ABC OF TRADE UNIONISM

II

THE WORK OF A TRADE UNIONIST

ICFTU
INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS
EDUCATIONAL MATERIAL

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FOREWORD

This ABC of trade unionism has been drafted by the ICFTU at the request of its Coordinating Committee for Central and Eastern Europe. It aims to present the basic principles of trade unionism in a form accessible to rank and file trade unionists, local and regional leaders.

The document is divided into three parts:

1. What is a trade union organisation?

2. The work of a trade unionist.

3. Trade unionism in society.

Each section is presented as follows: first, there is a theoretical presentation, aimed at defining the different aspects of trade unionism, then there are examples of concrete experiences to show that trade unionism is first and foremost a living and very diverse process. Before each concrete example there are a list of questions or comments to guide the reader.

This ABC has been designed to be used:

- either as reference material, that the reader can look through at her/his leisure;

- or as a teaching manual. The questions and comments can be used as a guide to collective study. It goes without saying, however, that the trainer is perfectly free to use the manual as s/he sees fit, particularly in her/his approach to the content of each chapter, both the theoretical parts, and the concrete examples.

The trade union movement, as can be seen from reading this ABC, is essentially a pluralist, diversified movement. It is built up within each society, by its own activists. This document is not, therefore, intended as a "model" that can be applied mechanically to every situation. Rather, this ABC aims to encourage the trade unionists that read it to think about what the trade union movement is, and could be, in their own country, or region. In addition, therefore, to the presentation of general principles, and the concrete examples, from Western Europe or elsewhere, there is a third aspect to be developed, which is that of studying the trade union movement as it exists in the reader's own social context. The ABC will have fulfilled its purpose if it succeeds in facilitating this type of study.

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I. INTRODUCTION

THE CHALLENGE OF DEMOCRATISATION AND THE TRANSITION TO A MARKET ECONOMY

The societies of Central and Eastern Europe, together with many countries in Asia, Africa and Latin America, are today undergoing a crucial period of change and upheaval. First there is the transition to democracy, which must be consolidated at all costs. Secondly, these political changes have opened the way to economic and social change which will lead to the integration of these countries into the international economic and trading system, etc.. All these countries will no doubt encounter many difficulties and obstacles throughout the transformation process. Those experiencing these difficulties at first hand are the workers and the population at large.

The trade union movement in these societies is at a crossroads. On one hand it has to assume an enormous responsibility. With their eyes fixed on short term economic indicators (limiting the budget deficit, curbing inflation, foreign trade performance...), the governments of these countries seem convinced that the "social" dimension is an unaffordable luxury. But the sharp rise in unemployment, the strangulation of the education system and the health system... the lack of a minimal safety net for a population that found itself living in poverty overnight... are putting the future of these societies in the balance, jeopardizing hard won progress. Without social justice there can be no lasting democracy. Far from being a luxury, a break on progress, as some seem to think, the role of the trade unions is of the greatest importance, because it helps consolidate the social dimension, without which democracy would remain unstable.

THE RENEWAL OF THE TRADE UNION MOVEMENT - LIES IN ITS DEMOCRATISATION

Social change also requires change within trade union organisations. Democracy is not only a matter for parliamentary institutions. Political democracy must be backed up by social democracy. However, this also means that the organisations themselves must be capable of adapting to the demands made of society as a whole. It is not enough, for example, for organisations to defend workers' rights. Workers themselves must be able to understand their rights and enforce them in their daily lives. How can each worker be made to take an interest in the trade union struggle, whether in the enterprise or in society at large? How can everyone be persuaded to take part in a debate and a commitment that concerns all of us. These are the fundamental questions faced by every trade union organisation concerned not only with voicing workers' demands but also with practising democracy. It is equally a prerequisite for efficiency. An organisation that is run democratically is an organisation whose every intervention carries the conscious weight of the members as a whole. It is a force to be reckoned with.

TRAINING ACTIVISTS "IN THE FIELD"

In the face of such challenges, we cannot stress enough the importance of the role of rank and file trade unionists. A trade union organisation owes its existence to its activists, the members that are actively involved in the work of solidarity and the advancement of all workers, the union representatives who day after day make trade unionism into something concrete, active, living. A trade union organisation only has a sense if it contributes to the building of a trade union movement; and this movement is essentially created by and with its activists. This is of course very different from the type of organisations that existed in the societies of Central and Eastern Europe which until recently called themselves trade unions.

Activism is not however a synonym for spontaneity or amateurism. Since its creation last century in the countries experiencing the harsh reality of industrial revolution, the trade union movement has developed a range of tools and practices with which it now carries out its struggle fairly effectively. Defending workers' rights requires a mastery of collective bargaining, through the careful use of grievance procedures. The rights that workers have acquired at a particular time and in a particular context, within a given power relationship are given legal status and lasting value through their collective agreements. Learning these techniques, learning the job of the trade unionist, is therefore of utmost importance. Not because the trade union movement amounts to a set of techniques, but because the movement needs these techniques in order to play its role as fully as possible.

Training rank and file trade unionists in these techniques is therefore crucial, particularly in countries where the trade unions are striving to rebuild their movement. It is, in a sense, a guarantee that the trade unions do not, or will no longer, confine themselves to a restricted circle composed of a few professionals who "know" and who run their organisations "from the top". On the contrary, the aim is to arrive at a situation where as many activists as possible are able to play their part in concrete, daily trade union life. In this sense, the democratisation of a trade union organisation, its renewal, is achieved through the training and involvement of the activists in the "frontline", on the shopfloor, or in a region.

II. THE TASKS OF A UNION REPRESENTATIVE

Theory

Trade union members elect representatives. The latter organise the workers belonging to the union, they provide the leadership for democratic trade union life, voice the workers' interests in discussions with the employer and represent the members in the different organisations the union is involved in.

Union representative, workers' representative, shop steward ... in some countries, these tasks are carried out by different people, who are elected through different procedures (the union representative by the unionised workers, the workers' representative by all the workers). Elsewhere, it is normal practice to ask the union representative to combine this role with the others (although s/he may have to be elected a second time by all the workers). Finally, particularly in workshops or at an enterprise where all workers are unionised, these different functions may all be merged into one.

The union representative, whether or not s/he combines her/his role with that of workers' representative, occupies a key position, particularly with regard to all the workers at their workplace. S/he represents, in a sense, the most important cog in the trade union machine, the closest to the people. Which is why s/he has such a wide range of tasks. The presentation below may suggest that these are endless. That is probably true. However, it should be remembered that most of the time trade union representation is a collective task. A union representative should not be a one woman/man band, they should be a team leader, with everyone taking part as best they can, according to their skills, availability and commitment. In other words, it is not important whether the principal union representative also acts as the workers' delegate, the elected representative of all workers at all levels of consultation or supervision within the enterprise; on the contrary, what matters is that they should establish a relationship of regular, systematic cooperation, with the other workers' delegates. Only then will the trade union movement be able to fulfil its mission of defending the rights and interests of all workers.

2.1. DEFENDING WORKERS AT THE WORKPLACE

The union representative's first responsibility is towards other workers, towards their colleagues. It is important never to lose sight of this, because it is often at this level that delegates, and therefore the union, will or will not be appreciated. It is at this level alone that the trade union movement can become something real, something that addresses the workers directly. The following are just a few of the daily tasks of a union representative:

- to demand a pay review (for all or for certain categories of workers);
- to ensure that an individual worker is given the salary, seniority, professional status etc. to which they have a right;
- to help a worker calculate the size of their pension and the different forms of early retirement;

- to support young and temporary workers seeking a stable job corresponding to their qualifications;
- to fight against the unfair dismissal of a worker;
- to negotiate the retraining of categories of workers who would otherwise face dismissal;
- to draw attention to the risks incurred in the use of a particular machine, the use of a certain chemical process, or working in certain conditions on a daily basis;
- to demand an expert technical, safety or medical evaluation when new working methods or productive apparatus are introduced;
- to protest against all abuses of power, against all unfair or degrading treatment, by the employer or their representatives.

2.2. PROMOTING A STATE OF LAW

The role of the union representative is not restricted to defending the immediate demands and interests of workers, individually or collectively. The trade union fight is a long term matter, which is why trade union representatives usually negotiate “framework agreements” that allow for the discussion of individual cases on the basis of general principles on which the union has won the employer’s recognition. Of course these agreements then have to be applied. The two following examples illustrate this dual reality - negotiating collective agreements and working on a daily basis to ensure their application:

- negotiating company work rules with the employer, organising shifts, and in general everything not specifically covered by the country’s labour legislation governing employment contracts (salary scales on the basis of the post, qualifications, seniority etc. of the workers; the duration of the working week and year; the recuperation and/or payment of overtime; productivity bonuses, for dangerous or heavy tasks; extra-legal benefits in the event of illness, pregnancy, retirement, or dismissal; sanctions and disciplinary measures; the control of recruitment procedures...etc, etc); formulating the agreements reached as a collective agreement, legally binding on both parties;
- using all existing bodies - employer-worker joint committees, arbitration systems, labour tribunals - to defend workers’ rights as defined in general labour legislation, the agreements signed by employers’ organisations and workers’ representatives, company agreements, or, quite simply, usual practice and informal but real codes of behaviour governing labour relations; seeking the assistance where need be of experts and lawyers.

2.3. FINDING INFORMATION, STUDYING

The trade union movement must also look to the future. It is not simply a case of reacting when problems arise, but also of being able to anticipate them, notably by taking into account the experience of other trade unionists, by studying legislative measures, by following developments in the economic situation ... Hence the importance of permanent education, be it individual or collective, for trade unionists. While it is true

that many things, firstly a commitment to trade unionism itself, are learnt "on the job", life on the shop floor, the fluctuations of the market economy, the codification of industrial relations...all require ever more extensive knowledge. We try to show this in the examples given below, taking two specific situations: developments in economic life, and demands relating to occupational health and safety:

- finding all the information necessary for a knowledge of the company's economic and technical situation in order to identify as quickly as possible the strategies that an employer decides to follow (how this will affect the organisation of work, whether it will entail dismissals, the choice of a particular slot in the market; transferring from certain manufacturers or research units, from certain companies towards others for financial, social or political considerations...; mass dismissals owing to the introduction of new manufacturing technology...); obtaining the elements needed to assess the company's margin for maneouvre, socially and financially;
- keeping up to date with the principal risk factors and occupational diseases linked to the materials, equipment and technological processes used in the company, and finding out about the different means used in other companies in the same industrial sector to remove or at least diminish these risks and diseases; learning the different official channels that workers can use to oppose dangerous or unhealthy working conditions; demanding that the employer make the investments necessary to create a healthier and safer working environment.

2.4. DEVELOPING TRADE UNIONISM AND DEMOCRACY

Finally, we should remember that trade unionism is not practiced only on the shop floor and is not limited simply to defending workers' demands and interests. Union representatives are accountable for their actions not only to the workers who elect them but also to the trade union movement as a whole and to the ideal that it represents. Hence the importance of action such as bringing more members into the union, ensuring regular dialogue with all workers, the fight for social justice and greater democracy. The latter supposes that union representatives play an active role in their exchanges with other workers, if only to apply in practice certain principles that otherwise may never amount to more than a declaration of intent. To do so they need to:

- maintain regular contact with each worker;
- convey to non-unionised workers the importance of trade unionism;
- promote a democratic style of unionism among the workers thy represent, ensuring that each individual can have their say;
- mobilise workers to stand against anything that affects their freedom of expression and the total autonomy of the union;
- educate workers to discuss everything that concerns them not only with regard to their personal or immediate advantages but above all their common and long term interests;
- participate in joint meetings of the different unions within one region or industrial sector;

- work to ensure maximum unity among workers whatever their socio-professional status, whichever union they may be affiliated to, or more fundamentally whether or not they are a union member;
- organise concrete solidarity with workers engaged in a dispute at another enterprise or in another country;
- organise the trade union struggle with a view to overcoming the fight for immediate demands, stirring the interest of all workers; concentrating trade union action on the application of structural reforms that will appreciably improve workers' lives;
- mobilise workers against all forms of discrimination (men-women, on grounds of social or ethnic origin...), the authoritarian suspension of trade union, civil or political organisations or more generally all attacks on human, workers' or citizens' rights.

2.5. TAKING PART IN SUPERVISORY OR PARTICIPATORY BODIES

All these different tasks are the duty of the union representative as the leader of the union's members. It is important not to forget, however, that union representatives often have to act as the representative of all the workers. This content of this role may be determined by the existence in the enterprise, by law or otherwise, of various information, consultative or supervisory structures that clearly define the mandate of elected workers' representatives. In accepting this type of mandate, the workers' representative is stepping beyond their role of formulating claims, which is that of the union representative, and is brought into active involvement, to a greater or lesser extent, in the domain of company managment, usually the preserve of the employer.

The large iron and steel companies of Germany have travelled the furthest down this path. In these companies, following the shift in the balance of power after the war, workers imposed the establishment of management commitees in which their representatives could take part in managerial decisions on an equal footing with the shareholders' representatives. This philosophy of participation was subsequently recognised by the legislature, and set up a system of co-determination ("mitbestimmung") which covers all economic and social issues affecting the running of the enterprise. In other countries, other bodies - works' councils or committees - have been set up, with varying powers: of information, the right to inspect, to supervise,usually without going as far as the German right to co-determination. It should be added that the structures and the workers' representatives' powers of intervention vary according to whether it is a public or private sector company. We will not go into detail here about what such mandates entail specifically for those responsible for representing all the workers. For that, you will need to look at the legal measures or customs applied in each country.

2.6. TRADE UNIONISM AS A COLLECTIVE UNDERTAKING

As mentioned earlier, union representatives have heavy responsibilities covering a wide range. These concern, firstly, all the concrete problems faced by workers, at one time or another, in their relations with the employer; they also include the tools (recognition of the trade union delegation, monitoring rights...) that the trade union movement

has succeeded in introducing in each enterprise for conducting industrial relations. If used well, these tools (rights, procedures, committees) usually prove to be a very effective means of defending workers, further emphasising the role and responsibility of the union represenative.

The fact that these responsiblities are embodied in one person, however, must not obscure the point that trade unionism is first and foremost a collective movement. Whatever her/his qualities, a union representative will never carry much weight if s/he has to work alone, in face of the indifference of other workers. In big companies, trade union representation is always a team effort. But whatever the size of the enterprise, it is important to recall that trade unionism is a matter for all unionised workers. Nothing prohibits, far from it, the involvement of a member in the work of the trade union delegation, on the basis of their skills, availability, or quite simply their good will. A union delegation proves how effective it is firstly by proving its ability to unite and involve as many members as possible, together with its concern for democracy and collective advancement.

Practice

2.7. UNION AND WORKERS' REPRESENTATIVES

Industrial relations in Western Europe are largely based on two fundamentally different types of representation, the representation of unionised workers, or the representation of all workers. There is no doubt that it is sometimes the same person who takes on both types of representation. Even where this is the case however, it still means different mandates, and therefore rights, and often a different scope of intervention.

What are the rights of workers' representatives? The situation differs obviously from country to country, according to national legislation or recognised practices. In general, however, the union representative is responsible for collective bargaining and the defence of the workers; the workers' representative, on the other hand, has the right of inspection ... which may go as far as co-determination in certain areas (economic, financial, social, health...) regarding the management of the enterprise. The rights granted to workers' representatives are derived from a concept of economic democracy; the rights of the union representative are based on a recognition of trade unions and on the legitimacy of representative workers' organisations.

Read the two texts below. The first is the result of a comparative study carried out by the European Trade Union Institute. The second describes how trade unions are organised in a particular country, Great Britain.

Try to:

- **identify the differences between workers representatives and union representatives in the different countries mentioned in the text;**
- **pinpoint the elements that are of significance to the measures that define the role and rights of union and workers' representatives in your country.**

Look at the various legal texts or agreements governing the role of workers' representatives in your country. How are these representatives elected? What are their rights? Are they protected? What happens in a dispute? How can they fulfil their mandate?

Assess, from the perspective of your trade union objectives, how these different forms of representation work, how the workers' perceive them, and how you feel they could be improved.

2.7.1. THE SITUATION IN WESTERN EUROPE

Text 1:

"In the legislation of the majority of Community Member States a distinction is made between the rights of workers' representatives in collective bargaining, which is considered to be the trade union instrument par excellence for defending workers' interests, and the rights of workers concerning information, consultation and participation which devolve upon bodies separate from those dealing with negotiations on pay and working conditions. Depending on the country, such bodies, which operate at plant or company level, are called Wirtschaftsausschuss, comité économique, comité mixte, commission de coordination, etc.

THE TRADE UNION DELEGATION

Trade union freedom (i.e. the right to join a union, the right to recruit workers in the company, the right to inform members and to organise meetings, and the right to hold elections for trade union representatives) is recognised in practically all of the countries of Europe. There are differences in the precise guarantees enjoyed by trade unionists (protection against dismissal, provision of premises, temporary release from normal duties, opportunities for further training), but these guarantees nevertheless exist for the most part either de facto or de jure. In all countries rights are based on a combination of statutory provisions and common law.

Time off normal working duties to which trade union representatives are entitled are either laid down by law (France, 10 to 20 hours per month; Italy a minimum of 8 hours per month; Spain 15 to 20 hours per month) or by collective agreement (United Kingdom, Ireland and Denmark).

Elections or appointments are regarded almost everywhere as a matter to be settled by the unions themselves. In practice, union representatives tend to enjoy broader powers in those instances where there exist no particiption bodies. For example, the special situation of shop stewards in the United Kingdom derives mainly from the fact that there is in that country no other centre from which to exert influence.

PARTICIPATION BODIES (INFORMATION AND CONSULTATION)

Rights of information and consultation, as well as rights pertaining to worker control and participation of workers' representatives, enable these representatives to make approaches to the management on the employers' policy with regard to plant location, the opening and closure of new plants, and the economic and financial situation of the undertaking Participation bodies, on which workers are represented in a variety of ways (conseil d'entreprise, comité mixte d'entreprise, works councils...), are to be found in most countries. These bodies are often of joint composition and chaired by the employer or his representative.

In the event of dispute, the possibility of a unilateral decision by the employer can never be entirely ruled out. However, generally speaking, the existing models of representation are conceived in such a way that, in relation to important matters, the workers' representatives are in a position to exert an influence on the management's decisions. In Italy in the industrial holding companies IRIT, NEI and EFIM, in which the State has a majority, shareholding committees are set up (at national, sectoral, regional and company level) to examine proposals issued by the management and to draft opinions concerning the company's industrial and economic strategies, work organisation, industrial relations and the labour market situation. In the Federal Republic of Germany, the Betriebsrat has participation rights in the fields of social

conditions, staffing policy, overtime, recruitment and dismissal. In France and in Belgium the workers' representatives must be consulted prior to the introduction of any change in working hours and in connection with training and further training provision for workers. In Belgium, the delegates must be informed and consulted via the conseil d'entreprise, in the event of collective redundancies and production transfers. If these rights are deliberately ignored, then there is a dipute, whatever the model.

SUPERVISORY BODIES AND MANAGEMENT BOARDS

Joint stock companies in the different European countries are governed by a number of different legal forms which determine the existence and functions of the supervisory and management boards. Two types of system may be distinguished, namely the single-tier system, where there is no separate supervisory body besides the management board, and the two-tier system, in which the supervisory board controls the management board.

Under the German two-tier system, which has three variants, the workers' representatives have between half and one third of the seats on the supervisory board (in those undertakings governed by the European Coal and Steel Treaty, for example, there is equal participation of shareholders and workers, with a jointly elected chair). At the same time, the workers are represented on the management board by the Arbeitsdirektor, whose appointment has to be approved by the workers (right of veto).

In France, where the single-tier system predominates, the workers have observer status on the management board (or on the supervisory board where the structure is two-tiered). They may submit to the management requests from the comité d'entreprise and the management is required to reply.

Whatever the example, the participation of workers' representatives on supervisory boards and management boards guarantees them an institutionalised form of influence.

Great Britain is the only country where the shop stewards have to confront the shareholders and the management directly, generally speaking without any institutionalised intermediary except, in the odd case, a full time trade union officer.

In addition to the possibilities already described, two important aspects of control and supervision by workers' representatives should be stressed. Under the two-tier system participation of workers' representatives on the supervisory board allows them direct monitoring of annual accounts and balance sheets, while, under the single-tier system, the trade unions have in many cases created their own means of monitoring the management of companies.

Thus, in France and Luxembourg, the workers' representatives are entitled either to nominate some of the auditors or to obtain assistance from experts who are paid by the undertaking. In Portugal similar monitoring is exercised by the works council, although the trade unions regard as unsatisfactory the results achieved so far in this respect.

It is therefore clear that, even in the absence of supervisory boards in certain countries, the trade unions have managed to find ways and means of exerting other forms of control and supervision.

(European Trade Union Institute. INFO 32. "The social dimension of the internal market". Part II. The representation of workers in the workplace in Western Europe. Brussels 1990)

2.7.2. WORKERS' REPRESENTATION IN GREAT BRITAIN

Text 2:

"The internal organisation of the trade unions is characterised by duality: a geographical unit, the trade union branch, and the occupational unit (the shop floor)."

BRANCH DELEGATES

The grass roots unit, the branch, groups the **unionised workers** working **in enterprises based on the local area** (town). A local branch may cover a single occupation or several. The branch delegates are elected by their fellow union members and their tasks range from collecting union dues to organising union meetings. The country's largest union, the Transport and General Workers' Union (1,220,000 members at the beginning of 1991) has between 5,000 and 6,000 branches. Above the branch is the **regional** unit which **groups the different local branches** within a clearly defined geographic area. Each regional unit is under the responsibility of the regional council whose members are elected by the branch delegates. The basic administrative role of the regional units is to coordinate the trade union activities of the branches. Like branch delegates, the regional delegates participate in principle in collective bargaining within the framework of industry-wide agreements. However, these trade union officials now play **a negotiating role principally at the plant level**, as regional and local agreements have lost their importance in the private sector. There is sometimes an intermediate level, the district, between the local and the regional level.

SHOP STEWARD

At the plant level, it is the shop steward who **represents the workers in relations with the employer**. The shop steward is without doubt specific to the British trade union movement. S/he could be compared to a workers representative, with the important difference that s/he is always **elected by the union members** and her/his powers at the workplace are more extensive. The shop steward is an employee of the enterprise, not of the union, which akes them relatively independent of the union, and is elected to represent one occupation or, more often, one plant. In the 1970s, there were an estimated 250,000 to 300,000 shop stewards, nearly half of whom were manual workers. There was a shop steward in 80% of unionised enterprises. Since 1980, however, there has been a significant reduction in numbers. Their tasks cover a wide range of areas from collecting union dues, to recruiting members and above all to collective bargaining. On the last point, shop stewards have in practice become the real **negotiators in discussions with the employers**. Because they are present on the shop floor, shop stewards have a better understanding of the workplace or the occupational group they represent than the official union representative. Furthermore, with the shift in the level of bargaining from the branch to the enterprise and the shopfloor in the early sixties, the role of the shop steward in collective bargaining has been strengthened."

("Syndicalismes" (trade unionism). IRES. Paris. Dunod. 1992)

2.8. DEMOCRACY AT THE WORKPLACE: ROLE OF THE WORKERS' REPRESENTATIVE

In many countries the trade union movement has, in addition to the right to collective bargaining, won recognition of the workers' right to examine the running of the enterprise. This has led to the creation of various bodies (for information, monitoring, supervision, participation) touched on in the previous paragraph.

What are the rights that should be granted to workers' representatives? What role should be given to the consultative bodies within the enterprise? These two questions have given rise, and always will, to much debate. For employers in general, the recognition of the right to inspect and to participate in company policy is supposed to go hand in hand with the increased responsibilities of workers' representatives in everything related to the fundamental choices of the enterprise; on the trade union side, on the other hand, the wish to defend workers interests as far as possible, and to obtain all the necessary information for that, to be present wherever it is possible to make the voice of the workers heard, is counterbalanced by a concern for not going too far, for not becoming a sort of associate manager.

* **Read the two texts below. The first describes the German philosophy of self-determination. The second criticises the new methods, centred on participatory management, very much in fashion at present in certain employers' circles in France. Force Ouvrière, one of the French national centres, stresses that in its view trade unionism is defined above all in terms of claims and bargaining.**

* **Compare these two views. What form and what content do you foresee for consultations with the employer at your workplace? What is your trade union organisation's view on this matter? Just how far do you believe trade union representatives can go? Do you make a distinction between public and private enterprise for example with regard to the workers' right to be represented on the board of directors or the management board?**

2.8.1. WORKERS REPRESENTATIVES ON SUPERVISORY BOARDS:

Text 1:

THE GERMAN CO-DETERMINATION SYSTEM

"After the war, German industrialists were under a great deal of moral and political pressure. This was revealed in a skilful move by some steel industrialists to offer co-determination in some companies primarily because of their fear of nationalisation. In other words, it was for pragmatic reasons that the first steps towards co-determination were taken in the Ruhr River steel industry whilst the area was still under British occupation.

It was the threat of strikes that led to the introduction of the Coal and Steel Co-determination Act (Montanmitbestimmungsgesetz) which afforded equal representation or "paritätische Mitbestimmung" on supervisory boards albeit in only two industries, coal mining and steel production.

In 1950, the German Federation of Trade Unions proposed a "New German Economic Ordrer" which would carry the principle of equal representation throughout the economy. However, the 1952 Works Constitution Act provided only one-third of the seats on supervisory boards for employees, and this provision was limited companies or "Gesellschaft mit beschanränkter Haftung" (GMBH) with more than 500 employees.

We had to wait until the Social Democratic Party won office before the 1976 Co-determination Act was extended to cover companies employing more than 2,000 workers, though even this statute failed to achieve parity between employer and employee representatives. As a result of company restructuring, some employee representation was lost where the official number of workers fell below 2,000.

PARITY OF LABOUR AND CAPITAL?

The co-determination act of 1976 introduces a separate system of enterprise co-determination which gave employee representatives on the supervisory board of corporations new rights over the economic affairs of the firm. The unions traditional demands for equal co-determination rights or "parity of capital and labour" were met with three different forms of co-determination.

1. Companies in the coal, iron and steel sector must give representation to employees and employers on their surpervisory boards. Vested with a casting vote, the chairman is controlled by both parties. The statute also requires that the personnel director (Arbeitsdirektor) has the trust of the unions.

2. Equal numbers of employee and employer representatives are required on the surpervisory boards of corporations with more than 2,000 workers. However, since managerial staff representatives are counted as employees this does not necessarily ensure parity. In this case the chairman's casting vote is held by an employer who can over-rule employees representatives in the event of a deadlock.

3. In other coporations, employees only hold one-third of the seats on the supervisory board. Although the 1976 reform did not provide for absolute equality on supervisory boards it still represented a significant change for industry. Increased employee representation put pressure on employers to reach agreements rather than make constant use of their casting vote.

THE IMPACT OF DEREGULATION

Since 1982, Germany's conservative government has taken some steps towards privatisation and deregulation, but none as radical as Mrs Thatcher did in Britain. In the areas of labour and social security law, the impact of deregulation has been confined to marginal groups in the labour market leaving the better off, better qualified core of German labour virtually unaffected. This has lead to a growing social disintegration, more apparent in the area of what was formerly east Germany.

The "German model" also faces a challenge from "new production concepts" which tend to favour a more individual and informal means of workplace cooperation. Continuous technological and organisational change can undermine established and formal systems of representation. German workers will have to modernise the legal co-determination model if they want to preserve their right in the future.

(Extracts from "Die Mitbestimmung. Europe". Hans-Böckler Foundation. English Edition. 1992. Interviews of Roland Köstler and Th.Kreuder.)

2.8.2. PARTICIPATORY MANAGEMENT

Text 2:

PROMOTING THE IDEOLOGY OF PARTICIPATION

"What does involving workers in the management of an enterprise entail? What it means - and it's a hard task for the human resource managers who have to deal with it - is giving workers the feeling that they belong to a community of work rather than an enterprise. That they do not only contribute their daily labour in return for money but also that their enthusiasm for their work, their desire to work well and better, their imagination, and, to use a fashionable word, their "creativity"

Methods vary, ranging from the right of expression as defined in legislation since 1982, to quality circles, passing through all forms of information and communication aimed at creating the right atmosphere in the enterprise. Employees may be invited to make proposals concerning modifications to equipment, the introduction of new technology, the restructuring of tasks, changes in the organisation of work, etc. They can be directly encouraged to find their own solutions to problems of quality, or productivity ... They may also be able - the term "enterprise culture" being another fashionable phrase - to take part in joint sports, use an informal style of address among colleagues, or shake hands with the marketing director...All these practices have one point in common: the aim is to elicit more work in exchange for forms of recognition that tend to be more symbolic that real.

Some ideologists present participatory management as a form of "shared economy" virtually leading to worker managment and democracy within the enterprise. Our first reaction would be to point out the wide difference between word and deed. Furthermore, such a concept is even further removed from reality in State or territorial public service where decision making powers cannot be shared.

A MEANS OF BYPASSING UNION REPRESENTATION

The enterprise is a place of contradictions where wages versus profits lead to a conflict of interests. In a democratic regime, there is a permanent means of overcoming this conflict of interests through the contractual relationship whereby each side has their own role and responsibilities. The employer who takes decisions and

risks is mandated by the shareholders and owners of capital; the union is mandated by the employees to collectively defend their interests. The works council, the joint technical committees and staff delegates are the representative institutions for workers within the enterprise or public service. The union, closely linked to the former, usually represents the interest of employees of an occupational group or employees in general.

It is this system of delegates and representation that makes it possible, through social dialogue, to obtain and improve collective agreements and branch agreements. The latter - which is of vital importance - regulate the working conditions and pay, not only on the basis of the specific conditions within the enterprise but also on developments in the national economy in general, one of the indicators of this being changes in prices which inevitably affect the purchasing power of all French employees.

Expression groups, developed as a result of participatory ideology and called on to express their views on the organisation of work, therefore tend to replace staff delegates, works councils, joint technical committees or Health and Safety Committees. In the guise of "direct democracy" or a "shared economy" which is no more than an illusion, informal groups are set up which then, to a greater or lesser extent, imperceptibly take over the trade unions' bargaining role."

(From the preparatory report to the 17th Congress of the Force Ouvrière, France. 1992).

III. BARGAINING

Theory

Bargaining. That is without a doubt the watchword of the trade union movement, at any level: at the workplace, and with all authorities that have any influence on workers' living conditions. It is also something that all union officials have to deal with on an almost daily basis. In one form or another, bargaining constitutes the very substance of the trade union movement.

3.1. SOCIAL PARTNERS?

Bargaining may of course take many forms. Fundamentally, however, certain elements are always to be found, and in a sense define what bargaining is:

DIFFERENT INTERESTS ...

Bargaining takes place if and only if there is a difference of interests. The reason people or groups negotiate, or bargain, is not that they don't understand each other. It is because concretely, materially, they are in opposition over what each side considers to be in their interest, and which encroaches on the interests of the opposite party. In other words, agreeing to a gain for one side means accepting a loss for the other. And vice versa. The employer's interest is always to increase profits, and therefore to allocate the least possible to those they employ in return for their labour. The workers' interest is to obtain the best possible wages, the safest working conditions ... and therefore that the employer agrees to sacrificing more of their profits for the normal remuneration of the workforce. This opposition between employer and worker is reflected in a "balance of power" and that is what fundamentally determines the outcome of the bargaining process.

...BUT A COMMON WILL TO REACH AGREEMENT

At the same time, bargaining can only take place if each party recognises the other as a negotiating partner, and agrees to hold discussions with them. In other words, if the two negotiating partners feel that despite their differences, there is a common link and that this motivates them to speak to each other. If the employer feels that they do not need to discuss anything with the workers' representatives, that they can decide alone on everything concerning the life of the enterprise, then of course there can be no bargaining. Similarly, if workers see social dialogue as another form of employer manipulation that should be denounced at every opportunity, equally there is no room for negotiation. It assumes not only that each side believes they have something to gain by it, but also that it represents a useful tool, to be valued in itself, to deal with a particular situation jointly (a situation that may be viewed differently by either side).

Bargaining therefore represents a highly paradoxical situation, where the protaganists agree to lay down their arms for a while and sit at the negotiating table, knowing that they have every interest in coming to an agreement. A good compromise is always worth more than a merciless fight where, finally, everyone is a loser. The social partners agree therefore to negotiate, while at the same time they continue to be in opposition, often fiercely, every time they discuss a particular measure or concrete demand. It is this dual, contradictory situation that defines the margin for negotiation. But there is always the risk that this margin will disappear, either because there is total agreement when the social partners find themselves shoulder to shoulder when asking for government assistance for the enterprise and for jobs, or every time negotiations break down, when one of the two, or both, partners decide to regain their freedom, believing that they have more to gain by allowing the balance of power to be played out directly, favouring straightforward confrontation.

3.2. THE BASIS OF ALL BARGAINING: THE BALANCE OF POWER

There is often a tendency to reduce the bargaining process to the moment when the negotiating partners sit down at the table together for discussions. In fact this moment only takes place after a whole series of developments, notably the prior agreement of the negotiating partners on the need to talk together. Often, an issue that has reached this stage in the bargaining process is already close to being solved. For it means that the negotiating partners have recognised each other as such, they have measured the relative balance of power, they have recognised the need for an agreement, and they already have an idea of the scope for agreement.

In the background therefore, is the position of both parties. The employer, as we know, has the power that comes from the ownership of the means of production, often tending to believe that because of this they have the sole right to manage the enterprise. The worker on the other hand only has the power of her/his labour, their greater or lesser skills, to which therefore are attached a higher or lower value, in the eyes of the employer, who obviously needs workers to make the company work, to develop activities, to help run the company... On the other side, the worker needs to find a job that corresponds to the highest skills they can offer, and also to their aspirations, in the hope that this will provide an income on which they can live decently. Employment contracts are negotiated on this basis. However, it is also the extent to which one or other party considers the conditions or demands of the other unacceptable that the employment contract is suspended. That leads to a strike (the workers' decision) or a lock-out (the employer's decision).

3.3. TAKING THE BALANCE OF POWER TO ITS LIMIT: THE STRIKE

The strike is the workers' ultimate weapon. It is usually used as a last resort, after exhausting, or finding impossible, all normal bargaining procedures. This is because before arriving at such a situation, workers generally take various forms of action, which are intended in a way as a warning to the employer. Certain selective, short term strikes are used, taking various forms (work to rule, sit-ins, protest stoppages, staggered strikes...) to show the employer the workers' determination. In principle, however, and this is clearly the case where there is action "to the bitter

end", a strike is first and foremost an indication of a serious deterioration in labour relations and that this deterioration has led, to workers' telling their employer that they are breaking off all relations with them until they agree to take the workers' demands into consideration. However, a decision to suspend, even temporarily, a labour contract, has major repercussions. First of all there are legal implications: the right to strike is not recognised everywhere, or to the same extent everywhere; in some cases it can provide a pretext for bringing in the police, the courts... Then there are social and material implications: even if workers through becoming unionised have formed a strike fund, stopping work always means a loss of income, which can sometimes be extremely difficult to bear for workers who have family dependents, or debts of some form... This explains why this ultimate weapon, that in a sense constitutes the furthest extreme of the bargaining process is only used to remind the employer that their company, their capital, are only worth as much as the workers' ability to put them to work, and make them productive; to remind them that the workers intend to be fully recognised as such.

The procedure is exactly the same for strikes for, for example, demanding civil rights. When workers decide to stop work, to halt production, it is because they don't at that time have any other means of making the employers and the ruling political class understand that the country's development depends first and foremost on their activities, to what they produce as wealth, and that there is therefore nothing that can justify the failure to recognise in full, within society as a whole, their rights as workers and citizens.

3.4. BEFORE BARGAINING: ASSERTING YOUR PLACE AT THE NEGOTIATING TABLE

This, the recognition of the rights and status of the worker, is the basis of all bargaining. Even if it is not directly placed on the table ("we always negotiate concrete proposals, never principles") bargaining is always about the balance of power between the negotiating partners. Demanding an increase in wages in a sense means demanding that the value of the workers' labour be reassessed; fighting for job security is refusing the concept of workers as "merchandise" that can be used or discarded at will; protesting against minor irritations or grievances means affirming the workers' right to dignity.

In this sense, whenever bargaining takes place it is not a "minor" issue. Each time it is the same fundamental factor at stake, in one form or another. This also implies that there are no limits to bargaining. Not only do trade unionists "always want more" as the saying goes, but they also want to have their word to say. And that includes the managerial, industrial and financial decisions etc. taken by the company.

3.5. FUNDAMENTAL WORKERS' RIGHTS: NON-NEGOTIABLE

Demanding the recognition of trade union rights - freedom of association, the right to elect representatives, to express their views, to negotiate, to strike... is by no means a separate domain, distinct from other "more tangible" aspects that workers seek to obtain through bargaining. The fight for trade union rights is not only the essential basis of bargaining, it is also constitutes in a sense a fundamental issue for workers: asserting their right to the freedom of expression, to organise, to par-

ticipate in decisions affecting their working and living conditions; in short, asserting that the democratic principles now officially upheld by most of our societies are also applied to the world of work, and play a role at the different levels that affect the lives and development of workers.

Practice

3.6. BARGAINING IN PRACTICE

Bargaining is a collective process which sets the employers on one side (or the representative of several employers) against the workers on the other. The latter have their own representatives. In, for example, the enterprise's central plant, bargaining is not conducted directly with all those concerned. The choice of representatives, their personal qualities, the mandate they are given, is all of utmost importance.

In the section below, we put the stress on the "technical" and "personal" side of bargaining. It is important to be aware of the fact that although, fundamentally, bargaining depends on the balance of power, the concrete results of this bargaining vary greatly according to the quality, skill and level of preparation of the negotiators. The way bargaining is dealt with is therefore very important and must not be left to chance. This includes not only the different preparatory stages but also those that follow negotiations. It is very important that all those more or less directly involved in the bargaining process have a full knowledge of the facts in order to appreciate the value of what has been obtained.

How does a person become a good negotiator? It is basically a matter of practical experience. It is through negotiating that a person acquires the thousand and one little techniques to take full advantage of their counterpart's weak points, and your own strong points. However, although there is no substitute for experience, it is worth drawing attention to a few practical points. This was our aim here, taking a typical situation, that of bargaining in the enterprise.

* **Read the text below and use it as a basis for analysing a specific bargaining situation that you have experienced in your enterprise or elsewhere. You can also use it to develop a practical exercise and for preparing negotiations, real or imaginary.**

3.6.1. PREPARING FOR BARGAINING

1. ALWAYS ANALYSE THE DISPUTE BEFORE NEGOTIATIONS BEGINS

Bargaining usually arises following a difference of opinion. This may or may not take the form of a dispute. However bargaining is also one of the means of managing these disputes and differences, which arise on the shopfloor or elsewhere. That is why, before beginning negotiations, it is always necessary to analyse the different types of situation, potential or actual disputes, between employers and workers which may give rise to bargaining. This is an indispensable part of understanding labour relations, and therefore their role in the bargaining process.

This analysis must be carried out in advance, because in the first place it must enable the trade union organisation to prepare an offensive and independent strategy. It is important to avoid, where possible, having to negotiate "with your back to the wall" in a situation where the employer lays down the terms for possible negotiation. All bargaining must from part of a long term strategy by the trade union organisation as far as possible: what are the priori-

ties, what is there to be gained at present, what can wait until later, knowing that it cannot be won now, etc.

2. THE TYPES OF DEMAND THAT MAY LEAD TO DISAGREEMENT

Workers' demands concern the different aspects of working conditions in the broad sense. They challenge, partially or fundamentally either:

- the distribution system: pay, promotion, bonuses, classifications...;
- the enterprise's structures: how the employer exercises their authority, the organisation of work, the pace of work, safety, health...;
- human relations in the enterprise: incompatability between people, the psycho-sociological atmosphere, the communications network, how workers are involved in decision-making...; or
- the fight to retain jobs: plant closures, dismissals, restructuring, industrial conversion....

3. WORKER CONSULTATION

Preparing negotiations is first of all a matter for all the workers concerned. If, for obvious reasons of efficiency, certain workers must be mandated specifically to deal with the negotiations, it is of vital importance that every worker is able to intervene directly in this important stage, that of prior discussions on the principal lines of the mandate granted to the negotiators.

There are essentially two means of doing this: the indirect consultation of all workers, through contacts, surveys, and their direct consultation aimed essentially a ensuring their active participation. Indirect consultation is an appropriate method for, for example, bringing together the elements for inclusion in a list of demands to be presented to the employer. On the other hand, before entering into negotiations, it is important to weigh up all the points in direct discussions with all the workers. It is only through a general assembly that workers can define the mandate they give to their representatives. This means that they come to agreement on the demands they want to see defended, but also means that they affirm their support for the representatives. This is particularly valuable when negotiators find themselves in unforseen difficulties in obtaining the concessions hoped for from their discussion partners.

4. PREPARING THE TECHNICAL SIDE OF NEGOTIATIONS

The subject of the negotiations, the dispute or disagreement that caused them, must be examined in the light of a certain number of points that it is sometimes worth examining in depth:

- legal measures and jurisprudence defined by the courts;
- agreements signed in other enterprises or other sectors of activity
- the general economic situation, and the specific economic situation of the enterprise or its sector of activity;
- the accounts and the outlook for the development (or restructuring, closure) of the enterprise;
- statistics on the employment situation, purchasing power, price movements, forecasts by different official bodies;
- rules concerning the job, the shop floor, the organisation of work;
- studies on the consequences of the use of one type of technology or another, of material or another, the characteristics of one job or another;
- the initiatives taken in other countries, proposals put forward by other trade union organisations;
- etc, etc.

When preparing the technical side of negotiations, it is often necessary and useful to consult the technical services (where they exist) of the trade union organisation (at the regional, occupational or national level).

Another delicate tasks is that of selecting useful documents for the negotiations. It would be dangerous to bring tons of documents to the negotiating table, as it would mean spending valuable negotiating time in seeking the information necessary to back up your arguments.

5. SETTING THE MARGINS FOR NEGOTIATION

The credibility of trade union representatives is an important factor in the bargaining process. Nothing is more harmful, in this sense, than setting maximum, unobtainable objectives, only to have to beat a retreat and accept semi-defeat. Workers representatives that behave in this way will soon lose the esteem of both the negotiators on the employers' side, who will quickly understand that their opposite numbers will ask for anything and everything, and of the workers who will realise just as quickly that their representatives undertake promises that they are unable to live up to. Trade union demands must be realistic, as nothing is to be gained from utopian claims. Preparing negotiations is a means of ensuring that the demands put forward can be met within the framework of the enterprise as it stands. This may, moreover, be combined with a calendar for the gradual implementation of certain demands.

Setting realistic margins for negotiation - in other words the room for manoeuvre between a desirable maximum and a minimum level that you are determined to achieve by any means - is therefore an important preparatory stage for any negotiator. If you demand a pay rise of 20 francs per hour and obtain, after negotiation, an increase of five francs per hour, this will be seen as a failure and will have a demobilising effect in the enterprise. The "demand" must be very close to the "minimum" that must be obtained. Using the same example, if you demand a pay rise of seven francs per hour and obtain, after negotiation, five francs per hour, this will be seen as a victory and will reinforce the fighting spirit of the union. That is why it is important when establishing demands that they are as realistic as possible in terms of the economic situation in the enterprise, the region, the nation, and the balance of power. What needs to be worked out beforehand is how far the employer's margin (what the employer is ready to cede, and what they see as demands impossible to grant) can be reconciled with the trade union margin. The negotiations will finally consist of matching these two positions or margins as far as possible.

6. THE NEGOTIATORS' MANDATE

The problem as regards negotiators is firstly a numerical, physical problem: you can't negotiate with fifty people, and bringing a whole crowd of representatives along to "give weight" to your side at the negotiating table often leads to an excessively formal style of discussion. On the other hand, reducing bargaining to a sort of one on one discussion between the employer and a workers' delegate could give rise to all sorts of distortions (the negotiators may see no further than their personal views, or be influenced by a situation that favours excessive connivance...). While it is important, therefore, to be able to mandate a coherent team, and to be able to rely on the competence and skill of each individual, it is necessary at the same time to organise meetings for the representatives to report back and where there can be a public discussion with the workers.

The negotiators are not only spokespersons. They receive a mandate from the workers to try to defend their interests in the best way possible. This means that the negotiators must enjoy a certain amount of freedom, that they must be able to make choices, taking into account the information they receive from the negotiating partners, and taking full advantage of the bargaining process

itself. A good negotiator is responsible for finding the best possible agreement, and once s/he has fulfilled her/his task, s/he will report back on the draft agreement, and possibly defend it, to those s/he represents. In other words, the negotiators, unless they have a specific mandate, do not sign a draft agreement. They first submit it to the workers, who give their view on the outcome of the negotiations, and then but only then, mandate their representatives to sign the agreement or send them back to bargain again, carefully specifying their new mandate.

(Source: "La Negociation Syndicale" ("Trade union bargaining") Cl. Claerhout, E. Delvaux, Fr. Jacquet. Belgian Metalworkers' Federation, 1976)

3.6.2. WHEN THE REAL BARGAINING BEGINS

1. SETTING THE NEGOTIATIONS IN MOTION

To begin negotiations, procedures must be established as regards:

- the organisation of the meeting (the post of president and secretary, duration...)
- the course of the discussions (initial presentations, presentation of the arguments, examination of possible solutions...)

Establishing procedures is important because if these are clearly specified it helps avoid conflicts inherent to the very dynamics of the meeting, concerning the agenda etc.

The two sides must then give their account of what brings them to the negotiating table. This initial presentation should not serve to present bluntly the solutions advocated by the trade union organisation. It simply serves to determine the facts and to draw up a list of the priority points for negotiation (the contents of the list of demands). It would be unwise to put all your cards on the table without knowing what your negotiating partner is up to (you will not therefore explain your margins for negotiation at this stage).

2. HOW THE NEGOTIATIONS ARE RUN

The second stage of the negotiations is an exchange, or confrontation. It goes without saying that the move from the first to the second stage is imperceptible. There is no specific break-off point or time limit.

This stage begins once you believe you have enough guarantees as to the procedures and the necessary information from the opposite side in the dispute.

A) THE BALANCE OF POWER

During this stage of the bargaining process, the trade union negotiator must constantly refer to her/his mandate: s/he represents the trade union organisation, the workers in the enterprise. S/he is not Ms. or Mr. X or Y. S/he is the workers' spokesperson. Therefore s/he will not speak in the first person singular; s/he will not say: “I consider ... I want ... I think” but rather: “we consider ... we want ... we think...”.

Bargaining does not take place behind closed doors. It is part of the action. A trade union victory is not won around a table; it depends on the level of worker mobilisation and the struggles undertaken. Bargaining sanctions action. It is therefore important to always bear in mind the real balance of power, that is based just as much on the general social, financial and economic situation, on the context and the possible political support for one side or another, on the solidarity that each party may eventually call on from its own regional, sectoral, national and international structures... as on the pure and simple determination of the workers or the employer.

B) ARGUMENT AND COUNTER-ARGUMENT

Negotiations are won through the skill with which arguments are presented to your adversary; and therefore also thanks to the negotiators skill in refuting the other sides arguments. This requires not only having a good mastery of your own case but also taking the time to determine the views of the other side, to grasp what their line of thinking is. This is the only way of identifying the arguments that will affect and anticipate the counter-arguments that may be made by the other side.

The negotiating strategy therefore consists of three main elements:

- refuting the other's arguments: this entails identifying inaccuracies, absurdities, contradictions; it is important to "dissect" what the other side is saying and get your own version of the story heard;
- explanation: this entails giving further details on certain facts challenged by the opposite side, clarifying certain points, providing additional information, making the link with other points, or situations;
- proposals: this entails present your demands, justifying them and where need be putting forward alternative proposals that have been prepared in response to those of the employer.

C) HOW SHOULD YOU BEHAVE DURING NEGOTIATIONS?

Confrontation is the key point in negotiations. It is important to avoid finding yourself systematically on the defensive.

You must do everything possible to make the employer think in terms of the trade union's concerns, given that the employer's concerns are about exactly the same thing, but from the oppositive view. It is also important to avoid being sidetracked by points that have nothing to do with the purpose of the negotiations. A standard technique that is used is to drag out negotiations and lose sight of their original purpose.

While s/he has to show some flexibility, the trade union negotiator must nonetheless be able to centre the discussion on the list of demands and steer discussions back to the purpose of the negotiation whenever the other side tries to digress.

D) NEGOTIATING TACTICS

Avoid discussing principles: negotiating is about specific facts, the objectives to be achieved. It is measured in terms of concrete results, not in terms for example of "converting" the other side to the ideas or principles you yourself profess. Everyone has their own role to play, and their own views, and it is by agreeing to leave these aspects to one side that you succeed in formulating an agreement in which the interests of each are reflected, more or less. Principle is in a sense the trade union negotiator's "code", it is not the subject of negotiations.

E) SEEKING POSSIBLE POINTS OF AGREEMENT

As a solution is usually needed as soon as possible, the trade union negotiator will stress the points where interests concur.

This makes it possible to take note of the positive points which helps the negotiations by pointing the way to a conclusion. It is however important to avoid reaching provisional agreements when negotiating. This often carries the risk, once a certain number of points have been agreed on, of postponing discussion of remaining points to an unspecified time. Nothing is agreed until everything is agreed.

Noting points of agreement simply means recording them for the stage which focuses on the results that at first sight seem acceptable (it is not until you have a general overview of the negotiations that it is possible to assess the real value of provisional agreements).

F) AVOID RAPID CONCESSIONS

It is important to avoid making concessions too quickly. You may find yourself defending your minimum position, 'the very least that should be obtained'.

Concessions are only profitable if there is something in return, in other words if the other side also cedes some ground. It is only "profitable" therefore if your discussion partner is prepared in turn to make a concession of more or less equal importance.

Concessions are at the heart of the negotiating philosophy, which is one of compromise. Compromise is not a negative act, however. On the contrary, it is only because each side is prepared to do their utmost to reach a compromise that negotiations can take place. If this is not the case, you do not negotiate, you simply impose your own law or submit to that of the other side. Compromise is the ability to recognise the other side's right to protect their interests, and to take that into account. It is the prior condition for working together.

G) SETTING THE SCENE

Negotiations are also a drama to be played out. There is a whole ritual involved, with an orchestrated scenario. It is sometimes useful, therefore, to punctuate negotiations with a few dramatic gestures:

- have arguments in reserve to be used at the last minute (e.g. threaten a general strike in the enterprise);
- provoke a break in the meeting;
- find a way out of a deadlock or, on the contrary, refuse to give way at all
- organise the outside support of workers for the negotiations.

These steps will help revive negotiations when they start getting bogged down. Do not foreget that bargaining is not simply an exchange of rational arguments, it is also about the dynamics of human relations, and must be dealt with as such.

H) THE DELEGATION'S BEHAVIOUR

Everyone's role must be made clear in advance. Usually every delegation has a president who leads proceedings and coordinates the different members of the delegation. Do not forget that it is a delegation that does the negotiating not different individuals each with their own mandate. Careful coordination of the team is all the more important when, as is often the case, the employer's delegation is very centralised (when the employer alone negotiates or controls her/his delegation). Avoid at all costs contradicting members of your own team, or cutting each other short when speaking.

I) THE RESULTS OF NEGOTIATIONS

The results of negotiations cannot be analysed in the heat of the moment. You need to take a step back before being able to assess the level of achievement or failure correctly (compare the "margins" for negotiation). Leaving the negotiating table does not necessarily mean the end of the bargaining process. A negotiating session may quickly be followed by further confrontation. Furthermore, and it is worth stressing, an agreement is not reached at the end of a negotiating session. At the most, a draft agreement may be reached, which must be submitted to the workers concerned, and if need be to the regional, occupational or national structures of the trade union organisation. If a draft agreement is reached it must first be evaluated by the negotiators who must decide whether they will argue in its favour when they present it to the workers, whether they simply present the results or whether they will request a reconfirmation of the mandate to resume negotiations on different terms.

(Source: "La Negociation Syndicale" ("Trade union bargaining") Cl. Claerhout, E. Delvaux, Fr. Jacquet. Belgian Metalworkers' Federation, 1976)

3.6.3. AFTER BARGAINING

1. REPORTING THE NEGOTIATIONS

The negotiators are mandated by the workers. They have the right to know how their representatives have carried out their mandate. Communication - which should preferably be direct, for example a General Assembly - should not only be a report on the outcome (draft agreement, stalemate...) but also on the whole discussion. In this way, the workers can assess for themselves the positions taken by the employer and by their representatives and gain a relatively clear idea of the tone or style of the negotiations (know for example if each side showed flexibility, and will to reach an agreement... or whether they simply put their positions on the table).

2. CLARIFYING THE PRESENT SITUATION

Negotiating gives a clearer view of the situation. The workers usually have more information than at the outset. They also know - and this is an important factor - the views of the employer, have an idea of the employer's "margin" for negotiation and how firm a stand the employer is taking. It is therefore important to review the positions that were taken before negotiations began in the light of all this.

3. WEIGHING UP THE DIFFERENT POSSIBLE ALTERNATIVES

Negotiating rarely results in all the workers' demands being granted. Either a compromise is proposed (which may or may not be defended by the trade union negotiators) or there is a deadlock. In both cases, it is worth identifying the different possible scenarios:

- **if a compromise is accepted**, what are the consequences, what are the workers being committed to for the future, what is it that makes this the best (or "least bad") compromise possible, given all that is known about the balance of power?
- **if a compromise is rejected**, what is the minimum level that must be attained, what means (mobilising the workers, the solidarity of other workers, giving notice of a strike...) are everyone prepared to implement, how far is everyone prepared to go in face of the employer's firm stand?
- **if there is deadlock**, what should you do? Is the balance of power such that it is worth entering into a long term dispute and action? Should you revise your minimum demands? Is it possible to defend your demands by other means? What will be the consequences for workers of what they may consider a failure? etc. etc.

4. TAKING DECISIONS AND PLANNING ACTION

On the basis of the different alternatives foreseen, chose the one that seems the most appropriate. It should be stressed here that the more a decision commits the workers (to strike action for example) the more it requires their broad and determined support. You do not begin a strike for example on the strength of a 51% vote in favour, at a general assembly where only a few of the workers are present!

There are various forms of possible action. The first, and most obvious, would be a resumption of negotiations, putting other proposals to the employer. Another type of possible action would be an information and awareness campaign directed at the workers to give them a better understanding of the stakes. If the stakes are worth it, and if the workers are ready to do so, you may need to envisage a strike. This could be a

warning strike, or a fight to the end, in other words action that you are determined to continue until the employer is prepared to tackle the problem concerned. Action must therefore be looked at in the short, medium and long term; it is also important to specify who does what, what means, what techniques ... are to be used.

5. MONITORING THE OUTCOME

This allows you to adjust your objectives on the basis of the changes brought about by your action. Monitoring is simple when it is a question of implementing material means, but more complex, more subjective, when approaching it at the level of human behaviour, the reasoning behind a dispute or negotiation, the economic, political or social repercussions of certain decisions.

(Source: "La Negociation Syndicale" ("Trade union bargaining") Cl. Claerhout, E. Delvaux, Fr. Jacquet. Belgian Metalworkers' Federation, 1976)

3.7. WHEN WORKERS AT THE CATHAY AIRLINE COMPANY (HONG KONG) WENT ON STRIKE...

At the beginning of 1993 a major industrial dispute broke out at the Cathay airline company. It went through several stages, that we have tried to outline, presenting reports on the conflict on the tenth, thirteenth and finally seventeenth day of the action, when an agreement was reached putting an end to the strike.

* **Read the text below paying particular attention to the principal elements of the dispute, the position of the workers and that of management and finally the possible margins for negotiations. Assess the situation at the end of the dispute, evaluate the results for each side and to what extent the trade union organisation or trade union rights (specify which) have emerged strengthened, or on the contrary, weakened, by this conflict. Discuss the role that external elements (press groups, the legislative council) played in this dispute.**

* **This example may be used in a role-playing exercise on bargaining (on the tenth day, on the thirteenth day) forming groups of participants to prepare and run negotiations, either from the employer's point of view or from that of the employees of the Cathay company. It may also be used for an exercise in running a workers' assembly, assessing the negotiations on the seventeenth day of the conflict, when the Legislative Council made its views known.**

3.7.1. DAY TEN: "SOLIDARITY ACTION FOR THE CATHAY FAU STRIKE"

1. CAUSES FOR THE STRIKE.

"The strike of the Cathay Pacific Airways Flight Attendants Union (FAU) in Hong-Kong has continued for more than 10 days since its start on 13 January, 1993, drawing more and more public support.

According to the FAU, crew members of Cathay Pacific Airways (CPA) have often been required to overwork and operate out of position. The problem has became imminently acute since August 1992 because the management has ceased to recruit new members for cost-cutting. The FAU has in the past repeatedly reflected to the management that this problem would not only affect crew morale but would also create safety problems for passengers. There are also reported cases of abrupt, forced over-timed duties for some of the crew members.

In November 1992, the FAU pronounced that if the CPA management did not agree to improve the understaffed situation, FAU members (over 3,500) would start limited industrial action by working only within their position as from 1 December, 1992. The CPA management reacted by selectively suspending three crew members who refused to act out of position on 12 December, 1992 and subsequently dismissed them on 14 December. Meanwhile, the management announced the pay rise for the coming year for the crew will only be about 6%, falling short of the inflation rate for the year: 9-11%.

The three incidents: (a) persistent refusal to review the understaffed problem; (b) refusal to reinstate the three dismissed crew members and (c) refusal to adjust the annual pay rise according to past practice, have prompted the FAU to call a full scale strike on 13 January, 1993.

2. WHAT CAUSED THE BREAKDOWN OF NEGOTIATIONS: MANAGEMENT INSISTANCE ON VICTIMISATION

During the initial period of the strike, the CPA management refused to hold any negotiation unless the FAU called off the strike. When the Chinese New Year drew near in the interests of the travelling public, the FAU agreed to call off the strike immediately if the management agreed to reinstate the three crew members and continue to negotiate on the salary package and review the understaffing problem, even without management commitment on the latter two items.

At this stage, the CPA management declared and insisted that they must take disciplinary actions, including possible termination of service, towards active members in the industrial action. The management argued that if no disciplinary action is taken, its power will be fell in the hands of the union.

The FAU states in a public statement that, "if the FAU allows the CPA management to sack and penalize members who have actively involved in the strike, it would mean accepting the denial of the union's right to collective bargaining and to strike within the permission of the law.

3. THE UNION STRIKES BACK

Such attitudes of the management has only strengthened the determination of the strikers: not fighting for economic terms (many strikers have decided to leave the company after the struggle), but for their dignity and rights to industrial actions.

Under the chilling weather, hundreds of the strikers have started an overnight sit-in outside the Governor House on 21 January, 1993, after learning the management's insistence on victimization during negotiation."

(Source: "Asian Students Association". 25 January 1993)

3.7.2. DAY THIRTEEN: "CATHAY READY TO SUSPEND STRIKERS"

1. FURTHER ESCLATION

"Cathay Pacific last night threatened to freeze the contracts of striking cabin crew who refuse to report back to work by midnight on Wednesday. In a further escalation of the bitter 12-day dispute, the airline said strikers not registered for its February roster would no longer be classed as working crew and would need to apply in writing if they wished to be considered for future duties.

FAU spokesman, Miss R.Varghese, said: "This is clearly not a suspension or termination, but they are going to freeze the contracts. Whatever reason they have for doing this, it's hardly going to help negotiations". "It's clearly designed to intimidate people back to work. I think the company are worried that we had 2,000 members out supporting us yesterday.

Although the Cathay spokeswoman stressed the talks had only been adjourned at the request of the union, the FAU said they were unsure when negotiations would reconvene.

2. SUPPORT FROM A LABOUR PRESSURE GROUP

Cathay succeeded in getting 32 departing flights off the ground yesterday, its best day since the strike began on January 13.

But Miss Varghese maintained the strike was holding firm and said an estimated 2,000 members had attended a meeting at Caritas Hall yesterday.

They also won support from a labour pressure group, which has called for a boycott of the airline's flights. Thirty-four groups including trade unions, political parties, student unions and religious bodies formed a committe pledging support to the FAU. The support group claimed Cathay's insistence on punishing striking staff posed a threat to workers' rights.

The company's desire to victimise FAU members who have taken part in the action erodes the basic rights of workers to take industrial action." said Mr Lee Cheuk Yah, chief executive of the Confederation of Trade Unions. "If Cathay Pacific is allowed to go ahead and dismiss people who are taking strike action, it could set a dangerous precedent for any other trade union which takes industrial action," said Mr Lee. He said the support group would seek a change in the Labour Ordinance to prevent companies freezing workers'contract when they take industrial action: "there needs to be a change in the law to stop such witch-hunts and victimisation of people who are carrying out the fundamental right to withdraw their labour".

(Source: "South China Morning Post". 26 January 1993)

3.7.3. DAY SEVENTEEN: "LEGCO SETS UP WATCHDOG BODY"

"The 17-day strike by Cathay Pacific cabin crew formally ended at midnight, when the last protesters pledged to return to work after a Legislative Council initiative to protect staff from victimisation.

Thunderous applause from a 700-strong crowd greeted the announcement of the strike's end by Flight Attendants' Union (FAU) chairman Mr David Ngan after a meeting at Caritas House. Mr Ngan said that although he did not know whether the management was going to cooperate, the legislative's resolutions were reassuring and members felt much safer going back to work.

A Cathay spokesman earlier said the company would take a lenient approach to returnees, with any action conducted on an individual basis without a "witch-hunt". "We're not interested in taking action against the vast majority of cabin crew", she said. "Our first priority is to restore services to customers."

The Legislative Council House Committee set up a 14-member monitoring body and urged the Governor, Mr Chris Patten, to consider using existing powers to create a full board of inquiry or arbitration tribunal. The panel also urged Mr Patten to demand an urgent report from the Commissioner of Labour, Mrs Katherine Fok Lo Shiu-ching. It also called on Cathay not to victimise strikers."

(Source: "South China Morning Post". 30 January 1993)

IV. THE COLLECTIVE AGREEMENT

Theory

While trade union life is about bargaining, it is also about successful bargaining. In many cases, the disagreement that gave rise to negotiations extends far beyond an individual problem. Often this individual problem, once solved, will constitute a gain that could serve as the basis for settling other similar problems that arise subsequently. Hence the importance of "codifying" the results of agreements reached between employers and workers or the representatives of employers, or government, and workers' representatives. On paper, codified and signed, these are called "collective agreements" as they cover, on the workers' side at least (and often on the employers') a group of individuals.

4.1. A COLLECTIVE CONTRACT BETWEEN THE EMPLOYER(S) AND THE WORKERS

The collective agreement is in fact a contract. It is a document that, signed for example by an employers' representative and a workers' representative, commits the two parties in a certain number of areas on which they have reached agreement. For example: the employer agrees to maintain the level of employment for the next two years, to reduce the working week by one hour, to increase the hourly pay of all workers by a certain sum, or of a particular category of workers etc. Usually, the employer will demand something in return, which amounts to a guarantee as to the smooth running of the enterprise for the period covered by the collective agreement. In general, this means that the unions promise, for their part, not to table or support additional demands before the date set by the collective agreement and to do whatever is necessary to settle differences that may arise through consultative procedures foreseen in the collective agreement, or the procedures usually followed. There may be clearly specified exceptions to this. In Sweden, for example, the courts explicitly reserve the right for workers to demand, and even strike for, any dispute that calls "democracy" into question.

Such a document has a contractual and often legal value, which means that each party agrees to be bound by the terms of what they are signing. Should they fail to do so, they are liable to be challenged. First of all on moral grounds: if either party does not keep to its word, it shows that it is an untrustworthy partner, with whom negotiations must be constantly restarted. Then formally: the agreement is a reference point for all forms of arbitration or any labour tribunals in the country. The collective agreement may foresee certain penalties in the event that one side or the other fails to honour their obligations.

This points to the need for a collective agreement to be precise and explicit. It is important therefore to foresee what would happen in the event of a failure by one or other of the signatories to meet all or part of their obligations. It is also important to agree on arbitration mechanisms or bodies to be used in the event of differing interpretations of a particular point. Each side has every interest in ensuring that a signed agreement is repected and is applied satisfactorily. When an agreement

is called into question, which can always happen, you are back to a situation where there is no agreement, in which the balance of power, rather than rights, holds sway. This leaves the door open to all possible forms of unfair treatment.

4.2. A SYSTEM APPLIED AT ALL LEVELS OF INDUSTRIAL RELATIONS

There are all sorts of agreements, drawn up and signed at all levels, from those concluded by the union(s) on the shopfloor directly with their employer, to the multi-sector agreements that cover all employers and unions in a country. Finally, in certain industries there are also international employers' organisations and workers' trade federations that have signed collective agreements. At the national, or international, level, the political authorities often also play an active role to promote or support this process leading unions and employers' organisations to sign collective agreements together. The European Community has played an important role in accelerating the consultation process, and therefore the negotiation of collective agreements, between employer and union representatives within the different branches of activity. The International Labour Organisation, by organising regular dialogue between employer, worker and government representatives, by formulating conventions and recommendations, also helps promote this process.

4.3. A COLLECTIVE AGREEMENT MAY BE BINDING ON THOSE WHO HAVE NOT SIGNED

A collective agreement, therefore, is something half way between labour legislation, voted in parliament, and a private contract drawn up between two individuals. On the one hand it is a recognition by both parties that the other side has rights; on the other it defines a set of rights and obligations for categories of people that do not individually sign the contract by which they have to abide. Very often, however, agreements apply to all the workers in an enterprise (whether or not they are union members). Similarly, there are often collective agreements that cover all enteprises within a sector, regardless of whether the employers are part of the employers' federation that signed it. Agreements are not enlarged in this way automatically. In most countries however, rules have been elaborated that set out the conditions for extending a particular collective agreement, either as an additional agreement (barring provisions to the contrary) or a compulsory one for a whole industrial sector, or in some cases a whole country.

4.4. A BASIS FOR LABOUR LAW THAT THE TRADE UNION MOVEMENT HAS EVERY INTEREST IN DEVELOPING

Conventions that are binding on a whole sector of economic life seem to be very close to law. This does not detract from what they are however, which is freely negotiated collective agreements. In fact, from a legal point of view, it could be said that collective agreements constitute an intermediate stage: on one hand they formulate agreements in fields not covered by general labour legislation, other than measures taken by the government to regulate a particular problem in industrial relations; on the other they encompass all contractual relations between

a worker and the employer. This role is therefore variable. In some countries, the unions press their governments to legislate on subjects that elsewhere are governed by collective agreements, since they feel that the law has greater strength than collective agreements; in other countries, they prefer labour relations to be governed by agreements negotiated directly between the social partners. The latter believe that the law should not intervene in these direct discussions and that, furthermore, the balance of power is weighted slightly more in the workers' favour in these bilateral negotiations. Whatever formula is adopted, the ability of workers to intervene together, as employees, in decisions that determine their working conditions, pay, and in a sense the framework of their rights and the obligations they agree to fulfil is a fundamental right. The collective agreement system hence very often becomes a particularly important and dynamic basis for labour legislation.

4.5. CODIFYING TO LIMIT THE SCOPE FOR ARBITRARY DECISIONS

What should be put into a collective agreement? Preferably everything. In other words, it should attempt to define every aspect that affects working conditions, pay, recruitment, dismissals, employer-worker relations, the life of the enterprise, the recognition of the trade unions' role, the definition of support mechanisms, arbitration bodies etc. to settle differences. In short, everything that is not laid down or circumscribed by law and at the same time anything that tries to limit as far as possible the scope for arbitrary decision, which is bound to increase if things are allowed to be settled simply by the employer or if disputes between the employer and a worker always have to be settled on a case by case basis.

Of course, putting all this in writing, that is to say, codifying labour relations in full following negotiation with the employer is virtually impossible; it certainly cannot be done in a day. In practice, things are more simple. Problems are negotiated as they arise, commitments are made, and these commitments are set down in the form of a collective agreement. These gradually add up sense to form a set of agreements that each reinforce the other, and can be revised each time new problems arise, each time there is a change in the views of one party or another, or in the balance of power.

Furthermore, as we have already mentioned, each collective agreement takes its place in the hierarchy of agreements that exist elsewhere. The company agreement is negotiated on the basis of the collective agreement for the sector to which that company belongs (assuming of course that such an agreement has already been signed at the sectoral level, which is not necessarily the case in the less organised sectors); and the sectoral agreement takes as its reference point the multi-sectoral agreement. This in turn falls within the framework set out by national legislation and international conventions or charters ratified by the country...Collective agreements are therefore part of a complex chain, that is at the same time very flexible, and can be adapted to all variations in the codification of industrial relations. This codification also provides a permanent regulation of the balance of power, which workers have succeeded in establishing in a lasting fashion, to defend and whenever possible improve their situation.

Practice

4.6. DRAFT AGREEMENT FOR WORKERS IN THE FOOD TRADE (BELGIUM)

The economy does not consist solely of big companies. Both in terms of employment and the economy, small and medium-sized enterprises play an important role in the production, distribution and service activities on which a country's development depends.

The trade union movement however is confronted with certain difficulties in getting established in small and medium-sized enterprises. Yet this could be considered an area where unions are the most needed. These are the enterprises, where the employer has two, five or ten employees, in which workers are the least confident about making demands, where their rights are the most neglected, where wages are lowest.

This explains the importance of collective agreements, that should be signed at the regional or national level, to promote these workers' rights. These agreements form a legal framework that sets out the guarantees and minimum advantages for all workers in the sector, advantages and guarantees that would often be impossible to obtain at the level of the individual enterprise.

The collective agreement whose text is reproduced below (in translation) was signed by representatives of the Belgian employees in the food trade and workers' representatives in the same sector. In Belgium, this sector represents 34,000 workers, of whom a minority (approximately 6,000) work for major distributors (supermarkets, chain-stores). The majority, however, are employed in enterprises of less than 10 people, butchers or meat wholesalers, cattle feed suppliers... The very varied nature of this sector explains why a national collective agreement is not easy to negotiate. It is important to negotiate with both the big employers, used to dealing with unions, and with small independent employers who often refuse to allow unions to set foot in their enterprise. At the same time, it is a question of improving the situation of workers in enterprises which may only have one employee, and to leave large companies the possibility of pursuing further negotiations, to draw up enterprise agreements (which would therefore go further than the national agreement).

* **Read the text below and discuss its terms. Some are determined by the Belgian social system (the allowance reserved for unionised workers only for example) other can be found more or less everywhere. Compare these points with those which would be considered a priority in the social context in your own country.**

* **Compare this with the collective agreement (if one exists) in the sector in which you work. Find other examples of collective agreements.**

DRAFT AGREEMENT BETWEEN THE CONFEDERATION OF CHRISTIAN TRADE UNIONS AND THE BELGIAN GENERAL FEDERATION OF LABOUR ON ONE SIDE AND THE EMPLOYERS IN THE FOOD SECTOR ON THE OTHER. THE JOINT COMMITTEE FOR MANUAL WORKERS.

1. PURCHASING POWER

An increase in minimumm wages and wages effectively paid:

- in enterprises employing less than 50 people:

  on 1.1.1994: +2 B.francs
  on 1.7.1994: +2 B.francs
  on 1.1.1995: +2 B.francs

- in enterprises employing 50 people or more:

  on 1.1.1994: +3 B.francs
  on 1.7.1994: +2 B.francs
  on 1.1.1995: +3 B.francs

2. PAYMENT OF THE END-OF-YEAR BONUS BY THE SOCIAL FUND

The creation of a joint working group, whose conclusions are to be submitted by 31.12.1993. If the result is favourable, the necessary measures will be taken to implement this in 1995.

3. END-OF-YEAR BONUS

A. In enterprises that usually employ workers on a seasonal basis, workers have the right to an end-of-year bonus pro rata to the number of months they have worked in the year once they have been employed for 6 months in the enterprise concerned (note: this does not have to be 6 months consecutively, as was previously the case).

B. For young workers taking up employment in the four months following the end of their studies, the period in which they did not work will be included with the period worked when calculating their end-of-year bonus. This calculation will be made on the same basis as that foreseen for annual leave.

C. In the event that a contract is ended owing to serious fault on the part of the employer, the worker may claim an end-of-year bonus pro rata to the number of months worked.

D. In the event of voluntary departure, the seniority required to be eligible for an-end-of year bonus is reduced from 5 to 4 years.

4. WORKING CLOTHES

Allowance for non-supply: 100 B.francs instead of 80 francs

Allowance for non-maintenance: 100 B.francs instead of 80 B. francs.

5. NOTICE PERIOD

(Other than for early retirement). Less than 15 years seniority: 28 days. 15 to 30 years seniority: 56 days. More than 30 years seniority: 84 days, excepting the closure of the enterprise.

Note: this is a step towards bringing the status of blue and white collar workers closer together.

6. TRADE UNION TRAINING

Measures will be taken under the Social Fund to help finance trade union training.

7. SOCIAL FUNDS

- Employer contribution:

  in 1993: 0.18% of the wage bill
  in 1994: 0.45% of the wage bill
  from 1.1.1995: 0.15% of the wage bill

- Employment allowances:

A. Allowances for the employment of groups at risk will be maintained but the amount will be changed to a single lump-sum payment of 100,000 B.francs for hiring a worker full-time and 50,000 B.francs for hiring a work half-time, granted when the worker has attained 6 months seniority in the enterprise.

B. Allowances granted at the decision of the Board of Directors or the Social Fund Management Committee, which will take decisions at least three times per year.

8. TRANSPORT COSTS

The employer shall contribute to private transport costs from 6km (instead of 7 km)

9. RENEWAL OF AGREEMENTS CONCERNING:

A. Career break

B. Annual bonus

C. Exceptions relating to working time (the text to be revised to take into account the remarks made by the Ministry of Employment and Labour)

D. Exceptions to the 5-day week.

1O. TRADE UNION ALLOWANCE (FOR TRADE UNION MEMBERS ONLY)

Increase in the trade union bonus:

- for employed workers: BFR 3,300 in 1994; BFR 3,500 in 1995
- for the long term unemployed: BFR 1,500 in 1994; BFR 1,800 in 1995

(Note: the current allowance is BFR 3,000 for the employed and BFR 1,200 for the unemployed).

11. INDUSTRIAL PEACE CLAUSE

Industrial peace in the broad sense is understood as mutual respect, that is to say by both the employers and the workers, for written or tacit agreements:

- at the national level
- at the regional level
- at plant level.

Workers' trade union organisations agree not to table any more demands at the national, regional or plant level and not to provoke or initiate a dispute for whatever reason.

Employers' organisations and individual enterprises agree not to grant any supplementary or other advantages that exceed the application of the present collective labour agreement. They undertake to respect to the letter the measures contained in the present collective labour agreement.

However, in companies where it is customary to negotiate special agreements, bargaining may take place but must bear in mind the real financial and economic situation of the enterprise, in a spirit of moderation and taking into consideration the need to protect jobs; in the event of a disagreement, conciliation procedures shall be initiated before any action is taken.

(Extract from "SYNDICATS" the weekly publication of the FGTB. Brussels, 22.5.1993).

4.7. PRINCIPAL ARTICLES TO BE INCLUDED IN A COLLECTIVE AGREEMENT

What should be put in a collective agreement? This question can only be answered in terms of the purpose that led to bargaining between an employer and workers' representatives, followed by the formulation in writing of the contents of the agreement reached. There are therefore all sorts of collective agreements, covering of course workers' pay, their working hours, the level of employment, working conditions, the introduction of technologies, the organisation of work, etc., etc.. Each collective agreement will therefore be different from the next.

It is however important to be as complete and systematic as possible in the drafting of a collective agreement. Failing this, problems of interpretation will arise, which will require further negotiations, which everyone would happily have done without. This does not exclude trade union negotiators preferring, for tactical reasons, to allow themselves the margin for manoeuvre that comes from regulating certain matters in practice only. It is a matter for each trade union delegation to decide when it is appropriate to do so, to evaluate the balance of power, on a case by case basis. Formalising the agreement means making permanent rules out of the outcome of a compromise that can always be considered as being more or less in the workers' favour.

* **In addition to tactical considerations, it is also important to know which areas require careful attention. Below we have set out the major categories of the main points to be developed, depending on the nature of the agreement.**

* **Look through the different points in the list; discuss them together. If necessary use or change this to draw up a draft collective agreement on the type of problems under negotation (or that are the sub-ject of an industrial dispute) in your enterprise or sector of activity.**

PREAMBLE

1. Is this necessary?

2. If so, does it need to say more than, for example, “This agreement shall cover all the manual and clerical employees, but not managerial and supervisory staff...”

3. Should the two sides declare their intention to respect the agreement and to act in the best interests of the enterprise, for their mutual benefit?

TERMS OF EMPLOYMENT

1. What basic wage should be demanded?

2. What additionnal payments: bonus/incentive; payment by task/results; piece work; overtime rates?

3. Should the agreement specify that payment must be in cash; weekly or monthly; subject only to those deductions which are specified by law?

4. What should be the normal weekly working hours? Should they be fixed or flexible? Should the agreement provide for a maximum number of overtime hours? Should rest periods be specified?

5. What paid annual holiday is to be demanded?

6. Should there be a qualifying period of, say, 12 months? If so, should a worker be entitled to a shorter paid holiday after, say, six months?

7. Should a worker be entitled to take unpaid leave if he wishes to do so?

8. What kind of special paid leave should be available - for example, maternity, educational, compassionate, or extra paid holidays for younger or older workers?

9. Should the agreement provide for supplementary social insurance benefits, such as for sickness, unemployment, injury, maternity, bereavement?

10. If so, should the scheme be paid for by the employer alone, or from a fund made up of contributions of both the employer and the workers?

11. What should the agreement say about job security? Should workers be entitled to a minimum period of notice of termination of employment?

12. In the event of redundancy, should there be an agreed procedure to follow: for example, providing that the most recently-engaged workers should be the first to leave, or that when circumstances improve, redundant workers should have priority of re-engagement?

13. Should the agreement provide for redudancy pay and, if so, should this be on a scale varying with length of service?

CONDITIONS OF WORK

1. Should the working environment be referred to in the agreement?

2. If so, should it refer to specific matters such as temperature, humidity, light, noise, air quality?

3. Should the improvement of working conditions be the subject of joint action by the employer and the workers? How should this be approached?

4. Similarly, should there be joint action to promote safe working practices and to eliminate possible causes of accidents?

5. Should the agreement refer to first-aid facilities?

6. Should workers be entitled, under the agreement, to free protective clothing if their work exposes them to health or safety hazards?

7. What do the workers demand in the way of facilities for meals, refreshment, hygiene? Should the agreement provide for joint committees on welfare matters?

8. Should crèches and kindergartens be provided by the employer?

9. What sports facilities do the workers want?

10. Should the agreement provide for assistance by the employer in connection with workers' housing? If so, in what form?

11. Should there be periodical medical examinations for all workers, or only for specific categories of workers - and if so, who pays?

LABOUR-MANAGEMENT RELATIONS

1. Should the agreement recognise the right of workers to join trade unions and take an active part in their activities?

2. Should the right of trade union officials to enter the place of work be recognised?

3. Should the agreement provide for the "check-off", whereby the employer is authorised to deduct trade union subscriptions from wages?

4. Should there be provision for joint consultation on all matters affecting the enterprise, and, if so, should permanent committees be established for this purpose?

5. Should the agreement provide for the democratic election of workers representatives? Should non-members of the union be entitled to vote, or to stand as candidates?

6. What rights do the workers demand in respect of participation in decision-making?

7. Should the agreement specify that workers are entitled to participate in decisions concerning production processes, the introduction of improved technology, productivity, and the works rules?

8. Should there be provision for the proper treatment of grievances? What procedure do the workers propose?

9. In the event of a dispute between the workers and the employer, what should the agreement say about such possibilities as conciliation, arbitration and reference to various facilities provided by the Ministry of Labour?

INTERPRETATION

Should the agreement state the procedure which shall be followed in the event of differences between employers and workers as to correct interpretation of the agreement?

PERIOD

Should the agreement remain in operation for a fixed period, or until either side has given a specified period of notice?

AMENDMENTS

Should provision be made for the future amendment of the agreement; and if so, what procedure should be followed?

("Negotiating and Writing a Collective Agreement". Aids to worker's education. ILO. Geneva. 2nd edition. 1991.)

4.8. THE TRANSFORMATION OF THE INDUSTRIAL RELATIONS SYSTEM IN AUSTRALIA

The role of the social partners, the mutual recognition, the way they handle their relations with each other...this is never settled once and for all. In the eighties, the trade union movement found itself, in some countries, on the defensive. Arguing economic constraints, employers organisations and governments have often chosen to call into question a particular style of dialogue - bipartite, tripartite - that had been used to regulate industrial relations in some cases for decades. This proves, as if it were still necessary, that social dialogue in itself is of no value without the balance of power that the trade union movement is capable of tilting in its own favour.

* **The text below summarises the current debate in Australia on this subject. Trade unions in this country found themselves faced with an offensive by conservative governments aimed at dismantling the industrial relations system. This could put an end even to the right to negotiate agreements between employer and trade union representatives. Fighting to maintain this system, or a similar revised system, is therefore of utmost importance. What is being challenged is nothing less that the right to maintain solidarity between all workers, those who have the ability to defend themselves within their enterprise and those who do not.**

* **After reading the text, discuss the main ideas in it. How does the industrial relations system work in your country? What is its legal strength? To what extent do negotiations take place at the national, occupational, cross-sectoral or plant level?**

"Historically, the industrial relations system in Australia is based on a network of organised industrial committees at the federal and state level. These committees, composed of members representing both workers and the employers, have a quasi-legal status. Their decisions, whether taken by consensus or through arbitration, have force of law, and thereby are binding on all enterprises in the sector of activity concerned. This highly centralised system has been concerned above all to prevent industrial disputes. Without, employers' complain, taking economic competition into account, or the fact that the economic situation of enterprises may vary greatly within one sector.

INDUSTRIAL RELATIONS OR RELATIONS BETWEEN THE EMPLOYER AND THE WORKER?

The economic problems of the last few years, and above all the coming to power of conservative governments in different Australian states has posed a serious challenge to the traditional style of industrial relations. Wherever conservative governments have come to power, they have tried to replace traditional industrial relations between employers' organisations and trade unions with direct relations between the employer and the worker. Obviously such a change leads to no less than the replacement of the negotiation of collective agreement by the imposition of individual agreements, based on the sort of balance of power that is bound to exist between the employer and an individual worker.

Finding themselves on the defensive in many states, the Australian unions therefore turned to the federal government, currently a labour administration. This has the ability to impose its own legislation on all matters covered by international treaties. As industrial relations are for the most part based on the conventions or recommendations of the International Labour Organisations, this makes it possible to circumvent the laws and decisions taken by Member States. At the same time, the employers took advantage of the situation to argue the need for a thorough review of the traditional system in order to introduce greater "flexibility".

MINIMUM LEGAL STANDARDS FOR ALL AND THE RIGHT TO BARGAIN FOR THE REST

The new system emerging on the horizon could well work at two levels. A centralised system on one hand, at the federal State level, whose task will be to define minimum conditions, wages, working hours, social cover..., for all workers. This would be compulsory in all enterprises. Beyond these legal minimum standards for all, negotiations will take place directly between employers and unions, enterprise by enterprise. These negotiations will be held freely depending, presumably on the economic capacity of the enterprise and of course the strength of the union.

Confronting this new development constitutes without doubt a major challenge for the Australian Confederation of Trade Unions. Workers in general certainly accumulated considerable advantages under the traditional system. However, unions were principally concerned with using the resources of the system to the full (by making use of the experience of a committee in one sector in a committee in another, by getting an advantage achieved in one state extended to the whole country, etc.). Less attention was paid, however, to direct negotiations at the plant level. The redefinition of tasks between the federal State and collective bargaining in the enterprise will inevitably mean shifting the focus of trade union work. It will require a certain "remobilisation" of workers. At the end of 1992 just under 40% of workers were mobilised, as compared to 50% in the mid-seventies. In many enterprises, the trade unions are all too often still organised along occuptional lines which no longer reflect the reality of working life. In short, if the acceptance of this draft legislation by parliament provides a framework in which industrial relations can continue, it is clear that the content of these relations will depend to large extent on the capacity of the Australian trade unions to rebuild themselves.

(Source: Interview with Rob Meecham, Secretary, ACTU State Branch, Western Australia. Member of the ACTU Executive.)

V. THE SETTLEMENT OF INDIVIDUAL DISPUTES AND GRIEVANCES

Theory

5.1. THE DEFENCE OF WORKERS' INTERESTS BEGINS WITH CONCRETE ISSUES

Trade unionism does not consist entirely of collective bargaining and agreements however. It also consists of the settling of individual problems and disputes that arise at the workplace. A collective agreement is nego-tiated every year or every two years. On the other hand there are concrete problems to be dealt with every day, such as a worker's grievance against her/his supervisor, demands for a pay review, disputes over what the employer believes their prerogatives are and what the worker sees as an infringement of her/his rights. These are the problems of direct concern to a union representative.

First and foremost, a trade union exists to defend workers in their daily lives. Failing this, there is a strong risk that the workers will see trade unionists' declarations about "defending the interests of the working class" or "the promotion of workers' rights" as no more than hot air. In order to be credible, the trade union movement must tackle concrete, practical issues, which means paying attention to all the "little" problems of each individual worker, trying in every case to find the most advantageous solution. For the workers concerned, of course, all these problems are far from "little", they directly affect their daily lives.

5.2. A COUNTERWEIGHT TO, NOT REPLACEMENT OF THE EMPLOYER

This does not of course mean that an elected union representative is responsible for settling all the problems that arise within an enterprise and also therefore within a community. Neither should a union representative have to replace the company's personnel officer or department. On the other hand, it is her/his duty to keep a close eye on the way this department deals with staff problems and ensure that on each occasion the worker concerned can voice her/his grievances, and that her/his legitimate rights and interests are duly taken into account. This may sometimes lead the union representative to ask that a worker whose fundamental human rights have been challenged by another worker (for example because of racist remarks, or sexual harassment) can receive normal and official compensation. The employer, directly or indirectly, exercises the authority intrinsic to the management of a collective workforce; it is the duty of the union representative to ensure that this authority is exercised fairly. This implies, a certain number of rules about equality, and the respect of the fundamental rights of the person. The workers must be given a guarantee that under any circumstances they can express their demands, and grievances, that they can defend themselves and their rights in the event of a dispute, as a normal right, without fearing any reprisals of any form.

Such a guarantee cannot be given by the trade union movement. While laws, regulations and collective agreements provide a framework, they are worth nothing without constant vigilance, every day, to ensure that they are applied and used in practice. This provides the best measure of the daily work and raison d'tre of a trade union.

5.3. ENFORCING AGREEMENTS - ADVANCING WORKERS' RIGHTS

The role of the union representative is therefore particularly important in enabling workers raise problems regarding work, and working relations, not only in a subjective context between two people, one in a position of authority, the other making a protest or demand, but in systematically enforcing labour rights in the company. The problems raised by workers amount to many concrete cases that are useful particularly in developing jurisprudence (de facto, or in some cases codified in agreements) that takes workers' views and interests into account.

Let us take the case of a worker who feels her/his pay is too low. Of course it is always possible to include this demand in the next round of collective bargaining, but this will mean making a claim for a pay review for a whole category of workers, not for the individual. In order to respond to the grievance of the individual worker, the union representative must go further: why does the worker feel s/he is underpaid? in relation to what? This will in many cases uncover more general problems: the worker may for example occupy a post which, in other cases, for other workers, is better paid. Or, the employer may have asked her/him to work overtime, without considering it as such. Or the employer has given her/ him new responsibilities, more demanding work, without increasing her/his pay... etc., etc.. In short, as soon as you start to look at the problem seriously, and try to get to the bottom of it, you find that behind the concrete cases, either an existing (formally or de facto) regulation is not being applied or the problem is the absence of a regulation that has become necessary for a particular worker, and may well be applicable for many others.

Whatever the situation, intervention is urgent. Otherwise, by not fighting for the application of an existing regulation, there will be a tendency to gradually modify, very slightly but effectively, this regulation. Failing to pay attention to the worker that is the first to dare to pose a problem that in fact affects a whole category of workers implies a lack of interest in those workers which they will perceive, even if they do not necessarily say as much, as a "desertion of duty" by the union.

5.4 A DISPUTE BETWEEN WORKER AND EMPLOYER - A TRADE UNION ISSUE

Confronted by the problems raised individually by workers, the union representative finds her/himself faced with three different situations. The first concerns relations between two or several workers. That is the type of situation where the union representative should not intervene in that capacity. A climate of understanding in a workshop or office is after all the responsibility of the person who decides on the organisation of the work and the management of the production process. Matters become more complicated when a worker's behaviour infringes the fun-

damental rights or dignity of another worker. It goes without saying that in such a case the union representative cannot remain indifferent. There are also all the situations where the management style of the employers or their representative, their behaviour, leads systematically to tensions, divisions etc., within a team of workers. Here again the union representative must intervene. While the union representative does not exercise or claim to exercise the employer's authority over the workers, s/he does nonetheless have a duty to ensure that the same standards of behaviour apply on the shopfloor as within a democratic society that believes in the respect of the person.

The second situation is when a worker raises not so much an individual problem but rather a collective demand on behalf of all workers, or a certain category of them. This means that the individual problem cannot be solved through agreements, jurisprudence or customs, or more simply by the employer's common sense or good will, but rather that it requires fresh negotiations to raise this claim on behalf of all the workers, or a least for a well-defined category of them.

Finally, there is a third typical situation. It is where a worker introduces a grievance against the employer because s/he feels that her/ his rights are not being recognised (pay, recognition of skills, promotion), that the organisation of work, the employer's decisions (or non-decisions), make their task more difficult, more onerous, (which may lower her/his level of productivity, lead to unfair sanctions, cause stress, abnormal risks...) that s/he is being discriminated against, that the employer's behaviour is an attack on her/his human dignity (racist remarks or attitudes, for example), or on her as a woman (sexual harassment is still far too common)...In this situation the union representative has a specific task, known as "dispute settlement".

5.5. APPEAL MECHANISMS AND ARBITRATION SYSTEMS

How are disputes settled? Often "on the spot": the worker who feels they have a grievance turns to her/his union representative to arrange a formal meeting with the forewoman/man or supervisor. The union representative acts as the worker's barrister, but at the same time her/his presence places the worker's problem within the framework of union-employer relations in general. The large majority of grievances and disputes are settled this way, provided that the employer's representative shows a minimum of good will, and that the union has a reputation for seriousness and firmness.

Some disputes however are more difficult to settle, sometimes because relations between management and the union are more strained. Or because the employer refuses to create a precedent that they may have to take into account for a whole range of workers who believe they have the right to present the same demands. In such cases, the worker's defence often turns into a lengthy process that has to be taken through every stage. That is why in many countries, various appeal mechanisms and arbitration systems have been set up, first at the company level, then at the different levels of union-employer consultation, whether or not they have recourse to professional arbitrators, or have a mandate from the public authorities.

5.6. INDIVIDUAL DISPUTE - COLLECTIVE INTEREST

Finally, we should not forget that the law or the political authorities may also, in some countries, provide certain mechanisms for settling differences (this is the role for example of labour tribunals, that base their judgement on legislation, collective agreements, existing juris-prudence, custom...). All these mechanisms, procedures, and arbitration bodies may appear very cumbersome, but their first aim, when an employer refuses to take account of a grievance, is to continue to fight for it, without immediately turning an individual dispute into a collective one, while bearing in mind that the final resort of a worker who is the target of discrimination or has had their rights denied lies in the solidarity of other workers; this implies that, if an important issue is at stake, it is always possible to present it as a collective claim and therefore to impose negotiations on the employer, mobilising all the workers.

Practice

5.7. WHAT IS A GRIEVANCE?

For there to be a legitimate grievance, a worker must have had her/ his labour rights infringed. Furthermore, these rights must have been infringed, directly or indirectly, **by the employer or one of his representatives**. If an employee lodges a complaint and this complaint does not hold the employer responsible in any way, the union representative must still deal with the matter but it does not constitute a grievance.

5.7.1. TYPES OF GRIEVANCES

* **There are four types of grievances. Go through the list given below and try to find examples of grievances that have occurred or that may occur in your enterprise. To help you, use your collective agreement, your country's social or labour legislation and your knowledge of prevailing customs and practices.**

CONCERNING THE COLLECTIVE AGREEMENT

- pay claims (starting salary, automatic pay rises, an increase in merit increments, wrong job classification, wrong skills, the wrong level of post allowance, paid as salary or a bonus, incorrect productivity bonus or piece rate payments...);

- unequal pay (between workers in the same job or with the same skills...);

- unreasonable rate of production or work load (rapid rate of production, time limits, production standards...)

- assignment or appointment of workers (unfair transfer, infringements of the seniority clause, unfair promotion, unfair distribution of work, unfair dismissal or warning...);

- disciplinary sanctions (unreasonable rules, unfair sanctions, employees not adequately informed of rules or sanctions, reprimands, disciplinary dismissals, redundancies...);

- physical working conditions (unsafe, unhealthly, not in accordance with the relevant legislation or rules...);

- supervisory practices (abuse of authority, intimidation or coercion, malicious supervision, inadequate supervision, discrimination, favouritism, sexual, racial or ethnic harassment...);

- personal rights and privileges (authorised absence, unequal treatment...);

- infringements of trade union rights (failure to give adequate representation, refusal to grant the necessary leave of absence for the exercise of trade union duties, weakening the union, weakening grievance settlement procedures ...);

- other infringements of the collective agreement.

INFRINGEMENT OF THE LAW

In the event of the infringement of the law, the union can take two forms of action. It can either submit a request for the settlement of a dispute, according to the procedures foreseen, or it can initiate legal proceedings in the courts, or another legal instance entitled to do so. For

example, a complaint of sexual or racial harassment may, in most countries, lead to prosecution. In that event, the union representative's duty is to help her/his member initiate the necessary proceedings, and seek legal assistance if necessary.

INFRINGEMENT OF ESTABLISHED PRACTICES

This may be the cause for a grievance, particularly when the collective agreement is silent or ambiguous on the subject. When there is an infringement of established practices, the member may have legitimate cause for discontent, but in order to complain of infringement the following conditions must exist:

- it must be a persistent situation;
- there must be an explicit or implicit understanding between workers and management, for example a written or verbal understanding, and there must not be any objections on either side.

A complaint about an infringement of established practices obviously carries less weight than a complaint regarding a specific provision within a collective agreement set out in black and white. Depending on the country or enterprise, however, the recognition of established practices may carry more or less weight.

THE INFRINGEMENT OF WORKERS' RIGHTS

Complaints of an infringement of workers' rights arise from unfair or unequal measures taken by management towards workers. As is the case for infringments of established practices, the union must have a well-documented or well-defined case and must be able to refer particularly to other similar cases that have occurred in other circumstances or other enterprises.

5.7.2. WHAT IS NOT A GRIEVANCE?

There are many unfair situations that nonetheless do not constitute a grievance as such, and therefore, cannot be dealt with through the settlement procedures. If management has not wronged any person in particular, there is no grounds for complaint. This does not mean that the problem raised by the worker is not real, or that the union representative does not have to deal with it. Try to find examples, by discussing the matter amongst yourselves, and by using the list given below. For each case imagined (or that you recall), that gives rise to a complaint by a worker to her/his union representative, but which you do not feel is a matter for the grievance settlement procedure, determine the best course of action for the union representative to take:

- personal problems and requests for advice
- complaints against a colleague
- complaints against the State or a public body
- complaints against the trade union
- complaints against management not foreseen in the collective agreement that do not entail an infringement of established practices (it is up to the union representative to decide how to argue the worker's case before the employer).

5.8. COLLECTING THE FACTS BEFORE INITIATING GRIEVANCE PROCEDURES

* **Deciding on a complaint is not the end of the matter. The next step is to initiate the procedures that will enable you to win reparation for the worker who has been wronged. It is therefore important to prepare the case carefully, before meeting the employer or their representative, according to the procedures foreseen in the collective agreement. The preparatory stage of the proceedings is therefore of capital importance. Putting the facts together is the first stage. To avoid omitting any key elements, it is important to systematically make a checklist of the following six questions:**

WHO	is the person concerned in the grievance? (name, place of work, seniority, salary grade... Look also at the personnel file that the employer or their representative may have put together on the worker);
WHAT	are the demands? (what is the worker asking for to redress the injustice that they have suffered?);
WHEN	did the incident that gave rise to the grievance take place? (date, time, circumstances...);
WHERE	did the incident giving rise to the grievance take place? (exact place, work station...);
WHY	is there cause for complaint? (the infringement of a collective agreement? of legislation? of established practices? which exact article of the agreement, the law?...);
WHAT	should you ask for to settle the grievance and secure full redress? (reparation, damages, compensation...).

(Source: Steward training manual. Canadian Labour Congress. Educational Services. December 1992)

Choose a practical case based on your experience, and take time to analyse all the elements. Compose a concrete case as if you had to present it to the employer.

5.9. THE GRIEVANCE PROCEDURE:

The procedure to be followed for defending a worker whose rights have been infringed by their employer varies according to the country, and to the sector of activity. In general, this procedure is defined in a collective agreement, either between an employer and the workers in their enterprise, or by an employers' federation and the trade unions in the sector of activity concerned. Below we set out the measures foreseen in the collective agreement signed by the Boeing company, of Canada, and the automobile, aerospace and agricultural workers' union. Obviously this is just an example; other agreements often define the stages, time limits, etc. differently.

*** Read the following text and compare it with what exists in your country or your enterprise for settling workers' grievances.**

"All grievances arising between employees and the Company shall be dealt with as speedily and effectively as possible in accordance with the following procedure.

1. The Company is to possess the option of refusing a grievance unless the circumstances and the conditions upon which it is based have originated or occured within fifteen (15) working days prior to its first presentation as a written grievance, in accordance with the procedure laid down herein.

2. Wherever possible, a complaint from one or more employees will be brought to the employee's immediate Supervisor by the District Committeman and will be discussed by the Supervisor and District Committeeman before being reduced in writing as a grievance. The parties agree that when a written grievance is submitted it should contain a statement outlining the nature of the complaint, the area wherein the complaint originated and time and date of its occurrence.

3. Step N°1 - An employee having a grievance shall first submit the same to his District Committeeman who shall present the same, in writing, to the employee's immediate Supervisor and the District Committeeman shall deal with the grievance and the Supervisor shall deliver his answer, in writing, to the district Committeeman no later than the fifth working day following the day on which he received the grievance. It shall be mandatory that the Supervisor and the District Committeeman concerned, fully discuss the grievance and make a positive effort to resolve it before proceeding to the next step.

Step N°2 - If the Supervisor's written answer is not satisfactory to the grieving employee and/or the Union, the Plant Chairman will so advise the industrial Relations Manager, or his designee within five (5) working days of the Supervisor's decision. The grievance will then be slated for a Step two meeting in a final effort to reach a satisfactory solution.

Step two meetings will be held weekly between the Labour Relations Committee and the Bargaining Committee. In addition, either party may call in the immediate Supervisor, District Committeeman or the grieving employee.

Grievances will normally be heard at a Step two meeting in the chronological order in which they are slated subject only to the priorities (as set out in the next Article), witness availability, Plant location or other criteria mutually agreed upon.

If, because of a backlog of grievances, a grievance could not normally be heard at a Step Two meeting within thirty (30) working days of its being slated for such meeting, then the schedule will be increased to two (2) Step two meetings per week. Such increased schedule will then remain in effect until the number of grievances slated for Step two are reduced to the level where they can be heard in a timely manner as set out above.

If the grievance cannot be resolved in discussion at the Step two meeting, the Company will provide the Union with its written decisions within five (5) working days of such meeting.

4. The Company will supply such pertinent production, payroll and attendance records and disciplinary notices pertaining to the employee involved, as may be requested by the Union for the settlement of a grievance at Step two of the Grievance Procedure.

5. The Union or Company may file a "Policy Grievance" at Step two of the Grievance Procedure. A "Policy Grievance" is defined as one which alleges a misinterpretation or violation of a provision of this Agreement and which could not otherwise be resolved at lower steps of the Grievance Procedure because of the nature or scope of the subject matter of the grievance. The matter may be referred by either party to arbitration in the same way as the grievance of an employee.

6. A "Group Grievance" is defined as a single grievance, signed by the District Committeeman on behalf of employees whom he represents, and who have the same complaint. Such grievance will require only the signatures of two (2) employees in addition to any Union Representatives, and must be dealt with at successive stages of the Grievance Procedure.

7. If the Company has a grievance with respect to the conduct of the Union, its officers or Committeemen, or a complaint that the Union or any of its members have violated the provisions of this Agreement, the Company will submit such grievance to the Union and it will be taken up between the parties in the same manner as a written grievance, commencing at Step N°2. If the grievance is not settled to the satisfaction of either party, it may be referred to arbitration."

5.10. ARBITRATION

When a grievance cannot be settled in a satisfactory manner through normal procedures, at the level of the trade union representative and the employer, it is time to initiate arbitration proceedings. Arbitration does not begin until all possibilities under the grievance procedures have been exhausted. It is an appeal system that submits the case to one or several arbitrators, or tribunals, considered neutral in the eyes of both the employer and the workers, or at least who will only base their decision on objective and legal considerations.

Arbitration procedures are usually established by collective agreement. Below are the measures foreseeen for the above agreement. We must stress that in other countries or other sectors of activity, very different measures may be found.

* **Read the following provisions and discuss the content. Compare this with provisions existing in your country or your enterprise.**

1. If arbitration is to be invoked, the request for arbitration must be made in writing within five (5) working days after delivery of the decision to the Union or Company following step N°2.

2. Grievances submitted to arbitration shall have the following priority at arbitration:

- discharge
- layoff
- company grievances
- policy
- leave or absence
- others

3. Subject to Clause 2, grievances will normally proceed to arbitration in the order in which they have been slated for arbitration. Grievances to be heard by the Arbitrator will be confirmed by the parties fourteen (14) days prior to the hearing.

4. It is agreed that disputes which are carried to the arbitration stage shall be heard before a single Arbitrator. The Company and the Union express confidence in the ability of the undermentioned persons:

They agree that they shall be called to arbitrate on a rotation basis and in order of their listing.

5. A grievance slated for arbitration shall proceed in the following manner:

a) A letter shall be sent fifteen (15) working days to the arbitrator on a roating basis.

b) The first or second date received for arbitration shall be accepted for a hearing and the arbitrator shall be advised of the grievance(s) to be heard.

6. No matter may be submitted to arbitration which has not been considered under step N°2 of the Grievance Procedure and the Grievance Form and the decision written thereon or attached thereto shall be presented to the Arbitrator and the Arbitrator's decision shall be confined to deciding the issues therein set out.

7. ...

8. The Arbitrator shall not have jurisdiction to alter or change any of the provisions of this Agreement, or to substitute any new provisions in lieu thereof, nor to give any decision inconsistent with the terms and provisions of this Agreement, or to deal with any matter not covered by this Agreement. The Arbitrator, however, in respect of a grievance involving a penalty, shall be entitled to modify such penalty as in the opinion of the Arbitrator is just and equitable.

9. The decision of the Arbitrator shall be final and binding on both parties and his expense shall be borne in equal shares by the Company and the Union.

10. ...

11. At any of the grievance procedures, including arbitration, the conferring parties may have the assistance of the employee or employees concerned and any necessary witnesses. All reasonable arrangements will be made to permit the conferring parties to have access to the plant to view the disputed operations or to confer with the necessary witnesses.

12. An employee, appearing during working hours before an Arbitrator on the hearing of his appeal on a grievance, shall be paid by the Company, at his regular rate, for the time so spent. The same condition shall apply to employees who may appear as witnesses relative to an arbitration case.

VI. ORGANISATION AND FINANCES

Theory

6.1. PERMANENT ORGANISATION: A TOOL

Defending workers' interests is no simple matter. While, at the outset, unions were formed as voluntary organisations, they soon had to set up permanent structures. Their grouping by trade federation and by confederation increased this institutionalisation. In order to function in a small enterprise, one effective and energetic union representative is enough, although s/he will also need the material means for her/his activities. Maintaining contacts with members, participating in different works councils, preparing and holding negotiations with the employer... all this requires time and availability that has to be foreseen one way or another. This is all the more important in a situation where trade union action has to be coordinated across several enterprises or the whole area covered by the confederation.

Furthermore, a sectoral trade union federation, or a confederation, must also develop certain tools (a documentation service, training programmes...); similarly they must carry out research (on economic questions, on occupational safety). In short, as soon as it has grown to a certain size, the trade union movement must develop its own "machinery". This in itself raises a whole series of problems, firstly financial, and then that of democratic control.

6.2. TRADE UNION SUBSCRIPTIONS

Money is just as vital to the trade union movement as anywhere else. The more the trade union movement develops its activities, the more it develops its initiatives, the more acute its financial needs become. There are no miracles here, the money has to be found from somewhere. In practical terms, this means turning first to the union's own members, to those who feel it necessary to associate and share certain "tools".

The members are in a sense the primary "owners" of their union. It is they who therefore decide on the means they would like to devote to strengthening their actions. It is therefore up to them to take on the greatest financial responsibility. They do this through union subscriptions, or dues, paid directly to the delegate responsible for the union's finances, or by agreeing that a fraction of their salary be paid directly to the union each month by the employer, known as the "check-off" system.

How high should trade union subscriptions be? Obviously the situation varies from country to country and from union to union. We can simply say that they are usually calculated in an attempt to avoid two extremes: they cannot be too high because the workers' disposable income must be taken into account; or too low because at the same time the union must be able to face up to its basic responsibilities in terms of solidarity (a strike fund; assistance to workers in need...) and to develop a minimal organisational structure (employing workers to carry out

organisational tasks, producing a journal, setting up education programmes...). The "services" (social, legal...) that a union offers its members must also be taken into account. All these factors, that must be discussed and assessed by the members themselves, will determine widely different levels of union subscriptions. While in some unions, for example, these will be set at 1% of the workers' salary, in other organisations, it is calculated on the basis of one hour's pay per week, or some similar formula.

6.3. OTHER SOURCES OF FINANCE

Other sources of finance can vary greatly, and are often indirect. Firstly there are the advantages that unions can obtain through negotiations with the employer, if only through their recognition of them as a social partner. Examples include remuneration for workers who leave the production process to work full or part time for the union; allowances for workers taking part in trade union training courses; funds for union infrastructures (training centres, rest centres...); the "trade union allowance" paid only to affiliated members (that they in turn pay to the union as their subscription). Obviously this requires maximum caution and clarity, failing which the union may well find itself becoming materially "dependent" on the employer, who in a sense is buying its goodwill. A union that is not completely free from employer control is likely to rapidly become very ineffective in defending workers' interests...

Finally, there is public funding. It is very rare that governments intervene directly to support the unions (who risk the same loss of independence as when financed by the employer). On the other hand, it is more usual for governments, or international organisations, to encourage trade unions to take charge of activities that they believe are in the interests of society. Unions are the best placed to develop certain social, educational or cultural development programmes, or to take solidarity action in support of the peoples of the least developed countries... When the State grants aid for specific needs to the trade unions, it is simply to respond, usually at a lower cost than if it were to do so alone, to social needs that cannot be covered solely by worker solidarity. Here too, however, caution is needed. If unions are overburdened with too many major social works, if they are given too big a budget to handle, there is the danger, as occurs under communist regimes, of stifling the activist movement altogether, notably the trade unions.

6.4. THE BUDGET: AN INSTRUMENT OF POLITICAL CONTROL AND MANAGEMENT

All this goes to show that finance is far from being simply a technical problem. If resources are needed, what for? To develop which activities? How will these activities be evaluated and monitored? In this sense, the union's budget which must, at least for its members, be as transparent as possible, is also the best indication of what a union does, what its priorities are, and how and on what basis it views its role.

For example: does the union have the means to go beyond the simple stage of a minimal solidarity fund? To what extent does it invest in "bricks" (purchasing buildings, constructing rest homes, institutes...) and in "people" (training activists, research teams, the secondment of

elected representatives within and outside the enterprise, to develop the trade union movement...)? How important does it consider international solida-rity? etc.. In other words, the budget, the search for resources, how these are allocated, the choice of activities and means, all constitute an internal policy choice for the union. And this must be discussed as such, unless the union is to be turned - as is tempting for any organisation that grows in importance - into a big bureaucratic “machine”, beyond the control of those it is intended to serve, and to whom ultimately it belongs.

Practice

6.5. MANAGING TRADE UNION FINANCES

A trade union is a voluntary, democratic and independent organisation. To function, however, and in order to function independently, the organisation needs material means.

How should these means be raised, and above all how should they be managed and used most effectively? These are very practical questions facing all trade union organisations and, to an extent at least, all union representatives. While a union representative does not need to be trained in accountancy, it is nonetheless important that s/he should have a clear understanding of the main lines of a budget, of the expenditure and resources of her/his organisation. That is the aim of the text given below.

* **We suggest that you read through this text and ask yourselves, using this as a basis, how things work in your own organisation:**

- **is your organisation's budget known? do you have access to the data on the principal items of income and expenditure? If the answer is yes, discuss the different priorities that this budget reveals;**

- **analyse the relative size of the different budget items: remuneration of elected officials and administratiave or technical staff, permanent running costs, activities, social funds, solidarity fund...;**

- **how are resources distributed between the local, regional and national levels of your organisation, what proportion is allocated to the industry federations and what proportion to the confederation?**

Carry out a survey among those around you, both members and non-members of your organisation. What do they know about the budget and finances of your organisation? Are there rumours about "union money" and how it is used? If there are, how would you run an information campaign to put a stop to these rumours?

Find out from your members what they think about the union subscription, or dues, they pay. Do they think it is too high, or moderate? Do they know which funds their union subscription is allocated to? Do they think that the services their union provides them with are in proportion to the amount of their subscription? What sort of a sense of solidarity do they feel in paying their union dues?

6.5.1. THE UNION'S INCOME

1. SUBSCRIPTIONS OR DUES

The main source of union income (and often the only source) is the regular monthly subscriptions, or dues as some unions call it, paid by the workers whom the union represents.

If a union owns a building, it may have income from renting offices in that building to businesses or other organisations. Income may also arise from interest paid by the bank or the money the union deposits there for safe-keeping. The union may possibly have income from the sale of books or pamphlets or from investments or donations or from entrance fees.

2. CHECK-OFF OF UNION SUBSCRIPTIONS

In unionised work places with a high rate of workers being members of the union, the legislation of many countries makes it posible for the union to have the employer deduct the subscriptions every month from the wages of all workers. The employer sends the money directly to the union headquarters or to the union's branch in the form of a cheque addressed to the union. The employer also sends a list of the workers from whose pay these subscriptions have been deducted.

This practice is known as the "check-off" or "dues shop" or "dues deduction at source" and it saves a lot of time for the union's officers, stewards and other volunteers. Instead of spending most of their time collecting subscriptions they can deal with collective bargaining, grievances and other jobs that are important to the union's members. This is why many unions prefer the check-off system to the old slow system of collection by hand. Of course, an employer may voluntarily agree to the check-off independently with the union and without a government order.

6.5.2. THE DISTRIBUTION OF TRADE UNION RESOURCES

1. AMONG THE DIFFERENT LEVELS OF ORGANISATION WITHIN THE UNION

Unions are organised at the enterprise level, within a region, a sector of activity, at the national and international level. At each of these levels, the trade union organisation needs financial means in order to function, to pay those it employs, where that is the case, and to carry out its activities. The money collected from union subscriptions must therefore be shared out. In some unions, the bulk of income from subscriptions goes to the national organisation, followed by branch unions, then regional or local organisations. In others, shop floor unions and industry federations are the most developed and receive the majority of the income from subscriptions. The small amount remaining is then allocated to the regional and national organisations.

2. ACCORDING TO NEEDS AND ACTIVITIES

In general, trade union resources are used to:

- pay the salaries and expenditure incurred through the appointment of elected trade union officials working full time for the union

- pay the administrative or technical staff need to ensure the smooth running of the trade union organisation

- cover the costs of the union's premises, secretarial and administrative expenses, and other permanent running costs

- buy office materials, technical equipment, cover transport costs

- organise trade union training activities; possibly to meet the expenses of the workers taking part

- pay lawyers, experts or researchers who assist the union on specific cases, to help it in its action, to defend workers facing legal proceedings...

- provide a solidarity fund to be used in the event of social problems encountered by workers, to alleviate the consequences of strike action, possibly to support other workers in difficulty, in other regions or other countries,

- pay contributions to the international organisations to which the union belongs.

Depending on the organisation, expenditure will be higher or lower, and will concentrate more on one aspect or another. In countries where there is virtually no state-guaranteed social security system, solidarity and mutual aid funds are of prime importance. In other countries, where the unions are involved in many economic and social organisations, the union will usually need a larger and more specialised staff capable of dealing with statistical, legal and social information and help the trade union organisation define a clear stand in sometimes highly technical negotiations. It is the task of each union to make their choice on the basis of the income at its disposal.

6.5.3. THE BUDGET

The most important tool of financial planning is the budget. A budget is a plan for the following year which tries to estimate carefully the union's resources (income) that will be paid in over the year and the needs (expenditure) on which funds will be spent to carry out the union's policies.

A budget must be realistic. That means the figures of income and expenditure must be as accurate as possible - not just guesswork. Normally, the union's annual budget will be adopted by the Executive Council but the full-time national officers are the ones who have to plan it and propose it.

The budget can be planned by many methods. For example:

- you can list all the union's needs; attach the proper cost to each one (expenditure) and add up the total. Then list the probable total of resources (income) from subscriptions and any other sources and compare the two totals.

  Obviously, if the expenditure, or money needed, is more than the income, adjustments will be required. You must plan how to raise more income or to cut expenditures or perhaps a combination of both.

- another approach to budget planning is to first try to assess the probable income and then list the needs and cut them where necessary to make the two totals the same. Whichever approach is used, the union will have to list its needs in order of importance, or priority and decide how much expenditure to attach to each item.

Inflation: usual costs such as those of salaries, food, accommodation, travel, supplies, repairs and the purchase of assets may change as a result of inflation, or for other reasons. It is usually wise to build an allowance into the budget estimates to protect against rising prices.

Using either government statistics or your own experiences with rising costs over the past one or two years, you can apply a percentage to your budget estimates to allow for inflation. For example, if the costs of food and accomodation have been rising steadily at roughly 10 percent each year, you will want to reflect this in the budget for the coming year because of the effect it will have upon the expenses for officers, officials, executive council meetings, seminars, conferences and similar activities. Thus, you will carefully estimate each of those items based upon current costs and then incorporate an additional amount of 10 percent.

Similarly, travel expenses will be affected by the rapidly rising costs of petrol and are difficult to predict. A large allowance for this factor should be added to the budget for travel items.

The Income Side of the Budget: the Union's resources or Income must also be calculated in the budget. We can list for example:

- current membership
- potential membership
- monthly subscription rate.

(Sources: "Trade Union Financial Administration". Don H.Taylor. ILO. Geneva. Third Edition 1988)

6.6. "TAKING THE MINIMUM TO MAINTAIN THE APPARATUS"

How should union subscriptions be distributed between the local and regional structures of the trade union organisation, and the national structures? This is obviously a matter for an internal policy discussion. It is also, very often, something that will be defined on the basis of the traditions that have developed, and that, in some countries, will have favoured highly centralised organisation, while in others the local unions constitute the backbone of the trade union movement. Below are the views of Nicolai Belanovskii, vice-president of the automatic machine and farmworkers' union of Belarus. Discuss his views.

"In writing the constitution, we had two basic aims. One was to make the Union democratic, to get rid of the pyramidic structure. The plant organisations had to become the foundation of the union, and all the other structures should serve their interest. I knew from my own experience what it's like when things are the other way around. Union functionaries would come to the plant and issue orders; they never asked how they could help us. In that rigid structure, we sent them all the dues we collected, and they decided how much and for what purposes we could spend.

Those aren't normal relations. Unfortunately, the mistrust of higher structures has become deeply rooted. As people who had experience in the plants, we understood this and in writing the constitution, we took this into account. So, for example, only ten percent of the dues, the smallest proportion of any union in the republic, go to the central council. We decided to take the mini-

mum needed to maintain the apparatus and support our work. 90 per cent remains in the primary organizations. That, at least, is how we felt things should be in the first stages. It makes work with the primary organisations easier. When they have problems, I say: “Excuse me, but you have 90 per cent of the funds”. We ask and demand that they don’t spend the money but create strike funds. We could have created a central fund, but we had to take into account people’s mentality.

QUESTION:

How do the factory committees use their 90 per cent of dues?

ANSWER:

We still face big problems in the lower organizations. A lot of functions that rightfully belong to the state are still hung around our necks, a lot of cultural activities, libraries, sports, swimming pools, etc., that are maintained by our membership dues. For the transitional period, we are demanding that the state assume part of the costs. At present, the government gives us six per cent of the social insurance fund for maternity and sick leave, funerals and recreational activities. But we’re trying to get the system of social insurance reformed. We don’t want to administer these things ourselves but we want to be able to control how the government administers them and to determine policy.

So you see why many of our unions aren’t what we feel they should be. They are kept so busy with social insurance, sports, childcare, and the like, that they can’t pay the necessary attention to the price of labour, which is the primary issue”.

(Interview by David Mandel. In Canadians look at Soviet Auto Workers’Unions. D.Benedict, S.Gindin and L.Panitch. Report published in June 1992, by the Canadian Auto Workers. North York-Willowdale. Ontario. Canada.)

6.7. THE FINANCES OF THE CFDT (FRANCE)

Collecting subscriptions, dividing up a budget, balancing expenditure with resources, all this requires a certain number of techniques that are to be found, in varying forms, in most trade union organisatons. Obviously it is not only a question of technical rules. There are choices to be made, and to be discussed, usually at Congress. The clearest example is that of the size of union subscriptions, which affects all members of course.

Below we show how the finances of the French Democratic Confederation of Labour (Confédération Francaise Démocratique du Travail - CFDT) are organised. Read the text and discuss amongst yourselves:

- **how are union subscriptions collected in your organisation? Do you think that the method currently in use is the most effective possible? What problems could this give rise to in your relations with your members? with the employer?**
- **how is the amount of union dues defined in your organisation? Has the distribution of income from dues between the different levels of the organisation or between the different types of activity that the organisation would like to develop been discussed?**
- **in addition to union dues, does your organisation have any other source of income?**

1. Collecting union dues

According to the CFDT financial charter (adopted at the 36th Congress in Nantes, 1973) union dues, fixed as a percentage of net monthly salary, should be at a rate of 1% of salary for each member. The 37th Congress in Annecy in 1976 decided that the minimum level should not be less than 0.7% of salary, which was increased to 0.75% at the 39th Congress (1979). This percentage has not changed since then.

The distribution of union dues was as follows in 1992:

Dues frome each member amount to a minimum of 0.75% of salary, according to the CFDT financial charter. The union pays the Confederation the sums indicated in French francs in the table below on a monthly basis:

	Fr. Francs
- Confederation's share	5.23
- Federation's share	12.44 - 15.11
- Regional union's share	9.38 - 11.79
- World trade union solidarity	0.50
- Organising fund	0.80
- National Trade Union Action Fund	5.69
- Information fund	3.20

The difference between the total amount paid by the member and the amounts listed above constitutes the union's resources.

2. The dues collection and distribution department (SCPVC)

Created within the framework of the Financial Charter in 1973, the SCPVC:

- collects dues from the unions according to the rates set for each on the basis of their membership of the federation or regional organisation and monitors payments;
- informs the federations and regional organisations of the number of stamps ordered and paid by each union;
- distributes the dues among the different structures of the CFDT (federations, regional unions, confederations, etc.).

3. The Automatic Deduction of Dues (check-off).

In 1985 the CFDT promoted check-off as a means of improving the regularity and volume of membership dues. The principle is simple: the member signs a form and attaches a bank or post office identification form. The bank deducts, in 4, 6 or 12 instalments, the amount of the member's annual union dues, and credits it to the union's account.

Advantages: payment is made easier, the union is assured of receiving the total sum of annual dues (12 stamps per year).

Disadvantages: the risk of losing physical contact between the union and the member.

From January 1990, those in the check-off system have an annual plastic membership card in the form of a bank card, which is worth a total of 12 stamps. This card gives them the right to use the services of the confederation's shop, the strike fund, and the ASSECO's consumer services.

In 1992, the CFDT said that more than half its membership had joined the check-off system.

4. The budget

In 1977, the CFDT's operating budget amounted to F 14,450,000. Since then the CFDT has stopped publishing its income and expenditure, limiting itself to giving the percentage share of dues paid by members and the share of the confederation's other resources.

According to the QUID (1985 edition), the Confederation's budget for 1983 was F 22,100,000 (of which membership dues amounted to 18,200,000). For 1992, the Confederation indicated a budget of F 28 million, excluding training.

Neither the structure of the confederation's budget, nor the share of membership dues as a part of total income are made public. The CFDT does not publish any reports on its financial situation at its congresses.

5. Subsidies

Like other representative confederations, the CFDT receives subsidies for training, which are paid to the confederation then divided between it and the federations and regional unions.

The largest part of this subsidy comes from the Ministry of Labour, for the economic and social training of workers taking up trade union responsibilities. The CFDT received F 12,688,700 for this purpose in 1991, to which should be added F 4,350,000 (1991) for economic training and F 7,680,000 (1991) for information on continued vocational training.

(Revue Liaisons Sociales. "Les Organisations Sociales". Paris. 19.11.1992)

6.8. PAYMENT OF UNION DUES: AN OVERVIEW

"Metalworkers in Sweden and Finland pay nearly 2 per cent of their wages in membership dues to their unions, the amount paid by their counterparts in the United Kingdom is only 0.5 per cent. American auto and steel workers fall in the middle, paying a little over 1 per cent in membership fees. French and Italian metalworkers pay 0.8 per cent, while Australians, Belgians, Dutch and Germans in this industry pay 1 per cent of wages.

These figures emerge fron a survey of union membership fees carried out by the International Metalworkers' Federation (IMF) in response to questions from new affiliates in Central and Eastern Europe and the Balkans. The purpose was to give information, as simply as possible, on how and what members pay to their union. A questionnaire was sent to all affiliates in Western Europe, the United States, Australia, Canada, Japan, New Zealand and a few developping countries.

How much? Unions dues are often linked to earnings and represent a fixed percentage of the gross wage. Any wage increase is therefore automatically reflected in the membership dues. Separate arrangements can be made for pensioners, the unemployed and those undergoing training. In other cases, union members pay a fixed amount and there may be a lower rate for different members, such as part-timers and the unemployed. Whatever method is used the amounts paid vary according to the union, even if only slightly. In Finland, for example, three different metalworking unions had different rates: (1) 1.64 per cent of net income; (2) 1.4 per cent of gross wage and (3) 1.35 per cent of gross wage (approximately 1.95 per cent of net income). The survey report sets out the rates for 31 different unions. The union congress usually decides the rate to be paid.

Collective system. The most common method of collecting trade union dues is by the "check-off" system - that is, the automatice deduction of union dues from wages by the employer. In some countries, however, dues are paid by banker's order or collected directly at the workplace. In certain instances, the check-off system is combined with direct payment. In such cases, the greater part is paid through check-off.

Distribution of dues. There are significant variations in the distribution of dues between national, regional and local union offices. Generally, a large proportion is paid to the union's central office to finance a wide range of services for the membership as a whole: legal assistance; statistical and economic data for collective bargaining; education and training; and in some cases, welfare benefits.

In the Swedish and German metalworkers' unions, approximately two-thirds go to the national union and one-third stays with the local branches. In the United States the money is divided equally between local and national levels. In Spain about 45-55 per cent goes to the national centres, but the local unions may modify this figure. In Portugal funds are allocated according to needs.

In the United Kingdom, while the Amalgamated Engineering and Electrical Union (AEEU) allocates two-thirds of its income locally and regionally, keeping one-third for the national level, the Manufacturing, Science and Finance Union (MSF) allocates 92.5 per cent to the national level. This is similar to the Dutch Industriebond FNV union, which keeps 95 per cent for national use. Obviously, the distribution of dues reflects the internal structure of unions and the relation between local, regional and national levels.

A special feature of the Nordic countries is that an important share of the dues is used to finance an unemployment fund. In Denmark, for instance, about half of the amount collected in dues goes to this fund (Dansk Metall),

and in Finland (Finska Metall) it is rougly one third. For Sweden, IMF affiliates Svenska Metall and SIF also pay a large part of the dues into an unemployment fund.

Strike funds. Where the union has a strike fund, about 20 per cent of union membership dues is a normal allocation. For example, this is the amount allocated by IMF affiliates in Canada and Finland. In the United States the amount varies, according to the affiliate, from 7 per cent to 30 per cent. However, there are variations in methods of funding strike action. These include financing from overall funds; allocation on a case-by-case basis; drawing on surplus funds; the maintenace of a “solidarity” fund; a percentage levied on union “social” funds.

(International Metalworkers Federation: Trade Union membership fees - How are my dues allocated? Geneva, July 1992)

CONTENTS