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EUCOB@ REPORT

Annual Report: 2003

The European Collective Bargaining Information Network

**of the European Metalworker's Federation/
Fédération Européenne de Métallurgistes/
Europäischer Metallgewerkschaftsbund**

Collective Bargaining Policy in the European Metal Industry

2003

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PART I: Introduction and Overview

1. Preface

This is the fourth EMF eucob@ report since 2000. Today the eucob@ information network is the backbone of the European coordination approach of the trade unions as a whole. 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 coordination rule (Part III) has been included in every subsequent report.

This year we received 19 reports from 14 countries (**Austria**, **Belgium**, **Denmark**, **Finland** (Metalli, TL, STL, IL and TEK), **Greece, Germany**, **Netherlands**, **Italy**, **Norway** (Fellesforbundet), **Portugal** (SIMA), the **UK**, **Sweden** (SIF and Svenska Metall), and **Switzerland**. Some are newly concluded agreements and others are ongoing agreements.

Among the acceding countries we received reports from just two countries (**Czech Republic** and **Slovenia**).

2. Aims of eucob@, Participation

Information is exchanged via e-mail. The eucob@ report is based on two "pillars": Eurostat/Commission data and the reported data in the questionnaire. In early 2002 we introduced a third "pillar" to the eucob@ system, an "ad-hoc info system". The idea was to get short and quick information from the member organisations about any developments that it might be interesting to report. This pillar is now established and is widely used by the correspondents. The exchange of information covers demands on the coming bargaining round, industrial actions and legal problems such as changes to labour legislation, etc. Some correpondents have asked for information on experience with special issues like common agreements for blue- and white-collar workers, private pension schemes or new training systems.

3. Main Issues of European Collective Bargaining: An Overview

The Commission stated that for the third consecutive year growth is likely to be disappointing: the average growth rate is expected to be a meagre 1 % in 2003 in the euro area (1.3 % in the EU). A more solid average growth rate of 2.3-2.4 % is projected in the euro area and EU next year, when employment creation resumes, investment picks up and the international environment is more supportive. However, given the high level of uncertainty, a further delay in the acceleration of growth cannot be excluded. The driving forces of the recovery shifted to domestic demand, private consumption failed to strengthen and remained at 0.7 % in 2002 in the euro area (1.4 % in the EU). The unemployment rate is forecast to increase to 8.8 % (8 % in the EU). Given the sluggish recovery, only modest job creation is foreseen next year. Inflation is in general slow to decline in 2003 and is expected to remain at 2.1 % on average in the euro area compared to 2.2 % last year. (European Economy, spring forecasts 2003)

The general government deficit at the euro area level widened significantly to 2.2 % of GDP in 2002 (1.9 % in the EU). Compared to the Commission Autumn Forecast, the French deficit has been revised up to 3.1 % of GDP, while the Portuguese deficit has been revised down below the 3 % threshold. Germany remains in excessive deficit (ibid.).

Inflation is not a problem in the Eurozone although inflation differs from country to country. Nevertheless in two of the three biggest economies (Germany and France) inflation is below 2,0% while in Italy, the third biggest economy, inflation is above 2,0% (2,6% in 2002 and 2,4% in 2003). But the main problem is the lack of economic growth, and in this case one can question the ECB's statement that "monetary policy has made a significant contribution to improving the conditions for a recovery in economic growth." (ECB, Monthly report, July 2003).

Trade unions in several European countries were confronted by government initiatives to change labour laws with regard to making the labour market more flexible, changing social security regulations, pension systems etc. in 2002 and 2003. The common denominator of these initiatives is to change the 'friendliness' of the institutional environment in which unions operate. This was the case in **Austria**, **France**, **Germany**, **Italy**, **Spain** (in 2002), **Portugal** and other countries.

As regards the EMF coordination rule in 2002 and 2003, the development of the last two years continues: it is getting more and more difficult for the EMF affiliates to catch up with the changing economic parameters. In 2002 and 2003 the majority of the reporting countries were below the coordination rule, in 2002 most of those countries below the coordination rule were in a "corridor" of -1,0%, but in 2003 there is only one. There is fear that this general picture in 2003 will not brighten when we get the reports of the missing countries. In 2002 only three *countries (**Germany, Portugal** and **Norway**) were above the coordination rule. All other reporting countries were below: in 2002 **Belgium**, **Denmark, Austria**, **Netherlands**, **Finland**, **Italy**, **Sweden**, and **Greece**. However, 6 of the 8 countries below the coordination rule were in a "corridor" of -1,0% (Belgium, Denmark, Austria, Finland, Italy, Sweden). The Netherlands and Greece were even below this corridor. In 2003 four countries are above the coordination rule (**Belgium**, **Austria, Germany** and **Norway**), five reporting countries are below (**Netherlands**, **Finland**, **Portugal**, **Swede**n and **Greece)**. Only one country below the coordination rule is in a "corridor" of -1,0% (**Netherlands**) - the others are not**.***

The Commission reports that most of the **candidate countries** sustained solid growth despite the worsened international economic climate. Economic growth has only slightly slowed down during 2002. Especially interesting for members of the Eurozone is that this positive result is mainly based "on a strong domestic demand, most candidate countries showed resilience and the extent of the slowdown remained limited." (European Economy, Economic forecasts for the candidate countries, spring 2003). For the **Czech Republic** in 2002 economic growth was gradually faltering, and this was aggravated by the August floods and so GDP declined in 2002. **Slovenia** had to fight the same problems, but unexpectedly strong export expansion and some domestic demand pick-up in 2002 helped GDP growth to reach 3% (ibid.).

In our last report we pointed out that wage policy was at the centre of the last collective bargaining rounds throughout Europe. This time we have a quite similar picture.

EUCOBA Table 1: Main Issues 2003

Isuues/countryl	A	B	DK	FIN	F	D	NL	IRL	I	P	S	E	EL	UK	NOR	CH	CZE	SL0
Wages																		
Wage structure																		
Wage increase	X	X	X	X		X	X		X	X	X		X		X	X	X	X
Minimum pay rise	X		X															
Apprentice pay																		
Training																		
Vocational training		X					X		X		X							
Training conditions				X			X									X		
Working time																		
Reduction		X	X				X				X			X			X	
Flexibilization			X	X			X		X					X		X		
Pensions/ Early retirement																		
Pensions		X	X								X							
Early retirement		X					X											
Suppl. Pension scheme																		
Other agreements		X		X		X	X		X		X			X	X		X	

The majority of the reporting affiliates had no bargaining round in 2003 so the agreements concluded in 2002 or earlier are still valid. Therefore, we do not have very many differences compared to the last report.

This year we have

- 14 mentions with regard to „pay rise“ and another 2 with regard to „minimum pay rise“;
- 12 mentions with regard to „working time“, of which 6 with regard to „working time reduction“ and 6 with regard to „working time flexibilisation“;
- 7 mentions with regard to „training“: 4 with regard to „training conditions“ and 3 to „vocational training“ ;
- 5 mentions with regard to „pension systems“ and „early retirement“ and finally
- 9 mentions with regard to „other issues“.

PART II: European Collective Bargaining in Detail

4. Structures of European Collective Bargaining Agreements

In this chapter we give an overview of the next collective bargaining rounds in the "calendar". The major differences in European collective bargaining are represented by bargaining levels and coverage. We give an update of previous information in chapter 5.2. and 5.3.

4.1. Collective Bargaining Calendar 2003-2004

We give an overview in table 2 based on the last eucob@ reports.

EUCOBA Table 2: European Collective Bargaining Calendar (juli 2003)

Country / organization		Agreements valid from	to	Terms (year)	Next negotiation: Start	end	Current situation
B	*CMB, CCMB*	*Jan 03*	Dec04	2	2005		
DK	*CO-Industri*	1 Mar 00	1 Mar 04	4	Dec 02 / minimum wage to be settled in 03	Mar03	Still valid/ annual enterprise based wage rounds
D	*IG Metall*	June02	Dec03	22 mths	End of 03		
EL	POEM	Jan 02	Dec 03	2	Jan04		
E	CC.OO, UGT						
F	FGMM CFDT						
IRL	ICTU (SIPTU)						
I	FIOM, FIM, UILM	00	04	4	End of 02 renewal of the national agreement		Still valid
	Local/company level						
NL	FNV	Jul02	Jun04	2	Apr04		
A	GMT	01/03	Un-limited	Annual Re-negotiations	Autumn 03		Still valid
P	Fequimetal	Feb 02	Feb03	annual			
P	SIMA	Feb03	Feb03	annual			
FIN	Metalli	01 Feb03	31Jan05	2	Autumn04		
FIN	STL,TL,IL, TEK	01 Feb03	31Jan05	2	Autumn04		
S	Svenska Metall	Feb 01	Mar 04	3	Jan 04	Mar 04	
S	SIF	Feb 01	Mar 04	3	Jan 04	Mar 04	Either party is entitled to terminate the agreement for expiry on Feb 03 eg if a higher inflation than expected.
UK	*AEEU, TGWU,* GMB, MSF, UCATT						
Local/company level							
CH	SMUV	07.98	06.03	5			
	Local/company level						
NOR	Fellesforbundet	04.02	03.04	2	03.04		Still valid
NOR	NITO	04.02	03.04	2	03.04		Still valid
CZE	OS KOVO- foundry	Jan03	Dec03	1	Autumn 03		
CZE	OS KOVO-electro	Jan03	Dec03	1	Autumn 03		
CZE	OS KOVO-metal	Jan01	Dec03	3	Autumn 03		
CZE	OS KOVO- aerosp	Jan03	Dec03	1	Autumn 02		
SLO	SKEI	Jul02	Jul04	2	Spring 04		

4.2. Bargaining Levels

EUCOBA Table 3: Bargaining Levels																				
Level	**A**	**B**	**DK**	**FIN**	**F**	**D**	**NL**	**IRL**	**I**	**P**	**S**	**E**	**EL**	**UK**	**NOR**	**CH**	**SLO**	**CZE**	**SLK**	**SLO**
National	X	X	X	X	X		X	X	X	X	X		X		X	X	X			X
Company/ local			X					X	X 2131 aggr.		X	X		X	X	X	X		X	X
Sector	X	X	X	X	X	X	X		X	X	X	X	X				X	X		X
Inter-Sector								X				X								
Sub-Sector												X						X	X	

"Bargaining levels" are important to understand the structures of collective bargaining in the member countries. These structures have not changed since last year. The vast majority of collective agreements covered by the reports are multi-annual sector agreements, but there are major exceptions (see eucob@ report 1999/2000, p. 7).

4.3. Coverage

Country / organisation		**Members**	**Employee indirect)**	**Blue / white collar**
B	*CMB, CCMB*		144.000	Blue
DK	*CO-Industri*		300.000 (100.000)	Both
DK	*IDA*	8.000	80.000	Acad.
D	*IG Metall*	2.500.000	3.600.000	Both
EL	POEM	50.000	150.000	Both
E	CC.OO, UGT			
F	FGMM CFDT			
IRL	ICTU (SIPTU)			
I	FIOM, FIM, UILM		655.787 Total workforce: 1.600.000	No difference betw. b/w-c. workers
NL	FNV	29.000	285.000	Both
A	GMBE GPA		128.000 blue collar 61.741 white collar workers total workforce: 164.308	Both Joint negotiations, but separate agreements
P	Fequimetal	50500		
P	SIMA			
FIN	Metalli	120000	130000	Blue
FIN	STL,TL,IL, TEK	30000		White
S	Svenska Metall	170 051		Blue
S	SIF	80.000	100.000 workforce:380.000	White
UK	*AEEU, TGWU,* GMB, MSF, UCATT			
NOR	Fellesforbundet	40.000	55.000	Blue
NOR	NITO			
CH	*FMTH, VSAM,* Syna, ASC, SSEC	23.000 (FMTH)	327.000	
CZE	OS KOVO- steel	21.313	29.333	Both
CZE	OS KOVO-electro	5.416	19.286	Both
CZE	OS KOVO-foundry	2.503	5.279	Both
CZE	OS KOVO- aerosp	1.060	2.310	Both
SLO	SKEI	80.000	100.000	both

5. Bargaining Topics and Results

In 2003 we have two groups of reporting countries: 1. Countries with newly concluded agreements (6 countries: **Belgium**, **Finland, Netherlands, Austria, Portugal** and the **Czech Republic**), 2. Countries with ongoing agreements (8 countries: **Denmark**, **Germany, Italy, Greece, Sweden**, **Norway,** the **UK** and **Slovenia**).

5.1. Wage Policy

In **Belgium** a two-step agreement was concluded: a 1,5% increase in 2003 according to the estimated inflation; this can be further increased up to 1,0% "depending on the situation regarding the unrefunded first day of sick leave". This second part will be implemented at company level. It is up to the union and company to decide how they want to implement this second part, i.e. for working time reduction, or other advantages like luncheon vouchers, hospitalization insurance, supplementary pensions etc. In 2004 wages will rise by 1,6% (estimated inflation in 2004). In the second part of the agreement there can be an increase of 1,0 % 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). Our correspondent admits that this "part of the wage increase is the more complicated". Overall there will be an increase "of 5,4 % for the companies where the first day of sick leave was already refunded, and 5,1 % for the companies that never paid the first day of sick leave."

In **Finland** (Metalli) we have a wage increase in 2003 of at least 2,6%, and in 2004 of at least 1,8%. In 2004 "on the basis of local agreements a wage sum will be shared at workplaces. This amounts to 4 cents/h multiplied by the number of workers."

Netherland's FNV Bondgenoten reports that a two-years agreement was concluded in July 2002. It took "an extra round (5 instead of 4 to come to a Principle Agreement) and we had to threaten strike action." In 2003 there is a non-recurring increase of 1,25%, a structural increase of 3.25% (floor increase of at least 49,58 € per month); followed in April 2004 by an increase of 2.75% (floor increase of at least 43,11 € per month).

Austria's GMT concluded an agreement with a minimum increase of 2,3%; an increase in effective wages by 2,2%; and one-off payment of 110 €; further Increases in apprentices´ remunerations and additional payments and expense allowances (night shift payment of 4%). What is mportant is the reintroduction of the "distribution option", which allows 0,6% of the total pay bill to be distributed in a flexible manner while raising total pay by at least 1,9%. A distribution option can be agreed at company level. *On October 21st 2003 the Austrian Metalworking and Textile Workers´ Union (GMT) in a joint negotiating team with the White Collar Workers´ Union (GPA) reached a new collective agreement affecting about 180.000 blue-collar and white-collar workers in the metalworking and mining sector. The increase in the effective wage is about 2.1%, the distribution option was renewed, additional payments and an expenses allowance of 2.1% were agreed on, and apprentices´ pay was increased by 2,1%.*

In the **UK** in the car industry most agreements were concluded in 2002, although some concluded in November 2001 are still running (like BMW Oxford with a 3,0% pay rise, and Ford with a 3,5% increase). In 2002 five agreements were reported in the IDS report (October 2002): Honda (2,5%), Nissan (3,0%), Peugeot (2,1%), Toyota (2,42%), and Vauxhall (2,0%). Average earnings increased by 3.6% in 2003 (down from 3,7% in December 2002). In the private sector growth fell to 3,2% from 3,5%...” (IDS Report).

Portugal’s SIMA reports on a sectoral agreement with a wage increase of 2,9% in the metal sector and 3,6% in the steel sector. In other sectors there are still ongoing negotiations, which are reported to be difficult, e.g. in the car industry. SIMA also reached several important company agreements, e.g. with Bombardier (3,5%) and Robert Bosch (37,50 €).

We received an ad hoc info from **Ireland** that negotiations in respect of the new bargaining round started around October 2002. “Many workers feel that they have had enough of the pay round system and would like to see a return to ‘free collective bargaining’ at plant level. However, the downturn in the economy since the events of September 11th may serve to change this thinking somewhat. We have experienced a number of job losses in Ireland since that date – particularly in the technology sector.”

All other agreements are still running.

In **Denmark** the ongoing agreement of 2001 gives a minimum level of pay about 84,40 Dkr, a general increase of 1,0%. In Denmark about two-thirds of the entire labour costs are negotiated at company level. For 2003 a special negotiation concerning minimum wages and levels of benefits was carried out: minimum pay for adults has increased by Dkr. 2.00 to Dkr. 88.40; minimum pay for young workers (under 18) has increased by Dkr. 1.25 to Dkr. 50.60; minimum pay for apprentices and students, supplementary payments for displaced time and shift work as well as other benefits have increased.

In **Germany** IG Metall’s 2002 agreement is still running, giving a wage increase of 3,1% up to June 2003 and another 2,6% from June 2003. In addition a new wage scheme for blue- and white-collar workers produces an effect of 0,9% in 2002/2003 and a further 0,5% in 2003.

*In **Italy** the “principal feature was a serious, across-the-board split within the trade union movement which exacerbated existing differences of opinion and was triggered in the main by the stand-off with the government.*
Problems between FIM-CISL and UILM on the hand and FIOM-CGIL on the other continued. Only FIM-CISL and UILM signed the latest agreements - which FIOM-CGIL rejected. The new agreement of May 2003 includes a wage increase of 69 € per month (4.3% for two years), and a one-off payment of 220 € (the FIOM claim was for about 8.5%). Unfortunately we only have a postion paper from FIOM-CGIL concerning the new agreement and nothing from FI-CISL or UILM.

In **Greece** there was a wage increase in 2002 of 3,0 % (36,14 €) and in 2003 of 4,5% (38,31 €). In addition there was a bonus for work under difficult conditions as well as a long service bonus for workers after completing ten years of service.

In **Sweden**: Svenska Metall obtained a 2,3% rise in 2001 in a national agreement, and a further 2.0% in 2002, while the distribution is the job of the local parties. We will have the same situation in 2003. **Sweden’s** white-collar trade union SIF obtained a 1,8% increase in 2001 and an individual wage review that is estimated to amount to at least 0.7%. The individual wage review will be negotiated on local/company level by the local trade unions and the individual employer. All members are guaranteed a minimum wage increase of 700 SEK under the terms of the agreement and minimum wages will be increased by 3 %.

*In **Switzerland** the existing agreement between the employers' organisation ASM, the metalworkers' union SMUV and othre trade unions was extended to December 31st 2005.*

*Unfortunately, we did not receive a report from **France** again this year. According to a country report by Christian Dufour (IRES) for the ETUI, which can be found at the following website: www.etui.org/CBEurope/Creports/default.cfm, wages in France continued to rise in 2002, slightly faster than inflation. After several years in which the emphasis was on shorter working hours, there was a return to pay issues in 2002. "A number of agreements on shorter working hours that had been signed from 1998 contained clauses freezing wages for certain periods, and those periods were now coming to an end." (ibid) The index for the basic pay of all employees (SMB - salaire mensuel de base) rose by 2.5% in 2002; and the basic pay for manual workers (SHBO - salaire horaire de base ouvrier) rose by 3.5% over the year.*

In most countries the collective bargaining structure consists of a two-level system: bargaining takes place on a national/sector level *and* on company level. The wage increase figures mentioned usually refer to the agreements concluded at national or sector level. Sometimes the proportion to be distributed at company level is already included (**Austria**) sometimes not (**Norway**). Most agreements include an increase in the minimum standard wage, which may then be boosted further at company level. In countries like **Austria, Belgium, Finland, Germany** further improvements on company level are possible. In **Netherlands** around 20-25% of the entire labour costs are negotiated on company level and in **Denmark** even two-thirds. In **Switzerland** and the **UK** we have wage negotiations on company level only.

In **Spain** CC.OO and UGT signed a general agreement in January 2003 consisting of different elements such as expected inflation, productivity, and a "review clause", which is considered as very important "since it is an effective means of ensuring that purchasing power increases in the face of uncertainty concerning inflation trends and a Government inflation forecast which lacks credibility." The average wage increase in Spain is around 3,03% in respect of the whole economy. (See report from Amaia Otaegui Jauregui/Elena Gutiėrrez Quintana, Report on Collective Bargaining in Spain 2002/2003, http://www.etuc.org/ETUI/CBEurope/Creports/default.cfm)

Among the **Central and Eastern European Countries,** the **Czech Republic** reported on four agreements:
- aircraft production: wage increase in 2002 was 4,0%, in 2003 3,0%;
- metal: wage increase of 6,0 %, bonus increase of 8,0%;
- foundry: average wage increase of 10,0%
- electronics: increase of minimum rates of 8.9 %, average wage increase of 2,5 %.

Slovenia reported a wage increase of 2,0% concluded in December 2002, *a wage increase of 3.2% in 2003 and a 6.5% increase in the minimum wage.*

EUCOBA Table 5: Wage Policy in the European Metal Industry 2003						
	M	J	Nat/reg	Local	Others	Details
A	Not Fixed	10/02-	X/X	Improvements possible		Minimum wages 2,3%; effective wages by 2,2%; One- off payment of 110 €; apprentices´ remunerations, additional payments; reintroduction of the "distribution option", which allows for flexible distribution of 0,6% of the total pay bill while raising total pay by at least 1,9%.
B	24	01-02	x/x	Improvement possible		07.03: 1,5 % wage increase (expected inflation); 01.04: increase above inflation depending on the situation of unrefunded first day of sick leave (0,0to 1,0%) 07.04: 1,6 % wage increase (expected inflation); increase above inflation minus or plus 1%": 3,1 % (= estimated inflation on July 1, 2003 and July 1, 2004) – (real inflation on July 1, 2003 + real inflation on July 1, 2004) Overall: pay rise will reach the 5,4 % for companies where the first day of sick leave was already refunded, and 5,1 % for companies that never paid the first day of sick leave
DK	48	00-03	ca. 1/3 of labour cost	ca. 2/3 of labour cost: entire wage increase 01: 3,1%	1% all but wages	For 2003 special negotiation concerning minimum wage and levels of benefits was carried out. The results are as follows: - Minimum pay for adults is increased with kr. 2.00 to kr. 88.40; - Minimum pay for young workers (under 18) is increased with kr. 1.25 to kr. 50.60; Minimum pay for apprentices and students is increased with 4.0%; - Supplementary payments for Displaced time and shift work is increased by kr 0.90; - Other benefits is increased by 3.0%
F						
FIN-Metalli	24	01-03	Nat./at least 2,1%	Improvements possible		1.3. 03: wage increase 25 cents/h, at least 2,6% 1.3.04: wage increase 17 cents/h, at least 1,8% 1.3.04: on the basis of local agreements a wage sum will be shared at workplaces. The size of it/h is 4 cents multiplied by the number of worker
FIN-TL, STL,IL, TEK	24	01-03	2,2-2,7% minimum	Improvement possible -partly distributed on plant level		TL + STL: 2,2% in 02; Rest placed to tables up to 4%
D	24	02-03	Nat./reg.		Impact of new schme for b+w-collar workers: 02; 0,5; 03: 0,5	2,1% wage increase: May 01-feb02; from June 02: 4,0%; a one-off payment of 120 € for may 02 03: 3.1 % from June 2003.
NL	24	Jul02	Jul04	wages 20-25% higher than nat. minimum standards	Further differentiation on company level	1,25% (non recurring increase) from 11/02 3,25% from 01/03 (49,58 €) 2,75% from 04/04 (43,11 €)
IRL	33					
I	24	02-03	4,3% for 2 years	Ongoing negotiations on company level		FIM/UILM: 69 € p.month FIOM did not sign the agreement
NOR	24	02-04	Nat./ Loc.			Wage increase: 00: 4,5; 01: 4,7; 02: 4,8% (nat.+local level altogether)
P-SIMA	24-36			Yearly review of agreements		Metal: 2,9%; steel: 3,6%
P-Fequimetal	12	02	4,1	4.1% directly/ Improvements possible		Wages: 02: 4,1
UK	12-36	02-03	Comp	Company-based bargaining only		Car industry: between 2,0% (Vauxhall) and 3,0% (Nissan)*
EL	24	02-03	Nat.			Wage increase: 02: 3,0 (33.14 €) 03: 4,5 (38,31 €)
E						

S-Metall	36	01-04	*Nat/loc.*	*Distribution by local parties*		*2003 2,0 % in national agreement* *+0,5% on company level*
S Sif + cf	36	01-04		*Improvement possible*		*01/03/03 1,6 % + individual wage review est. at least 0.7% (note: the individual wage review will be negotiated on local/company level by the local trade unions and the individual employer t)* *All members are guaranteed a minimum wage increase of 700 SEK during the period of the agreement (01/02/01 – 31/03/04). Minimum wages will be increased by 3 %.*
CH	*60*	*98-03*	*Nat./ Loc.*	*Wages on Company level only*		
CZE-Aerosp	12	03	Sector			Increase of minimum wage tariffs by 5,8 % and of average wage by 3,0 %.
CZE-Metal	36	01-03	Sector			Wage increase 6,0 %; bonus's increase 8,0%
CZE-Foundry	12	03	Sub-sector	Company		Average wage increase of by 10%
CZE-Electro	12	03	Sector	Company		Increase of minimum rates by 8,9 %. Increase of average wage by 2,5 %
SLO	*24*	*02-04*	*Nat./ Sector*	*Company*	*additional increase after bargaining on new wages system*	*03:2,0 %*

*Source: IDS Report, October 2002: Pay, conditions and labour market changes.

5.2. Working Time

In 2003 we received 12 reports from 9 countries (**Belgium, Denmark Finland, the Netherlands, Italy, Sweden, Switzerland** the **UK,** and the **Czech Republic**). We received 7 reports on working time reduction (**Belgium, Denmark Finland, the Netherlands, Sweden,** the **UK, Czech Republic)** and 6 reports on working time flexibilisation (**Denmark Finland, the Netherlands, Italy, Switzerland** and the **UK**). As the other agreements are still valid, we mention them again and put them in *italics*.

EUCOBA Table 6: Working time in the European metal industry 2003

C	Reduction	Flexibilisation
B	Possibility to reduce working time or if necessary to preserve jobs, legal possibility to introduce the 4-day-week	
DK	*98: reduction for 2nd and 3rd shifts from 35 to 34 hours; 00: extra 5 days of leave for all (total 6 weeks now)*	
I	*The agreements applied the new reduction time of theNational Agreement (1999) for people working shifst and negotiated the "Bank of time" (for overtime).*	*Agreement 99 Companies >200: 200 overtime hours paid at half rate Companies < 200: 250 hours paid 25% (day) and 50% (night). The first 32 resp. 40 h are not submitted to negotiation. Weekly flexibility: 32-48h; 64 h per annum only for seasonal production*
NL	*2002: 1728 hours per year*	Time saving system: already it is possible to save 6 days and use them to improve your individual pension arrangement. Now 6 fringe (holidays extra on the legal ones) holidays can also be put into a time saving system for long term leave, or sold for cash money
A	As a result of the new night work legislation (the ban on night work for women was lifted), which provides only minimum standards as laid down in the relevant EU legislation, the new agreement tried to maintain the previous protective regulations and extend them to cover also male workers in a gender neutral manner. In addition, the new agreement provides for a substantial increase in night shift payments of 4%	
FIN/ metalli	2002: one day (8 hours); No limitations in overtime	A joint working party was set up by the unions: Its task is to prepare regulations concerning minimum working hours as well as such arrangements of working hours which support the productivity and competitiveness of companies and the workers' individual needs
NOR	*5 more days of vacation in 00 and 01*	
S	*Svenska Metall: 2001, 0,2/h a week shortening working hours. 2002, 0,1/h a week SIF Working time reduced by one day = est. To 0,5 %. (Combined with the previous agreement in 1998, working time will be reduced by six days up to 2004)*	
UK	Engineering companies agreed on shorter basic working week*	Flexible working time essential in family-friendly firms*
CH		Flexibility increased
CZE	Aircraft prod.: Weekly working time reduction and one extra week of holiday; electronics: additional holiday; Foundry: Weekly working time reduction 37,5 hs;	

*= IDS Report, October 2002

5.3. Pensions and Early Retirement

In this field several important agreements were concluded before 2003 and are in fact still valid. For 2003 we received 5 reports from 4 countries on pension systems and early retirement (**Belgium, Denmark,** the **Netherlands**, **Sweden**). The agreements in **Austria** and **Sweden** we reported last year are still valid.

EUCOBA Table 7: Pensions and Early Retirement in the European Metal Industry 2003

C	Pension scale adjustment	Additional pension scheme	Financing early retirement	Financing reduction for older employees
B	Maintaining the system up to level reached in 2002: this is a 1,50% cost for the employer per year / per blue-collar worker		Possibility of early retirement from the age of: 58 (after 25 years service), 56 (after 33 years service of which 20 years in nightshifts); 55 (on halftime basis); 55 (for women only with 38 years of service); other company agreement providing an age below 58 (mostly 57 or 56)	
DK	*In 4 annual rates the contribution increased up to 9% for blue-collar workers and 8,1% for white-collear workers.; 2/3 paid by the employer and 1/3 paid by the employee*			
NL			*6 fringe holidays (holidays in addition to the legal ones) can also be put into a time saving system for long term leave, or sold for cash money.*	
A	*In 2000: New rules for part time for older workers implemented, covering: issues such as severance payments and bonuses; this year: In a joint resolution the signing parties call upon the government to maintain existing legal regulations in the field of early retirement*			
S	*One of the new options for the workers was that can use the shortening of working hours for earlier retirement instead of shortening of working hours*			
UK	*Pre-retirement scheme: during the last 13 weeks of employment leading up to the 65th birthday. Employees will be allowed 1 paid day off work per week (restricted)*			
CH	Company specific agreements only			

5.4. Vocational Training

This year we received 7 reports from 6 countries on vocational training, among them 4 on training conditions and 3 on vocational training coming from **Belgium**, **Finland**, **Netherlands**, **Italy**, **Sweden**, and **Switzerland**. Here, again we we to remind that former concluded agreements are still running.

EUCOBA Table 8: Vocational training in the European metal industry 2003

C	Education fund	improving training conditions
B		Obligation to spend 0,9 % of effectively worked hours in the company to training, it is a collective (no individual) right to training, which is yearly evaluated in the Joint Committee)
DK	*- the contributions for different organisations are increased* *- the white and blue collar funds merge*	
D		*Pay Increase for vocational trainees of 3%*
F		*Access to voc. training plans and activities (Metal bipartite qualification and certificate) for temporary workers + young people;* *new classification structure concerning wages, working time and voc. training*
I	*All the agreements contain an engagement for the employers for vocational training during working time according to new qualifications of workers and the organisation of work.*	
NL		*Life long learning: employees who, agreed by their employer, start to follow secondary education or higher education can get max. euro 2500 per year during a period of two years; an experiment of two years of Recognition of Gained Compentencies; and a employability voucher: an individual employee can get max. 750 euro from the Schooling Foundation.*
A	Joint declaration of will to promote further training activities on enterprise level; in addition, the signing parties agreed to install a working group to prepare a social partner meeting on vocational training and further training in June 2002	
P		

FIN	A common recommendation by the unions to local parties about encouragement to take professional examinations
S	*To the existing agreement on training and development is added:"Individual development planning can be an important basis for the joint development of skills and competence of the personnel and the company. An individual development plan shall be set up for each individual employee who demands it "* *The individual worker has more rights and influence in the area of training, especially if the worker has low or bad wage increase. One of the result of the agreement was that every employee shall have the right to an individual plan for development skills and competence if he ask for it, provided by the company. Some other changes was also done in the requirements for distribution of wages in the meaning that workers with low increase of salary shall receive special attention in the area of training.*
CH	Variable

5.5. Other Agreements

We decided to put a last category for “other agreements” in because diversity in European collective bargaining is not just a catch-phrase rather reality. This year we have 9 mentioning in this category. Incoming reports are ranging from equal treatment (**Belgium**), more health and safety at the workplace (**Sweden**), special projects to prevent illness (**Netherlands**), local experiments on wage systems with permission by the trade unions (**Finland**), the **UK** reports (IDS Report, October 2002) changes on maternity and paternity entitlements from the employment act April 2002.

EUCOBA Table 9: Other Agreements 2003

C	Contents
B	Abolition of the unrefunded 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 indicate the shop stewards (to avoid redundancies because of the fact that a blue collar worker wants to become a shop steward, it’s a neutral and protecting procedure; **Equal treatment**: working party for equality for women – will be activated. (has not worked until now)
I	*Information on fixed term contracts and temporary workers. Equal treatment (wage, union rights, work time etc.)*
D	New wage scheme for blue and white collar workers
FIN	It is possible, with a special permission given by the unions, to experiment locally on wage systems that deviate from the wage systems set up in the collective agreement
S	Svenska metall: Health and safety. Some steps forward was done in the agreement of health and Safety at the workplace, i.e. local co-operation, work environment training and occupational health service. SIF: see last eucoba report: Working environment/health and safety: The existing agreement has been strengthen as regards additional training on environmental issues for trade union resp´ and managers. The social partners on national level shall together analyse the impact on working environment of work organisation, working time and the use of new technology
NL	Reintegration: fringe benefits will given by the employer when the employee restarts to work outside the own company, for 2 years. Projects are started to prevent illness and disability/incapacity for work; child care arrangement will be continued (0,3% of the wage sum); From the 1st of January 2008 the use of a Job Evaluation System will be obliged. Till then the employers can make a choice which Job Evaluation System - recognized by the unions- they want to use and start to implement it.
NOR	The parties will continue working to advise and help establish collective company pensions
UK	Maternity and paternity entitlements
CZE	*Foundry/Aircraft prod.: Health and safety conditions at the workplace, social requirements of workers, ensuring the trade union activities in the companies.*

6. Importance and Political Aspects of Collective Bargaining

6.1. Importance of the last Bargaining Round

We have just presented the figures especially concerning the wage policy. But we do not know yet what the importance of these results are. We've got 6 answers on that. **Austria** reported that the "last bargaining rounds were led against the background of an ambivalent economic situation and therefore quite difficult." From **Belgium** it is reported that they now have "a kind of all in formula that leaves the inflation mechanism intact. This formula will not be applied automatically in the future." In the **Netherlands** an extra bargaining round (5 instead of 4 to come to a Principle Agreement) and threathening with a strike was necessary. In **Norway** wage increase for low-paid employees was most important. In **Switzerland** it was important that the agreement for the metal industry from 1998 that was running till 2003 was postponed for another 2 ½ years.

For **Sweden's** white collar organisation SIF the so called Industrial Agreement has shown to be successful. It means among other things that collective bargaining will continue at national/sectoral level instead on company level which has been the aim from the employers side. It also means that SIF developed a close cooperation between the trade unions in several sectors. SIF also managed to get a considerable reducion in working time and better agreements concerning training/competence development and health and safety.

In the **Czech Republic** (electronic industry, foundries) a higher coverage of employer´s association (Siemens, Matsushita, etc.) could be reached due to the new agreement. The agreement allows an extension by the Ministry of Labour on other companies that are not members of employer´s association.

6.2. Political Aspects of Collective Bargaining Policy

Several trade unions were confronted by initiatives of governments to change labour laws resp. making labour market more flexible, change of social security regulations, pension systems etc. in 2002 and 2003. The common denominator of these initiatives is to change the 'friendliness' of institutional environment in which unions operate. This was the case in **Austria**, **France**, **Germany**, **Italy**, **Spain** (in 2002), **Portugal** and other counries.

*In **Germany** IG Metall lost a strike on introducing the 35-hours-week in East Germany. As IG Metall informed us: "The aim of our bargaining was a schedule to introduce the 35 hour week in East Germany. In April we started with the negotiations; on the 12th of May the employers' organizations said very clearly that they were not willing to accept a reduction of working time. So the only chance we had was to organize a strike. On the 2nd of June we started our strike in Saxonia. Some days later we were able to realize our aim in the steel sector. After that we were very hopeful to do the same in the metal industry. But even after four weeks of strike in Saxonia, Brandenburg and Berlin (East) we were not successful. On Friday 27th June 2003 the negotiations began again; but even this attempt failed. So the executive committee of IG Metall decided in its meeting on 29th/30th June 2003 to stop the strikes." The strike was under heavy fire by public opinion, the government and political parties. There are also heavy discussions inside IG Metall whether the strike failed. IG Metall reported on the results of these discussions on the meeting of EMF Collective Bargaining Committee in Bratislava.*

In **Austria** the central issue was the governmental pension reform. The information on this issue were well delivered by the eucob@ information network. The Austrian Trade Union Confederation and the Chamber of Economics Austria provided an alternative long-term pension concept for all social groups but it was rejected by the government. In April 2003 ÖGB decides unionized labour actions and defense strikes unanimously with the voices of all political groups. Nevertheless the pension reform passed the parliamentary procedures although not only the trade unions are very critical on rather other institutions like the Churches, Austrian Students Representation, the Bishop Conference, and the Catholic Women's movement.

*We still have a very special situation in **Italy**. Not only due tot the split in Italian trade union movement rather on the legal actions taken by the Berlusconi government, especially the new pension reform. Nevertheless all three big unions (CGIL/CISL/UIL) organized a general strike against the pension reform on Oktober 24th. The EMF expressed its support in a solidarity declaration, stating that it is unacceptable that the Berlusconi government is pushing the pension reform without any consultations with the trade unions. This will be a reform with a far-reaching impact on the income and moreover the living conditions of the employees. The EMF calls for an immediate dialogue between the trade unions and the government on this reform.*

In **Portugal** in October and November 2002 strikes and demonstrations were organised. Fequimetal reported in an ad hoc-info that the "Portuguese workers are facing a wide and serious offensive against their rights and interests launched by the Portuguese government. The proposal of the new labour code put forward by the government and already sent to parliament to be approved, including issues such as strike, collective bargaining, temporary contracts, dismissals, holidays, organisation of working time, among others, aims at reinforcing the employers strength and dramatically reducing the workers' rights and the action and intervention capacity of trade unions as well. This offensive which includes policies towards the privatisation of social security and national health service and the reduction of real wages has had a firm and determined reaction on the workers' part through strikes and demonstrations, namely on 1, 14 and 30 October, and 14 November."

*In **Belgium** Ford announced in October 2003 that the promised production of the Ford Focus was cancelled. Due to the decision of the European management not to assign the partial production of the Ford Focus to Genk 3000 people (2900 blue collar workers and 100 white collar) lose their job at the Ford plant in Belgium. Therefore the workers at Ford went on strike for two days. As a result od these actions on the employers and the trade unions reached a provisional agreement the 22nd of October. Conditions on which the strike suspended are a confirmation of Ford Europe, stating that the next Mondeo generation will be build in Genk., and that the tools for the production of the Transit and those for the production for Volvo, which were recently removed from the company, will be returned to Ford Genk.*

The **Czech Republic** underlines the importance of higher coverage of the employers association. Collecive bargaining itself is getting more professional, several rounds of ad-hoc working meetings took place in between of official bargaining rounds, that were searching compromises. **Slovenia's** SKEI reported on a problematic bargaining round, a protestic meeting and a 2 hours warning strike, a TV and a press conference were held also. *In **Slovakia** the relation between trade unions and the new government ware deteriorating in 2002 due to planned welfare cuts. After several minor protest actions on Sepetember 29th a one-hour warning strike was organized supported by almost 500.000 employees.*

From **Turkey** the United Metelworkes Unions send us an ad hoc-info on new labour legislation in Turkey. It is reported that the job security debate is going on for several months and in March 2003 started the implementation. “According to this law, all fired workers in the workplaces with more than 10 workers can bring a case against employer in labour courts. In questioned Job Security law in Turkey, there are two types of reasons to terminate work contracts: 1- the needs of enterprise like restructuring, technological changes, economic and financial crisis etc. 2- personal behaviours and capacity to work of workers... The second option can easily be abused by employers if there are no any objective criteria to measure performances of workers... Employers were fighting to change even to abandon this law for months. Although they seem that finally they’ve accepted it, this time they’ve started to seek another way to fire workers individually with the feelings of defeat. For the last few months some employers affiliated in MESS-Metal Employers’ Union have started to send warnings to organised workers one by one. All these warnings are being registered as lists by the management and related with so called “performance requirements” like personal behaviours, relations with management and others, being late to come to work, productivity and etc... In these circumstances we think that there should be clear legal criteria, norms applied in the line of decisions taken by the Court of Appeal, which can be considered as the main trend in practice as well as stronger collective bargaining structures to measure personal performance of workers in some European countries.”

EUCOBA Table 10: Political and economic background 2003

C	Tools	Political implications
B	*Bipartite*	In the beginning of the bargaining round there is a classic bipartite negotiation on inter sector level, this negotiation determines the margin of bargaining (now 2003 – 2004 : 5,4 %, it is not strictly binding, but the moral influence is important for both sides of the negotiation table) (possibility of intervention of the government, if necessary
DK	*National* *Sect oral*	**bipartite negotiations and mediation* **2000: ballot with 80% approval rate* ** agreement is a reference for the entire private sector*
D	*Bipartite*	*Ten days strike in april 02*
E	*Bipartite*	*General strike on June 20th 02*
I	*9 months of bargaining bipartite negotiations* *-mediation by the Ministry of Labour* *-40-hour strike*	*-basic national inter-sector tripartite framework agreement fixing the unions’ demands* *-initially employers fiercely opposed a national collective bargaining agreement and demanded total flexibility of working time and contracts;* *-most contentious point: the right to national coll.barg. general strike in November 01*
NL	Bipartite	Threatening with a strike
A	Bipartite	Strike on pension reform in spring 2003
S	Bipartite	SIF: In line with the so called Industrial Agreement which is signed by the trade unions and the employers associations in the manufacturing industry
CZE	Bipartite	Negotiation teams on both sides consisted of more than 10mebers on each side, substantial increase of members of the employer´s association
SLO		Protestic meeting and a 2 hours warning strike, a TV and press introductions and press conferences were held also.
TUR		Ongoing discussions on job security law

PART III: Evaluation of the European Coordination Rule

7. Evaluation of the 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 *en detail* in the previous reports. We do not need to repeat this here. We 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". In which way this is implemented is part of the sovereignty of the individual unions, and among other elements mention 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

- 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**)
- 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 forecasts 2003). These data can be downloaded (www.http://europa.eu.int/comm/economy_finance).

For the **European countries, which are not member of the EU like Norway and Switzerland**, we have to rely on OECD data. We used the last issue of the "OECD economic outlook" from December 2002. As a matter of fact this is not a satisfying solution because Eurostat and OECD data are inconsistent.

For the **EU candidate countries** we use also EU commission data published in "European Economy", Enlargement papers, "economic forecasts for the candidate countries spring 2003" which can be downloaded also (www.http://europa.eu.int/comm/economy_finance).

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

- Table 11 on the basic economic data, such as GDP, labour productivity, inflation (HICP), unit labour costs, and the unemployment figures.
- Table 12 on European collective bargaining included the figures on wage increase and the value of the whole agreement (vowa).

7.1. Empirical Results 2002/2003

Eucob@ Table 11: Macroeconomic parameters in Europe 2002-2003
(Commission data, European Economy, spring forecast 2003) 1) 2

		Inflation HICP	Labour Prod.	GDP	Unit Labour Costs	Unemploy ment	P+i
B	02	1,6	1,0	0,7	3,2	7,3	**2,6**
	03	1,5	1,0	0,8	1,1	8,2	**2,5**
DK	02	2,4	2,7	2,1	1,2	4,5	**5,1**
	03	2,3	1,5	0,8	2,2	5,5	**3,8**
D	02	1,3	0,8	0,2	0,7	8,6	**2,1**
	03	1,1	1,6	0,0	0,3	9,4	**2,7**
EL	02	3,9	3,7	3,8	4,5	10,0	**7,6**
	03	3,6	3,0	4,1	3,4	9,5	**6,6**
E	02	3,6	0,5	2,0	3,3	11,3	**4,1**
	03	3,1	0,6	2,3	3,5	11,3	**3,7**
F	02	1,9	0,5	1,2	2,3	8,8	**2,4**
	03	2,1	0,3	0,1	2,4	9,4	**2,4**
IRL	02	4,7	5,5	6,9	-0,3	4,4	**10,2**
	03	4,1	0,7	1,6	4,3	4,8	**4,8**
I	02	2,6	-0,7	0,4	3,1	9,0	**1,9**
	03	2,8	-0,5	0,3	3,5	8,8	**2,3**
L	02	2,1	-1,8	1,3	5,1	2,8	**0,3**
	03	2,2	-0,5	1,2	3,2	3,7	**1,7**
NL	02	3,9	0,0	0,2	4,9	2,7	**3,9**
	03	2,4	0,2	-0,9	3,9	4,4	**2,6**
A	02	1,7	1,4	1,4	0,8	4,3	**3,1**
	03	1,3	0,8	0,9	1,7	4,5	**2,1**
P	02	3,7	0,2	0,4	5,1	5,1	**3,9**
	03	3,4	0,2	-0,8	2,5	6,6	**3,6**
FIN	02	2,0	1,8	2,2	0,4	9,1	**3,8**
	03	1,4	1,7	1,5	1,4	9,3	**3,1**
S	02	2,0	1,7	1,9	2,1	4,9	**3,7**
	03	2,3	1,6	1,4	2,1	5,7	**3,9**
UK	02	1,3	1,6	1,7	2,6	5,1	**2,9**
	03	1,4	1,4	2,0	2,9	4,9	**2,8**
CH*	02	0,6		-0,2		2,7	
	03	0,5		1,4		3,0	
NOR*	02	1,2		2,0		3,9	
	03	2,3		1,6		4,0	

Source: European Economy, spring 2003
* Source: OECD, Economic Outlook, December 2002
1 The abbreviations of the countries follow the common practices in the EU that means that the first letter is used of the native language: Austria (A), Belgium (B), Greece (EL), Denmark (DK), Finland (FIN), France (F), Germany (D), the Netherlands (NL), Ireland (IRL), Italy (I), Luxembourg (L), Portugal (P), Spain (E), Sweden (S), United Kingdom (UK), Norway (NOR), Switzerland (CH); and the candidate countries: Bulgaria (BUL), Czech Republic (CZE), Estonia (EST), Hungary (HUN), Latvia (LAT), Lithuania (LIT), Poland (POL), Romania (ROM), Slovakia (SLK), Slovenia (SLO).

2 *GDP:* Gross domestic product, volume, change on preceding year, 1961-2002; *Labour productivity*: Real GDP per occupied person; *Unit labour costs*: Unit labour costs, whole economy, 1961-2002;*Unemployment*: Number of unemployed as percentage of civilian labour force, 1964-2002

Eucob@ Table 12: Reported National macroeconomic parameters

	year	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK	CH	NOR
Inflation	02 03	1,5 1,6	2,4 2,2	1,4 1,3					1,15 2,5		1,7 1,4		1,6 1,6	2,0	1,4	0,6 1,0	1,3 3.0
Prod.	02 03		2,2 2,3	1,2 1,8					0,6 0,6		1,2 2,1		1,7 2,0		2,1*		
Unemployment	02 02		5,1 5,4	9,5 8,8							4,0 3,9		9,1 9.4	4,3	5,2 5,0	2,8 3,9	3,9 4,4

Table 11 contains the basic macroeconomic figures according to Commission data; table 12 the reported data by the eucob@ correspondents. Figures in *italic* are from last year's eucob@ report.

Eucob@ Table 13 Vowa 2003

C		Wage increase	Other elements	Explanations	Value of the whole Agreement
B	02 03	1,5 3,9	Voc. Train: 0,1% Voc. Train: 01,%		**02: 1,6 %** **03: 4,3%**
DK	02 03	2,9 Not available	1,0 working time		**02: 3,9**
D	02 03	3,5 3,5	02:0,5 03: 0,5	impact of new common pay structure for b+w-wotrkers	**02: 4,0** **03: 4,0**
EL	02 03	3,0 4,5			**02: 3,0** **03: 4,5**
I	02 03	1,75 2,15	03: one-off payment: 220€		**02: 1,75** **03: 2,3**
A	02 03	2,2 2,1	Minimum wage: 2,3 Payment	One-off payment: 110€ Add. payments: 2.1%	**02: 2,64** **03: 4,2**
P	02 03	4,1 2,9			**02: 4,1** **03: 2,9**
FIN/ Metalli	02 03	2,7 2,2			**02: 2,7** **03: 2,2**
FIN/ TL/STL /IL/TEK	02 03	2,2	Working time reduction 8 hrs in 02	= 0,4% ;	**0,2: 2,6**
S/ Svensk ametall	02 03	2,0 2,0	0,5 + 0,5 05, + 0,5	0,5% 02= This is the estimated figure by the central parties on local distributed wage increase on top of the Nat. agreement.	**02: 3,0** **03: 3,0**
S/ SIF	02 03	2,5 2,5	0,5 0,5	Reduction working time	**02: 3,0** **03: 3,0**
NL	02 03	3,4 3,25	Non recurring increase: 1,25		**02: 3,4** **03: 4,5**
CH	02 03	Wage negotiations on enterprise level only			
NOR	02 03	5,5 4,5			**02: 5,5** **02: 4,5**

EUCOBA Table 14a: EMF coordination rule and p+i : 2000																				
	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN/ Metal	FIN TL, STL	S/ Metall	S/ SIFI	UK	CH	NOR		
P + i	5,1	4,9	3,4	7,3	4,5	2,7	11,6	3,6	3,4	4,5	4,4	6,6	6,6	2,8	2,8	2,8				
Vowa	3,2	4,1	3,3	5,0			5,5	1,2	3,8	2,9	3,5	3,8	3,8	2,8	3,5			5,4		

Source: EMF, eucoba report 2000/2001; p+i was updated by the commissions's economic forecasts in december 2001

EUCOBA Table 14b: EMF coordination rule and p+i : 2001																				
	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN/ Metal	FIN TL, STL	S/ Metall	S/ SIFI	UK	CH	NOR		
P + i	2,3	2,7	2,8	7,9	3,5	1,9	7,7	2,5	4,1	3,1	4,5	2,2	2,2	1,9	1,9	3,4				
Vowa	5,57	4,1	2,4	5,0			4,0	1,75	3,45	2,9	3,7	2,4	2,9	4,1	3,36			5,1		

EUCOBA Table 14c: EMF coordination rule and p+i 2002																		
	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN/ Metal	FIN TL, STL	S/ Metall	S/ SIFI	UK	CH	NOR
P + i	2,6	5,1	2,1	7,6	4,1	2,4	10,2	1,9	3,9	3,1	3,9	3,8	3,8	3,7	3,7	2,9		
Vowa	1,6	3,9	4,0	3,0				1,75	3,4	2,64	4,1	2,7	2,6	3,0	3,0			

EUCOBA Table 14d: EMF coordination rule and p+i 2003																		
	B	DK	D	EL	E	F	IRL	I	NL	A	P	FIN/ Metal	FIN TL, STL	S/ Metall	S/ SIFI	UK	CH	NOR
P + i	2,5	3,8	2,7	6,6	3,7	2,4	4,8	2,3	2,6	2,1	3,6	3,1	3,1	3,9	3,9	2,8		
Vowa	4,3		4,0	4,5				2,3	3,4	4,2	2,9	2,2	2,2	3,0	3,0			

Next step we have to deal with is the evaluation of the coordination rule. In 2002 most of the EMF affiliates concluded agreements that were higher than the inflation rate except Italy, Greece, Netherlands. In 2003 Portugal is below the inflation rate. But we do not have the data from several affiliates in 2003.

The EMF coordination rule states that the main reference points should be maintaining purchasing power and achieving a balanced participation in productivity increases. Therefore we have in a second step analysed the inflation rate (i) and labour productivity (p). If we add both figures (p+i) we have a basis for comparison with the “ value of the whole agreement” (vowa). The EMF coordination rule also states that on the basis of the sovereignty of the individual unions they decide in which way 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.

Eucob@ table 15:

The EMF Coordination Rule in Action: 5 years Overview

y/rule	vowa ≥ p+I	vowa < p+i
1999	Austria, Belgium, Denmark, Finland, Germany, Netherlands, Norway, Portugal, Sweden, UK	Greece, Italy, Ireland, Spain, Switzerland
2000	Netherlands, Norway, Sweden (SIF)	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Ireland, Portugal, Sweden (svenska metall), Switzerland, UK
2001	Belgium, Denmark, Finland, Sweden, (Norway)	Germany, Netherlands, Greece, Italy, Ireland, Portugal, Austria
2002	Germany, Portugal, Norway	Belgium, Denmark, Finland, Netherlands, Italy, Austria, Greece, Sweden
2003	Belgium, Germany, (Norway), Austria	Finland, Netherlands, Italy, Greece, Portugal, Sweden

For 2002 we have a slightly different picture then in our last report because the inflation and productivity data are from “European Economy” spring 2003.

In 2002 now three countries (**Germany, Portugal** and **Norway**) (in the last report two) are above the coordination rule. All other reporting countries are below: **Belgium** (-0,8), **Denmark** (-0,8) **Austria** (-0,4), the **Netherlands** (-1,6%), **Finland** (all unions: -0,7 resp. -0,8), **Italy** (-0,1), **Sweden** (both trade unions: -0,8), and **Greece** (-5,0). 6 of the 8 countries below the coordination rule are in a "corridor" of -1,0% (Belgium, Denmark, Austria, Finland, Italy, Sweden). The Netherlands and Greece are even below this corridor.

In 2003 we have more or less the same picture like in 2002. Four countries (**Belgium**, **Germany, Austria,** and **Norway**) are above the coordination rule. 5 reporting countries are below: the **Netherlands** (-0,2%), **Finland** (metalli: -1,9), **Portugal** (-1,1), **Sweden** (both trade unions: -1,2), and **Greece** (-2,6). Only one country below the coordination rule is in a "corridor" of -1,0% (**Netherlands**)**; Finland, Portgugal**, and **Sweden** are even below this corridor. For 2003 we do not have the data of Denmark, Spain France, Ireland, Italy, and Austria.

What we have pointed out in the last reports continues: it is getting more and more difficult for the EMF affiliates to catch up with the changing economic parameters in the bargaining rounds. In 2002 and 2003 the majority of the reporting countries is below the coordination rule, in 2002 most of those countries below the coordination rule is in a "corridor" of -1,0%, but in 2003 it is only one country. There is much fear that this general picture in 2003 will be not brighten when we get the reports of the missing countries. We have also to keep in mind that the sector-specific productivity in the metal industry of European countries is mostly higher than the overall productivity due to lower productivity in the service sectors. But we use the overall productivity data, this has been criticised recently by Franz Traxler and Emmanuel Mermet ("Coordination of Collective bargaining: the case of Europe", in: Transfer No. 2/2003, p. 244).

But EMF has pointed out several times not to reduce the coordination approach on rules and formulas, rather inisting on a political approach. Being below the coordination rules does not necessarily mean that social dumping is going on. We have 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 the national social pacts or sometimes it is just difficult for trade unions to realise successfully their actual 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. For EMF the basic impact of the coordination rule has been to establish a moral claim, that no negotiations is a national issue alone, but that all have implications beyond the national borders, and consequently that they are a shared responsibility. These activities prove that coordination in the EMF is working well in a *political sense*. This aspect can be demonstrated by the intensified exchange of information via our eucob@ network esp. on industral actions like in Austria, Germany, Portugal, Netherlands, Spain, Italy, Czech Republik, and other countries in the last two years. These examples also prove that our reporting system is becoming more and more an element of national bargaining rounds as well.

PART IV: Central and Eastern European Countries

8. The Central European Countries

We received only reports from two countries (**Czech Republic** (4 sector reports) and **Slovenia**). We hope to change this in the near future. Like in the last report we like to point at the publications of the European Trade Union Institute (ETUI) and our last eucob@ report.

8.1. Economic development

The Commission reports in the spring forecasts 2003 for the candidate countries that they have, on average, sustained solid growth despite the worsened international economic climate. Economic growth has only slightly slowed down in 2002. Due to strong domestic demand employment losses are compensated by higher employment creation and should lead to a slightly improved overall labour market situation in 2003 and 2004. Expected inflation wil be slightly accelarating in 2003 while government deficits remain relatively high.

Eucob@ table 16: Macroeconomic data Candidate Countries 2002-2003

Country	Year	GDP	Inflation	Unemployment
Bulgaria	02 03	4,3 4,5	5,8 4,5	17,8 16,5
Czech Republic	02 03	2,0 2,8	1,4 1,5	7,3 7,0
Estonia	02 03	5,6 4,9	3,6 3,5	10,3 10,0
Hungary	02 03	3,3 3,7	5,3 5,0	5,8 6,2
Latvia	02 03	6,1 5,5	1,9 2,5	12,3 11,1
Lithuania	02 03	5,9 4,5	0,3 1,0	16,9 16,2
Poland	02 03	1,3 2,5	1,9 1,1	20,0 20,6
Romania	02 03	4,9 4,9	22,5 16,0	8,4 8,7
Slovakia	02 03	4,4 3,7	3,3 8,8	18,5 18,2
Slovenia	02 03	3,0 3,4	7,5 6,0	6,4 6,3
Cyprus	02 03	2,0 2,0	2,8 4,3	3,3 3,4
Malta	02 03	3,0 3,1	2,2 2,7	6,9 6,6
urkey	02 03	7,8 3,7	45,0 25,9	10,6 10,3

Source: European Economy, Economic Forecats for the Candidate Countries, Spring 2003

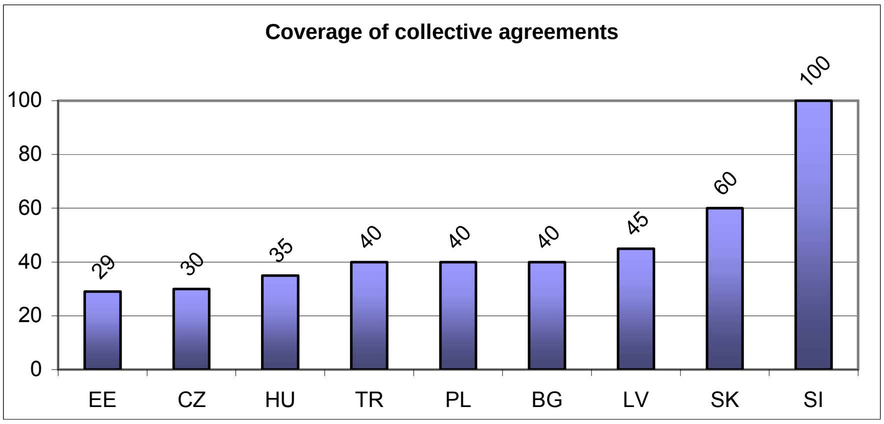
8.2. Wage policy in the CEEC

We had this chapter in our last report already. But it gives a good overview on the collective bargaining situation in the CEEC. ETUI published two reports on wage formation in the candidate countries (a literature review by *Béla Galgóczi*, and a report analysing answers on a questionnaire (by *Emmanuel Mermet*). We are interested in four aspects (according to the structure of the EMF eucob@ report): main types of agreements and coverage, discussions with the government on wage issues, importance of the formula “inflation plus productivity” and effects of EU enlargement on social dialogue and collective bargaining.

Main types of agreements, coverage

ETUI’s report defines three levels of bargaining, a national interprofessional level (centralised), a sector level and the enterprise level (decentralised). The main bargaining level in the CEEC is on company level. Important for the EMF affiliates is the „*lower importance of the sector level* in candidate countries.“ (Mermet 2002: 8). As we all know the basic feature of the other EMF member organisations is a two level system (national/sector and company level). This we should keep in mind when comparing collective bargaining systems.
In most CEEC there are no national frameworks for collective bargaining. In the **Czech Republic** there is no national framework rather regulations on minimum wage. A similar situation where have **Slovakia** but here the sector bargaining is relatively independent. In **Slovenia** a hierarchy of agreements is striking and here an agreement on wage policy 1999-2001 and 2002-2004 exists.

Eucob@ table 17: Coverage of Collective Agreements



BG: 83% of CITUB members
PL: Sectors: 20%, Enterprise-level: 40-50%
CY: From 30% (agriculture) to 60% (tourism), 75% (clothing), 99% (banking)
Source: Mermet 2002.

In almost all CEEC „trade unions have discussions on wages in formal *tripartite bodies* (Commissions, Councils…) or informal tripartite meetings. However, this meetings or bodies are essentially focused on the fixation of the minimum wage rather than on the indication of an optimal or maximal wage rise at macroeconomic level.“ (Mermet 2002: 6)

Role of the formula "inflation plus productivity"

Important for the EMF policy is the productivity plus inflation-formula because this is the basis for the EMF coordination rule since 1998. ETUI concludes that there „is not any formula of this kind which is properly defined so far. However, most trade unions use inflation as a first wage demand, and other indicators such as GDP, productivity, efficiency, the economic situation of the enterprise." (ibid.) And trade unions from the Czech Republic and Slovenia are very much in favour of this formula.

Effects of EU enlargement on social dialogue / collective bargaining

ETUI are stating two contradictory developments: firstly and the most frequent is that trade unions use EU social norms as a benchmark and that the EU "acquis communautaire" has an impact on candidate countries' legislation. Recognition of ILO conventions and the European Charter (parts of) is important too and EU funded projects to install sector social dialogue (ibid.) The negative development is that the effects of the European Social Model on industrial relations in the CEEC are up to now very limited. Pressure is reported on working conditions to catch up EU harmonisation criteria.

In the **Czech Republic „**EU accession and implementation of the "acquis communautaire" has a considerable impact on legislation: new provisions on information and consultation of employees or representatives, participation in decision making bodies, works council whith no union representative." (ibid.).
In **Slovenia** there is good influence coming from the European Social Model but there are no legally binding agreements. Pressure is reported for being competitive, and a reduction of workers' protections due to EU harmonisation. (ibid.)

*This year we received reports from two countries (**Czech Republic, Slovenia, and Slovakia**). The **Czech Republic** reported that the concluded agreement led to a higher coverage of the employer association. The concluded agreement allows the extension by the Ministry of Labour on other companies that are not members of employer´s association. SKEI from **Slovenia** reports that on the base of the Agreement on Wage Policy for period 2002 – 2004 starting point wages increased (regularly) with 1st of August 2003 for 3,2 % was concluded.*

Eucob@ table 18: Collective Bargaining in the CEEC

Country	**Organi Sation**	**Y**	**Wage Policy** Nat.	loc./comp	**Details and other Elements**
Bulgaria					
Czech Rep: Aircraft prod	OS KOVO	02 03		4,0 3,0	Shorter working time negotiated
Metal	OS KOVO	02 03		10,0 6,0	Shorter working time negotiated
Foundry	OS KOVO	02 03		14,0 10,0	Shorter working time negotiated
Electronics	OS KOVO	02 03		3,0 2,5	
Estonia					
Hungary					
Latvia					
Lithuania					
Poland					
Romania					
Slovakia	OZ KOVO				
Slovenia	SKEI	02-04	*03:2,0 %*		*additional increase on company level possible*

Data from Slovakia see, eucob@ report 2002

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