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**MAXIME CERUTTI,
SOCIAL AFFAIRS SENIOR ADVISER**

**DO THE LABOUR UNIONS HAVE A ROLE IN MODERN INDUSTRIAL
RELATIONS?**

I welcome the opportunity to be here today with European employment law practitioners to discuss the role of trade unions in modern industrial relations.

Facts and figures on trade unions in Europe

- Trade union density in Europe stands at present at around 25% across the EU, ranging from 7.7% in France, 15.6% in Poland, 19.1% in Germany, 27.1% in the UK, 33.4% in Italy, 51.9% in Belgium, to 68.3% in Sweden.
- This figure has declined rapidly over the last decades. In the last ten years, trade union membership rates have declined by more than 5% in Denmark, Finland, Germany, Ireland, Luxembourg, Netherlands, Poland, Slovakia and Sweden.
- Despite a more varied picture after the enlargement to Central and Eastern European Countries, trade unions remain stronger in Europe than anywhere else in the world both in developed and developing countries.
- Trade unions negotiate collective agreements, including wages, in accordance with national industrial relations systems. Together with employers, they are also often involved in the administration of social security systems, either in tripartite or bipartite supervisory bodies.
- In Belgium, Denmark, Finland and Sweden, trade unions play an important role in managing and administering unemployment funds.

What is the role of trade unions in modern industrial relations?

Undoubtedly, trade unions in Europe play an important role, both in the context of autonomous social partner negotiations and as a key stakeholder in policy-making on employment and social affairs.

This role differs substantially within the European Union. Member States have long established industrial relations systems, in which the degree of social partner autonomy and involvement varies according to the role of public authorities, the legal force of negotiated outcomes and their scope of application.



The role of trade unions is under pressure nowadays as a result of trade unions' difficulty to adapt to evolving economic, social and cultural contexts, which affects negatively their attractiveness for new members.

Trade unions' difficulty to adapt to evolving economic, social and cultural contexts

From an economic point of view, the European Union's prosperity requires taking resolute action to improve the competitiveness of European companies, which trade unions underestimate. Too often, trade unions defend the status quo. But in the world we are in, there is no choice but to adapt working conditions to the varying economic performance and productivity levels of companies.

From a social perspective, there is a risk that trade unions' decreasing representativeness furthers their priorities and positions away from the general interest of workers.

Finally, ongoing cultural changes in European societies complicate the task of representing workers' interests collectively. There is a growing diversity of workers' individual preferences. Moreover, more educated workers tend to be in a better position to negotiate their wages individually.

This difficulty to adapt to modern times has led to the erosion of trade unions' membership.

Declining trade union density's impact on their role

Trade unions' legitimacy to negotiate working conditions collectively or to participate in States' social security systems depends on their representativeness of workers.

However, due to lower membership, trade unions have become more dependent on their institutional role.

Their role in companies is challenged due to the increasing role of information and consultation bodies. Works councils have proven their ability to enter into a constructive dialogue with management on how to adapt employment to varying economic outputs.

Moreover, trade unions tend to over-represent the interests of their members, who are more likely to be employed with a permanent contract. This can be to the detriment of other workers who are therefore not encouraged to join a trade union.

Finally, the main risk for trade unions in the future is the observed inability to convince young workers to join trade unions. Half of Italian trade unionists are retired. A majority of European trade unions have a relatively aged membership. What will happen when well-organised age cohorts will retire if unions are not able to recruit young workers?

Trade unions' future

Better responding to workers' expectations is the main challenge facing unions in the future to preserve their key role in industrial relations systems.

In today's labour markets, workers seem to be more interested in acceding services to facilitate their access, return or mobility on the labour market. Trade unions need to adapt to workers' changing and diverse expectations.

European employers want to preserve the social systems that are in place in European countries, which means modernising them. In order to do so, strong trade union organisations can be helpful to achieve balanced reforms based on the requirement of having competitive European economies.

Unfortunately, recent examples - like the trade unions' reaction to the Euro Plus Pact or the difficulties to accept structural reforms are evidence of the contrary. By taking such positions, trade unions risk – while voicing legitimately the concerns of their members - to lose more ground than at present.

Finally, we regret the observed lack of support of trade unions to the European social dialogue outcomes. The European social dialogue can be considered as a success story. The EU social partners have proven over the last fifteen years their ability to set framework conditions at European level to improve the functioning of labour markets and working conditions. Or to promote national actions on innovative themes such as telework or stress at work. ETUC too often seems to forget these positive results.

Conclusion

Trade unions' added value is tested. By their members. By workers. By employers and companies. By governments.

The challenges are substantial. Not the least for trade unions to accept the many changes that have occurred in the last decades both in the world and in Europe. And to be more open to change. Concentrating on how to build the future for European workers in rapidly changing economies. Rather than holding on to the past.

The next decades will tell us more about the future of trade unions. Either they will be able to open up and adapt to the new circumstances. Or their role and relevance will be even further tested.

Thanks for your attention.
