



Fifth  
Collective Bargaining Conference:  
A Common Demand  
for a Common Future

Rome, 11-12 October 2005

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# **Tuesday 11 October: Morning Session**

## **Introduction**

**Bart Samyn, Chair**  
**Deputy General Secretary, European Metalworkers Federation**

**Rosa Rinaldi**  
**Vice-President of the Province of Rome**

### **I. Introduction**

#### **Bart Samyn**

This is the fifth EMF conference. The first was held in 1993, when we already had 12 years' experience coordinating collective bargaining on behalf of the EMF. Tony Janssen, the EMF president, is organising his own congress at the moment, and due to the difficult social situation in Belgium, the two Belgian metalworkers' union presidents are not present. We are confronted by many difficulties, which highlight the importance of this conference.

### **II. Welcome Speech**

#### **Rosa Rinaldi**

I represent the municipal administration of Rome. This conference will feed into the debate between the social partners and the government.

#### **1. The Situation in the Rome Area**

The city of Rome pays close attention to the issues regarding collective bargaining, as the area embodies all the contradictions mentioned in your report. There is a lot of unemployment, with many people working in the shadow and black economies and in casual jobs. Young people and even academics find it very hard to find their place in society and on the labour market. It is difficult for them to find a decent job, even with a diploma or graduate certificate. I am sure you will be discussing the trade union strategies that need to be found to struggle against the casualisation of work.

Workers' rights are being lost everywhere, and it is vital for an administration like the one I represent to raise these issues and find solutions. One of our main aims is to increase career and training opportunities for the people of the city of Rome. Recently, we welcomed a forum on vocational training and education, whose aim was to find new avenues for the training and education of young people. It is very important to lay common claims to the basic right to education and training that would be provided for in collective agreements. Workers need to have a tailor-made system for vocational training, so that people can find the right place for themselves in society. This is also important for those who have become unemployed due to corporate restructuring. The participation of trade unions in corporate strategy, therefore, must be part of your discussion, to find strategies for asserting the individual right to work and education. We embrace these issues. The public administration of our city has people qualified in management or vocational training and education. Without your efforts, there will be no positive approach to the issue of vocational training and education and of collective bargaining. I have read in your report that vocational training and education is essential in order to retain good jobs, and to adapt those jobs to the demands of the market and industry. These themes are extremely important now and for future rounds of collective bargaining.

## **2. The Need to Raise Standards**

Today's Europe must be the Europe of workers' rights. We all have our own histories and national backgrounds, but the conditions in one country should not be used or abused in order to lower the conditions in another. Standards must be strengthened and disparities ironed out. Your work is important for establishing a true culture of collective bargaining in Europe, and for calling upon social partners and institutions to participate. One of our pilot projects, for the integration of young people into training and education in the workplace, has the slogan, 'More training and education for less casualisation of work.' This slogan fully fits the profile of your conference. Pushing down the level of jobs should not be the solution. A market full of precarious jobs is not the solution, especially when young people are trying to find their way in the labour market. People are hampered from finding their way in society because of these extremely casual working conditions, which do not provide a fruitful outlook on life.

# **The Future Perspective of Collective Bargaining**

**Peter Scherrer**  
**EMF General Secretary**

## **I. History of the EMF**

If we are going to look at the political challenges, the possibilities and the prospects of collective bargaining, we must first take stock of what has already been achieved. The EMF was created in 1971. One of the first created bodies within the EMF was the Committee on Collective Bargaining. This shows how important collective bargaining is to us, and today's high attendance figures demonstrate the ongoing importance of collective bargaining in the trade union movement. Collective bargaining has always been highly significant. Trade unions in the Member States of the European Coal and Steel Community wanted to find a Europe-wide solution to problems and have Europe-wide bargaining across those industries. In the 1970s and 1980s, collective bargaining in many European countries was marked by the struggle for the 35-hour week. In many campaigns, the reduction in working time was a main demand of the EMF member organisations. I remember the many demonstrations in the steel industry in Germany in 1978, when I was a member of IG Metall. We had many industrial actions in the Ruhr area. We wanted to change the policy and change how the EMF was doing business, which is what happened.

## **II. The First EMF Conference**

The first EMF collective bargaining conference was held in Luxembourg in 1993. A lot of the Collective Bargaining Committee's core themes were defined at that time. All the available data, as well as the collective agreements process, was discussed. The conference aimed to find a step-by-step process to harmonise collective bargaining at a European level, and ensure that a greater number of observers could be exchanged between the different trade union organisations, in order to have a continuous flow of information between them. The intensive coordination of the EMF's member organisations should be made more visible to outside organisations, and especially to the employers' federations. These core themes were confirmed by the EMF's Executive Committee, the idea being to strengthen the commitment of member organisations. This work has continued. Another great step was the creation of the seven regional networks. The Netherlands, Belgium and Nordrhein-Westphalia were identified as the first coordination area, and immediately this region started to work closely together and

agree on negotiating strategies. This was part of what the regional networks were all about, to create milestones in cross-border collective bargaining.. The introduction of the Euro was of great significance: for the first time, it was possible to compare wages between a number of EU member states. Employers sought to play employees off against each other, but the hard work on information on the introduction of the Euro by the Collective Bargaining Committee proved successful for the EMF.

### **III. The Creation of EUCOBA**

The creation of the information database on collective bargaining, called EUCOBA, (the European Collective Bargaining Correspondent Network), enabled the EMF to collect and facilitate a free exchange of information. It has given us access to a very detailed range of data. A network of national correspondents provides us with the data for EUCOBA. The foundations for effective participation under one umbrella have been laid. The emergence of deregulation and globalisation is a challenge for all sectors of the economy. For a number of years, employers have been directly attacking wages, the right to paid holidays, and the number of holiday days; there has also been a big increase as regards the practice of relocating production. This makes collective bargaining in every country that much more difficult. Employee representatives and trade union organisations are pushed into defensive negotiating positions. Market rules are aimed at creating a fully globalised economy, but one without rules. Working conditions continue to worsen, and we are experiencing a permanent attack on wages and pay. The aim is to have agreements at company level, which means employees have increasingly less opportunity to struggle against their employers. Employers are putting pressure on the weakest link in the chain and this oppressive policy is to the detriment of employees. It is easy to play people off against each other in such a climate. Employers are now threatening employees because they say that unemployment is increasing. It is frightening to be threatened with job losses.

### **IV. Trade Union Responsibilities**

Employer demands are making it very hard to create breathing space; things must change. Making concessions on one site puts pressure on employees at other sites and allows managers to play people off against each other. This creates an unstoppable downward spiral. The trade unions bear a high Europe-wide responsibility because they are setting the standards for many others. It is so important to have collective bargaining at a European level. The first steps call for good consultation and intense exchange of information, but also negotiation, planned strategies and common objectives for collective bargaining. These are urgent needs for us, and we now have an opportunity to discuss them. I have had many discussions with employee representatives, trade union officials and European Works Council (EWC) members, in which the subject of Europe is increasingly prominent. What will come out of this Europe? We must mean what we say when we say that we want to have common strategies and act together.

#### **1. The Need to Exchange Information**

There is still potential to expand and improve our joint activities, to create a true European space for collective bargaining. Regular and frequent exchange of information between trade union representatives is an essential element in a consulted collective bargaining policy. We must agree on a policy that works, and that is the fruit of the coordination of member organisations. Therefore the member organisations need to have the capacity to participate and invest in that work.

#### **2. The Necessity for a Joint Demand**

The EMF constitutes a platform for developing a common basis of negotiation, and reflects the aims of its member organisations. The first demand in collective bargaining is a common

demand for a common future. We need to agree collectively on the right to education and training for all employees. This demand was identified at the last collective bargaining conference in Oslo in 2001. This demand is now a clear aim of the EMF.

In 2000, the Commission adopted the Lisbon Strategy; it highlighted the idea that the knowledge-based society is the only key to a successful future for Europe. We know that the skilling of employees and workers is essential in the metalworking industry if we are to have European success, because Europe must remain a global metalworking location. The EMF has included this on its list of demands: training and education must be part of the collective bargaining process in Europe. This joint demand must respect the different situations in individual countries; it is an additional step towards a joint collective bargaining policy in Europe. It is a plus for Europe, to respect the different situations regarding industrial relations in the different European countries, and it is the only right answer for the Europe that people want today. It is also a response that employee representatives and workers have to embrace. The European trade unions, therefore, must be able to develop joint collective bargaining policies together. With these joint demands, the metalworkers' unions are writing a new chapter in the trade union history of Europe. We will ensure that we work towards achieving this and that all our members participate in the process.

## **Renewal of Collective Agreements**

**Antonio Regazzi**

**UILM General Secretary (Italian trade union)**

I will discuss the very complex situation, and the renewal of collective agreement, for the 1.6m workers in the metalworking industry sector in Italy. 10 months ago we asked for a 6.3% increase, and another 1.5% for those unaffected by the second-level agreements.

### **I. Background to the Collective Bargaining System in Italy**

The Italian collective agreement system was defined in 1973, in a confederal agreement signed by the association of employers, confederations of unions, and the government. The system was considered by all to be very positive because for at least eight years it played the role that it was supposed to play, approved by all political forces and society at large. Socially, the bargaining during the first few years was fairly positive and inflation returned to a rate compatible with the rest of Europe. This made it possible for the lira, which had left the European Monetary System in 1992, to come back into the system and then be replaced by the Euro. The system developed at two different levels: the national contracts that applied to all employees in the metal industry sector; and the agreements that defined the relations between employers and workers, and defined the minimum wages for each category of worker in order to protect their purchasing power. This old protocol wanted to consider a foreseeable, defined inflation rate that was seen as a main parameter in minimum wage increases. In case of a major difference between the predicted and actual inflation rates, compensation would be given. The second level was at company level, with the objective of redistributing all the elements linked to productivity. There are a number of factors here. Within the framework of collective agreements, we tried to take into consideration problems such as labour organisation, and health and safety.

### **II. Introduction of the Euro**

The scenario changed with the introduction of the Euro. It created difficulties maintaining the workers' purchasing power, so we decided to review the bargaining system. It is probable that mistakes were made during that transition phase, because in Italy prices were expressed in

both currencies for a while, creating speculation. This ended up, in some cases, doubling prices rather than simply rounding them up. The current Government contributed to this by transforming the programmed inflation into the basis for any wage policy. The Government transformed inflation into an instrument to affect wage policies in both public and private sectors.

### **III. Inflation and the Current Government**

Since the Berlusconi government took power, the economic ministry has fixed inflation unilaterally; it is now defined in Frankfurt. Our colleagues in FIOM and UILM could not therefore consider inflation as the main element in wage claims. There have been recent differences between anticipated and actual inflation, and our current demand, 1.5%, aims at recovering at least part of our purchasing power lost due to unadjusted statistics, which mainly affects low and moderate wages. It is necessary to notify the system for the development of collective agreements at company level. This second level of negotiation, the 're-bargaining' procedure within a company, happened in only 30% of the companies in the metalworking sector. Thus 50% of the workers in 70% of the companies in the sector had no redistribution of productivity increases. There are several different issues at work here, for example the difficulty of small and medium sized enterprises (SMEs) in competing with the Chinese. As unions we should know how to redistribute productivity in those companies, but in so doing, we must take into account the 25% of workers not covered by collective agreements. We are also aware that this is an emergency intervention, and that we would need something more stable, such as regional collective agreements. We must think in strategic terms and provide workers with immediate answers.

### **IV. Temporary Work**

One proposal that our confederation is making to employers, in order to extend training schemes, is to limit temporary work to specific cases required on the market. Limiting casualisation is consistent with our long-term objectives, and confirms our position regarding training programmes. This is unlikely to reduce casualisation completely, as economic cycles are getting shorter, with resultant market instability. We are also in competition with countries with extremely low wages. Companies have two possibilities for leverage to obtain more flexibility: using temporary workers, or workers who are prepared to adapt their working time to market demands. If we do not do this, we may end up losing altogether.

### **V. Main Objectives**

First, there is the possibility of working according to a working time defined over several weeks, but this must be part of a signed collective agreement, with suitable reward for flexibility. There should be more accountability in the use of this flexibilisation, and there should be a mechanism allowing for the stabilisation of production volumes within companies.

#### **Bart Samyn**

Your report on the situation in Italy demonstrates the difficulties that we are all facing. One reason for coming to Rome was to give a political signal that the Italian trade unions are defending their rights and working towards the best agreements. We would like to make clear to the Government of Italy that you have the full support and solidarity of all the EMF affiliates.

We have been preparing for this conference for nearly three years. We have had a lot of support, not least from the Collective Bargaining Committee, but also from the Select Working Party. Without their help this conference would not have been possible, and we would like to thank all the members of the Select Working Party for their hard work and continuing activities.

# **Current Tendencies in Collective Bargaining**

**Manfred Anderle**

**GMT, Chairman of the EMF Collective Bargaining Select Working Party**

The last collective bargaining conference was dedicated to the political framework and structure of collective bargaining. At the time, Berlusconi was saying that there was no need for collective bargaining. So what has happened to the political situation in the meantime? Things have got worse and not better.

## **I. The Current Political Situation in the European Union**

The United Kingdom is now chairing the European Union and Tony Blair has said, 'We are in favour of the modernisation of Europe, and we want to improve the competitiveness and the productivity of Europe. Europe must progress, dismantle red tape and bureaucracy, and must be open to the world to turn Europe into a fully-fledged political and economic actor worldwide.' This means cutting down on social advantages. If you examine Tony Blair's attitude and read between the lines, you understand immediately the social responsibility of the European Union. Angela Merkel spoke at the Bundestag on collective bargaining and the competitiveness of business. She said, 'We work for months and years on the restructuring of companies. Trade unions do not help the process to succeed. They just block it.' Faced with these comments, we have to take responsibility. Angela Merkel is challenging us at the German level. These attitudes are emerging in Germany, the UK, and all over Europe. Guido Westerwelle, a German politician, said that, 'The rituals of collective bargaining do not correspond to the name of today's game; they are a thing of the past and need to be dismantled'. Many of our colleagues know that the situation is going downhill, so when we have a debate on collective bargaining, we have to know what is being said within the world of politics, and be aware of what politicians are saying.

## **II. Changes in the Economy**

At the end of the 1990s, 'the new economy' was the buzzword, meaning an economy of information technology and the communication of knowledge. The internet bubble subsequently burst, and then 9/11 happened; many things have changed since then. There was an economic slow-down in 2001-02. This put significant pressure on employees. Employers invested in speculative solutions instead of putting their capital into new machines and equipment. The pressure was reinforced by economic globalisation. Globalisation is not necessarily bad, but it is when done on the backs of the workers and to the detriment of social advantages. This trend is increasing, while work and pay conditions are being pushed down. Over the last four years, the evolution of wages has not matched the resulting profits. In the old EU member states, wages have decreased by 1%. Over the last 25 years, there has been a 2.2% reduction in wages. In new member states, there has been increased, fast productivity. However, wages are not keeping up; they are much lower. In terms of the evolution of gross wages, the increases have been timid. There has been a 1% increase in the old member states and 1.3% in the new ones. The new member states have started the process, but this process is very gradual.

## **III. The Importance of the EUCOBA System**

The European Trade Union Congress (ETUC) is not talking about unifying or harmonising things, but a true coordination of policies; we are proud of that commonality in collective bargaining. We want pay increases at least to the level of inflation, and to maintain some of the pay and working conditions achieved in the past. At the last congress in Prague, we

accepted the EUCOBA system. Jochen Gollbach started working on it after his PhD, and the system has become increasingly refined. EUCOBA can help us exchange information daily. We need now to go one step further. We need more discipline when filling in the forms and questionnaires that Jochen sends out. We live within this framework, and the system needs this information. Workers cannot be optimally organised if they do not have this information available. If an employer claims precedent for its actions, we can go to the database to see whether they are telling the truth. Sometimes employers lie to us, but we can find this out by exchanging information across borders.

## **IV. Inflation**

You have read in the report that the inflation rate differs between countries; this type of information is very important. If you have a 1% gross pay increase, it does not mean 1% more in your bank account. In collective bargaining, we often see that collectively-agreed prices are below the inflation rate, for reasons of competition. This is dangerous; it does not happen everywhere, but we must be mindful of the inflation rate when collectively bargaining.

## **V. Difficulties Facing Trade Unions**

When balancing productivity increases, pay increases and working conditions, it is very difficult to formulate a common demand due to the all the variations that depend upon the national economic situation. The figures show, though, that many countries have increased their productivity to a certain extent. However, this is not just about mathematical formulae. Some increases will be below the increase in productivity, and some above it. We have been able, in several countries, to match collective bargaining with productivity levels. Those who produced the report had one aim: to avoid social dumping. We must identify the different available strengths in the different trade union sectors and countries.

Our sector has always had a high level of unionisation, so it is easier for us to achieve something when collectively bargaining. Economic matters, such as the problems with economy and policy at a European level, can lead to disagreements, but you need to consider the level of unionisation and the loss of membership. However, in order to obtain good collective organisation, we need good collectives and increased union membership at a national and European level. It is also extremely important that we achieve something for the new member states, which have even more work on their agenda than we have. To bring their wages up to the level of the rest of the member states necessitates coordination. If you have the same productivity increase in both new and old member states, the wages issue needs to be dealt with and embraced, and sometimes in difficult political situations. Many new member states have highly conservative governments, which makes it very difficult to create collective agreements. Sometimes we need to make sure that we can achieve more in the new member states than the old ones.

### **1. Working Hours**

In the past year, employers have campaigned to increase working hours. We are now at a yearly average of 1,750 hours in the metalworking sector, and we need to stick to what has been collectively achieved. We must analyse the situation fully, because we will face pressure from employers. We must make sure that we are not being victimised by the employers, because if we let this issue pass, the downward spiral will continue. All collective bargaining agreements include the options of flexible working time and hours, but employers are trying to get a reduction in wages rather than a lengthening of hours. We need to be clever when we accept flexibilisation and make sure that not everything is done to the advantage of the employers rather than the employees. The ETUC has been trying to ensure an improved situation for the employees by asking intelligent questions and not discounting flexibility. While we will not accept the lowering of wages and the removal of benefits, we also need to grant something to the employers when we are negotiating.

There is also the issue of part-time work; some people prefer this, but there are times when employees are obliged to accept it because they have no choice. When considering national legal regulations, we must obtain collective agreements with simple rules about part-time work. Conservative politicians want to get rid of red tape, admin and paperwork; this is also the attitude of some of our employers.

## **2. The Right to Training and Education**

The right to training and education is a very difficult topic. However, if we do not deal with it, we will not be able to deal with the other issues, namely working time and hours. This is a special challenge for trade unions, because in many cases it is deregulated and there are no provisions in collective bargaining agreements. However, many in the EU have this type of contract. For example, 11-12% of all employees and 37% of 15-25 year-olds have casual jobs. After school, once they have entered the labour market, they do not have any long-term prospects because of the casualisation of their work. We need to be aware of this. Collective bargaining is based on long-term prospects, so it is a particular challenge for us to ensure that casual work does not exist any more; this must be written down in our collective bargaining agreements.

## **3. Precarious Work**

Temporary contracts can make jobs less precarious; sometimes, we have refused to talk about such contracts. In the future, 50,000 or more employees will have this type of contract in Austria. The Collective Bargaining Committee had very intense discussions concerning inclusion in collective agreements? Some say that they want short-term contracts for part-timers, but others say they want a special status for them; the discussion is ongoing. Temporary work is a Europe-wide trend, but even more important is work in the shadow economy. As far as I am concerned, there is no such thing as 'moonlighting', because there are employers who hire people to work in the shadow economy. People are imported, hidden in lorries and sometimes forced to live together; they are illegal workers, sometimes unpaid, and have had to leave their families out of sheer necessity. They have no choice but to work like this; trade unions should put the companies who hire such workers onto our agenda. Politicians may not want to tackle this issue, so the trade unions must put this struggle on their agenda, to tackle the security of jobs and pensions. These issues are not just a matter of decent wages, but decent working practices as well.

## **VI. European Works Councils**

We are often asked why conservative politicians and employers only want to work at company level, and why they do not want collective bargaining that covers the whole economy. The answer is simple. Franz Traxler said that the pressure is on collective bargaining as a process, as it is difficult to do at company level. We have allowed pressure to be exerted on us at sectoral level; we are gathered here to go one step further. We want collective bargaining at national level. We must clarify our desire for training and joint collective bargaining. If we can agree on a joint set of provisions and common realistic claims, the employers will see that the workers are doing something together. There will always be national variations: some countries already have shop-floor training and education enshrined in their labour codes. We cannot harmonise everything, but we want to enshrine a framework of standards with a fundamental right to ongoing training and education, even if it is managed in different ways. If we manage to lay these common claims to the public, employers will notice; we might then commence collective bargaining at a European level.

## **Debate about the Issues Raised**

### **Bart Samyn**

This year's report was not easy; compared with the report four years ago in Oslo it can be seen that the situation has worsened in Europe. We are confronted with many deleterious elements for collective bargaining, thus it is necessary to discuss the issues thoroughly. One difficulty with the working charter is that the employers are not concerned so much with the extension of working hours, but a lowering of labour costs. This refers back to the other main element of the EMF coordination strategy, the wage coordination rule. At the third EMF collective bargaining conference in Frankfurt in 1998, we resolved to fight against social dumping: we stated that wages had to at least compensate for inflation rates, and agreements had to take into account the rise in productivity. Since 1998 this has been the main focus of EMF strategy, yet it is under pressure across Europe. We are trying to provide a number of answers. We need to think about this pressure and whether we will accept it or fall back on national solutions, although as we have stated previously, such solutions are no longer valid because there are no longer national economies. If we try to find solutions separately, we are doomed to fall into a downward spiral of competition. We will not accept this, but we do not deny that we are all encountering problems at the moment.

### **I. Swedish Perspective**

#### **Stefan Lofven, Svenska Metall (Swedish trade union)**

I would like to present three proposals for the future of the EMF, on behalf of the Swedish metalworkers' union as well as highlight some issues arising from our experiences over the past year. It has become clear that we need to be the best at trade union work, because our opponents are the best-prepared.

We believe it is necessary to improve the guidelines for reporting and structuring data. There seems to be great uncertainty about the content and quality of reported data. For example, one of the documents says that Sweden has problems with prevailing purchasing power, whereas in fact we are experiencing the best period of real wage increases since the 1960s, and I can assure you that the 1960s were good days. This will become even more important if we develop our ambition to coordinate the national negotiations for new collective agreements. My first proposal, therefore, is that this conference should give the steering committee a mandate to establish a working group with two visions: to develop and simplify methods of reporting and to improve the way the data is presented.

I would now like to discuss the situation when trans-national companies play workers off against other workers. Since the last conference, the pressure on our members to accept lower conditions and pay has increased greatly. How we react to this pressure is of great importance. What is accepted through blackmail in one company or country will immediately have consequences for everyone in the rest of Europe. In some ways, we were lucky with Saab-Opel: a few days after General Motors declared the site-selection process, the Swedish metalworkers' union had our own congress, and due to the presence of our former EMF General Secretary, Reinhard Kuhlmann, we formed a working group that could deal with the situation quite quickly. From the Saab-Opel case, we learned the importance of fast, firm action before the media becomes involved, and before desperation sets in. When that happens, it is too late to prepare, so we must be better prepared for similar situations.

The EWC is at the centre of such a process. There should be an EMF representative in EWC meetings, especially when dealing with restructuring issues. However, that is not enough. There must also be a strong representation from the national unions, the EWC and the EMF. This can be arranged if a coordination group is quickly and firmly established, and which is chaired by an EMF appointee. My second proposal, therefore, is that this conference decides

on a mandate to the EMF Secretariat, for the next meeting of the Collective Bargaining Policy Committee, on how to handle such a major restructuring process.

Over the last year we have had increasing problems with workers from other countries. Although the workers are welcome, they are offered lower conditions and wages than our agreements allow. In Sweden, the legal right of a trade union to handle this situation improves dramatically if the worker is a member of a union. Previously, the EMF adopted a solidarity pact that states that the host union should give full support to a worker who is a member of another EMF union. We need now to declare that a host union can sign up a member of another EMF trade union. My third and last proposal is that the conference should give a mandate to the Secretariat to present a declaration to the steering committee about second membership of the host country's EMF union.

## **II. German Perspective**

### **Berthold Huber, IG Metall (German trade union)**

This written report shows that over the last four years, collective bargaining in almost all EMF trade unions has been difficult, whether politically or in terms of the competitive landscape. Activity coordination has developed, such as the move from centralised to decentralised bargaining. Germany, for example, is experiencing this kind of evolution, and this trend is here to stay. With its collective bargaining session of 2004, IG Metall opened a new chapter in the safeguarding of jobs through collective bargaining. We analysed the complex evolution of the economy in the 1990s and reacted to the changes in corporate strategy. The decentralisation of collective bargaining at group or company level has gained importance over the last 10 years, and collective agreements at company level have become a trend in Germany.

In many instances this has led to tensions and a temporary abolition of collective bargaining, as they are not taken word-for-word on the shop floor any more. IG Metall therefore had to respond to this new economic situation by repositioning its role in order to keep fulfilling its mission as defender of employees' and workers' rights. We devised a new integrated concept on controlled decentralisation. In 2004 the Employers' Federation pushed for a 40-hour week, which had to be agreed at company level. The employers' side and the workers' side signed a collective agreement in which both parties decided to select a number of criteria departing from the nationwide collective agreement, but only if they provided for added job creation. The 2004 collective agreement should not only be for emergency situations, when a company needs it or when an employer is close to insolvency. There should always be a sustainability of jobs; collective agreement rules should be minimised temporarily in order to ensure this. In this case, workers' and employers' representatives agreed to cut down on what was provided for, because it was a case of utmost emergency.

Within the framework of national collective agreement, rules can be minimised provided that there is a job-creation plan. The company must devise a job creation plan, re-boosting the company, which trains and educates its employees, and provide local job guarantees, increasing the number of apprentice positions and training courses. This must be done in close consultation with the workforce. We are interested in maintaining jobs, but also in the competitiveness of companies at a national and European level, so that there is no downward spiral in the company. IG Metall's negotiations concluded with a desire for full national transparency, so that there is no more secret collective bargaining on the shop floor, destabilising national collective agreements. Transparency is very important. Contrary to the agreements at company level, collective bargaining in the presence of trade unions can ensure IG Metall's participation in the process, and can provide better coordination beyond national borders when facing a company with Europe-wide locations. The collective agreement signed in 2004 is an instrument of re-regulating the process of collective agreement, in order to avoid the application of uncontrolled practices without union involvement. It is absolutely crucial to make decisions, and the board of IG Metall is becoming involved on a significant level. We

refuse collective agreements that do not respect minimum provisions. The process is difficult, given that it can involve one-on-one negotiations. This said, the 2004 collective agreement is still favourable to the great majority of workers in the metalworking sector; only a collective bargaining system can ensure a definition of joint standards and a balance between them. This flexibility ensures that we can grow and make sure that shareholder values and productivity increases do not flourish on the back of the workers.

IG Metall wants to develop two objectives. First, with the rules of the nationwide collective agreement, we can achieve a critical mass of rights for employees, and all the companies in the same sector need to abide by these rules. This principle of organisation through sectoral agreements remains untouched. Second, we need rules so that we can react to a particular situation. This is true for companies in difficulty, but also for clusters of employees, such as those in the Research and Development sector, or those without special rules of collective agreement, who would be directly hit by outsourcing or relocation.

### **III. French Perspective**

#### **Dominique Gillier, FGMM-CFDT (French trade union)**

Collective bargaining is still very active in France, at inter-professional, branch or company level. After the implementation of the 35-hour week law, the workers who demonstrated in France in March and October proved that they are very much concerned about their purchasing power. At an inter-professional level, negotiations have started on vocational training, equal opportunities, the employment of older workers and difficult working conditions, and a number of general agreements have been concluded. Branch bargaining procedures will have to define the more concrete implementation modes. We have worked on vocational training, with a branch agreement, and we also talked about equal opportunities; the bargaining process will be started soon. Employees' organisations are under major strain. Large companies want to negotiate internally as much as possible and thereby limit the scope of branch agreements. Thus, the possibilities for economic manoeuvres by SMEs are becoming increasingly narrow. This leads to minimum content in our branch-bargaining procedures, as is the case for additional wages and social protection.

We need to create the most favourable conditions in order to encourage companies to develop research and innovation, and to attract more employers, in order to have an economically competitive, socially and environmentally sustainable industry. It will be necessary to define a new social contract to strengthen the path of workers in the sector. However, the branch, so far, has refused to negotiate with us. At European, sectoral and company levels, a proper dialogue might allow us to achieve these objectives. Traditionally, social dialogue remains fairly weak in SMEs. Temporary contracts are numerous, with major salary gaps between workers and employees. In that economic context, employers have looked to reduce labour costs to promote competitiveness, even when results are excellent.

In order to satisfy shareholder requirements, working conditions are jeopardised. Threats to relocate or create redundancies are often alibis in the process of fulfilling their objectives. We know that our industries cannot remain competitive in terms of labour costs. Since the 2002 change of political majority, employers, with the assistance of the government, have been trying to attack the 35-hour week by slowing down its implementation in SMEs, reducing the use of extra working time, and by affecting wages. The economic context, therefore, has a major impact on workers. Unions can oppose these strategies when present, hence the need to strengthen our bargaining procedures and involve workers via their representatives so that they can be properly mobilised at branch level. Subcontractors should be part of these agreements.

The economic context has an impact on collective bargaining. One increasing trend is the decentralisation of bargaining towards companies. In France, this decentralisation is an old element, which has been a demand of confederations for a long time. The law of 4 May 2004

has further underlined this possibility by confirming the organisation of negotiation at company level. It allows for company agreements to delegate the legal provisions, provided the union organisations do not oppose these agreements. Our organisation favours this possibility of negotiation at the lowest possible level, and of having a multiplier effect on social dialogue, provided that we can extend the areas of negotiation and set the conditions and validity of an agreement, ensuring that it is signed by one or more union organisations that represent a majority of workers following social elections. This new law also allows for branch agreements to set the conditions where there is no union representation. These conditions would allow for the signing of an agreement with workers' representatives who are not union members. This is possible provided that the agreement is validated by branch organisations. We think that possibility should be limited to small companies where there is no union representation, and that it is important to give unions the appropriate means to provide the right advice to non-members, so that they can become members. This would create a branch observatory that examines local agreements, and therefore national and European level coordination would become increasingly important.

In France, wage-bargaining negotiations are highly diversified within companies, and it is very difficult to coordinate the different procedures. Every year, the federation recommends a number of objectives in line with those of the EMF. Within the metalworking industry branch, we opened a negotiation on classifications, and if this bargaining procedure is successful, it would constitute a major leverage that would impact those wages that are affected by a number of unfixed elements.

## **IV. Polish Perspective**

### **Adam Ditmer, Metalowcow NSZZ (Polish trade union)**

Poland also faces these problems. The system of collective agreements was developed 15 years ago, from the ground up. Despite good laws, and taking into account the economic situation in Poland and the ongoing restructuring of our industry, we have seen a weakening of trade union activities after martial law. Also, the development of new trade unions has led to precarious situations for workers, many of whom are now participating in the presidential elections. Despite this fact, they do not have a mandate, and 10-50% of employees will not see any positive outcome to this. However, we have managed to achieve results in the metalworking industry. These companies are 95% privately owned. The airline industry, which used to be public, now mainly consists of Public-Private Partnerships, with a great deal of funding invested in them. We are going to implement and start new collective agreements in the near future, which will be decisive for the workers, mostly in metal and steel industries. Certain parameters depend on the national financial situation, and we must look how this situation will develop with successive governments. However, today the threshold of \$20 has changed to €700, which depends on the fluctuating exchange rate. This indicates that our employees were blamed for social dumping, but it is very important that the EMF tries to establish certain standards that we will try to respect. We would, however, like to request your help and support when employers from other countries try to weaken the standards in Poland. We also welcome the establishment of new trade unions. Lastly, since our union is celebrating its 25<sup>th</sup> anniversary this year, I would like to thank all your organisations for giving Solidarity such great support, both when it was illegal and later when it became legal and worked officially.

### **Marc-Antoine Marcantoni, CFTC Metallurgie (French trade union)**

I will focus briefly on the involvement of the EMF in EWCs. We have coordinators appointed by the EMF within these councils, and they are an excellent forum for the discussion of restructuring and devolution within companies. Our problem is that we do not have enough resources to negotiate and establish collective agreements. We want European directives to allow for a number of elements to be integrated in collective agreements, especially with regard to vocational training and other elements, so that negotiations with large companies

can progress. This is also to avoid a non-union representative, or a union that is represented alone, signing an agreement that would not be approved and be part of EMF.

## **V. Spanish Perspective**

### **Jesus Ramos, FM/CC.OO (Spanish trade union)**

The report on collective bargaining echoed comments made by our Secretary General on a number of questions, namely outsourcing and relocation. This report mentions illegal work, moonlighting, and shadow working. The oral report made a clear link with the movement of people and migrants in particular. We need to specify that a significant amount of black market money comes from other origins and is linked to the progressive degradation of industrial sectors in a number of countries. Different outsourcing procedures lead to significant amounts of money coming from illegal sources. This is not a problem of immigration; this money has other, more tangible origins.

This assembly is supposed to have a number of debates on collective bargaining and Europe-wide coordination policies so that different union organisations can face relocation difficulties in their particular countries. We should not only strengthen the coordination instruments, but also focus on those that are directly affected, and take into account the fact that there is not only one trade union organisation within the EMF. A number of unions do not work within the EMF, but work locally in companies. Either we coordinate that work, or we will end up in a situation where workers would be organised locally but without any EMF involvement. This coordination needs to take place here, so that any policy that we implement is the reflection of a top-down coordination.

### **Daniel Sanchez, FTM-CGT (French trade union)**

We would like to achieve a collective agreement that would protect all metal industry sector workers in Europe. This said, a number of elements in the report should be clarified further. Firstly, collective bargaining is an occasion when the demands of the workers should be furthered, and for employers to respond to our demands and claims. France is quite active in collective bargaining, but there is strong pressure from employers that often comes close to blackmail. At the end of a negotiation, we often have fewer additional guarantees for workers than expected, and we end up by questioning the "acquis". It is important to discuss the objectives and resources needed to coordinate and mobilise workers further.

'Nations' and 'Europe' are complementary; there is no longer a purely national economy. This encourages employers and governments to avoid responsibilities in their own countries. For instance, Hewlett-Packard (HP) announced thousands of job losses worldwide and more than 1,200 in France. The French President sent a message to President Barroso and the Commission, asking him to intervene, but he said that he could do nothing about it; the French government did the same.

What is the union's role in a case like this? Could there be meetings, organised at short notice, to coordinate the work and define common objectives? The degradation of worker's living conditions should not put us in a fall-back position. We need to coordinate our objectives rapidly; they must maintain purchasing power in view of the rise in the cost of living. Productivity results should be redistributed, but it is necessary to ensure that wages compensate for the loss of purchasing power. In France there has been a great increase in the cost of housing, and 60-70% of wages in France go towards it. These factors should be part of our negotiation. We need room for manoeuvre within our common objective, so that each national organisation can take into account its own situation.

It is essential to secure a vocational path, and to guarantee permanent recognition of the rights and training of workers. Throughout their career, a worker should be able to develop

training and skills that should be further recognised so that the worker can be given a decent retirement benefit.

## **VI. Czech Perspective**

### **Jaroslav Soucek, OS KOVO (Czech trade union)**

In the Czech Republic, collective bargaining is under strong pressure due to the aggressive representation of employers who work with the right wing party, which is convinced that it will win the elections in 2006. If this party takes power, the labour law, which has existed for 40 years, will very likely disappear, altering the relationship between employers and workers. New industrial relations should therefore be developed. We compared 2004 and 2005, and we discovered that collective agreements cover only 8% of the companies in the metal industry, with only 7% union membership. We need to negotiate locally; employees are under even stronger pressure. In the future, we will have to fight for our collective agreements.

This campaign started in Bohemia and the Jilhava region in the Czech Republic. If you look at the statistics, you can see that there is a negative evolution of wages. We find it very difficult to negotiate wage increases the way we have done so far. The macroeconomic situation is relatively positive, but it is still difficult to negotiate pay rises. There will be difficulties in organising collective bargaining in a number of sectors, such as the services sector, and with large multinational companies such as Tesco and Carrefour, who treat their employees in an undignified fashion. In the metalworking industry sector, 40% of the companies with foreign ownership come from Germany or Austria. Due to the geographical closeness, these companies do not take the same liberties as the Anglo-Saxon or Asian ones. However, a wake-up call is needed. We launched campaigns to improve the quality of our collective bargaining. A change of standards, with improved legislation, is vital for the future. It should be possible to negotiate on almost everything that is not prohibited. I would like to ask our German and Austrian colleagues in particular to cooperate in preventing excesses in the metalworking industry sector in the Czech Republic.

### **Manfred Anderle**

The EUCOBA questionnaire is a matter for ongoing improvement. We are trying to ensure that we receive feedback; it is worth additional discussion and work, in order to refine the database further.

It is essential to look at the issue of corporate restructuring, especially from the greater context of multinationals and the issue of mandates. Democratic organisations have to deal with such discussions. We need to make sure that the procedure is clear. In the past, the restructuring system has functioned well, enabling swift reactions. Problems occur when an issue makes headlines before we have been able to discuss it internally; we cannot afford for this to happen. We need to act as fast as possible, go to the board of directors and talk to the employers. The Collective Bargaining Committee has discussed setting up a small workshop to deal with this issue. Although this is Works Council members' territory, trade unions need to be part of the process, as they are essential for collective bargaining. We want to involve all colleagues, as we need the chance to intervene as fast as we can. There is a report about EUCOBA now being distributed within the Collective Bargaining Committee. It would be a great pity if this wealth of information were to be lost on the Web. We are all in agreement about the final issue concerning the struggle against the downward spiral.

### **Peter Scherrer**

Restructuring plans are very important; I have been dealing with this matter at great length. We had initial success with General Motors Europe (GME), but we need to see that the process is progressing. There has been a framework of agreements successfully signed, but the restructuring process continues within GME, creating new challenges. There is still competition

over the manufacture of the Mariva. The Trade Union Coordinating Committee we organised is very busy. We have similar trade union coordination committees within various companies, and others will be created within yet more, such as Volkswagen and DaimlerChrysler. These were test projects for our trade union reactions as we try to develop the common strategy. We do not yet have this process carved in stone. We must make sure that the Collective Bargaining Committee and the Company Policy Committee deal with this issue as soon as possible, to develop the best strategies for dealing with these restructuring processes. The EMF Secretariat is reaching its limits in staffing terms. We need to find a solution to this, so that our member organisations become more active. This is the role of the EMF Coordinator; I appeal to everyone to ensure that this role is developed further. Coordinators need proper backup, so that we can work proactively. I call for your support; my comments can only be part of a general process. There must be an additional demand that the Company Policy Committee develop a structure as soon as possible, so that we can articulate our reaction against corporate restructuring.

## **Bart Samyn**

We are all confronted with a number of problems; it is clear that we need to strengthen our coordination. We must take the next steps. We have to give a clear signal to employers and to governments that we will keep working together, and continue the way we have started. Nevertheless, we are confronted with a number of issues that we have to deal with, in many countries. We need to find solutions to concrete problems, which are not only related to wages, labour costs and working hours, but also collective bargaining structures. Controlled decentralisation is dangerous. We need to act in a very controlled fashion, or it will escape our control. We must defend the strength of our collective bargaining strategies, and uphold our belief in the effectiveness of a national or sectoral agreement. We would prefer a national sector agreement to the complete decentralisation and atomisation of collective bargaining agreements.

Collective bargaining must remain a sector issue. If there is decentralisation, it must be controlled sharply and effectively. Dominique Gillier said that although wage negotiations are decentralised in France, is it still possible to coordinate these efforts politically and clarify the validity of the EMF's wage coordination rule, even on a company level. This EMF rule is flexible; trade unions must always consider national politics. Those who originally discussed this wage coordination rule were collective bargainers who know the difficulties in the field; certain circumstances always occur that must be taken into account. The wage coordination rule was constructed to be flexible. National responsibilities remain but the economy is now globalised, which means that solutions must be coordinated. We must coordinate our message to employers and governments, reminding them of their responsibilities whilst aiming for a consensus between the trade unions and Europe on that level.

There is one element regarding company-level negotiations that we have to keep in mind, next to the debate about the EMF's internal mandate, which is the Commission's initiative on a legal framework for trans-national agreements. Until now, there has been no legal framework for company-level negotiation, which has meant that we have required very structured solutions for this issue. However, the Commission is determined to set up a structure so that any future European agreement would have a legal framework. This would mean that not only inter-professional collective agreements, but European sectoral agreements and company-level agreements would receive a legal framework. The EMF had decided at the Oslo conference on an overall position paper for such a framework; this document is still valid, and has transferred very clearly to the ETUC. Negotiations at a European company level can only take place in cooperation with trade unions. This does not deny the role played by the EWCs, but the danger exists that the Commission will decide that the signature of the EWC members alone could be sufficient for a European agreement. We cannot accept that; we want a clear commitment that there is a recognised role for the trade unions.

We are not looking for unification or harmonisation, although we have always looked for coordination of our strategies. However, it is necessary to take further steps to show the outside world our new creative ideas. There is also the possibility of having European minimum standards inside European collective agreements, which would safeguard a number of benefits all over Europe. It was necessary for me to say this because this is an issue that we debated for first time at the third conference in 1996, and it is worth remembering that our minimum standards and guidelines should become the minimum European standards.

## **Afternoon session –** **Precarious Employment and Flexibilisation of** **Contracts**

**Peter Scherrer, Chair**  
**General Secretary, European Metalworkers Federation**

**Jeremy Waddington**  
**UMIST (University of Manchester Institute of Science and Technology)**

### **I. Changes in the European Labour Market**

Two major shifts are worth highlighting. The first is the shift in employment away from manufacturing towards the service sector. In 1960, 39.7% of the labour force in the 15 EU member states was engaged in the manufacturing industry, with 39% engaged in service industries. By the end of 2003, 19.4% of the labour force was in manufacturing, a decline of over 20%. Employment in services, however, rose to 67.9%. There are national variations: Germany has one person employed in manufacturing to every three in services; likewise in Italy. In France and Sweden, one person is employed in manufacturing for every 4.5 persons in services. In the United Kingdom, there is one person in manufacturing for every 5.5 persons in the service sector.

#### **1. The Need for Trade Unions to Adapt**

The number of jobs in manufacturing will continue to decline, according to forecasts. Associated with this shift towards the service sector are a number of challenges for trade unions. It is clear that the majority of non-standard employment is to be found in the service sector. Also associated with this shift is a huge increase in the rates of participation of women in the labour market. We now have more dual-income households than ever before in the EU. The 'male breadwinner' household is now in a minority, and will continue to diminish. Trade unions have failed to follow this shift and membership has declined. Within the EU, membership is now at its lowest level since the mid-1950s. The growth in employment in the service sector is also associated with a growth in employment at small workplaces. Traditionally, trade unions have not been strong in organising and representing members who work in small workplaces. To adapt, we must provide support to these particular members.

## II. Two Emerging Occupational Groups

We are witnessing the emergence of two occupational groups that, numerically, will dominate the European labour market in the short-to-medium term. There is growth in the number of highly-qualified employees, secure in their employment, often well paid, who have good terms and conditions of employment. They are primarily full-time, but there is a growing minority within this group that is employed on a part-time basis, which is primarily male but contains a growing minority of women.

A huge number of workers are poorly qualified or have no qualifications whatsoever. This is a very insecure group, as large numbers are employed on non-standard contracts and receive very low pay. Many are employed in private sector services. The vast majority is female, but there is a growing minority of men. The unionisation rate is lower among the insecure and unqualified workers than among the professional and relatively highly-paid group.

We should acknowledge that the development of these two large occupational groups is also associated with the decline of the traditional craft workers, who were the bedrock of engineering trade unionism for most of the 20<sup>th</sup> century. If union organisation in engineering is to continue, it must accept the occupational change in the composition of trade union membership.

### 1. Variations in Non-standard Employment

Non-standard employment is increasing in almost every member state. Recent Eurostat data suggests that approximately 21% of the European labour force is on a part-time contract, with a further 11% on a temporary contract. There are huge variations: Eurostat suggests that around 40% of the Dutch labour force is part-time, but only 5% of the Greek labour force. Thus this is not consistent across all countries. Rates of growth in non-standard employment have also differed. In the Nordic countries and the UK, the rate of growth of part-time work was far higher in the 1960s, 1970s and early 1980s than it is now. By contrast, in Belgium, Italy, Greece and most of the new member states, the rate of growth in part-time employment is higher now than before. Within non-standard employment, there are disproportionately large numbers of women, young people and ethnic minorities. Around 80% of all part-time employees within the EU are women, so part-time work may be regarded as a gender issue.

## III. Part-time Work

There is a clear pattern of development here: it is almost always the employers who push for part-time work, to help increase the duration of time over which they make their services available to the public. At this point, part-time workers are insecure or precarious in their employment. The next stage is that unions respond to this initial growth and campaign for some form of regulation, whether through collective agreements or legislation. In several countries, the rights, rules and regulations attached to part-time work are very similar to those attached to full-time work. When that status is achieved, many workers opt to work part-time, such as women who want to balance a career with family life. Thus part-time work, in its initial phase of growth, is precarious. Once it has been regulated, it becomes a positive choice for many.

## IV. Temporary Work

This development is not replicated among temporary workers. The OECD (Organisation of Economic Cooperation and Development) publishes an Employment Protection Index, and temporary workers always come at the bottom of it. There are also very few opportunities for temporary workers to engage in any form of training or retraining. The opportunities are the most restricted for workers on the shortest contracts of three months or fewer, which is the fastest-growing group. There is no consistent evidence anywhere in the EU to show that

temporary work is a route to a more permanent contract; it is not a means of transition. The evidence is equally clear that most workers employed on temporary contracts accept them because there is no available alternative. Because workers are forced to accept temporary contracts, labour turnover is extremely high, meaning low unionisation rates, and unions are very poor at chasing those on short-term contracts. The coverage of collective agreements is also lower among temporary workers than among any other type of employee. Thus the circumstances of many part-time workers are different from those of temporary workers and can be greatly improved.

## V. Recent Developments

There have been two recent developments in the European Union that are not going to help the position of either temporary or part-time workers. Firstly, the Commission has indicated that it will review the draft of the Temporary Agency Workers Directive, in the context of 'superfluous legislation'. Given the political composition of the Commission, and the European Parliament, it is unlikely that this review will strengthen an already weak directive.

The second is the proposed Services Directive. The country-of-origin principle enshrined in that directive raises enormous challenges for trade unions in Europe. National-level industrial relations action taken by any trade union will be insufficient to counter its effect, and the only way forward will be to develop coherent and coordinated international trade union activity.

## VI. Implications for Metalworkers

The decline in employment in manufacturing, especially in metalworking, means that the active unions are diminishing in both absolute and relative membership size. In many countries, public sector unions are the largest unions affiliated to the national confederation, whereas in the past the largest were metal or engineering unions. As membership size and political influence are related, many former metalworkers' unions have merged with other manufacturing unions in order to retain relative size. Some unions have tried to become private sector unions. Union membership is becoming more diverse.

Metalworker unions also have relatively few traditional metalworkers to recruit. It is possible the greatest number of potential members are employees of sub-contractors employed in engineering companies, such as those engaged in catering, cleaning or laundry, or even in IT and R&D. If a union recruits from these groups, its membership will become more heterogeneous. This is a key issue for the future. There will also be more women members, and more workers in non-standard employment in membership. If this occurs, there will have to be some policy amendments to accommodate new requirements. There might also be a requirement to reform systems of participation and government; the male breadwinner model is no longer dominant. We need new forms of participation to ensure that new members from outside traditional engineering areas can participate in union activities.

Part-time or temporary workers would join a union because they want support due to problems at work. This is not revolutionary; it is why full-time workers, especially full-time engineering workers, have always joined unions. These challenges are not insurmountable. The issue is how to deliver support to these new members at their places of work.

## VII. The Pressures on Trade Unions

We cannot avoid decentralisation, so the issue is how we adapt to it. However, becoming international is also important. Trade unions in Europe are being stretched, forced to become international and to service members at their place of work; they are being asked to do this at a time when membership is declining, and resources are therefore limited. How we articulate union structures between the workplace and the international level is integral to the challenge of representing and recruiting employees in non-standard employment.

## **Discussion of the Issues Raised**

### **Peter Scherrer**

You have identified the different target groups we need to include in our membership. How can we find these new target groups? What is the unions' duty towards them, and how can we make the unions themselves attractive to them?

### **Participant**

It is interesting to hear about the development of the various employment types, and the very loose types of employment that have arisen in recent years. It is a matter of competitiveness; is this based on political ideology, or only on market factors?

### **Daniel Sanchez**

We need to have a debate on the decline of the industry. Recently we organised a meeting of all employment types in the industry in France, and it seems that every employer's intention is to relocate some of their activities, as well as introduce more service-oriented activities within industrial jobs. Therefore, the idea is to reposition and re-identify these job categories. We also need to discuss the question of the casualisation of work, in light of the new types of contract adopted in France, which made millions of people go on strike. In the metalworking sector, casual jobs are very common, sometimes up to 50% of all jobs. What rights do we provide for these workers, and how can we make sure that their rights are defended? Our view at CGT is that any company employee has to have the same rights, even for short-term contracts, so that employers change their attitude.

### **Berthold Huber**

Without doubt, we are now experiencing an increase in non-standard jobs. It is difficult to offer services to people in atypical jobs. I heard that in Italy, the unions managed to legalise a number of illegal workers; as opposed to the German experience, Italian unions are increasing unionisation levels. Thus is your strategy the right one everywhere? Atypical workers change jobs and companies. As different unions are present in different companies, how can we make sure that these unions are kept as affiliates? Trade unions have developed defending the rights of skilled workers, yet we have seen a sharp increase in the number of white-collar workers in the industry as well, for which we have not yet accommodated in Germany. We have not been able to affiliate these white-collar workers in the industries where we have always been present. We need to adopt a strategy. For example, the Siemens Group in Germany now has 164,000 employees, with 146,000 in Germany. In 1995, of this 164,000, 68% were blue-collar and the rest white-collar. A decade later it is now exactly the opposite, with 68% white-collar and 32% blue-collar. This is a matter of trade union strategy.

### **Participant, FNV Bondgenoten (Dutch trade union)**

In the Netherlands, we have 600,000 agency workers per year, of whom 50% are between 15 and 24 years old. 80% are under 35 years old, 45% are women, 20% are ethnic minorities, and 70% are part-time workers. Also, 40% of agency workers find permanent work with the agency's user-company within a year. We negotiated on two levels to improve the situation for agency workers. First, on a sectoral level, we negotiated rates and training programmes. Second, we negotiated with the temporary agencies for a national collective agreement on wages for short-term contracts, training programmes, pensions and the terms for gaining a fixed contract after a fixed period. We cannot deny the interests of these groups who are newcomers in the labour market; we must not simply protect the interests of permanent full-time workers. That is the big challenge for trade unionists in Europe, because it is very important to unionise young people in the labour market.

## Participant (Spain)

The data presented by the speaker shows a decrease in jobs in production industries, and an increase in the services sector. We should insist that these workers in the service sector also work for the production sector, albeit indirectly. They are working in a spin-off sector; they have moved onto the services sector whilst still undertaking production tasks. We should integrate these people in our claims, demands, and collective bargaining procedures. It will take a huge effort, so we have to re-examine our ideologies and clarify our organisational means within companies and at grassroots level. This is the only way to proceed towards equal opportunities and equal conditions for the same job, fighting casualisation and avoiding further degradation of collective bargaining conditions.

The major challenge is to decentralise our organisations and return to the grassroots reality. It is therefore vital that we go back to provinces, villages, cities, towns and neighbourhoods, to bridge the gap between the European and the local level. This may be difficult for the metalworking industry sector, but it is not just about solidarity with precarious workers in that sector; it is a question of survival for our collective bargaining procedures and working conditions.

## VIII. Response to the Discussion

### Jeremy Waddington

The first questioner asked whether the development of non-standard forms of employment was the result of market forces or ideology. Temporary short-term workers account for 2% of the labour force in the United States, which is less than in any state of the EU. Thus deregulation does not necessarily mean a growth in temporary employment, although both market factors and ideology are relevant.

The issue of identifying job categories is crucial, as is the unions' decision on who should recruit which worker. Some people have opted for spheres-of-influence agreements. If, for example, a sub-contracted catering establishment is based within an engineering company, the spheres-of-influence agreements state that the engineering union has the recruitment domain over that group of catering workers. Others believe only way to unionise these people is to merge with a union that has already has organising rights over them. How to decide which union has organisation rights in which areas? Until we reach agreement about organising rights within each member state, competition for membership between unions can be destructive.

Berthold and I agreed that the insecure end of the labour market within engineering in Germany is growing; there is also growth of white-collar, more highly qualified workers in engineering in Germany. The challenge for IG Metall is to represent two very different groups of new members.

I am engaged in a large survey of union members' thoughts. The findings are preliminary, and I will welcome IG Metall's participation. However, where unions have set up internal groups that allow new members to participate together, members tend to be happier. For example, if there was a section that was open exclusively to white-collar workers, research suggests that white-collar workers would be happier than if they were mixing with other occupational categories. Similarly, what happens when non-standard workers move from one employer to another? The most effective union response is to form a 'service-workers group' within the union so that the members remain members irrespective of the employer for whom they work. There are a range of other reforms that I have seen implemented.

FNV Bondgenoten have set up an agency workers' section and met their specific demands, which are different from those of other members. This is a key way forward. However, unions are very poor at learning from one another. We need to find out the best practices and try to

apply them elsewhere. Another speaker pointed out that we need to meet the demands of these new workers, but their demands are not extensive: they want to see a union representative at their place of work so that they know where to go if they have a problem. They want the union to communicate with them. I have respondents to surveys, who have been union members for 15 years and have never seen a full-time officer of the union during their period of membership. Why do they stay in this union? We must improve performance.

## **IX. Italian Perspective**

### **Gianni Rinaldini, General Secretary, FIOM CGIL (Italian trade union)**

The origin of the casualisation process is a precise choice, made willingly by the system, companies and government, which seeks to confirm the unilateral management of every aspect of working conditions, such as working hours, contracts, and wages. For that reason, collective bargaining agreements as autonomous democratic expressions of interest are questioned. In fact, they are denied and subordinated to the company's point of view. In the background there is an idea of Europe as a marketplace where companies compete with one another, and branches and sectors compete in an endless struggle. In that model, a trade union would be a market union, with a role subordinate to the needs of companies. The essence of labour may simply be denied, and seen as a product like any other.

#### **1. The Challenge for Collective Bargaining**

This is the current logic, and is the role played by the new capital and information technologies. It is a new way of expressing short-term profits and transfers of companies and shares, which makes it even more difficult to develop industrial collective agreements, because they are questioned a few months after they have been signed. There are numerous examples where collective agreements have been questioned after being signed. Relocations and workers forced to accept degraded working conditions are a daily reality. This is a great challenge for the EMF. Our organisation is willing to defend workers in the sector, yet there is a risk of dismantling this participation because of the system's evolution. The Berlusconi government is the epitome of this evolution, but casualisation, the increase in short-term contracts, and even the limitation of the right to strike, must be seen as part of a greater project: they are trying to discard the collective nature of bargaining. Contracts are an essential part of our work. Staff leasing was introduced recently, for example, where you lease staff for a fixed term, and project-based contracts. In Italy more than 40 different types of work contracts were created, but they are the tip of the iceberg. This introduces a clear division of manpower, creating difficulties for bargaining and negotiating collective agreements.

#### **2. The Need to Reassess Objectives**

In our country we often accepted the idea that the most disadvantaged workers could not be defended, and that working conditions could be made more flexible; we also accepted differentiated wages. We accepted these ideas too readily; the cost of restructuring companies has been paid by the weakest. In order for casual workers to be members of a sectoral union, we set ourselves a prime objective, namely the reunification of the world of labour. However, it is absolutely necessary to avoid a very dangerous drift to achieve this. We must therefore reassess our common objectives vis-à-vis the European Commission, but also in our collective bargaining procedures.

##### *a. National collective agreements*

The first element is to defend our national collective agreements. Our common objectives are about reassessing important training paths, the transformation of short-term contracts into unlimited-term contracts, and the suppression of casualisation. It is essential to remove the

principle of country-of-origin from the Bolkenstein Directive, for whatever profession. We would also like to ensure that the provisions of labour law are properly applied, as defined in the country of posting. We would also like the Directive on Working Time to be reviewed, and would like principle of the mandate to be removed up until 65 hours per week. It is in that context that the social conflict should be refocused.

### **3. The Social Conflict**

We understand this social conflict. The employers' organisation proposed an exchange of flexibility that was managed unilaterally by companies, as well as a possible wage increase. We want to refuse the application of certain types of working arrangement defined by the Berlusconi government, such as staff leasing. We want to insist on the value of learning, with permanent training and education, and would like training paths to be developed in the framework of unlimited-term contracts. Collective agreements are at the heart of the social conflict, as is the question of union representation. The government proposed a state budget for 2006, which will affect once again the purchasing power of the workers. Unions in the Italian metalworking industry sector defined a number of initiatives that have been taking place recently, and the trade union confederations have decided to organise an upcoming general strike.

I hope this conference will allow us to identify common initiatives based on our experience, which should be adopted to go beyond these difficulties in a positive manner. The situation is gravely difficult, hence the need to react. I would make one recommendation: our choices and time are limited, so we must react swiftly. Time constraints are imposed by the social, political and economic changes in Europe and the rest of the world. If we do not act, we run the risk of reinforcing our differences, so we must be united in our demands for common collective bargaining practices, which currently do not exist.

## **The EMF Resolution on Precarious Employment**

### **Bart Samyn**

We are now going to present the EMF resolution on precarious employment and for the promotion of decent working. This resolution has been debated for a long time by the Select Working Party and by our colleagues from the Collective Bargaining Policy Committee. It is the product of open debate; any organisation could send written amendments if they wished. We received a number of amendments, which were discussed at a special meeting of the Select Working Party in Brussels two weeks ago, and we have made a number of proposals based on these amendments.

Any resolution that we agree upon today still has to be accepted in principle by the Executive Committee. However, this is a good place to see what people think; today's vote can be considered to be consultative.

### **I. Background to the Resolution**

The debate began during preparations for the 2003 conference in Prague. On discussing the effects of the action programme for collective bargaining, one element that immediately emerged was our working-time charter that dated from 1996, which dealt with number of issues, including flexibility. This had to be absorbed into the new action programme of the conference; it cannot be considered separately. We have already debated the wage-coordination rule, and the pressure that we are feeling today because of the current labour situation. All these issues are interrelated because they form part of a complete employers' strategy to decrease company labour costs and increase flexibility in general.

The EMF and its affiliates continue to negotiate about flexibility. This issue is not a problem, as long as it is not imposed on the workers. This was the essence of our working-time charter in 1996. At that time, we said that flexibility cannot be unilaterally imposed by employers on the workers. In this resolution, we have worked further on this issue. We are willing to negotiate certain forms of flexibility, but we state clearly and firmly that we do not wish to undergo any kind of flexibilisation, especially that of non-standard contracts. We cannot accept these contracts if they are not safeguarded by sufficient social security elements, if the workers are not treated equally within the company, if the wage level is not high enough, and if they are not offered job security.

Preariousness is the main issue, which is why we are rejecting any form of contract flexibility that could put workers in a precarious situation. This refers to society at large, social security, wages and work conditions. Society at large was included because we saw that a lot of contract flexibility leads to precarious situations, such as an inability to borrow from a bank. We have to provide security for our workers. This is why we have chosen this resolution, in which we have clearly determined what we want to achieve. We want to be very specific in our proposal to safeguard the rights of workers, and create a system in which they are provided with security, equal treatment and conditions.

Another major element is the revision of the Working Time Directive and the proposed Service Directive, which we must be careful about in the future. The revision of the Working Time Directive is not treated the way we wish it to be. We have always defended the fact that the revision of Working Time Directive could only be considered if it improved on the current directive, which current proposals do not do. We must clarify that the Services Directive is not a good way forward. These two directives, as they stand today, will lead us towards a more competitive society, where we cannot guarantee security rights for workers.

This resolution proposal shows the way forward. We are open to negotiation, but the other side must also be open to our demands for decent working conditions. I very much hope this resolution will be approved.

## **II. Amendments to the Resolution on Precarious Employment**

### **Anna-Lena Börgö Etaat, Rapporteur, EMF Collective Bargaining Select Working Party**

All trade unions had the option of making draft amendments to this resolution, and the Select Working Party has been discussing them. Most of them have been accepted, sometimes with slight qualifications. However, some of them must be clarified as follows:

#### **1. Page 1, paragraph 2**

CFDT suggested that 'ability' should be replaced by 'desire'. If you look at this page, you will in fact find the word 'practice'. This was agreed after some discussion, thus this amendment is accepted with a slight modification. CFDT also suggested a change to the last part, which we agreed to, with slight modification to the wording.

#### **2. Page 1, Paragraph 3**

IG Metall suggested deleting part of a sentence. This was accepted, because we considered it to be a limitation. OS KOVO suggested that we add a sentence at the end. The sentence was, 'The effects brought about by greater flexibility are not invested in job-creation to a sufficient degree.' We have accepted this in principle, but have redrafted it. You can find this amendment in the two last sentences in the third paragraph. It was suggested that we add the words 'where inequalities develop', which we accepted.

### **3. Page 2, Paragraph 1**

There were three draft amendments concerning the text around 'flexibilisation'. For the first paragraph, there was a suggestion from IG Metall, which we accepted in principle, but redrafted. Because of this, the other two draft amendments, from CO-Industri and CFDT, were withdrawn.

### **4. Page 2, Paragraph 2**

The first suggestion was by IG Metall, which was redrafted but accepted in principle. Because of these changes, the suggestion from CFDT for the second line was withdrawn. The third suggestion for same paragraph, from CGT, was accepted.

### **5. Page 2, Paragraph 3**

CGT's amendment in the first line was rejected. They wanted to replace 'the European social model' with 'the high level of social benefits', but we felt the original expression was preferable.

### **6. Page 2, Paragraph 4**

CGT wanted to add, in the bullet point 'for the individual worker', the words, 'who must be able to live off the fruits of his/her labour'. This was rejected.

### **7. Page 3, Paragraph 2**

Six changes were suggested from page 3, paragraph 1. The first one, from CGT and CFDT, concerned the second inset, and both were accepted. Two suggestions from CFDT were both accepted. The one intended to change the fourth inset was very important for us, because it emphasised that we need to be more direct about training and the right of reclassification. The next suggestion, to replace the last inset with 'and the promotion of collective guarantees for all European workers' was accepted. OS KOVO wanted a new inset at the end, the fifth, which was also accepted.

### **8. Page 3, Paragraph 3**

IG Metall wanted to delete the two sentences in this paragraph. We rejected this, but changed it according to CFDT's suggestion, which was to replace the phrase 'is a major challenge' with 'is a threat to'.

### **9. Page 3, Paragraph Headed 'All Affiliates'**

In the second inset, CGT wanted the word 'policies' changed to 'demands'; we considered 'demands' to be too limiting, so we rejected it. CGT also wanted to amend the third inset, which was partially accepted, but redrafted, as we did not approve the phrase 'vigorously lobby'. CFDT also wished to amend the third inset, and change 'existing policies' to 'high social standards', but this was withdrawn. CFDT also wished to amend the fourth inset. This was accepted. UNIA made a suggestion, which was slightly redrafted, accepted and put down as the fifth inset.

### **10. Page 4, Paragraph Headed 'EU Commission/EU Council'**

CFDT suggested an amendment to the first inset, which was accepted but redrafted. CFDT also made a suggestion regarding the '48<sup>th</sup> hour opt-out'. We wanted to make this as clear as possible, and have slightly redrafted it. IG Metall wanted to add the words 'in accordance with ETUC demands'. This would have caused some debate, possibly limiting our work, as some trade unions are not totally happy with the ETUC demands, so we rejected this proposal.

IG Metall suggested a change to the fifth inset, which was accepted with slight modification due to terminology. They suggested that we use 'of the respective locations', and we used the phrase 'country of posting', the terminology used in this Services Directive. UNIA wanted to mention the Temporary Agency Workers Directive. We rejected it because the point was already covered by other incorporated amendments.

#### **11. Page 4, Paragraph 'National Governments of the EU Member States'**

OS KOVO made a suggestion, which was accepted with slight modification.

#### **12. Page 4, Final Paragraph**

CGT wanted to add some text at the end, which we accepted with a slight redraft.

### **III. Discussion on Amendments**

#### **Arne Sorensen, CO-Industri (Danish trade union)**

We are glad that the EMF has decided to tackle the issue of precarious employment; this is a serious and increasing problem on the labour market. From the beginning, our trade union movement has tried to combat precarious employment. For the last 100 years we have been trying to do everything we can to improve working conditions for everyone, both individually and collectively. We have tried to ensure decent pensions, working conditions, benefits and sick leave for everyone. The original challenges still remain; we need to maintain what we have achieved and build on it. Our members never work 7.5 hours per day, only during daytime; some have always worked odd hours or night shifts, and we have been familiar with part-time work for many years. However, developments indicate that more of our members are being hired on non-standardised working contracts. This does not have to be a problem as long as we can ensure that atypical contracts do not lead to precarious employment.

Part-time workers should have the same rights as full-timers, and no one should be forced to work part-time. Substitute workers should be given the same conditions as those given by employment agencies. Temporary workers should be guaranteed the same social advantages as those in full-time works. This is a considerable challenge. Those on non-standard contracts are also our members and we commit to negotiating proper conditions for them. Denmark's industry offers relatively good conditions. Collective agreements cover most atypical contracts, even though we have a few problems, such as agency workers doing the work of civil servants. We must look at other sectors in Denmark, for example the hotel and restaurant sector, where the situation is not so good; we must do what we can. Flexibility is a necessity today, but we cannot accept a single precarious contract, which is why we would like to endorse today's resolution. We look forward to making a decision about it at the Executive meeting in November.

The EMF must refuse to allow our members to accept, or be offered, precarious employment. A paragraph in the resolution states that 'social security and proper working conditions are fundamental for a society embracing change.' European governments and employers would like to increase flexibility; the new buzzword is 'flexsecurity'. We must put our foot down; if we are to accept flexibility, we must have proper social security, with effective rules, and ensure that no one falls out of the social security network. We need to work towards lifelong learning and continued learning, because it is only through continued training that our members will get new jobs and keep up with technological developments. Member organisations should also use collective agreements to combat precarity and ensure that all members enjoy the same working conditions. CO-Industri is willing to take this on this commitment, and it is the basis of all our work.

**Daniel Pellet-Robert, FTM-CGT**

Regarding the two CGT amendments, we fully agree with Bart's comments during the presentation. This is an issue of translation. For example, the phrase 'the European social model' does not exist in French. The explanations you gave were very clear. It is similar when we talk about *revendication* in French, which for us is the term for 'claims'. It is simply a question of the French version of the text rather than the resolution itself.

**Rudy Welzmüller, IG Metall**

The committee made a decision about two of our proposed amendments, which were refused. We have examined the text again and we have no objection to this, so we would like to withdraw our amendments.

**Peter Scherrer**

Were the problems with the French written translation semantics rather than content?

**Bart Samyn**

We should be aware that the original text is in English, so we use English as a benchmark and adapt it to obtain the correct terminology. 'The European social model' is a very current buzzword. It is also referred to when we discuss 'the high level of social benefits', but for us it is more than that. It is a mode of dialogue between employers and trade unions, and also a model of relationships. For that reason, we thought that if we changed it to 'the high level of benefits', the definition would be restricted. We used 'the European social model' on purpose, in order to retain a broader meaning. The meaning is not in dispute. Regarding the issue of the wording 'demands' versus 'policies', there may be more of a translation problem in this respect. In English, we thought that the term 'policies' was stronger than 'demands', as it means a demand that sets an agenda. In French, the situation is reversed, and we have no problem looking at that. I feel there is nothing contradictory here. Our intention was simply to use slightly stronger terminology.

**Daniel Pellet-Robert**

We withdraw our amendments.

**Peter Scherrer**

Only two amendments, from IG Metall and CGT, were rejected and then withdrawn. This means that the rest of the amendments are been accepted. I would therefore like to congratulate us all on our efficiency, and in particular the committee for their work on this difficult task.

**IV. Voting on the Resolution**

This is not a statutory conference, and therefore this vote must be passed by the Executive Committee on 22-23 November. The more members who vote to pass this resolution, the stronger the signal we send to the Executive Committee and like all the other resolutions approved at our previous conferences, it will become EMF policy. Let us start the voting process.

Who is in favour of the resolution?

[Show of Hands]

Who is against it?

[Show of Hands]

Any abstentions?

[Show of Hands]

The vote is carried unanimously.

# **Wednesday 12 October: The Individual Right To Training Guaranteed By Collective Agreements**

**Manfred Anderle, Chair**  
**GMT, Chairman of the EMF Collective Bargaining Select Working Party**

**Professor Brian Bercusson**  
**King's College, London**

## **I. The Revised Lisbon Strategy**

### **1. Problems with the Strategy**

Launched in March 2000, the Lisbon Strategy aimed to achieve the most dynamic and competitive knowledge-based economy in the world, with sustainable growth and more and better jobs. It aimed to achieve this through an 'open method of coordination', to be achieved by 2010. We are now half-way there, but the consensus is that the Lisbon Strategy is in trouble. On 2 February 2005 there was communication from the EC President called 'A New Start for the Lisbon Strategy', in which he said, 'Lisbon has been blown off course'. There are serious problems. This was not news to those outside the Commission. In fact, in November 2004, a report by Wim Koch referred to Lisbon as 'a synonym for missed objectives and failed promises.' A further quote from the Koch report is, 'The open method of coordination has fallen far short of expectations. If member states do not enter into the spirit, little or nothing happens.' This is quite a damning assessment.

Nonetheless, the report endorsed both the objectives and processes, and did not negate the ambition involved. It also invoked the open method of coordination, saying that was a good idea that was not working. Barroso accepted this assessment, but said that they must relaunch it, and 'refocus it on jobs and growth again.' Barroso's communication of 2 February 2005 said that we must have 'a renewed partnership between the member states and the European Union with the full involvement of the social partners'. This promise may have led the social partners, in a joint declaration of 15 March 2005, to support the proposal to relaunch the Lisbon process. They said that they supported the proposal, 'to prepare national Lisbon programmes', but they 'stress the importance of involving social partners' – UNICE (Union of Industries in the European Community), UEAPME (European Association of Craft, Small and Medium-Sized Enterprises), CEP (European Standing Conference of Cooperatives, Mutual Societies, Associations and Foundations), and the ETUC – 'at national level when developing the Lisbon programmes, and at European level.'

### **2. The Community Lisbon Programme**

There was a further communication on 20 July, called 'The Community Lisbon Programme'. The Commission confirmed the strategy, but there was a clear change, which was not foreseen in February. A radically different set of priorities emerged from this new paper. Growth and jobs were the main priorities, but 'the Community will give top priority to completion of the internal market (Services Directive) and to improving the regulatory environment (better regulation).' This word is better expressed in English as 'deregulation'. These were the top priorities in July when the Commission was relaunching the Lisbon process. This is a 10-page

communication. On page two, the Commission acknowledges the support of the social partners, but there is only one further reference to them. It says that the main responsibility for employment, social protection and training policy lies with the national public authorities, and the Community will complement their efforts. It follows by saying that European social partners will be 'invited' to play a social role.

This is a changed set of priorities, and a shift in the emphasis put on the social partners with respect to implementing the Lisbon programme, including training. They are merely 'invited' to play a major role. The main responsibility is given to the member states and the Union. We have to understand and nature of the Commission's strategy. The Koch report of November 2004 talked about 'the social dialogue at the heart of Europe's labour market,' indicating a wish to sustain the role of the social partners. When the Koch report was presented, the then Dutch president of the Council, together with the then president of the Commission, Romano Prodi, said, in the welcoming report at their press conference, 'the social dialogue is crucial at the heart of the European social model. The social partners are essential.' The previous Commission put a very heavy emphasis on the social partners; the new approach retreats from this commitment to a role for the social partners. Most importantly, the top priorities become completion of the internal market and improving the regulatory agenda. I fear that this is this particular Commission's ideological agenda.

## **II. The New Social Agenda**

The social agenda was launched on the 9 February 2005. It will fix the social priorities of the European Union for the next five years. It is striking that it contains not one single proposal for new legislation on social matters. There are dozens of slogans, packed with initiatives, but little substance. Where is the proposal establishing social and labour standards? It does not exist. There is just one concrete proposal, but otherwise there is not one single proposal for new legislation for an entire five-year period. There is some lip-service paid to the social dialogue: 'While respecting the autonomy of the social partners, the Commission will continue to promote the European social dialogue, strengthening its logistic and technical support.' This means that they will not legislate, but will support the social dialogue. There is, however, one specific proposal: 'The Commission plans to adopt a proposal to make it possible for the social partners to formalise the nature and results of trans-national collective bargaining.' This is an important initiative, but it continues to say that 'the existence of this resource is essential, but its use is optional, and will depend entirely on the will of the social partners.' If this is the only concrete promise for the next five years we must look closely at it, and try to understand it in the context of trans-national collective bargaining, or European social dialogue, which has developed over the last 20 years since launched by Jacques Delors in 1985.

### **1. European Social Dialogue**

#### *a. The starting problem*

How do we start the European social dialogue, and how do we finish it? As far as starting is concerned, Articles 138 and 139 of the Treaty of Rome state that when the Commission makes a proposal, the social partners must be consulted. There is a severe problem here. It could be said that the Commission does not comply correctly with the treaty. It does not carry out proper consultations. There have been recent consultations on working time, restructuring and revision of the European Works Councils Directive, but none of these has been properly conducted by the Commission. These are treaty provisions. European social dialogue starts with what I call 'bargaining in the shadow of the law'. It depends on the political balance of power in the Community institutions.

If the Commission takes initiatives and the member states mobilise in the Council, and if the Parliament is supportive, it is likely that legislation will result. In that case, the social partners

have an incentive to self-regulate through the social dialogue, rather than being faced with externally-imposed rules from the legislation, which the Commission, Parliament and Council all support. They would prefer to self-regulate, and this would be better than what the institutions could produce. If you know that legislation is going to happen, employers would be more willing to start the social dialogue. This is a very fragile dynamic, which depends on the political power balance in the institutions. If the Commission does not take initiatives, or if there is a minority of member states blocking the initiatives in the Council, or if Parliament does not support them, legislation is much less likely. In that case, why should employers enter into the social dialogue and make agreements? It is very difficult to start the social dialogue unless there is political support from the institutions.

That is the big difference between European social dialogue and social dialogue in the member states. Unlike member states, the ETUC does not have the power to force employers to come to the table. If employers will not agree to social dialogue, or only on marginal issues that are not legally binding, the outcome is the absence of political support, creating poor social dialogue. How do you engage employers in social dialogue?

### *b. The 'finishing problem'*

There have been some successes. There have been agreements reached on parental leave, part-time work, fixed-term work, tele-work, and work-related stress. Many of these agreements are linked closely to the European employment strategy. The preambles in these agreements refer to them as contributions to the employment strategy – the Lisbon objective of more and better jobs. This is important, because the link with the Lisbon Strategy objectives is an important support for social dialogue, and for employers' willingness to enter into it.

Of the agreements that have been reached so far, there is a critical difference between their effects. Some have binding legal effects, such as the agreements on part-time work and parental leave. However, some other results of the social dialogue have far fewer effective legal consequences, which raises a serious problem. The treaty provisions in Article 139 say that an agreement may become a binding decision of the Council, but it may also be implemented through what the treaty calls 'procedures and practices of the social partners in the member states': collective bargaining. I must emphasise the words of the treaty here. It does not say that they *may* be implemented through collective bargaining, but that they *shall* be implemented. This link between European-level agreements and national collective bargaining is recognised by the treaty as mandatory.

The problem with implementation is well-known. In 2002, the Commission said that 'the social dialogue has produced 230 joint texts at sectoral level and 40 texts at inter-sectoral level. However, the Commission also says that 'these are not well-known, their dissemination at national level is very limited and their effectiveness can be called into question.' In 2002, the Commission already acknowledged the problem of implementing these texts, despite agreements having been reached. What the Commission proposed in 2002, and repeated in 2004, is that the social partners should consider the use of the open method of coordination; 'the social partners are requested to adapt the open method of coordination to their relations'. The link with the Lisbon Strategy is based on the open method of coordination. There are articles in the treaty on employment, and the various guidelines, action plans and recommendations showing how the Lisbon Strategy is to be achieved. The problem is that the open method has already been criticised harshly for its failures in achieving a Lisbon Strategy. Would we want to adopt a failed strategy? What is the Commission's justification for proposing a failed strategy for the social dialogue?

### III. The Commission's Alternative

The latest communication from the Commission regarding the social dialogue is from August 2004. It is called 'Partnership for Change in an Enlarged Europe – Enhancing the Contribution of the European Social Dialogue'. Despite its title, there is very little by way of a strategy. The Commission's proposal to improve the social dialogue is simply to encourage the social partners to improve their own social dialogue. The Commission has a *laissez-faire* strategy. There is only one proposal for concrete support, in Section 4.3 of the Communication, where they suggest organising national seminars to raise awareness. This is a total failure. The social dialogue will not achieve its objectives if the Commission merely organises a few seminars. The hands-off approach is in direct contrast with the Commission's proposals of high-level groups that the Koch group established.

#### 1. The Commission's Role

Another high-level group has not had so much exposure but was even more important. In May 2004 there was a report by a high-level group on the future of social policy in an enlarged European Union. It was staffed by very eminent social scientists and senior civil servants, but it did not get the publicity of the Koch report despite being of equal status. This group strongly emphasised the role of the Commission in promoting the social dialogue. The report of May 2004 says that 'a first priority for the social dialogue is to guarantee its effectiveness. Every effort should be made to build strong linkages between the European and the national level.' The Commission in fact refers to this report as the basis for its own recommendations, but the content of their communications bears no relation to what this report contains. The group also says that 'The Commission should privilege the social dialogue through binding agreements,' and 'the Commission should continue to play a key role with its right of initiative for new legislation giving an incentive to the social partners to opt for the negotiation route.' Again, this is bargaining in the shadow of the law. You have to give incentives to the social partners by taking initiatives for new legislation, but there is no trace of these recommendations from the high-level group in the Commission's communications in 2005.

### IV. Trans-national Collective Bargaining Proposal

This proposal appeared in August 2004, in the communication about the social dialogue. The Commission said that there was a need for a framework for the social dialogue. There are only two articles in the treaty, and there is no substantive legal framework for the future of labour law and legislation. There needs a strong legal framework, and an invitation is not enough. As they say, 'The Commission's preferred approach would be for the social partners to negotiate their own framework.' No one would object to the social partners negotiating a framework, but that means that they both have to come to the table, and the main problem is that the employers will not come to the table to negotiate on these agreements, let alone on a binding framework. The Commission says that it 'will consult with the social partners regarding the development of a Community framework for trans-national collective bargaining.' There is a subtle, important shift here. I am a lawyer and I think there is an important difference here, between European social dialogue and the Commission shifting this to a framework for trans-national collective bargaining. I am not against this, but it is no accident.

In the new social agenda of February 2005, the Commission 'plans to adopt a proposal designed to make it possible for the social partners to formalise the nature and results of trans-national collective bargaining.' This is the sole commitment to adopting a proposal. They also say, 'the existence of this is essential, but its use will remain optional on the will of the social partners.' This is contradictory; it cannot be essential and optional. There is a problem with autonomy here, and the unavoidable question is: how much is this autonomy worth if we cannot start the social dialogue? If there is no trans-national collective bargaining, then your autonomy is not worth very much. On the other hand, there are risks in having a

framework that is not optional, which could push the social partners, including the trade unions, into a dialogue that they do not want. This is a dilemma that we have to confront. We have to think of something better. Would a binding legal framework be so bad? So far, this is only promises, but this new social agenda does say that the only concrete commitment is this framework for trans-national collective bargaining.

## 1. The Effect on the EMF's Common Demand

How can the EMF's common demand for an individual right to training, guaranteed by collective agreements, fit into this single proposal for trans-national collective bargaining? Earlier there was very strong support for social partner activity in the area of training, but the revised Lisbon Strategy is much less supportive. The Commission says that the social partners are 'invited' to draw up their programmes for training. In the communication of 20 July, there is only one reference to the social partners. 'The main responsibility for employment lies with the national public authorities.' The Community will complement this, and the social partners will be invited to play a role, which is very strange. Why is the new Lisbon Strategy marginalising the social partners? Because it is well-known that the social partners have taken a major role in training. The Commission's website has a link to a special social dialogue website, where you will find, under the heading of 'Training,' a list of 38 social dialogue texts on the subject of training alone, in whole variety of sectors, such as mines, electricity, agriculture, railways, banking, hairdressing, insurance, fishing, sugar, and chemicals.

Even more importantly, in March 2002, the European social partners, UNICE, UEAPME, CEP and the ETUC, adopted a framework of actions 'for the lifelong development of competencies and qualifications' as a contribution to the Lisbon agenda. Every year since 2002 there have been three follow-up reports that summarise the developments in this framework of action, and refer to various initiatives taken by the social partners, including the EMF. If you look at the follow-up reports for this, they refer to the EMF's activities in this area, such as the informal dialogue, a conference in September and October 2003, and the report of a joint conference between what was originally WEM and is now CMET, the Council of European Employers in the Metalworking Industry. There have been joint activities on training at sectoral and inter-sectoral level. There is thus a substantial body of material on training, agreed by the European social dialogue.

The role of the social partners in training was emphasised by these high-level groups. The Koch report made it one of its key recommendations. On page 33, it says that 'member states, in close cooperation with the social partners, should adopt national strategies for lifelong learning by 2005.' Even more important is the other high-level group, the one on the future of social policy in an enlarged Europe. That group was very critical of the Commission, saying that 'there are strong expectations for acts, not only words.' They emphasise, as far as training is concerned, that 'there is a distinction between large enterprises and SMEs,' and in these latter there is much less training. Also, 'Social partnership plays an important role as the SMEs, which are covered by collective agreements, tend to do much better.' The group is saying that where you have national agreements on training, it is not only the big enterprises that will engage in it, but the SMEs as well. In May 2004, this high-level group on the future of social policy, on page 48, says 'How can we promote lifelong learning? It depends on many conditions.' Also, 'Collective bargaining and individual labour contracts should incorporate more explicit rights concerning lifelong learning.' A policy recommendation on page 49 of the report says that 'national strategies for learning should include access to training activities as a standard ingredient of the employment contract and collective agreements.' It explicitly endorses the EMF's common demand. The Commission says that this is at the basis of its own recommendations, but I cannot see it.

That report also talks about legislation, and agrees with the Commission, saying that 'legislative action is behind us... we cannot rely any more so much on legislation.' But why? 'New directives should in the future result from agreements between the social partners, not by negotiation between 25 member states.' The reason for legislation is not because it is bad,

but because it is going to be very difficult to legislate when you have 25 member states. This makes the social dialogue even more important as a method for regulating the labour market.

## V. Conclusion

The Commission has changed the priorities of the Lisbon Strategy. Growth and jobs are the objectives, but the means for achieving them are now, primarily, opening up markets and deregulation. This is a major, dangerous change. It seems that the Commission is taking this from policies which have been adopted in some member states where the social dialogue is increasingly under pressure, or even already marginal, even on training. This view might not be shared by most member states, but the Commission is clearly following an ideological agenda dictated by some member states. It ignores the support for social dialogue in others, specifically their support for social dialogue on training, which has been the subject of reports by high-level groups that it has itself established on the future of social policy. This is a very ideological Commission, but it is not there forever.

I have four conclusions focussing on the question of change.

- 1) There is a social summit on 27 and 28 October. Beforehand, as usual, a number of statements were made by the Commission. On 29 September, President Barroso made a statement, saying that 'we must work hard, together with our social partners to renew and strengthen Europe's social model.' Vladimir Spidla, the Social Affairs Commissioner, was reported as saying 'the social partners' role is even more important. They should provide input to the debate on the European social model, to be discussed in October.' We have reports from two high-level groups established by the Commission, which the Commission says should be the basis for future social policy, and it is important that the social summit listens to those high-level groups and produces not just words, but also acts. What is the Commission going to do to promote the social dialogue, which they say is so important?
- 2) They can do this through their binding commitment of February 2005, through a framework for trans-national collective bargaining, which has been promised. The EMF's common demand should stimulate this action on this promise. If that common demand is adopted by the affiliates of the MF on training, and incorporated into national collective bargaining policy, and accompanied by a European campaign to spread this best practice, then it will be consistent with the Lisbon Strategy's promotion of training. This is what the EMF can do for the Lisbon Strategy. However, what can Lisbon do for EMF? The ideological approach of the present Commission is not very promising, but they have committed themselves to this trans-national framework. So the task is how to move from the EMF demand to the optional framework. We have to look to the social summit at the end of this month and push the Commission to make good its promise, in the social agenda, to provide a framework that will support the EMF's demand.
- 3) I mentioned the dynamic of bargaining in the shadow of the law. The social dialogue only functions if there is a threat of legislation. The current Commission does not look very dynamic in pushing legislation, and that is going to be a problem. Employers will not negotiate unless they can see the prospect of legislation. Then there is another kind of law, which comes out of the European Court of Justice. Could the court stimulate social dialogue? The charter of fundamental rights, the EU Charter of Nice of December 2000 – which all the Community institutions have agreed to comply with – includes Article 14, Paragraph 1, which says that 'Everyone has the right to education and to have access to vocational training'. This is, therefore, a fundamental right. The question is, could this shadow of the charter, which the court has committed to, be used as part of the EMF's common demand?

- 4) A successful EMF campaign to establish an individual right to training in as many member states as possible would support the general belief in the fundamental right to training, which is promised in the charter. If, in some other member states, the EMF demand is rejected by employers who refuse to enter into collective bargaining and acknowledge individual rights, there is the possibility of a complaint being made to the European court. You can argue that this is a fundamental right in the charter, and the national court will refer the question to the European court, which may then turn around and refer to Article 14, in which employers are bound to provide training. This is only a possibility, but bargaining takes place in the shadow of these threats. In those member states where the EMF common demand is not accepted, the prospect of facing the European court with a demand of this kind may persuade employers that it would be better to negotiate. You have the support of the charter and a number of high-level groups. If some member states have adopted the EMF demand, this could be a powerful resource to force employers in the other member states to accept it.

### **Manfred Anderle**

If collective bargaining is going to become stronger, it cannot be limited to the national level. There are implications with European policy-making in collective bargaining in general; it is obvious that there are changes in politics, which we need to contemplate. It is extremely important to think about this in terms of the Lisbon Strategy, but also on a more general basis. We have to understand the importance, for our future, of social dialogue at a European level, and of getting things into proportion. The Commission might fund some of the seminars that we might organise, but the problem is that when the Commission funds these seminars, we cannot do whatever we want. However, we certainly need to follow up on policy-making.

## **Changes in Production**

**Piergiorgio Caprioli**  
**FIM-CISL General Secretary (Italian trade union)**

I do not need to spend too long on the need to assert and reassert the right to training. However, we are now experiencing deep changes in production processes. The industry is changing and therefore the manufacturing component is being reduced while the service industry is on the rise. Skilled workers are growing in number, whereas unskilled workers are becoming less useful. These changes on the labour markets are actually worldwide trends, and the possibility for an employee to change jobs many times in his or her career is also a fact of a worker's life. For this mobility and ever-changing career path not to become an obstacle or a danger to the employee's way of life, we must give opportunities to the workers to get ongoing training, and even to learn new skills. This is absolutely strategic, for employers and, most importantly, for workers.

### **I. The Situation in Italy**

Training and education is becoming a fundamental right, so that workers can find decent jobs, or new jobs, should they lose their existing ones. This is a conclusion that we can draw on the basis of our experience of collective bargaining. I must however make two comments about the situation in Italy. Firstly, our vocational training and education system is lagging behind significantly in comparison to other countries. There have been major reforms over the last few years but, as you will see, training is a difficult issue. It is not just about providing new types of training, or new curricula in schools, or making the provision of training match what the employers want. We now have a training system in the making, and the available

curricula are in great need of improvement. This is because, from a quality point of view, it is not up to standard, and there is not enough of it. People are gaining specialisation in certain skills, but these do not match the needs of society, or industry, and do not match the types of job that are being sought by employers.

## **II. The problem of Training**

We are therefore under pressure, not least from the attitudes of many companies, because some of them still do not realise how strategic training is. They do not provide on-the-job training, refresher courses, or upgrading classes. They are not using training unless it is to discriminate between workers. Many companies offer training to a part of their workforce, with the use of bonus systems. You therefore earn the right to training if you obey your employers, and possibly not a union member. Another weakness in the system is the attitude of the workers, who are sometimes not keen to undergo training, with the notable exception of the young, who think it is very important. Many workers feel that they do not really need ongoing training; Italy's track record is not good. We do not have a lot of university graduates, and we are lagging behind in terms of full-time education, which is seen more as a burden than an asset to many people. What matters to people in Italy is to find a job, whatever level of skills they might have. This is a state of mind that we have to change.

### **1. Apprenticeship Contracts and Negotiation**

Recently we have been involved in two rounds of collective bargaining. There is ongoing bargaining regarding the status of apprentices. You know that the apprenticeship system is actually an employment contract within which training and education are rights for the company and the employees, and is therefore part and parcel of the employment contract. Tomorrow there is a meeting with the employers, because the law, promulgated by the central right government, has changed industrial relations, and we are looking for a better apprenticeship contract. If we manage to negotiate one, there will be an obligation to negotiate on all aspects of employment contracts. One factor is the maximum age at which you can have access to an apprenticeship contract, which has been brought up to the age of 29. The minimum duration of these contracts is set by law at 24 months, with a maximum duration of 72 months. We are trying to shorten the maximum duration because we believe that it might be too long, and we are trying to relate this to the type of skills and diplomas available. The third problem is the discrepancy between the wage levels of apprentices, and short-term, fixed-term and limited-duration contracts. Also, the law states that 120 hours of training should be provided. We wanted 200 hours, and we need to renegotiate that. It will all depend on the type of training, and whether it is block-release, attending classes at external schools, or on-the-job training for older workers.

The fifth problem is how to get out of the apprenticeship contract. We are bargaining right now, and all the issues, which have already been dealt with in other countries in collective agreements, are being renegotiated in Italy. There are a number of legal provisions, but the law also says that collective bargaining will allow for adapting these general rules to particular situations in a given sector or company. For other types of contract, such as fixed-term or temporary, we want to ensure that there will be a minimum required training, even though it will be less than for an apprenticeship.

## **III. Funding for Training**

Our experience has shown that there are two particular types of training available for young people, to adapt them to the labour market and make them ready for work. In Italy, young people have access to training through apprenticeship contracts or through minimum on-the-job training. Vocational training and education has allowed the Italian government to design a number of particular solutions, and it has granted employees the right to train. The first aspect is the financing of this training.

## 1. Vocational Training Funds

The previous centre-left government passed a legislation stating that all companies should pay 0.3% of wages into a fund for vocational training and education in industry. This is done bilaterally; money is collected through a fund managed by both employers and trade unions to pay for training and education. The second main feature of that fund is that it grants training funding both to companies for on-the-job training courses, provided that the training provided is actually agreed upon with the trade union. In order to get money for this training, a company must have agreed it with the trade unions in advance. This is also valid for all types of training provided by sectoral organisations. This system is very important, and we need to make the most of it. This kind of fund is new to us, and we are trying to identify the skills that we need to have to best manage this fund and the training system. It will take a few years. For managing training and education, beyond the sheer fact of paying in to the system and the obligation to have courses approved by the unions, there are number of things that are provided by collective agreements.

## 2. Joint Committees

In 100 or so Italian provinces, there are joint committees, participated in by us, with several tasks. One of them is to define the training modules needed by the metalworking industry, and these joint committees are regularly in touch with the different companies in the sector to get the right profiles. Secondly, there is a need to recognise vocational training and education systems. Not all training and educational institutes are recognised by the social partners, and they need to be validated, as does the quality of their courses. This is all done by collective agreement, so we are trying to manage what is on the training market. As trade unions we also have the right to examine what training is really about, and we are discussing it. Workers who say that they are willing to participate in a training course get certain advantages in terms of working time and hours. A worker asking for training will receive shop-floor advantages. There is also the possibility of getting facility hours for training purposes, for which 104 hours per year are provided as paid leave that can be used as entitlement to training. There is also a component for parental leave, which allows workers to suspend work in order to follow classes.

## IV. Adaptation of the 150-hour Rule

What you have heard so far are particular cases, but there are other provisions in the collective agreements that we call 'the 150-hour rule'. This dates from 30 years ago when, in order to improve the low levels of training of Italian workers, we asked for them to have the right to undergo refresher courses. We had a lot of workers who had not even graduated from secondary school, and who had only a minimum of education. We have received that entitlement to refresher courses, and many thousands of Italian metalworkers received their high school graduation certificate. When they had caught up, the system was reshuffled and we asked to use their 150 hours for other purposes. The collective agreement says that over three years, that each Italian worker has the right to 150 hours of paid holiday for vocational training purposes. However, there are limitations, and these hours may not be used at will, as the company may have its own demands regarding the type of training that is undergone.

These 150 hours over three years are a maximum, and they are granted on condition that half the time spent on training is paid for by the worker himself, so it constitutes a 50/50 split of the cost of this type of training and education. Over the three-year period the company will pay up to 21 hours multiplied by the number of employees in the company, meaning that there are fewer hours available to each worker in the iron and steel industry. The fourth constraint is that workers may only take the classes that have been allowed by their employers, in other words those courses that are deemed useful by the company and have been negotiated as such. We are trying currently working towards making the system a little more lenient than it is now. These 150 hours in three years has been useful in the last

30 years, so that workers could get their high school diplomas, but we are still trying to bargain over the use of these 150 hours for other purposes, for vocational training and education. It is a challenge for all of us. It started being renegotiated two years ago, and we are trying to make sure that the training solutions that we provide are better managed, and their value is correctly assessed.

There is another type of vocational training in the pipeline. The Employers Association paper talks about the Danish system, which allows employees who lose their jobs to have access to training to make them more employable. However, we are lagging even further behind on this in Italy. However, we believe that this third pillar is absolutely fundamental, because job mobility will be the name of the game in tomorrow's labour market.

## **The EMF Common Demand and** **Support Campaign**

### **Bart Samyn**

We all know that training is very important for the EMF and its affiliates, as is the subject of social dialogue in Europe, and we already have a working group on this major issue. However, there is another subject that we have to take into consideration.

### **I. Basis of the Coordination Strategy**

There are three main elements to the EMF's coordination strategy: firstly, the EUCOBA system, and the importance of relevant data collection; secondly, the importance of the regional networks; and thirdly, the effect of the minimum standards and guidelines that we have already agreed upon. These three elements remain the basis of the EMF's collective bargaining and coordination strategy. The strategy remains too reflective on our current position, and does not look forward enough. We need to increase and strengthen our coordination strategy, which means that we must be more proactive, stop comparing with the past, and be less voluntary about what we do, preferring a more direct and coordinated approach in order to make our strategies more visible at a European level. At the Prague conference, we decided to formulate the first EMF common demands, which had to be included into the collective bargaining rounds of every single trade union in Europe. It was essential to take our demands to a European level, and be seen at a national level as being European. This common demand, therefore, is not just an important strategy for training, but will help us strengthen our own coordination as an organisation, and raise our profile.

### **II. First Common Demand**

It is not surprising that our first common demand has the topic of training, which has already been approved by the Executive Committee. This is not a stand-alone issue. It builds onto a huge number of elements already integrated into the EMF's activities. At our fourth conference in Oslo, we had already decided on policy paper about vocational training, which we are now building on in our current resolution. Secondly, it will come as no surprise that we have taken actions since then, to integrate this into all the different collective bargaining rounds in Europe, and we have already had a lot of success. This is also a clear signal that we should continue with this demand as one of the major issues for the next period of collective bargaining. Thirdly, we looked at the social dialogue strategy and the Lisbon Strategy, and it was clear that we wanted to play a role in this, and to give a signal to the Commission that we are taking our role seriously. We as social partners know that the Lisbon Strategy is important,

but as social partners we cannot and should not depend on the initiative of the Commission alone. This is a very responsible way for the trade unions to assert their contribution to the Lisbon Strategy for more and better-qualified jobs. This is a very important issue for us.

### **III. Dealing with Common Demands**

It is clear to us that training as such cannot be done solely at a European level. The EU member states all have different systems and long-established methods, so by its nature our common demand has to be flexible. In order to integrate these factors into our national collective bargaining systems, we have a number of proposals. Regarding training in particular, this is cannot be an exhaustive list. We have been planning this as a campaign for four years, and examining good practice in the different countries so that it can be adapted to your own particular needs. This is, however, a common demand, which requires serious thought for its implementation; and, if we are serious, we have to show that we are coordinated. We have therefore written down a concrete proposal.

- 1) That this conference will agree on the common demand, and the training aspect within it. We know that this still has to be confirmed by our Executive Committee. However, we also know that if there is a strong signal from this conference, they will go along with our suggestions.
- 2) This conference has launched a very clear campaign, for which we have allocated four years. We all know that collective bargaining rounds have different lengths in different countries, and start at different times. Therefore, taking this into consideration, we thought that four years, which will take us up to the next EMF collective bargaining conference, will give us time to work on this first implementation of our demands.
- 3) In order to have sufficient follow-up, and show the outside world that we are serious about this common demand, we ask all the trade unions involved to draw up what we call a 'road map', in other words a basic outline of how and when you are planning to integrate the common demand into your collective bargaining rounds. We would like you to get them to us, where possible, by the end of January. We thought it would be good to do this as soon as possible after the conference, in order to show the outside world that our campaign has been launched, and that it has a clear timeframe. These will not be the final road maps, because every time you have more ideas you can add them to your outline, send them to us and we will put them on the EMF website. This is to make them visible to the general public, and to give this European campaign some European visibility.
- 4) This is not limited to members of the Collective Bargaining Committee. During the preparatory sessions for this conference, we worked with other EMF committees, particularly the equal opportunities and training committees, to make sure that they can also support our campaign. This can be through suggestions, national-level issues, or anything that contributes to the implementation of our demands within collective bargaining rounds.
- 5) You have received some publicity materials with your documents. There are posters, stickers, a brochure, and also a multilingual CD-ROM containing all our campaign material, so that you can print it out either at home or professionally.

## **Panel debate:** **Training as an EMF Common Demand**

### **Thorkild Jensen, CO-Industri**

Vocational training has always been very important to Danish trade unions. Many Danish unions, since the early 1900s, originated with a trade, and have always played an important role in developing and managing vocational training. Most vocational courses in Denmark last four years. You get basic training at a technical college, which is complemented by practical training and training within a company. We consider basic and continued education as a core service for our members, so it is natural that education has been integrated in our collective agreements. We have made a decision about a recommendation for the social partners, for systematic planning of education in each individual company, and the workers can take the initiative to start this training themselves. We have the right to full wages while we are receiving training, and this is part of an educational plan. We have the right to two weeks off for vocational training, as long as it is relevant to the company. We also have the right to education without wages, instead receiving funds from the public authorities, which correspond to approximately 30% of full wages. In our collective agreements, we have stated that if we have been working at a company for three years, we have the right to two weeks' education during the redundancy period, and we receive full wages for this.

This training should help us find new jobs. There are various public support arrangements when someone is in continued training. These courses are paid for by public authorities and various tax systems, and we receive financial support either directly or through the employer, which amounts to 75% of full-time pay. Often the employer tops up this amount to the level of full pay. Approximately 80% of the fees are paid by the employer, and this can vary from €65-90 for one week.

Here are some more numbers. Today, approximately 63% of the employed participate in some sort of training annually. Also, 81% of these courses take place during working hours – in other words, you take time off from work to do the course – and 83% of those on courses get full wages. In 2001 60,500 full-time students participated in courses. In Denmark we are worried that participation in continued education is decreasing. In 2003, there were 6,000 fewer participants than in 2001, which is a considerable fall in numbers. In 2003, participation cost €375, which is €375 less than it was in 2001. This corresponds to DKK 85m in 2003. We also need more participants from SMEs to attend these courses, because only 56% of employees in SMEs participate in vocational training.

In the Danish metalworkers' union, our members take one week of training per year on average; this training is relevant to the company that they are working for. Regarding the unemployed, it is possible to take up to six weeks of training per year, which should be relevant to any possible career possibilities that may arise, and that are also needed in Denmark.

We believe that the best employment safety is gained from being offered lifelong learning that corresponds to the industry and labour market. We feel that this actually provides better employment security than secure employment opportunities, and we would like to introduce education as the first European demand. In recent years we have tried to intensify the coordination of our bargaining policy with the EMF, and we feel that we are sending an important signal that we have come far enough to be able to present a joint common demand.

We feel that education should be a central aspect of the goals of the Lisbon Strategy. This is necessary if we are to maintain production in Europe. It is essential that the EMF stress the importance of education, and that this should not cost anything for the individual worker. We feel that this should be included in our next round of collective bargaining. Globalisation makes education increasingly necessary, and the Danish prime minister has established a globalisation council, which will give advice to the government in order to make Denmark a

world player in education. I am a member of this council, representing CO-Industri. Our members share their knowledge so that we can give the best possible value to what we do. We hope that all of these educational requirements will be anchored in the organisation by 2007. Education is paramount in order to ensure a future for production, high employment, and welfare in Europe, and is absolutely necessary to our current campaign.

### **Brian Bercusson, Moderator**

We can already see how the EMF's common demand is echoing the developments at a national level.

### **Jaroslav Soucek**

The Czech government is just realising the importance of training and education, but I am not quite sure if parliament feels the same. Bargaining is only allowed on what the law provides for. As far as training and education are concerned, we base our actions on the principles established by the communist regime before 1989, which places collective bargaining within the government's remit. Over the last 15 years a number of private schools have been set up, which issue degrees that do not make people very employable. Every year hundreds of graduates ended up working as office assistants, and they all had to register with the unemployment office to get benefit, because no one wanted them. They were not employable with the type of training that they had received. We therefore decided to increase skilling, and adapt it to the needs of the labour market. This necessitates the amending of legislation.

We also decided to deepen the curricula, so that the training sector could correspond to what employers actually need, and so that graduates could put the results of their training into practice. The problem is that workers are only allowed to use unpaid leave, or holiday, to obtain this additional training. Paid holiday can only be agreed upon through sectoral collective agreements. However, training is still considered to be part of a job, which creates a gap between the training that workers need to undergo because it is mandatory in terms of their contract, and the fact that they have to take unpaid leave in order to seek it.

However, there is a state fund dedicated to vocational training. It is managed by the education ministry, and therefore by the government, and provides funding for a series of special schools, where both students and workers can get additional skills. For example at Skoda, the car manufacturer, the workers have to ask, on a one-to-one basis, to be allowed additional training, and either the employer will agree to giving that worker unpaid leave, or they have to do it in their free time. The trade unions are trying to improve this situation, and at company level there is a possibility of signing a company agreement that goes beyond what is provided by law, which is not much.

This is all based on the rules of the labour code, and it is very important for the unions to identify common claims, because this has yet to be done. The unions have not yet agreed to get together to lay common claims in terms of education. The problem with our current training system is that there are no basic and fundamental claims on the part of the trade union federation in the Czech Republic, and it is still arranged more on a one-to-one basis than collectively.

The government recently accepted a recommendation whose aim was to support human resources training for the sake of society, which should enable the possibility of tax rebates that would increase wages, so that workers could use part of their wages to seek training. We are trying to make the most of the present legislation, but the problem is that if you want to amend a piece of legislation in the Czech Republic, you have to go through a very complex process of renegotiation in order to have a change in the law adopted by parliament. During sectoral collective bargaining, we did make new claims but, unfortunately, sectoral agreements only cover 8% of all metalworking companies, and only 7% of all our trade union affiliates, which falls short of our expectations. We realised that we needed to bargain very hard on

training and education, because it is so important. We are going to start small, at company level, and we need to make sure that we defend this project, because if not, we will be falling short of the workers' expectations.

The next step is to amend the labour code for education and training, and force employers to do something about the training of their workers. We need to exert pressure by being present at government level, and in all joint committees where employers and workers can be represented. In order to do this, we are using the trade union confederation of the Czech Republic, and trying to get them involved in the drafting of the employment action plan for 2006 and beyond. We are also putting personal pressure on like-minded MPs, who can highlight the issue of collective bargaining on training. To integrate this issue, we have to convince the employers that it is advantageous for them as well as their workers. Employers tend to think that workers do not really need to be trained, and that it is not within their remit to train them, especially because they think that if they train their workers, they will leave and go to another company. It is therefore part of everyone's responsibility to ensure that training remains part of collective bargaining.

### **Brian Bercusson**

The problem of the low coverage of sectoral agreements means that we may have to go beyond the individual right that is guaranteed by collective agreements, to some form of extension of those agreements where the coverage is low.

### **Detlef Wetzel, IG Metall**

We have heard that income, working conditions and employment opportunities strongly depend on the skills of the workforce. Therefore, participation in ongoing training has become a social issue for society at large, and career opportunities are closely intertwined with notions of training and education. Over the last few months our union has been analysing this situation, to try to take a new stance on training in Germany, where there is a decrease in participation in ongoing education. There are 2,000 fewer people taking courses, which means that there is a trend on the labour market of people not being keen on seeking additional training. In contrast, workers have become increasingly skilled between 1975 and 2004, during which time there has been a 200% increase in the number of skilled workers in Germany. However, 22% of the unemployed have no degree whatsoever. An additional problem is selective access to this ongoing training. It is given to those who are entitled to it, but the rest are left out. Those who are already highly skilled and have good jobs are being given more training, but the rest, whether unskilled or unemployed, are not.

Access to new skills should be available to everyone, in order to become employable in the labour market. This discussion is not new in Germany; it is many years old, but the underlying necessity is to enshrine the right to ongoing training in collective agreements. One step has been taken, in Baden Württemberg, where a local collective agreement was established to ensure ongoing training for all employees in the textile and metalworking industries. We negotiated this vocational training package into the collective agreement, and through this we have given new training opportunities to the workforce. Within the framework of the ETUC we should be doing the same. If we try to increase the competitiveness of industries through ongoing training we can also struggle against social dumping. We must also focus on the type of curricula available. All this is important to ensure the increased productivity, and wellbeing, of the workforce. However, we need to acknowledge that there is no right to ongoing training that is currently binding for all workers. This still has to go through the collective bargaining process, as it is not yet part of any legislation. It is therefore still a vital issue. We can do a certain amount at a national level. We can push for improved rules, but we cannot accept the great discrepancies at the European level. We need a common vision for the promotion of training in Europe, because the need for training is not simply national but Europe-wide. We need to be proactive in promoting this, also for the sake of companies, because it is also important for them to have a skilled workforce.

Finally, we need to exert additional pressure on employers so we can stop threatening to ask the government to regulate them. We cannot leave it all up to the European Commission. Even if the Lisbon Strategy has been amended in a negative way, we have not yet departed from the idea of having a European social model, in which training is a vital issue. Competitive skills and jobs are keys to Europe's global success. The European Commission and Parliament might not do everything we expect from them, but we must make sure that they do not give up on the European social model. Therefore we need to make sure that training is at the core of our practical activities at a national and a European level. We need to make sure that we have the political strength to do this, keep Europe to its word, and push the European authorities into focusing on this, and we will continue to do this for many years to come.

### **Brian Bercusson**

The European need for a demand for training is very evident. We cannot insist on the need for competitiveness and globalisation, but make no initiatives for the promotion of training at a legislative level.

### **Tony Dubbins, Amicus (UK trade union)**

For many years, companies in the United Kingdom have neglected their duty to provide training for their employees. The results are clear to see. The UK has a low-skill, low-productivity economy, in which individuals do not have the skills to find decent jobs and security and for themselves and their families. This has massive implications. The UK ranks behind many of its competitors in terms of productivity and competitiveness, and much of this has been attributed to a lack of skills.

Our government now accepts this, as does the Confederation of British Industry. With countries like India and China providing a steady stream of cheap alternative labour, and with the new EU member states having lower labour costs than the UK, we need to compete on quality rather than just quantity. The current UK government has been pushing employers very hard to improve themselves. We have seen a raft of initiatives, including a compensatory package to reimburse employers for the costs of releasing workers to undertake training to NVQ Level 2, which will be extended to NVQ Level 3. We have also seen the introduction of the union learning fund, a very large pot of money that is set aside to give unions greater resources to open doors for people, and to help them improve their skills both at work and home.

In 2003, we saw the introduction of the 'union learner representative', the equivalent of a shop steward, underwritten by statute in the UK. The purpose of this representative is to help guide individuals in the workplace to where they can obtain the training they need. There are now over 12,000 of these union learner reps in the UK trade union, who have helped over 67,000 people access additional skills and learning over the past 12 months. Our aim is to get 22,000 of these learner reps by 2010, which should help a quarter of a million individuals to access extra skills and learning every year. This has been achieved by the quite unique role played by the trade unions. This year, the government has also given the British Trade Union Congress £4.5m to set up a learning and skills academy, which is there to provide support to unions and their members, to access the provision of skills. Overall, this academy should make a very significant difference. It will not provide the skills training itself, but it will assist in helping unions, and individuals, to access that training.

As most of you are aware, the private sector in the UK has few sectoral national agreements. There has not been a sectoral national agreement in the metalworking sector for many years. At the Amicus policy conference in May this year, a very clear decision was taken to attempt to restore a national sectoral agreement. I believe that training is one of the big motivating factors in this. However, it is important to bear in mind that not all of the Amicus sectors are without national agreements. In the graphical and paper sectors, we have always had them. We have recently conducted, and concluded, a new sectoral agreement for the paper sector. A major part of this was to address a massive skills shortage in the graphical industry, added to

which we have had a big problem regarding the age-profile of employees, because employers will not train and take on apprentices into the sector, preferring to poach labour from one company to another. We managed to get this agreement because there was a very clear threat from the union, and the government, that unless the employers agreed to address the skills shortage, a statutory levy on the payroll would be introduced, which would automatically deduct the money for training. This agreement ensures that 0.5% of the payroll of all graphical companies is to be used for training. The union, together with the employer, will determine, both locally and nationally, the kind of training that will be provided. We have also built in a monitoring procedure, both locally and nationally. If issues cannot be resolved, they will be referred to industry's disputes procedure.

The agreement is up for review after two years of operation. We have made it very clear that if we cannot persuade employers through collective bargaining to improve skills and intake into the industry, we will again look for the introduction of a statutory levy, and government has agreed this course of action. In the paper industry, negotiations have just opened for a very similar arrangement, and we anticipate that an agreement will be concluded within a few months.

Finally, we negotiated with the government, just prior to the last general election, and they have again agreed to make significant investment available for sectoral forums, to partially replace the sector agreements in many parts of the private sector. Those forums will start in low-paid and poor-condition areas of the economy. They will address wages and conditions and the training agenda. I believe that this is a significant step forward. We also need to continue to press for legislation, because it has been our experience that the threat of legislation on one side forces employers into accommodation through collective bargaining on the other. Regarding the Lisbon agenda, it is fair to say that global competition is the driving force of most European governments, as far as the training aspect of the agenda is concerned. We should exploit their vulnerability, which is why Amicus will give all the support that we can to the EMF's training demands.

### **Brian Bercusson**

Again we see how bargaining in the shadow of the law can also work domestically as well as at European level.

### **Dominique Gillier, FGMM-CFDT**

I would like to underline the importance of laying common claims. We need to exert pressure on employers and, at a European level, politicians, because there is action that needs to be taken at a European level. Because of what is at stake, we need to emphasise the individual right to training, for the development of the industry. Indirectly, this individual right to training also has an impact on the preservation of our European social model. We stand a good enough chance of succeeding, in view of everything that has been said about the Lisbon Strategy, but we still need to work on it.

We owe our legal framework on training to Jacques Delors. It provided the rules that should be applied by companies when training their workforce. Either they pay into a fund, provide employees with paid leave, or the Inland Revenue will levy a social charge for training and education. On analysis of the system, we realised that the results were actually not that good, because they created major inequalities, depending on the category of job. The more skilled a worker is, the more access they have to training and education. If someone is employed in a large company, there are many opportunities to access training. If you are employed by an SME, however, you have far fewer. We also realised that training was mainly temporary in its provision of skills, and was not providing lifelong learning. This is of course at odds with the big European agenda. So we asked to negotiate with the government, and in 2003 there was an agreement, followed by a metalwork-sector-only negotiation, that also led to the signing of an agreement. These two agreements were signed by all trade unions in France.

The new system confirms that a company needs to have a training programme; it lengthens the period of leave for training purposes, and it widens its scope, because in the past only about 30,000 workers were entitled to this type of training programme. It also increases the length of block-release training periods for young apprentices from six-month contracts to 12, and also provides new rights. First, the individual right to training, and what we call a 'professionalisation (vocational focus) period'; also, the right of each worker to have facility hours, in which they can have 20 hours per year, that can be accumulated over a six-year period, up to a maximum of 120 hours, which will be entirely paid for by the company. The funding is managed jointly, and collects from the employers' wage bills. The training can involve acquiring new skills or revalidating old ones. The bargaining took place when the legislation on the reduction of working time and hours was being implemented. The '35-Hour Week Act' included the expansion of the right to training, and the agreement stated that the training had to happen outside working hours, but that employees should be given 50% of their pay for the period spent in training. There was one limitation. To avail yourself of this right, you needed an agreement between employer and workers. However, if the employer denies training once to a worker, the worker can go to the training fund, and receive training that will still be paid by the employer.

Another issue is the development of skills, within the framework of the employment contract, in order to make workers more employable. The period of professionalisation is targeted towards specially-identified target groups, such as workers facing intense technological evolution in their present jobs; employees who have been working for more than 20 years and who are aged over 45; workers who want to take over a company or set up on their own; and people returning to work who have been away a long time due to illness, injury, or maternity leave. Training is fully covered by the company and must lead to a certificate. These new schemes were implemented in 2005. The first figures we received, covering the period between January and August 2005 for 1.7m employees in the metalworking sector, showed that only 130,000 workers took advantage of their right to training, which is not a large figure. Workers used about 18 of their facility hours for training, whereas most training is of 40 hours' duration. This is to be paid for by the company but also pushes the company to increase workers' rights, so that they obtain the full package. We had 71,000 requests for a professionalisation period to be granted. However, we found that only 1% of these courses leads to a recognised certificate, so there is a long way to go.

How can we move on from acquiring non-formal skills and training to having these skills recognised through the delivery of a certificate? We need to provide workers with flanking measures so that they can build up their career plans. This happens through training, interviews every second year, and guidance and consulting with workers to see what they want. The idea is to have adaptive, personalised training packages. Tailor-made solutions are needed, and this type of training needs to end with a certificate. However, as it is an individual entitlement, that type of right needs to be part of a collectively agreed training package. We want companies to take a firm stance on what they want to achieve, and set training as a priority. We also want to create a sectoral observatory, a watchdog for the metalworking industry, to oversee how trades are evolving and what skills are needed to match them. We also want to integrate these new types of education so that workers returning from training can be given a job that matches their new skills. We are some way ahead in trying to achieve the demands laid down by the EMF, but there is still further to go. We will be fully involved the moment this conference is over and the campaign has begun.

### **Leif Dyrmoose, IDA (Danish trade union)**

Training is a good subject for a common demand; it is needed at every level of education. IDA did a survey of our members, and the disappointing response was that only one-third of them has had any education at all in the last two years, and one-third has had less than five days of training per year. If only one-third of our members has had five days' training in a year, this is just not good enough. Having said how pleased I am with the EMF's demand, I would like to add that it is extremely important that we make this work and that we convince the employers

that more education is needed. The best way to do that is if the training and education actually works, so that employers can see they are getting value for money.

When returning from a course, it is hard to find time to absorb all the new information and implement it in daily working routines. New information gets pushed aside; unless you practise it, you will not be able to use it six months later. We have started a project, with employers' organisations, that tries to deal with this problem, and find a way to get value for money when taking further education. There must be a common understanding that we need time for reflection when we come back from a course. Too often it is business as usual, and education alone is not enough. We need time to implement what we have learned, and practice it in our daily work, because otherwise education is a just waste of time and money.

## **Conclusions of the Fifth EMF Collective Bargaining Conference**

**Bart Samyn**

This conference comes at a crucial moment; we are confronted with a grave economic situation in Europe, which clearly puts all of our countries, especially in terms of bargaining rounds, under a lot of pressure. The circumstances are well-known and also political of nature. This is a serious issue that we all need to confront. However, we were not pessimistic; most speakers underlined positive points, which is both hopeful and necessary. We cannot be defeatist. We have to look to the future, and take steps to confront it with determination, and with a very clear idea of what we want our world, our workplace and our industry, to look like.

### **I. Five Major Steps**

#### **1. The Need to Strengthen EMF Coordination Strategy**

This is very important, given the pressure we are under in all our countries. We must counter and control the decentralisation of collective bargaining towards company level. We need to emphasise the coordination of our national policies and find common solutions, to avoid further pressure.

#### **2. The Wage Coordination Rule**

The wage coordination rule is the central tool of our coordination strategy, which we agreed upon at our Frankfurt conference in 1998. Since then, we have maintained the wage-coordination rule as the central focus of our strategy. It also remains our central political tool. It is not a mathematical tool for comparing results; it is a political tool to demonstrate to the employers that we are acting in a coordinated way and will not accept wage-dumping or social dumping, and that we will defend our rights through a highly coordinated approach.

#### **3. Collective Bargaining Strategies**

We must defend these, not only in terms of the pressure we are under in our collective bargaining, but in terms of the structures themselves. They are the focus points of our strength in different countries. The central role of national collective bargaining is essential. I was pleased to hear that Amicus are organising a campaign to return to national collective bargaining rounds in the UK. It is vital that we defend this.

## **4. Adapting to Global Changes**

We have to be open and prepared for change, especially as some of these changes will be beyond our control. Globalisation, for example, has been discussed here. We cannot avoid it, because it is a fact of life and, as trade unions, we must clearly demonstrate our capacity to adapt to it.

## **5. Trans-national Collective Agreements**

We must be ready for a debate with the Commission on setting up a system of trans-national collective agreements. This is a major issue. The EMF is well-prepared for this debate; we can demonstrate to the Commission our willingness to continue it. We have to stay inside the debate and determine what a future system should look like. We cannot leave this up to the Commission; we must play an active role in it.

# **II. Stefan Lofven's Proposals**

## **1. Improvements to EUCOBA**

We are aware that we need to work on EUCOBA, but he also said that the system is currently too limited to the national collective bargaining rounds. In 2004, our Executive Committee said that we need to extend it to company-level negotiations with highly sensitive multi-national companies in Europe. In the near future, these major cases of restructuring will be included in EUCOBA's networking system.

## **2. Dealing with Restructuring in Major Companies**

This debate has already started. Aside from the Collective Bargaining Committee, the Company Policy Committee has started the debate and also prepared a policy paper for dealing with this, which will be put on the agenda of the next Executive Committee. The EMF's activity on this front will be demonstrated clearly.

## **3. The EMF Solidarity Pact**

This pact has been little mentioned in recent years, although it still exists. It is very useful, forming concrete connections between all EMF trade unions in Europe. It is now on the agenda for the next Executive Committee in November, so that we can debate the best way to reinforce this strategy

# **III. Major Conference Topics**

## **1. Precarious Work**

Employers' continued use and misuse of non-standard contracts has increased this problem all over Europe. Until recently we thought this problem was relatively limited because, in many countries, collective agreements had already been signed and negotiated that defended a number of rights. However, we have noticed that the continued use and misuse of non-standard contracts has worsened. At the moment, non-standard contracts too often lead to a precarious situation in which workers do not have equal rights to workers on standard contracts. This is the starting-point for the EMF in our continued activity in this domain. Yesterday we accepted a resolution clearly rejecting any flexibility that leads to precarity. We are willing to negotiate, but flexibility can only be accepted when not imposed. We have now gone one step further and laid out guidelines for the way we look at decent work and what should be involved to make sure that contract flexibility and non-standard contracts do not lead workers into a precarious situation. I am very pleased that this resolution was accepted

unanimously, because it shows that we all think it is a serious problem, and that we all want to promote decent work.

## 2. The Common Demand

This morning's debate clarified the necessity for training in an ever-changing industry. Society is evolving more rapidly than ever before. The fact that most of the trade unions have already been working on this demonstrates once again that we are not waiting for the Commission's initiative to start this debate. Dominique Gillier mentioned that training started in the 1960s in France, and in other countries long-term experiences also exist, so this is not a new topic; trade unions have been convinced of the need for training for a very long time. We have always defended it and we will continue to do so. Today, we say clearly that we want to take a joint coordinated approach on the European level. Our common aim is the individual right to training guaranteed by collective agreements. There is no disagreement about this, so we can clearly state that the campaign for the first common demand of the EMF has now been launched. It is not simply training as such that is important, but that this is also a major step forward for us that will make the European aspect of our work much more visible. Thank you for supporting this strategy. With these words I launch the first EMF common demand, and I hope that in four years' time we will be able to make a very positive evaluation of it.

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