

TRENDS IN THE COORDINATION OF COLLECTIVE BARGAINING IN EUROPE

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Introduction

This report consists of two papers concerned with trade union strategies to coordinate collective bargaining in Europe. It provides insight into the new and varying approaches adopted by European trade unions, at differing levels and in different places, in relation to the spread of supra-national wage norms.

The first part is an article by Anne Dufresne (OSE)¹ describing the coordination strategies carried out by the European Trade Union Confederation (ETUC), the European industry federations (EIFs) or by national trade unions acting on their own initiative at a transnational level. This article seeks, accordingly, to analyse the interrelationship between the different processes and questions posed in terms of both the structure and the content of collective bargaining. One central question emerges from the article: to what extent do the debates conducted within these different trade union “forums” prompt a redefinition of the wage question? And in what direction?

The second part offers an example of a single practical instance of collective bargaining coordination. It consists in substantial extracts from the annual report on coordination of collective bargaining at the ETUC, prepared by Emmanuel Mermet (ETUI)². Based on questionnaires sent to ETUC-affiliated unions and on a comparison of the figures supplied by the national trade unions and the European Commission, this part illustrates the “method”, in other words, the difficulties of coordination in practice, with its moments of progress and its limits in terms of exchange of information.

It seemed to us useful, in the current period of apprenticeship³ of trade union coordination, to bring together these two papers. The specific example of exchange of information in the ETUC may be seen to cast some helpful light upon the analysis, contained in the first half, of the progress achieved by the various processes.

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April 2002, Brussels

¹ Entitled “Les stratégies de coordination des négociations collectives en Europe : des initiatives en cours”. This article will also be published in Philippe Pochet, *La politique salariale dans la zone euro*, PIE Peter Lang, 2002.

² Entitled “Annual report on coordination of collective bargaining in Europe 2001”, prepared for the Collective bargaining coordination committee and adopted by the ETUC Executive Committee on 14 December 2001.

³ On this process of apprenticeship, see Judith Kirton-Darling, *Learning to europeanise – the coordination of trade union wage bargaining strategies*, 2002.

Part one: wage co-ordination in Europe: roots and routes

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In view of the deep-seated crisis affecting the existing social model – weakening of trade unionism, decentralisation and challenges to the parity principle – we shall attempt in this article to examine the hypothesis that “the present situation is characterised less by deregulation than by a proliferation of regulatory forums and a transformation in the content of regulation, and that this change lies behind a new paradigm of industrial relations” (Jobert, 2000). In other words, where do Europe’s trade union actors currently stand given the growing economic integration within the European Union (EU), culminating in the physical advent of the euro? To what extent is collective bargaining (claims, methods and outcomes) taking on a transnational and/or Community dimension in the fifteen EU countries (as well as Norway and now the candidate countries)?

While the European Trade Union Confederation (ETUC) has supported Economic and Monetary Union (EMU) since the very outset, as a strategic medium and long-term objective, it now has to face the social – and in particular wage-related – consequences. The wage share has been declining in all Member States for some years, and in response, various initiatives have been launched to coordinate collective bargaining. A number of trade union initiatives are currently in the pipeline, albeit at different stages of development, following the pioneering work done by the EMF (European Metalworkers’ Federation) (Schulten and Bispinck, 2001). It is interesting to trace these processes back to their roots and speculate as to their future dynamic. The new multicultural forums set up within this inter-union co-operation represent a useful means of debating wage policies.

In our first section we shall examine in detail the evolution of each of these co-ordination strategies, beginning in each instance with their cross-border dimension and opting for a bottom-up approach. Thus, for the cross-industry level, only after looking at the experience of the four-country Doorn group shall we move on to the ETUC Co-ordination Committee; while for the sectoral level, we shall consider regional cross-border co-operation (and in particular the IG Metall districts) before turning our attention to the many processes underway in the European industry federations (EIFs). In order to focus more specifically on these co-ordination processes, we shall gloss over related issues, however crucial they may be to wage policy, such as the position of employers’ associations, European Works Councils and the evolution of social dialogue. Moreover, although the interplay between the cross-industry, sectoral and company levels is increasingly important, we shall confine ourselves to the first two levels, focusing throughout on two sectors: textiles and construction⁴.

⁴ This article is based on a research project conducted over the past two years for the French Ministry of Employment and Solidarity, which entailed interviewing a number of national trade unionists about their perceptions of Community affairs (cf. list of interviewees). It also makes reference to co-ordination committees of the ETUC and the European industry federations (EIFs) studied.

Section two will explore the interrelation between all four processes and the issues raised in terms of both the structure and content of collective bargaining. We shall endeavour to explore the institutional architecture taking shape in terms of its two intersecting axes: cross-industry/sectoral (which raises the question of trade union mergers) and national/European (which raises questions on the role of the transnational level). Concerning changes in the content of regulation, we shall analyse to what extent debates within European trade union initiatives prompt a redefinition of wage policy *per se*. As we shall see, whereas wage policy is “extending” into “qualitative aspects” (working time and training), it is at the same time being “diluted” by discussion on “new forms of income”.

I. Evolution of four wage co-ordination processes

The adoption of the Maastricht Treaty and the decision to create Economic and Monetary Union (EMU) in the early 1990s provided the impetus for a number of trade union initiatives to co-ordinate collective bargaining. In 1993 when the European Metalworkers’ Federation (EMF) produced its first “statement of principle on the co-ordination of collective bargaining” (EMF, 1993), the ETUC explained that “the internationalisation of the economy coupled with European Economic and Monetary Union (...) will bring changes to the national and European roles and responsibilities of the social partners ” (ETUC, 1993 quoted in Mermet and Hoffmann, 2001: 38). In 1999, the arrival of the euro and the subsequent loss of exchange rates stepped up the pressure on wages and prompted the trade unions to turn their concerns into a basis for future co-operation on bargaining policy. “The European co-ordination of collective bargaining needs to be developed where appropriate at sectoral and/or cross-sectoral level” (ETUC, 1999a: 5).

A. Cross-industry level

Although the two processes (Doorn and ETUC) are intricately linked – be it through their members or their content – we shall broach them here in parallel, so as to describe in detail their respective dynamics. We shall begin with the cross-border co-operation initiative on collective bargaining policy known as the “Doorn regional initiative”, which was the trail-blazer in this field and, by contributing to trade union debate at European level, spurred the ETUC to strengthen its own goals.

1. The Doorn regional initiative

Ever since the Belgian government adopted its “law on competitiveness” in 1996, the CSC and FGTB unions have been obliged to systematically compare their own wage performance with that of their three main trading partners (Germany, France and the Netherlands). Therefore, in June 1997, these two Belgian confederations took the initiative of bringing together their German, French and Dutch counterparts, along with their main sectoral unions⁵, in **La Roche** (Belgium). The participants agreed to meet annually and to establish a contact group. In 1998, the original participants, joined in the meantime by Luxembourg’s unions, met for the second time in **Doorn** (the Netherlands). This meeting attracted a good deal of media attention and the initiative was labelled the “Doorn Group”. (For further details about the first meeting, cf. Delcroix, 1999).

⁵ Metalworking, chemicals, construction, textiles, private and public services.

Composition of the Doorn group

The Doorn Group comprises some 50 representatives of the main sectoral trade unions and national confederations from the four countries represented:

- The Fédération Générale du Travail de Belgique (FGTB) / Algemeen Belgisch Vakverbond (ABVV) and the Confédération des Syndicats Chrétiens (CSC) / Algemeen Christelijk Vakverbond (ACV);
- The German Trade Union Confederation (Deutscher Gewerkschaftsbund, DGB) and the German white-collar union (Deutsche Angestellten-Gewerkschaft, DAG);
- The Confédération Générale du Travail du Luxembourg, (CGT-L) and the Luxembourg Confederation of Christian Trade Unions (Lëtzebuerger Chrëschtliche Gewerkschafts-Bond, LCGB); and
- The National Christian Federation (Christelijk Nationaal Vakverbond, CNV), the Netherlands Trade Union Federation (Federatie Nederlandse Vakbeweging, FNV) and the Dutch white-collar union (Middelbaar en Hoger Personeel, MHP).

In addition, representatives of the ETUC, the European Trade Union Institute (ETUI) and the Commission are invited to attend as observers.

Largely thanks to the Doorn Declaration adopted on 5 September 1998, what began as an initial exchange of views among various trade union leaders in the Belgian Ardennes was subsequently transformed into a group of experts holding exchanges of information and taking decisions on a regular basis. For the first time ever, confederations from different EU countries devised joint wage strategies (Kreimer de Fries, 1999). The point of departure for their analysis was that “the rise in labour productivity has been to the unilateral benefit of capital. Employees’ share of the national income (the wage share) has gone down” (Doorn Initiative, 1998). Thus, in order to thwart this fundamental drift towards competition between national collective bargaining systems in Europe (Schulten, 2001), they call for a “change of trend, to the benefit of workers” by “back(ing) up their demands beyond national frontiers”.

a. Wage increases

The Benelux and German trade unions therefore agreed on a co-ordination strategy designed to “prevent a bidding down of collectively bargained incomes between the participating countries, as sought by the employers”. The first point in the Declaration naturally relates to wage increases: the unions undertake to base their claims on a negotiating margin corresponding to the sum total of inflation (which may be calculated according to different methods) and the increase in productivity. In other words, they pledge to fully exhaust the neutral distribution margin. Following this undertaking, the annual conferences held in 1999, 2000 and 2001⁶ were opportunities to submit national outcomes in terms of wage increases to objective appraisal.

The third meeting, held in **Haltern** (Germany) in 1999, expressed satisfaction concerning the “effective co-operation” which had ensured that the targets set (around 3%) had been met in all participating countries. Although the press release stated that co-operation had “borne fruit” and

⁶ All quotations from the Doorn Group derive from press releases issued after each meeting between 1999 and 2001.

that “competition on wage costs has been avoided”, one cannot help thinking that this was a matter of chance rather than due to the emergence of any real common list of demands? While, for the time being, one may doubt the true effectiveness of co-ordinating data, the undoubted advantage of this venture is to foster a debate about different national methods of presenting wage claims. An opportunity has been provided, in particular, to examine the see-saw strategy deployed in Germany (where wage restraint is often followed by a surge in claims before returning to modest demands). IG Metall’s U-turn, from demands in excess of 5.5% to increases of just 3% in 1999, raised eyebrows in other countries over the internal logic of negotiations in Germany and the possibility of copying this model. Similarly, the Dutch participants consulted the monitoring group on the relevance of the criteria adopted (inflation plus productivity) and called for them to be clarified. They also laid down a norm on maximum wage increases (4%) at national level, as a means of tackling wage policy within the context of almost full employment (Pochet, 1999: 19-20).

Then, in 2000, the Doorn Group somewhat ran out of steam at its fourth meeting held in **Luxembourg**. With no really new proposals on the table, the trade union delegates from all four countries made their usual presentations about collective bargaining in their respective countries and once again welcomed the fact that “the alignment of bargaining policy ... is proving its worth”. Again, only the German unions’ wage strategy needed to be spelled out plainly, since some felt that it did not comply with the principles jointly agreed. In 2001, in **Houffalize** (Belgium), apart from abiding by the basic goal – to avoid competitive wage dumping – the unions also undertook this time to oppose all forms of indirect wage competition, coming out emphatically against integrating reductions in taxes or social security contributions into their negotiating margins. It might be considered that this demand was going beyond their 1998 Declaration when, surprisingly, their recommendation was to “modify the European tax system in order to reduce the burden on wage-earners”?

Finally, at each of these encounters the participants stressed the fact that “co-ordination must be pursued and co-operation strengthened”. We shall now see how co-ordination has progressively been extended from wages as such to “qualitative aspects” of collective bargaining. “Qualitative aspects” is a neologism which I would define (in Community jargon) as social rights whose funding can be quantified and can often be implicitly integrated into a “wage norm”.

b. Qualitative aspects

The 1998 Doorn Declaration stated that “the participating trade unions aim to achieve both the strengthening of mass purchasing power and employment-creating measures (*e.g.* shorter work times)”. A regular inter-union exchange of information was also scheduled on the development of policy on working conditions so as “to avoid undesirable forms of work flexibilisation”. Similarly, the second pillar of the Declaration dealt with employment, training and the working environment. However it was not until 2000 that there was any discussion of moving into a second phase aiming, over and above purely wage issues, at “reaching agreements on the promotion of qualitative elements (working time, training, etc.)”. In 2001 a new momentum was found and the organisations concerned firmed up this latent desire, by pledging to “extend their co-operation to qualitative aspects of collective bargaining”. They opted to make lifelong learning into a common negotiating topic and to assess the results achieved at their next meeting, in 2002. Training must, in their opinion, become a right for all workers, and “employers’ efforts in this area must be not only verifiable but also regarded as an investment”. The technical group was also charged with investigating working time, in order that a common policy may be devised in this area at a later stage. Will the Doorn Group be the driving force – as it was on wage

policy – behind the practical implementation of social rights and/or qualitative aspects, an avowed priority of the ETUC for the coming years (see below)?

The ETUC has been on board since the first Doorn meeting, and has actively broadened out the debate. At the time, Emilio Gabaglio, Secretary General of the ETUC, was in favour of such multilateral initiatives among trade unions, as they could help improve internal discussion within the ETUC. Therefore in 7-8 September 1998, he held a seminar on collective bargaining with the EIFs which reached the following conclusion: “EMU and the use of the euro makes effective co-ordination of national collective bargaining ... more imperative than ever” (quoted in Marginson and Schulten, 1999). Thus another process began in parallel with that of Doorn.

2. The European Trade Union Confederation

Even in the early 1990s, the ETUC’s former industrial relations committee and seminars held with the EIFs recognised the need for a co-ordination strategy. Some working documents (ETUC, 1993 and 1996) had even been drafted with the aim of laying down guidelines for negotiations. But it was not until its 9th Congress in Helsinki (28 June-2 July 1999), entitled “Towards a European system of industrial relations”, that the ETUC adopted a resolution (ETUC, 1999a) proposing the establishment of a Collective Bargaining Co-ordinating Committee (CBC). The Committee was formed in September of that same year and has met twice a year in Brussels since then. It consists, in principle, of 42 full members, including one representative per Member State and per EEA/EFTA State⁷ (*i.e.* 20), 4 representatives for the candidate countries, one per EIF (*i.e.* 14 in 1999 as opposed to 10 at present, owing to mergers), plus one representative for each horizontal committee (*e.g.* youth and women’s committees). Interestingly, an additional seminar is held each summer in Portugal, away from the atmosphere of Brussels. Here, representatives of the same organisations – although not always the same individuals – meet to take stock of co-ordination efforts and to explore fresh ideas.

The first meeting of the CBC, in November 1999, focused more on the structure of co-ordination than its content. The question arose as to what type of members should be designated (national negotiators or trade union experts), since this would have a direct impact on how political a role the Committee itself would have. This body does ultimately have a major role, since the ETUC takes note of the work it does, by signing a “resolution on co-ordination” once a year at its December Executive Committee meeting.

In order to help us decipher the strategic development of the co-ordination of collective bargaining, we shall compare the texts of the two resolutions issued so far, in 2000 and 2001, considering them in the light of the document establishing the CBC in 1999 (ETUC, 1999b). We shall outline the general causes and goals of co-ordination, before turning to the guideline and the qualitative aspects proposed by the ETUC.

⁷ The trade unions represented are as follows: Austria: ÖGB, GdG; Belgium: FGTB-ABVV and CSC-ACV; Denmark: LO, FTF; Germany: DGB; Greece: INE/GSEE-ADEDY; France: CGT, CFDT; Finland: SAK; Ireland: ITUC; Italy: CGIL and IRES; Luxembourg: CGT-L and LCGB; Netherlands: FNV; Norway: LO-N; Portugal: UGT-P; Spain: UGT-E and CC.OO; Sweden: LO-S and Kommunal (local gov.); United Kingdom: TUC. The different unions in a given country may participate on a rotating basis.

a. Social risks of EMU behind the goals of co-ordination

As at Doorn, the principal reason for embarking on this wage co-ordination in 1999 lay in the need to “prevent the risks of social dumping”, *i.e.* to reject the notion that wages could serve as an adjustment variable within EMU. This goal remained central throughout 2000 and 2001, in order “to avoid social and wage dumping and wage divergence in Europe, as this could lead to a deterioration of the social climate and could delay the social convergence of the Member States”. On this point, whereas in 2000 reference was made to “an upward convergence of living standards”, the aim in 2001 was “the harmonisation of living and working conditions ... through upwards convergence”.

Moreover, while initially the need for convergence was focused “particularly in the single currency area where pay is now easily comparable”, in 2001 it was also sought in the candidate countries.

The ETUC have identified a second, more macro-economic risk in that global demand may fall below potential demand, with an adverse effect on growth and employment. The proposed remedy has been to reverse the declining trend in the wage share over the past few years to “contribute to a policy of growth and employment”. In pursuit of this goal, the ETUC actively contributes to the European Employment Strategy (EES)⁸ and in particular to the macro-economic dialogue. This contribution must “take into consideration other macro-economic elements and the broader context of collective bargaining”, but how has this goal developed over time?

In 1999, co-ordination served to facilitate “joint proposals on collective bargaining policy with a view to the macro-economic dialogue”. In December 2000 it was stated that the coordination norm should “have a general indicator on wage bargaining which comes from trade unions at the European level in order to respond to the existing guidelines coming from the Commission (Broad Economic Policy Guidelines) and the ECB”. Then, as a result of the bilateral ECB-ETUC meeting held, in February 2001, the CBC began to focus specifically on its input into the macro-economic dialogue. Then, in the course of 2001, this goal suddenly disappeared without trace. Perhaps the explanation lies in the Commission’s increased participation in CBC meetings after February 2001. Generally, the meetings have not generated much interest in establishing a joint strategy vis-à-vis the Bank and the Commission, but have tended to concentrate for the time being on debating the norm itself.

b. Elaboration of the guideline

The CBC engaged in an extensive debate with a view to drawing up a “guideline” to effect co-ordination. This term was deliberately left vague so as to avoid referring to a wage norm and making the approach appear too binding. Indeed, before the first resolution was adopted in 2000, certain national organisations considered the project too ambitious. They amended the document, insisting on the need to develop co-ordination step by step and not to impose a norm that sought to influence national trade union priorities. It is interesting to trace this process back to its origins and observe the transition of the norm from a theoretical, macro-economic idea before it entered into use, to the need to redefine it once it became operational. The principle originally put forward by the ETUC was “softened” after encountering the different national trade union environments (Mermet, 2000a).

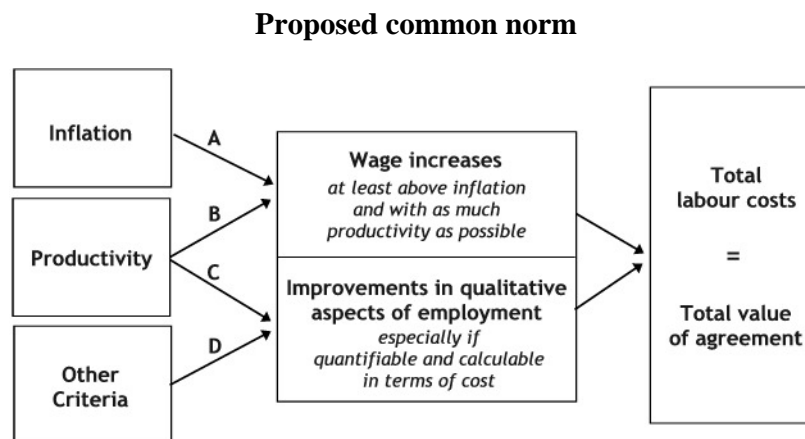
⁸ More precisely, the Luxembourg process (now entitled European Employment Strategy) fosters “implementation of the co-ordinated strategy for employment so as to boost the effectiveness of labour markets” thanks to the guidelines, while the Cardiff process consists of “in-depth structural reforms so as to improve the innovative capacity and effectiveness of goods, service and capital markets”.

As the first annual report appended to the 2000 resolution pointed out, “in pure economic theory, total wage costs should increase in proportion to the sum of inflation (to safeguard the purchasing power of workers) and labour productivity (to guarantee that they are paid for increasing their production)”. The accompanying resolution (ETUC, 2000) contained a flexible formula encompassing “if necessary, other quantifiable determinants”, beyond the two basic factors (Mermet, 2000), thus national economic situations were taken into account. Let us describe the guarantees provided by the norm in 2000 and their national evaluations for 2001. The first prerequisite laid down by the guideline was “nominal wage increases should at least exceed inflation rates”. How do things stand now? According to the 2001 resolution, “from a global, macro-economic, perspective wages are increasing above inflation in almost all countries”. As for the second prerequisite, that of constant purchasing power, the original guideline also sought to “maximise the proportion of productivity allocated to the rise in gross wages [arrow B in the diagram below] in order to secure a better balance between profits and wages”.

c. Utilisation of the margin: from quantity to quality

The guideline, it should be noted, clearly distinguishes between this prerequisite and the others, whereby “any **remaining part** of productivity should be used for other aspects in the collective agreements, such as qualitative aspects of work” (arrow C). Thus these other aspects are only included on condition of a basic redistribution to the advantage of the wage share.

In its 2001 resolution, however, the ETUC merged these two prerequisites and thus implicitly accepted the “political trade-off” between wage restraint and social rights (in other words, it no longer insists on maximising B). Consequently, the sum total of the guideline (inflation + productivity + other criteria) is applied *both* to wage increases *and* to improvements in qualitative aspects of employment (especially those aspects that can be quantified and push up companies’ costs). These two components are known as the “total value of the agreement”, *i.e.* the total cost of wage increases and improvements in qualitative elements of the agreement.



Source: Mermet, 2000b.

Growth of the wage share as such is no longer the main concern, the quantification of qualitative aspects and whether they compensate for lower wage increases has taken centre stage. For the time being, “for countries lying below the guideline, the available data do not enable us to detect whether the qualitative aspects compensate for an increase in real wages which lags behind productivity gains” (Mermet, 2001). The ETUC expects to shed light on this matter as time goes

by, believing that answers may be found “once the guideline has been in application for a while”. This provides the justification given by the ETUC for reinforcing qualitative aspects in the guideline.

d. Qualitative aspects

It was highlighted at the Helsinki Congress in 1999 that “a European collective bargaining policy should also extend to coverage of qualitative aspects” (ETUC, 1999a). Interest in this area has consistently grown since then. It is noteworthy that, qualitative aspects have gradually come to the fore within the ETUC according to the same timetable as in the Doorn Group. In 2000, the ETUC briefly voiced its wish to incorporate two aspects into collective bargaining: training and gender equality, both “major elements” of collective bargaining. This was further developed in 2001. The first theme, training, was chosen with reference to the new Lisbon strategy, which is focused on “challenges in terms of new technologies and the knowledge society”. This is regarded in the first instance as “an investment in the quality of employment”, the aim here being to develop “the right for all workers to have access to **training** and life-long learning”. This right is qualified in two respects: it should be “integrated into collective agreements” but also targeted “in particular (at) women and low-paid workers”. The ETUC is also continuing to debate with the employers at European level “the possibility of concluding a European framework agreement on training and life-long learning and skills development”.

As concerns the second qualitative aspect, in 2000 the co-ordination process turned its focus on “combating low pay and **securing equal pay** between men and women for equal work and work of equal value”. This theme was specifically chosen as a result of the ETUC campaign on the subject, and a day was devoted to it at the annual ETUC-EIF meeting in August 2001. That same year, to encourage affiliate organisations “to be more effective on the issue of redistribution”, the ETUC invited them to “adopt in 2002 a multi-annual work programme setting out key objectives for collective bargaining initiatives aimed at reducing the pay gap between women and men ... and include a quantifiable objective regarding a reduction, in stages, in the number of low paid workers”. We would point out that the Scandinavian trade unions do not accept that equal treatment is a qualitative aspect, regarding it as a fully-fledged right which must not be offset by lower wage increases. On this point, a distinction must be drawn here between incorporating qualitative aspects into the wage norm, and the parallel co-ordination processes which the ETUC intends to establish when laying down annual minimum standards. These initiatives would cover working time (with 1750 annual hours as the criterion), pensions, equality and training.

While it is important to describe the processes underway at cross-industry level, in order to assess how much importance the ETUC attaches to co-ordination and to investigate the issues being debated between national confederations, the significance of the sectoral level in attempts to achieve European co-ordination is altogether different. The sector is the most widely used bargaining level in the EU Member States.

B. The sectoral level

It is the ability to “define a homogeneous area of interest” that provides the advantage of action at sectoral level by “giving concrete form to general cross-industry discussions in applying them to the reality of each sector” (Interview Delarue, 2000). At this level, as at cross-industry level, the Europeanisation of collective bargaining takes two forms. Here too, trade union initiatives may be either cross-border ones (between unions themselves) or Community ones within European industry federations (EIFs).

1. Regional sectoral cross-border initiatives

We shall turn now to sectoral transnational co-operation involving three or four countries (the sectoral equivalent of the cross-industry Doorn Group). In this case it is the unions themselves which have intensified their co-operation, with greater or lesser involvement from the EIF representing them. The problem of sub-groups of countries, mentioned in conjunction with Doorn, crops up here too. Indeed, according to the former Secretary General of the EIF for construction, Jan Cremers, “given the difficulty of harmonising wages in all fifteen countries, Europe today is in reality a Europe of regions” (Interview Cremers, 2001).

Speaking of a Europe of regions, it has so far been the case that regional collective bargaining co-operation agreements have mainly originated in Germany, which has no fewer than eleven borders with neighbouring States. Although it is not surprising that Germany’s trade unions lie behind these various initiatives, questions about that country’s leadership of European trade unionism do arise. Its role could be taken amiss by other European countries which, fearing German domination, may give only token acceptance of the co-ordination documents adopted, judging them in reality to be inappropriate.

IG Metall, Germany’s leading trade union, was the first to invite representatives of foreign unions to attend its collective negotiations, as part of the EMF’s co-ordinated approach (see above). Given that bargaining takes place at both regional and sectoral level in Germany, the co-ordination strategy pursued was naturally a regional networking of sectoral players. The networks already in existence or in the pipeline are shown in the table below.

Table 1: Cross-border collective bargaining networks

IG Metall District	Partner unions
Berlin (Brandenburg-Saxony)	NSZZ Solidarnosc (Poland) KOWO (Czech Republic)
Düsseldorf (North Rhine-Westphalia)	FNV Bondgenoten (Netherlands) CNV Bedrijven Bond (Netherlands) CCMB (Belgium) CMB (Belgium)
Hamburg (coastal district)	CO-Industrie (Denmark) Svenska Metall (Sweden)
Munich (Bavaria)	GMBE (Austria) SKEI (Slovenia) KOWO (Slovak Republic) KOVO (Czech Republic) VASAS (Hungary)
Stuttgart (Baden-Württemberg)	FIOM-CGIL (Italy) SMUV (Switzerland)
<i>In the pipeline:</i>	
Frankfurt (Hessen, Rhineland-Palatinate, Sarre)	CFGT (France) CGT (France) FO (France)
Hanover (Lower Saxony, Saxony-Anhalt)	AEEU (United Kingdom)

Source: Gollbach and Schulten, 2000.

In the case of Belgium and the Netherlands, one representative per country attends negotiations with the employers in the North Rhine-Westphalia region; their German counterparts are invited to monitor negotiations in these two countries.

A number of other agreements, also originating in Germany⁹, have been signed in other sectors since 1997. In the **chemicals** sector, agreements were reached in March 1997 between the German union IG Chemie-Papier-Keramik (IG-CPK) and the British General, Municipal and Boilermakers (GMB), as well as in April 1999 between IG Bergbau-Chemie-Energie (IG-BCE) and the French federation Chimie-Energie-CFDT. Similarly, German and Austrian unions in the **hotel/restaurant/café** sector signed a co-operation agreement in August 2000. All these ventures set mutual recognition of trade union membership as a minimum standard. In the **construction** sector, IG Bauen-Agrar-Umwelt (IG-BAU) has also signed several agreements, with Italy (March 1998), Switzerland and Austria (March 1999) and Poland (October 1999); furthermore, Germany, the Netherlands and Belgium are planning closer co-operation (June 2000). Under this last agreement a general ten-point declaration links the five national trade unions in these three countries. The idea is to make this declaration “as concrete as possible, so that it might lead to a declaration of solidarity when a strike is held” (Interview Van Haaster, 2001). Enthusiastically, this Dutch union representative went so far as to imagine that “ultimately trade unions will negotiate a single collective agreement because of their very strong historical trade union links”. In this instance, the trilateral sectoral agreement was brought about in association with the EIF in this sector (EFBWW), the idea being to progress towards Europeanisation involving all fifteen countries. Could this put negotiations at risk of regional fragmentation?

Even though “co-operation” does not mean the same in every instance, the common denominator of all these agreements is the exchange of observers during negotiations, complemented by exchanges of information (Gollbach, 2001). For the time being, the themes addressed in this context relate to working conditions: leave and working time in particular. These cannot correctly be dubbed “qualitative aspects”, since they in no way form part of a wage norm. Therefore, all these initiatives are much less ambitious than Doorn (in principle they do not affect collective bargaining), but they do have the merit of leading to concrete action. For example, giving foreign workers the right to assistance through mutual trade union recognition is an important step towards national organisations internalising the European dimension of industrial relations (Delbar and Walthéry, 2000).

A whole series of questions arise here: for instance, how can such a tangible form of co-operation be extended to other sectors? What are the necessary conditions for the emergence of such agreements, and can such agreements be signed between organisations of unequal membership strengths? Can the EIF in a sector serve as an intermediary in cross-border co-operation while at the same time pursuing its specific policies at Community level?

2. The European industry federations

In addition to bi- and multilateral cross-border initiatives, there are also sectoral initiatives at Community level. The growing number of inter-union mergers has altered the current sectoral landscape at Community (and indeed national) level. Many European industry federations (EIFs) have joined forces, beginning in 1996 with the chemicals and mining sectors. Then, in 1999, the

⁹ We would draw attention to two exceptions, both of which are moreover characterised by co-operation on an equal footing: a “southern trilateral” (France, Spain and Italy) was formed in the chemicals sector some years ago. A bilateral alliance has likewise been formed by Sweden and Denmark in the metalworking sector. The protagonists here are not in fact regions, but countries.

private services grouped together in the giant Uni-Europa, encompassing banking/insurance, commerce, cleaning, post, private security, personal services, telecommunications and graphics. Next came the turn of agriculture, food and tourism. As a result of these concentrations, there are now only eleven European industry federations, and further mergers cannot be ruled out in future.

The eleven European industry federations

EEA	European Entertainment Alliance
EFBWW	European Federation of Building and Woodworkers
EFFAT	European Federation of Food, Agriculture and Tourism Trade Unions
EFJ	European Federation of Journalists
EMCEF	European Mine, Chemical and Energy Workers' Federation
EMF	European Metalworkers' Federation
EPSU	European Federation of Public Service Unions
ETF	European Transport Workers' Federation
ETUCE	European Trade Union Committee for Education
ETUF-TCL	European Trade Union Federation – Textiles Clothing and Leather
UNI-EUROPA	Union Network International

From the early 1990s onwards, following the pioneering initiative of the EMF, increased efforts were made by other EIFs to set up structures for co-ordinated collective bargaining within sectors. What is more, in 1999, in Helsinki, the ETUC exhorted them to do so, calling on them to “achieve this [co-ordination] in an effective way, and in a way adapted to the needs of the sector concerned” (ETUC, 1999a). We are interested here not so much in the problems posed by respective influence of different sectors within the ETUC as in the co-ordination practices within EIFs.

These processes vary considerably from one sector to another but generally begin by fostering informal exchanges of information and comparisons of national collective bargaining systems in the sector concerned. Then comes the need to establish co-ordination, which raises the issue of structures. Depending on the sector, the federation's internal co-ordinating bodies – working group, CBC (as at the ETUC) or select committee – will be more or less capable of providing a political impetus. Four EIFs have already established their own collective bargaining co-ordination committees: metalworking (1993), graphics (1995), the mining/chemicals/energy sectors (1996) and textiles/clothing/leather (1997), while two other federations (building/woodworking and public services) have set up working groups – usually the precursor to the establishment of a committee. Others are just beginning to discuss this matter, and the concept seems likely to spread to several sectors, but it is important to stress that the metal sector was the pioneer in this area.

Historically, in metalworking, “the experience of the ECSC reinforced the industry federations’ European investment” (Freyssinet, 1998: 19). The EMF is also one of the largest federations, representing six million members in 56 affiliated unions. For all these reasons its influence over European trade union strategies and policies is quite unique. Its approach to co-ordination (providing a model for the other EIFs) is to co-ordinate national sectoral federations. For the federation internally, such co-ordination is a means of making headway outside of the social dialogue, *i.e.* despite the absence of the employers’ side. One might even posit that, in this trail-blazing sector, it was the employers’ initial refusal to negotiate that led the unions to develop such a strategy. “The topic of co-ordination surfaced once the impossibility of engaging in joint negotiations became apparent” (Dufour and Hege, 1999). Thus, ever since the second collective bargaining conference in 1996, co-ordination has been adopted as a principle “by default”, the idea being to achieve co-ordination which is advantageous in its own right, with a view to putting pressure on national and Community employers’ organisations in the longer term¹⁰.

As to the content of the norm, the EMF’s idea was to go for wage-setting, with common goals aiming for convergence of wage levels and rates of increase. The key pay determinants of this norm are the inflation rate and increases in labour productivity. Each sector will then fine-tune it as appropriate (cf. Table 2). Of course, this conception of the norm is not unrelated to the weight of the various countries within the co-ordinating initiatives.

Which countries take the lead in sectoral CBCs? We shall confine ourselves here to outlining a general trend, without going into the configurations of sub-groups of countries, where there are differences from one sector to another. On the basis of my own observations and interviews, I would make the following distinctions. While representatives of countries with “Anglo-Saxon” traditions (UK and Ireland) form a group of their own, the “southerners” (France, Italy, Spain and Portugal) are generally pitted against the Scandinavians and the countries with Germanic traditions (Benelux and Austria, grouped around Germany). These last two groups often dominate internal EIF committees, which explains the nature of the co-ordination envisaged: creation of classic wage norms (in the IG Metall mould) coupled with multilateral surveillance by trade union experts (in the Scandinavian tradition). Nevertheless, the growing importance of “qualitative aspects” in all co-ordination efforts illustrates the mounting influence of other trade union cultures (Belgian and French). The common norm is being enriched. The practice of co-ordination, based on wage policy in the narrow sense of the term, is incorporating non-wage elements from among the topics covered by collective agreements, in accordance with national negotiating methods (see below II.B1). In this way each EIF, while following the lead of its metalworking sister organisation is fine-tuning its own co-ordination strategy in the light of its own circumstances and national configurations (cf. table 2).

¹⁰ We would point out here that the EMF has an increasing amount of contact with the employers (regular meetings of Executive Committee members), even resulting recently in an official working group in the metal sector. Similarly, in two sub-sectors (“iron and steel” and “garages”), meetings are currently being held to prepare for the early establishment of fully-fledged sectoral social dialogue committees. The main theme to be tackled in these forthcoming dialogues is vocational training.

Table 2: Strategies of co-ordination of collective bargaining of the EIFs

STAGES EIFs *	DEGREE OF INFORMATION EXCHANGE	STRUCTURES & TEXTS ADOPTED	STANDARDS	
			Determinants of the guideline	Qualitative aspects
	Studies (first) Database Website	Committee/ Group & Agreement**on w= wage WT = working time T = Training		
EMF 1971	<i>S = Analysis collective bargaining committee D+W = Eucoba (1999) (cf. text)</i>	C = 1971 G = SWP 1993 A (w) = 1993/98 A (WT) = 1996 A (T) = 2001 (charta)	Minimum inflation + productivity (balanced share)	Working time Training others
ETUF-TCL 1964	S = Analysis with ISE (1989) D+W = Shoe data (1993) D = Leather data (1999) D+W = Eucoba on all sectors (2001)	C = 1997 A (WT) = 1998 A (w) = 1999 A (T) = 2002	Wage snake (cf. text) Minimum inflation + total national average productivity if ...	WT Early retirement others
EFBWW 1958	1993	G = 1998 A (w) = 1998	No standard (cf. text)	
EFFAT (1999) Seta-Uita (1981) + EFA (1958)	Database (trial)	A (w) = 1999	Inflation + sectoral productivity (balanced share)	Employment WT Training
Uni-Europa (1999) dont UNI-EG ex- FEG (1985) + UNI-Europa Finance (UEF)	S = Restructuring, mergers and acquisition in the finance sector (2001) D+W: UEF	G= (UEF) w+WT (2002) C = 1995 A = 1999	Inflation + productivity	restructuring (M&A) WT wages ??
EPSU 1974			Minimum inflation + average national productivity (balanced share) + public/private specificity	Equality WT Training
EMCEF (1996) EFCG (1988) + FEBV (1991)	S+ D = research project to set up a database on collective bargaining agreements (2001)	C = 1996 A (w) = 1999	Minimum inflation	WT
OTHERS				
ETUC	Annual reports E-mail bulletin Website	C = 1999 A = 2000	Inflation + average national productivity	Training Gender equality
Doorn 1998		G = 1998 A = 1998	Inflation + productivity	Training Gender equality

* Dates of establishment and of mergers

** Declaration, Resolution, or Protocol

We shall provide two case studies below, inspired by the metalworking sector but each specific in its own right: the wage snake in the textile sector and the absence of a top-down standard in construction (on these sectors, cf. Dufresne, 2000 and 2001).

a. Community aspirations more or less explicit in the wage norm

The **ETUF-TCL** (European Trade Union Federation – Textiles Clothing and Leather) has been ambitious in defining its wage reference norm. Its plan lays down two main stages: the first consists of “introducing targets into national bargaining rounds by 2001, so as to prepare in a second phase for the negotiation of a European sectoral wage agreement as of 2003” (ETUF-TCL, 1999). In order to attain this goal, the Federation strives to encourage synchronisation of bargaining schedules as well as exchanges of observers during negotiations.

The originality of the norm created in this sector derives from a critical analysis of the limitations of the common norm (inflation + productivity). The working group thought long and hard about co-ordination and laid down a set of technical parameters for the creation of a “wage snake” (OSE, 1999). The co-ordination rule is defined as follows: the national inflation level is the minimum threshold for the norm in all eventualities. In addition, productivity is to be taken into account in the following manner: productivity gains must be shared 50/50 between capital and labour. However, if there is a wide differential between national productivity and sectoral productivity, the latter must be used to nudge the wage claim upwards or downwards. Finally, and here we come to the specific feature of this norm, the sharing of productivity gains also depends on four other factors: unemployment, economic growth, competitiveness and profitability. We would stress that the strategic goal of ETUF-TCL co-ordination is to go beyond European-level protocol agreements, which are thought to have no resonance nationally. That is why the wage snake sets out principles but leaves some room for manoeuvre to take account of national circumstances and traditions.

Let us now take another sector which has a very different co-ordination strategy: construction. This is one of the most geographically dispersed sectors with very pronounced differences from region to region. It is a highly labour-intensive sector with very high mobility of labour. Within the EU, the problem of posted workers has put considerable pressure on working conditions, in that until recently firms could second workers abroad and employ them there on the working conditions and pay of their country of origin (Baumann *et al.*, 1996). It is interesting to note in respect of wage co-ordination that, when the EMF and the ETUC put forward wage norms on an experimental basis, members did not react negatively. But, whereas the Germans and Austrians deemed this norm (inflation + productivity) self-evident, others were perplexed by it. Unlike the EIFs for metalworking and textiles, the **EFBWW** has no intention of laying down a “standardising method” for wages. Indeed, it “represents a sector of small businesses used to working on a bottom-up basis, which does not aspire to a top-down wage standard (*i.e.* from the top of the European trade union pyramid)” (Interview Gross, 2000). Harrie Bijen, the current EFBWW Secretary, considers that the standard must be “sensed by the membership, and cannot be imposed from above” (Interview Bijen, 1999). So this strategy consists more of progressive information exchanges followed by co-ordination. Without directly devising a common approach to the “hard core”, wages, it is first and foremost a matter of achieving top-down convergence on “qualitative” aspects (and also on everything belonging to collective bargaining in the broadest sense: working time, training and leave).

II. Parallels and crossovers between processes

Having described these four processes in parallel, let us now examine in what ways they are similar and/or different, and how do they interrelate? We shall look at both multi-level European trade union structures and the content of co-ordinated collective bargaining.

A. Institutional architecture of co-ordination

As we have seen, the ETUC is faced with transnational initiatives on the one hand and certain sectoral advances on the other. Consequently, the question is how these different initiatives interconnect and who is responsible for what (cf. Table 3).

1. Cross-industry orchestration, sectoral responsibility and mergers

The Helsinki resolution explains that 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 Federations in their initiatives” (ETUC, 1999a). The principal tasks kept for the cross-industry level would thus be to “devise technical and practical support measures” (ETUC, 1999b), such as gathering statistical data and putting national developments into perspective. Although certain national confederations are seeking to regain power through the ETUC CBC, “primary responsibility for European co-ordination of collective bargaining” falls to the European industry federations (EIFs). That is why it is deemed necessary “to devise appropriate policies and structures in each federation” and “to strengthen and/or establish social dialogue in every sector of the economy”¹¹ (ETUC, 1999b). For the time being, however, it is too soon to draw any conclusions concerning the role to be adopted by the ETUC and other players in the co-ordination process. Various adjustments will need to be made first of all, especially within the EIFs, so as to obtain an overview of the entire dynamic at work.

While these two levels have different responsibilities, the interaction between the sectoral and occupational levels poses another question: namely, what of the intermediary space created by mergers? Indeed, the lack of equivalence between the sectors merging at Community national levels further complicates the trade union architecture. For example, one might wonder to what extent the central union organisations in textiles/clothing (TC), a declining sector, are losing their identity amidst various national mergers. National mergers in various sectors could even be said to be at odds with the European merger of national central union organisations in the same sector. In other words, are these two types of merger (between sectors nationally and between nations sectorally) not heading in opposite directions?

Might the quest for sector-based “areas of common interest” at European level not be thwarted by such developments? If so, national mergers would hamper European co-ordination¹². What can be said, in this context, about the formation of Ver.di¹³, the new giant service sector union in Germany? Is it independent of the newly created European colossus UNI-Europa? Might one

¹¹ We have not been able to address ourselves here to the vitally important question of the social dialogue. Indeed, given the refusal of the European employers (cross-industry and sectoral) to negotiate on wages, one may wonder whether joint decisions in other spheres (e.g. training and working time) reached by sectoral social dialogue committees will put pressure on the employers for dialogue to be turned into negotiations.

¹² This is a controversial hypothesis: some believe that the national and European mergers under way will offer an opportunity to spread best practice in the field of wage co-ordination (Kirton-Darling, 2001).

¹³ Ver.di is the new German service sector union following a recent merger. It now represents a larger number of workers than IG Metall. Since it has no historical background, the loss of sectoral identities is a question that arises.

solution to all of this be for national central union organisations to agree any future mergers among themselves, harmonising them directly with the Community level? Would not the new European Monitoring Centre on Change be the ideal forum to manage such structural and technological changes?

**Table 3: Intermediate spaces in Europe's
Trade union architecture**
Proposed sharing of responsibility at different levels
for co-ordinated collective bargaining

Bargaining level	Inter-sectoral	Mergers	Sectoral				
Community (EU)	ETUC <i>- co-ordination in the euro area</i> <i>- contribution to the macro-economic dialogue</i>	UNI-Europa	EIF <i>- wage policy (agreement on the standard)</i> <i>- working conditions</i> <i>- strategy concerning EWCs</i> <i>- deepening of the social dialogue</i>				
			EMF	EFBWW	EMCEF	ETUF- TCL	...
Cross-border	Doorn Group	Management of structural & technological change ?	IG Metall districts	IG BAU districts			
National (e.g. Germany)	Confederations (DGB)	(Ver.di)	National sectoral federations				

In addition to the interplay between the sectoral and cross-industry levels, the (complex) dynamic of co-ordination must also take into consideration the interplay between the national and Community levels, *i.e.* cross-border activity.

2. Cross-border activity: an alternative, or a step on the way, to community action?

Both the Doorn Initiative and sectoral co-operation agreements are in essence transnational. It is noteworthy that, at Doorn, a number of trade unions (especially from southern countries) made plain their distaste for the regional nature of the initiative, on the grounds that there might be a risk of fragmenting and weakening the union movement and the ETUC. In response to these criticisms, the third meeting of the Group was opened up to ETUC representatives. What is more, the Doorn participants have asserted several times that their Group stands not for division but for “a step towards European co-operation on collective bargaining” (Doorn Initiative, 1998).

For the time being, the cross-border level (both cross-industry and sectoral) looms large when it comes to constructing a common agenda, above all for pragmatic reasons. Cross-border co-operation, a novel development, ultimately appears more realistic in the immediate term, given the more restricted number of participants and their geographical – and often cultural – proximity. It is not yet known whether the Doorn Group will open up to other countries or whether other regional initiatives will take shape. The Doorn meetings have often debated whether or not to admit France, as well as Austria, Switzerland and even Denmark. In fact, the initiative was welcomed to such an extent by the Danish confederation LO that it declared itself willing to join the Group if possible. Joachim Kreimer-de Fries, in charge of collective bargaining at the DGB, proposed a clone instead, namely that the “Baltic Sea Inter-regional Trade Union Council” (established in August 1998 and encompassing the German, Danish and Swedish unions) should also handle wage issues after the fashion of Doorn.

However, “if such cross-border agreements continue to be signed, the question will be how to co-ordinate them with Community initiatives” (Delbar and Walthéry, 2000). What would be the role of the ETUC or EIF in these three- or four-country processes? There could conceivably be some competition between a Community trade union structure (set up by European actors) and a transnational structure (with direct inter-union co-operation bypassing Europe). That is why the EIFs and the ETUC often wish to head up these co-operation agreements, so as to prevent them from gaining power in the absence of any Community-level monitoring. An important issue arises here: possible forms of Europeanisation and the legitimacy of European players. An alternative approach is the belief that if a number of small countries were to coalesce around Germany, it would be possible to achieve “a critical mass liable to guarantee European leadership on wage issues” (Traxler, 1999). According to Traxler, leadership on wages does not necessarily mean representing all employees: a grouping together of some 15% of workers would be enough to influence wage norms.

Whatever interplay there may be between the different levels and the selected transnational dimension, one essential element in stabilising and developing co-operation is that every national central organisation should have faith in its supranational authority (Secretariat of the Doorn Group, EIF or ETUC). It is the creation of a strong inter-union fabric that will convince national central organisations to relinquish their sovereignty partially in favour of a European mandate for supranational bodies. The latter could then make the current formally adopted common Community norms stronger in character.

B. Content of wage co-ordination: what is meant by wages?

While wage norms as such cannot be used in national negotiations, the various co-ordinating initiatives and the meetings they entail have nonetheless enabled trade unions to consolidate their strategies and have provided a partial response to certain new questions related to the conceptualisation of pay.

1. “Extended” wages: bargaining on qualitative aspects

As we have seen, in all the processes currently underway the aim of the wage norm is to defend employees’ purchasing power against inflation, or even to boost it where possible by means of a “fair” distribution of productivity gains between capital and labour. What interests us here is that this norm grants national federations full autonomy and responsibility as regards the utilisation of the available distribution margin. Part of this margin can then be allocated to employment, reductions in working time, training, early retirement, special allowances or any other forms of solidarity, depending on the country. Thus we are seeing the emergence in collective agreements

of a trade-off between wage progression and other more qualitative aspects of employment. “This **extension** of the notion of co-ordination ultimately obviates the risk of accusations of wage dumping when social protection is really improved (wage restraint in return for a reduction in working time, as in France, for example)” (Mermet, 2000b). As Jean Lapeyre, Deputy Secretary General of the ETUC, explains “if a European social model existed, qualitative aspects could be a factor in correcting the curves, as compared with the American curves”¹⁴. This solution fosters greater flexibility in the implementation of the guidelines by delegating them entirely to the national or regional level.

In this way, by beginning with wage co-ordination, we arrive at broader-based co-ordination. The guidelines could for instance evaluate the reduction of working time down to 35 hours per week (or 1750 hours per year), or a certain number of hours of training could be envisaged, as could convergence towards a common level of pension or gender pay equality. Such guidelines could also converge towards the achievements of the best-performing countries in each of these fields (a benchmarking approach).

This problem of qualitative aspects is both technical – because of quantification difficulties – and political, since the fundamental question arises: who should pay for social rights?

2. “Diluted” wages: new forms of pay

While the notion of wages is extending into qualitative aspects, it is also being “diluted”. Rather than being narrowly confined to the topic of pay, wage bargaining is constantly being diluted by talk of new **additional forms of income** for workers, such as profit-sharing and other types of bonuses: stock options, top-up pensions, etc. (Van het Kaar and Grünel, 2001). Thus, making the definition of wages more vague. This issue is now at the forefront of trade union thinking, and the ETUC has sent out a questionnaire to national confederations to find out more about the scale of the phenomenon. Furthermore, there is the more traditional question as to the impact on collective bargaining of social protection, taxation and minimum wages. This whole redefinition of wages and their limits form part of the ongoing process of co-ordination.

C. Conditions for successful co-ordination

When a common norm is laid down, the means of applying it, *i.e.* the specific tools used for co-operation purposes, are determined at the same time.

Tools for ex-post appraisal

Whatever the supranational structures concerned, as we have seen, the co-ordinating process can generally be broken down into three stages. The first is an inter-union exchange of information about the different national systems. Next, while a common strategy is taking shape, a norm is devised with common criteria contained in a protocol or declaration. Finally, linking the two, the last stage is an *ex-post* appraisal of national bargaining outcomes, on the basis of the standard.

Information about outcomes is fragmentary for the time being and still difficult to compare. Several attempts have been made: the ETUC, for its part, vowed in 1999 “to provide information and joint analysis on the development and results of intersectoral and sectoral collective bargaining” (ETUC, 1999b). It was stated in 2000 “the ETUC Executive Committee shall review developments regarding wage increases every year and developments regarding progress on qualitative aspects every two years” (ETUC, 2000). Furthermore, in May 2000 the ETUI launched an interactive

¹⁴ CBC (1999), Minutes of meeting, 3-4 November 1999.

electronic newsletter to which all national organisations (including the candidate countries) and EIFs can send national results, together with a review of collective bargaining, for publication on a website. However, in 2001 the ETUC revealed problems of data comparability due to the staggered arrival dates of national responses. It therefore threatened to withdraw the bulletin.

The EMF, for its part, has launched the Eucob@ project in conjunction with IG Metall (EMF, 2000 and 2001a). This is the most sophisticated database so far and has also been used by the textile sector since 2001. The Doorn Group is also planning new methods of exchanging information (among others via a website) using national and European sources of data. Moreover, the organisations belonging to Doorn are regularly kept informed of trends in bargaining policy (claims, negotiations and outcomes of collective agreements) in the different countries thanks to two mechanisms. Firstly, foreign trade union observers participate in the national bodies responsible for negotiations, and secondly, a select working group of experts meets at regular intervals (roughly once every six weeks) to keep a close eye on the progress of negotiations. This is perhaps what keeps the momentum going, by smoothing the transition from one annual meeting to the next and ensuring that issues can be reformulated as time goes by.

Conclusion: technical obstacles to political will?

All these procedures, some more securely rooted than others, are geared to exchanges of information on which to base subsequent appraisal of the outcomes of individual national bargaining rounds. The Community norm is thus used only as an *ex-post* monitoring tool. For this reason, some believe that at present “there is no evidence of an effective move towards co-ordinating actual bargaining topics” (Dufour and Hege, 1999); all that is involved is exchanging information and lists of claims. However, is there any way in which this could be turned into an *ex-ante* tool for raising claims, giving negotiators the strength and courage to defend themselves nationally?

This multi-annual *ex-post* appraisal might already be deemed to be gradually influencing the direction taken by national bargaining rounds. All being well, the spread of common practice will bring about a gradual unification of bargaining agendas, culminating in simultaneous negotiations in the different countries and harmonised periods of validity for collective agreements. This is however a huge task and a complex undertaking.

Structure (social actors) and substance (wage formation) are intrinsically linked in the history of national wage policy. Through sociological analysis we can ascertain the micro-economic “wage relation”, the creation of a balance of power between the actors who determine wages. At European level, on the other hand, there is currently a tendency to define substance before structure, *i.e.* technical and macro-economic “wage norm”¹⁵, without a sufficiently solid multi-level trade union player having yet materialised to defend them. That is why the development of a co-ordinated collective bargaining policy is accompanied by the establishment of Community institutions, forums for mutual observation by the trade union organisations involved in this process and in a phase of learning about different systems. There still remains the question of what structures will be capable (in terms of political input) of driving forward a plan to redistribute wealth in order to prevent the macro-economic wage ratio (restraint enforced by the economic sphere since the start of the 1980s) from continuing to weaken wage relations in each of the Member States.

¹⁵ Is this why macro-economic analysis is so keen to identify a “wage ratio” at Community level, within the ETUC?

At national level (especially in the continental Member States), wage policy is characteristically debated and defined nationally. Could one imagine deliberations on a different scale? If so, what form of policy-making community would need to be constructed at European level, predicated on the right to a wage, rather than on “priority to employment”, which is the *leitmotiv* of Community jargon?

Returning to the present, the sea-change brought about by the realisation of the euro area has already had some repercussions – and will increasingly have more – both on national collective bargaining and on its interconnection with the European level. The next three articles all describe, each from its own perspective, future scenarios for European industrial relations: decentralisation, social pacts and sectoral co-ordination.

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Part two: Annual report on the coordination of collective bargaining at the ETUC (Interprofessional level)

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Extracts from the Annual Report prepared by Emmanuel Mermet and presented to the ETUC Executive Committee on the 14 December 2001

Introduction

This document compiles the replies to the questionnaire sent in Spring 2001 on the coordination of collective bargaining. With the adoption of the Resolution on coordination of collective bargaining at the December 2000 ETUC Executive Committee, it was agreed that the European Trade Union Confederation (ETUC), with the technical help of the European Trade Union Institute (ETUI), will collect information every year on the situation regarding wage evolution and other qualitative aspects of bargaining at national level and relate this to the guideline. In doing this we improve the exchange of information on national bargaining rounds among trade unions and help the ETUC to have a stronger position on wage bargaining at the Macroeconomic Dialogue and other EU-level discussions. This report gives an overview of the first developments following the initiatives of coordination adopted by the ETUC in December 2000.

At the same time, it should be noted that the European Commission published for the first time a report called “Wage Monitor” which analyses pay developments throughout the EU. The report, which is based on Eurostat calculations of wage other labour costs, has a rather cost-based approach whereas the aim of this document is to have a general view on the situation of wage bargaining and on the determinants of wage claims as well as on qualitative aspects of bargaining (initiatives on equal / low pay, training and working time arrangements).

This report is organised in five parts:

- Part I presents the contact persons and organisations that answered to this questionnaire.
- Part II analyses the replies regarding the quantitative aspects of the guideline: i.e., the determinants of bargaining claims used at national level (inflation, productivity, other determinants).
- Part III focuses on the evolution of wages in 2000 and 2001, showing tables on: wage rises (in nominal terms); the difference with the bargained wage rise; wage rises in the private and public sector; developments regarding minimum wages.
- Part IV analyses the replies on the qualitative aspects of the guideline: equal and low pay initiatives, training and life-long learning initiatives, working time initiatives.
- Part V presents the conclusions from this first exercise.

I. General overview of the answers

This first table gives the details for the persons who replied to the questionnaire (attached to this report in section IV).

We asked national confederations to give one answer per country, and most did so. However, unions in Austria, Denmark, France and Sweden sent two different answers. We had no reply from Greece. There no replies from affiliates in the applicant countries (although here we only invited them to reply).

Table 1: Replies received

Countries	Contact person	Organisation
Austria	F. Friehs H. Mena-Bohdal	ÖGB GdG
Belgium	R. Lamas	FGTB-ABVV and CSC-ACV
Denmark	Jan Kærå Rasmussen Poul Petersen FTF.	LO FTF
Germany	J. Kreimer de Fries	DGB
Greece	Georges Dassis	INE/GSEE-ADEDY
France	G. Juquel J. Bas	CGT CFDT
Finland	P.J. Boldt	SAK
Ireland	T. Wall	ITUC
Italy	W. Cerfeda and G. d'Aloia	CGIL and IRES
Luxembourg	J-C. Reding	CGT-L and LCGB
Netherlands	R. Maan	FNV
Norway	E. Gjelsvik	LO-N
Portugal	W. Guimaraes	UGT-P
Spain	P. San Cristobal and F. Puig-Samper	UGT-E and CC.OO.
Sweden	B. Rönngren P. Unander	LO-S Kommunal (local gov)
United Kingdom	I. Murray, D. Feickert, N. Salson	TUC

Who answered what?

Table 2 shows the list of different elements that were in the questionnaire and whether answers received are covering these issues:

- Determinants of the guideline / bargaining claims
- Quantitative elements: different indicators of wage evolution
- Qualitative elements: equal pay and low pay, training and working time.

Most answers dealt with the quantitative aspects as well as the determinants. However, there were far fewer answers concerning the qualitative aspects, even though these are considered as being equally important.

The figures given in this report cover the years 2000 and 2001. However, figures for 2001 were collected during the year from July to October, depending on when we received the replies to the questionnaire. In light of the events of September 2001 and the economic downturn already underway, this has had a certain impact regarding the comparability of data.

Table 2: Elements in the questionnaire

Countries	Guideline Determinants	Quantitative elements Wages	Qualitative elements		
			Equal pay Low pay	Training	Working time
Austria	✓	✓	✓	✗	✗
Belgium	✓	✓	✓	✓	✓
Denmark	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓
Greece	✓	✓	✗	✗	✗
France	✓	✓	✓	✓	✓
Finland	✓	✓	✗	✗	✗
Ireland	✓	✓	✓	✓	✓
Italy	✓	✓	✗	✗	✗
Luxembourg	✓	✓	✓	✓	✓
Netherlands	✓	✓	✓	✗	✗
Norway	✓	✓	✓	✓	✗
Portugal	✓	✓	✓	✓	✓
Spain	✓	✓	✓	✓	✓
Sweden	✓	✓	✓	✗	✓
United Kingdom	✓	✓	✓	✓	✓

Yes provided: ✓

Not available: ✗

Table 3 gives information regarding the signing and duration of collective agreements. Most agreements have a one-year duration, particularly in Austria, Germany, France and Portugal. Longer-term agreements can be found in Belgium, Denmark, Greece and Italy (2 years), Ireland (3 years) and Sweden (4 years). Other countries have variable durations according to particular sectors or companies (Luxembourg, Netherlands, United Kingdom).

From a comparative point of view, a Winter-Spring session of bargaining can be identified, with most agreements signed between December and May (Belgium, Germany, Denmark, Ireland, Portugal, Sweden and Norway). Thus the table indicates that a form of coordination on time schedules could be envisaged as most bargaining rounds are already taking place in similar months.

Table 3: Dates of agreement

Country	Date of the agreement + duration
AU	1-year agreements
BE	Agreement 99-2000 (signed Dec 98) Agreement 2001-2002 (Dec 2000)
DE	Most first half of 2000 (21.8 months) and of 2001 (Most 12 month)
DK	February 1999 – March 2002 (State sector)
EL	2-year agreements signed on 23 May 2000, effective from 1 January 2000
ES	Average of 3-year agreements 5000 negotiations per year
FIN	Incomes Policy Agreement 2001-2002 Agreed in December 2000
FR	1-year agreements
IRL	Partnership April 2000-2003
IT	Inflation aspects set for 2 year Productivity aspects at firm level
LU	No fixed dates
NL	Different dates and durations
PT	1-year duration, renewed every 1st January
SE	April 2001-April 2004
UK	Different dates and durations
NO	May 2000

Table 4 recalls the answers which were given to the first questionnaire sent in Spring 2000 on the use of growth, inflation, productivity and other determinants in wage bargaining.

Table 4: Main determinants of wage formation in the EU countries

Country	Economic Growth	Inflation	Productivity	Other determinants
Austria	Factor used	Factor used	Factor used	
Belgium	Factor used	Determinant factor	Commitment (Doorn initiative)	International comparisons imposed by the State
Denmark	Factor used	Factor used	Factor used	
Finland	--	Determinant factor	Determinant factor	
France	Factor used	Determinant factor	--	SMIC increases Corporate profits
Germany	--	Determinant factor	Determinant factor	Redistribution component
Greece		Determinant factor	Factor used	Comparison with European average
Ireland	Determinant factor	Factor used	Factor used	Promotion of employment Tax cuts and wage moderation
Italy	--	Determinant factor (<i>sectoral level</i>)	Determinant factor (<i>Enterprise level</i>)	
Luxembourg	--	Determinant factor Indexation		
Netherlands	--	Determinant factor Producer prices	Determinant factor	Assessment of external effects
Norway	Factor used	--	--	International comparisons, competitiveness approach
Portugal	Determinant factor	Determinant factor	Determinant factor	Comparison with European average
Spain	Factor used	Factor used	Factor used	
Sweden	--	Determinant factor	--	EU average targeted and actual inflation rates
United Kingdom	--	Determinant factor	--	

-- : not declared in the replies to the questionnaire

Factor used: factor mentioned among others, not as a determinant factor

Determinant factor: factor identified as prominent for wage formation, either internally or in results of bargaining

Source : Mermet, 2001, Wage Formation in Europe

II. Quantitative aspects, determinants of the guideline

All trade unions answered this part of the questionnaire. It is however interesting to compare the sources used at national level in evaluating the guideline “inflation plus productivity plus other determinants”.

Table 5 : Sources and data used in the countries for the determinants

Countries	Inflation	Productivity	Others
Austria		GDP per worker	Real GDP growth Real income
Belgium	Federal Planning Bureau	Per hour and per worker	Economic growth Tax cuts Social contribution reductions
Denmark	HICP Ministry for Eco	Per worker and per hour Ministry for Eco	
Germany	National CPI Nat Stat Office	Per hour Nat Stat Office	Redistribution (not every year)
Greece	National CPI Ministry for Eco	Ministry for Eco	
France	National CPI with tobacco Nat Stat Office	Per hour and per worker Nat Stat Office	Social security contribu- tions fall for employers
Finland	Not specified source ex post/ex ante	Not specified source ex post/ex ante	Employment Tax cuts
Ireland	National CPI	Estimates based on difference GDP-employment	Tax cuts
Italy	National CPI IRES (Unions) and Nat Stat Office	Real value added per worker IRES calculations	Difference planned/actual inflation
Luxembourg	Not specified source	Not specified source	Economic growth Sectoral or firm situation
Netherlands	Producer Prices MEV 2002/ CPB	Per hour and per worker MEV 2002/ CPB	Unions use producer prices rather than CPI for calculating their guideline
Norway	National Budget National CPI	GDP per hour Derived from national budget	Trading partner wage evolution
Portugal	National CPI Nat Stat Office	GDP per worker Nat Stat Office	
Spain	National IPC Ministry for Eco	GDP per worker Ministry and stat office	Profits, Economic situation general and for the firms, Distribution of wages/incomes
Sweden	Inflation target National CPI	Per hour Business sector	
United Kingdom	National CPI Nat Stat Office	Per hour and per worker Nat Stat Office	Average earnings index Company situation

Comments on Table 5

It is interesting to note that trade unions mostly rely on national data. The use of European harmonised data is not yet widespread (although the changeover to the euro could reinforce the convergence in the use of economic data).

- **Inflation**

10 national unions are using a National Consumer Price Index (CPI) (Belgium, Greece; France, Ireland, Italy, Norway, Portugal, Sweden, United-Kingdom). These CPI are issued by official national sources: planning offices, statistical offices or budget governmental administration.

Among those using a national index, some of them use specific index which take or not take into account tobacco, energy prices...

Only one country is referring to the Harmonised Index of Consumer Price (HICP) (Denmark). However, the Minister for Economic Affairs calculates this HICP.

One country is not using consumer prices but producer prices (Netherlands) in the formulation of its national guideline.

- **Productivity**

6 national unions are officially saying they use national figures although we can assume that all the unions replied using national sources.

We can see an important heterogeneity in types of calculations:

- 6 countries only display per worker calculations (Austria, Ireland, Italy, Portugal). Among them, some made a rough estimation (Ireland) of the difference GDP-employment, others have a basis for calculation based on value added, not the GDP (Italy).
- 2 countries only display per hour calculations (Germany, Norway, Sweden)
- 4 countries display both per worker and per hour calculations (Belgium, Denmark, France, Netherlands, United-Kingdom)

- **Other determinants**

Economic growth is taken into account in 4 countries (Austria, Belgium, Luxembourg, Spain) as a supporting tool to claims

Tax cuts are considered in two countries (Finland, Ireland) during bargaining. It is mentioned in Belgium but not formally taken into account during negotiations. Cuts in social security charges are also referred to in two countries (Belgium, France) but are not taken into account formally when bargaining

Other determinants are used in unique cases: employment in Finland, difference between planned and actual inflation in Italy, trading partners' wage evolution in Norway, redistribution in Germany and somehow in Spain, the evolution of the average earnings index in the United-Kingdom.

Table 6 : Determinant 1 - inflation

Country	DG ECFIN	Eurostat	Trade unions	DG ECFIN	Trade unions
	2000 first forecast	2000	2000	2001 forecast	2001
	HICPs	HICPs	CPIs	HICPs	CPIs
	A	B	C	D	E
AU	1.3	2.0	2.3	1.8	2.6
BE	1.3	2.7	2.49	2.0	1.92
DE	1.6	2.1	1.4	1.8	2.5
DK	2.4	2.7	2.8	2.4	2.5
EL	2.3	2.9	3.1	2.6	2.9
ES	2.5	3.5	4.0	2.9	3.9
FIN	2.3	3.0	3.4-2.6 ex post-ex ante	2.5	2.4
FR	1.1	1.8	1.7	1.6	1.8
IRL	3.7	5.3	5.6	3.7	5.4
IT	2.1	2.6	2.5	2.2	2.3-2.7 estimate for inflation, difference between all sectors and industry sector only for productivity
LU	2.0	3.8	3.2	2.9	2.3
NL	2.4	2.3	2.3 producer prices	3.9	2.6 producer prices
PT	2.2	2.8	2.9	2.9	2.9-3.5
SWE	1.6	1.3	1.3	1.5	1.9
UK	1.4	0.8	2.9	1.3	2.1 (Aug. 2001)
EUR 11	1.8	2.3		2.2	
EUR 15	1.8	2.1		2.0	
Norway		3.0	3.1		3.0

- Column A: first forecasts published in April 2000 from DG ECFIN (European Commission)
- Column B: actual inflation given by Eurostat (HICPs)
- Column C: actual inflation by affiliates (CPIs)
- Column D: forecasts from April 2001 from DG ECFIN (European Commission)
- Column E: forecasts given by affiliates

Comments on Table 6

On the set of European data, it is interesting to note that the Harmonised Indices of Consumer Prices (HICPs) are used whereas national figures given by the trade unions are composed of National Consumer Price Indices (CPIs).

Unlike the CPIs, HICPs are considered to be a pure price index. CPIs include in most cases prices for rents and mortgages as well as the effects on interest rates on loans, whereas HICPs do not take these aspects into account. However, a CPI cannot be considered as a Cost of Living Index (COLI) as it is not related to consumption by specific groups of households (rich, poor, intermediary...).

The difference between April 2000 forecasts and definitive figures for inflation throughout the year 2000 are rather important. A gap between +0.1 and +1.8, with many countries with a gap of 0.4 to 0.6 can be observed. This is due to the inflation upswing observed in the second semester of 2000, due to the oil price increase as well as the appreciation of the dollar vis-à-vis the euro.

When comparing the Eurostat HICP figures to those given by the trade unions regarding the year 2000, it is interesting to note that just as many countries have a lower or a higher rate compared to the Eurostat figure: 6 countries have higher trade unions figure (compared to Eurostat figures) whereas 6 countries have lower trade union figures. One country has a similar result (Sweden). If we exclude the United-Kingdom, the difference between trade union figures and HICPs is comprised between +/-0.1 and +/-0.5 percentage points, which is rather small.

In terms of inflation levels, differences across countries are rather similar with CPIs and HICPs. Low inflation countries are France, Sweden and Germany, whereas catching-up countries such as Greece, Portugal, Spain and Ireland have higher rates. Other countries have rates comprised between 2 and 3% a year.

In 2001, the differences between countries are rather similar with low inflation rates in Belgium, France and Sweden and highest rates in Spain, Portugal and Ireland.

Differences between forecasts made with HICPs and CPIs provided by trade unions average +0.5 percentage point: CPIs are generally higher than HICPs (due inter alia to the mode of calculation).

However, it should be recalled that in the future, statistical offices are concerned about the workload involved in continuing to calculate both CPIs and HICPs. The role of HICPs will therefore expand, even if it does not cover some aspects of the cost of living.

Table 7 : Determinant 2 - productivity gains

Country	DG ECFIN	Trade unions	DG ECFIN	Trade unions
	2000 first forecast	2000	2001 forecast	2001
	A	B	C	D
AU	2.4	2.5	2.2	1.1
BE	2.2	2.2 – 2.4 <i>per hour</i>	1.9	1.9 – 2.0 <i>per hour</i>
DE	2.5	2.7	1.7	0.9
DK	1.8	2.1 – 2.1 <i>per hour</i>	1.9	2.1 – 2.6 <i>per hour</i>
EL	2.5	4.3	3.0	3.3
ES	1.0	0.8	1.1	0.6
FIN	2.5	3.8 - 2.3 ex post-ex ante	2.8	2.0
FR	1.9	0.5 – 2.5 <i>per hour</i>	1.5	-0.5 – 0.5 <i>per hour</i>
IRL	3.9	5.0	4.7	--
IT	1.7	1.4	1.6	
LU	1.6	2.2	1.9	0.3
NL	1.5	3.5 – 1.8 <i>per hour</i>	1.4	2.0 - -0.25 <i>per hour</i>
PT	2.4	1.6	1.8	2.3
SWE	2.5	1.7 <i>per hour</i>	2.3	1.5 <i>per hour</i>
UK	2.3	2.2	2.3	0.9 first two semesters 2001
EUR 11	2.0		1.7	
EUR 15	2.1		1.8	
Norway		1.3 <i>per hour</i>		1.9 <i>per hour</i>

- Column A: first forecasts published in April 2000 from DG ECFIN (European Commission)
- Column B: answers given by the affiliates to the ETUC
- Column C: forecasts from April 2001 from DG ECFIN (European Commission)
- Column D: answers given by the affiliates to the ETUC

Comments on Table 7

Main problems lie in the difference of aggregates used amongst countries. Whereas the European Commission only issues productivity per worker, some countries have statistics based on the productivity per hour.

It is important to notice that productivity gains are rather similar across European countries, comprised between 0.8 and 3% in average (with 2% as the EU average). However, productivity per hour is increasing at low rates in countries where employment is rising more quickly (Spain, France, Italy, Netherlands, Portugal) or where GDP is rising more slowly (Germany, Denmark). In other countries, the increase in productivity is following the overall trend observed throughout the EU, comprised between 2 and 2.6%. Ireland is an exception due to very high GDP growth. In general productivity is increasing quickly in countries catching up over the EU average (Greece for example).

Productivity per hour is usually higher than productivity per worker. This is the case in Belgium, Denmark and France. However, some counter-examples can be found in Germany (2001) and the Netherlands.

From the point of view of consistency, it is important to choose which productivity figure to use according to the wage data that is available: If wage data is available per hour, then productivity per hour should be used; on the other hand, if wage data is available per worker (as the Commission's figures), then productivity per worker should be used.

**Table 8 : Determinants 1+2+3: estimates of the value of the basic guideline
inflation + productivity and other factors**

Country	Inflation (1) + Productivity (2)				Other aspects (3) (like tax cuts, social contribution)
	DG ECFIN and Eurostat		Trade unions		
	2000	2001 forecast	2000	2001	
	A	B	C	D	E
AU	4.4	4	4.9	4.6	n.a.
BE	4.9	3.9	4.9	3.9	Growth : 4 and 2.8-2.2% Income tax cuts 0.16 and 0.47% and social charge cuts 0.08 and 0.11%(but not taken into account)
DE	4.6	3.5	4.1	3.4	n.a.
DK	4.5	4.3	4.9	4.6	unemployment rate and retirement age
EL	5.4	5.6	7.4	6.2	n.a.
ES	4.5	4.0	3.0	4.1	Profits, economic growth, wage situation/distribution trade union target 4%
FIN	5.5	5.3	4.5	4.4	Inflation target 2% Employment and tax cuts
FR	3.7	3.1	2.5	1.3	Social charge cuts 0.8 and 0.8% (for employers)
IRL	9.2	8.4	10.6	n.a.	Income tax cuts by 10% up to 2003
IT	4.3	3.8	3.9	n.a.	Difference planned-actual inflation 1 to 1.5 % point
LU	5.4	4.8	5.4	2.6	Economic growth 8.5% and 5.5
NL	3.8	5.3	4.1	3.7	No other (Producer prices instead of consumer prices)
PT	5.2	4.7	4.5	5.3	n.a.
SWE	3.8	3.8	3.7	3.5	Inflation target 2%
UK	3.1	3.6	5.1	3.0	Average earning index Company situation
EUR 11	4.3	3.9			
EUR 15	4.2	3.8			
Norway			4.0	4.0	Estimates of the trading partners' wage evolution (inflation + productivity not used in practice)

- Column A: inflation (final figure) + productivity (provisional figure) for 2000 with European data
- Column B: inflation + productivity, forecasts for 2001, European data
- Column C: inflation + productivity with trade union figures (CPIs and different productivity measures) for 2000
- Column D: idem for 2001
- Column E: other determinants mentioned by trade unions

Comments on Table 8

Table 8 gives a general overview of the evolution of the guideline inflation + productivity in 2000 and 2001. The columns differentiate between European and trade unions' data. It is striking that as many countries have a lower or a higher guideline when comparing the European and trade union data. This is linked to the fact that productivity measures used by trade unions are very different from the European ones given in table 7.

It is therefore very important to consider whether it is possible to improve the comparability of data by using only *productivity per hour* in all countries. However, some further research at EU and national level on the subject should be carried out.

The main interest of table 8 is to show that the basic guideline "inflation plus productivity" is often completed with other determinants. These one cover economic growth, income tax and social security charge cuts, employment matters as well as redistribution and international comparisons. This means that the "other determinants" of the guideline are important for affiliates in assessing the evolution of wages and other aspects of collective bargaining. However, affiliates are not yet able to quantify "other determinants".

As for inflation and productivity, we can understand that catching-up countries have higher figures than the basic guideline (Ireland, Greece, and Portugal). A majority of countries have figures comprising between 3 and 5. France has the lowest figures, due to reduction in working time reducing productivity per worker, as well as due to one of the lowest inflation rates in Europe.

III. Quantitative aspects of the guideline, wage aspects

This part of the report deals with the evolution of wages. Tables 10a and 10b will compare this evolution with the guideline. **Table 9** sets out the different data used.

Table 9 : Wage evolution – different data

	Total wage increase (nominal) (DG ECFIN)				Bargained wage increase (nominal)	Private sector wage increase	Public sector wage increase
Country	DG ECFIN		Trade unions		Trade unions		
	2000 forecast	2001 forecast	2000	2001	2000 - 2001		
AU	2.1	2.7	2.6	n.a.	2.2 – n.a.	n.a.	
BE	3.2	3.0			2.8 – 3.3	2.7 – 3.3	3.5 – 4.3
DE	1.7	1.9	1.5	2.1	2.4 – 2.1	2.5 (raw estimate for private sector)–1.9	2.2 – 1.8
DK	4.2	3.3	3.5	3.9	3.24 – 4.38	4.0 – 3.1	2.8 – 3.2
EL	4.6	5.0	2.8	2.0	1.1 – 0.4	2.8 – n.a.	2.8 – n.a.
ES	3.4	3.7	2.3	3.4	3.0 – 3.4	3.0 – 3.4 (average)	2.0 – 2.0 (as shown is State budget)
FIN	4.1	3.5	2.1	1.9			
FR	1.5	2.5	2.4	2.8	2.4 – 2.8		No agreement
IRL	7.8	8.1	11.0	10.0	7.5 – 6.5		+3% above
IT	2.6	2.9	3.1	n.a.	1.9 – 1.9		
LU	5.0	4.0	5.0	4.5	1.6 – 2.6 (real increase i.e., excluding inflation)		
NL	4.2	4.3	3.7	6.7	3.3 – 4.2	3.3 – 4.2	3.3 – 4.2
PT	5.4	5.5			→	3.5 – 4.25	2.5 – 3.7
SWE	4.0	4.2	3.8	4.0	n.a.	3.9 – 4.1	3.6 – 3.8 3.7 – 3.5 (from public sector union)
UK	4.1	4.2	4.5+++	2.5-3.0	2.5 / 4 (range of agreements, majority below 3%)		3.8 – 4.8 (average earnings index, UK statistics)
EUR 11	2.4	2.9					
EUR 15	2.4	3.2					
Norway			4.5	2.7	1.7 – 1.1	4.6 – 4.6	n.a.

Comments on Table 9

In only a few cases, total wage figures provided by the trade unions are lower than the figures of the Commission. This occurs in the cases of Germany, Denmark, Spain, Netherlands and Sweden. This is surprising as European figures are said to be calculated from a macro-economic point of view. However, it is logical as they include all kinds of payments to the wage earners. Some clarification on the data used by the unions is necessary.

The majority of cases shows the opposite, with higher rises in wages using trade union figures than using European ones. The fact that trade unions' figures are more recent may explain this situation, as well as differences between *per worker* and *per hour* data.

Regarding the comparison between bargained wages and total wage rises, it is interesting to note that bargained wage rises are mostly lower than total wage rises. This can be explained by wage drift, individual agreements, bonuses and other forms of performance-related pay. This is the case in Austria, Denmark (2000), Ireland, Italy, Luxembourg, Netherlands, Spain (2001) the UK and Norway.

However, the situation in Germany, Spain (2000) and Denmark (2001) is different. In France, there are some doubts about the fact that bargained wage rises and total wage rises are exactly similar...

Regarding the difference between public and private sector, it is interesting to note that in 5 countries, the public sector experienced lower wage rises than in the private sector (Germany, Denmark, Spain, Portugal and Sweden). The situation is the opposite in a few countries (Belgium, Ireland and the UK) due to some catching-up processes. The situation of the Dutch public and private sectors is exactly identical. However, analysis of the findings is limited by the fact that not all national unions answered this question.

Table 10a: Determinants of the guideline and wage rise (trade union data)

Country	Guideline Determinants			Total wage rise (nominal)		Bargained wage increase (nominal)	Comparison Guideline / Wage evolution
	Guideline inflation plus productivity		Other aspects (like tax cuts, social contribution)				
	2000	2001		2000	2001	2000 - 2001	
AU	4.9	4.6	n.a.	2.6	n.a.	2.2 – n.a.	Below
BE	4.9	3.9	Growth: 4 and 2.8-2.2% Income tax cuts 0.16 and 0.47% Social charge cuts 0.08 and 0.11% (not taken into account in the negotiations)			2.8 – 3.3	Below
DE	4.1	3.4	Redistribution	1.5	2.1	2.4 – 2.1	Below
DK	4.9	4.6	n.a.	3.5	3.9	3.24 – 4.38	Almost equal
EL	7.4	6.2	n.a.	2.8	2.0	1.1 – 0.4	Below
ES	3.0	4.1	Profits Economic growth Trade union target 4%	2.3	3.4	3.0 – 3.4	Almost equal
FIN	4.5	4.4	Inflation target 2% Employment and tax cuts	2.1	1.9		Below
FR	2.5	1.3	Social charge cuts 0.8 and 0.8% (for employers)	2.4	2.8	2.4 – 2.8	Almost equal
IRL	10.6	n.a.	Income tax cuts by 10% up to 2003	11.0	10.0	7.5 – 6.5	Almost equal
IT	3.9	n.a.	Difference planned- actual inflation 1 to 1.5 % point	3.1		1.9 – 1.9	Below
LU	5.4	2.6	Economic growth 8.5% and 5.5	5.0	4.5	1.6 – 2.6	Almost equal
NL	4.1	3.7		3.7	6.7	3.3 – 4.2	Almost equal
PT	4.5	5.3	n.a.			3.5 – 4.2	Below
SWE	3.7	3.5	Inflation target 2%	3.8	4.0	n.a.	Almost equal
UK	5.1	3.0	Average earning index Company situation	4.5	2.5-3.0	2.5 / 4 (range of agreements, majo- rity below 3%)	Below
Norway	4.0	4.0	Estimates of the trading partners' wage evolution (inflation and productivity not used in practice)	4.5	2.7	1.7 – 1.1	Below

Table 10b: Determinants of the guideline and wage rise (European data)

	Basic Guideline		Compensation (remuneration) DG ECFIN		Comparison Guideline / Compensation
	2000	2001	2000	2001	
AU	4.4	4	2.1	2.7	Below
BE	4.9	3.9	3.2	3.0	Below
DE	4.6	3.5	1.7	1.9	Below
DK	4.5	4.3	4.2	3.3	Almost equal -
EL	5.4	5.6	4.6	5.0	Almost equal -
ES	4.5	4.0	3.4	3.7	Below
FIN	5.5	5.3	4.1	3.5	Below
FR	3.7	3.1	1.5	2.5	Below
IRL	9.2	8.4	7.8	8.1	Almost equal -
IT	4.3	3.8	2.6	2.9	Below
LU	5.4	4.8	5.0	4.0	Almost equal -
NL	3.8	5.3	4.2	4.3	Almost equal -
PT	5.2	4.7	5.4	5.5	Almost equal +
SWE	3.8	3.8	4.0	4.2	Almost equal +
UK	3.1	3.6	4.1	4.2	Almost equal +

These figures are based on official figures of the European Commission. It is interesting to note that in almost all euro-zone countries (11 out of 12) wages are increasing slower than the sum of inflation plus productivity. Although the evolution of nominal wages is in general slightly above inflation, it is absolutely not inflationist and indeed is provoking a fall in current inflation as it is below productivity levels.

Comments on Tables 10a and 10b

Tables 10a and 10b compare the results of wage evolution with the guideline. The comparison of the data with the guideline should not be seen as a “performance exercise”. Rather, the comparison is intended to help countries where the guideline cannot be followed for one or another reason. This is the essence of the guideline. In this perspective, we can compare tables 10a and 10b in order to see the difference between trade union data and European data.

Particularly interesting is the fact that a few countries which are identified as having wage rises above the basic guideline with European data are below the guideline when using all components of the guideline (other determinants) as well as wage data at national level given by the trade unions. This is the case in Portugal, the United Kingdom and Norway which are all below the guideline when using trade union data whereas they are above or equal to the guideline with the Commission’s data.

On the other hand, a few countries are closer to the guideline with the trade unions' figures on wages than with the Commission's: this is the case of France and Spain - which remain below the guideline but with a much lower gap when using unions' figures.

However, for a majority of countries the situation is similar in both tables. In particular, those countries which have a wage evolution close to the guideline are in the same position using European data or trade unions' data: this is the case of Denmark, Ireland, Luxembourg, Netherlands, and Sweden.

Those countries which were already below the guideline are below the guideline with trade union or European data. This is the case for Austria, Belgium, Germany, Greece, and Italy. In these countries, the situation is very different however. In Italy, figures are only available for the year 2000 and show a somewhat lower gap (0.8 point) than the three other countries of the group (2.6 point to 0.6). The situation is similar in Austria and in Belgium. However, the Belgian situation is very particular as there is a kind of framework for decentralised bargaining (margin 6% over 1999-2000 and 7% over 2001-2002). As this margin is linked to the evolutions of the main trading partners, it is of paramount importance that French, German and Dutch wages follow the guideline in order to ease pressure on the Belgian situation. However, German wages are not following the guideline in 2000-2001, and France's situation is also below the guideline (particularly with European data).

The situation in Germany is unusual: the bargained wage increase rose more quickly than the total wage rises in 2000 (not in 2001) and the result, either bargained or total is quite below the guideline. There is negative wage drift in Germany due, in particular, to developments in sectors poorly covered by collective bargaining agreements.

The data shows, however, that wages are increasing above inflation in all of the countries below the guideline, which is a good result.

IV. Qualitative aspects

Qualitative aspects cover the two aspects emphasised by the Resolution adopted by the ETUC as well as another important issue. These are the initiatives on:

- Equal pay
- Low pay
- Training and life-long learning
- Working time reduction

These qualitative aspects were added to the basic guideline in order to make to more flexible than a coordination formula based on wage figures. This was particularly a demand from the national trade unions which we thought was actually a very good way of enlarging coordination to a majority of aspects of bargaining including wages as well as equal pay/low pay, training and working time.

However, we were very surprised to see that few trade unions really took time to explain to us which are these qualitative aspects. Although all answered to the quantitative aspects (the most controversial part about determinants and wages), only 7 countries provided a full answer to the

three aspects. We hope that in the near future, unions will replace the qualitative aspects as a major part of the questionnaire. Although we were asking for figures (reference to “the quantifiable part of qualitative aspects” in the resolution, added at the ETUC Executive Committee), we were also asking for concrete examples of innovative policies regarding these three aspects, and we hope to receive more on these issues for further exercises of the questionnaire.

The following four tables give an overall vision of the replies given by the national trade unions.

Table 11 : Equal pay initiatives

Country	Initiatives on equal pay/low pay
AU	Permanent efforts No specific examples
BE	The Interprofessional Agreements provide for new job classifications, sectors are putting this into effect
DE	Government : report on income distribution Trade unions : reflections on introducing a minimum wage
DK	No initiatives
EL	No answer
ES	Demand for a Minimum Agreed wage of 601 EUR net per month, i.e. 60% of average wage, instead of minimum legal wage at 40%
FIN	No answer
FR	2000 branch agreements reduce wage differences between top and bottom conventional wages Initiatives taken into account in firm-level bargaining
IRL	Small advantages for minimum pay in agreements Tripartite review of male-female wage differentials with recommendations in 2001
IT	No answer
LU	No answer
NL	Central agreement on reduction of gender pay gap.
PT	Fathers' maternity leave in public sector Specific clauses for wage equality (for similar tasks and qualifications) in firm agreements Bonus of 2200 PTE for minimum wage workers in some sectors
SWE	Initiative “ <i>Now it's women's turn</i> ” aimed at revaluing women's wages, included in the general wage settlement Public sector objective to increase low wages and bridge gap with private sector wages by 2005
UK	Extension of maternity pay from 14 weeks to 26 weeks from 2003 and increase of the statutory maternity pay flat rate and introduction of a 2-week paid paternity leave Campaign to promote pay audits with the support of an Equal Pay Pilot Project to train a minimum of 500 trade union reps
Norway	Central pay increase in fixed amounts Extra pay for wages lower than a % of average

Table 12 : Low pay initiatives and the minimum wage

Country	Existence	Level in Euros	% of workers	% of average earnings	2000/2001 initiatives
AU	✗				1000 EUR mini in catering, cleaning and trade
BE	✓ nego	1148	n.a.	39%	Rise by 4-5% via fiscal cuts in 2001
DE	✗				Discussions on introducing a minimum wage
DK	✗				
EL	✓ nego	458	n.a.	41%	
ES	✓ legal	506	2.6%	34%	2.0 % in 2000 & 2001 (not taking into account the inflation)
FIN	✗				No answer
FR	✓ legal	1083	12.8%	49%	+2.2% annual average
IRL	✓ legal	983	n.a.	n.a.	Introduced in April 2000 +6.8% in July 2001
IT	✗				
LU	✓ legal	1259	17%	42%	01/07/2000 : +2.5% 01/01/2001 : +3.3% ; 01/04/2001 : +2.5%
NL	✓ legal	1154	2.2%	44%	2000: +3.3 2001: +4.2
PT	✓ legal	390	7.5%	57%	2000 : +4.1% 2001 : +5.0% i.e. 67000 PTE = 334.2 EUR
SWE	✗				
UK	✓ legal	1062	6.9%	37%	01/10/2001: £4.10 (10.8% increase) youth rate £3.50 (9.4% increase). Unions took legal cases supporting members in enforcing the National Minimum Wage
Norway	✗				

- ✓: existence of statutory minimum wage, either through negotiation (nego) or legal action (legal)
- % of workers and average earnings (Eurostat) 2000
- Initiatives: answers from the national confederations
- N/A: not available

A majority of countries have a minimum wage, set either by law or negotiations (9 countries). Figures on levels of minimum wages and % of average earnings show a relatively wide difference between countries which have a minimum wage. Particularly, Portugal and Greece have the lowest minimum wage, which represents up to 57% of the average earnings in Portugal. This shows that average earnings are relatively low compared to other European countries. The situation in France is also specific, although the minimum wage is set at similar levels as in the UK or Belgium, it represents 49% of the average earnings. In France and Luxembourg, respectively 12.8% and 17% of workers are earning the minimum wage, revealing its paramount importance. It should be mentioned that in general, twice as many women as men earn the minimum wage.

Table 13 : Training and lifelong learning initiatives

Country	Initiatives
AU	Collective agreements on paid leave (up to one week) for further training (electricity, petroleum, telecom, paper industries) Training for construction-sector workers during winter months Recommendation on the implementation of the statutory entitlement to training leave at plant level
BE	Supplementary efforts of 0.1% per year, and 0.10 supplementary for groups of people who may have problems Target to reach the average of the three neighbouring countries (FR, DE, NL) Good practices : training credits, increased bonuses for those who are trained...
DE	2001 Further training in the metal industry South-West Germany
DK	Supplementary efforts of 0.1% in 2000 (trade union policy : cost borne by employers, not collective agreements in the State sector) Agreement on training leave (1993 & 99) for complementary payment up to the normal wage for State employees Agreement on systematic competence development (1999) as an obligation for strategic targets of individual and professional development (State employees ?)
EL	No answer
ES	Third agreement with employers and the Government on continual vocational training, implemented in company plans.
FIN	No answer
FR	113 branch agreements on this issue, plus company agreements
IRL	Framework agreement on training in the Tripartite Partnership (PPF)
IT	No answer
LU	2000 : agreements in building-construction and hospitals 2001 : agreement in garages
NL	No answer
PT	Increased concern on training, Some company agreements link productivity and training, created bipartite consultative committees for training...
SWE	No answer Public sector answer : on-going negotiations on life-long learning agreement
UK	Establishment of the Union Learning Fund (Government money) and the TUC Learning Services project (funded by ADAPT, the TUC, individual unions and other partners). These are providing a framework for union-led development initiatives in basic skills, on-line learning, training for learning representatives and the University for Industry.
Norway	Tripartite on-going reform, including grants, rights to leave...

Table 14 : Initiatives on working time reduction

Country	Initiatives
AU	Flexible working time regulations in collective agreements Agreements specifying the legal framework on part-time work for elderly workers
BE	Time credit in 2001
DE	2000 : old age part-time retirement in most private sectors Reduction of weekly working hours in some sectors in Eastern Germany
DK	Efforts on working time : 0.4% in 2000, 0.2% in 2001 Cost of special holidays concluded in 1999 (from 5 weeks to 5 weeks and 3 days) and of the 2000 agreement of conversion of overtime and certain wage increases in time-off Agreement in 1999 for local flexible working time arrangements at workplace level
EL	No answer
ES	Demands regarding the reduction in the number of part-time workers.
FIN	No answer
FR	2000 : 35-hour week in companies with more than 20 employees : 88 branch agreements on reduction of working time 2001 : 120 branch agreements in total Half of workers in companies above 20 employees work 35 hours
IRL	10% of workers covered by annualised working time agreements
IT	No answer
LU	Renegotiation of the national agreement on « reference periods »
NL	No answer
PT	Negotiations above the 22 legal days off, on differentiation/modulation of working time, annual reduction of working time
SWE	1 day-off supplementary per year = 0.5% cost rise (specific to private sector)
UK	"Time of our Lives" project to identify better ways to organise work and time supported by the Government's Partnership Fund and by the TUC's Partnership Institute
Norway	No answer

V. Summary conclusions

Technical remarks

1. More attention should be paid to qualitative aspects in the future, as they are as important as quantitative aspects. If no figures on the costs of these qualitative aspects are available, trade unions should provide us with concrete examples of policy initiatives or agreements on the three issues of qualitative aspects.
2. On the determinants: choices on inflation are rather clear as national Consumer Price Indices (CPI) are in use in many countries (unlike European Harmonised Index of Consumer Prices –HICPs-). However, on productivity, some choices have to be made regarding per hour/per worker differentiation. Other determinants are very important and are still taken into account.
3. On wages, information needed is in nominal terms, not in real (deflated) terms. More data should be provided on bargained wage rise and total wage rise (with the difference between the two being called wage drift). Wage data should also be consistent with productivity measures: if productivity is per hour, then wages should be per hour...

Remarks on the results

1. It is apparent that a certain synchronisation of collective bargaining is already feasible; a “springtime bargaining round” can be seen in a large number of Member States.
2. As shown in table 10a and 10b, a large number of countries are below the Guideline on wage aspects but relatively close to it (7 with the trade union data, 8 with European data). This means that wages are more or less following the Guideline in these countries, whereas in the other countries wages are well below the Guideline. It should be noted that almost no countries suffered a loss of purchasing power: almost all wages are increasing above inflation, the first prerequisite of the Guideline adopted by the ETUC.
3. Wages are far from having an inflationary impact: their rise, although generally above inflation in nominal terms, remains below productivity in real terms. In effect, in a large number of Member States (11, all in the euro zone, using European data) wages are rising slower than the sum of inflation plus productivity. This means real unit wage costs for companies are falling, which limits inflation. In addition, wage moderation in the public sector is quite important in some countries.
4. For the countries below the guideline, it could be argued that wage moderation was compensated by qualitative aspects (concrete job creations, working time reduction, equal and low pay initiatives, life-long learning and training initiatives). This is not clearly the case however from the replies, although a number of important initiatives are mentioned in relation to equality between women and men, showing that this issue is being taken on board in trade union policy, in conformity with the ETUC Equal Pay Campaign. A more limited number of initiatives are mentioned in relation to training and the reduction of working time. These initiatives do not necessarily take account of the differentiation made in the Guideline between “quantitative” and “qualitative” aspects of collective bargaining, and indeed the line between the two is flexible, according to national contexts.
5. Efforts are still need however to evaluate the cost of such qualitative initiatives, in particular to measure whether they provide a counter-balance the rise in wages below productivity levels. This problem of “quantifying” qualitative aspects needs more research, and more efforts are needed to collect examples of good practices to present in the annual reports.
6. In any case, we propose to reinforce the qualitative aspects through the new resolution on coordination presented to the Executive Committee in December 2001. Particularly, this emphasises the need to develop coordination on both qualitative and quantitative aspects.
7. The evaluation of the guideline should be considered as a way to improve the exchange of information on the current national situations, and an opportunity to warn any country of past similar experiences which already occurred in another country. It supports convergence and it is especially important for lower-wage countries to be able to follow the increase in productivity in order to “catch-up” with the rest of the European Union (EU) as in these countries in general the rise in productivity is more pronounced.

Annex Questionnaire on the ETUC Guideline

In order to set up the coordination approved at the Executive Committee of the ETUC on the 14 December 2000, the ETUC proposes to build a database on the results of collective bargaining at national level.

The ETUC asks each national affiliate to compare the data presented, which are used at the Macroeconomic Dialogue, with the ones used at national or sub-national levels when bargaining (see tables in page 6 for the final presentation of the data for comparisons).

Please indicate the national figures if different from the ones presented at European level by the European Commission. This questionnaire is made of three parts:

1. Determinants of the guideline

Data on inflation, productivity, other determinants, margin of negotiation and other aspects important in the negotiations.

2. Quantitative aspects

Mainly on the evolution of wages, from the value of the agreement to the bargained wage increase.

3. Qualitative aspects

On the improvement of the qualitative aspects of work such as equal pay, low pay, training and life-long learning or working time reduction...

Followed by specific supplementary information

4. Table on the Guideline 2000-2001

This the table which will be used for comparisons of data and in which your answers will be inserted for cross-analysis.

5. A glossary of data provided from European sources

6. The Resolution on coordination of collective bargaining

Name of the Organisation:

Name of the Contact Person:

Address:

Country:

Tél / Fax:

Email:

1. Determinants of the guideline

	2000	2001
Inflation rate		

Please indicate here the inflation rate for 2000 and 2001 for the Consumer prices.

Indicate which source you use and the definition of the inflation you gave.

	2000	2001
GDP/worker Productivity gains Per hour		

Please indicate here the productivity gains for 2000 and 2001.

Caution, the productivity should be measured *per worker*, please indicate which source you used and the definition (if you have it *per hour*, please also indicate).

	2000	2001
Economic growth Other determinants		

Please indicate here if you take into account other determinants than inflation and productivity (profits, economic growth, other inflation rates than the consumer prices...).

Give the source and the definition of the data you gave.

	2000	2001
Productivity plus inflation (plus other determinants if necessary)		

Please make the sum of the determinants you used at national level.

	2000	2001
Other aspects		

This includes other aspects which are not related to the common determinants of the guideline (inflation, productivity other determinants) that you took into account when bargaining. For example, show here if, when you were bargaining, you took into account that the State will reduce taxes on households' income, or social security contributions on wages...

2. Quantitative aspects

	2000	2001
Estimated value of the total agreement (quantitative plus qualitative aspects)		

Please indicate here the estimated value of the agreement signed at national level or of the sum of all agreements signed at sub-national levels.

The total value of the agreement means the *percentage rise* in the cost for employers of quantitative aspects (wages) plus qualitative aspects (equal-lower pay, training, working time, others).

	2000	2001
Total wage increase (nominal)		

Please indicate here the actual total wage increase *in percentage per worker* (total wage increase for the employees' side), including wage rise plus other benefits (if calculable) such as variable pay and other bonuses. (if you have it *per hour*, please also indicate)

	2000	2001
Bargained wage increase		

Please indicate here *in percentage per worker* what was agreed between employers and trade unions. This data can be lower than the actual wage increase. For example, the actual total wage increase can be of 4% (taking into account bonuses and wage drift) whereas the bargained wage increase was of 3.5%. (if you have it *per hour*, please also indicate)

	2000	2001
Date of the agreement Duration of the agreement		

Please indicate when the agreement was signed (date of the agreement) and when it comes to an end (duration of the agreement)

	2000	2001
Private sector pay increase		
Public sector pay increase		

Please differentiate the pay rise *in percentage per worker* between public and private sector.
(if you have it *per hour*, please also indicate)

	2000	2001
Increase of the minimum wage		

For the countries where a minimum wage exists, please indicate its rise *in percentage*.

3. Qualitative aspects

	2000	2001
Estimated value of the qualitative aspects		

Please indicate how you evaluate the cost of the qualitative aspects of the agreement, in terms of percentage rise.

	2000	2001
Equal pay and low pay initiatives		

Please indicate the initiatives taken in the area of gender equal pay and low pay distribution. Give examples of agreements (best practices) in terms of percentage if possible.

	2000	2001
Training and life long learning initiatives		

Please indicate the initiatives taken in the area of training and life long learning for workers in firms. Give examples of agreements (best practices) in terms of percentage if possible.

	2000	2001
Working time initiatives		

Please indicate the initiatives taken in the area of working time reduction or reorganisation (annualisation, reduction in overtime...). Give examples of agreements (best practices) in terms of percentage if possible.

Annex ETUC Resolution on the coordination of collective bargaining (December 2001)

1. The ETUC Executive Committee takes note of the work undertaken by the Committee for the Coordination of Collective Bargaining in 2001 to follow-up the adoption of the ETUC Guideline on the coordination of collective bargaining which was adopted by the Executive Committee in December 2000.
2. The Executive Committee reaffirms that the implementation of the Guideline is fundamental to achieving the ETUC's aim of preventing wage dumping and supporting the harmonisation of living and working conditions in the EU and in the applicant countries through upwards convergence.
3. The 2001 bargaining rounds were marked by a sharper rise in inflation than was foreseen. The worsening economic and/or employment situation in some countries also lead to wage increases below the Guideline, as shown in detail in the attached CB annual report.
4. The impact of the current deteriorating economic situation of collective bargaining remains uncertain. As the Executive Committee's Resolution in October pointed out, a package of economic and employment measures are needed directed both at sustaining purchasing power and at increasing investment. In this context, the ETUC and its affiliates reaffirm the principles of the coordination Guideline based on the taking into account of the inflation and productivity, in order to maintain the positive increase in wages necessary for the maintenance of economic growth and to improve the living and working conditions in Europe.
5. On wage aspects, the Executive Committee notes that, in spite of a few problems in comparing data because of delays in receiving some of the national replies, the CB report shows clearly that:
 - a large number of European countries are close to the Guideline in relation to wage aspects. In these countries wage increases almost equalled the Guideline whereas in others wage increases were below the Guideline. However, it should be noted that almost no country suffered a loss of purchasing power: from a global, macro-economic, perspective wages are increasing above inflation, the first prerequisite of the Guideline adopted by the ETUC (although not necessarily for all groups of workers).
 - For the countries below the Guideline, the available data does not enable us to ascertain whether qualitative aspects are compensating for increases in wages below productivity. The reasons for this situation and the possible responses to deal with it will become clearer as the Guideline is implemented over a period of time.
 - As regards the qualitative aspects, the Executive Committee considers that collective bargaining should use whatever margins are available to achieve a better redistribution of wages, in order to reduce the pay gap between women and men, increase low wages and improve access to training and life-long learning. It is also important to improve transparency and ensure that the process of individualisation of wages is placed within a framework of rules which are collectively negotiated.

6. In order to encourage affiliates to be more effective on the issue of redistribution, the ETUC invites all affiliated organisations, taking into account of national and/or sectoral situations and paying particular attention to improving the quality of part-time work and employment conditions in low paid sectors, to:
 - adopt in 2002 a multiannual work programme setting out key objectives for collective bargaining initiatives aimed at reducing the pay gap between women and men, with a timetable for their implementation and evaluation; and
 - include a quantifiable objective regarding a reduction, in stages, in the number of low paid workers (i.e., those with 60% or less of the median salary)
7. The Executive Committee recalls that discussions are ongoing with European employers on the possibility of concluding a European framework agreement on training and life-long learning and skills development. These discussions should support the integration into collective agreements of the right for all workers to have access to training and life-long learning, and in particular women and low-paid workers, and support the development of practical ways to achieve this (e.g. financing mechanisms and individual training plans).
8. The Executive Committee takes notes that the CB Committee's summer seminar in 2002 will address the issue of wage developments in both EU and in the applicant countries, and that these discussions will be supported by a current ETUC project to examine collective bargaining systems and developments in the applicant countries. The result of this study will be examined during a seminar in Prague in April 2002.
9. Finally, the Executive Committee encourages the CB Committee to intensify its work on the future of industrial relations, in particular on the establishment of a European system as quoted in the 1999 Congress Resolution.

General Conclusion

The practical case of the ETUC shows that the coordination of collective bargaining encounters many difficulties. First of all, the lack of reliable statistics, at both national and European level, restricts the possibilities for comparative evaluation of the quantitative aspects (wages). Secondly, evaluation of the qualitative aspects also gives rise to a problem because of the difficulty of quantifying, in terms of costs to firms, certain types of social gain which are sometimes negotiated in exchange for lower wage increases (trade union rights, working time flexibility). The problem here is how to make explicit, in the method used, the nature of the political exchange. However, the first exercise in evaluating coordination (presented in the second part of this report) entails the advantage of supplying a document that retraces wage and quality developments in all EU countries. This overview of the situation has enabled, in particular, the identification of two essential elements to be taken into account for the future: the synchronisation of national collective bargaining rounds, possibly during the spring, and a neutral and non-exhaustive distribution margin – namely, nominal wage trends in excess of inflation but below productivity in real terms for the period 2000-2001 – such as to offer a significant margin for claims.

At the same time, new paths are being explored for more thoroughgoing coordination. Given the difficulty of coordination on the hard core wage (understood as benchmarking of nominal pay increases and, above all, of bargaining methods), a recent trend can be observed of coordination now extending to the “qualitative aspects” which are taking on increasing importance in the various strategies. While training is the most frequently encountered topic, alongside working time, the ETUC has also extended its range to include low wages and equal pay. This new trend in the debates on coordination is still extremely recent. But it is perhaps not beyond the bounds of possibility that it might, in the end, prompt the incorporation of what we can refer to as “organisation of work” (or qualitative aspects) into collective bargaining, a practice currently followed to differing degrees in different countries.

For the time being that, it would appear, whichever initiatives one chooses to analyse, there is a tendency for coordination to take place *ex post*. As at the ETUC, coordination at the level of the industry federations is confined to an exchange of information and an *ex post* evaluation of the results of national collective bargaining. The guidelines and other wage norms adopted do indeed define the substance of, or at least a theoretical reference for, collective bargaining. However, could these norms one day become an *ex ante* instrument for claims? For this to happen, a combination of conditions would have to be met, such as the emergence, at the various supra-national levels, of actors and structures capable, in terms of political balance of power, of putting in place a strategy of active coordination; and also the strengthening on the ground of the national affiliates. Ideally, the latter should ensure a continual upward flow of information towards the European level.

This new challenge for European trade unionism may appear difficult to achieve. However, it appears that the europeanisation of economic governance (monetary and, little by little, budgetary) increasingly requires the establishment of real trade union coordination. Trade unions are already faced with actors from the economic sphere who attempt to impose their views on wages and collective bargaining at European level: the Commission, the Central Bank, the representatives of the European employers, and so on. In this context, it is only by adapting structures to the challenge of coordination that the trade unions will be able, in future, to transmit the message of the need for a new “wage ratio”, one that is more favourable to wages than to profits.

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