



Europäischer Metallgewerkschaftsbund
Fédération Européenne des Métallurgistes
European Metalworker's Federation

EMF Resolution on Working Time and Undercutting Labour Costs

(adopted by the 98th EMF Executive Committee on 22nd & 23rd November 2004)

1. Current situation

The European trade unions, in particular the metalworkers' unions, are currently faced with an offensive from the employers, who are pushing for extensions in working time without compensation in pay.

Recently signed Agreement at Siemens and DaimlerChrysler factories in Germany and Bosch in France are examples of how employers are exerting pressure on workers and their trade union representatives at different production sites. Furthermore, companies such as Ford, General Motors, MAN and the Belgian company Marichal Kétin have already indicated their desire to seek concessions from their workforces as an alternative to relocation or redundancies.

We have already noted the ongoing general pressure on collective bargaining systems as well as on bargaining rounds. Longer working time, however, is just a vehicle for the employers because the real issue is to cut labour costs.

Extending working time without pay is a de facto wage cut. The consequence is a domino effect, with other companies demanding concessions at both national and European level, ultimately leading towards a downward spiral of terms and conditions of employment of European workers.

It is the view of the EMF that the managerial philosophy of gaining a competitive advantage by extending working time without compensation in pay, i.e. de facto wage cuts, does not make economic sense. The European labour market as a whole does not have the problem of bottlenecks but of overcapacity. There is no evidence that correlates extensions in working time with increases in employment or greater consumption levels and the only logical outcome will be unprecedented levels of wage and social dumping across the entire European Union, i.e. in former and new Member states alike. Longer working time does not meet with the needs of workers and society, shorter working time does. Working time must enable reconciliation of working life, family life and social activities.

EU enlargement cannot be held to blame for employer initiatives to cut labour costs. Trade integration with these countries has progressed since the 1990s with relatively few problems. Furthermore, in the second half of that decade, trade integration went hand in hand with stable growth and employment expansion in Western Europe. In Europe-25 there is a need for an active economic policy which has to focus on employment and growth and which has to establish the same conditions for competition within the Single Market.

The EMF firmly believes that companies gaining to seek a competitive advantage via cutting labour costs and social dumping contradict the aims and objectives of the Lisbon strategy ***“to become the most competitive and dynamic knowledge-based economy in the world, capable of sustaining economic growth with more and better jobs and greater social cohesion.”*** Furthermore, the EMF believes that innovation, high productivity, research and development, good infrastructure, skills and competence of the workforce and the creation of new products and services is the key to developing a successful and prosperous European Economic Area - and not low pay, long working hours and anxiety about precarious jobs.

2. The EMF Strategy

Sustainable employment, high standards of working conditions and good social values underpin the fundamental principles of trade unionism. Through its strategies and coordination of collective bargaining, the EMF actively works towards reinforcing national policies and aims to prevent undercutting and a downward spiral of competition. The current attack on labour costs by the employers therefore makes it essential for the EMF to reinforce its strategy.

The EMF will therefore:

- Strongly defend and reinforce the wage coordination rule in order to prevent wage and social dumping.
- Further develop and reinforce the Working Time Charter and oppose any general extensions of working time.
- Reinforce its structures as described in the Work programme 2004-2007 and increase the presence of the EMF in the national collective bargaining systems.
- Use Eucob@ to its full potential for pro-active support of collective bargaining.
- Implement its coordination policy by proposing a common demand to be introduced in all upcoming collective bargaining rounds in Europe.

The EMF therefore also proposes to strengthen the coordination between its affiliates:

- Improve and promote better information and consultation between the trade unions, Eucob@ correspondents, EWCs, EMF coordinators, and the EMF. Information and consultation must be timely, concrete and fully disclose all the relevant issues and aspects surrounding the situation.
- Provide an immediate and full analysis of the situation and any subsequent agreements for the EMF and its affiliates.
- Include EMF collective bargaining experts in consultation on issues occurring in multinational companies, which might immediately affect more than one country. This procedure also includes providing information and consulting with enterprise representatives, EMF coordinators and the EMF affiliates on subsequent outcomes and results.
- In cases of national negotiations in major MNCs or politically sensitive cases, the EMF will provide full information to and consultation with high-level

representatives of the trade unions involved, via an EMF Hotline to Presidents, General Secretaries and EMF Executive Committee members, before an agreement is signed. This process will not supplant the general information supplied to the rest of the EMF affiliates to ensure they are kept abreast of any developments and where necessary are invited to participate in any appropriate discussions.

The EMF will provide a full and comprehensive evaluation of any relevant agreements to the appropriate Policy Committees as well as a full report to the Executive Committee.

- Expedite the cross-border participation of the EMF in national collective bargaining committees as well as reinforce and extend the current regional networks.
 - Since the EMF coordinators are in the best position to provide the EMF with early and concrete information on emerging or expected difficulties, the EMF will set up a concrete early warning system based and focused on the EMF coordinators in EWCs and European companies (SE).
-