Note from the editor: [international coordination of wage policies]

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Published in:
CLR News

Citation for published version (APA):
International Coordination of Wage Policies - the case of the construction industry
The subject of this issue, the coordination of wage policies, is politically seen as a theme against the tide. In a recent publication ETUC economic advisor Ronald Janssen criticised the fact that European Institutions nowadays label wages and collective bargaining systems as a ‘rigidity’. In its 2013 country specific recommendations, the European Commission (EC) singled out 16 Member States that were called upon to reform their wage indexation systems, to weaken their sector bargaining systems and to decentralize bargaining to the company level. Furthermore, the European Commission recommended to limit the increase in minimum wages and to increase wage flexibility at the lower end of the pay scale. Ronald Janssen added that, if such recommendations were to become part of an enforceable contract between the Commission and the Member States, then social Europe would definitely be gone. Therefore, he recommended the trade union movement strive for a ‘wage safeguard clause’. The legal base of such a clause can be found in those Treaty articles that protect wages and social dialogue. But the question is whether this is enough, because Ronald Janssen’s observations are not accidental. In its Annual Growth Survey of 2013 the European Commission states that to restore confidence and return to growth, it is essential that Member States maintain the reform momentum. In the document, the Commission praises the market reforms that are being implemented across Europe. According to the Commission the ‘positive’ reforms are for instance the measures that ‘have been taken to facilitate flexible working arrangements within firms, reduce severance pay for standard contracts and simplify individual or collective dismissal procedures’. Further steps that are welcomed are the efforts ‘to enhance flexibility in wage determination, such as easing the conditions for firms to opt out of higher-level collective bargaining agreements and the review of sectoral wage agreements’. In the Joint Employment Report that is annexed to the Survey it is said that ambitious reforms are needed to modernise the labour markets.
I realised that this is all more than just pub talk as I talked to an Irish trade union officer. During the visits of the troika (o IMF, EC and ECB), the push has been in the direction of more opening clauses in sectoral based collective bargaining; individual firms should opt for company level negotiation, moving the industrial relations regime away from industry-wide collective bargaining. The advice was to let collective agreements expire without renewal. And, as my colleague said, according to the troika the problem in Ireland is that the trade unions can challenge this approach because too many workers are unionised. Therefore, the paradigm change is difficult...

In this issue of CLR-News some of our faithful CLR-friends reflect on the perspectives of wage setting and bargaining in the construction sector. Jörn Janssen, who acted as the sub editor, has collected the contributions. The subject articles are combined with the usual announcements and reviews. Also in this issue, a report of the Brussels-demonstration organised on 23 January by the EF-BWW, together with the ETUC affiliates in the transport (ETF) and agricultural sectors (EFFAT). Several thousand European workers from the building, transport and agri-food industries expressed their outrage at the economic exploitation and social dumping affecting numerous workers at the workplace. The participants urged the European policymakers to recognise the problems and take decisive action to tackle them. To ensure better monitoring of the European labour market, the trade unions called for a social Europol, a European social identity card, European liability for clients and principal contractors, clear definitions that distinguish between genuine self-employed people and employees, and stringent national controls with clear aims.

For a few years the idea has circulated to produce a ‘best of issue’ of CLR-News in other languages. CLR functions as a virtual and not-for-profit network and is not capable of doing this without the help of its volunteers. We expect to proudly present a selection of articles in German in a few weeks, thanks to the assistance of Hans Baumann, Elu Laux and Jochen Reus. If you are interested in the German version, please mail to clr@mjcpro.nl and refer to ‘CLR-News in German’.

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