

## **RESOLUTION on the Decentralisation of Collective Bargaining imposed by Institutions and National Governments**

Since the 2008-2009 crisis, there has been an increase in the movement to decentralise collective agreements accompanied by the employer's desire to undermine workers' rights and working conditions as well as to weaken trade unions' ability to act and defend workers. In 2013, the European Commission's Directorate-General for Economic and Financial Affairs clearly outlined its intentions: "new economic and political monitoring instruments must be implemented to result in an overall reduction in the wage-setting power of trade unions". We vehemently reject this attempt to weaken the wage-setting power of trade unions.

IndustriAll Europe respects and acknowledges the different collective bargaining systems that have been set up and negotiated in Europe between strong and autonomous social partners according to national traditions, where bargaining can take place at a local, sectoral and national level etc. In particular, industriAll Europe considers it imperative that the lower level agreements cannot derogate from higher level agreements without the consent of the higher level. Collective bargaining between strong and autonomous social partners is a tool to improve salaries and working conditions for workers and employees in Europe and also helps to speed up European recovery and stabilise the economy, as well as contribute to an increase in productivity.

In Europe, the Troika has imposed decentralisation on countries such as Greece and Ireland. Indeed, in Greece, a 2011 law allows all companies to derogate from collective agreements, conclude company-level collective agreements and opens the possibility for non-unionised or non-elected people to conclude agreements.

Another example is a 2012 law in Spain in that gives priority to company agreements in areas such as wages, working hours and work organisation.

Portugal, Italy, Romania, the United Kingdom, Slovenia, Finland, France... so many countries undergo the dismantling of collective bargaining, exacerbated by an inequality of trade union power from one company to another. These two factors have a negative impact on household demand and economic growth.

This imposed decentralisation is based on the often-converging implementation of a series of reforms:

1. Review the hierarchy of norms with the introduction of:
  - the possibility for lower level agreements to unconditionally and permanently derogate from higher level agreements, or even from the law (Italy),
  - the "opt-out" whereby employers do not have to implement collective agreement clauses (Portugal, Spain, Ireland, France...);
2. Time limits on the duration of agreements and restrictions on extensions of sectoral agreements (Spain, Portugal);

3. Open or extend the possibility of negotiating company agreements with elected and non-union representatives (Portugal, France...);
4. Reform of trade union representativeness and validity conditions of agreements (France);
5. Expand internal flexibility possibilities via unilateral modification of the employment contract (Spain, Portugal).

In Portugal and Spain, the 2012 reforms had a devastating effect on bargaining. *The stated objective was to boost company collective bargaining, but in effect, the number of agreements signed – both in sectors and companies – plummeted* (Benchmarking Working Europe 201, ETUI, 2015).

In Romania, the annual national collective agreement was abolished in favour of sectoral collective agreements. In Finland, however, decentralisation of bargaining proved ineffective and employers were encouraged to return to the national collective agreement.

Besides delegating responsibility for bargaining to other levels, (additional) problems often arise due to the fact that the results of lower-level bargaining may derogate unfavourably from the protection afforded by higher-level collective agreements, or even mandatory legal provisions. This type of collective agreement *in pejus* covers, among others, working hours and wage. Such examples can be found in France, Greece, Italy and the Slovak Republic.

Another trend: adopting measures that modify the representativeness criteria applicable to social partners (e.g. in Greece, Hungary, Italy, the Netherlands, Portugal, Romania, the Slovak Republic, France and Spain) and expanding rights that were previously the trade unions' prerogative to other non-union worker representative bodies (often at company level; e.g. in Greece, Portugal and the Slovak Republic).

Some countries, for example Hungary, weaken or even abolish the role of some (tripartite) social dialogue bodies, with the government withdrawing from these bodies (e.g. Romania). Other labour law reforms tend to impose alternative dispute resolution mechanisms on courts (Bulgaria, United Kingdom, Spain). In Greece, the arbitration procedure must currently be triggered by a joint request from the parties and is limited to basic wage claims. In the United Kingdom, access to the courts has been restricted. Lastly, provisions related to collective disputes have been revised in some countries (Estonia, Hungary and Lithuania).

It is undeniable that these imposed collective labour law reforms will weaken trade union representation and action at all levels of bargaining. They impact the very structure of trade unions, as well as the institutional capacities to protect and represent workers. They run contrary to the ILO Convention n° 154 on the right of association and the promotion of collective bargaining.

The imposed decentralisation of collective bargaining to lower levels weakens the social gains achieved by trade unions at national and local levels and will have repercussions on sector-level collective bargaining. It will also result in a lowering of standards of rights recognised and enshrined in legislation and collective agreements and will affect basic working conditions regarding working hours, wages, work organisation, work environment and social protection. It can only have negative repercussions on occupational health and safety.

This logic leads to individual (economic, legal, ...) impoverishment of the employee in an attempt to make the country richer. The recovery of the European economy cannot be based on an overall reduction in the social rights of employees.

IndustriAll Europe rejects any political interference carried out by international or European institutions and/or national governments, which leads to the forced and imposed undermining of collective bargaining systems.

IndustriAll Europe affiliated organisations reaffirm their commitment to support each other in their fight to strengthen and re-establish collective bargaining structures.

They urge the EU Institutions and the national governments to stop their attack on collective bargaining and to support all the attempts of trade unions to re-establish collective bargaining structures where they are trying to do so.

They reaffirm their commitment to strengthen trade union power, as an effective and relevant means to achieve collective and national social regulation.