

# **ECF-IUF/EFFAT Principles for coordinating collective bargaining policy at European level**

---

## **1. New Framework Conditions for Trade Union Collective Bargaining Policy**

- 1.1 Collective bargaining policy forms the core activity of trade unions. It was and is the most important means at the disposal of trade unions for the improvement of the pay and working conditions of their members / employees.

Trade union collective bargaining policy has been one of the most important political and social forces for social reform since the Second World War, leading to an unprecedented improvement in the living and working conditions of workers in many fields. Collective bargaining policy was one of the political guarantees of economic stability at full employment.

But with the rise in unemployment, the internationalisation of capital, the consequent globalisation of production structures and the introduction of economic and monetary union in the EU, the threat of ruinous cross-border competition and social dumping, in which workers will be played off against one another and social standards will be reduced, is growing.

- 1.2 The ECF-IUF/EFFAT rejects all forms of ruinous competition and calls upon its member organisations to combat it systematically. Only jointly this can be achieved with success at European level

Improvements in competitiveness must not be achieved at the cost of social dumping and a worsening of working and living conditions. On the contrary, targeted improvement of working and living conditions is itself one of the essential prerequisites for successful improvement in competitiveness.

This requires an effective improvement and coordination of the objectives, instruments and strategies of an active collective bargaining policy at European level. Only in this way can we combat the risks of an undercutting and standard-reducing competition. Only in this way can use up the economic and social opportunities offered by EMU be exploited to the advantage of workers. In this way a collective bargaining policy coordinated at European level will make a considerable contribution to the furtherance of the social dimension of European integration.

## **2. Joint ECF-IUF/EFFAT Objectives for a Collective Bargaining Policy in Europe**

- 2.1 Even if wages and working conditions are not the sole and also not the most important factors of competitiveness and location, we have to expect that wages and collective

bargaining policy within EMU will be subject to increased competitive pressure and the risk of a vicious spiral of wage undercutting.

The employers' federations want Europe to be a uniform economic area with a common currency but a fragmented wages policy at national, regional and company level, serving only the monetary purposes of the European Central Bank. Wages policy is seen as a means of assuaging a failed redistribution policy and the crises and employment catastrophes resulting therefrom.

The ECF-IUF/EFFAT trade unions have decided to counter these tendencies with an effectively coordinated collective bargaining strategy, and to complement EMU by means of a collective bargaining strategy which is capable of supporting an autonomous, Europe-wide trade union wages and collective bargaining policy oriented towards the interests of the workers.

The ECF-IUF/EFFAT rejects all calls for a wages policy based on a further redistribution of income in favour of capital profits. General concessions in connection with wages and salaries, without contractually defined compensatory measures, destroy jobs and reduce levels of unemployment and pension insurance and the income of the public purse.

2.2 Combating unemployment is and remains one of the main targets of the trade union and collective bargaining policy. Maintaining jobs and /or redistributing work is one of the most important answers to unemployment since growth alone will not put an end to unemployment. Special measures to save employment and/or to create new jobs can be part of the wage and collective agreements. Most important is that agreements on employment are concrete and can be controlled.

2.3 The central orientation and yardstick of trade union wages policy must always at least be the sum of:

- keeping up with the inflation rate and
- an equal share for the workers of productivity improvements

This duty should form the new European coordination regulation for collective bargaining negotiations in the ECF/EFFAT sectors. Only when this objective has been achieved throughout Europe, in accordance with the variously applicable conditions, can wage dumping be eliminated and the further redistribution of income to the detriment of workers be halted. That is why this coordination regulation should become a guiding principle of national and European collective bargaining policy.

The trade unions should retain their full autonomy and responsibility for deciding how to use their distributive discretion for improving wages/salaries and levels of employment, for a reduction in working time or a reorganisation of working procedures, for training and continuation training, special conditions such as early retirement or special measures to protect employment. In doing so we take into account the national particularities and/or different expectations of our members at national level

- 2.4 Alongside the coordination of quantitative aspects of collective bargaining policy, the coordination of qualitative elements for the reinforcement of the economic and social unity of Europe is essential and of fundamental importance.

The strengthening of the innovative forces of Europe will, in the coming years, be one of the most important socio-economic challenges. That is why investment in people (human resources), training, lifelong learning, employability and working conditions is of prime importance. Thus the ECF-IUF/EFFAT demands much more investment in these qualitative elements, in order to enable workers to have the opportunity of a secure job and a professional career.

- 2.5 Alongside the securing of real income levels and employability, all forms of reduction in working time continue to play an important role
- to guarantee and improve employment
  - to make living and working conditions more human and
  - to better reconcile family and career for man and women.

It should be avoided that reductions of working time bring about stress and that working time becomes an object of intra-European competitiveness.

Extensions of working hours should be avoided, weekend working limited, overtime reduced and compensated for through extra time off and/or a financial bonus (to a limited extent).

Reductions of working time should be controlled by works councils and/or trade unions in plants.

The possibility of flexible working time must be introduced through collective agreements.

The number of atypical employment arrangements is increasing. The ECF/EFFAT trade unions are pursuing the aim of limiting them and are for equal treatment regarding labour law and collective agreements compared with normal employment arrangements.

- 2.6 In view of the currently differing standards across Europe the ECF-IUF/EFFAT stands for the gradual and continuous raising of wage levels and working conditions in the European foodstuffs and catering sector to the level of the most progressive countries. That is how we can contribute to the parallel development of all regions in Europe. This is important, because the biggest the social differences in Europe, for instance between North and South or between East and West, the biggest the risks of social dumping.

- 2.7 The ECF-IUF/EFFAT demands the implementation of minimum European standards which can then be improved step-by-step. When laying down these minimum standards the guiding policy must be that the minimum standards achieved by full-time employees should guarantee full participation in the social and cultural life of the country concerned.

As at national level there are also two possibilities to implement minimum social standards at European level:

- a) through European laws
- b) through European framework agreements of the collective bargaining parties.

It is decisive from our point of view to see how we can implement the best regulations. We, as Trade Unions, give the preference to collective bargaining solutions wherever and whenever possible. By coordinating national collective bargaining policies and/or concluding European framework agreements we pursue the objective of laying down minimum standards and then improving them step-by-step. It is not the purpose of European framework agreements to replace national agreements, but to complement them in a sensible way. European framework agreements are a necessary line of protection for national agreements against unlimited cross-border social dumping.

At European level we shall be as much successful as the national trade unions will be strong and successful with their collective bargaining policy. This is why in future as well Trade Unions will keep their national competences and responsibilities.

The new thing is that there also will be a joint European responsibility and policy to guarantee and to maintain the high national standards in future as well thanks to the European minimum standards which by being harmonised from bottom to top, step by step will contribute to reduce the risks of wage and social competitiveness.

2.8 For years we have been observing two evolutions in the collective bargaining business and policy in Europe:

- a) a trend towards stronger decentralisation through a transfer of negotiation competences from trade union confederations to sectoral federations and/or from sectoral level to enterprise and plant level as well as
- b) a trend towards European framework laws and regulations on minimum standards.

Both evolutions are not in contradiction, but they complement each other. It is decisive that the different central and decentralized levels of negotiation be brought together in an intelligent relation so as to achieve the best results for the workers.

Collective bargaining policy in Europe must be elaborated close to the workers, it must be divided into national spheres of influence - enterprise, national, regional - and be coordinated efficiently at European level.

2.9 The prerequisite for a functioning European collective bargaining system is a functioning European system of rights regarding collective bargaining and industrial disputes. This we do not currently have. Social dialogue at European level is an important step in this direction, which must be developed further, but it is by far not enough. What we need is genuine negotiation structures and above all we need the full recognition of transnational law in the EU Treaty, which recognises a European right to freedom of association and autonomous

collective bargaining negotiations and trade union action, including strikes.

- 2.10 Effective collective bargaining policy also requires a strong representation of the interests of the employees at factory and company level. The ECF-IUF/EFFAT therefore stands for a European company constitution which gives workers and their representatives clear rights to information, consultation and codetermination and facilitates an active role for trade unions.

The ECF-IUF/EFFAT will therefore continue to work on the construction of a Europe-wide system of industrial relations in which European Works Councils will play an important part. The ECF-IUF/EFFAT calls for the improvement of the EWC Directive and is working on the extension of the EWC as a strong representative of the interests of employees in transnational concerns. Collective bargaining responsibilities, however, are the main duty of trade unions. Thus collective bargaining contracts must continue to have priority in future, as they lend support to the EWCs in their important work.

- 2.11 Only in a system of European industrial relations, borne by a strong European trade union movement, a coordinated European collective bargaining policy and a European company constitution with employee and trade union codetermination, can the interests of workers be effectively represented

### **3. ECF-IUF/EFFAT Measures on Coordination of Collective Bargaining Policy**

In order to implement coordination the ECF-IUF/EFFAT will take the following initial steps:

- 3.1 As before, we know too little about the applicable sector-specific working and social conditions in the various countries. Thus we must conduct, with increased vigour, a comparison of certain national collective bargaining conditions
- at concern level - in the EWC
  - at industry level - in the ECF/EFFAT sectoral committees

We should identify “best practice” so that member organisations can use this for orientation purposes.

- 3.2 We must build up a system of mutual reporting of collective bargaining results, so that member organisations can keep each other informed about their collective bargaining objectives, concepts, demands and results.
- 3.3 Member organisations within ECF-IUF/EFFAT (including the member organisations in ECE) ought to, while respecting the responsibility of the national organisations in the area of the national collective bargaining, develop a basic consensus on common collective bargaining objectives and demands for the individual sectors. For this purpose more initiatives should be taken with regard to regional and bilateral cooperation in collective

bargaining policy, e.g. through

- Mutual bilateral information
- joint collective bargaining conferences
- mutual participation in collective bargaining committee meetings
- cross-border collective bargaining co-operation.

As a further step, collective bargaining movements could be adapted for content and timing and synchronised.

- 3.4 Due to the partly very different conditions in the very heterogeneous ECF/EFFAT sectors coordination should primarily be conducted at sectoral level – partly also at group level.
- 3.5 The ECF-IUF/EFFAT member organisations support the trade unions in central and Eastern Europe in the establishment of effective collective bargaining structures and the implementation of principles governing the social behaviour of TNCs in these countries.
- 3.6 The ECF-IUF/EFFAT member organisations are examining the possibilities for developing joint European action / campaigns for the implementation of joint trade union objectives and new joint Europe-wide forms of implementation and disputation.
- 3.7 In the case of industrial disputes the ECF/EFFAT trade unions support each other through immediate mutual information and joint solidarity action. In the event of strikes in other countries the member organisations commit themselves to using all means to prevent strikebreaking in their own countries.
- 3.8 The ECF/EFFAT Code of Conduct, as approved by the 3rd Regional Conference, must in any event be adhered to.
- 3.9 A new ECF-IUF/EFFAT collective bargaining policy coordination committee will promote the implementation of these principles and measures and regularly report to the Executive.

*Adopted by the ECF-IUF Executive Committee in Luxembourg, on 8-9 July 1999*