



Maintaining and improving decent work in the public services - Regional Collective Bargaining Conference Bratislava 14-15 September 2010

Maria Kristoficova from Sozkaso, the Slovak health union, welcomed delegates to Bratislava and outlined the challenges facing public sector workers in the country as the pressure for pay freezes and pay cuts continued to spread across Europe.

The following are some of the key points from the debates:

Collective bargaining

- Unions were facing a very difficult collective bargaining environment with pay cuts already imposed in Hungary and Romania and being proposed in the Czech Republic, along with radical changes in the pay structure in the public sector.
- This raised serious questions about whether there was a proper process of collective bargaining and social dialogue in several of these countries.
- The role of the European Commission was criticised in as far as it was responsible for loan packages along with the International Monetary Fund that had specified cuts in public sector pay in Hungary and Romania, as well as several other countries both in and bordering on the European Union.
- Unions were continuing to organise protest actions as well as investigating the possibility of legal action over the pay cuts.

Working time

- European Commission's Communication on Working Time didn't acknowledge Commission's own failure to implement the Directive properly and to respond to Court judgements on on-call time
- The impact of pay cuts was leading to longer hours for workers trying to compensate for the loss of income. This was of particular concern where workers were employed on separate contracts, making it difficult to regulate total hours worked.
- There were several examples of groups of workers, particularly those in specialist occupations, where the Directive had not been fully implemented and where hours had not been changed to take account of the judgements on-call time.
- Need to keep focus on health and safety as central element of working time legislation

Outsourcing

- Increasingly widespread use of outsourcing and of sub-contracting with some examples of failing services and some brought back in house.
- Safety concerns had been raised over spread of outsourcing and sub-contracting particularly in the utilities sector.
- Main aim of outsourcing to cuts costs and so likely to be associated with deterioration of employment conditions and more precarious employment
- Strategies have involved trying to restrict the kinds of services that employers target for outsourcing and to argue for focus to shift from lowest price offer to emphasis on quality

Precarious employment

- Range of elements in precarious employment definition and so not just temporary employment but could also include other flexible arrangements such as part-time or zero-hours contracts.
- Fixed-term work is not yet such a problem in some Central and East European countries as in the West but emerging as an issue.
- Importance of identifying the potential long-term costs of greater reliance on fixed-term workers who may be less well trained than the permanent workforce.
- Possible strategy of ensuring pay and benefits of temporary workers are as close as possible to permanent workforce both as a matter of equality and of increasing the costs of employing temporary workers.

Gender equality

- Evidence from national statistics agencies show that gender pay gap is widening in some parts of the public sector in Bulgaria, Romania, Slovakia and the Czech Republic.
- Indications that some employers are refusing to provide any breakdown of pay data by gender.
- Some positive examples of legislation that unions can exploit to tackle gender equality
- Recognition that pay inequality might not be so apparent within a sector or occupation but in terms of comparing a female-dominated occupation (eg nursing) with a male-dominated occupation
- Stress on need to keep focus on actions to reduce gender equality as economic crisis might lead to it being moved down or off the agenda

The economic crisis and collective bargaining

The introduction to the debate focused on the deepening impact of the crisis on the public sector and the role of the European Commission and International Monetary Fund in intervening in public sector pay determination in a growing number of countries. It was consequently more important than ever for EPSU to have a clear picture of collective bargaining developments across Europe and trends in pay and earnings increases across the public sector. This was so that it could respond to the statements from the European Commission, the European Central Bank and other institutions that were calling for restrictions on wages in general, but on public sector pay in particular.

In Slovakia, 2010 had seen a 1% pay increase in public administration, 2.5% in university hospitals and between 2.4% and 4% in municipal hospitals. However, bargaining for 2011 would be much more challenging. The new government was already considering significant budget cuts that could involve cuts in pay. The unions were discussing how they would respond. The metal union that organised in the utilities reported a 1.6% increase in pay in 2010 with other benefits maintained by the outlook for 2011 was very unclear. Firefighters were also facing cuts with the prospect of a 10% cut in jobs or in pay. Other possibilities were reductions to pensions and unemployment benefit.

The situation was already more difficult in the Czech Republic where government was not only calling for a 10% cut in public sector pay, but wanted to introduce a new pay structure that could mean cuts of up to 40% for some workers. EPSU had sent a letter to the government protesting at the proposed cuts.

Romanian public sector workers were facing massive cuts in pay, some more than the 25% cut announced by the government. Salaries for some workers were already very low while there was also a problem of corruption. More workers were now considering emigrating and the cuts were having an impact not just on public sector workers but also on local

communities. Unions were planning a series of protests in the week beginning 22 September as well as pursuing the possibility of legal challenges against the cuts.

Czech forestry workers and others in the utilities sector had seen increases of 3% or more in 2010.

In Turkey the recent vote in favour of constitutional change, meant that trade unions should now be able to assert a right to collective bargaining, although there were still some issues to resolve around the right to strike and the differences between workers and employees. The country had not been hit as hard by the crisis as other countries in Europe and the government had refused to implement all measures recommended by the IMF. In municipal government employees had seen pay rise in line with or slightly more than inflation.

The new government in Hungary was not getting involved in any real social dialogue with the unions and was planning changes to the constitution with possible changes to the labour code to reduce employee rights. There had been changes to rules on severance pay that meant a massive increase in the level of taxation on such payments. Public sector workers had not been paid their 13th month in 2009. There would be a payment in December 2010 but this would be a lump sum.

The construction and water union in Bulgaria had had some success in extending unionisation in its sectors.

The meeting was informed about the new project on occupational pay in the energy, waste and water sectors. EPSU was working with researchers at the University of Amsterdam and the international network of online surveys – Wage Indicator – to collect information on the pay of workers in the utilities. Individual workers in the energy, waste and water sectors will be encouraged to go to national websites to input information on their pay, hours, occupation, training etc into an online questionnaire. The data would be collected between October 2010 and March 2011 and then a report produced analysing the information with a conference planned for September 2011.

Working time

Participants were given a short briefing on the European Commission's Communication and response that stressed the need to keep health and safety as the main aim of the legislation.

In the Netherlands that had been a cut in hours in the water sector from a 37 to a 36-hour week and this effectively meant a 3.6% in the hourly rate as pay overall remain unchanged. The main concern for Abvakabo was the extent to which individual workers were taking on two or more part-time contracts which could mean that they regularly work over 48 hours a week but this is not being monitored or regulated.

There were a number of contributions from Slovakia, Romania and the Czech Republic that suggested that long hours was still a problem and that this would worsen as a result of the recession as those losing pay and already low paid would work longer hours to make up their pay levels. There was also evidence that employers of some groups of workers had not adjusted working arrangements to take account of on-call time at work as working time.

In Turkey working hours were quite tightly regulated with a maximum 45-hour week including on-call time. There was an annual overtime limit of 275 hours. However, the main challenge was dealing with informal labour to which it was difficult to apply the regulations.

In some sectors, there were difficulties in maintaining services because of the shortage of workers with appropriate skills and so there were long working hours and sometimes a failure to abide by the requirements for rest periods.

In Bulgaria, there were long working hours in the construction sector with some working a normal 40-hour week but then doing 20 hours of overtime. While working time regulation had increased there had been a reduction in the resources of the inspectorates to monitor the situation.

Outsourcing

In Turkey the process of privatisation has changed. In earlier periods the industries that had been privatised had performed badly and there were many bad experiences with companies going into liquidation. More recently the trend had been to privatise profitable operations and also to offer shareholdings to employees. However, even though the situation was not so bad as before there were still problems for some workers who were recruited on poorer employment conditions than those employed before privatisation.

In the Czech Republic there had been some very bad experiences in the defence contracting sector with doubts as to any real savings made by the government and possibilities of corruption in the process. In the utilities sector there were concerns about safety with outsourcing leading to a pressure to cut costs. Where costs had to rise, companies would try to maintain profits by passing costs directly on to consumers and increasing prices.

In Slovakia there had also been some problems with health service outsourcing and examples where services had been brought back in-house. While in Romania there were some legal protections and all employees had to be taken on by the outsourcing company but the outcome after a year or so was lower wages and, despite this, higher costs.

There was also evidence of higher costs in the Netherlands where the trend to cut back on civil service jobs meant that public employers would often use consultants. On paper staff costs would be falling but in realist costs overall were rising because of the generally higher costs of taking on consultants. The unions' general strategy was to try to get comparable pay levels in the private and public sectors to try to minimise the cost advantages of outsourcing.

Participants were reminded of the EPSU outsourcing checklist in 13 languages that highlighted some of the main issues for negotiators. There was also the restructuring toolkit that had been agreed with the Eurelectric electricity employers' organisation in the sectoral social dialogue that looked at a range of restructuring processes, including outsourcing.

Precarious employment and decent work

Despite the image of secure and permanent employment in the public sector, there had been a growth in fixed-term work in several countries. In Turkey this issue was linked very much with outsourcing and sub-contracting while in Hungary the problem of the increase in fixed-term workers in the culture and libraries sector was that they had no training and were on low pay. In the Netherlands various sorts of flexible jobs had increased in recent years from around 20% to 30% of overall employment. Self-employment was also on the increase. The union's strategy was to try to increase the cost of fixed-term workers. By ensuring that they had the same rates of pay and other conditions then this would remove some of the incentive for employers to take on fixed-term rather than permanent staff.

There was some recognition that flexibility was needed in certain circumstances but also a concern that employers were now using fixed-term and other flexible contracts as a standard part of their human resource strategies rather than just as a way to deal with fluctuating demand or other emergencies.

One potential tactic was to emphasise the fact that employers' attempts to make short-term cost savings could be counter-productive in the medium to long term because of the reduction in the number of well-trained staff.

Gender equality

Independent researcher Jane Pillinger's introduction on gender equality included a comprehensive analysis of the current state of play in Europe in terms of legislation, research, statistics and campaigns. Indications were that the Commission would not undertake a review of equality legislation but it was still important for trade unions to use whatever opportunities were available to argue for a strengthening of the equality directive and with some serious requirements and corresponding sanctions imposed on employers. While the gender pay gap in the public sector, at an estimated 12% across Europe, was lower than in the private sector there was still no room for complacency, particularly with risk of gender equality issues being pushed off the agenda as the focus shifted to dealing with the economic crisis.

It was emphasised that the gender pay gap was measured by comparing the average pay of women against the average pay of men and so it was not a question of women and men being paid differently for doing the same job. The roots of the pay gap could be traced to a range of different factors such as level of education, length of service, breaks in careers and also different elements of pay structures such as bonuses and overtime pay.

The evidence so far was that the economic crisis had hit male-dominated sectors like car manufacture first but women would be more affected as cuts in the public sector begin to bite. The EPSU survey on equal pay had begun to produce some information on trends across different sectors with a closing of the pay in the Netherlands where a new job evaluation system in the health services had increased the pay rates of care jobs in relation to those in management.

In the Czech Republic employers in the culture sector had refused to supply information on men and women's pay arguing that they didn't monitor it and that it would raise questions about data protection. The unions were concerned that there was a pay gap and this was probably due to the discretionary elements of pay such as bonuses and allowances.

In Turkey, there was no discrimination on paper but in reality there was occupational segregation as well as a very low participation of women in the workforce. One union initiative had been to set up women's committees to help focus the work of the union on equality issues.

Participants were urged to respond to the EPSU questionnaire on equal pay that was available on the website in 16 languages.