

# Report of the 17<sup>th</sup> Capital Cities Conference 2018

## **How trade unions of the European Capital Cities can approach the issue of pay rise**

31 January to 2 February 2018, La Valletta, Malta



The 2018 conference of the European Capitals Trade Union Network (ECTUN) took place in the Dolmen Hotel, Bugibba, Malta.

The conference was attended by 42 delegates from: Athens EKA, Belgrade CATUS, Berlin DGB, Bratislava KOZ SR, Copenhagen LO-D, Helsinki SAK, La Valletta GWU, Lisbon CGTP-IN, London GLATUC, SERTUC, Madrid CCOO, UGT, Moscow MTUF, Paris CFDT, CGT, FO, UNSA, Rome CGIL, CISL, UIL, Sofia CITUB, PODKREPA, Vilnius Solidarumas, along with Luca Visentini, ETUC General Secretary and many experts.

### **Wednesday 31 January 2018**

**Jason Deguara** (GWU, chairperson for the day) welcomed delegates to Malta and outlined the theme and programme for the conference.

Three new organisations were present this year (from Belgrade, Bratislava and Sofia). Our challenge has been to restructure the organisation of ECTUN and we will elect a Permanent Committee with a mandate of three years. We link the confederations across the capital cities and must not replicate the work of our unions.

Capitals have better conditions in some parts, worse in others. Life is more diversified for the white collar workers, but can be more selfish and more competitive in parts. Working days can be

longer with more travel time. Refugees and migration – our labour markets are larger – creating some misunderstanding about jobs and housing available. The safety of citizens is also an issue with terrorism often hitting capitals.

**Josef Bugeja**, General Secretary of GWU, addressed the conference.

The theme of the conference is the core value of every trade unionist. Strong collective bargaining is how to achieve pay rises. We have robust economic growth in Malta and unemployment is low. Collective bargaining covers 55% of employees and included the setting up of a collective private pension fund in the last round of discussions. The minimum wage was increased by around 4%. A low wage commission was established reporting to the Prime Minister. Now lobbying for equal pay for work of equal value to be extended to agency and temporary workers.

## Pay: the La Valletta case

**Dr Gordon Cordina** (economist) presented the economic impacts of pay rise, the Malta/La Valletta case.



Not only minimum wage but also impact of wage increases on the economy.

Malta's economic miracle is largely due to the supply of labour, workforce skills, and this works through to wages.

A very good economic phase – economic growth was 8%, stabilising now at around 5%. Inflation is stable at 1 to 2%. Unemployment declining towards 4%. Economy is becoming fundamentally more productive. It will be sustainable and continue if we are able to continue to attract a supply of labour.

It is a diverse market with nearly 180,000 full time jobs – from manufacturing, tourism, wholesale and retail etc. Covers traditional sectors (unionised) and new areas, largely non-unionised, and many are higher-value-added.

Diverse productivity figures across sectors. There has been a strong inflow of women into the labour market, primarily influenced by improved child care facilities. The increased income to the state is making the pension system more sustainable. Regarding migration – primarily from the EU, but also from elsewhere – mostly for the high skilled areas. Lose some Maltese graduates because of restricted employment offer – eg. You can't work in rocket science in Malta...

Growth in wages: average 4% a year 2011-2016 when inflation was 1.5%. But most benefit went to higher skilled levels.

Wage setting process: collective bargaining at the enterprise level; partial pay indexation through cost of living adjustments; national minimum wage; market forces.

Future challenges: disparities of productivity leading to disparities in wages; workforce training needs to keep up with changes and unionisation needs to strengthen in the less traditional sectors; the attraction of labour supply – immigration – which brings its own challenges.

In conclusion: labour market is key to economic growth; wages are an important driver to enhance

human capital; minimum wage reviewed by government and social partners every four years; unions need to increase density.

Question: fertility rate in Malta? Answer – fertility rate 1:1.2-4 rather than replacement rate of 1:2.4 – reality is that children became too expensive – as wages have increased fertility rate is now 1.8 or 1.9 – closer but not replacement rate yet.

Question: job creation at public level – good for the whole economy? Female participation – do they have to take more leave to do childcare?

Answer: when Malta joined the EU in 2003 there was recognition that the country was small and vulnerable. So we recognised that we needed a tax system that helped in attraction and retention – so we have competitive rates. Now the system helps local businesses also. Small employers get tax credits for raising wages. Public sector is around 40% of GDP – comparative to the rest of Europe. Regarding equal pay – gap is 85% – again not bad by EU levels where it is 80%.

## Pay: the Lisbon case

**Liberio Domingues** (CGTP) presented the Lisbon case: Payrise: a part of the solution.



In Portugal mistaken policies led to disaster. Austerity and parties of the right were eventually defeated. Memorandum of Understanding was for cuts in salary and services and was disastrous in all areas. Cuts, disinvestment, privatisation and so on. Sacrifices were unequal. After four years of implementation almost none of the objectives was reached; 1.9m unemployed including high levels of youth unemployment.

Share of wages and capital in GDP – wages down from 36.2% to 34.1%, capital up from 40.9% to 43%. At the same time collective bargaining coverage fell from 2008 1.7m workers to 186.6k in 2013.

We are now in a better position and ready to improve the situation – Portugal is one of the most unequal countries in EU. Minimum wages are low and income distribution wrong. Minimum wage is rising now and unemployment is lower. But warnings: collective bargaining must increase – not all workers are getting the appropriate NMW. Government has still not carried out all their promises; there are some restrictions still from the EU; we still need to renegotiate our debt; we have to continue to fight as trade unions – workers' struggles remain essential for progress.

## Minister of Finance

**Luca Visentini** (ETUC) introduced Malta's Minister of Finance, saying that all capital cities are here and we are focusing our discussion on the issue of wages. Wages were tremendously affected by the crisis 10 years ago, and also the ability of trade unions to affect the productivity of the nations. It's been a disaster but now we are recovering and developing a different narrative of wages and macro-economics and productivity. We know the role you played over the last year with the Maltese Presidency of the EU. ETUC launched a campaign for a pay rise one and a half years ago. Things are improving across the EU, for example in Portugal as we have heard. 5% increase in western Europe, but 12-15% increases in eastern Europe. We don't have proper collective bargaining systems across the whole of Europe and need to establish or re-establish this and to do this we need the assistance of government ministers, not only labour ministers, but also finance ministers. So we really welcome your presence here as you have shown that it is possible to put together a real growth model that works for all.

**Professor Edward Sciciuna**, Malta's Minister of Finance, addressed the conference.



My background was as an economist and academic and I set up the institute on industrial economics where we trained trade unionists in economics. I was also a consultant for unions and employers, and now Minister of Finance. I entered politics as a socialist in the European Parliament.

Lack of growth is key problem for workers and people – yes, debts have to be paid but not at the cost of economic growth. In Malta debt was high, I went to Brussels to meet with the EC minister and expected to be told where to cut. But he gave me six months to work and we brought down the deficit by 1% in the first year and reduced income tax on work, increased tax on anti-environmental issues and since then we have brought the deficit down by half a per cent each year and are now in growth by about one per cent.

We have a minimum wage, it's not negotiated but is automatic – consumer price index plus a bit. This supports a lot of workers that are not unionised. After 25 years the NMW needed a boost and employers and unions came together and agreed a wage increase that does not move the NMW but adds pay after a year (for three years) – this was agreed by all sides.

The social partners are very active in the Council for Economic and Social Development – we go into detail before the budget is announced. They are also on the sub-committee for the retail price board and are therefore in agreement that the RPI really reflects the cost of living.

European Semester – our policies and actions on this also include the unions and employers.

Migration: Malta is very much affected as we are on the front line of the border with North Africa – when the sea is calm people cross over, when it is not we have tragedy. So two types of migration, North Africa and Europe – we cannot grow without immigration. Workers and unions accept this reality. 100m euro has been contributed by migrants in income tax in one year. We want to help North African countries develop their own economies – it is only by development you can stem migration. European Investment Bank is working on this along with World Bank.

In conclusion, Malta is special in that our survival instinct is very strong – we have no oil for example although our neighbours do. We look for investment from all over the world, not only the EU. Some large countries in the EU are inward looking, we are not. We have to review all policies as to what impact they will have on us in the global context.

**Luca Visentini (ETUC)** I underline the point you made about the balance between finance and social issues. Equally, the points you make about migrants – contributing to our economic growth and our sustainability. And about the importance of human capital and investment in it and welcome the EU decision to raise the importance of investment in human capital in the list of its issues.

Question: how can economic growth be greener?

Answer: a small fragile island should be very aware of the impact of the environment – vulnerability to, for instance, a small reduction in rainfall. Natural resources of water only satisfy 45% of our needs – so we have to use desalination. Equally all

construction (of good things such as schools and hospitals) reduces the open space – we pursued this in the United Nations and inserted climate change in their agenda. So the green economy is important to us.

Question: we had severe austerity in Athens – will this situation change or continue in Europe?

Answer: a sad story how we dealt with this crisis. Bankruptcy is not being able to pay off the interest or to borrow. Rates of interest rise to a point that the country goes down. Malta was the first country to lend Greece money (80m euros) bilaterally. We have given 3.1% of our GDP over the years supporting other countries (Germany lent 2.9%). So we are together and want Greece to succeed – both because it is a member state and also because our money is there! The book still has to be written on a better way to deal with such a situation, or better still to prevent such a crisis ever happening again. We support more harmonisation of benefits, social security contributions and so on.

Question: you mentioned a main risk is non-consolidated growth – how can consolidation be achieved. And consolidation of taxes is very diverse – billionaires come to Malta to pay less tax?

Answer: consolidation means cutting the deficit. Then we spoke of consolidation without hurting growth. On tax – we are against harmonisation of tax, but not against anti-tax avoidance. Workers want harmonisation of wages – to a German level perhaps – but it is not possible without appropriate growth. Taxation – every country has different circumstances – we are not in the centre, we are on the periphery, we have no natural resources, our benefits are not as high as in Denmark or France. Taxes are to consume collectively – education, health etc – it is for the country to decide. But we are against lack of transparency – Switzerland and US are greatest tax havens according to campaigners (the Tax Justice Network) – Malta is less of a haven than Germany in the same research! We are very much in favour

of the exchange of information on all matters including the ultimate ownership of companies.

Question: austerity has done the most damage. In Italy we will be voting for a new government. If we go into a growth period who will manage growth? The populists? The trade unions? Who will govern Europe in the future? It's the politics as well as the economics.

Answer: the populist parties have grown because the people are fearful of migration and lack of economic growth. We did not deliver and should take the blame. The United States of Europe? It's not in my lifetime!

Question: given the importance of collective bargaining... I am struck by the fact that you still have well over 50% coverage in Malta, more than twice we have in the UK. Have you taken specific measures to support this?

Answer: we try not to interfere! We had a real problem: Malta had the lowest female worker participation in Europe – that's a problem – we have increased it by 5% already – free childcare until three years of age in public and private provision. Taxation is reduced for women joining the labour force. Minimum pension has been increased. In work benefits and tapering – keep two-thirds of benefits in first year and tapered for four years to zero. Minimum wage supplemented for those who have children.

**Luca Visentini (ETUC)** I am positive regarding “try not to interfere” in bargaining relations... but some countries not only interfered but acted very strongly to destroy collective bargaining and industrial relations – for example, in the UK with Margaret Thatcher. So we need to work to re-establish or establish collective bargaining where we can.

**Minister** – we were not on our knees of course. EC wanted to interfere with indexation claiming it would impact on inflation – we retained it and it didn't.



## Luca Visentini

**Luca Visentini** ETUC general secretary, addressed the conference.

Regarding the pay rise campaign... we need to run the campaign on the ground, with workers. Political, macro-economic and social reasons for the campaign, but what can we do? Minimum wages are one way but not every country has a minimum wage system – Italy and Austria for example. Government and employers need to accept this as a target. Achieving 60% of average earnings for the NMW is a target – achieved only by three countries, including France.

Second measure is to ensure strong collective bargaining systems. Some countries retain good systems, but IMF etc encouraged dismantling sectoral and other structures for collective bargaining. Second group where collective bargaining was strong in the past but has been dismantled eg. Greece, UK (longer ago) etc. Then a third group where collective bargaining at sectoral level does not and has never existed. So we have to retain it where we can and support countries and TUs to establish or re-establish it.

Then there is the pay gap between countries which is as high as 1 to 10 – where living costs are

more like 70% in the cheaper country. Equally with productivity in multinationals across Europe – wages do not reflect the productivity gap. This campaign is not only ETUC, but also PERC and ITUC.

Comment: It is worth mentioning the trade union and political campaign in London that won a “London Living Wage”. This supports, not undermines, the statutory National Minimum Wage and is devised to a formula that recognises the additional costs of living in the capital. Unlike the NMW its implementation is negotiated by trade unions, or, companies sign up to it as a measure of social corporate responsibility. Whilst the current adult rate for the NMW is £7.05 to £7.50 per hour the LLW is £10.20 per hour.

Answer: this is a very good example of the realities of what capital city trade unions can do and lessons can be learnt from it.

Question: Macron is implementing policies in France very like Thatcher’s. He wants to attack the NMW and change its value in different kinds of areas. We need to show the different and positive examples, such as Lisbon/Portugal, of successful change. Yesterday workers in France in retirement homes went on strike for the dignity of the

patients as well as of the staff. Our minimum wage is lower than the median wage – Macron says he will increase wages by reducing social benefits so we finance our own pay rise.

Answer: it is common for governments to attempt to fund rises through cutting benefits. We need a real pay rise.

Question: inequalities are rising – within the companies themselves also. How can we act for a pay rise in the public sector? And undermine the inequalities between men and women.

Answer: public sector workers had pay freezes all over Europe for years – seven years in the case of Italy for example – so this is important. EPSU is very active in this (EPSU also covers the PERC area). On the gender pay gap we need it in all collective bargaining rounds that may include positive discrimination for women as well as reflection on the realities of the difficulties for women re-entering the labour market.

Comment: profits continue to increase – French civil servants got 1% but the stock market increases were at the 70+% level. Plus exemptions for employers and payments and subsidy for employers to take on people – up to 250,000 euros per job.

## The conference broke up into three workshops (1)

All workshops (in English, French, with interpreters) addressed the same questions – **What is being done by European Capitals' TUs on pay rise?** Each workshop was asked to exchange information on the reality in each capital city, and to share what actions their organisations are currently taking. They then reported back to the conference:

**English speaking group:** *regarding the current situation* – Copenhagen: wage increases but cost of living higher in the capital; Berlin: less collective bargaining and lower density than the rest of the country, housing costs increasing; Helsinki: wages and costs higher, blue collar workers forced out of

the centre; Bratislava: shortage of workers, wages 25% higher; Athens: not even trying for wage increases, merely to stop further cuts, all collective bargaining suspended, workers often paid in kind not in cash; Sofia: close to bottom of European list on pay, recent big pay demo for a 10% increase; Vilnius: pay low but higher than the rest of Lithuania; London: 10 years of pay stagnation and real term decreases, public sector pay cap, pay higher than rest of UK but costs substantially higher.

*Regarding actions being taken* – Athens: want increased protection, including for those doing unpaid work, new legislation awaited; Copenhagen: skill shortages so focusing on training and upskilling; Helsinki: similar to Copenhagen; Berlin: need rise in minimum wage, good agreements in the public sector, supporting migrant workers with information in different languages; Bratislava: encouraging labour mobility to deal with shortages, looking at training, bringing public and private sector workers together to address gaps in pay; Vilnius: trying to secure better collective agreements, for example medical workers organising for the first time; London: campaigning to end public sector pay cap with adequate funding, industrial action in various private corporations, work supporting the spread of the London Living Wage.

*Regarding the key actors* – Athens: working with municipalities, some employers, political parties, NGOs; Copenhagen: NGOs, Charter of rights and pay; municipalities and unions; Sofia: working with employers on emigration of workers; Vilnius: social dialogue very weak, Mayor trying to work on this with employers; Bratislava: good relations with government but local partnerships weaker, working with civil society on young workers, employers; Helsinki: those not currently in unions, younger workers, migrants; London: Mayor of London on work standards, TUC Great Jobs Agenda shared with politicians and employers.

**French speaking group:** as the other group has reported, many of the issues are the same, particularly low wages. Paris has a national

framework not regionally negotiated, private sector has gone from national to company level. Rome – same problem and in the public sector there is an agreement negotiated in Rome for 26,000 people working in Rome who got a pay rise. Embassy staff treated as slaves. Serbia not a member of the EU – they have the lowest wage level in the Balkan countries – officially 20% but will be more, so now young people leave. Sofia – average wage of 262 euros per month, one of the lowest in the EU. Sofia is the engine of the country and the wages are 40% higher than elsewhere in the country, but still low. No collective bargaining but only consultation. Lisbon – no regional consultation. No pay rise in the public sector since 2011 and hope this will change soon, but changes have been made to minimum wage. There is an urgent need for agreement on what should be done.

**Third group with interpreters:** problems of austerity policies leading to high unemployment. Gender pay gap and age pay gap. Moscow – one of the main issues is the delay in payments by certain companies.

Actions: tax imposition on salaries is very high and we are trying to reduce it. Actions on the street in Rome – minimum salary is set by agreement. Local government – trying to get higher pay and have had some success – Moscow got 10%, Madrid not so good. Main actors are trade unions.

**Sara Canaveses** (CGTP) responded on behalf of the Permanent Committee: the presentations raise many issues such as big salary differentials between countries and many similar responses such as action on the streets, strikes, social media use, actors include local government, NGOs.

#### **Comments from delegates:**

**Paris:** two things, in a number of regions it is impossible to raise wages *in* the region; social protection – we heard this morning the example of Malta and childcare. In capital regions we could act on purchasing power – that is, matters other than wages.

**Lisbon:** we found different reasons in our discussions – characterised by exploitation. Employers are protected, not just by law but also by EU. Not just about salaries, but also number of hours – they want to go back to the six day working week with the same salary. This is a challenge for our next workshop.

**Rome:** we must not lose sight of why we are talking about wages. To establish a line of action that we can undertake together. Economic growth needs to be underpinned by a good level of wages. It determines the level that the economy can be stable and grow – includes purchasing power – so we must establish common denominators. Many economists recognise this now as really fundamental to the economy/ies.

**Madrid:** we have 7 working days... minimum salaries need to come closer together.

**Yulia Turkina** (MTUF) responded on behalf of the Permanent Committee: final comments – this is all useful and tomorrow we will continue in the workshops with the work on looking forward to what we should do in the capital cities.

## **Rules and nominations for the new Permanent Committee**

**Megan Dobney** (SERTUC) reported on the work of the ECTUN Permanent Committee 2017-2018.

The Committee, since the 2017 London conference, comprised Berlin DGB, Lisbon CGTP, London SERTUC, Malta GWU, and Moscow MTUF.

We were able to have one face to face meeting of two days in Brussels in June (and there met with ETUC and PERC). The rest of the work was carried out by email and skype conferences.

Sara Canaveses (CGTP) and Doro Zinke (DGB) attended the PERC Summer School in September to present the work and aspirations of the ECTUN and begin to develop the links required for the future.

Clearly a large part of the work was the preparation of the 2018 conference and the Committee noted with thanks the contribution of Jason Deguara and Philip Balzan of the GWU.

**Luca Visentini** warmly thanked the Permanent Committee for its work over the year.

**Jason Deguara** went through the rules agreed in London.

He reminded delegates that each area (northern, southern, eastern – see the Appendix) would have two members of the Permanent Committee. It was agreed that these would be presented in the Thursday morning session.

There was much discussion about the procedure and it was agreed that:

- 22 organisations would have one vote each (that is – not one vote per delegate)
- When making nominations organisations should bear in mind the need to ensure diversity and a balanced committee
- The voting organisations will vote for all areas ensuring the committee has the support of the whole conference
- No area can have more than two people elected, and they must represent different capitals within the area
- When the nominations are announced in the morning there will be a secret ballot

## Thursday 1 February 2018

**Megan Dobney** (SERTUC, chairperson for the day) invited spokespersons for the three areas to announce their nominations.

They were:

*Southern:* Christina Theochari (EKA Athens) and Franco Fatiga (UIL Rome)

*Eastern:* Vaselina Starcheva (PODKREPA Sofia) and Mikhail Antontsev (MTUF Moscow)

*Northern:* Megan Dobney (SERTUC London) and Hannele Ugur (SAK Helsinki)

## Maria Helena Andre

Megan then welcomed **Maria Helena Andre**, director of ACTRAV within the ILO, who addressed the conference.



Maria Helena outlined the role of ACTRAV and said her presentation would include the view of the ILO, be a tripartite perspective (government, workers, employers), and emphasise the interests of workers.

Wages are at the core of the ILO since its establishment – both in terms of the capital-labour gap and the gender-wage gap that is a persistent feature of virtually every nation's labour market. This is compounded by the lack of women on company Boards – note that Norway has a legal requirement for at least of 40% of company Board members to be women.

Capital cities matter and are key for fostering sustainable growth – we need to progress wage-led growth that provides dignity and includes vulnerable workers. We need to empower workers' organisations – for higher wages and a voice in the workplace. European wages are creeping up but are not following improvements in productivity leading to a decreasing labour share (compared to capital). We have seen a transfer of risk to labour (eg. short term contracting) and a loss of middle skills jobs leading to polarisation between high skill/high wages and low skill/low wages.

Capital cities are different from other regions – in many cases they produce a high proportion of a

nation's GDP – for instance Dublin and Athens generate nearly 50% of GDP.

The ILO has had standards on a National Minimum Wage since 1928; the key Convention is 131 and you can see signatories to it on the website. But key to success are also Conventions 87 (right to organise) and 154 (collective bargaining).

For the future we need to place this in an international context, considering also the future of work (digitalisation etc), tax avoidance, and the leverage capital cities governments can bring to bear.

## Pay: the Berlin case:

**Doro Zinke** (DGB) outlined the Berlin case on pay.



She said there are two city region governments – Berlin and Brandenburg, but one DGB with regional sub-structures.

Average monthly salaries are smaller than the German average (2,700 euros) at Berlin 2,400 and Brandenburg 2,300. Collective agreements in both states cover around 50% of employees.

An hourly minimum wage was introduced in 2015 and is now 8.84 euros. This benefited 13% in Berlin, 20% in Brandenburg and 10% nationally. In Berlin 30% of children are living in poverty, and 10% in Brandenburg and poverty continues into retirement.

DGB does not support the proposals for tax cuts for the poor or social transfers paid for from taxes – but a proper living wage.

The DGB is conducting campaigns currently in the public sector (education, police, health, students) and in the private sector (reduced working week for foster parents, against Siemens closure in Berlin, collective bargaining in Kone).

## Helena Dalli

**Helena Dalli**, Minister for European Affairs and Equality, addressed the conference on **how Malta arrived at an agreement with all parties for a pay rise**.



She stressed the importance of setting up the Commission that looked at conditions for people on the minimum wage and it was able to make an informed decision about the need for an increase. The model worked due to early and broad engagement in the social council and continued effective social dialogue has meant good and healthy industrial relations.

The government has taken responsibly for the condition of sub-contracted workers in their supply chains, if there is a shortfall in wages compared with directly employed workers the government makes up the difference.

## The conference broke up into three workshops (2)

All workshops (in English, French, with interpreters) addressed the same questions –

### **What will European Capitals' TUs do on pay rise?**

Workshops reported back on the Friday.

## Friday 2 February 2018

**Doro Zinke** (DGB, chairperson for the day) invited reports from Thursday's workshops.

## Report back from the workshops

The workshops were asked to work on two steps:

- what action can be taken after the conference to impact on the issue of pay rise in the framework of the ECTUN?
- what action can be taken after the conference on another topic in the framework of ECTUN?

*On action now on the pay rise theme:*

- Create a platform to share ideas, website, platform or whatever (current) – develop a communication structure
- Be more visible as ECTUN. Choose a date that all the organisations could carry out actions concerning wage increase, the gender gap, growing poverty etc. Could be a press conference, campaign etc.
- A pay rise campaign: ask the Permanent Committee to draft a manifesto to be signed by all members. Agree a specific date, demonstration, social media campaign – submit manifesto to local government

*On action later on another topic:*

- Theme our work around young people – this is a positive theme for the capital cities as many young people gravitate to the capitals
- Develop a campaign aimed at giving more visibility to ECTUN, also around work on

digital platforms – a key issue in our capital cities – raise awareness and call on employers to be more responsible

- Carry out different types of campaigns, but agree a calendar – a pay rise campaign could end up the week before 1 May, 8 March focused on equal pay for women and men, 7 October for Decent Work Day and focus on the youngsters, so our focus is on vulnerable groups

**Doro** asked that the rapporteurs' notes are sent to the Permanent Committee.

She then announced the result of the voting for the PC (in the order they appeared on the ballot paper):

- Christina Theochari (EKA Athens) 21
- Franco Fatiga (UIL Rome) 20
- Vaselina Starcheva (PODKREPA Sofia) 17
- Mikhail Antontsev (MTUF Moscow) 16
- Megan Dobney (SERTUC London) 17
- Hannele Ugur (SAK Helsinki) 17

## ITUC-PERC report

**Anton Leppik** reported on the **ITUC-PERC priority areas: Improving synergies**



The PERC regional council is a structure, not an organisation – 91 trade union centres in 48 countries (EU and wider). The President of PERC is nominated by non-ETUC affiliates as the general secretary of ETUC is GS of PERC

ITUC global priorities (PERC is an ITUC structure) are: climate change and just transition, wages and social protection in supply chains, forced labour

and modern slavery. Priority areas: migration, countries at risk (human rights and freedoms), global coherence, count us in, organising.

PERC priorities are peace, democracy and stability in Europe – a precondition for the wellbeing of workers and their families. Also, economic crisis, migrants/refugees, inequalities, labour and social rights, organising and organisational development.

Synergies with capitals: sustainable development – includes a heavy, diverse agenda. Not only about energy in cities, but also transport, education, healthcare etc. we would like to use capitals' examples to show what is possible – cooperation with local authorities, unions etc to transform cities. Treatment of migrants – not only from other countries but also from same country. We discussed a bit about wages – specific campaign – ITUC campaign Wages Now – about one specific company, Samsung. Lots of distribution centres and we will set a date to show our view of the labour practices in Samsung.

## Report of the first meeting of the Permanent Committee

**Doro Zinke** invited **Christina Theochari** to report on the first meeting of the newly elected PC.

Christina thanked colleagues from the PC for appointing her as coordinator and said she has been involved from the very beginning of the ECTUN.

She said the PC intends not only to meet once a year and have a conference tackling important topics, but also to keep in touch over the whole year. The discussions over the previous days will be used to choose the topic for the 2019 Sofia conference.

The role of the capitals is important and accepted – they are the engines for growth and sustainable development.

So first – we need better communication and cohesion, and to be active the whole year. We will update our website in a way that supports our

work and we seek the help of the ETUC on this – also possibilities such as closed groups on facebook. We will discuss this on the PC.

Networking with other networks – PERC, mayors' network of capital cities: we have tried to contact them in the past – no success, but will try again.

There are some proposals that are immediate – eg. 8 March from CCOO – this does not replace your own organisation's approach to 8 March but we will send it out and you can discuss it.

Another proposal – 1 May – a slogan on pay rise can be circulated for your comments.

The next conference will take place in Sofia and the PC has decided it will be in the week **25 to 29 March 2019**. The topic will be decided by April by the PC. We have also agreed that the conference for 2020 will take place in Helsinki and thank SAK for this offer.

### Comments and discussion

**Paris:** we are happy that new organisations are taking part. One organisation that used to be present as observers is the UGT from Tunisia – they have not been present for two years – were they invited?

**Luca Visentini** commented: regarding the UGT in Tunisia – the situation is very critical and complex. We also have relationships with different countries in the Mediterranean area – Tunisia, Turkey, Libya, Egypt and so on – all part of this Euro-Mediterranean cooperation. Unless there are very specific things relating this region to the capital cities I advise you not to go down this road. There are significant problems with the various confederations in the area and their governments, employers, the ETUC and ITUC. It would require complex coordination with the ETUC and ITUC. There are also financial problems. We can do it via specific projects we have, but not elsewhere, so I advise prudence.

Any initiatives regarding 8 March or 1 May – please focus on the specificities of the network as all national confederations as well as the ETUC and

ITUC focus on these days and various activities – so we would need something very specific for the capitals. As regarding a manifesto, this would require finance.

ETUC can help with website – but we must look at how it can be integrated into the ETUC website.

March 2019 in Sofia – let's coordinate and see how the ETUC can assist. May 2019 there is the ETUC Congress so we should have something in the conference in March that will be fixed in the May conference in Vienna. So as soon as the ETUC priorities are discussed (there will probably be five) we should see what would be useful for ECTUN. Also December this year is the ITUC Congress. PERC's Summer School is the second week of September. March and October will be PERC executive committee. The 2018 Congress of ITUC will be in Copenhagen – so we need to see how we can integrate these topics and events. Let's stay in touch to see how we can work together.

Also important to do what Maria Helena and Anton have done – to look at the bigger picture but also to focus on the capital relevance. For instance, we have a focus on the digital economy – often young people are working in the capitals – this will be a campaign to be launched after the Congress.

We will probably organise a discussion at the Congress on the digital economy and would like to have not only trade unionists and experts, but also workers – you may be best placed to propose such people. We are discussing this next week and should be clearer in late Spring.

## Vera dos Santos Costa

**Vera dos Santos Costa**, the new Director of the ETUI, was the final contributor.

Who am I and where do I come from? I am of Portuguese descent but was born in Belgium and have always lived and worked there. I come from a Belgian trade union organisation and have been

involved in the ETUC for some years already and I want to address some new challenges.

Luca took the words out of my mouth so little else to say – ECTUN is to be seen as a challenge but you have seized the day and we now have a PC and a coordinator. You can certainly rely on the support of ETUI. I now realise the importance of links between your work and the ETUI and we can certainly consider other in-depth actions to reach out to as many people as possible in the capital cities.

You have to get ready for Sofia – and take into account the ETUC Congress and our specificities. I'd like to ask the PC to work on communication as a priority – it is time-consuming and do not put it on the back burner but address it as soon as possible.

**Luca Visentini**: thank you very much for everything! Productive discussions. Welcome again to the new organisations that have participated and we hope to enlarge even more our network. I look forward to meeting again in this challenging year.

Thanks to Jason and to the GWU and for the opportunity to meet with the general secretary of the GWU and high level representatives of the government.

## Visit to La Valletta

Conference delegates were also able to visit the La Valletta HQ of the GWU.





The conference participants outside the GWU HQ

*Please note: this is not a verbatim report.  
It aims to capture the essential discussion and decisions taken.*

Megan Dobney  
SERTUC  
February 2018

## Appendix

Geographical regions of the capitals:

<b>Athens</b>	<b>Luxembourg</b>	<b>Moscow</b>
<b>Nicosia</b>	<b>Brussels</b>	<b>Vilnius</b>
<b>La Valetta</b>	<b>Amsterdam</b>	<b>Riga</b>
<b>Paris</b>	<b>Bern</b>	<b>Tallinn</b>
<b>Lisbon</b>	<b>London</b>	<b>Prague</b>
<b>Rome</b>	<b>Dublin</b>	<b>Bratislava</b>
<b>Madrid</b>	<b>Vienna</b>	<b>Budapest</b>
<b>Ankara</b>	<b>Berlin</b>	<b>Bucharest</b>
	<b>Helsinki</b>	<b>Sofia</b>
	<b>Copenhagen</b>	<b>Ljubljana</b>
	<b>Stockholm</b>	<b>Zagreb</b>
	<b>Oslo</b>	<b>Belgrade</b>
	<b>Warsaw</b>	