

INTERREGIONAL TRADE UNION COUNCILS (IRTUCs)

COLLECTIVE BARGAINING CROSS-BORDER CO-OPERATION



European Trade Union Confederation (ETUC)

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COLLECTIVE BARGAINING

CROSS-BORDER CO-OPERATION

FINAL REPORT



European Trade Union Confederation (ETUC)



CONTENTS

▶ INTRODUCTION	4
▶ Seminar Conclusions – IRTUC Friuli-Venezia-Giulia/Slovenia • Trieste, 20 January 2009	7
▶ Conclusions of the Seminar – IRTUC Andalusia– Algarve • Huelva, 16 January 2009	10
▶ IRTUC Project – Seminar conclusions • Tessin/Lombardy/Piedmont Interregional Trade Union Council • Verbania, 30 January 2009	13
▶ IRTUC Elbe-Neiße (Germany/Poland/Czech Republic) – IRTUC Viadrina (Berlin-Brandenburg/Lubuskie) – IRTUC Pomerania (Germany/Poland) Final report joint seminar conducted by the three IRTUCs on 09./10.03.2009 in Bautzen/DE	21
▶ Report on the seminar of the Friuli-Venezia-Giulia/Veneto/Croazia Sudoccidentale Cgil, Cisl, Uil, Sssh Inter-Regional Trade Union Council, held in Umag (Croatia) on 10 December 2008	26
▶ Seminar / main conclusions – IRTUC Galicia/Norte De Portugal Santiago De Compostela, 23 January 2009	30
▶ Conclusions • ETUC questionnaire	34
▶ Conclusions	43

INTRODUCTION

Our activity, which forms the subject of the present final report, is part of the process of giving concrete shape to the implementation of the 2007-2011 Action Plan adopted by the 11th ETUC Congress (Seville, May 2007). More specifically, within the framework of the coordination of collective bargaining, it represents the 'aspect' relating to cross-border cooperation and the role of the IRTUCs relating thereto.

The Action Plan stressed the importance of a political initiative seeking to encourage, promote and support all the cooperation initiatives at cross-border level and to extend the cooperation initiatives to fields where the economic, territorial, monetary and social conditions are similar.

We likewise start out from the observation that there is a growing phenomenon of cooperation and integration of the economy and services between businesses in the border areas, particularly in the new Member States which require a boost to the cooperation between sectoral trade unions and representatives of businesses in the border regions.

By definition, the IRTUCs, currently numbering 44, which bring together all the regional trade union organisations in the national confederations affiliated to the ETUC in the border regions concerned, promote direct cross-border ties between sectoral structures and businesses.

We therefore considered it to be essential to get this activity underway on the basis of 7 IRTUCs, namely:

- IRTUC Friuli-Venezia-Giulia/Slovenia (Italy – Slovenia)
- IRTUC Andalucía/Algarve (Spain – Portugal)
- IRTUC Lombardy/Tessin/Piemonte (Italy – Switzerland)
- IRTUC Viadrina (Berlin-Brandenburg/Lubuskie) (Germany – Poland)
- IRTUC Friuli-Venezia-Giulia/Veneto/Croazia Sudoccidentale (Italy – Croatia)
- IRTUC Elbe-Neisse (Germany – Poland – Czech Republic)
- IRTUC Galicia/Norte de Portugal (Spain – Portugal)

The activity was conducted in two phases.

Firstly, the IRTUCs concerned staged a seminar in the corresponding border regions, with the following objectives:

The ‘mapping’ of

- the industrial situation and the key sectors
- cross-border businesses, border subcontracting

Networking of the existing bargaining

- What about sectoral bargaining at national level?
- What about bargaining at company level (Where? Which sectors?)
- What about regional and/or territorial bargaining?
- What about inter-sectoral bargaining?

Snapshot in terms of relocations/restructuring operations

Snapshot in terms of the activities of the IRTUCs on the following aspects:

- thematic work/activities
- sectoral work/activities
- activities in connection with the social dialogue/collective bargaining
- framework/forum in which they occur

This report contains on the one hand the conclusions drawn after each of the seminars, a total of six, and on the other gives a summary of these conclusions, by reference to the common road map outlined above.

Secondly, on 12 May 2009, we held a final Conference to pool the results, exchange good practices and define how the project was to continue. The conclusions of our work are given at the end of this report.

- We should stress that one of the major conclusions is that the IRTUCs represent a fundamental resource, as was demonstrated by the 6 seminars organised in the regions applying, to move beyond the exchange of information between one trade union and another along borders, to strive to

embed a strict cooperation activity capable of having an impact on the various existing bargaining practices, and to blend them and merge them as far as possible.

When a business moves from one border to another, it needs to find a single trade union, a single strategy of demands and a single delegation starting the bargaining.

So this is an ambitious strategy, but an irreversible one. We are aware that we will need to devote all the time necessary to assert it in concrete terms.

That being so, this project represents for us a fundamental pillar for our future. Ultimately, this cooperation must deliver some more effective exchanges of information and improve inter-union cooperation, and promote, select and disseminate good practices and experiences developing at that level, while respecting the different collective bargaining systems.

Walter CERFEDA
Confederal Secretary

Claude DENAGTERGAL
Advisor

SEMINAR CONCLUSIONS

IRTUC FRIULI-VENEZIA-GIULIA/ SLOVENIA

Trieste, 20 January 2009



he seminar was extremely successful. The number and quality of participants, as well as the content of debates undoubtedly contributed to this success.

Slovenian and Italian trade union representatives from a variety of companies and sectors took part in the meeting, alongside representatives of local and national confederations. The Labour Minister for the Friuli-Venezia Region also made a major contribution to the seminar proceedings, intervening on the subjects proposed for discussion. She also highlighted the role of the regional public employment services and the regional administration's steadfast commitment to the protection of workers, in particular in cases of redundancies and of companies in a crisis situation.

The minister discussed the region's initiatives in support of reclassification policies through training courses and occupational readjustment initiatives, measures to provide support for certain more vulnerable categories (long-term unemployed, young people, women, etc.) and initiatives aimed at regulating cross-border work.

It was then the turn of Italian and Slovenian experts to give their presentations. Building on different studies and documents prepared in Italian and Slovenian for the seminar participants (see annexes), they illustrated the respective national regulations on collective bargaining, social protection measures and the employment market.

The speakers stressed the elements of convergence in these regulations, but also the points of divergence, especially in the area of social protection. The

Italian experience of the Cassa Integrazione (unemployment benefit) was expanded upon at length during the discussions, which included the active participation of a large number of trade union representatives.

Another particularly interesting topic was also addressed during the discussions: the scope of collective labour agreements. Such agreements must constitute a guaranteed minimum for the workers concerned, based on the logic of *erga omnes*, i.e. for all those concerned. Conversely, existing legislation in Slovenia encourages dumping between companies and the emergence of discriminatory conditions between workers in the same sector. The Slovenian experience in the area of minimum wage was analysed in detail, in terms of both economic enhancement – scales are too low compared to real needs – and protection of workers in “diffuse” enterprises and in the service sectors.

Discussions on these subjects also allowed participants to compare the two countries’ experiences and to zero in on the limits and positive aspects of the two systems.

The seminar then turned to the practical implementation of existing regulations for border workers. Participants singled out the obvious negative effects that concern many workers, first and foremost irregular workers, but also a whole range of other atypical profiles. In today’s situation of economic crisis and work shortages, participants stressed the importance of harmonisation of social protection measures and of ways of managing companies and/or sectors in crisis. The comparison of models of collective agreements highlighted the different roles played by the trade union in the company and the “external” trade union (sector-level and/or territorial) in both countries. Several examples were also presented to illustrate good trade union practices in the management of crisis situations affecting companies and/or sectors with interests in both countries. From the textile sector to road transport, the IRTUC, in collaboration with the trade union organisations from the sectors concerned, not only encouraged the organisation of meetings, but also facilitated the setting up of works councils and common platforms (as in the case of customs workers) with a view to integration and the harmonisation of working conditions (particularly for ports, the commercial sector, healthcare, etc.).

As a result of the pooling of these experiences, the seminar participants identified with great conviction their common objective, namely to accelerate the process of harmonisation of agreements and regulations between the two countries within the framework of greater coordination of policies on collective agreements under the umbrella of the ETUC.

The ETUC representative took note of these objectives. He emphasized in particular the priority of organising a new level of negotiation at European sector level, as requested by many players. The cross-border level also requires enhanced coordination and common action on collective agreements, starting with the sectors most concerned by border work. The aim is to be more faithful to the reality of relocations in border regions and of the most integrated economic sectors, and first and foremost, road transport.

At the conclusion of the seminar, it was agreed to organise other meetings in order to continue and further develop the comparative study of Italian and Slovenian collective labour agreements in certain key sectors.

All the participants underlined the usefulness in this connection of having updated information and data on collective agreements under the Interreg project published on the IRTUC site.

The leverage effect of the project under way was also highlighted. It has given participants the opportunity to explore further, both qualitatively and quantitatively, the principal aspects of labour agreements in Italy and Slovenia. It has also created fresh impetus for carrying out even more concrete actions in the area of protection of workers in the border region and, in general, for accelerating processes of harmonisation of agreements and regulations. We would add that, as a result of this seminar and the project under way, trade union organisations and the Slovenian government have embarked upon a dialogue on the organisation of a new system of social protection measures based on the model of the Italian Cassa Integrazione.

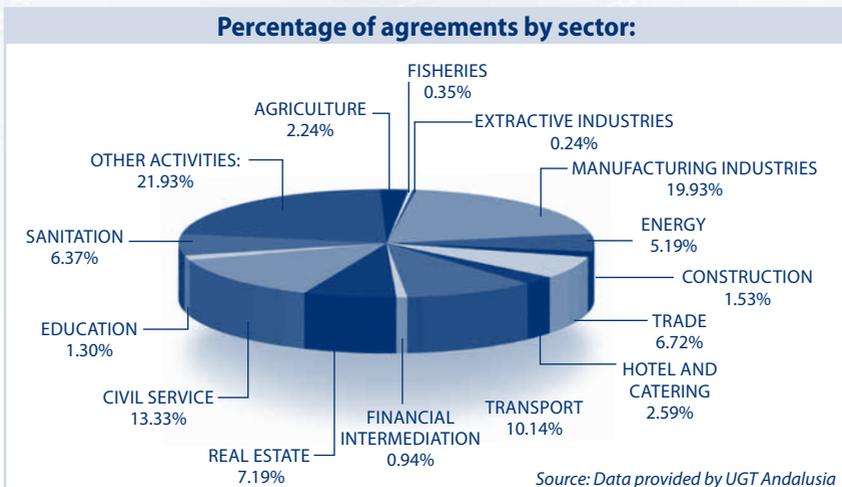
CONCLUSIONS OF THE SEMINAR "Collective bargaining – Cross-border cooperation" IRTUC ANDALUSIA– ALGARVE

Huelva, 16 January 2009

A. Industrial situation and key sectors

In Andalusia:

The sector with the highest number of agreements in Andalusia is the manufacturing industry (19.93%) followed by the civil service (13.33%). Most of the collective bargaining agreements nonetheless concern other activities (21.93%).



In Algarve:

Sectors:

1. Tourism;
2. Civil Engineering;
3. Wholesale and retail;
4. Processing industry;
5. Agri-foodstuffs, aquaculture and biotechnology.

Border enterprises, subcontracting in the neighbouring region

No data.

B. Networking of existing bargaining

The collective bargaining framework is different in Andalusia and in Algarve: In Andalusia, some 850 collective bargaining agreements are applied, including 150 sector agreements, for a 90% coverage rate. Most of them are negotiated and concluded at the national, sectoral, or large corporation level. Agreements concluded at the level of the autonomous Community of Andalusia are starting to emerge, but are still in the minority. Centralisation, which is characteristic of collective bargaining in Algarve, is the source of many difficulties. The employers are refusing to conclude any agreement at present.

Bargaining at regional level should therefore be encouraged in both countries. It is moreover necessary to have collective bargaining enshrined in a common European network. Many European directives are not taken into consideration when negotiating agreements, which complicates bargaining between two countries with such different structures. The possibilities of establishing joint platforms for agreements should be analysed for the sake of harmonisation and in order to determine the extent to which joint bargaining committees can be created.

C. Current situation with relocations and restructuring

We do not have data on relocations in the Andalusia region.

In spite of the 6th Social Dialogue Agreement signed by the Council of Andalusia, UGT-A, CC.OO-A and the Andalusia Confederation of Entrepreneurs, as well as the creation of a work group to analyse relocations and to look into appropriate measures, the latter has not published any pertinent data.

We do not have any data on relocations in Algarve either.

D. IRTUC activities relating to the following aspects:

Activities relating to the social dialogue and collective bargaining

Although the IRTUC has not organised a seminar on these issues in particular, except for the one held in Huelva on 16 January 2009, entitled "Collective bargain-

ing – Cross-border cooperation,” social dialogue and collective bargaining have been on the agenda of most meetings and conferences organised under trade union and policy actions of each confederation.

In this respect, it is worth underscoring the presentations during these meetings that broached the situation of collective bargaining in the regions of Andalusia and Algarve and enabled the trade unions to exchange experiences and to propose solutions to the problems faced.

Framework and structure of the social dialogue and collective bargaining

In view of the nature of cross-border trade union cooperation projects and the internal organisation of each confederation, the IRTUC has focused on nearly all economic and social sectors through meetings and conferences.

The actions undertaken by our IRTUC were conducted as part of cross-border trade union cooperation programmes between the two regions. Regular meetings and conferences created opportunities for analysis and discussion of the social, economic and employment situation in the two regions, and led to fruitful exchanges of experiences so as to propose solutions to problems relating to employment, training and vocational qualification, the quality of life and social rights.

It was also a matter of giving cross-border workers an opportunity to evaluate their situation in terms of employment, training, qualification, quality of life, standard of living and social rights so as to improve the possibilities for integration in the Algarve-Andalusia socio-economic area.

The IRTUC has moreover taken part in activities organised by other national or European IRTUCs and has, insofar as possible, responded to calls from the European Trade Union Confederation.

The specific instrument of the Andalusia-Algarve IRTUC used to organise meetings attended by many representatives from all the member organisations of the committee should be mentioned, as should the political institutions of the two regions, representatives of employers, the universities, and other economic and social actors. A decision was taken in 2007 for these annual meetings to be held twice a year. The officers of the IRTUC were appointed during these meetings on the basis of a rotation system agreed by the four trade unions. One of these organisations has assumed the presidency, and the three others the vice-presidency. The IRTUC moreover has its own regulations and bylaws and an executive committee, which comprises the general secretaries of each trade union at regional level and four members from each organisation. The 13th such meeting will be held on 25 and 26 June 2009 in Villamoura, Portugal.

IRTUC PROJECT

Collective bargaining Cross-border cooperation

SEMINAR CONCLUSIONS

TESSIN/LOMBARDY/ PIEDMONT

INTERREGIONAL TRADE UNION COUNCIL

Verbania, 30 January 2009



On 30 January 2009, the Tessin/Lombardia/Piemonte IRTUC held a seminar in Verbania within the framework of the ETUC/IRTUC Steering Committee project on collective bargaining and cross-border cooperation.

The seminar proceedings drawn up at the conclusion of the work reproduce all the speeches and presentations, including the PowerPoint presentations.

Mapping of the labour market in the region of Varese, Como, Verbano Cusio Ossola and Tessin

This area is characterised by high demand for labour in small and medium-sized enterprises. The Italian provinces and the canton of Tessin have very similar situations in this respect. In the 1990s up until the early 2000s, there was a pronounced development of the services sector in the labour market. There are provinces where the industrial sector is still very important (as in the provinces of Varese and Como, where it represents around 45% of activity), but the dynamic of redeployment from production to services is obvious and much more pronounced in the canton of Tessin.

Another common feature is the increasing use of flexibility among the workforce and in demand for labour. Every year, around 20,000 workers are hired for a total of 750,000 positions (high rotation rate). Flexibility nonetheless presents different characteristics due to the particular features of national laws. Temporary work is expanding significantly. In Tessin, this phenomenon has escalated considerably: from 2,500 annual labour units to more than 5,000 after the entry into force of the bilateral agreements.

In Italy, the most obvious phenomenon is development of virtual self-employment ("*parasubordinato*"), an atypical form of work, and of self-employment in the form of a micro-enterprise. Another significant aspect is the large number of fixed-term contracts (in the province of VCO¹, they account for 19% of all contracts, according to the most recent statistics).

Another aspect to be taken into consideration is the difference in structure of the production apparatus, which is larger on average in Tessin than in Italy. There are around 150 enterprises in Tessin employing more than 100 workers (there is a total of 550 for the entire area under consideration). Consequently, Tessin has not only small enterprises but also medium-sized and large enterprises.

To sum up, it can be stated that:

- the region is undergoing an expansion of the services sector but still has a strong industrial presence in a context of great diversification of production and services;
- the structure of labour demand is characterised by local specialisations; for structural reasons (related to salaries and contracts), Tessin attracts a qualified workforce whereas in Italy the situation is characterised by a strong deconstruction of employment;
- the crisis hit at the peak of a phase of vigorous resumption of demand, twinned with growing use of flexibility on markets; the earliest signs of the collapse of demand appeared in October and November 2008 (collapse in – the number of companies created, surge in extraordinary partial unemployment², widespread use of reduction of working time, etc.).

The labour force features very high geographical mobility. Every day, more than 50% of residents work outside their municipality, which creates serious congestion on roads, motorways, etc. This labour mobility is a characteristic of the Regio Insubrica. The labour force in the canton of Tessin is characterised by a strong concentration in the services sector (of a total of 148,000 workers in the canton, 120,000 work in services) and workers are better trained on average than in the Italian provinces.

A dual labour market exists in the canton of Tessin. Factories and construction sites are structurally dependent on the work of foreigners, but the presence of a foreign workforce (cross-border) is escalating everywhere and in all sectors (the number of frontier workers is increasing and that of residents is declining).

1 ... Verbano Cusio Ossola

2... Ndt: CIGS : Cassa integrazione guadagni straordinaria.

The labour force in Italy, or more exactly in the Italian provinces of Verbania, Varese and Como, is still strongly characterised by its traditional manufacturing role.

Three essential traits can be identified:

- immigration represents a fundamental resource everywhere;
- the available labour force is extremely mobile throughout the territory;
- labour supply and demand in Tessin and in the Italian provinces appear to be complementary in certain respects, but in recent years freedom of movement and competition have increased, especially in areas requiring high and average qualifications.

The areas of imbalance are most apparent in unemployment statistics. A low rate of unemployment suggests a sound balance between supply and demand. In a longer and medium-term perspective, unemployment rates in the sub-regions tend to be moving towards common values, with the situation improving in the Italian provinces and deteriorating in Tessin.

The difficulty enterprises have recruiting qualified workers is another aspect to be taken into consideration.

In terms of factors of balance, the situation may be summed up as follows:

- the conjunction of supply and demand is guaranteed by a labour market that is still governed by informal relations and complementarity;
- the foreign presence is decisive everywhere: immigrants hold jobs that are more physically demanding, do not pay as well, do not provide employment security, etc.;
- the high geographical mobility of the resident workforce and the free movement of workers allow flexible and optimal deployment of resources; there is a fair amount of competition emerging between the territories in terms of recruiting a qualified workforce;
- the increasing use of flexible working conditions, implemented under different arrangements in Tessin and in Lombardia, makes it possible to meet demand swiftly, but engenders an endemic social risk.

Bilateral agreements between Switzerland and the European Union have provided support for resumption of the Swiss and Tessinois economies. We have identified phenomena of the replacement of workers from Tessin by frontier workers. In parallel with the increase in cross-border hiring, two emerging phenomena may be singled out:

- posted salaried workers (41%) and self-employed workers (13%) in artisan and industrial sectors;
- hiring through agencies (around 15% of demand).

The most striking characteristic of change is the expansion of services in frontier work with the arrival on the market of new categories of “commuters” who find employment opportunities in sectors that used to be protected. Competition penalises the most highly qualified foreign residents in terms of salaries (the only ones with average and high levels of qualifications to be penalised, moreover; they are being replaced by frontier workers).

To sum up:

- frontier work concerns a growing number of occupational areas and sectors and consequently different categories of workers. Frontier work increasingly appears to be a decisive resource for the economy of Tessin;
- the bilateral agreements are not the cause of the increase in the number of frontier workers nor have they had a decisive impact on the foreign presence, unemployment or salaries; they have been a factor of support that have encouraged a fair amount of redeployment of the workforce;
- frontier work is a phenomenon that is based on a complex range of trade interests and reasons.

How will the demand for labour evolve after the crisis? In all likelihood, a further shift towards demand for more qualified profiles and positions is to be expected, which once again raises at the level of the region the problem of adaptation of the levels of training of the working population, especially on the Italian side. This aspect is expected to affect the Italian provinces more than Tessin.

In matters of collective bargaining, interesting experiences resulting directly or indirectly from the IRTUC’s activity have already been in place for some time in the inter-region formed by the canton of Tessin (Switzerland) and the provinces of Varese, Verbania and Como (Italy).

COMO’S PROVINCIAL OBSERVATORY OF CROSS-BORDER WORK

The observatory was set up in 2005. It is the result of a series of projects funded by the province and the Chamber of Commerce of Como as the outgrowth of an

INTERREG II project in 2001 in support of frontier workers, who had set up trade union information centres.

Members of the observatory are the Province of Como, the Chamber of Commerce, various institutions (INPS, ASL, INAIL, etc.) and the three trade union organisations who originated the project, as well as the employers' associations in the area. The observatory was founded with the aim of analysing, studying and implementing appropriate actions to address rationally and in a well thought-out manner the potential problems and all aspects of the frontier region labour market, giving emphasis to the unique aspects of self-employment in Switzerland (posted workers, artisan companies, etc.). The latter aspect has been given special attention lately by employers' associations. An Italian-Swiss task force has been set up within the Chamber of Commerce of Como to review this matter.

The observatory has two principal aims:

- to constitute a complete and constantly updated database, accessible to all players, public or private, concerned by these issues, and with input if need be from participants' databanks;
- to create opportunities to meet for analysis and review of the prospects, needs and potential directly related to inter-regional governance of the province of Como and the canton of Tessin.

More specifically, the observatory endeavours to:

- encourage the circulation of information on reforms concerning the labour market, and in particular frontier work, the forms of contracts and agreements and training available in the area;
- improve information on the content of bilateral agreements and on the opportunities open to salaried workers;
- develop synergy and collaboration through the *Tavolo Permanente per gli Accordi Bilaterali Italia – Svizzera*³ set up within the Chamber of Commerce of Como for all aspects related to self-employment;
- monitor and measure systematically the frontier region labour market in the province of Como, through studies and analyses, possibly involving regional, national, Swiss and European bodies and/or institutions.

The experience of the Tessin/Lombardy/Piedmont IRTUC has also created interesting synergy, including with other players such as the Lombardy Region

3 Ndt: Standing Committee for Monitoring the Bilateral Agreements between Switzerland and Italy.

and in particular the EURES-Lombardy Region centre and the regional training and labour agency⁴. This synergy has been developed in the framework of “*Rafforzare la collaborazione tra Italia e Svizzera*”⁵, a project approved by the European Commission and co-financed under the EURES national action plan 2007-2008.

The project has organised three seminars on the following topics:

- Lombardy, Tessin and Grisons: development of an integrated tourist system – inter-regional employment opportunities;
- learning and training: recognition of diplomas and certificates between Italy and Switzerland;
- the inter-regional labour market of Lombardy, Tessin and Grisons: the role of the social players – presentations of statistical data and documented worker mobility flows between Italy and Switzerland.

The last seminar included the participation of the Como Provincial Observatory, which presented the first research report on the phenomenon of present-day frontier work and on observable trends (regions concerned: Tessin, Lombardy and Piedmont).

Following the entry into force of the Switzerland-European Union bilateral agreements, the Chamber of Commerce of Como put in place a **STANDING TECHNICAL COMMITTEE**⁶ focused on the cross-border provision of services, with a view to providing support for Italian and Swiss companies for practical implementation of the agreements.

The committee was established in November 2005 with the participation and collaboration of branch associations, institutions and trade union organisations.

The committee’s activity has resulted in the publication of two handbooks on the website of the Chamber of Commerce of Como: one for Italian companies interested in working in Switzerland and the other for Swiss enterprises wishing to work in Italy.

The publications remedied a bureaucratic and administrative gap. They constitute a valuable source of information on the procedures and rules to be observed by all those interested in working in one of the two countries.

4 Agenzia Regionale per l’Istruzione la Formazione e il lavoro.

5 Ndt: Strengthening collaboration between Italy and Switzerland.

6 Tavolo Tecnico Permanente.

The committee then decided to set up three working groups on the following topics:

- analysis of minimum salaries paid to posted workers in Switzerland;
- reciprocal recognition of diplomas and certificates and professional qualifications;
- public procurement in Italy.

The groups dealing with the comparison of salaries and recognition of diplomas and certificates benefited from the decisive, factual collaboration of trade unionists (participating in the Tessin/Lombardy/Piedmont IRTUC). Excellent results were obtained in the area of protection of the rights of posted workers, notably avoiding the practice of salary dumping, etc.

To improve these results, it was decided to extend the committee's activities beyond the limits of the province.

An inter-provincial technical coordination committee for relations with Switzerland was set up to that effect. This committee will be tasked with ensuring continuity between the work of the Como technical committee and similar initiatives implemented in other provinces.

Three representatives of our IRTUC will also sit on this inter-provincial committee.

THE IRTUC'S TARGETED ACTIVITIES

In 2008, our IRTUC's activity focuses more specifically on the problem of the taxation of annuities and capital paid to Italian frontier workers by Swiss supplemental pension funds.

In 2009, the issue that concerns us – especially recently – is the global economic crisis that has also had important repercussions in our region. At present, some 250 enterprises or establishments in Tessin have had to implement working time reduction plans. However, these initiatives have not succeeded in curbing the high number of redundancies: over the last two months, more than 2,300 Italian frontier workers have lost their job. We also took action with the parliament in Italy to defend the law that protects this category of workers. A special unemployment allowance was granted to these workers. This initiative is financed by the contributions paid by Swiss employers to the Italian social secu-

rity system (INPS) to help fight unemployment. Certain political forces tried to allocate these funds to other uses not related to the social safety nets put in place for frontier workers. The IRTUC succeeded in fighting off these attempts and in keeping all of the funds for frontier workers.

In the coming months, the IRTUC plans to develop further certain conclusions of the Verbania seminar (ETUC project on inter-regional collective bargaining) and will endeavour more specifically to compare at inter-regional level the guarantees, rights and contractual instruments available to workers who turn to temporary employment agencies (known in Italy as "*agenzie di somministrazione di lavoro*"). Comparison, regulation and harmonisation of Swiss and Italian employment contracts will make it possible to ensure better working conditions and better protection for this special category of workers. The fundamental objective is to implement an effective system of inter-regional flexicurity in Lombardy and Tessin.

IRTUC Elbe-Neiße (Germany/Poland/Czech Republic)
IRTUC Viadrina (Berlin-Brandenburg/Lubuskie)
IRTUC Pomerania (Germany/Poland)

FINAL REPORT

on the 'IRTUC collective bargaining – cross-border cooperation' project on 12 May 2009 in Brussels



The report is based upon joint seminar conducted by the three IRTUCs on 09./10.03.2009 in Bautzen/DE.

1. Mapping

- The IRTUC Elbe-Neiße covers the territory of the Federal State of Saxony/DE, the Lower Silesia Region/PL and the North Bohemia Region/CZ
- The IRTUC Viadrina covers the territory of Berlin-Brandenburg/DE and Lubuskie/PL
- The IRTUC Pomerania covers the territory of Mecklenburg-Hither Pomerania/DE and Western Pomerania/PL

1 a) Industrial situation and key sectors:

All regions are marked by the switch from the socialist centralised economy to the European social market economy, and even today are still undergoing a comprehensive process of transformation/privatisation of industry and key sectors. In the East German Federal States, the term 'extended work benches' is widely used, because the relocated units are only branches of West German or international concerns. The process of making up ground in terms of wage policy in the collective bargaining agreements for the former East Germany has mainly occurred on 100% of the West German wage level. However, the real

income situation between East and West sits at 70% in the East versus 100% in the West.

- Example of mining industry in Northern Bohemia:
Of the former 16,000 employees in a 'combine' structure, a restructuring into 16 companies with 3,500 employees has now occurred.
- Example of shipyards in Stettin and Gdynia:

The global economic crisis and the EU's investment stipulations are threatening the collapse of the two shipyards, with 9,500 employees – see also the relevant stance of the participants in the seminar of the IRTUCs on the German/Polish/Czech border on 09./10.03.2009.

All regions have in common the fact that they are affected by high rates of job losses because of this dramatic transformation, leading to official unemployment of up to 20%.

1 b) Cross-border undertakings:

Cross-border undertakings in the legal sense are the absolute exception, because the precondition in the public sector is a State treaty, such as the one between the Sächsischen Binnenhäfen GmbH and inland ports in Decin/CZ and Lovosice/CZ. No European company (SE) is known in the area of the IRTUCs. One particularity, for example, is the European University Viadrina Frankfurt/Oder as a Foundation University in the Federal State of Brandenburg. German/Polish cooperation is a particular objective at the university here, albeit without State participation by the Polish Republic.

Basically, the industrial and service structures are determined by the West German or international concerns which are represented by branches, for example in the case of banks, the retail trade, the automobile industry, mechanical engineering and the like. Subcontracting is known primarily in the fields of freight forwarding and logistics.

2. Networking/development of collective bargaining

- Sectoral collective bargaining agreements negotiated and concluded at national level are very rare. As a rule, national framework collective bargaining agreements are concluded for regions, concluded according to sectors in the regions (in Saxony, for example, pay agreements and agreements on employment security)

- Collective bargaining agreements are increasingly being concluded at company level, because the association structure from the employers' side is only modestly developed across all sectors. East Germany has recorded only a thirty per cent involvement of the parties to collective bargaining agreements in employers' associations and thence in sectoral collective bargaining agreements.
- Privatisation and structural changes are meaning the end for the old industrial relations, without adequate regulation in the sectors or companies.
- Company collective bargaining agreements are concluded in particular in big companies and the key industries such as shipyards, the metallurgy and electrical engineering industry, mechanical engineering, mining, chemicals etc, although also in the institutions of the privatised social and healthcare sectors.
- Regional collective bargaining agreements, for example for Mecklenburg-Hither Pomerania, Berlin, Brandenburg or Saxony, are found in all sectors in Germany, insofar as employers' associations are available as partners in collective bargaining agreements. In Poland and the Czech Republic, on the other hand, this tends to be the exception.
- Cross-sectoral collective bargaining is unknown, because the negotiations are conducted by the respective sectoral trade unions.

3. Relocations and restructuring

Because of the comprehensive transformation process from the centralised State economy to the social market economy, comprehensive restructuring operations and relocations have occurred in all sectors on the path towards privatisation. The consolidation processes even in the restructured companies often exist with relocations, with the consequence of company closures, and continue to occur in many sectors to this day.

4. IRTUC activities

a) Thematic:

Extensive across all IRTUCs, on the themes of industrial relations, collective agreement issues and the legal fundamentals in the three countries involved.

Example: Collective bargaining (preparation, conduct, arbitration procedure, industrial conflict and corresponding legal fundamentals)

Example: Structure and working method of the trade unions, rights of participation and procedure for participation at company level, undertaking level and concern level

b) Network:

- Textile industry network with the sectoral trade unions of all three countries
- Metallurgy industry network with IG Metall, Solidarnosc and OPZZ from all three IRTUCs, own website, including training of multipliers
- Healthcare sector network
- Trade union ver.di Saxony, health union CZ, Solidarnosc Jelenia Gora and Lower Silesia, trade union vida/AT, IRTUC Elbe-Neiße and DGB Saxony
- Transport network
- Focus on road freight, internet page and databank on wage and labour conditions with the national sectoral trade unions and European Transport Workers' Federation (ETF). Further development on the Baltic Road Transport Trade Union Network with additional participation by the Baltic States, United Kingdom and Sweden.

c) Sectoral:

- Mutual participation in demonstrations on wage and trade union demands (Prague, Warsaw, Berlin, Rostock)
- Meeting in companies via 'local consultations'
- Conduct of joint bodies, meetings (boards, committees, groups of persons, etc)
- In individual cases, cross-border support such as wage campaigns, retail trade 'Plus' in Most/CZ

d) Social dialogue and collective bargaining:

The strengthening of the social dialogue is promoted at all levels as a condition for the development of collective bargaining, in other words training in labour and wage law, in social competence and negotiating capacity, in trade union structures and trade union membership.

The social dialogue including wage disputes and industrial conflict is a suitable instrument for balancing out the interests at all levels.

Stronger support and simplified applications for support funding must underpin this development.

5. Conclusions for the project

- Wage development can be achieved through greater transparency in wage issues, for example appropriate networking of wage databanks and translation of reports on the negotiations
- Reinforcement of the social dialogue as a condition for the empowering of trade unions and employers to undertake the organisation of industrial relations through wage policy
- The vision of European collective bargaining agreements is most readily conceivable in the European company (SE), at least as framework agreements. The best precondition for this is the promotion and development of European works councils
- The role of the IRTUCs in procuring technical skills, personal contacts and mutual learning can be further developed through the improved support and simplified application process in the border regions. To do this, an active role for the IRTUCs must be ensured with a view to continuous work, for example through offices working full-time.

PROJECT: "COLLECTIVE BARGAINING – CROSS-BORDER COOPERATION" – REPORT ON THE SEMINAR OF THE FRIULI-VENEZIA-GIULIA/VENETO/ CROAZIA SUDOCCIDENTALE CGIL, CISL, UIL SSSH INTER-REGIONAL TRADE UNION COUNCIL

HELD IN UMAG (CROATIA) ON 10 DECEMBER 2008

T

he seminar programme was subdivided into two separate parts.

1. The first session focused on the comparative work carried out by the IRTUC during the previous three years (2006, 2007 and 2008) on collective bargaining in Italy and Croatia and the role of trade union organisations in processes of internationalisation and relocation of Italian companies to Croatia.
2. The second session addressed the question of the legalisation of frontier work by Croatians in Italy, legalisation which is impossible for the moment given the absence of a bilateral agreement between the two governments, as provided for by Italian immigration legislation. We then compared the situation and the rules governing frontier work between Italy and Switzerland in order to see whether the governments of Italy and Croatia could be guided by this experience. Switzerland is also a country that is not part of the European Union and whose situation is comparable to Croatia's in certain respects.

1. Comparison of the collective bargaining situation

The IRTUC launched in 2006 its comparative study of collective bargaining and collective agreement mechanisms in Italy and Croatia, focusing first on the sectors of activity in Croatia targeted by Italian investments, whether direct or indirect.

The following sectors were analysed:

- credit (2006);
- textiles and clothing (2006),
- trade (2007)
- mechanical engineering (2008).

The study brought to light the fact that the situation varies significantly from one sector to the next. Indeed, some of the sectors studied in Croatia have a national collective labour agreement (NCLA), but this instrument does not exist in others, where the only reference is the company-level collective agreement.

In Italy, an agreement between the trade union organisations and employers' associations was concluded in 1993 (and was soon replaced by a newer version that will enter into force in 2009). This agreement determines the matters that must be governed by a national collective labour agreement and those that must be covered by company-level or regional collective agreements. In Croatia, however, for a number of reasons there is no such agreement. One such reason is that in this country employers are not always organised into associations and Croatian trade union organisations consequently do not always have bargaining partners at sector level. Therefore, the only level of negotiation possible in Croatia is often the company level.

This analysis shows that in Croatia (for the sectors studied), the NCLA system is present in:

- trade and
- mechanical engineering,
- whereas in the sectors of:
 - credit,
 - textiles and clothing,
 - the regulation of rights and responsibilities between workers and employers is determined through collective agreements negotiated at company level.

In Italy, on the other hand, NCLAs are applied in every sector of the economy; regional or company-level agreements (also known as second-tier collective agreements) only exist in large enterprises (around 30% of the total) and, at regional level, in certain sectors of activity (such as artisan activities or construction).

The seminar also demonstrated that certain Italian companies that have established subsidiaries in Croatia, through the relocation of part of their production activities, are not prepared to:

- guarantee in the Croatian establishments the same rights as those guaranteed to workers in their establishments in Italy;
- sit down at the negotiating table to conclude company-level agreements similar to those they generally conclude in their establishments based on Italian territory; they turn down point blank requests to that effect submitted by branch trade union organisations.

This critical situation has led the IRTUC to put in place for 2009 joint (Italian-Croatian) branch collective bargaining delegations in order to:

- **strengthen the role of the trade unions in the Croatian establishments;**
- **put stronger pressure on Italian employers to convince them to accept company-level collective bargaining;**
- **negotiate in the Croatian establishments the same rights that are guaranteed to Italian workers.**

2. Legalisation of frontier work by Croatians in Italy

Italian legislation on immigration establishes that *“the admission and residence of frontier workers who are nationals of third countries are governed by the specific provisions laid down in the international agreements in force with the neighbouring countries”*. This law also applies to Croat nationals since this country is not yet part of the European Union. However, the Italian and Croatian governments have never concluded such an agreement and consequently Croatian frontier workers employed in Italy (particularly in the Veneto and Friuli-Venezia-Giulia regions):

- are either illegal workers, or
- are obliged, to obtain legal employment, to declare a domicile in Italy. This domicile is fictitious, but it is essential for obtaining a residence permit and a work permit. By taking this initiative, however, such workers are considered as being established in Italy and consequently their status as frontier workers is not recognised.

As early as 2003, the IRTUC promoted an operational memorandum of agreement between the autonomous region of Friuli-Venezia-Giulia region and the Istria region that was intended to lead to the conclusion at the earliest possible date of an agreement in good and due form between the two governments. However, the memorandum of agreement failed to give the expected results. The IRTUC consequently asked the President of the Tessin/Lombardy/Piemonte IRTUC to address the seminar to illustrate the situation of transfrontier employ-

ment between Switzerland and Italy. In his presentation, Roberto Cattaneo explained in particular the provisions adopted by Switzerland and Italy within the framework of the bilateral agreement signed by the two countries to regulate access to social security benefit and to avoid dual taxation of earned income. On the latter point in particular, the agreement gives the government of Switzerland competence to tax frontier salaried workers; the Swiss authorities pass on 30% of the income tax collected to the Italian municipalities where these frontier workers reside.

It was decided that the IRTUC would draw up in 2009 a document presenting possible solutions for abolishing the specific obstacles to mobility faced by Croatian transfrontier workers, in particular:

- a derogation from the general principle imposing residence in Italy as a requirement for lawful employment;
- the possibility of deducting transfrontier workers from annual quotas that allow third country nationals to enter Italy for the purpose of work;
- exclusion from dual taxation of earned income;
- access to social security benefit without discrimination based on place of residence;
- the guarantee of certain rights that stem from the employment relationship, such as the possibility to choose the legislation applicable to the employment contract or the choice of the national jurisdiction competent for settling employment-related disputes.

This document will then be submitted to the Italian and Croatian governments to relaunch the conclusion of the bilateral agreement needed to regulate this phenomenon. The hypothesis of awaiting Croatia's accession to the European Union and accepting that, in the meantime, Croatian transfrontier workers continue to work in Italy either illegally or by concealing their status of frontier workers, is unacceptable. Of course, Croatia's membership of the European Union would make it possible to solve many of the questions related to frontier workers, but unfortunately the timeframe for Croatian accession still seems uncertain and could prove to be quite long. Workers should already enjoy the right to occupational mobility and lawful working conditions.

IRTUC PROJECT

Collective bargaining – Cross-border cooperation

SEMINAR MAIN DOCUMENT CONCLUSIONS

IRTUC GALICIA/NORTE DE PORTUGAL

Santiago de Compostela, 23 January 2009

a. Mapping

There are 3,029,800 occupied persons in the Euro-region, of whom 60% work in the North region (1,829,000) and the remaining 40% (1,200,800) in Galicia.

In the Euro-region as a whole, there are 273,400 jobless, which represents a rate of 8.3% of the workforce (this figure falls within the average values in the EU).

In Galicia there are 109,100 jobless or 8.3% of the workforce, and in the Northern Portugal Region there are 164,300 jobless, which gives an unemployment rate of 8.2%.

– the situation of industry and key sectors

Sectors	North Portugal	Galicia	Difference
Agriculture & fisheries	12%	8%	+ 4
Industry	27%	18%	+ 9
Construction	11%	12%	- 1
Services	50%	62%	- 12
Total	100%	100%	—

– cross-border companies, frontier-zone sub-contracting

In order to have a better understanding of the economic relevance of the different branches of production, in other words the degree of productive specialisation in

the Euro-region, it is useful to analyse the gross added value according to market prices generated by the 17 branches of activity, provided by the Regional Accounts of the National Statistics Institute and the Statistics Institute of Galicia.

Northern region	%	Galicia	%
Manufacturing industry	22	Manufacturing industry	15
Business services	14	Business services	15
Trade	13	Construction	14
Education	9	Trade	12
Public administration	8	Hotels	6
Construction	8	Education	6
Other activities	26	Other activities	32

b. Networking of existing negotiation

In Galicia, collective bargaining is based on the statute of workers' rights (1980), which has undergone limited reforms.

The trade unions are recognised by Articles 7 and 21.8 of the Spanish Constitution as subjects of constitutional relevance and trade union freedom, which encompasses collective bargaining, as a fundamental right.

Collective bargaining in Spain is organised into sectoral collective agreements at the state, autonomous, provincial and company levels.

In Portugal, collective bargaining is undergoing major changes for the moment owing to development of the Labour Code.

Social dialogue in Portugal, which includes collective bargaining, is based at the company and sector level, among others.

Collective agreements in Spain are applied generally, that is they affect all workers, unlike collective agreements in Portugal.

– situation of sectoral negotiation at national level

Data for Spain are not relevant to our project for now.

– situation of company-level negotiation (where? what sectors?)

The sectors where there is greater worker mobility are those in which the IRTUCs are carrying out sector-level activity that has the final objective of laying down the foundations for a future negotiation.

– situation of regional and/or national negotiation

In Galicia, there are 732 collective agreements; of those, more than 76% are company agreements applied at the level of the province, 15.16% are province-level sectoral agreements, and only 8.06% cover an interprovincial area or the autonomous community.

Of the total number of workers affected by these agreements, i.e. 488,849, the majority are covered by sector-level agreements (413,855) in spite of the fact that these represent the smallest number, whereas company-level agreements, which amount to 607 in all, cover only 74,994 workers.

To this total, we must also add the national collective agreements that apply in Galicia, which at the end of 2007 amounted to 230 registered agreements, with 29,789 workers covered, the majority under sector agreements.

The majority of company-level collective agreements are concluded in companies with up to 50 workers (73.81%), whereas sector agreements are found in companies with between 1,001 and 3,000 workers. The majority of national collective agreements applied in our community are found in the economic sectors of services (162 agreements) and industry (63 agreements).

– situation of multi-industry negotiation

Until the end of 2008, the CCOO, UGT and CEOE (employers), signed national-level collective agreements that confirm and/or establish the criteria that apply to collective bargaining in all the different sectors.

In 2009, as a result of employers' intransigence, this type of agreement could not be renewed.

State of play of relocations/restructuring

In the Galicia-Northern Portugal cross-border area, it proved to be too complex to establish the number of companies that have relocated, since cross-border companies have work sites in both Galicia and Northern Portugal and there are many shareholders in both areas.

State of play of the IRTUC's activities related to the following aspects:

The following were carried out under the IRTUC's work plan during the period from June 2008 to April 2009:

Working conditions were analysed in different sectors and in both countries with the objective of laying down the bases of future joint work.

The majority of activities are incorporated into and developed within the scope of Cross-border Eures.

– thematic work/activities

Seminars on "Cross-border mobility as an opportunity" in women's and youth associations.

A total of 68 trade union representatives from the four trade unions that make up the IRTUC participated.

– sectoral work/activities

Sector-level meetings in the shipbuilding, civil construction works, textiles and fisheries sectors.

Two hundred and four trade union representatives from the four unions that make up the IRTUC participated in these meetings.

– activities related to social dialogue/collective bargaining

In conclusion to the seminar, the government of the Galicia Region agreed to promote the meetings necessary with employers in Galicia and their counterparts in Northern Portugal for the purpose of establishing working guidelines so as to succeed in establishing a stable framework for dialogue that allows for the development of sectoral agreements.

CONCLUSIONS ETUC QUESTIONNAIRE OBJECTIVES¹

a) Mapping:

- the situation of industry and key sectors.
- cross-border companies and frontier-zone sub-contracting.

b) Networking of existing negotiation

- Situation of sectoral negotiation at national level
- Situation of negotiation at company and sector level
- Situation of regional and/or territorial level negotiation
- Situation of multi-industry negotiation

c) Present situation of relocations/restructuring

d) The IRTUCs' activities related to the following aspects:

- thematic work/activities
- sectoral work/activities
- activities related to social dialogue/collective bargaining
- framework in which they develop

Numeric codes of the IRTUCs

1. Friuli-Venezia-Giulia/Slovenia (IT-SL)
2. Andalucia/Algarve (ES-P)
3. Lombardia/Tesino/Piemonte (IT-Suiza)
4. Viadrina and Pomerania (D and PL)
5. Elba-Neisse, including Saxony (D), Lower Silesia (PL) and northern Bohemia (CZ)
6. Friuli-Venezia-Giulia/Veneto/Croazia (IT-CR)
7. Galicia-Norte de Portugal (ES-P)

¹ Summary drawn up on the basis of the contributions by the seven IRTUCs to the Final Seminar held in Brussels and the answers to the ETUC questionnaire. It should be kept in mind that not all the IRTUCs had responded to the questionnaire.

a) Mapping:

- the situation of industry and key sectors.
- cross-border companies and frontier-zone sub-contracting.

There were not many responses to this section of the questionnaire and few of the IRTUCs mentioned it at the final seminar.

However, it was evident in all the contributions that the seven national seminars had provided an opportunity to take stock of the work accomplished by the IRTUCs in previous years. In the past few years, thanks to the creation of the Euro-regions and the use of Structural Funds, numerous studies have been carried out that establish the characteristics of frontier zones. We can say that the trade union organisations are very well acquainted with the economic and social situation on both sides of the border, as well as the prospects for employment and how this can affect workers' mobility between different regions.

The seven IRTUCs that participated in the project demonstrated the tremendous diversity of the European regions and the difficulties experienced by trade union organisations when it comes to protecting the working conditions of individuals who move between regions to work.

The most relevant factor for the seven IRTUCs selected is the difference between them and at the same time the difference between the countries and their corresponding neighbour, to such an extent that we could conclude that this difference is the decisive factor and that it explains the mobilisation of persons.

3.

In addition, the labour market in Tesino is characterised by growing demand from tertiary sector SMEs in the Italian regions and demand for skilled workers.

4-5.

The IRTUCs with members from the new EU Member States of PL, CZ and SL are currently coping with major economic adaptations as they shift from a centralised socialist economy to a social market economy. The consequences of this shift include successive privatisations and major restructuring of key sectors. The unions also pointed out that it is the major international groups that are giving form to industrial and service structures in these countries.

6.

The IRTUC between Italy and Croatia illustrates the differences of countries that have experienced this change from socialism to capitalism in addition to the fact of not being a member of the European Union, which also has repercussions on the economy and consequently on the labour market.

The IRTUCs confirmed that wage differences (for example, between Italy and Switzerland, between Germany and Poland or between Germany and Czech Republic) account for the supply and demand situation in terms of jobs.

Different age pyramids and demographic models facilitate a constant flow between Galicia and Northern Portugal, tendencies that will not change over the medium term, but quite the contrary.

There are nevertheless certain common aspects that have been accentuated by the crisis in Europe and, as a result, the IRTUCs naturally focused their action on the sectors in crisis or undergoing industrial restructuring and the consequences on the labour market and on living and working conditions of a large section of the population which implements mobility and on its social protection.

b) Networking of existing negotiation

- **Situation of sectoral negotiation at national level**
- **Situation of negotiation at company and sector level**
- **Situation of regional and/or territorial level negotiation**
- **Situation of multi-industry negotiation**

The seminar noted that the many studies carried out by trade union organisations in the last few years make it possible to compare the conditions in which collective bargaining takes place and the different conventions and agreements that affect workers. This is common to the seven IRTUCs.

The conclusions of these studies are very different on opposite sides of the border.

1.

In Italy, which has an important trade union division active on this topic, sectoral collective bargaining is using a new model. There is strong sectoral negotiation at national level, negotiation referred to as second-level in companies, especially large companies, and territorial negotiation for some sectors.

A systematisation has been worked out for the seven sectoral agreements between Italy and Slovenia. There is a database that compares agreements and solutions, not only for frontier-zone workers but also for other multinational companies.

2.

There is also a mapping of collective bargaining between Andalusia and Algarve: in Andalusia, 850 agreements apply, of which 150 sectoral agreements, which ensure 90% coverage. The majority of these are national and sec-

toral agreements, or else cover large companies. Agreements at the level of the Autonomous Community of Andalusia are starting to develop, although they are a minority. In Algarve everything is centralised and this creates many difficulties. Employers do not wish to sign for the moment.

Territorial negotiation in both countries has to be further developed and increased. A common and unifying European framework is needed. There are many European directives that are not taken into account when it comes time to negotiate agreements.

The situation is complicated between such different countries. There is a need to study joint platforms in agreements to have unifying elements and to see how joint negotiation committees can be developed.

3.

Comparison of the two collective bargaining systems. An expert compared fundamental aspects, one of the most important of which is the increasing role of temporary employment agencies, which are very different. In Italy there is an agreement, but not in Switzerland.

Concerning networks and collective bargaining: negotiations are at regional level, with national framework agreements. So companies increasingly make use of more own agreements with the result that negotiations are fragmented, Italian trade unions are opposed to this trend and argue that framework collective agreements are stronger.

4-5.

In eastern Germany the indicator of coverage under regional agreements is 30%. The remainder are local or company-level agreements.

With restructurings, precarious work has increased and agreements are negotiated at the level of large companies. Metalworks, chemicals and electronics (industry in general) in particular favour wider territorial-based negotiations.

The public services have a special situation: in CH and PL they have not been transformed and their systems of agreements by government decree, without negotiation, are dictated from on high. Considering the fact that wage levels are high, trade unionists from PL and CH think that such centralised decrees are better suited to them than collective bargaining since they fear losing the capacity to negotiate salaries. There is a great deal of discussion on this topic, between the two approaches of "negotiation" and "decree".

There is a clear difference between those with national framework agreements, and Germany, which has 3,200 different agreements.

6.

A yearly meeting is held on specific agreements: credit, textiles, trade, metalworks. Work has also been carried out on the shipyards sector and the privatisation process in Croatia and in Italy.

There are many Italian companies that have invested in Croatia, but not necessarily in frontier regions.

In Italy, 100% universal coverage is obtained with the national agreement, but the problem is its application in the SME sector.

In Croatia there are sectors that do not have collective bargaining at national level, because companies are not involved, there is no counterparty in many companies. The trade and metalworks sectors have national agreements.

The wage ratio between Italy and Croatia is 2 to 1.

7.

In Galicia, as in all of Spain, agreements apply generally, to all workers. This is not the case in Portugal, where agreements are restricted to members or companies. There is a need to adapt, to look for elements that give coverage in all areas. The involvement of companies at the time of internationalisation should allow for agreement on conditions; this is not an agreement in the classic sense but is a pact of great importance.

Employers are now starting to get organised and this can help avoid the fragmentation of collective bargaining.

c) Present situation of relocations/restructuring

1.

An important sector in the region is transport and port activities, where companies are being restructured. The IRTUC has played an important role, demanding agreements and ensuring protection for these workers.

Textiles is another sector with sites on both sides of the border, where trade unions created an impromptu European works council with the company to cushion the effects of the crisis.

3.

This is a zone with an economic base of small businesses that have common historic ties, with different influences from the Milan area.

One hundred fifty SMEs are Swiss. There is a high rate of relocation of Italian firms to Switzerland, although not for wages, which are high and cause an influx of workers. The tertiary sector, metalworks, luxury textiles in Italy, in Switzerland the range of sectors is wider.

Double flexibility, more than 20% of jobs are changing and are new in Italy. Temporary work (40%) affects border workers through job placement agencies. This is clearly dumping. New contracts are pushing up the percentage of temporary workers (70% in Ticino).

4-5.

It has taken 20 years for salaries between eastern and western Germany to reach the same level. There have been other dramatic consequences with restructuring, for example the case of mining in Bohemia (CH). Companies with the old structure occupied 16,000 workers; today 16 companies employ 3,000.

Shipbuilding is another critical sector: Pomerania is under pressure from having to meet European conditions. Some 9,500 jobs are at risk from a drop in demand. Collaboration is under way with Germany's IG Metal to give a future to these workers.

Many subsidiaries that are not well established in the area have been created.

In the last few years, there have been many restructuring processes and transfers of workers. Basically, better salaries are the reason why people move. As salaries increase in the region of origin, many workers return. However, these processes are still at work, especially in the public sector.

7.

In Galicia lately, restructuring in the fisheries sector has been one of the greatest problems to be addressed.

d) The IRTUCs' activities related to the following aspects:

- thematic work/activities
- sectoral work/activities
- activities related to social dialogue/collective bargaining
- framework in which they develop

1.

Seminar participants included trade union leaders from Italy and Slovenia, regional authorities and representatives of the public service and employers.

Against the backdrop of the crisis, the seminar's three objectives were: the necessity of coping with job losses, knowledge of the social protection systems on both sides of the border and comparison of the different levels of collective bargaining.

Documents were presented on the right to strike, health, safety, etc. The seminar gave fresh impetus to the work already being carried out and accelerated projects underway.

The IRTUC called for strengthening of cooperation in the frontier zone and promotion of a new development. Cross-border work has increased, but unfortunately it has been undeclared work.

The crisis obliges us to react at transnational level, particularly with regard to social protection. The Integration and Savings Fund, which is a public system with a fund paid by companies, does not exist in Slovenia. There is a proposal by Slovenian unions in their country to harmonize with respect to Italy.

2.

Collective bargaining is the instrument aimed at preventing employers from dismantling workers' rights. At present, collective bargaining is coming under challenge.

Spanish authorities, the President of the Andalucian Council and the Director of the Labour Inspectorate participated in the seminar.

3.

Mobility is on the rise, including among skilled workers, which is giving rise to travel problems.

In sectors like health, where there is high mobility towards Switzerland, wages can be three times as high.

There is a lack of balance in unemployment, which has increased in Switzerland but not in Italy, although this tendency has changed with the crisis. The Integration Fund is now being implemented and in Switzerland reduced working hours are used to provide protection. Those made redundant have to put up with it. (?)

There are informal relations but no integrated support services for supply and demand. They are not entitled to unemployment in Switzerland but are in Italy. Bilateral agreements have provided support and allowed for a degree of reorganisation of supply and demand. The Italians are the first to be dismissed.

4-5.

There are few examples of cooperation in cross-border companies. Only two cases, one in Viadrina and the other in river ports in Saxony. The Czechs have been incorporated into the Elba river port company in Germany and cooperation is implemented here. An analysis was carried out to determine whether it would be possible to adapt to the German agreement and transfer its conditions to the Czech agreement. However, the German and Czech codes are different and have to be respected. Concerning wages, the Saxons receive twice what the Czechs earn, despite the fact that they are in the same company.

In the other sectors, Polish banks for example, there are large German banks; this is not a cross-border topic, except in the interests of the large companies.

The IRTUC analysed the collective structures and laws and compared mediation and dispute settlement processes. This work was carried out with support from the Social Dialogue budget.

The sectors on which they have worked are:

Textile industry (Euro-region of Silesia, Bohemia and Saxony)

The metalworks sector, with IG Metal, Solidarnosc, NZZ, to gain better mutual knowledge and train multipliers who can transmit this shared knowledge; creation of a website. Around 600 people from different companies participated.

The hospital sector, with Verdi, Solidarnosc and Austria's OGB.

The road freight transport sector, with the CSI providing the initiative for this topic and the creation of a databank in Frankfurt Oder. In the same sector, the Baltic network. In this case, priority is always given to the issue of collective bargaining.

The IRTUCs support each other and have participated in different joint events on collective policy and solidarity in Prague and Warsaw. These mobilisations are an important factor of European integration.

Consultations in companies. In the health sector, hospitals are visited directly and the first thing asked about is salary. Visits with the local authorities who are the source of future proposals for seminars and initiatives.

In the Czech Republic, a visit was made to the management of a chain of supermarkets and this had an impact on the negotiation for Czech workers.

It is fundamental to improve negotiating capacity and this requires permanent structures, to negotiate and achieve results. The main objectives are joint mobi-

lisation, the strengthening of trade union organisations, language training and greater transparency in agreements.

6.

The IRTUC focused its work on two fronts, with a common cross-border strategy:

a) company-level negotiations. Since Croatia will not agree to a general negotiation, joint delegations of Italian and Croatian trade unions are being established to negotiate directly with companies. An action plan is being drafted. The comparative study of standards and legislation in each country will follow.

b) Cross-border workers who daily and/or weekly cross a maritime border rather than a land border. They do not have a legal possibility of regularisation in Italy if they do not have a residence in the country. There is no bilateral agreement and the rules for non-European Union emigrants apply to them. This encourages undeclared work, without social protection and with a risk of dual taxation.

This situation affects more than 10,000 people. An agreement was signed in 2003 between governments and regional governments, but it has turned out to be a worthless piece of paper.

7.

The IRTUC wishes to emphasize the importance of European Union funds and the creation of the European Grouping for Territorial Cooperation (EGTC), which regionalises funds and allows cross-border agreements. This has led to the signature of cooperation agreements that regulate the participation of social players.

A bilateral agreement between Spain and Portugal regulates social security contributions.

A very important good practice has been the role of the Labour Inspectorate, which operates by mutual agreement in the Euro-region. It carries out scheduled inspections in both countries, including the joint drafting of reports in case of infringement.

The IRTUC focused its activity in four sectors: shipbuilding, civil construction works, textiles and fisheries. Two hundred forty people participated in the different activities of the sector-level meetings.

CONCLUSIONS

The extraordinary economic and social times we are living in meant that the Conference offered all of us a landmark opportunity.

There is now a general consensus to the effect that we have never before experienced such a situation, either in Europe or globally. For that reason, we have to resist any urge to underestimate the dramatic problems raised by the crisis every day.

Such was our guiding approach in running the Conference, rather than on the basis of analysis: we needed to gauge our ability to react and decide what to do.

What is even more unsettling is the realisation that the slowdown is taking the greatest toll on those economies which until now have been the EU's star performers, serving as a model for all the others. I am talking about Germany and the Scandinavian countries, with the exception of Norway.

This means that in the months ahead, the repercussions on the other economies will be even more pronounced.

In addition, the slide in the European economy has been confirmed by the collapse of the portfolio of the other industrial orders, across virtually all sectors in 2009.

That being so, nobody really knows just how deep or how prolonged this crisis will be. As we can see, all the analysts are saying that the light at the end of the tunnel is constantly receding. The most optimistic projection is already looking at 2011. But nobody can make any credible predictions.

The truth of the matter is that what we are facing is no longer a broad crisis but an economic one. The truth is that this situation indicates a crisis that goes to the very heart of how the economy actually works. In fact what has broken is the model based on a lack of effective regulatory systems.

This model has failed. A model predicated on an ultra-liberal approach, a model that has used globalisation to practice social dumping in a bid to drive down wages and workers' rights and which has relentlessly exploited the environment.

A model that has cynically capitalised on the lack of rules in order to engage in financial speculation. The result is that a quarter of the world's wealth is stashed away in tax havens.

A model that has diverted production towards short-term stock market interests instead of satisfying the needs of the citizens.

This model has distracted Europe and the whole world. As a result, we now find ourselves having to deal with an economic short-circuit. The stark reality is that the system is blocked in terms of both supply and demand at the same time.

The supply side that the banks can no longer deliver is constant funding to businesses, in particular to SMEs, which are in danger of being stifled by the lack of credit. And this despite that fact that SMEs represent 80% of the industrial structure in Europe, so that crippling them is tantamount to jeopardising Europe's entire industrial edifice.

On the other hand, though, the demand side is blocked because the desperate policy of wage moderation, in particular in the eurozone countries, has slashed purchasing power and driven down consumption. Yet 85% of Europe's GDP is based on internal demand and the collapse in consumption might swiftly propel the economy towards deflation.

This is why we find the measures taken so far at EU level to be completely unsatisfactory.

They are unsatisfactory in terms of the quantity of resources made available to beat the recession.

At the same time, they are unsatisfactory because of the political choice of the way of dealing with the excessive phase.

The message from the Council has been 'every man for himself'.

Hence the drawing up of 27 European recovery plans with no European reference centre.

Sadly, though, there is no chance at all that this crisis will be resolved at national level. The illusion that we can find our own way out of the crisis is likely to be just that, an optical illusion.

The various national budgets simply do not have the volume of resources that they need.

With the contamination by the toxic loans that is laying waste to the entire banking system having been estimated by the European Central Bank at three times higher than the total assets in European banks, it is quite obvious that there is no way that an answer can be found at national level.

This means that supplementary resources will need to be released. European resources, as the ETUC has demanded.

We have to reiterate this point, because without an effective reaction in economic terms, it will be the social side that will have to pick up the tab for the crisis.

Spiralling unemployment and the hugely precarious, fragile state of the labour market confirm that this genuine social emergency is already underway.

We know full well that a crisis situation has always represented a prodigious economic and social boost.

Once the crisis is over, the world we have known up until now will be utterly changed.

The crisis will bring a new phase of industrial restructuring across all sectors.

Some businesses will be able to carry out a qualitative restructuring operation, based on incorporating greater innovation and more technology into their products, and shift towards sustainable development, while others will be tending to look for markets where labour is cheaper, in a bid to save on wage bills and try to spot new market opportunities.

Whatever happens, we are seeing a new phase of cross-border mobility in businesses, with relocations and social dumping.

We have to see to it that the elongation of the production chain does not cause the chain of workers' rights to snap.

This is what gives the project that we have just completed a strategic value for European trade unionism as a whole.

We need to compensate as quickly as possible for the imbalance in the existing

powers, in other words boundless freedom for businesses while collective bargaining powers remain hamstrung at national level.

The Interregional Trade Union Councils represent a fundamental resource, as we have seen from the 6 seminars staged in the regions applying to move beyond the exchange of information between one union and another along borders, to try and embed a strict cooperation function capable of making an impact on the various existing bargaining practices, so as to mix them up and blend them as far as possible.

When a business moves from one border to another, it needs to find a single trade union, a single strategy for making demands, and a single delegation to get the negotiations underway.

So this is an ambitious strategy, but an irreversible one.

We are well aware that we will have to give it the time it needs to assert it in concrete terms. We at the ETUC want to be bold and radical on the principles, and at the same time, concrete and moderate on the nuts and bolts required to put them into practice.

Against that background, this project forms a crucial pillar for our future.

The Interregional Trade Union Councils (IRTUC)

	IRTUC	Country	Constitution
1.	* Saar/Lor/Lux/Trier/Westpfalz	D, F, L	1976
2.	* Maas / Rhein	B, NL, D	1978
3.	* Weser-Ems / Noordnederland	D, NL	1979
4.	* Hainaut/ Nord-Pas-de-Calais/ West Vlaanderen / South East England4.	B, F, UK	1979
5.	* Dreiländereck Haut-Rhin/Nordwestschweiz/Südbaden	F, D, CH	1980
6.	* Rijn/IJssel	D, NL	1980
7.	Lombardie / Tessin / Piemonte	I, CH	1982
8.	* Pyremed/Piremed	F, E, AND	1983
9.	* Galicia / Norte de Portugal	E, P	1985
10.	* Interrégionale Syndicale des Trois Frontières	F, L, B	1987
11.	* Piemonte / Valle d'Aosta / Rhône-Alpes / Arc Lémanique	F, I, CH	1990
12.	* Provence / Côte d'Azur / Liguria	F, I	1990
13.	* Landesteil Schleswig / Sønderjylland	D, DK	1991
14.	* Northern Ireland / Republic of Ireland	UK, IRE	1991
15.	* Euregio Baden/Bas-Rhin/Südliche Pfalz	F, D	1991
16.	Pyénées Occidentales / Axe Atlantique	E, F	1992
17.	* Schelde / Kempen	B, NL	1992
18.	Elbe / Neisse	D, PL, CZ	1993
19.	Charleroi - Namur - Neuchâteau / Champagne - Ardenne	F, B	1993
20.	Extremadura / Alentejo	E, P	1994
21.	Andalucia / Algarve	E, P	1994
22.	* Friuli - Venezia - Giulia / Slovenia	I, SL	1994
23.	Friuli / Venezia -Giulia / Kärnten	I, A	1994
24.	Arc Jurassien	F, CH	1995
25.	* Interalp	D, A	1995
26.	Friuli-Venezia-Giulia/Veneto/Croazia Sudoccidentale	I, Croatia	1995
27.	San Marino / Emilia Romagna / Marche	I, S.Marino	1995
28.	* Øresund	S, DK	1995
29.	Castilla - León / Beira Nordeste	E, P	1995
30.	Pomerania (Mecklenburg-Vorpommern/Zachodnie Pomorze)	D, PL	1995
31.	Lombardia-Sondrio-Grigioni	I, CH	1996
32.	* Alpes Centrales	I, A, CH	1996
33.	Viadrina (Berlin-Brandenburg/Lubuskie))	D, PL	1996
34.	Pouilles / Patras	I, GR	1996
35.	* BoBa (Böhmen / Bayern)	D, CZ	1997
36.	* Circumpolar North	FIN, S, N	1998
37.	Burgenland / Westungarn	A, H	1999
38.	Kärnten/Gorenjska/Koróška	A, SL	2002
39.	* Bodensee	D, A, CH, LI	2002
40.	Dunaj / Vltava	A, CZ	2004
41.	Jilní Morava / Dolní Rakousko	A, CZ	2006
42.	HuSloCro	H, SL, Croatia	2006
43.	DKMT	H,RO,Serbia	2007
44.	Sicilia-Malta	I, MT	2007





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