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## EDITORIAL



*Dear Readers and Friends of EZA,*

*Without doubt the Youth Guarantee is one the most rapidly implemented EU programmes ever. The European Commission recently published the results of the monitoring up to 2016: 2.2 million fewer jobless young people; 1.4 million fewer NEETs (Not in employment, education or training). The figures are remarkable; especially since they represent new prospects for the future of each and every one of those youngsters. At the same time, though, the youth unemployment rate is still 15.3%, and fewer than 50% of all NEETs are being reached. The term*

*bandied about is "the lost generation": a generation, especially in Southern Europe, with few or no prospects of living their life as they had hoped. There are consequences for companies as well, though: anyone who has been out of work for years or in precarious jobs for a long time will find it hard to regain confidence and acquire the skills required of future leaders. At the same time there is the almost mysterious Generation Y, otherwise known as Millennials. Many sociological studies have tried to put them under the microscope, to define them: they are deemed well educated, tech-savvy, interculturally open-minded, team players... yet scarcely eager to take on managerial positions along with the responsibility, workload, prestige and power games that go with them. Companies will have to reconsider their leadership styles and invest intensively in training young executives to enable them to shape their own future in the "future of work" era.*

*Sigrid Schraml,  
Secretary-General*

## A future EU budget

The European Commission (EC) presented its proposal for a multi-annual financial framework (MFF) for 2021-2027. This long-term budget lays down the funds available for different policy priorities. The EC advocates an increase in commitments (or legal pledges to provide finance) of 1.279 billion (in current prices) for the whole period. This proposal will need to compensate for the Brexit financial gap. The plan is to do so through an increase in contributions and by financial cuts. With regard to social spending, a 7% budget cut is proposed for cohesion policy. The budgets for Erasmus+ and the European Solidarity Corps are planned to be more than doubled. The European Social Fund (ESF) will be transformed into an ESF+, integrating resources of the ESF, the

Youth Employment Initiative, the Fund for European Aid to the Most Deprived, the Employment and Social Innovation Programme and the Health Programme into one comprehensive instrument. The implementation of these different social budget lines will be aligned with the 20 principles of the European Pillar of Social Rights. *Esmeralda Van den Bosch* ■

## EZA at the International Labour Conference in Geneva



EZA President Bartho Pronk speaking to delegates at the International Labour Conference in Geneva, 4 June 2018

As the European Centre for Workers' Questions, we feel it is of urgent necessity to develop a new culture of equality, and balance between work and private life in Europe", said the President of the European Centre for Workers' Questions (EZA) Bartho Pronk in the plenary session of the International Labour Conference (ILC) 2018. He continued by saying this must have "a strong legal basis". It is with this demand that Pronk commented on the report by the Director-General of the International Labour Organisation (ILO). With regard to the ILO's "Women at Work" centenary initiative, the report had pointed up numerous challenges and stated: "...we are still a long way off the aim of equality, and the path to it is slow, unsteady and uncertain."

President Pronk, who before the ILC delegates had referred to the EZA Platform for Equal Opportunities' many years of work, responded to the report: "EZA is striving to work together with the ILO to achieve the aim of the equality of women and men at work faster, more steadily and with greater certainty."

The speech is on the ILO Website at <http://www.ilo.org/ilc/ILCSessions/107/plenary/recordings/lang—en/index.htm>, "Video recordings of plenary sessions", 4 June 2018, timeline 3:35:05 to 3:40:50

### Talks with ILO representatives

The talks Pronk held together with EZA Co-President Piergiorgio Sciacqua in

Geneva reflected the preparation for celebrations on the centenary of the ILO in 2019. Both the President of the ILO Governing Body, Luc Cortebecq, and the Deputy Director and Regional Director for Europe and Central Asia, Heinz Koller, referred to the Global Commission on the Future of Work. It will not only submit recommendations on the future of work but also put forward proposals on what role the ILO itself should play in future.

Cortebecq was also concerned by increasing trends towards "de-globalisation" becoming evident in the political agendas in some countries of the world. The noticeable shift away from international organisations and towards nationally oriented political approaches could also weaken the ILO.

Talks with the Deputy Director of the Bureau for Workers' Activities (ACTRAV), Anna Biondi, and with the special adviser for socio-religious affairs to the ILO Director-General, Pierre Martinot-Lagarde, also focused on the forthcoming ILO anniversary.

EZA will contribute to this with content. At the beginning of the next year a seminar co-organised with Cartel Alfa and involving ILO representatives will tackle ethical issues of the future of work and forward ensuing ideas to the ILO.

A discussion with the Senior Economist in the ILO Research Department, Prof. Dr. Irmgard Nübler, addressed findings on

digitisation processes in the world of work. According to her, in future it will be important for education systems to combine skills and abilities as well as possible in a new way and link them with digital fields. At the same time it is important to create decent work with the new jobs that will result.

### Meeting with representatives of the EZA member centres

Once again at the ILC, EZA organised an exchange of views and experience with representatives of the EZA member centres who attended the 107th ILC as delegates. The focus was on intensifying networking and exchanging ideas on ongoing ILC debates. It was particularly encouraging that Luc Cortebecq as well as Anna Biondi and Pierre Martinot-Lagarde enriched discussions with their presence. This event has almost become a tradition and once again was very well received.

### Focuses of the ILC

Besides the discussions on "social dialogue and tripartism" and the question of how the ILO could shape its development co-operation for supporting the aims of sustainable development as effectively as possible, the primary focus was on deliberations about "bringing an end to violence and harassment in the world of work". The hope is that at the end of the debate there is to be an international agreement in this area for creating a binding standard. If this were to succeed in the ILO's anniversary year, this would send out a major signal on the importance of the ILO in international standard setting in labour and social affairs.

Norbert Klein ■

## Security, Stability and Solidarity in Europe through Consensus, Competitiveness and Cohesion

Ten years after its accession to the European Union, Bulgaria took over the Presidency of the EU Council, being responsible for steering negotiations on the latest initiatives of the European Commission, as the EU policy cycle gradually moves towards its end, with European elections scheduled for June 2019.

The slogan was “United we stand strong”, a phrase that relates to our history and statehood, reflecting at the same time the idea of unity and solidarity in Europe. Because today, more than ever, we need to stand united in order to solve our common problems, defend our common values and guarantee our common well-being, security and democracy.

The Presidency addressed three main topics: consensus, competitiveness and cohesion. In addition, assuming the major common European values, Bulgaria seems to be a natural representative of the Western Balkans on their way to Europe.

The Presidency is a great challenge and responsibility, which is why national trade unions constructively supported the government’s efforts to achieve future-oriented and realistic outcomes, following the principles of transparency and accountability. Having been a responsible social partner for nearly 30 years, my union PODKREPA supported all the initiatives aiming to consolidate and implement the values of human dignity, democracy, human rights, justice, solidarity and the rule of law.

Four main social areas were pursued: the future of work, support opportunities from the European Social Fund, early childhood development, and people with disability. PODKREPA was actively involved, providing expertise from the workers’ perspective and adding value in terms of strengthening the synergy for economic, social and territorial cohesion. Regarding the amendments to the Posting of Workers Directive, we supported the EC proposal to replace the term “minimum rates of pay” with “remuneration”, which should enable every worker to get decent and equal pay for equal work.

Concerning the European Pillar of Social Rights (EPSR), we focus on seeking legal tools to improve employment opportunities, co-ordination of social security systems, to increase investment in human capital, to promote equal opportunities and non-discrimination. The contribution to the debate on the EPSR is one of the most important commitments of Bulgaria during the Presidency.

The Presidency intended to increase awareness of the situation of working people. An important initiative in that direction was PODKREPA’s involvement in the high-level conference “The Future of Labour: A Life-Cycle Approach”. The main points of our input: labour mobility – we supported the proposal to establish a European Labour Authority, as a mechanism for social protection of atypical self-employed workers – and the impact of digitisation and automation on workers.

One of the most important events organised under our initiative was the international conference “The Voice of Integration of the Western Balkans”. The participants adopted a Declaration on New Labour and Social Dimensions of Western Balkans’ Integration in the European Union that reaffirms the commitment of trade unions to be genuinely involved in the overall EU integration process. The document was presented to the Bulgarian Prime Minister and was distributed in the EU/Western Balkans Summit on 17 May 2018.

Bulgarian incomes are among the lowest on the EU scale, and our main initiative is to reduce pay gaps. This is why PODKREPA has joined the ETUC Pay Rise Campaign and the Wage Convergence Alliance, insisting on full implementation of the principle of equal pay for equal work. One of the objectives of the Alliance is to reach an agreement at European level between the governments of Eastern and Western European countries, involving social partners for convergence to be achieved. At the end of June, Sofia hosted a high-level international conference dedicated to the EPSR. Bulgarian trade unions took advantage of that opportunity to present the Wage Convergence Alliance to the general public. That was a closing social event – a



**Veselin MITOV,**

born in Sofia in 1959, married with a son and daughter, holds a Master’s degrees in Linguistics (1985) and Economics (1989). He joined the Trade Union Confederation PODKREPA in 1994, was appointed International Policy Director in 1997, and elected International Secretary in 2003, which he still is after three consecutive terms of office and congresses.

A member of the European Economic and Social Committee (EESC) since 2007, Chairman of the Social Policy Commission of the Bulgarian Economic and Social Council since 2008, he is currently the EZA Vice-President responsible for the Balkan Region.

meeting of crucial importance for the working people of Europe!

*Veselin Mitov* ■

## Romania: nightmare for workers?

There are a number of paradoxes in Romania. For the past eight years, the country has reported record economic growth, yet poverty and inequality remain deep and widespread. Despite very low unemployment, having a full-time job does not secure one's way out of poverty, as one fifth of the workers fall into the category of the working poor, i.e. double the European average for this indicator. At the same time, 3.5 million Romanians have left to work in other European countries. The spectacular increase in wages this year, around 20%, actually left many workers with less money in their pockets, as it came with a shift of social security contributions from employer to employee.

In reality, although the Romanian economy is performing well by all indicators, the redistribution mechanisms are failing to spread the wealth to the benefit of society as a whole.

The law on collective bargaining, reformed in 2011 at the request of the Troika (IMF, EC, ECB) during the crisis, has introduced harsh rules that make it impossible to negotiate collective labour agreements at national and sectoral levels. For example, while in the five years before adopting the new law 47 such sector-level agreements were concluded, after the new law came into force there have been none.

We have only few collective agreements at company level. The latest data from the Labour Inspectorate show that last year only around 7,200 collective agreements were concluded. Of these, only 1,200 are 'real' collective agreements negotiated by trade unions. The majority are agreed by 'employee representatives'. The law requires trade unions to represent 50%+1 of the total company workforce. If the trade unions do not have that share, collective agreements are negotiated by workers' representatives who are usually chosen by the company management and lack the resources that trade unions have.

In the private sector, the situation is even worse: there are 767 collective agreements, covering only about 5% of employees.

The direct result of the lack of collective bargaining and upward distribution of wages is the six-fold increase in the number of minimum wage workers, from around 8% in 2011 to almost half of the entire workforce in 2018.



**Bogdan Iuliu HOSSU**

is the President of the Romanian national trade union confederation "Cartel ALFA". A researcher and electronics engineer by profession, he has dedicated himself to the trade union movement over the past 25 years. From 1996 to 2011, he was an alternate member of the Governing Board of the International Labour Organization in Geneva. Currently, he is a member of the European Trade Union Confederation (ETUC) Steering Committee, Brussels.

Relying mainly on the policy of keeping wages down in order to attract foreign investments is a losing strategy in the long run. Since there is freedom of movement in Europe, investors attracted by low wages and a favourable fiscal regime can no longer easily find qualified labour in Romania, as Romanian workers in turn are attracted by better working conditions and wages in other member states. Thus, in terms of the number of people who left the country in search of a better life, Romania ranks second after war-torn Syria. Of the 3.5 million estimated Romanians who work and live abroad, the majority are at their most active and productive age.

Despite union pressure and ILO recommendations, the current social democrat government, which has been in power for six years, has done nothing to reverse the measures imposed in 2011 by the previous administration. Instead, it has adopted a series of neoliberal measures such as the transfer of social security contributions entirely to employees, contrary to ILO Convention No. 102, which states that the contributions paid by employees must not exceed 50% of the total financi-

al resources allocated for social protection.

The question is why they choose not to act in spite of the mounting evidence of the disastrous effects of this law? Lack of political vision and real concern for citizens is only part of the reason, along with the huge and constant pressure from multinational corporations.

That is why we support not only a common declaration on social Europe, achieved in Gothenburg in November 2017, but are also committed to the development of effective instruments for implementing the European Pillar of Social Rights, including minimum allocations of national GDP to social goals such as health and education as well as investments that will prevent social dumping in Europe and competition between countries by continuously lowering standards.

*Bogdan Iuliu Hossu* ■

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