



EU interference in wage setting lacks legal basis, ignores social partners' autonomy and is opposite of what industry needs to bring Europe out of the crisis

CEEMET, ECEG, EURATEX and industriAll European Trade Union represent the companies and the workers of the biggest industrial sectors in Europe. Our industries are a prime exporter of goods and services and are more exposed to international competition than other sectors. The national member organisations of industriAll, CEEMET, ECEG and EURATEX are the recognised social partner organisations in their respective countries.

CEEMET, ECEG, EURATEX and industriAll underline the importance of the EU's Europe 2020 strategy to restore competitiveness and economic growth in Europe.

Council and Commission must abide by the Treaty ¹and fully respect the autonomy of social partners at all levels and take into account national traditions and Industrial Relations systems.

We insist that the EU Institutions must respect the autonomy of social partners – employers and workers - and do not intervene with wage setting at national level.

Therefore, industriAll, CEEMET, ECEG and EURATEX are very apprehensive concerning the possibility of correcting imbalances in the area of labour costs. We are particularly opposed to the idea from the European Commission to extensively interpret this procedure to prepare ground for EU-level interference in national wage setting mechanisms as is mentioned in the 2012 Employment Package and in the EC discussion note for the tripartite exchange of views on wage developments that took place on 1 February 2013. It is in this context the Commission is highly ambiguous as to whether it wants to leave developments related to wages *"to the self-correcting mechanisms of markets"*².

We have strong doubts that the so-called "tripartite wage forum" fully respects the autonomy of social partners. The fact that interprofessional social partners have been invited to that forum, *per se* does not guarantee their or sectoral social partners' autonomy on the issue.

European Institutions must acknowledge efforts and successes reached by national social partners - wages are not the cause of financial and economic crisis and excessive public debts

CEEMET's, ECEG's, EURATEX and industriAll's *raison d'être* is to promote a sustainable and competitive industry in Europe. During the crisis, in many countries of the European Union, social partners of the manufacturing industries, including at sector and company level, have shown great responsibility and negotiated many innovative agreements that both saved companies and jobs.

¹ Art. 151, 152 TFEU

² Ref. Ares(2012)1537585-20/12/2012

We consider the view that might prevail at the level of some heads of states and governments that wages could be better set with interventions based on Commission / Council recommendations, as a dangerous encroachment on the foundations of the social market economy and an internationally competitive industry via a system of open and competitive markets as enshrined in the Treaty.

Interference from a third, sometimes politically motivated, party in this well-balanced procedure might lead to dangerous consequences that companies and workers of the private industry would have to bear.

IndustriAll, CEEMET, ECEG and EURATEX cannot accept this intervention into to wage setting and fear that such developments would detrimentally affect the international competitiveness of European manufacturing, which is all the more regrettable in the current challenging economic and social environment. Moreover, according to our understanding, such meddling in wage related matters at European level would go against Art. 153 (5) TFEU which excludes pay from the Union's competence. Continuing efforts in this direction are clearly unacceptable.

Wage setting is a national issue. Effective social dialogue cannot take place in a framework where an external party has the possibility to correct results achieved. Within the new European Economic Governance, in effect, corrective actions and sanctions in matters related to wages and wage setting are threatening the autonomy of social partners and employers and workers to negotiate wages, whether it be at company or national level and this would go in the direction of an EU-planned wage setting procedure, which ultimately puts national industrial relations systems into question.

The European Union must rather look more into aspects of improving international competitiveness of manufacturing industry and do so with an improved, transparent procedure of social partner involvement, in particular from the sector level.

Brussels, 13 March 2013

About CEEMET, ECEG, EURATEX and industriAll European Trade Union:

CEEMET (Council of European Employers of the Metal, Engineering and Technology-Based Industries) is the European employers' organisation representing the interests of the metal, engineering and technology-based industries from 23 countries. Through its national member organisations it represents 200 000 companies across Europe. The vast majority of them are SMEs, providing over 13 million jobs of direct employment.

ECEG (European Chemical Employers Group) is the social affairs organisation of the European chemical industry, grouping national employers' federations of the sector from 24 countries. Via its national member federations ECEG represents some 10,000 companies of the chemical industry with more than 1 million employees in Europe. ECEG is a partner within the Cefic family of European organisations.

EURATEX (European Apparel and Textile Confederation) is the voice of European Textile and Clothing (T&C) industry and promotes, in the context of globalisation, the competitiveness and the sustainable growth of the industrial T&C value chains in Europe. Besides social and education affairs its main activities encompass trade, research and innovation as well as environmental issues. Its EU national organisations or federations represent more than 180.000 companies and over 1.8 million direct jobs. Among its members EURATEX also has representatives from the EFTA countries in addition to the Euromed area.

industriAll European Trade Union represents 7.1 million workers across supply chains in manufacturing, mining and energy sectors on European level.