



SUMMARY:

- **Collective bargaining at a standstill**
- **Statutory Congress of NTUC “Cartel ALFA”**
- **National Minimum Wage consultations**
- **The government proposes a new draft law on the salaries of budgetary employees**

Collective bargaining at a standstill

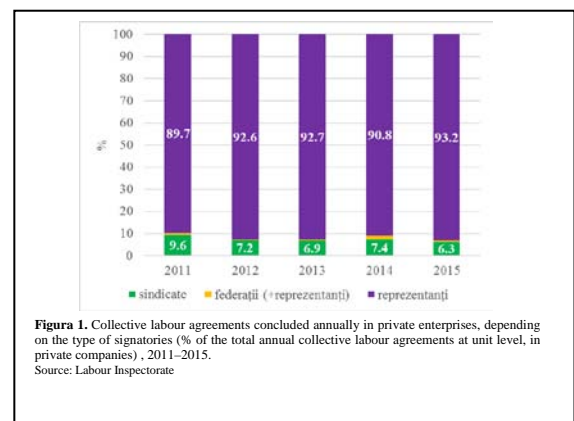
The changes of the labour laws have effectively eliminated the collective bargaining at the national and sector levels.

At the sector level, the requirement to have 50+1 of the members in the sector, for both negotiating parties make the conclusion of such a collective labour agreement virtually impossible. The requirement is excessive as 42% of employees work in small and medium sized companies. In fact, 32% of employees might not even have the right to union membership and collective bargaining, as they work in small enterprises (with less than 21 employees), while a trade union may be only set up with 15 employees of the same unit.

Eliminating the collective agreement at national level and the new regulations for the sector-wide collective bargaining led to a sudden decentralization of collective labour relations, collective bargaining practically taking place only in enterprises. Although at the enterprise level, the situation might seem different, with a slight increase in collective agreements, in truth this does not mean a restoration of the balance between employer and employees or an improvement in the distribution of growth.

From the total of 530,000 enterprises, only about 14.000 have a collective labour agreement. Of these, only a small proportion are signed by trade unions (see Figure), while the majority are being signed by the new 'representatives' of employees, this possibility being introduced in collective labour relations regulations in Romania. The representatives of employees, who do not enjoy the resources and the “power” of trade unions are in a much weaker position to negotiate, thus the quality of the collective agreements is inferior, failing to ensure adequate working conditions and fair wages.

NTUC “Cartel ALFA”, together with the other confederations, has been trying for the past five years to amend the laws in order to restore collective bargaining, but all the efforts are being blocked mainly by the Council of Foreign Investors and the American Chamber of Commerce.



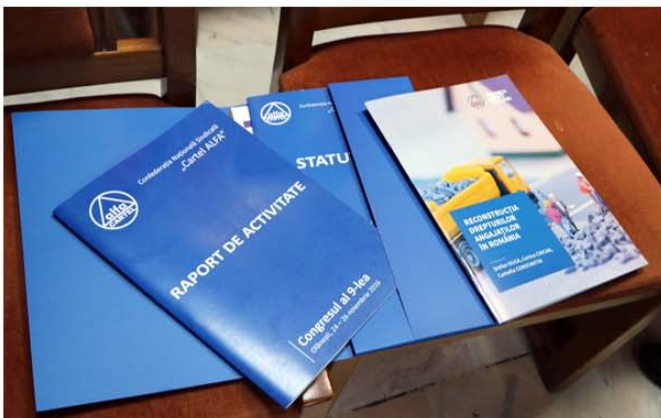
The 9th Congress of NTUC Cartel ALFA

The 9th congress of NTUC Cartel ALFA took place on 24-26 November at Olănești, with the participation of 350 delegates, representatives of affiliated trade union structures and the territorial branches of the confederation.

The debate centred on the theme of the congress: **Reconstruction of workers' rights**. The study, conducted in partnership with Friedrich Ebert Foundation, examines the social and economic implications of the policies of recent years on workers and their rights.

The neoliberal assault on labour market policies, deregulation, austerity, the transfer of the costs of successive crises on workers, in order to preserve and maximize profits, led to major social imbalances, expanding poverty and social inequality. All this was accompanied by an aggressive policy of de-structuring of social dialogue and annihilation of collective bargaining, as an essential tool to redress the balance between the capital and the workers.

The data are illustrative: in Romania the remuneration of the capital in the GDP has steadily increased in recent years, reaching from 49.8% in 2005 and 50.2% in 2008 to 55.7% in 2015.



Meanwhile, the remuneration of work decreased at the same rate, from 39.3% in 2008 to 32.3% in 2015, being now the lowest in the European Union; we have a tax system that favours the capital, a large number of employees paid with the minimum wage, and the state is unable to guarantee and respect constitutional rights.

A serious reflection on these legislative, economic and social realities is an essential step towards developing a strategy through which unions can fulfil their function as agents of change at all levels: the enterprise, the sector or national levels. These are all directions for action for the future goals of the confederation, adopted as resolutions for the next mandate.

During the Congress, delegates elected the members of the Executive Body of the confederation for the next for next four years: Bogdan Iuliu Hossu – President; Liviu Apostoiu – First vice-president; Petru Sorin Dandea – General secretary.

Consultations on the minimum wage setting

There have been several consultations with the social partners on the setting of the minimum wage for 2017 and the establishment of a mechanism for minimum wage policy.

The studies commissioned by the government have been criticised by NTUC Cartel ALFA as failing to take into account important factors, among which the heavy distortions on productivity data due to the high level of fiscal evasion and the massive transfer of profits from Romania, as well as the cost of „essentials” as a basis for minimum wage setting.

Although the minimum wage has steadily increased in the past years to the current level of 1250 lei (cca. 276 Euro gross/ 210 Euro net), it fails to cover the minimum necessities for living, calculated at 1480 lei (330 Euro).



What is even more concerning is the intention of the current government to „freeze” the minimum wage, due to its incapacity to handle the increase for the public sector. The „base” for reference in the public sector pay scale is still at 600 lei (at half the current minimum wage). The consequence of the subsequent increases of the national minimum wage in the past years being the flattening of the base of the wage pyramid.

A new draft law for public wages

The government has drafted a new law regarding the wages for staff paid from public funds. It proposes 116 wage classes; the largest base wage is 13 times larger than the smallest base wage. The smallest wage is set at 1625 RON (approx. 360 euro) for year 2022.

Apart from mentioning a series of principles that are disregarded in the text of the law, the draft fails to propose a balanced hierarchy of functions (the difference in two successive classes among the first deciles of the pay scale is just 1 euro, the pace increasing at 14% towards the top of the scale). Also there is no intersectoral equilibrium.

In addition, there is no unitary application provided, the performance bonuses have no criteria attached, and some entities like the National Bank and the Authority for Financial Surveillance are still excluded from the law. As no algorithm for wage setting is provided in the draft law, but only values, the application is arbitrary from 2022 onward.