

# Development of the role of the IRTUCs in strengthening cross border cooperation in the field of collective bargaining

**IRTUC**

INTERREGIONAL TRADE UNION COUNCILS



European trade union confederation (ETUC)

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## INTRODUCTION

The project covered by the present report is the second stage in the implementation of the decisions taken by the ETUC on the coordination of collective bargaining, and more specifically, cross-border cooperation and the role of the Interregional Trade Union Councils (IRTUCs).

These decisions were reaffirmed at the last ETUC Congress, held in Athens on 16-19 May 2011, stressing the importance of a political initiative designed to encourage, promote and support all the cooperation initiatives at cross-border level and to extend the cooperation initiatives to areas where economic, territorial, monetary and social conditions are similar.

The IRTUCs, of which there are currently 45, bringing together the regional trade union organisations of the national confederations affiliated to the ETUC in the border areas concerned, by definition back the direct cross-border ties between sectoral structures and businesses.

Initially, we kicked off this activity starting with 7 IRTUCs. After this action, implemented from 1 September 2008 to 31 August 2009, one of the main conclusions was that the IRTUCs represent a fundamental resource in moving beyond the exchange of information between one trade union and another along borders, to try to establish a strict cooperation activity, capable of having an impact on the various existing bargaining practices, to mix and merge them as much as possible.

We believe that when a business moves from one border to another, it needs to find a single trade union and a single strategy for making demands, with a single delegation to embark on the bargaining process. This constitutes an ambitious strategy, but it is irreversible and we need to devote all the time necessary to assert it in concrete terms.

That being so, we felt it was essential to continue this activity with 7 other Interregional Trade Union Councils concerned more particularly, namely:

1. IRTUC Lombardia – Sondrio – Grigioni (Italy–Switzerland)
2. IRTUC PYREMEDI (France – Spain)
3. IRTUC PACA/LIGURIA (France – Italy)
4. IRTUC Extremadura/Alentejo (Spain– Portugal)
5. IRTUC Rhône-Alpes/Piemonte/Arc Lémanique (Italy – France –Switzerland)
6. IRTUC Alpes Centrales (Italy–Austria – Switzerland)
7. IRTUC Pyrénées Occidentales / Axe Atlantique (Spain – France)

The activity was staged in two phases.

Firstly, the IRTUCs concerned organised a seminar in the corresponding border regions to address the following objectives:

a) Drawing up a 'road map' of

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

b) Pooling of 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-industry bargaining?

c) Status in terms of relocations/restructuring operations

d) Status on the activities of the IRTUC on the following aspects:

- Thematic work/activities
- Sectoral work/activities
- Activities in connection with the social dialogue/collective bargaining
- Framework/Setting in which they are evolving.

e) Status of the impacts/consequences of the economic crisis on the social dialogue (specifically in the framework of the austerity measures).

The present report sets out on the one hand the conclusions drawn after each of the seminars, and on the other, a summary of the said conclusions, in line with the common template referred to above.

Secondly, on 13 and 14 April 2011, we staged a final Seminar with a view to pooling the results, exchanging good practices and defining how to move the project forward. The conclusions of our work are given at the end of the present report.

The activities presented during the Seminar form both avenues for our future work, and the basis for the ETUC's trade union strategy with regard to the IRTUCs.

On that subject, we need to make a point of stressing that the IRTUCs allow for the setting up of permanent intervention instruments to stimulate confidence between trade unions either side of the border, forming the basis for trade union intervention. Some experience shows that the IRTUCs play a fundamental role in the creation of single bodies for the management of the bargaining and industrial relations.

Moreover, the project has shown once again that in the border regions where they are active, the IRTUCs form a platform for the dissemination of the ETUC's strategy defined at European level.

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## **SOCIAL DIALOGUE AND INTER-REGIONAL NEGOTIATIONS BETWEEN THE PROVINCE OF SONDRIO AND THE CANTON OF GRISONS**

### **VOCATIONAL TRAINING OF CROSS-BORDER WORKERS: AN OPPORTUNITY NOT TO BE MISSED**

#### **a) On the map**

**The Province of Sondrio** covers a very large, predominantly mountainous territory (3,212 km<sup>2</sup>). The figures from the most recent census (2009) show a population of 182,000 inhabitants for a population density of 56 inhabitants per km<sup>2</sup>.

The province has 78,500 gainfully employed individuals (average of the first three quarters of 2009).

The breakdown per sector for the gainfully employed population (2007 data) shows that industry and crafts employ nearly 26,000, or about 43% of the gainfully employed population.

These two sectors include also some 4,000 workers in construction, of whom 1,500 in the wood industry and 1,000 in the natural stone sector (extraction and processing).

10 % of the gainfully employed population work in tourism, 15% in trade, 11% in business services, and so on.

The unemployment rate for the entire province is slightly higher than 4%.

The **Canton of Grisons** also covers a vast, essentially mountainous territory (7,106 km<sup>2</sup>). In fact, 90% of this territory is situated at an altitude higher than 1200 metres. According to the figures as at the end of 2009, the canton has approximately 192,000 inhabitants, including some 28,000 foreign nationals, about 10,000 of whom are Italian. The current unemployment rate in the canton is 1.7% (as at February 2011; source: Department of Trade, Industry and Labour of Grisons).

The average unemployment rate in Switzerland is around 3.5%.

The tertiary sector has the highest number of unemployed workers (68%), followed by the primary (24%) and the secondary sector (8%).

This is the background of the employment offer in the Rhaetian canton, particularly in the Engadin region, where the dominant sectors are without question tourism and construction. As we shall see, it is precisely in these two sectors – in which we include all ancillary and related activities – that most cross-border workers are employed.

They are in essence activities linked to the tourism and catering sectors, such as shops, laundries, cleaning service for holiday residences, which employ chiefly women, but also all the related trades of the construction sector such as joinery, paintworks and plastering,

structural steel works, quarries and transport, which employ very many cross-border workers.

### **The inter-regional employment market**

For the flow of workers (men and women) from the Province of Sondrio to Grisons, the data of the federal statistical office show that 4,005 foreign workers had a cross-border permit as at 31 December 2010, of whom 3,778 were Italian nationals.

Ever since 1 June 2007, when the border zones were abolished, European citizens residing outside the cross-border areas can actually obtain a G permit. The fact remains, however (as Swiss statistics show), that the Canton of Grisons has not issued many G permits to nationals of European countries other than Italy and Austria, which are the canton's neighbouring countries.

These statistics indicate in fact that in the third quarter of 2010, of a total of 4,005 cross-border workers, 3,474 were Italian, 454 Austrian, 69 German, 8 French and 1 single national of another European countries.

An analysis of these data show that the daily or weekly flows between the Province of Sondrio and the Canton of Grisons of workers who cross through the two main border posts of Villa Chiavenna – Castagna and Tirano – Campocologno concern two separate types of migrants:

- 3,000 cross-border workers (i.e. people with a G permit); and
- 1,500 to 2,000 workers with an annual residence permit (B), a permanent residence permit (C), or a short-stay permit (L).

The number of posted workers, i.e. employees of foreign corporations working in Switzerland under contracts or invitations to tender, is also increasing, but far less than in other territories of Italian Switzerland. Companies in the Province of Sondrio have taken no advantage of the opening of the border to look for outlets in this market.

Temporary work is extremely limited compared to the rest of Grisons and Ticino.

It is an extremely flexible employment market, therefore, which beyond the international economic situation, depends highly on weather conditions and many variables characteristic of a certain type of tourism.

Contracts on a part-time, hourly and on-call basis are being used more and more. Seasonality is another decisive factor, albeit with certain differences depending on the region in question. Thus, in Engadin, the tourism sector is organised in two seasons (winter and summer). Conversely, there is only one 9-month season in construction and related trades such as joinery, structural steel works, paintworks and plastering. As we shall discuss presently, our proposal entails providing vocational training during these periods of seasonal stoppage. This would be a first, historically important step towards initiating an inter-regional social dialogue in our regions.

## **b) Networking of the existing collective bargaining agreements**

## ITALY

We should point out from the outset that collective bargaining is conducted at two levels: at the national level per sector, and at the level of territorial entities or companies, depending on the case. The existence of these two levels entails a sharing of competences and missions between the two, in view particularly of the factors that affect the wage dynamics. The national bargaining agreement is geared to general coordination and protection for the weakest and least protected workers, and at the same time addresses concerns at a second, more specific level. All workers must be covered and the current divides must be bridged. In this respect, we consider that the model in construction can prove a winner. More specifically, all workers in the construction sector have at least two levels of collective bargaining. The collective bargaining in force in construction is the most advanced model but also the one most desirable for the other branches, based on a triad of the National Collective Bargaining Agreement (known by the Italian initials CCNL), the Inter-ministerial Committee for Economic Planning (known by the Italian initials CIPE) and the bilateral dialogue. This mechanism is applied to all workers in all companies, even the smallest ones, which thus enjoy double protection by national and territorial collective bargaining agreements. The rights of workers are actually guaranteed not only by laws, but also and above all by the national collective labour agreements, the company agreements and the territorial agreements.

The purpose of **the national collective labour agreement** is to guarantee the application of common statutory and wage systems to all workers of the sector, wherever they may be in the national territory.

The purpose of the **second level of negotiation** (territorial for the construction sector) is to boost productivity and real wages. Territorial bargaining concerns matters devolved to it by the national collective bargaining. In the course of the development of the latter, efforts have been made to take into account a series of issues and specific features of the sector, and in particular:

- the **precarious nature** of employment for construction workers;
- the **mobility** of work;
- the supervision and management of **deferred wages**;
- occupational **safety**;
- vocational **training**.

These requirements, which are shared by workers and employers, have led to the establishment of what are known as "*enti bilaterali*" i.e. joint bilateral committees.

As their name implies, such committees are based on joint management. This is a more difficult approach, but one that guarantees compliance with the guidelines of collective bargaining and the will of workers and companies. The construction sector was the first to adopt this type of collective bargaining body, in particular in order to address three specific aspects jointly and bilaterally:

The management of agreements and services through the "*Cassa Edile*" [social fund for the construction sector];

The management of vocational training through the "*Scuola Edile*" [construction academy];

The occupational safety and accident prevention through the territorial joint committee (known by the Italian initials CPT).

Although they fall under private law, these joint bilateral committees have through the years been entrusted with public utility missions by the legislator. Thus, the "*Casse Edili*" [social funds for the construction industry] have also been entrusted with contractual

missions relating to aids and other services for the benefit of workers, and the management of the document certifying regular payments of social contributions by construction companies (known by the Italian acronym DURC).

Similarly, the purpose of the “*Scuole Edili*” [construction academies] is to provide continuing vocational training for workers as soon as they join the sector.

For their part, “*Comitati Tecnici per la Prevenzione degli Infortuni*” [Technical Accident Prevention Committees], are in charge of disseminating a safety culture through information and training for workers and of providing technical support to companies.

## **SWITZERLAND**

Swiss labour law is based essentially on three sources:

- The Constitution, which lays down legal requirements that are transposed in legal provisions by federal labour legislation and the Code of Obligations;
- Federal labour legislation which defines the minimum requirements for health protection, occupational accidents, working time, rest periods, etc.;
- The Code of Obligations which establishes the minimum rights and obligations governing relations between employer and employee.

In Switzerland, the Code of Obligations is of vital importance for contracts and labour agreements. It actually governs more than half of individual labour contracts and constitutes the legal basis of collective bargaining agreements (Article 356) and standard contracts of employment (Article 359).

It can moreover be said that in Switzerland, the private sector uses three types of contractual instruments: the personal contract, the collective contract of employment and the standard contract of employment.

**The personal contract** (which concerns more than 50% of workers) is the one by which the worker undertakes to work, for a specified or an unspecified period, for the employer, and the latter undertakes to pay a fixed salary according to the time or work provided (piece work or task work). Personal contracts essentially stipulate the minimum rights and obligations defined in the Code of Obligations and fix the salary. The employee's contractual power is minimal or even nil, unless he or she has occupational skills much in demand.

**Collective labour agreements:** Employers or employers' associations representing them, on the one part, and workers on the other, draw up provisions by mutual agreement to govern the conclusion, content and termination of personal contracts of employment by and between the employers and employees concerned. Collective labour agreements concluded by employers' and employees' associations are binding only for employers and employees who are members of their respective association. They can be concluded at sectoral or company level. Sectoral agreements can be concluded at federal or cantonal level.

Provided they meet certain conditions of representation, collective labour agreements can be declared to be generally binding, for all or part of their provisions, both at federal and cantonal level. When such binding force is declared, the agreements naturally acquire the status of law and are then applicable to all.

This aspect is particularly important, in view essentially of the entry into force of the free movement of people. The declaration of generally binding force is one of the support measures that the trade unions have demanded and obtained in exchange for their consent to the free movement of people.

The main agreements that have been declared generally binding are those in the construction, crafts and hotel sectors.

**Purpose of collective labour agreements**

As elsewhere in Northern Europe, the purpose of collective bargaining is defined and delimited by mutual agreement by and between the parties.

Thus, the national agreement in the metallurgy sector does not regulate salary issues, but delegates them to company-level collective bargaining. Conversely, the national agreement in the construction sector governs and quantifies in minute detail wage and related allowance issues and, as a result, there are no company-level agreements.

Verification that collective labour agreements are applied. Once concluded, the agreement has to be applied, whence the need for verification. To that end, joint committees (such as those in the construction and crafts sectors), courts or arbitration or single arbitrators are designated. In certain Swiss cantons, workers can refer matters to industrial tribunals empowered especially for that purpose.

For issues concerning health, hygiene, safety and working time, there is the labour inspectorate and the Swiss Accident Insurance Fund (known by the French acronym SUVA).

Bilateral agreements have made it possible to create an inter-professional supervisory association, financed by the Confederation and by the Canton, whose inspectors oversee the application of provisions concerning posted workers.

Standard contracts of employment. To fill the gaps where no collective agreements exist yet, the federal and cantonal public authorities intervene by enacting, for certain distinct sectors, decrees that define minimum contractual rules. They concern standard contracts of employment that contain the provisions of the Code of Obligations and include federal and cantonal ordinances and decrees.

### **c) Relocations and restructuring operations – State of affairs**

The dominant sectors of the economy in Grisons are distinguished by their international nature, namely international tourism, which is a leading economic sector, and the very many multinationals established on its territory.

There has recently been a growing relocation by foreign companies that are establishing themselves in the municipalities of Grisons. Some companies are closing their operations in their country of origin (or restructuring entire segments of the company) and move them to Grisons. They are keen to benefit from the advantageous economic and fiscal conditions arising in particular from facilities and inducements offered by the cantonal authorities. By way of example, an important company from the neighbouring province of Lecco decided to move a strategic sector of its production to Grisons (near the border), in what is the most recent such emblematic case in a long series.

This phenomenon is quite common in the neighbouring cantons of Italy, that have introduced administrative and fiscal facilities to attract foreign investments (like the cantons of Tessin, Grisons and Valais).

Other strong points that make the economy of Grisons attractive include:

- Its extremely competitive system of taxation;
- The specialised training of its labour force;
- High productivity;
- Good infrastructure and facilities, in spite of the mountainous terrain.

## **d) Targeted activities of the IRTUC**

It is always difficult to compare social actors from two different countries. The task becomes slightly easier, however, in the case of two regions (Chiavenna and Grisons) that share traditions and a part of their history.

The close relations that have long united these two territorial entities have served as a point of departure for the IRTUC (Lombardy, Sondrio, Grisons), to hold a series of roundtables geared to a real governance of the inter-regional employment market, with two topics to broach: the hotel and the construction sectors.

A seminar for the social partners (institutions, companies and trade unions) was organised in 2007 by said IRTUC (Lombardy, Sondrio and Grisons) under a joint project by EURES, the Ministry of Employment, and the Lombard Regional Agency of Education, Training and Employment (known by the Italian acronym ARIFL) to integrate the tourism sectors of the two regions.

No such common approach has been attempted for the construction sector. Nevertheless, thanks to the inter-regional collective bargaining project, it has been possible to bring together the players concerned and to try and identify common topics for discussion and dialogue.

An important element that came to the fore was continuing training. It seemed advisable to set up a pilot experiment in this field by taking advantage of the stoppage period, which is specific to the sector, during the winter months.

Another identified theme: the creation of a roundtable bringing together the social partners of the two border regions for the joint management of the European regulation on social security through the coordination of social insurance.

The IRTUC can therefore be a catalyst, on either side of the border, to implement a real social dialogue bringing together all the social partners – institutions, employers' associations and trade unions. It would be tantamount to inter-regional governance with beneficial repercussions for all the parties concerned.

The talks have also delved deeper into other issues, in particular the coordination of social insurance arising out of the application of European regulations, which are at the source of many problems for companies in Grisons and for workers (particularly as regards unemployment benefits, family allowances, sickness-maternity leave and accident insurance).

To return to construction, in the main sector of construction itself as well as in related sectors, labour has always been in high demand in Valtellina and in Valchiavenna, particularly because of the training imparted by vocational schools in the region in such fields as construction, joinery and steel structures; one of these schools is located here in Chiavenna.

The question that now arises is whether the social partners of the provinces of Sondrio and Grison can be mobilised for an assessment of the feasibility of a training project for the vocational upgrading and retraining for cross-border workers in this sector, given the 3 months during which works in the sector come to a halt every year, and the fact that many of them would be delighted to take advantage of this period to improve their occupational condition.

Furthermore, in order to overcome the language barriers and to ensure a better integration of cross-border workers in their occupational environment, language training should also be considered.

Once these preconditions were met, the seminar was able to bring together participants and to conduct an initial discussion.

The IRTUC was therefore entrusted with the task of compiling all the positive results obtained throughout the project and instructed to spare no effort in the coming months to define a real inter-regional pilot experiment for training, particularly in the construction sector.

This experiment will most likely lead to further such discussions, particularly on social topics of specific interest to the inter-regional employment market.

## **e) Impact and consequences of the economic crisis on the social dialogue (in particular because of the austerity measures) – State of affairs**

The economic crisis has in recent years destroyed 1,500 jobs in the Province of Sondrio and many companies are still experiencing difficulties. This is an important and significant element. Nevertheless, the unemployment rate in the province is just over 4%, which indicates that the crisis has been felt, but not as hard as in other regions of Italy.

In fact, the average rate of unemployment in Italy is around 8.4%, with certain peaks hovering at the 20% mark in southern Italy.

The employment market in our region is therefore sound, and if it stays so, it is due to its proximity to Switzerland, which employs a sizeable number of workers. It could actually be said, with a touch of provocation, that the main employer of the Province of Sondrio is none other than Switzerland.

The same applies to companies, where the figures confirm these trends.

Furthermore, the 4<sup>th</sup> quarter figures in 2010 relating to companies, published by the Sondrio Chamber of Commerce, show that the situation is quite varied.

There were 15,376 companies trading at the end of 2010: a figure that has remained constant in recent years.

Between January and July 2010, the province of Sondrio proceeded to 62,000 communications for employment or discontinuation of activities. 48% of these communications concerned employment (more than 26,000) and the rest, i.e. 10%, concerned renewals or amendments of contracts. 61% of the employment communications (i.e. more than 18,000) concerned open-ended contracts, 24% (7,000) fixed-term contracts, 7% (more than 2,000) apprenticeship contracts, 6% (more than 1,000) temporary work, and 1% other forms of employment. By comparing employment with discontinuance of activities, the Province of Sondrio registered a surplus, with a little more than 3,000 positive events.

By comparing the situation in 2010 with the previous years, the figures for short-time work for the province of Sondrio are as follows:

	CIG Ordinaria: n° ore			CIG Straordinaria: n° ore			CIG in Deroga: n° ore			Cigo+Cigs+Deroga: n° ore		
	2009	2010	variaz %	2009	2010	variaz %	2009	2010	variaz %	2009	2010	variaz %
	totale 12 mesi	totale 12 mesi		totale 12 mesi	totale 12 mesi		totale 12 mesi	totale 12 mesi		totale 12 mesi	totale 12 mesi	

<b>Sondrio</b>	926.842	749.163	-19,2%	174.605	278.053	59,2%	149.988	456.702	204,5%	1.251.435	1.483.918	18,58%
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Lombardia	181.803.053	110.101.809	-39,4%	52.237.124	116.454.585	122,9%	37.858.957	87.720.997	131,7%	271.899.134	314.277.391	15,59%
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The table shows that the employment situation in the Province of Sondrio was hit by the crisis, but the number of hours of short-time work (CIG<sup>1</sup>) was, overall, lower in terms of percentage compared to the other more industrialised territories in Lombardy. Nevertheless, the crisis is still ongoing (at least until the end of 2010). There is actually an increase of nearly 205 in the number of CIG hours compared with the previous year.

For Grisons, in addition to the figures already cited, short-time work (*Kurzarbeit*) was introduced in “only” 7 companies, and affected 53 workers in all (*Grisons Department of Industry, Crafts, Trade and Employment, figures of February 2011*).

[Table]

	CIG Ordinaria number of hours			CIG Straordinaria: number of hours			Short-time work (CIG) granted by derogation: number of hours			CIGO+CIGS+Derogation : Number of hours		
	2009	2010	variation %	2009	2010	variation %	2009	2010	variation %	2009	2010	variation %
	Total for 12 months	Total for 12 months		Total for 12 months	Total for 12 months		Total for 12 months	Total for 12 months		Total for 12 months	Total for 12 months	
Sondrio												
Lombardy												

<sup>1</sup> Translator’s note: « *Cassa Integrazione Guadagni* », a short-time work system that comprises an ordinary (*CIG ordinaria*) and a special (sub)system (*CIG straordinaria*).

## **CONCLUSIONS OF THE SEMINAR**

### **IRTUC PYRENEES-MEDITERRANEAN**

#### **The economic situation**

All the world's advanced economies slumped into a deep recession in 2010. However, modest growth did start again in early 2011 in the two French regions within the IRTUC Pyrenees-Mediterranean (Languedoc-Roussillon and Midi-Pyrenees).

This part of the Euro-region has seen a decline across all economic sectors, be it the automobile industry, construction or merchant services. This economic downturn has been fuelled by a drop in exports and a fall in companies' investments.

Only one region has fared better, because its economic fabric has been hit less hard by the crisis affecting sectors such as aeronautics, the space industry and food processing. In the Midi-Pyrenees area, regional exports, of which almost 80% are accounted for by the dominant aeronautics and space industries, have masked the export difficulties faced by other sectors where product sales have collapsed, such as the manufacture of machine tools, metallurgy, chemicals and agriculture.

A comparative approach to the regional economies under consideration, including the Autonomous Region of Catalonia, shows a drop in activity overall, despite some differences. The intermediate goods industry has been the hardest hit because of its dependency on the automobile, construction and public works sectors. There has, however, been a more moderate downturn in consumer goods and equipment.

While the trend in business failures slowed down at the end of 2010, they had risen by over 10% across the three regions. They were particularly common in construction, trade, accommodation and catering, and transport.

**The impact of the economic and social crisis on cross-border enterprises and subcontracting:**

If we look just at the cross-border territories and their corresponding employment pools in our field of interregional union intervention, we find a virtual absence of European-scale or international businesses whose corporate headquarters are based within or outside this part of the political Euro-region. Aside from the aeronautics group EADS and Airbus, based in Toulouse and affecting the economic activity of other French regions and Spanish Autonomous Regions (1<sup>st</sup> and 2<sup>nd</sup> level subcontracting), the majority of the professional branches in the industrial sector have only a network of SMEs and micro-businesses in the cross-border zones either side of the Pyrenees.

The deterioration in employment at the level of the cross-border zones listed has suffered the same vagaries as at regional or national level. Since 2008, paid employment has declined by an average of over 3%, in particular the temporary staff employed in industry and construction. We have seen a slight recovery in new recruitment in these two sectors, but this is mainly limited-term contracts and temporary staff.

### **The process of creating the first cross-border hospital in Europe: PUIGCERDA**

**Reminder:** The Puigcerda cross-border hospital gets 60% of its funding from the Spanish State and 40% from the French State. While European funding has been part of the financial setup, it is important to note the contribution by the Generalitat's health department in the form of a subsidy worth € 390,000 to the Puigcerda Hospital Foundation. It will be able to treat residents from both sides of the Franco-Spanish border: Cerdagne (French and Catalan) and French Capcir.

It is located on Spanish soil and was to be inaugurated in 2008 with a capacity of 68 beds and 35,000 users. In December 2010, an EGTC was created, an operation led by the ARS (regional health agency) based in Montpellier.

This latter initiative by the State and regional administrations was carried out with no information or consultation of the national and regional trade union organisations or the IRTUC Pyrenees-Mediterranean.

### **Arrangements and instruments for negotiations in the French Public Hospital Function**

Trade union intervention in the particular framework of the installation of the Puigcerda Hospital raises many questions for the trade union organisations which are part of the IRTUC. As well as the non-recognition by the French ARS of the IRTUC, there is no right of negotiation under the statutes of the Public Hospital Function or in the other two public functions, State and Territorial.

While there are staff representation bodies which must first be 'informed and consulted for an opinion', the right of negotiation does not exist for the local or national trade union organisations. The obligation to negotiate on issues such as wages or professional equality at business or branch level exists only in the private sector (NAO).

So in both Midi-Pyrenees and Languedoc-Roussillon, in the industrial sector, in addition to annual business negotiations, there is only one structure for regional branch negotiation, in the metallurgy sector, with no obligation of results.

We must stress the difficulties encountered by the IRTUC and its unions in arguing and defending the proposals worked out and shared by all the unions in the Health branch mobilised by the IRTUC.

After various meetings which clarified the respective status of the care personnel and the staff in the Catalan and French sanitary and medical establishments covered by the status of public official or by a private-law collective agreement, as well as each one's diploma and qualifying courses, the presentation of the conclusions of this work took the form of a request for hearings in front of the French and Catalan public authorities.

The initiatives by the IRTUC Pyrenees-Mediterranean to start a consultation process proved fruitless and were not continued beyond the meeting on 10/01/11 with the ARS and with the Catalan government, where the political majority changed following the local Catalan elections.

Faced with these difficulties, and lacking shared rules to initiate the terms of a cross-border social dialogue, the IRTUC member organisations turned to their respective national federations to convey the trade union proposals to the competent ministries.

## **Conclusion**

The handling of this issue emphasises the difficulties facing the trade union movement organised within transnational and cross-border structures vis-à-vis national public authorities who do not recognise their legal or political legitimacy.

This attitude, in particular on the French side, is coupled with a lack of any practice of negotiation in the public functions.

Focusing on protecting their prerogatives in terms of employment policy, social protection and public health, those responsible in the competent regional Administrations have turned a deaf ear to any trade union proposals with regard to the possibilities for the harmonisation of the statutes in force.

Although we have transnational, interregional structures today which favour cross-border cooperation in legal terms (EGTC, Consorcio , Euro-District, etc.), at the level of the territorial authorities, we have to recognise the lack of relevant tools to legitimise the trade union interventions vis-à-vis the local or national decision-makers.

Today, it is only at the company level that we find regulatory texts and tools binding for all the parties, such as the European Works Councils.

The example of the agreement dated 28/09/10 setting out a social bargaining procedure at European level at EADS has the merit of bringing together the trade union representatives in accordance with the sectors of employees in the countries affected by the negotiations. The EMF representative participates as coordinator and advisor.

This agreement also defines the criteria setting out the transnational subjects to be negotiated. It states that this new way of framing social standards cannot have the effect of changing the national rules in force 'unless the provisions of the transnational agreement are more favourable than the latter'.

This reminder has the merit of mentioning that the issue and the objective of the trade union action remains the creation of individual and collective rights in workers' interests.

**Conclusions  
Of the ETUC IRTUC  
on  
Interregional Collective Bargaining  
PACA/Liguria IRTUC (France– Italy)  
Ventimiglia (Italy), 15 March 2011**

**a) ON THE MAP**

The interregional territory of the PACA/Liguria IRTUC covers a vast region on either side of the Franco-Italian border (and comprises also the Principality of Monaco).

On this territory of some 37 000 m<sup>2</sup> live about 6 million people, 4.39 million of whom in the region of Provence-Alpes-Cote d'Azur and 1.6 in the region of Liguria.

Cross-border commuters are concentrated essentially in two territorial entities: the department of Maritime Alps in France, with a little more than one million inhabitants, and the province of Imperia in Italy, with about 223 000 inhabitants.

The Principality of Monaco has some 30 000 inhabitants.

The working population is slightly higher in the French territory, i.e. 51% in the PACA region, compared to 44% for the province of Imperia.

This difference dwindles at region level:

50 % for the department of Maritime Alps

48 % for the region of Liguria

The number of gainfully employed persons breaks down as follows:

PACA	1,150,000
Liguria	622,000

Maritime Alps	348,000
Imperia	87,000

The unemployment rate is relatively uniform on all the territories:

PACA	12 %
Liguria	10 %

Maritime Alps	13 %
Imperia	9 %

It is worth noting that the percentage of (Italian and French) cross-border commuters working in the Principality is one of the highest (if not the highest) of all the interregional territories of Europe, hovering at around 60% of all jobs.

The flows of cross-border workers and their numbers break down as follows:

From France to Italy:	900
From Italy to France:	2 500
From Italy to Monaco (via France):	3 600
From France to Monaco:	39 000

The cross-border employment sectors are quite similar from one State to the other. In the Principality of Monaco, cross-border commuters work essentially in tourism, industry, real estate and construction.

In France, interregional employment is concentrated in construction, tourism and services (tertiary and advanced tertiary sector): trade, banks and information technology.

In Italy, on the other hand, cross-border commuters are employed essentially in tourism and the tertiary sector.

## **b) NETWORKING THE EXISTING COLLECTIVE BARGAINING**

### **ITALY**

It should be pointed out from the outset that there are two levels of collective bargaining: first, at the national level, per sector, and second at the level of territorial entities or companies, depending on the case. The existence of these two levels of bargaining entails a sharing of competencies and missions between them, having regard in particular to factors that impact the remuneration dynamics. Against such a background, national agreements are geared to overall coordination and to providing protection for the most vulnerable and least protected workers, whilst at the same time they have to be negotiated in the second, more specific level of bargaining. All workers must benefit from such coverage and the current gaps must be overcome. In the construction sector, for instance, all workers have at least two levels of collective bargaining. The collective bargaining in force in the construction sector represents the most advanced model which is also the most desirable for the other sectors: It is based on the National Collective Contract of Employment (known by the Italian Initials "CCNL)," the Inter-ministerial Committee for Economic Planning (known by the Italian acronym "CIPE") and bilateral negotiations. This system applies to all employees of all companies, even the smallest, that are thus provided with the double coverage of national and territorial agreements. The real guarantors of the rights of workers are not only the laws, but also and especially so the National Collective Contracts of Employment, the company agreements and the territorial agreements.

The purpose of the **national collective contract of employment** is to guarantee the application of common remuneration and statutory systems to all workers of the sector wherever they may be located in the national territory.

**The second level of collective bargaining**, which is territorial for the construction sector, is intended to boost productivity and real wages. Territorial bargaining pertains to issues devolved to it by the National Collective Contract of Employment.

### **FRANCE**

Collective bargaining is conducted at the national, sector and company levels. The history of collective bargaining in France actually begins in 1919. It then picked up pace through historical and political vicissitudes, and became increasingly more present in the world of

work. The social upheavals of the 1960s and 1970s proved decisive for its development, in particular because – or in spite – of the application of the *erga omnes* principle, which wound up weakening the trade unions, as wage differences between companies faded. The social and political events of 1968 played a decisive role, as the legislator reinforced all the existing levels of collective bargaining and also reintroduced negotiations at company level.

The Auroux Act then established trade union representation in the company by vesting it with the powers to negotiate. The parties will henceforth be required to negotiate an agreement every year on a series of issues concerning wages, for instance.

In addition to negotiations at company level, an annual bargaining phase was henceforth required at sector level for the minimum wage, and another such round every 5 years on vocational training.

Furthermore, national bargaining was reintroduced for safety, employment, vocational training and protection against unfair dismissal.

Nowadays (unlike the situation before 2004), for a collective agreement to be validly concluded it must be signed by at least the majority of the representative trade unions or by a trade union representing the majority of the workers.

At company level, the trade unions which do not subscribe to the company agreements concluded, have a right of veto which they can exercise when such an agreement runs counter to a collective agreement concluded at a higher level, or when they have obtained at least 50% of the votes during elections for personnel representatives or for the works council.

### **c) RELOCATIONS AND RESTRUCTURING – STATE OF AFFAIRS**

The productive fabric of the IRTUC is focused strongly on tourism, agriculture (floriculture, etc.), services and construction. The absence of a particularly developed manufacturing sector explains the absence of massive restructuring and relocation operations (unlike what has happened in other territories).

The factors that lead to relocations are and remain essentially based on the advantages of low labour costs.

In reality, there are few cases of relocation, mainly to Eastern European countries (new EU member states) or to South-East Asia.

Some service firms (in this case, call centres) have transferred their activities abroad, but this is a phenomenon quite widespread in this sector.

Similarly, the posting of employees, which is certainly present and even on the rise in our territory, does not constitute a sufficiently important item at this time to warrant study and analysis.

Information and support initiatives have been taken for the posting of employees, but their impact on the interregional labour market continues to be limited.

Conversely, relocations of certain companies in the Principality's manufacturing sector were more consequential. Although limited in absolute terms (6 or 7 companies), given the Principality's small size, such relocations are nonetheless considerable.

We consequently witnessed a series of relocations to North Africa (Morocco, Algeria), the countries of the Far East (especially China), and Russia. An important element to be taken into account in this respect is the very strong presence of Russian industrial investors in the Principality of Monaco.

### **d) TARGETED ACTIVITIES OF THE IRTUC**

The interregional labour market in the European cross-border territories is currently undergoing a transformation – a trend that confirms the development observed in the cross-border territory between France and Italy. There are no more “cross-border commuters” properly speaking (even if they are the most numerous). Conversely, other forms of cross-border work are emerging. Of these, the posting of employees is the one that gives rise to most tensions.

Under these conditions, the provisions of Directive 96/71 and the national ratification laws today constitute the reference and point of departure for the establishment of an interregional social dialogue between all stakeholders. The lack of controls on the one hand and of borders on the other may undoubtedly lead to a certain failure to comply with the rules in force, with repercussions on the wage conditions of the workers concerned. In this context, the IRTUC intends to act as a “catalyst” of dialogue between the employers’ associations, the institutions and sectoral trade unions (those which are more specifically concerned with posting) so as to define a precise framework of rights, obligations, guarantees and procedures on the posting of employees on the interregional scale.

A second important point concerns the harmonisation of certain specific aspects of cross-border gainful employment, in particular as regards health care, social security and tax systems – areas which differ in the countries concerned (Italy and France, but also the Principality of Monaco, where many cross-border commuters from Italy and France work). There are of course international agreements, national laws, etc. that regulate and organise these aspects, but there are, in certain places, gaps or interpretations likely to create real obstacles to the free movement of workers.

The IRTUC is to convene round the table all the interregional actors concerned so as to harmonise these aspects in accordance with the principles of the dignity of work and equal treatment for native and cross-border workers: same rights, same guarantees, same protection for all.

In this regard, vocational training and the mutual recognition of training certificates and diplomas and vocational qualifications are increasingly seen as efficient tools for ensuring respect for the cross-border employment as part of the recognition of bargaining levels when taking on cross-border workers. Another, no less important point, concerns education and schools at all levels, whether in France or Italy. These structures should, in our opinion, focus on the reciprocal instruction of French and Italian so as to promote exchanges and thus enhance employability on the interregional territory. Learning English (which remains a very important language), would thus be given secondary importance.

One last thorny and long debated issue concerns public transport, in particular inter-regional links. The IRTUC intends to initiate an ad hoc interregional social dialogue with the participation of all the cross-border institutions. The aim is to establish a real, organic network for rail transport. This will entail in particular studying and setting timetables and defining connections and stops capable of helping potential users, i.e. cross-border commuters, to limit the use of private vehicles.

The improvement of transport routes –by rail but also by road – would make a substantial contribution to reducing air pollution in a region famous throughout the world for its natural heritage which makes tourism one of its main economic resources.

## **E) IMPACT AND CONSEQUENCES OF THE ECONOMIC CRISIS ON THE SOCIAL DIALOGUE – STATE OF AFFAIRS**

Our territories have also been hit hard by the worldwide economic crisis. Unemployment is up in both Italy and France, but the reaction to it was slightly different in each country.

Whereas Italy has throughout the years developed a tradition of territorial dialogue on the

crisis, in France, this type of support action is entrusted to the public authorities. Italy consequently witnessed strengthened efforts by the provincial tripartite committees (composed of territorial institutions, employers' associations and trade unions). These committees have endeavoured to use the financial resources allocated by the State to promote local policies for income and requalification assistance, including specific continuing training or retraining programmes (combined, where necessary, with income assistance).

It is worth pointing out also the considerable increase in short-time work, a system of allocation that necessarily requires an agreement by and between employers and trade unions upstream.

The trade unions have become far more involved in the territorial social dialogue because of the crisis. This has also entailed more involvement by the actors concerned in the territorial governance of the labour market.

The same approach was followed by France concerning training and requalification, as well as income assistance through the solidarity income.

Conversely, in the neighbouring Principality of Monaco, the impact of the crisis was less harsh because of the reduced scope of the manufacturing sector in absolute terms.

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### 1. INDUSTRIAL SITUATION: EXTREMADURA AND THE ALENTEJO

#### THE ALENTEJO

##### INDUSTRIAL SPECIALISATIONS

- The more 'traditional' sectors – food processing, viticulture, olive growing, industry associated with natural resources (ornamental stones, slate);
- Ornamental stone – municipalities of Estremoz, Borba, Vila Viçosa and Alandroal;
- Pyrites – municipalities currently hosting working extraction sites: Aljustrel and Castro Verde;
- Emerging sectors – tourism (nature, culture, history, rural, etc.), renewable energies and the aeronautical sector.

##### COMPETITIVE ADVANTAGES

- Quality regional products;
- Climatic conditions – good visibility, high number of days of sunshine and hours of daylight per year;
- Availability of natural, environmental, heritage and cultural resources;
- Potential for the use of water as a strategic resource;
- Proximity of Lisbon and Spain, served by good transport and communication infrastructures;
- Spaces and infrastructures available for support to businesses and their logistical activity;
- New geo-economic thrust in the framework of interregional relations in the national arena and in the context of economic relations between Portugal and Spain, and with the whole European area;
- Development of connections to the bordering areas (the Centre region, the Algarve and the regions of Extremadura and Andalusia); link between the Lisbon Metropolitan Area and the Spanish and European economic areas;
- Openness of the Alentejo and connection between Portugal's major international port and Spanish territory.

##### NEW DEVELOPMENT DYNAMICS

- Fresh uses of traditional resources;
- Capitalising on the region's specific aspects;
- Collective efficiency strategies applied to natural resources, marbles and nautical tourism;
- Promotion of heritage, industrial tourism and the maritime economy;
- Harmonious shared use of the resources available (such as water and forests, marble and art, flowers and cosmetics, etc.)

##### CHALLENGES

- To improve competitiveness and continue to provide acceptable levels of cohesion;
- Skilling of workers (improving the linkage of the supply of training courses and development dynamics);

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- Economic growth and employment;
- Promotion of the rural economy;
- Regional network for science, technology and innovation (Regional technology transfer system, approved in the Alentejo) (Regional company logistics system).

### EXTREMADURA

On 10 November 2009, the political parties, the employers and the major trade unions in Extremadura signed the Social and Political Pact of reforms for Extremadura, defining the road map for the region's development over the coming years, which is based on the following pillars:

#### VALUES AND PRINCIPLES

1. Of the management of public affairs;
2. Of a competitive, productive society;
3. Of a society characterised by fairness, equality and possibilities.

#### 1. THE PILLAR OF COMPETITIVENESS

1. The production sectors:  
Traditional;  
Emerging;  
Potential.
2. The obstacles:  
The labour market;  
Businesses.
3. The key strategies:  
Lifelong learning;  
The internationalisation of Extremadura's economy.

#### 2. THE ENVIRONMENTAL PILLAR

1. Environmental viability;
2. The green economy.

#### 3. THE TERRITORIAL COORDINATION PILLAR

1. Supramunicipal territorial organisation.

#### PUBLIC POLICIES ASSOCIATED WITH INNOVATIVE PRODUCTIVE SPACES

1. Local and regional planning;
2. Environmental policy;
3. Water policy;
4. Infrastructure policy;
5. Transport policy;
6. Energy policy;
7. Investment funding policy;
8. Fiscal policy;
9. The policy of modernising services to users.

#### 2. COLLECTIVE BARGAINING AND THE SOCIAL DIALOGUE: THE TRADE UNIONS' BEST TOOL

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### SPAIN

The suspended negotiations, namely the sum of the agreements blocked and the agreements in force up until 2011 which have not yet been renewed, are a particularly relevant factor in any evaluation of the situation regarding collective bargaining and all the challenges facing it in 2011.

There is a major delay in collective bargaining, and a considerable number of workers have not yet benefited from the application of the wage revision clauses. The demands have also been stepped up with the entry into force of the new telematic register of agreements, which mandates the filing of the minutes of the joint committees on the revised agreements, including for the agreements in force in 2010. In addition, the modification of the statistical criteria used by the minister has led to distortions in the monitoring system, which heighten the need to have access to clean data in real time, so as to be able to take the strategic decisions regarding the negotiating processes.

According to the database on collective agreements by the Confederal Secretariat for Trade Union Action and External Coordination, it is predicted that approximately the following agreements need to be negotiated in 2011:

- Because of the expiry of the validity period: a total of 2,460 agreements, covering 4,937,745 workers and affecting 48.60 % of all workers bound by a collective agreement;
- Multi-year collective agreements whose content has to be revised: 2,562 agreements, covering 5,222,455 workers and affecting 51.40 % of workers bound by a collective agreement.

In that context, it is more important than ever for the negotiations to reinforce the principles of universal cover, rational structure and trade union influence in the management of collective bargaining. It is equally important to demand, in the bargaining process, respect for the collective agreements applicable, and to reject the deterioration of working conditions, these being indispensable conditions for ensuring respect for workers' rights and preventing unfair competition, regardless of the type of business. In particular, adaptation to the new activities of the business resulting from a change to the scope of the agreements through the extension of the existing agreements, and not their dismantling, must be the general rule.

At a time of economic crisis, the expansion of collective bargaining for the sake of extending the coverage of the agreements must be a priority. Our trade union action will be incomplete as long as worker protection amounts to just the legal minimum standards.

### PORTUGAL

In the current context characterised by growing inequalities, social injustices and an unprecedented offensive against the right to collective bargaining, collective action and collective bargaining are of greater importance, and this needs to be underpinned by renewed, collective, effective and rational action.

Collective bargaining has been under pressure from the neoliberal forces and the governments which support their policies.

The major instruments used to exert this pressure are:

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- Spreading the idea into public opinion that collective bargaining is opposed to business competitiveness;
- The other idea that workers' rights are a privilege;
- Promoting individual regulation of work;
- Degrading the link between the collective agreement and the individual labour contract;
- The possibility of recourse to a collective agreement to establish standards less favourable than the legislative provisions;
- The possibility of putting a stop to collective agreements and imposing unjustifiable limits on their content.

This is an unprecedented offensive against a fundamental right recognised by the constitution of the Portuguese republic and the ILO conventions.

The social dialogue practices by the governments are characterised by the following aspects: they are often formal in nature, with no objective other than to meet an obligation; they are not conducted in a timely manner and are not able to influence decision-making; they seek to force the unions into a 'pragmatic' choice of the government's 'partners' in the application of its policies, defined in advance and subjected to the objectives of the liberal economy.

The content of the 4<sup>th</sup> Stability and Growth Programme has been a crucial factor in the position adopted.

This programme once again focuses on stability and profits in the financial sector, but imposes a freeze on retirement pensions in 2013, fresh cuts in unemployment allowances, the continued erosion of the social functions of the State, specifically in the fields of healthcare and education, the further dismantling of public services, characterised by new increases in transport and energy prices, a cut in local authority funding, as well as rising taxes (VAT in particular) and efforts to stop the unions from negotiating at company level and in the workplace.

This stability and growth programme expects recession in 2010, but instead of putting forward measures to create jobs, helping the quality and protection of rights, it encourages insecurity of employment, in particular through greater flexibility of hiring and the reduction in termination payments.

### 3. RESULT OF THE ACTIVITY OF THE INTERREGIONAL TRADE UNION COUNCIL OF EXTREMADURA-ALENTEJO

Under the Interregional Trade Union Council of Extremadura-Alentejo (IRTUC Extremadura-Alentejo), UGT Extremadura, via the E2T and E2T2 projects, carried out jointly with CC.OO Extremadura and the Portuguese unions CGTP and UGT-P and funded by the ERDF, provided an advisory service in 2005-2008 in the field of professional mobility, intended for cross-border workers, whether active or unemployed, in the trade union offices.

UGT Extremadura believes it is essential for migrant workers to know their rights and obligations in the host country. This is why the union has been endeavouring to achieve two fundamental **objectives**:

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- To integrate the workers into the labour market, and into society more broadly, by focusing on the social inclusion of migrant workers;
- To promote improved social relations between migrant and local workers from the trade union point of view, by raising the social value of the trade unions in the context of interregional or transnational cooperation.

### 3.1 ACTIVITIES CONDUCTED BY THE ADVISORY BUREAUX

These are as follows:

- ✓ Information services, formalities with the Aliens Department and other institutions, approaches to other services of a general character, with the aim of regularising and maintaining legal conditions with regard to the legal, administrative and professional aspects of the immigrant population;
- ✓ Information and advice to migrant workers and unemployed people with regard to the legislation applicable to work and taxes;
- ✓ Provision to migrant workers of the legal services at the UGT's disposal in the framework of the membership;
- ✓ Developing vocational integration pathways;
- ✓ Carrying out professional information campaigns during the agricultural harvest seasons directed at bosses and workers (publication of leaflets in Spanish and translated into the major languages and their circulation during visits to workers where they are based, in collaboration with the Regional Food-Processing Federation of the UGT Extremadura (FTA), radio programmes, etc.); information to workers about the 2010 collective agriculture agreement and the rights and obligations flowing from the essential elements of that agreement:
  - Wages;
  - Working time;
  - Social allowances according to the different cases;
  - Maternity – services and rights;
  - Prevention of occupational risks.

## 4. THE SPANISH AND PORTUGUESE NATIONAL CONTEXTS IN A CRISIS PERIOD PORTUGAL

The Portuguese unions believe that it is important to explain certain aspects around two essential questions:

1. The reaction from the European Union and the Member States to the profound social, financial, economic and political crisis facing businesses, which basically impacts on the working class and those on the lowest incomes;

2. To determine the extent to which we can in fact still talk about a European social model.

The ETUC and other political and social forces had already spotlighted the negative consequences of this policy which favours the financial aspect to the detriment of the real economy.

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Where it was no longer possible to conceal the crisis, so obvious had it become, the reaction from the States was to use taxpayers' money to bail out the banks, leading to an explosion of public debt. This situation is similar to the one in countries like Spain.

Portugal's public debt already represents an 'investment' in excess of 4 million euro. However, we can argue that this crisis did not come out of the blue.

It is no surprise that in the euro zone, the countries being hardest hit by the effects of the crisis are those with the least development of their productive capacities: Portugal, Spain, Greece and Ireland.

The social dialogue practices by the European governments are characterised by the following aspects: they are often formal in nature, with no objective other than to meet an obligation; they are not conducted in a timely manner and are not able to influence the political decisions taken by governments; they seek to force the unions into a 'pragmatic' choice of the governments' 'partners' in the application of their policies, defined in advance and subjected to the objectives of the liberal economy.

In that sense, and as we shall see, we can explain the Portuguese class trade unions' participation in the various austerity programmes conducted before the announcement of the bail-out by the EU and the International Monetary Fund.

### SPAIN

As things stand, it is hard to persuade workers to participate actively in the trade union's action to try to bring about an improvement to working conditions for the active population, because the crisis facing us puts us in a vulnerable situation from the economic, legal and social points of view.

In Spain, the global economic crisis led to a reform of the labour market (*Royal decree-law 10/2010, of 16 June 2010, of urgent measures for the reform of the labour market*), to which the UGT Extremadura reacted by launching a call for a general strike, with our travelling companions from CC.OO.

The labour market reform in 2010 represented a radical transformation of many legal aspects relating to employment contracts and labour relations. Our rejection of this unilateral and backwards-looking reform to the regulation of labour relations was expressed in the general strike on 29 September, which was equally driven by other aspects that ran counter to social rights, such as the extraordinary measures to drive down the public deficit and the threat hanging over pension entitlements. This opposition to the reform of the labour market is also part of the reaction to the limits imposed on the right to collective bargaining, labour rights and social rights, given that it bolsters the power of the employers, who can now restrict the scope of the rights granted to workers by the modification of working conditions and the application of wages lower than those laid down in sectoral agreements. More disturbing still is the threat that will start in the next few months to hover over collective bargaining, of which the duration is set in advance.

The UGT, in collaboration with CC.OO, has presented a 'popular legislative initiative' which aims to go back on the labour market reform as it was approved. We have likewise signalled to society as a whole our points of view on the government's current economic policy, while

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restating our total readiness to engage in dialogue for the sake of finding the best possible solutions to the difficult situation facing us, in particular for unemployed workers.

In Spain, 2010 ended with almost 4.7 million unemployed, weedy growth and inflation running at 3 %, which is evidence, if any were needed, of the lack of effectiveness of the labour market reform and the economic adjustments imposed.

FINAL REPORT AND EVALUATION GRID OF THE ALPS-LAKE GENEVA REGION IRTUC  
– DEVELOPMENT OF THE ROLE OF IRTUCS IN BOLSTERING CROSS-BORDER  
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## ON THE MAP

The Alps-Lake Geneva Region IRTUC comprises the regions of Piedmont and Aosta Valley in Italy and of Rhone-Alps in France. In recent years, a delegation of Swiss trade unions representing the cantons of Geneva, Vaud and Valais has also been present in the IRTUC, as these cantons are situated in the immediate vicinity of said IRTUC.

## INDUSTRIAL SITUATION AND KEY SECTORS

The three constituent regions of the IRTUC have been hard hit by the crisis triggered by the financial collapse of 2008 which, in 2009 and 2010, caused a sudden decline in nearly all the key industrial sectors. Sales in the automobile industry in particular dropped precipitously, and thousands of workers had to be on short time working arrangements. With a 130% increase compared with 2008, the number of hours of technical unemployment skyrocketed.

Fiat, the major corporation in the sector, with its branches in the Piedmont, and all related activities, as in Aosta Valley, were the most exposed. For the rest, the reorganisation of the Fiat group led to tense negotiations which are still in progress. Management is intent on introducing a new model of industrial relations aimed at marginalizing the role of collective bargaining in the sector at national level for the benefit of a greater freedom to organise the company. With the drop and stagnation of consumption, services and the agricultural sector have also declined considerably in terms of both activity and employment.

On the other hand, tourism has held up well in the regions concerned, where it accounts for more than 50% of the gross domestic product.

The Rhone-Alps region, where the manufacturing sector accounts for 23% of the economic activity, was also hit hard in terms of activity and employment, particularly in turning machinery (Vallée de l'Arve), in the Lyon region. Only industrial machinery has managed to hold its own by registering positive growth thanks to internal demand. In the first quarter of 2011, the economy registered a slight improvement with a rise in production indicators in nearly all industrial sectors, except, in the French region, the food industry, where activity was down again compared to the period 2009-2010. Although slightly up in nearly all the regions of the IRTUC, the production capacity utilisation rates are still far from the 2008 levels.

It is moreover worth noting that budget consolidation measures in the Italian regions in 2010 have severely penalised employment and wages in the public sector by imposing a freeze on the contractual wage rises for the entire civil service (State, regions, municipalities and non-territorial public organisations) over a period of three years (2011/2013).

## SITUATION OF CROSS-BORDER COMPANIES AND SUB-CONTRACTING

The cross-border activities carried out by real cross-border companies are the exception in the inter-regional economic landscape, given the extremely complex legal situation. For the rest, the only existing example on the entire territory of the IRTUC, is that of the Mont-Blanc tunnel, a corporation run through the cooperation of two companies, one French, the other Italian, coordinated in a European Economic Interest Grouping (EEIG) – an altogether singular exception, as France and Italy have always been first rate economic partners. Furthermore, in spite of the lack

of official statistics, inter-regional trade is based on a well-integrated cross-border economy that posts dynamic and sustained growth. In 2009-2010, the weight of import-export declined in terms of percentage in both directions, a development clearly brought about by the crisis. Net investments from the Piedmont Region to Rhone-Alps confirmed the interest in the development of inter-regional companies. Inter-cultural exchanges also progressed with the conclusion of agreements by and between the Universities of Lyon, Chambéry and Grenoble, the University of Turin, and the new University of Aosta Valley. Cross-border flows of workers are particularly important between Chablais in France and the canton of Geneva, with some 400,000 daily crossings between Annemasse (France), and the surrounding areas to Geneva. A good number of these workers is employed in construction companies, services and trade outsourced for large Swiss and French companies.

Finally, inter-regional integration is quite advanced on the innovation front, as cooperation links are constantly being bolstered. In the Piedmont region alone, more than ten innovation centres have been set up and just as many innovative projects in association with partners from the other side of the Alps.

## NETWORKING IN THE EXISTING COLLECTIVE BARGAINING

### SITUATION OF SECTORAL COLLECTIVE BARGAINING AT NATIONAL LEVEL

Collective bargaining is organised differently in France and Italy. The Italian organisations intervene – at least up to now – in general collective bargaining. They participate in the conclusion of what are known as first-level national collective bargaining agreements, in second-level territorial collective bargaining agreements, and in company agreements, which may be deemed to constitute the third-such level of bargaining. Whereas French first-level collective bargaining agreements undoubtedly carry less weight than in Italy, territorial collective bargaining agreements and company agreements are of preponderant and fundamental importance in France.

That said, a general comparison of the sectoral bargaining mechanisms at national level turns out to be a particularly complex undertaking. More specifically, this type of collective bargaining is extremely rare in both Italian regions as well as in Rhone-Alps, where it is essentially delegated to the national trade union delegations.

### SITUATION OF REGIONAL AND TERRITORIAL COLLECTIVE BARGAINING AND COMPANY COLLECTIVE BARGAINING

Territorial bargaining and company bargaining cover all areas of production and services, in particular, the metal and mechanical construction sectors, the food industry, cooperatives, trade and handicrafts. In the agriculture and forestry sector, which takes a secondary place in the IRTUC's economic landscape, national collective bargaining comprises second and third level bargaining, and therefore remains marginal.

Territorial bargaining in Aosta Valley deserves particular attention. More specifically, owing to its special status, the Region exercises first-level competencies in collective bargaining in important private and public sectors. The Aosta Valley Region has created its own regional industrial relations agency (known by the initials ARRS) which, as its name indicates, deals with relations with the regional trade union organisations which are part of the Alps-Lake Geneva Region IRTUC, and in particular all aspects concerning collective bargaining in the public sector of Aosta Valley.

Collective bargaining in the private sector is carried out in all the strategic sectors in the IRTUC region. These negotiation lead to the conclusion of agreements on the management and organisation

of the company, production bonuses, overtime and, for the Italian regions, on the complementary protection schemes by virtue of the Italian national Act n° 124 of 1993.

Consultation and collective bargaining remain rather marginal in micro-enterprises, as trade unions have particular difficulties in getting established and in drawing membership in this type of structures. The basic element of reference for the micro-enterprises remains the framework agreement concluded at the national level.

## UPDATE ON RELOCATIONS AND RESTRUCTURING OPERATIONS

In parallel with the crisis in the production system that broke out in 2009 and continued in 2010, there was a slowdown in relocation of large companies in the Alps-Lake Geneva Region IRTUC over the same period.

Companies today can easily access the same technologies and any product can be reproduced without difficulty. This situation requires a constant effort for innovation, renewal and update of the production procedures to provide a product that is constantly improved in terms of quality and competitiveness by meeting the demand on the market.

Relocations that could be monitored and analysed in Piedmont, Aosta Valley and the Rhone-Alps Region show that such choices are nearly always dictated by the desire of companies to increase their profits, but that often this objective is not reached because of a lack of skilled workforce in the regions where the companies relocate. The case of Acciai Speciali, a company from Aosta Valley, active in the heavy steel industry, is emblematic in this respect. This company tried to relocate part of its production to Eastern Europe, but had to deal with an unskilled labour force which had to be entirely retrained to be able to continue to meet the quality standards and criteria, to such an extent, that in the end the company had to re-invest in its main establishment in Aosta Valley.

In the automobile sector, Fiat and its globalised production policy remain one of the major unknowns. A relocation would clearly cause serious damage and economic impoverishment, certainly for Piedmont and all related activities in the metallurgy, mechanical and automobile sectors.

The industrial policies of major international corporations must be broached and analysed differently, inasmuch as they are driven exclusively by international rationales. Accordingly, if an establishment in the territory or the region no longer falls under the strategic plans of the parent company, it can be relocated or closed, even if it is registering growth and making profits.

Another phenomenon that deserves particular attention, is that of the acquisition of regional companies by large multinationals that are only very marginally interested in local production and workers, as was the case in Savoy with Rossignol and other major sport brands.

French multinationals that have relocated or established branches in Piedmont and Aosta valley are also worth particular attention. They include such names as Dassault Systèmes, Alstom, AKKA Italia, Ardeaseal, Audika and Faurecia, the world leader in engineering solutions. More than 1000 French companies are thus established in Piedmont, 30% of which are from the Rhone-Alps region. In the other direction, the phenomenon is clearly less important, even if there are no fewer than 290 Piedmont companies that employ 15,000 workers in the French region.

Finally, it is worth mentioning that the Piedmont Region approved a regional law known as the Contract of Establishment to promote the re-establishment on its territory of companies that had previously relocated their production facilities.

## UPDATE OF THE ACTIVITIES OF THE ALPS-LAKE GENEVA REGION IRTUC

### THEME WORKS AND ACTIVITIES

The Alps-Lake Geneva Region IRTUC has in recent years cooperated, through its office, with

representatives of all Italian, French and Swiss trade union representatives in its midst, particularly in ad hoc committees set up and their members are appointed by the office.

The transport and mobility sector in particular has played an important role, by taking a clear position in favour of the (much-maligned) Turin – Lyon rail link, considered as an essential element for relieving congestion on the crossings and passes of the Alps (mainly Fréjus and Mont Blanc). Many meetings were held on this issue in Turin, Aoste, Chambéry and Lyon.

Cross-border mobility in the light of European regulations is another important theme that was broached in conferences and seminars organised in cooperation with the Piedmont Region.

An ad hoc committee was set up to monitor the social dialogue and its particular implications at the level of each region.

Particular attention was devoted to training in general and, in particular, to the training of trade union officials of organisations that fall under our IRTUC. An inter-regional meeting for the training of young trade union officials was organised by the IRTUC in Aosta Valley in June 2010, an event attended by many ETUC personalities.

## SECTORAL ACTIVITIES

The Alps-Lake Geneva Region IRTUC has paid particular attention to thematic publications and research work. The works produced and published include:

Le Conseil syndical interrégional Alpes-Arc lémanique  
Chronique d'un acteur social transfrontalier dans la gouvernance européenne  
[The Alps-Lake Geneva Region Inter-Regional Trade Union Council  
Chronicle of a cross-border social actor in European governance]  
By Andrea Ciampani and Davide Clari – 2009

The IRTUC has also assisted with the production of summary documents on the proceedings of the Turin conference:

Les obstacles à la mobilité des travailleurs au sein de l'Union européenne  
Réflexions et expériences – 2009  
[Obstacles to the movement of workers in the European Union  
Reflections and experiences]

In cooperation with inter-regional public employment authorities, the IRTUC set up information stands on its trade union activities in Turin, Albertville and Aix-les-Bains, in connection with the IO LAVORO [I work] fair, devoted to young job seekers in our regions.

## COLLECTIVE BARGAINING

The Alps-Lake Geneva IRTUC has been the driving force behind the Franco-Italian bilateral agreement to build the Mont-Blanc tunnel: an exemplary, manifest illustration of the mediation role that the IRTUC can play to get all inter-regional sectoral and inter-professional organisations that are part of the IRTUC engage in dialogue.

The success has led to the conclusion of a bi-national agreement which continues to have positive repercussions for a social dialogue guaranteed by the IRTUC.

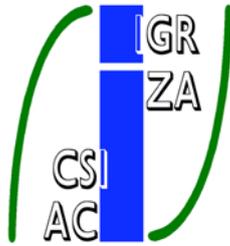
## UPDATE ON THE IMPACT AND CONSEQUENCES OF THE ECONOMIC CRISIS ON THE SOCIAL DIALOGUE

The European national governments now consider it essential to reduce public spending and bring the public debt in line with GDP. This is a position that must be taken into account.

This policy entails a drop in investments in all the strategic sectors of the national economies, which has an important negative impact on the regions, the municipalities and services in general.

For the Italian regions, cutting public spending has had a de facto effect of blocking the collective bargaining mechanisms and thereby causing a serious employment crisis.

Strengthening the social dialogue remains one of the priorities of the Alps-Lake Geneva Region IRTUC. It is nonetheless worth noting that our IRTUC has not been actively associated in the recent creation of the Alps-Mediterranean Euroregion and it is not represented therein. The presidency of the IRTUC is working hard to draw the attention of the presidents of all the constituent regions of the Euroregion to this question.



## **Consiglio Sindacale Interregionale Alpi Centrali - Interregionaler Gewerkschaftsrat Zentralalpen**

Dear colleagues, greetings from the heart of the Central Alps

### **A) Industrial situation and key sectors of CIS-CA/IGR-ZA [IRTUC-CA] – cross-border companies and subcontractors**

The IRTUC-CA is composed of the Italian autonomous provinces of Trento (495,546 inhabitants for 6,207 km<sup>2</sup>) and Bolzano (464,530 inhabitants for 7,400 km<sup>2</sup>), the province of Belluno (211,493 inhabitants for 3,680 km<sup>2</sup>), the Austrian state of Tyrol (672,209 inhabitants for 12,647 km<sup>2</sup>) and the Swiss canton of Grisons (186,744 inhabitants for 7,105 km<sup>2</sup>). The capitals are Trento, Bolzano, Belluno, Innsbruck and Coire respectively.

The overall population of CSI-AC is consequently 2,100,000 inhabitants living in what is essentially a mountainous territory of more than 37,140 km<sup>2</sup>. The languages spoken are German, Italian, Ladino and Romansch.

The economic activity is concentrated chiefly in services (65%). Tourism and related trades (cable installations, ropeways, hotel and catering, wellness) account for a sizeable share. Cross-border cooperation is well developed over the entire CIS territory, in particular in agriculture, distribution, credit and services.

There is moreover a high density of banking institutions and road transport companies, both national and international.

Mountain agriculture is also well developed with an important production of fruit and vegetables that feed agri-foodstuff processing industries and the wine sector downstream. The exploitation of the vast forest areas of the region, and thus the wood sector (8%), is also an important activity.

Industries and crafts (25%) relating to the water resources, and thus energy, constitute another important area of activity. New technologies relating to clean energies are beginning to emerge and with them, the use of wood and of energy-efficient applications for the insulation of residential and commercial buildings based on the “Casaclima” model. These developments are moreover leading to innovations in a traditional sector such as construction.

As regards construction, it is worth pointing to the important contribution of the studies and implementation of “major infrastructure works” such as the Swiss tunnel of Saint Gothard and the cross-border Austro-Italian project for the Brenner railway tunnel (BBT).

There is also a sizeable presence of mechanical, chemical, and optical industries (glasses), etc.

The cross-border activities are concentrated essentially in the construction and international transport sectors. There are some 1,500 cross-border commuters and 4,000 young people undergoing vocational training in a neighbouring country.

The construction of the Brenner railway tunnel is the main cross-border initiative in the region at this time. It is in line with the major European infrastructure projects (TENs). All the territories concerned (Tyrol, Alto Adige – Südtirol and Trentino, alongside the EU, Italy and Austria) have finally contributed in providing a part of the budgeted funding (several million). The digging of the pilot gallery has already had economic repercussions for local companies to which 40% of all the works have been subcontracted.

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## **B) Networking the existing collective bargaining**

The collective bargaining systems in CSI fall essentially under two models: the Swiss model and the Austro-Italian model.

The Swiss model is set in a very particular, highly federalist and liberal context in terms of currency, taxation, health and social security services. In this system, the “absence” of the withholding agent, a national health service and a universal social security system is accompanied by a territorial mechanism of guaranteed minimum wages which can vary depending on the conurbation, municipality or canton.

In Switzerland, therefore, competition between the mutual health insurance companies and private health insurance companies plays an important role in the offer of health insurance, whereas in social insurance, sectoral pension funds vie with banks and insurance companies. Taxation policies put even neighbouring territorial entities in competition.

The Italian and Austrian systems on the other hand are very similar, because they stem from conventional European welfare models. Thus, the public social security systems of the two countries have major similarities, as do the health systems and even the taxation systems. Nevertheless, there are differences in the sectoral collective bargaining. Thus, in the construction sector, the “Casse Edili,” i.e. the social insurance funds for construction workers, have different contractually defined purposes and missions.

But Austria and Italy are very similar on the whole, as they have moreover shared the same currency for some ten years: the euro.

Furthermore, the Italian and Austrian collective bargaining systems are subject to European regulations and thus to EU directives and the case law of the European Court of Justice on labour law and economic and financial competition.

The latter aspect was moreover broached at the seminar held on 24 and 25 March of this year, organised and financed under the project which is coming to a close today. At that time, a researcher from the faculty of law of the University of Trento illustrated the foundations of trans-national labour law in the European Union. Mr Mattei underscored in particular the fact that the case law of the European Court of Justice has always tended more towards reconciling the right of companies with the free movement of services – guaranteed by the free trade treaties that bind the countries of the European Union and the fundamental rights enshrined in the Nice Charter. The latter establish in particular the obligation to guarantee European workers conditions of appropriate pay and real social protection, social security and health. The *Koelzsch* decision, handed down recently by the European Court of Justice (15 March 2011) was also broached. This decision establishes that workers posted abroad do not necessarily fall under the labour legislation of the country of the company with which they signed their contract of employment; but on the contrary, in their case, the applicable legislation is that of the country where the workers fulfil the essence of their occupational obligations.

This decision is of great importance for cross-border works between Austria and Italy, in particular in connection with the future works on the Brenner tunnel, which will be carried out by workers and companies of different nationalities.

We consider that the only agreement obtained from the negotiations with BBT SE for the time being is that on the recognition of working time among the different social insurance funds in the construction industry, i.e. that of the autonomous province of Bolzano-Bozen (Cassa Edile-Bauarbeiterkasse CE-BK) and its Austrian counterpart (Bauarbeiter-Urlaubskasse). The agreement concerns construction workers taking part in the major cross-border construction project for the Brenner tunnel who work outside their country (Annex 1).

### **C) Relocation / restructuring**

Like most of the neighbouring territories, the IRTUC-CA has not been spared from the relocation phenomenon.

Eastern European countries, both EU and non-EU members, are the destination of choice for an entire range of companies belonging to different sectors: textiles (Bailo), road transport (Fercam, Arcese), chemicals (Zobebe, Thun, Marangoni), and the manufacturing industry (Luxottica). But the Far East (China, Vietnam, Korea) is also a destination of choice.

Restructuring operations which are often the reason for such relocations, nevertheless retain the administrative and top management offices of the companies in their place of origin. This means that management, engineering offices and research and innovation centres remain in their historical and cultural region of origin.

### **D) Updated outline of the activities of the IRTUC-CA:**

For several years, the IRTUC-CA has, in cooperation with the Institute for the Promotion of Workers (Arbeitsförderungsinstitut - Istituto Promozione Lavoratori – AFI-IPL) of Bolzano-Bozen, produced a multilingual brochure with comparative information on the social regulations in general and on taxation in particular. Distributed in the cross-border provinces, this publication also deals with the rights of cross-border workers in Aldo Adige-Südtirol (I), Tyrol (A) and the canton of Grisons (CH). The partnership with EURES has also promoted this initiative and has facilitated the promotion of cross-border employment, contacts and the work of IRTUC-CA)

By way of outline of the most recent activities pursued by our Inter-Regional Trade Union Council for the Central Alps (IRTUC-CA), we shall focus on the following initiatives:

#### **Maienfeld bei Chur – 28 February 2008 (Canton of Grisons)**

**“Cross-border comparison of wages and prices in the regions of the Central Alps so as to assess the living conditions of working men and women.”**

A document was drawn up at the end of the works calling for new price indicators that are both more realistic (like the “Eurostat basket”) and more in line with those used in first level negotiations. The second level negotiations (sector, territory, company) should also be enhanced, especially in Italy, inasmuch as such mechanisms as more widespread and applied in Austria and Switzerland. On the fiscal front, the document condemns the policies that penalise generators of revenue compared with people who enjoy financial or property income.

#### **Innsbruck – 26 September 2008 (Tyrol)**

**“Assessment and social repercussions of the European internal services directive.”**

Adopted unanimously, a resolution was addressed to all the political representatives to spare no effort in order to: maintain the level of the social cohesion attained; guarantee the public service, and not fall victim to the rationale of the market and profits; respect the collective labour agreements of workers in public services; include without fail in the regulation of the markets and permits clear rules that ensure the quality of services and the prohibition of social and wage dumping.

**Nalles (BZ) – 20.2.2009**

**“Comparative study of social buffers available to wage earners in a worldwide crisis”**

Having set out during the course of the works the policies implemented by the social partners and the territorial authorities, the delegates drew up a document in which they expressed their concern about the serious crisis in the labour market, for which they hold financial speculation primarily responsible. They moreover state the need to put companies, banks and credit institutions before their unquestionable social responsibilities. The public authorities, irrespective of their level – local, national, continental – were called upon to allocate appropriate financial means and resources and to take sufficient legislative measures in favour of workers and families hit by the employment crisis.

**Riva del Garda (TN)– 26 March 2010**

**“Comparative analysis of taxation in Italy, Austria and Switzerland”**

After an in-depth examination to which experts from the three countries contributed, a summary document was drawn up. This document starts by taking stock of the weakness of the taxation policies in the three countries as regards financial and property income, and calls on restoring a balance in favour of those who generate revenue, i.e. wage earners, self-employed workers and companies.

Pursuant to the activities conducted in 2009 and 2010 under the aegis of the Arbeiterkammer (AK) in Tyrol (Office of European Activities), the IRTUC-CA, in cooperation with the AFI – IPL of Bolzano-Bozen, and the trade union confederations CGIL/AGB, SGBCISL and UIL-SGK of Alto Adige/Südtirol, with the ÖGB TIROL and the association of free trade unions of Slovenia/ZSSI and with a financial contribution from the European Union, participated in a project geared to the collection of data on multinational companies established in our regions (Trentino, Alto Adige/Südtirol, Tyrol) as well as to an inventory of European Works Councils (EWC) so as to enhance the dissemination of cross-border trade union representation which is precisely the purview of European Works Councils ( [www.ewc-networking.eu](http://www.ewc-networking.eu) ).

The purpose of this publication is also to illustrate the new criteria introduced by Directive 94/45/EC, as amended by Directive 2009/38/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees.

**E) Effects and consequences of the economic crisis on the social dialogue**

The economic and financial crisis has hit the Central Alps hard as well. The unemployment and growth rates are however not as bad as in neighbouring regions. Nevertheless, the use of social buffers has increased exponentially: unemployment benefits, mobility, short-time work. New, specific aids have also been introduced, especially in the autonomous provinces of Trento and Bolzano to supplement and reinforce existing mechanisms already mentioned, particularly in Belluno. This is essentially a guaranteed or citizenship income as it is known, hourly allowances given to individuals attending training schemes organised by the autonomous province of Trento, and social aids for workers without income.

Established in Austria and Switzerland for some time already, attention and interest for bilateral organisations (employers/employees) have gained ground in Italy as well. These structures are often capable of acting and intervening with considerable speed in such matters as training and occupational

safety as well as for labour relations, and measures to support and help workers and companies in a difficult financial situation because of the economic downturn.

Our last seminars and meetings underscored the need to engage in greater exchange of information and “good practices” in each IRTUC and among the 45 European IRTUCs.

Furthermore, it has now become just as indispensable to make up for the absence of bilateral structures by involving our negotiating partners, namely the employers.

For as long as we do not communicate with the negotiating partners concerned and do not engage in a dialogue on equal footing and reciprocity, each player will stay locked up in his own “tower” and remain convinced of his sound reasons, thereby leaving it up to politicians – and often, alas, to the representatives of higher interests, be they national or economic – to decide alone on the choices that will shape the future of workers and all the citizens of Europe.

**Walter Alotti**

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## **PROJECT ON ‘DEVELOPMENT OF THE ROLE PLAYED BY THE IRTUCs IN THE REINFORCEMENT OF CROSS-BORDER COOPERATION IN THE FIELD OF COLLECTIVE BARGAINING’**

The IRTUC Western Pyrenees-Atlantic Axis is a body for trade union cooperation between the border regions of France (Aquitaine) and Spain (Aragon, Navarre and the Basque country) which is part of the European Trade Union Confederation. It brings together the French unions CGT, CFDT, CFTC and UNSA Aquitaine and the Spanish unions CC.OO and UGT from Navarre, the Basque country and Aragon.

It is based upon experience built up over more than 17 years of meetings and collaboration, in the course of which the member organisations have implemented projects, activities and action days, as instruments to reinforce trade union cooperation on both sides of the border.

The IRTUC Western Pyrenees-Atlantic Axis has one particular feature which needs to be taken into account in the framework of an analysis of collective bargaining: the Spanish representation covers three autonomous communities, associated with the Aquitaine region on the French side. This characteristic determines the methodology underpinning the present analysis. The information on the three Spanish territories is unified and the preferred comparison elements are those which reflect a homogeneous situation in these three communities.

This analysis is based on the conclusions of the seminar held in Pamplona (Spain) on 23 March 2011.

## 1. The industrial situation and cross-border enterprises

The territories forming the IRTUC Western Pyrenees-Atlantic Axis have similar macroeconomic characteristics, with significant variations in terms of the sectoral profile of their productive structure.

### Comparison of GDP per inhabitant in Aquitaine, Aragon, the Basque country and Navarre (2008)

Territories	GDP (in million euros)	GDP per inhabitant (euros)	GDP (in million PPS <sup>1</sup> )	GDP per inhabitant (PPS)	GDP per inhabitant (PPS: UE27=100)
Aquitaine	87 115	27 300	76 601	24 000	96
Aragon	34 093	26 100	36 978	28 300	113
Basque country	67 984	31 800	73 737	34 500	138
Navarre	18 492	30 300	20 057	32 900	131

Source: Eurostat

On the **Spanish** side, the regions of the Basque country, Navarre and Aragon are characterised by a strong industrial component in terms of both contribution to GDP and employment.

In the **Basque country**, industry represents 22% of jobs. The sector's good performance resulted in a drop in unemployment of 8.03% in industry last year. The most important industrial sectors are metallurgy and metal products, machinery and transport material.

Industrial production in the Autonomous Community of the Basque country saw a rise in 2010 of 1.8% over the previous year. We see a consolidation of the recovery of industry, which is becoming the most dynamic sector in the economy.

This is also the case with **Navarre**, where the major importance of industry in economic and employment terms is one of the characteristics of its economy. A network of small and medium-sized enterprises, located in the Alasua-Pamplona-Tudela corridor and along the valley of the Ebro, form the native industrial fabric, together with a string of production sites belonging to multinationals, which are far from negligible given their importance in terms of employment and added value, their key contribution to the modernisation of the regional productive apparatus and consequently the economic development of the Autonomous Community of Navarre.

Many of these industrial sites belong to the two most important sub-sectors of activity in Navarre's industry: the automobile sector and machinery and equipment. These two sub-sectors, plus the third most important sector, namely food processing, together account for over half of the gross added value in Navarre's industry. In the face of such a concentration, the diversification of activities in the sector did not advance noticeably until the late 90s, driven by the arrival and development of a wind power industry which is reckoned to have strong potential for growth.

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<sup>1</sup> PPS: purchasing power standards.

The industrial sectors also play an important role in **Aragon**. The key sectors in Aragon, according to the criteria of contribution to GDP and/or rate of employment of the population and/or the knock-on effect on other sub-sectors and/or potential for the future, are: the automobile industry and the associated sectors, logistics, tourism, the manufacture of equipment goods, the food processing industry, energy and recycling, the manufacture of paper and other cellulose derivatives, high added-value services to businesses and proximity services linked to quality of life.

On the **French** side, the region of **Aquitaine**, which represents 4.5% of national GDP, shows a different sectoral structure: industry accounts for 12% of activity and jobs, construction represents 7% of activity and 8% of jobs, farming represents 4% of activity and 5% of jobs, while the service sector provides 77% of activity and 75% of jobs.

### **Cross-border enterprises**

A severe shortage of reliable data and information prevents the conduct of a rigorous analysis of the activity of cross-border enterprises in the Western Pyrenees-Atlantic Axis interregional context. However, we are seeing a fairly low level of activity, with significantly more substantial movements between the Basque country and Aquitaine than between Navarre and Aquitaine or between Aragon and Aquitaine.

In the first instance, the lack of information is not confined to the collection of data. The point is that 50% of enterprises recognise that they have only a very sketchy picture of the neighbouring territory, even though 42% of enterprises have forged commercial relations with them. The International Cross-Border Chamber of Commerce Bihartean, formed by the chambers of commerce of Guipúzcoa and Bayonne, was created to facilitate mutual understanding and thus contribute to the economic development of the two regions.

In the case of movements between Navarre and Aquitaine, cross-border activity is limited to the commercial sector in very concrete areas. There are Spanish businesses which employ French workers (e.g. the *ventas* of Ibardin and Dantxarinea). These workers are subject to Spanish social security, because they are employed by Spanish businesses, and subject to the trade agreement. There has also been evidence of exchanges of workers in the farming sector.

Aragon has no major cross-border enterprises, and we do not see any significant cross-border subcontracting in terms of invoicing and employment. On the other hand, we find companies or groups of companies which are active in Aquitaine, Aragon, the Basque country and Navarre and in which working conditions vary depending on the region (e.g.: the Auchan Group: Alcampo Sabeco, Simply Market, Simply Store, Hyper Simply, Aro Rojo, Inmochan España – in Aragon; Auchan, Atac, Simply Market, Auchan Direct, Voyages Auchan, Banque Accord, Immochan – in Aquitaine).

This all makes it very difficult to evaluate the cross-border activities by enterprises and the number of workers performing these activities. This is one of the symptoms of the 'invisibility' that characterises these workers. A study conducted by the IRTUC Western Pyrenees-Atlantic Axis, under the 'Cross-border employment observatory' project, puts a figure of 3,500 on the cross-border workers in the region, the bulk of them between the Basque country and Aquitaine.

## 2. An analysis of collective bargaining

### 2.1. The framework

Collective bargaining is the normative instrument that allows interventions to be made in the regulatory framework of working conditions.

In **Spain**, the doctrine defines collective bargaining as an *'autonomous, freely accepted agreement, of which the nature and effects are collective, concluded between the representatives of the workers and the employers, or the employer, following a process of discussion and negotiation, and which defines the rights and obligations to be applied to their working relations, both individual and collective'*.

According to this concept, the essential points that define a collective agreement are the following:

- **An autonomous, freely accepted agreement;**
- **Of which the nature and effects are collective;**
- **Concluded between the representatives of the workers and the employers, or the employer;**
- **Following a process of discussion and negotiation;**
- **To define the rights and obligations** to be applied to their working relations.

In **France**, collective bargaining shows similar characteristics, with some major variations. In both countries, collective bargaining covers the majority of workers, over 90% of them in France and over 80% in Spain. This bargaining process is first of all part of the sectoral framework, then it takes on a geographical dimension, via agreements by sector and by 'département' in France and by sector and by province in Spain. The conditions laid down in the agreements concluded at a level higher than the individual business apply to all businesses and all workers in the sector or geographical area concerned. This provision is optional in France and automatic in Spain.

In France, collective labour relations between employers and workers and their determination by means of collective bargaining are governed by the Auroux law of 13 November 1982, the law on the social dialogue of 4 May 2004 and the law revising social democracy of 20 August 2008. Collective bargaining is based on a principle spelled out in the Preamble to the Constitution of 1946, to the effect that 'any worker participates, via his delegates, in the collective determination of the working conditions'. Book III of the Labour Code, governing social dialogue, defines the objective and the content of the collective agreements and conventions, the conditions for the negotiation and conclusion of collective agreements and conventions, the areas and frequency of the collective bargaining, the application of the collective agreements and conventions, and workers' direct and collective right of expression.

In France, therefore, labour law is based first and foremost on legislation. There is a hierarchy of standards under labour law, which in principle prohibits the conclusion of collective agreements whose conditions are less good than the legislative and regulatory standards. However, since 2004, 14 subjects for negotiation have been able

to trigger agreements whose conditions are less favourable than those provided by higher standards.

Inter-industry agreements are transverse agreements and consequently they are limited to issues such as training, occupational health and the like. Branch agreements, however, are more common. The social partners are required to negotiate wages every year and professional classifications every five years. At company level, where the company has one or more trade union sections, the employer is likewise required to conduct annual negotiations on effective wages, working time, the organisation of the work, timetable management, and save-as-you-earn schemes.

Bargaining at company level makes it possible to adapt the standards in the Labour Code to the specific features and needs of the company. In companies with a trade union section and delegate, the employer is required to conduct negotiations on various subjects and at varying intervals.

Every year, the compulsory negotiations relate to wages, the organisation of working time, professional equality, save-as-you-earn schemes, professional integration and maintenance in employment of disabled workers. This obligation applies every three years to companies with more than 300 employees.

## **2.2 Some reference data**

As explained above, France and Spain show high rates of cover of collective bargaining, at 90% and 80% respectively.

In **Spain**, collective agreements can be concluded at company level or at sectoral level. The data for the national territory at 31 December 2010 reveal the existence of 2,707 collective agreements, with 1,994 of them having been concluded at company level and 713 at sectoral level.

A total of 896,781 companies are covered by the 2,707 collective agreements registered last year, making a total of 7,113,457 workers. Among them, 524,309 are bound by a collective agreement concluded at company level, while 6,571,148 workers are bound by an agreement concluded at a higher level.

The exceptional character of the global figures on the year 2010 can be ascribed to the crisis context:

- The total number of workers bound by the collective agreements registered has been reduced by 2 million (7.1 million compared to 9.1 million in 2009);
- The average pay increase initially concluded has been halved over the same period. The average pay increase concluded is 1.31%, across a total of 7,113,457 workers. At company level, the average pay increase is 0.96%, compared to 1.34% where sectoral collective agreements are applicable;
- The percentage of workers covered by the wage guarantee clause is falling, from 68.35% to 45.58% in 2010. Almost half of all workers do not benefit from this protection, while inflationary pressures are affecting consumer prices.

These data clearly illustrate the striking moderation of pay increases concluded in 2010, with pay increases concluded at company level being generally lower than those

provided under sectoral collective agreements. These data are consistent with the provisions of the 2010-2012 Agreement for Employment and Collective Bargaining (AENC), which recommends the inclusion of a wage guarantee clause at about 1% for 2010. Despite an annual CPI of 3% in December, compared to 0.8% over the same period the previous year, the continued downwards trend in pay increases can be explained by the difficulty involved in reaching agreements in the current context of reform of the labour market and widespread crisis.

This situation also applies at the regional level, in Aragon, Navarre and the Basque country alike. In **Aragon**, the number of collective agreements in force stands at 1,300, of which 229 are sectoral agreements and 1,071 are agreements concluded at company level. Official statistics indicate that 120 collective agreements were concluded in 2010, 88 at company level and 32 at a higher level. They cover 15,216 and 177,019 workers respectively. These figures show a drop in the conclusion of collective agreements by 31 December of 42.03%, or 120 in 2010 as against 183 in 2009.

The situation in **Navarre** is similar. This Autonomous Community concluded and published 183 collective agreements in 2010, of which 34 are sectoral and 149 concluded at company level. They cover approximately 140,000 people. Other workers may be in one of two situations: a) they may be covered by a national collective agreement, concluded at sectoral level or company level; b) they are not protected by a collective agreement: in this case, their working conditions are laid down by the Statute of Workers and other labour standards. It is estimated in addition that some 20% of workers (54,220 or so workers) do not benefit from the application of a collective agreement.

Given the stalemate that has bedevilled collective bargaining over recent years, only 68 of these 183 collective agreements have been renewed when they expired, affecting some 97,000 people.

There are 53 collective agreements which were supposed to be negotiated in 2010. To date, only 23 agreements have been concluded and published in 2010, or 43.39% of the collective bargaining agreements which it was planned to conclude in the year.

As in Aragon and Navarre, the negotiating process in the **Basque country** has felt the effects of the economic crisis, but also the consequences of the attitude adopted by the representatives of the employers and in this particular case, also by the Nationalist Trade Unions, which, having a majority place at the table for many of the collective agreements due to be negotiated, have not devoted the necessary priority attention to their renewal and the development of working conditions in the companies concerned.

In the Basque country, the total number of collective agreements concluded by 31 January 2011 stands at 187. By 31 December, 235 collective agreements protecting over 150,800 workers had not been renewed. This therefore makes a further 21% of workers who are not protected, in addition to those whose collective agreements have expired.

In the Basque country, 90 of the 115 sectoral collective agreements still remain to be negotiated. In other words, 80% of the sectoral agreements, protecting 220,700 workers, have expired.

In **France**, the latest official figures available tell us that 26 collective agreements were concluded nationally, at inter-industry level, in 2008.

At branch level, 1,117 collective agreements were concluded, 549 on wages, 58 on professional classifications, 73 on working time and the organisation of work, 19 specifically on professional equality, 59 on employment contracts and 8 on save-as-you-earn schemes.

At regional level, the social dialogue is generally marginal. In Aquitaine, only two professional structures have regional collective agreements: food processing and forestry and the timber industry. There are also collective agreements in certain departments in two sectors: metal products and construction. In the metallurgy sector, meetings are held between the employers and the trade unions, but only on an information and consultative basis, in other words there are no real negotiations.

When it comes to negotiations at company level, over 5,000 texts were signed in Aquitaine in 2009 (new agreements, additional clauses, accessions, withdrawals of agreements) in 3,315 companies, affecting some 200,000 employees, or one in six.

After the deduction of the unilateral decisions (taken by the employers alone) and the agreements approved by referendum by workers, which do not show the existence of a genuine social dialogue, we are left with 1,410 company agreements having been signed by trade union delegates or elected workers' representatives which were registered in the territorial units of the Regional Directorate of Enterprises, Competition, Consumption, Labour and Employment (DIRECCTE). Wages are the main subject addressed in the company agreements, followed by employment and working time.

## **2.3 Cross-border collective bargaining**

While the reality of cross-border enterprises is characterised by a lack of information, and the situation of cross-border workers is defined by its 'invisibility', cross-border collective bargaining is distinguished by a lack of recorded data.

What we thus find is a professional reality that is hard to evaluate, one which lacks regulatory frameworks suited to the particular situation of 'cross-border workers'. It is the aim of the IRTUC Western Pyrenees-Atlantic Axis to achieve a better understanding of this category of workers in order to stimulate a trade union action designed to defend their rights and their interests. To this end, it is essential to know about the regulatory frameworks within which the collective bargaining both sides of the border fits, and to gain a better grasp of the different situations which determine the collective bargaining across the regions.

## **2.4 Collective bargaining as an object of reform**

### **2.4.1. In France**

As stated above, collective labour relations between employers and workers, as determined by collective bargaining, are governed in France by the Auroux law of 13

November 1982, the law on the social dialogue of 4 May 2004 and the law revising social democracy of 20 August 2008.

The 2004 and 2008 laws brought about a profound transformation of the regulation of collective bargaining with regard to the linkage of the various levels of the negotiations, the rules on the conclusion of agreements and trade union representativeness. The latest reform, carried out in 2008, was preceded by the common position and signed on 9 April 2008.

#### **2.4.2. The reform of collective bargaining in Spain**

When the seminars in Pamplona are being held to examine collective bargaining in the framework of the IRTUC and present the present report, the most representative economic and social stakeholders in Spain are in the middle of the process of negotiating the reform of collective bargaining. This is why we need to address the situation in a specific way and explain certain elements of value to the reflection, in order to better understand the ins and outs of this debate.

##### **a) The need to rationalise the structure of the collective agreements**

Collective bargaining is currently undergoing a process of radical transformation. The major needs and problems identified relate to the following:

- The characteristics of the current situation in terms of sectoral negotiation at national level:
  - The lack of coordination between the sectoral level and the company;
  - The need to bring in elements to legitimise the negotiators, because the workers' representatives are elected, unlike the employers' representatives;
  - Deadlock in the collective bargaining process in 2010;
  - The lack of determination of the model of collective bargaining to be adopted in the short term, the definition of which depends on the outcome of the negotiations conducted between the government, the unions and the employers' representatives;
  - The strong pressure being exerted by the employers and the markets to destroy the current negotiating model and remove certain guarantees that it affords workers.

An overview of the structure of collective bargaining in Spain shows that its basic characteristics are fragmentation and disconnection. These features have been associated with it for a long time, despite some efforts to correct the situation, such as the unsuccessful 1997 Inter-Confederal Agreement for Collective Bargaining.

- The current situation regarding collective bargaining at company level is as follows:
  - Excessive fragmentation of collective agreements;
  - Net setback in the negotiating process in 2010, pending changes ahead;
  - Bid by companies to reinforce the collective agreements concluded at company level at the expense of the agreements concluded at a higher level;

- Lack of preparedness of workers in SMEs and micro-enterprises in the case of reinforcement of collective bargaining at company level;
- There are currently many pressure groups which are pursuing the following objectives in the face of the redefinition of the model of collective bargaining:
  - To stop considering collective agreements as a source of law: in Spain, collective agreements form an extra-parliamentary source of law (a particularity that goes back to the time of Franco's corporatism). The main implication of this phenomenon is that under the Spanish system the agreements persist over time and continue to apply until a new agreement is secured;
  - To put a stop to general and automatic effectiveness: in line with this fundamental principle under the Spanish system, any agreement concluded at a level higher than the company level must apply to all enterprises in the geographical area and sector concerned, regardless of whether they participate in the negotiation process;
  - To do away with the domination of sectoral agreements over agreements concluded at company level: our system of collective bargaining stems from the primacy of collective agreements concluded at a level higher than the company level;
  - To dismantle the current negotiating structure, under which the bulk of enterprises and workers are covered by collective agreements negotiated at an intermediate level (provincial and sectoral), and give decentralised negotiation, at company level, a prime role: this objective does not involve scrapping the sectoral collective agreements at national level, but involves allowing an enterprise to exercise its right to directly negotiate a collective agreement with its workers and guarantee that this will take priority over an agreement concluded at national level. If the enterprise wants to benefit from the application of the agreement concluded at a higher level, it must provide for a 'hook-up clause'. A debate is underway on whether this model is preferable to an 'unhooking clause' in an agreement concluded at a higher level, which continues to take precedence.

The primacy of collective agreements concluded at company level, coupled with the possibility of 'hooking up to' a national collective agreement, spells the end of agreements concluded at provincial level. After the scrapping of the collective agreements concluded at an intermediate level, the essential point will be to determine the areas deriving from the negotiation of sectoral collective agreements at the national level and those deriving from the negotiation of agreements at company level. The sectoral collective agreements concluded at national level might cover aspects such as training and retraining workers, the arrangements for recruitment or issues around safety at work. The collective agreements negotiated at company level should relate to the aspects with a more direct bearing on the duration and organisation of working time, mobility, both geographical and functional, and wages, which might be adapted to the company's competitiveness.

- To remove the CPI as an objective reference for the pay increases concluded under the collective bargaining and to replace it with competitiveness, a factor which is difficult to quantify.

## **b) A context for the agreement**

The Economic and Social Agreement, concluded on 2 February 2011 by the national government, the trade unions and the employers, highlighted the bipartite character of the reform of collective bargaining. This agreement bolsters the fundamental principle of collective bargaining, which is the autonomy of the representatives of the employers and the trade unions in the definition of working conditions.

CC.OO and the UGT consider that the conclusion of an agreement on the reform of collective bargaining will pave the way for the introduction of a system of collective bargaining that is more structured, more effective and better coordinated, and useful to both workers and businesses.

The UGT and CC.OO likewise believe that collective bargaining is an essential instrument in the defence of the interests of all workers, and they oppose the efforts to restrict this fundamental right by presenting proposals such as those in the EU's Competitiveness Pact.

## **c) Challenges and objectives in future collective bargaining**

Collective bargaining is facing fresh challenges. Specifically, it has to cover more subjects and other priorities, and to adapt to the transformation of the productive structure arising from the processes of globalisation, decentralisation and outsourcing.

CC.OO and the UGT intend to improve the structure and coordination of collective bargaining at the various existing levels, through the promotion of sectoral collective agreements at national level, general agreements or framework agreements, to supplement the agreements concluded at other levels for production-related reasons.

Aside from the national sectoral agreements, which unify and simplify the procedures, reduce dispersion and make up for the current lack of structure, the sectoral organisations plan to get other areas, covered by sub-sectors handled at provincial/Autonomous Community level, into the national level, and to encourage the conclusion of agreements at company level.

The UGT and CC.OO believe that the reform must make it possible to cover the activities not falling under a reference sectoral agreement, and that the creation of new levels of bargaining must guarantee the lack of competition and protect the established bargaining levels.

The shortcomings of legitimacy in the agreements must be corrected, through the reform of trade union legitimacy in businesses and the promotion of the legitimacy of businesses, specifically at the level above businesses, by reinforcing the legal safety of the agreements concluded.

This reform must likewise seek to improve the internal flexibility instruments and the match between working conditions and the economic progress of companies, without limiting labour rights, in the framework of the 2010-2012 Agreement for Employment

and Collective Bargaining, while opposing the harmful aspects of the reform of the labour market and the unhooking of wages, by means of transparent processes for information and participation by the most representative trade unions in the company and the sector, and bolstering the role of the trade unions in small and medium-sized enterprises.

We are banking on a breath of fresh air for the collective bargaining apparatus, a boost to the obligation to negotiate, the prevention of the obstructions, shortcomings, blockages or practices which hamper the development and application of the bargaining process, the prevention of the judicialisation of collective bargaining, the strengthening of the role of the joint committees, the promotion of the instruments provided in the agreements for extra-judicial conflict resolution at all levels, and the guarantee of respect for workers' fundamental rights.

This thrust implies the reinforcement of the autonomy of the social partners, for the sake of stimulating and improving employment and economic activity.

### **3. Situation of relocations/restructuring operations**

The pooling of our information on relocations/restructuring operations on the two sides of the border shows us that the exploration of this question does pose some serious difficulties.

However, Aragon, the Basque country and Navarre on the Spanish side and Aquitaine on the French side are territories which have been directly affected by relocation processes and industrial restructuring operations. While it is true that that the bulk of the restructuring operations and closures are the result of businesses going bankrupt, and not relocations as such, in some cases the presence of productive sectors which have reached maturity or are in decline and industrial settlement policies in places guaranteeing better profitability of the capital invested are behind such processes as:

- The disappearance of formerly important productive sectors (textiles, cables, etc. on the Spanish side);
- The relocation of viable enterprises into places offering substantially lower HR costs. These relocation processes generally relate to heavily labour-intensive productive processes.

This situation is exacerbated by the risk of relocation of highly labour-intensive manufacturing activities and any services liable to be 'centralised'.

From that point of view, the following factors make it complicated for certain enterprises to remain in the regions forming the IRTUC: a) the threat associated with the physical, and psychological, distance between the productive and decision-making centres, as in the case of many subsidiaries belonging to international and national enterprises; b) the difference in wage bills compared to the emerging economies; c) companies' search for looser regulatory frameworks and contexts (from the fiscal, environmental, professional etc. points of view); d) the declining political and economic importance of Europe compared with the emerging markets.

Most relocations of businesses that our regions have experienced have been driven by major differences in labour costs (Maghreb, countries in the East, Turkey, South America, etc.).

In general, the debates conducted within the IRTUC have highlighted the importance of viewing the phenomenon of relocations as a core element in trade union action. How can cross-border cooperation projects of all kinds be converted into assets that help the trade union movement to anticipate relocations and make them into positives?

## **4. Impacts of the crisis on the social dialogue**

The crisis, in all its guises, has posed further difficulties in maintaining on the one hand the regulatory framework within which the bulk of the social rights and labour rights fall, and on the other, the trade unions' capacity for dialogue, which is necessary for their participation in that regulatory framework. On both the French and Spanish sides, the context of a reduction in social services and job losses has led to a permanent mobilisation of trade unions and workers.

In **Spain**, a chain of events has occurred, from the breaking off of the social consultation to the general strike, including a return to the agreement in some areas, such as the reform of pensions.

### **1. Breaking off of agreements concluded**

**Public service:** three months after it was concluded, the agreement has been broken off unilaterally by the government, which has cut and froze wages for both civil servants and other professional categories, even though the latter are not subject to the public service agreement but to their own collective agreements.

This decision has rapidly had a knock-on effect on the private sector. The point is that if the government can break off its agreements unilaterally, then employers will feel they are equally entitled to do so.

**Toledo pact:** a transitional measure applicable to relay contracts is scrapped and retirement benefits are frozen – once again, unilaterally – and in the absence of negotiations in the applicable framework, namely the Toledo pact.

### **2. Drastic slashing of the public deficit**

By slashing public investments: with its consequences for essential productive sectors such as horizontal construction, its collateral effects on services and industry and, irreparably, on employment in those sectors.

By cuts to the Welfare State, such as aids to the dependent.

### **3. Implementation of reforms associated with the labour market without the necessary agreement**

**Law on the reform of the labour market:** characterised by its regressive nature vis-à-vis certain rights and the deregulation of certain questions. This reform has been approved and imposed, triggering the definitive breaking off of the consultation mechanism.

Other reforms have been envisaged, specifically a reform to pensions (more contributions and lower benefits) and a reform to collective bargaining (scrapping of sectoral regulation in favour of negotiation at company level), which were initially planned, but called back into question following the general strike.

#### 4. The Social and Economic Agreement

In this context, and under threat of a fresh general strike, the economic and social stakeholders and the government have managed to reach an agreement on pensions, collective bargaining and employment policies. The key points in understanding this return to the negotiating table include the following:

- The complicated situation facing the economy: extreme weakness of economic growth, high levels of inflation, extremely high unemployment, a prolonged crisis, etc.;
- The need to inspire confidence in society with regard to the ability of the citizens to serve the common good and defend their own interests, in order to overcome the problems, however serious;
- The need to send out the message of an extraordinary shared responsibility and to frame a joint response to the European institutions which might be tempted to impose their measures and to the markets and ideologues who might be tempted to speculate on the country's future.

Among the achievements of the Agreement we should mention the reinforcement of the public pensions system, the extension of protection for the unemployed, the reinforcement of social protection and social cohesion, the boost to the economic recovery and the creation of jobs, and the intervention to resolve the structural problems in the economy.

The signatory organisations believe that this agreement is crucial and of strategic importance for the whole country and for workers in particular, because it has successfully curbed the government's intentions of reducing pensions, reinforced the role of collective bargaining, reinstated the 400 euro aid payment to unemployed people not receiving benefits and got some strategic issues into the negotiating framework to change the growth model, in the fields of industrial policy, energy policy, and research, development and innovation.

This agreement has been met with opposition from the nationalist trade unions, which are maintaining their stubbornly unmoving position illustrated by an unequivocal NO, and are bent on splitting – and thereby weakening – workers by focusing on questions revolving around identity in the face of labour rights and social rights, and resorting to the language of demagoguery and attrition in the absence of a broader perspective going beyond their own 'borders'. In the face of this attitude, the confederal trade unions have chosen to act responsibly, showing coherence and commitment, putting forward some alternatives and solutions to the problems.

In **France**, as in Spain, the social dialogue has been characterised by the various pressures imposed by the crisis. In a context such as the one in Aquitaine, where unemployment has rocketed from 5.5% a year ago to 9.2% today, and where the number of unemployed people is rising meteorically, and with pensions being

reformed, and young people settling down to insecurity, the relationship between the impact of the crisis and the social dialogue is a one-way street.

The rise in inequalities in France and in Aquitaine is largely explained by the structural weakness of the trend in wages, in both the public and private sectors, the increasing insecurity of employment and a taxation system that is more and more unequal.

Various studies show tensions within businesses, the marked deterioration of working conditions and an explosion of woes at work in all its forms.

Public investments by the State are shrinking because of regressive tax policies seeking to cut income tax for the highest-paid and businesses, the policy of driving down the public debt and the initiatives being taken to slash public services.

Austerity measures come in different guises, but they all have the same purpose: to reduce the amount of income from work going to the actual workers.

## 5. The work of the IRTUC

Since the IRTUC Western Pyrenees-Atlantic Axis was created back in 1992, joint actions to press particular claims have been organised in addition to the ordinary activities, such as the meetings of the Executive Committee and the Annual Assemblies. Such joint actions may be on a cross-border basis, involving support for trade unions on the other side of the border, or they may take the form of inviting representatives from the partner regions to participate in congresses.

Various bilateral works have also been carried out, including on occupational health, public services, transport and housing.

Prominent among these is the project called the '**Cross-border employment observatory**', in the framework of the Interreg III A projects, which is the biggest project, conducted between 2002 and 2006.

The needs which we have striven to respond to in the framework of this project are as follows:

- The detection of mobility movements proper;
- The problems directly linked to movements and proximity;
- The problems linked to the different regulatory provisions on the two sides of the border;
- The problems linked to the social demands and practices of the various ways of organising work.

The project looked at the following topics:

- Cross-border movements and infrastructures;
- Training, qualification and skills;
- The social dialogue.

As part of the ongoing planning for its work, the IRTUC plans to create a **Standing forum for exchange, information and collaboration between the public authorities**

**and the economic and social stakeholders** in the four regions forming this IRTUC, to be developed between 2010 and 2012, around the following themes:

- Economic development and competitiveness, organised in Navarre;
- Employment strategies, organised in Aragon;
- Social cohesion strategies, to be organised in the Basque country;
- Participation strategies, to be organised in Aquitaine.

The seminar on the project 'Development of the role played by the IRTUCs in the reinforcement of cross-border cooperation in the field of collective bargaining', of which the present report presents the conclusions, was organised in March 2011.

## CONCLUSIONS

Here again, as in the first part of the project, every regional seminar was pursuing a twofold objective:

1. To deliver a collective response to the questionnaire developed by the ETUC and to prepare the final European seminar of the project, on the basis of shared objectives;
2. To further develop the work conducted at local level by the trade union organisations in each border region, which is part of the continuing work by each IRTUC and is characterised by its own objectives and dynamic. This second point will be the subject of a description in the conclusions of each territorial seminar.

These conclusions of the closing seminar, held on 13 and 14 April 2011, present the only contributions which are good examples of good practices and which were defined by the participants on the basis of their own concrete experiences. Some of these examples can be applied to other contexts or form a source of inspiration for the various European IRTUCs.

Moreover, in the context of the 12<sup>th</sup> ETUC Congress in Athens, the debate staged in the framework of the seminar made it possible to spotlight some elements of value in defining the ETUC and IRTUC strategy for the coming period, most particularly in terms of mobility.

The IRTUCs which contributed their own experiences at the closing seminar are the following:

1. PYREMED (ES-FR-AND)
2. Lombardy-Sondrio-Grisons (IT-CH)
3. Extremadura-Alentejo (ES-PO)
4. PACA-Liguria (FR-IT)
5. Rhône-Alpes-Piémont/Arc lémanique (IT-FR-CH)
6. Central Alps (IT-A-CH)
7. Pyrénées-Axe Atlantique (ES-FR)

From the methodological angle, the ETUC put forward a questionnaire divided into various sections. The reports were delivered in accordance with this general structure:

1. ESTABLISHMENT OF THE IRTUC ROADMAP
2. COOPERATION AND COORDINATION OF COLLECTIVE BARGAINING
3. ACTIVITIES OF THE IRTUCs

Given Europe's economic, political and social context, the participants were invited to focus on the consequences of the crisis in their respective territories, specifically in the case of mobile workers, and on the work carried out by the IRTUCs.

## 1. ROADMAP AND CONTEXT

Under this second project, we again find a huge difference between the activities of the IRTUCs in the border regions with strong mobility and other border regions where mobility is lower but stable.

In the first case, the direct attention paid to the worker, either individually or collectively, determines a set of permanent services. The trade union or mixed networks (in collaboration with the public services) are essential.

In that respect, the national policy of support for public services and European policy, particularly in the framework of the EURES network, remain fundamental.

The trend in the labour market and the improving transport and communication infrastructures have shown that the definition and status of the border workers are limited and do not reflect the reality. Many people travel every day within a radius of more than 20 km. In addition, transregional mobility is developing in parallel with the mobility of workers from third countries. The IRTUCs have extended their range of activities to cover equal treatment at the level of the business, which is the prime focus of trade union action. Information, advice and protection of workers are objectives which have gradually established themselves in the framework of the IRTUCs' action.

The seminar pointed up the examples supported by the information from the observatories regarding the type of mobility, the workers (gender, age, origin, level of education) and businesses concerned, so as to respond better to the needs of the various parties. This information stresses the need to pay particular attention to the people employed in small and medium-sized enterprises.

The IRTUCs established in countries which are not members of the European Union are different. The situations in Switzerland, Monaco and Andorra, for example, are very different. Bilateral agreements, however, remain the favoured instrument. The various rates of union membership and/or trade union rights depending on the border countries mean that the most powerful trade unions play a more important role in the defence of mobile workers' interests. The differences in taxation demand particular attention in certain IRTUCs.

Following the crisis, certain measures to curb the rights of these workers led to closer collaboration between the trade unions which are members of the IRTUCs. This collaboration is indispensable if we are to avoid forms of corporatism at a particularly fraught time linked to the implementation of restrictive policies with regard to nationals from other countries.

The debate clearly showed the need to continue with the creation of IRTUCs on the Union's external borders, in particular in the countries which have new trade union organisations which are members of the ETUC and which attended the Athens Congress.

## **2. COOPERATION AND COORDINATION OF COLLECTIVE BARGAINING**

All the reports stress the same priority among the trade union organisations: to maintain national sectoral agreements as a prime instrument in the protection of European workers, to guarantee not only the defence of wages, but also respect for working conditions agreed collectively. The IRTUCs are faced every day with problems caused by the offensive being pursued by the employers and the governments, which are practicing and imposing a liberal policy of systematic reduction across the board.

The reports likewise emphasise the need to guarantee equal pay for equal work, carried out on the same site, regardless of the worker's place of origin. In that respect, it is worrying to note that mobile workers are being used to put downwards pressure on working conditions on the market. Guaranteeing compliance with, and the application of, the collective agreements is the best defence against the competition between workers that is being sought by and triggered by certain employers' organisations.

This makes it essential for the trade unions to step up their vigilance and boost their action at all levels: European, national, regional and company, in order to protect all workers, both individually and collectively. However, the disparities in capacities and influence in trade unions between regions and the different legal competences mean that the situations are not the same on both sides of the borders. The concrete examples presented at the seminar offer triggers for action: the big projects on the border territories (the example of the tunnels explained during the seminar) or service provision (the example of the common hospital run by a cross-border body). In these cases, a collective agreement concluded at company level can be the most appropriate instrument, if it is consistent with the sectoral framework agreement in force in the territory to which it may provide some improvements in terms of flexibility and suitability to particular concrete conditions.

As in the previous project, the seven participating IRTUCs have carried out continuous and persistent work over the past few years which gives us a mutual understanding of the collective agreements and living and working conditions on either side of the border. The many seminars, studies and information documents produced by the trade union organisations mean that we can say that the IRTUCs occupy a privileged position within the ETUC, because of their understanding of the labour market situation and their awareness of the importance of setting in place common conditions, European wages and harmonised taxation. But it has to be admitted that there are still huge differences.

These projects carried out on a joint basis have equally enabled the ETUC member trade unions to pool their experiences and frame some joint proposals, thanks to the reinforcement of mutual trust, which is an essential condition for cooperation and coordination in the arena of collective bargaining.

We have also recorded sundry examples of cross-border collective bargaining. The reports at the seminar have shown that the IRTUCs share the same ideas with regard to the need to coordinate collective bargaining at the level of the cross-border enterprises, knowing that the bulk of the work in that field lies in guaranteeing on the one hand that all workers are covered by the national collective agreement in the sector concerned, and on the other that the said collective agreement is correctly applied.

### **3. ACTIVITIES OF THE IRTUCs: PROPOSALS FOR WORK**

The following points are a summary of the activities presented. They represent avenues for our action in the future, and form the basis for the ETUC's trade union strategy on the IRTUCs:

1. Direct aid via information on collective rights and the protection of the individual rights of mobile workers.
2. Cooperation and the establishment of the coordination required with the branch unions present in enterprises and the IRTUCs, with a view to allowing the development of a capacity to anticipate and avoid conflicts.
3. The creation of permanent intervention instruments, to bolster trust among unions on either side of the border and form the basis for the trade union action. Certain experiences have shown that the IRTUCs play a lead role in the creation of common bodies for the management of collective bargaining and labour relations, which can form a social counterweight vis-à-vis cross-border enterprises. In that respect, it is regrettable that the employers' organisations only rarely have a cross-border collaboration structure.
4. The IRTUCs, created and coordinated by the ETUC, have always been tied to the regional trade union organisations, which have supplied them with the resources to carry out their remit. This makes them an instrument for the protection of mobile workers in terms of proximity and the defence of labour rights in the enterprise and outside it: social rights, use of services, taxation, health, education, etc.
5. The IRTUCs play an important part in the provision and organisation of professional training courses for mobile workers. In some border areas, seasonal work has been linked to training, for the sake of full employment and better employment, in order to avoid periods of reduced activity in certain sectors with a large seasonal component.
6. European territorial cohesion is one of the avowed objectives of the new Treaty on the European Union. The structural funds are the favoured instrument for that cohesion, the third objective of which, namely territorial cooperation and its three components (transnational, interregional and cross-border cooperation) affect us directly. The IRTUCs, in collaboration with the ETUC and the national organisations,

must step up their participation in the planning, monitoring and evaluation of the projects implemented with the help of these funds, so as to guarantee their real contribution to improved social cohesion.

7. A large part of the major works carried out in the fields of communication infrastructures, industrial networks and services is paid for by European funds. The existing groups or those set up for this purpose often bring together enterprises based in different countries, without this causing any resource management problems. That is why the collaboration of the European, national and regional federations is essential to defend workers in the framework of the negotiation and the protection of their employment and working conditions.
8. Finally, the IRTUCs, in the border regions and the European regions where they are based, are a tool for the dissemination of the ETUC's strategy in the European framework. European policy is wielding an ever greater influence on standards, regulation and legislation at national level, which is why the mobilisation in response to the proposals from the Commission, the Parliament and the Council is essential. The IRTUCs took part in the demonstrations called by the ETUC and staged on a decentralised basis across the Union Member States. It is equally important to take on board and realise the IRTUCs' work and reflections in all the ETUC bodies, the Congress and other fora, committees and working groups, which define the European trade union strategy, with a view to guaranteeing the exercise of the right to the free movement of persons.



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