

TOWARDS A EUROPEAN SYSTEM OF INDUSTRIAL RELATIONS

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The need for social regulation

1. The European Union can boast significant progress in the last few years. Nonetheless, the Union will not be able to achieve its objectives for employment and social progress unless it moves beyond the single market and EMU to build a real Social Union, as the ETUC demands.

If, in the past, the question of social regulation was posed essentially at national level, the deepening of economic and monetary integration explains more and more each day the need for European social regulation. This regulation must lead to upward harmonisation in working and social conditions in the integrated economic area.

The construction of such a system of industrial relations must be founded on practical needs, national experiences and that of the European Social Dialogue, and complete the content of the Social Policy Agreement now integrated in the Treaty. The sectoral and cross-sectoral levels must be involved in this process, separating the areas and subject for direct negotiations between the social partners from those concerning the exercising and methods of tripartite concertation, which could aim to establish agreement which engaged the contracting parties.

2. The "Community's social acquis" has been mainly based on legislation up to now. More recently, the development of the social dialogue has allowed the social partners to negotiate the first European framework agreements.

For the ETUC, the legislative approach and the negotiating approach are complementary and both are needed in order to develop the social acquis. In fact the two are closely linked, and particularly in the light of the new Treaty, analysis is needed case by case regarding which of the two approaches should be followed. However it, should be underlined, that the ETUC will in the fields of industrial relations whenever appropriate give priority to European framework agreements.

Under present circumstances the European employers' organisation (UNICE) will negotiate only on the basis of a legislative initiative from the Commission.

The Commission must therefore retain a strong political commitment in the social policy field, in order to stimulate the negotiating dimension of the social dialogue.

Strengthening the social dialogue

3. In the framework of European integration, the social dialogue is able to look back over a long tradition. This is particularly true if one considers the

substantial contribution made in the framework of the ECSC Treaty to dealing in a socially acceptable manner with the effects of the fundamental restructuring of the coal and steel industries. With the adoption of the Single European Act encouragement of the social dialogue became an official task of the European Commission and it was already foreseen at the time that this could lead to the development of negotiations at European level. The Social Partners' Agreement of October 1991 led to the Social Policy Agreement and the Maastricht protocol on social policy, which was subsequently incorporated into the Amsterdam Treaty. In this way significant progress was achieved, a notable aspect of which was a strengthening of the role of the social partners in the decision-making process.

4. On the basis of the Social Policy Agreement, the first agreements were reached, on parental leave (1996), part-time work (1997) and fixed-term work (1999). This showed how European framework agreements can contribute to the regulation of the new forms of work and lead to negotiated flexibility and the further development of social rights for workers. The ETUC will evaluate the impact of such agreements on minimum standards and continue to improve the process which gives rise to them.

The protracted structural change in the European economy, and its impact on work organisation require the extension and adaptation of social regulation to all the new forms of work in order to prevent casualisation of the labour market.

The ETUC commits itself, with the support of its affiliated organisations, to put pressure on UNICE to change its attitude which has up to now prevented the full exploitation of the potential of the social dialogue in this area.

5. The sectoral social dialogue has also seen some progress, particularly in the joint committees established by the Commission in certain sectors (agriculture, transport, post and telecommunications) and the informal working groups for other industries. Though the results to date have proved uneven, progress has been made in several areas.

Recently, in line with a long-standing ETUC demand, the Commission decided to generalise the social dialogue to all the sectors, proposing the establishment of a Social Dialogue Committee for each industrial and service sector. In the light of certain difficulties the Commission must assure that arrangements for the good functioning of the new Committees are put in place as soon as possible and with equivalent means to the previous arrangements.

The European industry federations, with the support of the ETUC, must grasp this opportunity to consolidate the social dialogue in the sectors where it exists and to establish it in those sectors where the European employers' organisations have hitherto been opposed.

A procedure is needed to overcome the veto of sectoral dialogue in some industries. The Commission has an important role to play in this respect: for example it should exert pressure on employers to engage in social dialogue

and be prepared, if necessary, to develop concertation with only the trade unions.

6. The cross-sectoral social dialogue and the sectoral social dialogue, while focusing on different areas, are complementary and mutually reinforcing. While the European industry federations retain complete autonomy in the sectoral social dialogue, their integration in the ETUC also gives them a role in the cross-sectoral dialogue for which the Confederation is responsible.

The ETUC also has the task of ensuring, through its statutory bodies, the highest possible degree of coherence of European negotiations.

7. The social dialogue as it has been conducted up to now cannot replace the need in future to have autonomous negotiations by the social partners as a complement to the system of industrial relations foreseen in the Social Policy Agreement. The new context of EMU makes this development even more necessary in order to assure the satisfactory regulation of the labour market and working conditions.

The ETUC calls for the definition of an adequate framework for collective bargaining at European level including, where appropriate, rules for settling disputes and for the full recognition of specific trade union rights in the EU Treaty beginning with the ILO-conventions on freedom of association, collective bargaining, the right to strike, childwork and forced labour.

The ETUC proposes to UNICE and to CEEP, co-signatories of the Agreement of 1991, to open discussions with a view to reaching a new Agreement, defining the scope, content and rules of this European system of industrial relations, which would complement the national systems.

Social dialogue and employment

8. The trade unions, have, time and again in the context of collective bargaining, made real contributions and enlarged their fields of negotiation to the preservation of jobs and the creation of new ones. In addition, there are several instances in the Member States of tripartite negotiations leading to the conclusion of employment pacts, which have made a significant contribution to improving the economic performance of the countries concerned.
9. At European level, the incorporation of the Employment Title into the Amsterdam Treaty, strongly supported by the ETUC, marked a turning point. The "employment policy guidelines" have become an instrument of EU policy.

On the basis of these developments, employment policies have been dealt with in the social dialogue, though without producing especially significant results. In effect, the European employers' (UNICE), who had opposed the introduction of the Employment Title, continue to hold great reservations about the relevance of a European policy for employment.

The European Council of Cologne has now proposed a European Employment Pact, calling for a stronger commitment from the social partners. The ETUC is ready to take part in this initiative, provided that the Employment Pact is of

equal importance to, and signals the same degree of political commitment as, the Stability and Growth Pact, to which, in fact, it should be a counterpart, and that it aims at obtaining high levels of employment and quality jobs. The social partners should be full partners in the Pact which must be characterised by concertation of all the parties concerned. In this process, the social partners should define, through social dialogue, commitments within their fields of competence.

Co-ordinated collective bargaining policy

10. The paramount goal of a co-ordinated collective bargaining policy is to guarantee workers a fair share of income, to promote employment and to improve living and working conditions. Promoting real growth taking into account productivity levels and ensuring that they contribute to real wage increases and social regulation is particularly important to counter the danger of social dumping within the European Monetary Union. In addition, further discussion is required to devise a European solidaristic pay policy intended to counter the growing income inequality that in some countries is quite substantial, thereby contributing to a reduction in disparities in living conditions and to effective implementation of the principle of equal treatment of the sexes.
11. The European co-ordination of collective bargaining needs to be developed where appropriate at sectoral and/or cross-sectoral level. The recent trade union initiatives in the field of cross-border and sectoral collective bargaining (Doorn Group, EMF, EGF, ETUC...) point the way forward and must be extended first to the entire euro zone and to all the countries concerned. Differentiation of co-operation along sectoral lines, on the basis of European rules for co-ordination, to be agreed jointly, will enable account to be taken of specific economic conditions and the different collective bargaining systems. A European collective bargaining policy should also extend to coverage of qualitative aspects. Life-long learning, training and further training, occupational health and safety, equal treatment and working conditions are the most important areas in this respect. In this process the trade unions will retain their autonomy and will be responsible for making use of the available room for manoeuvre, and its optimal distribution among pay, employment, working time, etc.
12. The European industry federations have the primary responsibility for co-ordination in the field of collective bargaining at the European level. It is therefore, in the first instance, up to the respective federations to create the structures and instruments needed to achieve this in an effective way, and in a way adapted to the needs of the sector concerned. Co-ordination has to be developed by means of a bottom-up strategy. As far as reasonably possible, the timing of agreements and bargaining rounds should be synchronised.

The role of the ETUC is to impulse the co-ordination to guarantee the overall coherence of the demands of the European trade union movement and to support in every way possible the European Industry Federation in their initiatives.

13. The ETUC and its institutes need also to support in every way possible the European Industry Federations in their initiatives and to help with the

compilation and dissemination of information and statistics. A flow of targeted information and improved collective bargaining transparency are the prerequisites for reaching agreement on the areas to be covered by European co-ordinated bargaining. There is a need to develop a common understanding of central collective bargaining concepts such as compensation for inflation, labour productivity and productivity gains. The ETUI has a priority task to perform in this respect, and must therefore draw on the practical experience of trade unions in collective bargaining and refocus its activities in the fields of gathering and diffusing basic economic information, timely and up-to-date information on national developments as well as analysis of collective bargaining trends. Trade union training and well researched, user-friendly training material has an important role to play, and ETUCO/AFETT will equally have to reorient their activity in view of the ETUC's objectives for the co-ordination of collective bargaining.

European works councils (EWCs)

14. European Works Councils are a core feature of the Europeanisation of industrial relations. The forthcoming revision of the EWC Directive must reinforce information and consultation, ensuring that workers' representatives and their trade unions receive full information in good time and in advance of decisions taken, and the introduction of effective sanctions in the case of infringement of agreements by the company. The possibilities for EWCs to function properly should be strengthened. Their scope should be extended to include worker's representatives from applicant countries to the Union.

Up to now, only a third of the potential number of EWCs has been established. A major effort must be made to secure their generalisation among the multinational companies concerned.

A further task, meanwhile, is to support the work of the EWCs already in existence. These bodies need the professional advice and training supplied by the trade unions if they are to fulfil the hopes placed in them. The European industry federations and the ETUC – including its institutes – have an important responsibility to ensure that EWCs lead an active existence and display their vitality.

15. Trade unions and industry federations must develop a policy for the long-term functioning and goals of EWCs. European Works Councils will in future be able to make an important contribution to furthering the sectoral social dialogue. In particular in areas of qualitative significance, such as occupational health and safety, equal treatment and increased opportunities for women, the valorisation of women's work, training and further training or environmental protection in the workplace, it is quite feasible to imagine innovative company-level agreements which could provide examples for the sectoral dialogue. Any agreements between EWCs and employers must however take into account existing regulations and collective agreements.

Any trends towards the creation of "company unions" can be effectively countered only by proactive support of trade unions at national and European level and by the creation of sectoral bargaining structures. Collective bargaining policy here remains the responsibility of the trade unions. In the

final analysis, the dialogue with employers' federations at sectoral level can also be promoted and improved by the extension of the social dialogue between management, European works councils and trade unions.

Europeanisation of the trade unions

16. In the final analysis, the Europeanisation of industrial relations requires a Europeanisation of the trade unions. In the course of its – admittedly short – history, the ETUC can undoubtedly boast considerable progress in building up the European trade union movement. But, under the conditions of the internal market and the introduction of monetary union, there is an urgent need for new impetus. Only in a European industrial relations system, supported by a strong and independent trade union movement, can the social interests of workers of both sexes be defended effectively. This requires not only a collective bargaining policy co-ordinated at European level but also the modernisation and consolidation of national trade union structures. Positive trade union structural reforms have already been embarked on in several countries and these are a promising indication of such a process of renewal, which will in turn have repercussions on the European trade union organisations. The need for an exchange of relevant experience and stronger co-ordination is beyond question. Modernised trade unions at national level, which are open to new groups of workers and able to adjust to the new labour market realities, are a fundamental prerequisite for a Europeanisation of industrial relations.
17. Europeanisation of the trade unions means both such steps as the cross-border recognition of trade union membership and the mutual provision of trade union protection and services. Some trade unions have already gone ahead with initiatives in this respect, thereby also responding to a genuine need arising from cross-border labour mobility.

The adoption by the ETUC's affiliates of a Charter for mutual recognition of trade union protection across borders for all working people, independently of their national affiliation, could signal the right direction for developing a European trade union awareness and allow a stronger rank-and-file identification with the ETUC as the representative of all of Europe's trade unions and workers.

The 9th Congress commits the ETUC to:

- ◆ *Continue to press for social regulation and for upwards harmonisation of working and living conditions at the European level, by supporting affiliated organisations in their national collective bargaining, and taking full advantage of the complementary European social dialogue and through European Framework Agreements;*
- ◆ *Insist that the Commission lives up to its responsibility to initiate legislation in social policy matters;*
- ◆ *Regularly assess the implementation of framework agreements, in particular regarding their impact on the improvement in working conditions at all levels and in all sectors;*

- ◆ *Support the European Industry Federations in generalising the social dialogue in all private and public sector activities and support the continuation and consolidation of the social dialogue within sectors, that before 01/01/1999, had well-established Committees;*
- ◆ *Propose to the European employers' organisations, UNICE and CEEP, a new Agreement of the social partners to set the framework for autonomous negotiations at European level, thus developing a European system of industrial relations based on the independence of the social partners;*
- ◆ *Press for the recognition by the EU of basic trade union rights and for the establishment of a legal framework for industrial relations at European level;*
- ◆ *Work for the conclusion of a European Employment Pact involving all the relevant actors and based on real social concertation;*
- ◆ *Promote a strategy for co-ordinated European collective bargaining at sectoral and cross sectoral level, and secure a consistent approach via co-ordination within the ETUC;*
- ◆ *Establish the tools and procedures needed for such co-ordination, including the creation of a Committee for the co-ordination of collective bargaining policies and through reordering the work of the secretariat and refocusing the activities of the ETUI and ETUCO in their respective fields of research and training;*
- ◆ *Exert pressure on employers in the public sector, in particular in the municipal and state sectors for the generalisation of the social dialogue in these sectors and to ensure that UE regulations and agreements should cover public sectors workers without discrimination;*
- ◆ *Support the European industry federations in generalising European Works Councils to cover all the relevant companies, and in supporting the work of existing EWCs;*
- ◆ *Prepare to establish a Charter of mutual recognition of trade union membership among the affiliates of the ETUC.*