



ETUC Resolution (Defending the autonomy of collective bargaining in Europe)

Adopted at the Executive Committee on 1-2 December 2010

DEFENDING THE AUTONOMY OF COLLECTIVE BARGAINING IN EUROPE

ETUC resolution on common guidelines for the coordination of collective bargaining strategies in 2011.

A year of wage austerity.

1. Over the past year, the economic crisis together with high and rising unemployment has substantially weakened collectively bargained wage dynamics all over Europe. Whereas the deceleration of wage growth remained limited in the Nordic countries, collectively bargained wages fell back to a rate of no more than 1 to 1.5% in Western Europe. Meanwhile, and under joint pressure from the IMF, DGECFIN and the ECB, wages were cut in Ireland, Greece and in certain countries of Central and Eastern Europe (Baltics, Roumania ...), with public sector wages taking particularly vicious blows.
2. The ETUC, when setting out its guidelines for collective bargaining in 2010, anticipated this difficult context by insisting upon the need to avoid a generalization of wage freezes and wage cuts. Instead, collectively bargained wages were to remain in positive territory and collective bargainers were asked to promote and defend good jobs without however seeking to poach jobs from other regions or countries. The broad picture, based on the ETUC's annual report on collective bargaining, is that affiliates broadly respected this framework: With the possible exception of three national level bargaining agreements and two sector level agreements, trade unions did not accept to freeze or to cut wages while agreements to maintain jobs mostly took the form of reducing and redistributing working time.
3. The crisis also reduced the possibilities for affiliates to develop policy initiatives and campaigns that would extend the coverage of collective bargaining and establish minimum wage floors for low paid workers. The 2010 ETUC resolution called for affiliates to do so but reporting on this has been scarce while the actual trend is going in the wrong direction in several countries where coverage rates are falling and minimum wages are stagnating).

The attack on wages and collective bargaining is continuing

4. The proposals on European economic governance now on the table are basically asking workers to save the euro by replacing the former instrument of a devaluation of the national currency with a strategy of devaluation of wages. A 'European law on wage competitiveness', with a complete set of wage indicators, recommendations to cut wages and sanctions decided by minority vote, is in the making.
5. Financial markets' speculation against the periphery's sovereign debt is continuing and this will continue to be the case unless the ECB convincingly signals the markets that it is prepared to take up the role of 'buyer of last resort'. To calm the markets, many governments will continue to resort to desperate attempts of cutting public sector wages and public sector jobs along with social benefits. Meanwhile, even governments even favored by financial markets' favorite use the financial turmoil of the periphery as an excuse to push through similar and, in some cases, even more drastic cuts.
6. Furthermore, the 'period of grace' that the European economy has been enjoying thanks to rising export demand from the rest of the world as well as the extra demand coming from stock rebuilding is coming to an end. This, together with savage fiscal austerity and monetary tightening, will work to produce a renewed economic slowdown. In the absence of a European demand strategy, member states will be even more tempted to go for 'beggar-thy- neighbour' policy, particularly by weakening collective bargaining.

ETUC position and guidelines for 2011

7. The ETUC calls upon affiliates to put central in coming bargaining rounds the key principles of autonomy, coordination and solidarity :
 - a) **Defend the autonomy of social partners to bargain.** The ETUC rejects the false trade - off between 'saving the euro' and 'saving wages'. A strategy of wage devaluation will fail to rebalance the Euro Area. Instead, such a strategy will transform the single currency into a mechanism to boost profits, dividends and bonuses. In this context, the ETUC calls affiliates to strongly insist with their government and in the public debate upon the autonomy of social partners to bargain. It is of the utmost importance to resist a European 'law on competitiveness' which is nothing else but a straightjacket for wages and trade unions. Here, good use needs to be made of the fact that article 153 (ter) of the Lisbon Treaty excludes European competence on wages, whereas the charter on fundamental rights (article 28) secures the right to negotiate, to conclude collective agreements and to undertake collective action.
 - b) **Reject 'beggar thy neighbour' bargaining, in particular wage cuts and wage freezes.** Wage cuts and wage freezes are not acceptable. Trade unions should strive to ensure wage increases that, in any case, maintain the purchasing power of wages of all workers.
 - c) **Put solidarity central.** The ETUC also urges affiliates to go for bargaining in solidarity. Special importance is to be given to arrangements and policies to increase wages at the bottom of the wage scale, to limit precarious work practices in particular fixed term work, to reduce the gender pay gap and to negotiate new jobs and defend existing jobs, the latter however without resorting to measures having the effect of poaching jobs from other countries

and regions. Negotiating margins, resulting from robust trend productivity growth and/or excessively high profit rates, are to be used to this purpose.