference period, it seems that countries with a tradition of "1-year contracts" (e.g. Austria, Germany) are tending to sign more and more often longer contracts with a duration time of two years and longer.

b) Bargaining levels

Even in the short period 2000-2004 it can be seen that both the national level and the company level are becoming more important within the system of collective bargaining in the metal sector. We can see this from the examples of the Netherlands, where a national collective agreement has been signed that has direct effects on the branch level, and the additional collective agreements at company level at SIEMENS and DaimlerChrysler.

c) Trade union demands

In the years 2003 and 2004 wage increases have been the most often mentioned demand of the trade unions. In about half of the trade unions working time and other issues have been mentioned. This could be an indication that this time the "cake to be shared" is a very small one, so trade unions have to concentrate on crucial demands.

d) Collective agreement results

In the collective bargaining rounds 2003 and 2004 most of the trade unions in Europe reached the "neutral distribution margin" of inflation and productivity growth or even beyond that. The reason for this has not however been a particularly extensive wage policy but a very weak development as regards economic and productivity growth in combination with a low inflation rate. It can be expected that the distribution rate will be negative again when there is a cyclical upturn. Hence we can say that the trade unions usually sign collective agreements that are in line with the “moderate wage policy” regularly demanded by the European Commission. This - by the way - is also the case in all other sectors (see EIRO report on pay developments 2003).

e) New Member States

With regard to the NMS it can be said that they have on average much higher economic and productivity growth but also a higher inflation rate than the “old” EU member states. Nonetheless the European Commission pushes them to fulfil its moderate wage policy goal and that could have the effect of thwarting the growing economies of the countries concerned.

7 Annex

Table 23: EUCOB@ CORRESPONDENTS (update August 2004)

COUNTRY / ORGANISATION	NAME	E-MAIL	TELEPHONE
A - Austria			
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