

On the Offensive on Pay: Towards Equality

Congress Statement on minimum wages, equality and collective bargaining

There are four facts that stand out when examining pay in the European Union of today.

Firstly, wages and salaries have a declining share in the gross domestic products of almost all the countries of the EU. Linked to this is the trend to shift risk on to workers with the growth in insecure, precarious forms of work which are embracing greater proportions of Europe's workers.

Second, pay rises in the eurozone, in particular, have barely kept pace with inflation. Real wage growth in recent years has largely been non-existent with Germany as a prime but, by no means, the only example. Similarly in many new Member States, pay has lagged behind economic growth, as governments and employers seek to compete on low wages. Meanwhile profit growth has been strong, with little evidence that this is being channelled into research and development, innovation and productive investment.

Third, just as there are widening gaps between rich and poor within countries, there remains a persistent gap between the pay of men and women despite equal pay legislation, with the average pay difference being at least 15%.

Fourth, just as there are large and growing gaps between high earners and low earners, men and women, there are large gaps still between EU countries. There is some emerging evidence that in some countries underpaid migrant workers are used to exert downward pressure on real pay rates for the unskilled and semi-skilled, in particular.

All these facts point to the need for concerted, coordinated, purposeful action on pay at all levels of trade union activity, including at the level of the ETUC.

ETUC Action

The ETUC and its affiliated unions must therefore go on the offensive for a better deal for the working people of Europe – men and women, new Member State and old Member State alike.

The Executive Committee proposes the following practical steps in pursuit of fair wages for all European workers:

- Support union campaigns for effective minimum wages in those countries where the unions consider them necessary. Targets should be set as part of a purposeful campaign towards "living" wages and to tackle the growing gaps between rich and poor, men and women.
- Targets to close the pay gaps should also be adopted by those unions whose confidence in the effectiveness of their collective bargaining processes means that they do not need legally established minimum wages.
- Explore continually the scope for united campaigns at European level, led by the ETUC, for common standards on minimum pay and income,

and for collective bargaining strategies. Currently it may be that, for example, the differences in skills, productivity, living standards and union policies are too great for a campaign on common European-wide minimum wage mechanisms, but as circumstances change the ETUC must be ready to lead a debate on united campaigns. The ETUC Collective Bargaining Coordinating Committee will deepen its consideration of the issues involved, drawing on the work of a sub-committee composed of interested affiliates as well as on research to be undertaken by the ETUI-REHS, and will report to the Executive Committee for consideration by the Spring of 2008. In the meantime, actions will continue to build cooperation and coordination in cross border regions and at sectoral and enterprise levels, involving the European Industry Federations. And the EU will be pressed to join the campaign "Towards Equality" by increasing structural funds towards poorer countries/regions, developing a fresh initiative on agency workers and strengthening the Posted Workers Directive. Progressive taxation systems also have a part to play in dealing with growing discrepancies.

- Stronger efforts are necessary to reduce the gender pay gap using all collective bargaining and legal means.
- The emerging evidence that migrant workers are being used in some countries to check the growth of real wages for the unskilled and semi-skilled in particular needs to be confronted. The emphasis here should be on organising migrants into unions and ensuring that they are covered by collective agreements; and by applying minimum wages (where they exist) and labour laws in full. Migrants must not become second class workers nor be used to depress wage levels. The authorities must be warned that union support for free movement of labour within the EU must not be taken for granted and that pressures for migration controls could rise if no effective actions are taken. Effective labour inspectorates, public and European policy encouraging social dialogue, trade union membership and collective bargaining are all vital features of what must be done.

Conclusion

The ETUC cannot tolerate continually rising levels of poverty and inequality between, and within, EU Member States and between men and women. This statement points the way towards fair wages and greater equality.