



# Motions 2016-2020

2<sup>nd</sup> Congress of  
industriAll Europe

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## IndustriAll European Trade Union's **Motions 2016-2020**

As adopted by the 2<sup>nd</sup> industriAll Europe Congress on 8<sup>th</sup> June 2016

### **Equal pay for equal work and solidarity throughout the European Union**

IndustriAll Europe Eastern Region is convinced that in order to achieve European integration, industriAll Europe must focus its future energies on the principle of equal pay for equal work throughout the EU.

When the Iron Curtain came down, the workers of the former Eastern Bloc believed that their wages would gradually come to resemble those of Western European workers. They believed that their hard-earned wages would progressively increase, bringing their living standards into line with those of Western European workers. They also believed that, following the entry of their countries into the European Union, they would eventually become fully-fledged EU citizens, with wages that would enable them to have a decent quality of life.

#### **What is the reality?**

In 2014, labour productivity in the Eastern Region countries reached 70-84% of the EU average. However, it should be noted that these figures are negatively distorted by the fact that products or components produced in Eastern European countries are undervalued in their reported prices. Their value is therefore distorted, to the detriment of these producers. According to Eurostat, Slovenia is the top performing country in this respect with 83.4 % of the EU average labour productivity.

At the same time, hourly labour costs reached just 30-40% of the European average. This means that workers in the Eastern Region get disproportionately lower wages for their work than workers in Western European countries. Indeed, there are known, specific examples of companies which divide countries into categories, with the 'second category countries' receiving just half the share of the company's profits.

In spite of the fact that they are expressed in terms of purchasing power parity, minimum wages in the Eastern Region are nonetheless much lower than minimum wages in Western European countries. According to the comparison based on the purchasing power parity, the worst situation is in the Czech Republic, where the minimum wage recently reached just 35% of the highest minimum wage in Europe – in Luxembourg.

The wage level in individual companies or sectors is established in accordance with the total wage level in a given country and not in accordance with the level of productivity in a given company. In collective bargaining, only wage increases are negotiated, with no global adjustments of the wage levels being carried out. As a result of transfer pricing within multinational companies, there is an unfair transfer of value added and profits when exporting products or components from plants located in Eastern Europe to their parent companies in Western Europe, or vice-versa (imports to the East).

Workers in Eastern European countries get lower wages, despite the fact that their level of education and skills is comparable with the EU average.

*IndustriAll Europe is committed to striving to achieve a balance between the high- and low-earning workers in EU Member States. IndustriAll Europe will work in all bodies and political committees and in particular in the Collective Bargaining Policy Committee to deal with this issue through concrete activities during the forthcoming period. An important element in this is the strengthening of unions in Eastern Europe. A special effort should also be made within companies which have production in several parts of Europe – especially in low income areas.*