UNI-Europa Finance Committee meeting, Rome, Italy, 18-20 May 2005

Collective bargaining in the European Finance Industry 2005

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Collective bargaining reports

In preparation for the UNI-Europa Finance Committee 2005, affiliates were asked to report on major industry bargaining trends in the sector over the past 12 months. Replies have been received from unions in: Austria, Belgium, Cyprus, Czech Republic, Denmark, Finland, France, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, and the United Kingdom.

The general background against which bargaining has taken place in 2004 has been one of continued structural change, albeit at a somewhat slower pace than hitherto, and big profits for many financial institutions. However, this increased profitability has not been matched by any increase in employers' generosity at the bargaining table, and any gains for employees have tended to be hard-won. A good deal of attention has been focused on maintaining purchasing power, pensions/retirement, gender equality, establishing a satisfactory work/life balance, and employment stability.

In particular, affiliates were invited to look at whether and how the following issues are addressed in collective bargaining:

- the implementation of the Joint Declaration of the Bank Social Dialogue on Lifelong Learning,
- offshoring and relocation of jobs,
- corporate social responsibility

The degree to which these broad issues can be directly introduced into collective bargaining obviously varies according to the traditions and scope of negotiations in each country and sector.

Offshoring and Relocation of Jobs is obviously a growing phenomenon, and in *Denmark* there is a joint committee to look at agreements to cover the issues. It is not yet a problem in *Sweden*, nor in *Greece* but it is being discussed in Greece with employers anyway. However it is certainly causing concern in Luxembourg, the Netherlands, Norway, and the United Kingdom.

Implementation of the Joint Declaration Of The Bank Social Dialogue On Lifelong Learning The joint declaration was agreed by the EU social partners in the banking sector in December 2002. It concentrates on four major topics: defining skills; recognising and validating skills; principles, rights and responsibilities; and the need to ensure equal opportunities when formulating training policies. It is important now that the terms of the Joint Declaration are translated into concrete measures in each country. Replies from affiliates show that progress so far has been mixed, although in some countries it is possible that more general action on training is being taken, and possibly outside the scope of last year's collective bargaining activities. There are no reports of specific action in *Austria*, *Belgium*, the *Czech Republic*, or the *UK*, and it is not included in the bank collective agreement in *Finland* but the ETYK has asked employers to adopt the Joint Declaration in *Cyprus*, and in *France*, although it is not yet included in all collective agreements, negotiations are taking place on the implementation of a law passed in May 2004 which guarantees training rights. In *Greece*, lifelong learning is a part of company-level negotiations, and in *Italy* the Joint Declaration has been included in the new collective agreement and the Italian Banking Association will contribute €300,000 to Enbicredito, the sectoral joint body in charge of financing vocational training and re-qualification projects for bank employees. In *Luxembourg* the issues were raised, but then negotiations stalled. In the *Netherlands* unions have stressed the importance of lifelong learning in connection with moves to raise the age of retirement and are discussing the matter with employers. In *Norway* the Joint Declaration has already been discussed with employers in 2004 and a statement agreed which has been added to the collective agreement. In *Denmark* several elements from the Joint Declaration on lifelong learning can be found in the FSU's collective agreement.

The Joint Declaration is not recognised specifically in the collective agreement in *Spain*, but the UGT wants it discussed within the framework of a sectoral observatory. In *Sweden* the draft of an agreement on lifelong learning has been adopted by Finansforbundet but not yet by the employers.

Corporate Social Responsibility was not directly integrated into the collective agreement in *Denmark*, but the social provisions are recognised as giving employees a better work/life balance. Similarly in *Finland* it is not a bargaining issue, but is dealt with in a more general way, and in *Sweden*, though not negotiated, it is high on the companies' agendas anyway. But in *Greece* corporate social responsibility is integrated into negotiations at the company level, and in *Italy* a joint Protocol for Social Responsibility has been signed. In the *Netherlands* it is taken very seriously by both unions and employers. In *Norway* the union sees the area as being closely linked to that of pensions, and in the *UK* companies are being urged to take their social responsibilities very seriously and it is being used as a bargaining tool.

The individual country reports are summarised below.

AUSTRIA ***Gewerkschaft der Privatenangestellten (GPA)*** The three biggest financial institutes in Austria wanted to set up a common payment transfer system and to staff it with their own employees, so new collective agreements had to cover the areas of cross-over and to protect negotiating levels in the event of transfers. These negotiations are still going on in 2005.

Monetary institutions are organized into five sectors, each having its own collective agreement. It is necessary to find innovative ways to organise the areas which are common so as to protect employees in case of cross-over mergers. For several years the GPA has tried to develop forward-looking new salary structures in collective agreements for the finance sector. The central point in this respect is to have factors other than seniority/years in service which determine the development of remuneration. The GPA model is to have employment groups and advances completed and discussed with the employers. The process should be transparent and the involvement of finance employees is a decisive factor.

After two years of negotiations, a process of remuneration reform has been agreed in the savings bank sector and the new salary system in the collective agreement comes into force in 2005. Company and sector-based bank training will be standardised and further developed through collective agreement, especially in the savings bank sector. Regulations on sabbaticals have been implemented.

"Gender-mainstreaming" will now be included in all collective agreements; the collective agreement process must follow gender criteria, and negotiators must receive "gender-training". Discrimination in part-time work has been forbidden, and obligatory equal treatment is anchored in the collective agreement. The time spent waiting to return to work after maternity leave will now be remunerated at full pay, so there is no longer any disadvantage in terms of salary development at the time of career reinstatement. There has also been an improvement in the collective agreement over the provisions of the law as regards protection against unfair dismissal. Negotiations over reorganisation (sabbaticals through pre-retirement models etc) will begin in 2005.

As regards pension funds, many institutions make additional payments to company-based pension schemes; this is regulated by collective agreement. However, employees fear financial losses as pension funds are not producing the returns that were originally anticipated. Efforts will be made through negotiations to minimise the consequences of economic developments for those employees who are concerned.

On teleworking, there have been discussions and demands over possible collective agreement regulations on telework jobs in the insurance sector.

For the first time an attempt has been made to involve the federation of pension funds in negotiations over the collective agreement for employees of the pension funds themselves. This is a small but important step. Up till now different collective agreements have been used in the enterprise–based and multi-enterprise funds.

BELGIUM 2004 was not a year for collective negotiations, but for social elections which take place every four years in all enterprises in all sectors. Over a short period, all enterprises elect the members of the enterprise councils and occupational health and safety committees, for which the three main unions present lists of candidates. The elections and their preparation require a lot of time and effort, as does the subsequent training of those who are elected. Enterprise- and sectoral-level negotiations normally take place every two years, after the negotiation of an Inter-Professional Agreement (AIP); this agreement was finalised in spring 2003, and followed by the negotiations and agreements in the sectors and in some enterprises. A new AIP, with the consequent sectoral and enterprise negotiations are on the programme for spring 2005.

In the insurance sector the problem of stress has been put on the agenda as a major priority. The unions and employers jointly organised a forum on stress where the employers recognised the importance of the problem. An appeal was launched by the joint insurance sector committee to get all insurance companies to set up action plans for a campaign against stress. A working group charged with preparing new job classifications has also started its work within the joint committee. Inside companies, attention has been directed at negotiations and agreements regarding the use of electronic communication for trade union work and to the procedures for dialogue with unions to be followed in the event of individual or group redundancies.

In the banking sector, 2004 started off with the signing of a collective employment agreement (CCT) on 26 January 2004. It was related to 2003-4 but the negotiations only started late in 2003 as things were held up over the issue of maintaining activities, even when they are transferred to a subsidiary. The new CCT for the banking sector includes a one-off bonus payment, the total reimbursement of travel to work (when public transport is used), a number of employment guarantees, greater possibilities for training, the extension of the “time-credit” system and so on.

2004 also saw the elaboration of *ELAN+,* a project including a vast number of activities for workers in banks undertaking *e-learning,* with written courses, involving seminars about social aptitudes, as well as those doing training on banking techniques. The collective agreements have been concluded over the procedures to be followed in the event of conflict, as well as on the functioning of the joint committee for the banking sector.

Negotiations over a new AIP have finished; the proposed agreement came in for heavy criticism but finally was agreed by two of the three major unions. As the AIP cannot come into force without the agreement of the three unions, the government has imposed the agreement on the social partners (employers and unions). It includes a new normative salary level, an increase in low salaries, the possibility for sectors and enterprises to make overtime regulations more flexible (which finance sector unions will not accept) etc. Over the course of the summer, the social partners will attempt to finalise new agreements at the inter-professional level on arrangements for the final part of employees' careers. These will be difficult negotiations. As there is a new AIP, albeit imposed by the government, sectoral negotiations will start off in the course of March-April 2005. Unions are presently preparing their list of demands.

CYPRUS *Cyprus Union of Bank Employees (ETYK*) The general collective agreement covering 85% of the finance sector, including all commercial banks, expired on 31 December 2004, so in October the ETYK submitted demands to the Bankers Employers Association (CBEA), which represents all the banks. The ETYK demands were consistent with those of previous years, though brought up to date, aiming to improve financial benefits to members, but also including items which had no cost to the banks but which offered improvements in employer-employee relations, employment preservation, and competitiveness. These included the representation of staff representatives on banks' boards of directors and the adoption of the European banking social partners Declaration on Lifelong Learning. The employers' counter demands were unprecedented in number and content, aimed at undermining basic rights. They included not granting annual salary increases, changing the Provident Fund/Retirement scheme, abolition of some allowances, reduction of sick leave, revision of opening hours and working hours, and the acceptance by ETYK of whatever outsourcing the banks want; at present, this is only done with the union's approval on a case–by–case basis.

In insurance companies and the smaller specialized banks, ETYK submitted its demand for the harmonisation of the terms of employment of members employed in these companies with those which apply to members in commercial banks. ETYK's aim is to have one collective agreement for the whole sector, or at least for all finance sector members to enjoy the same benefits (possibly through smaller agreements). So far this has been 95% successful, which is why the main collective agreement between the ETYK and the CBEA functions as a benchmark in renewing the remaining agreements. Negotiations for the renewal of the collective agreement between ETYK and CBEA began in January 2005, and are expected to be difficult, given the intentions of the banks and the resolve of the ETYK not to accept the abolition of vested rights.

The foreign-owned Arab Bank threatened to lay-off almost one-third of its workforce. It first replaced its General Manager with a person from the UK specialized in staff reductions, who soon announced the restructuring and his intent not to follow the practice that is usually followed; in Cyprus, when banks seek major staff reductions, they generally introduce a voluntary early retirement scheme in co-operation with the union, which provides terms and benefits that will guarantee the success in their aim as well as the approval of the scheme by employees and the ETYK. This move by Arab Bank and its General Manager has provoked a strong reaction, and tough negotiations are still in progress. In any case, ETYK is not willing to allow Arab Bank to proceed with the lay-offs that it wants, ignoring all industry customs and practices, and introducing new policies in the sector which will have widespread negative effects.

The third issue which caused friction in the past year in relations with the employers was the calling into question of some vested rights which have arisen through practice and the interpretation of the provisions of the existing collective agreements. Fortunately, the banks did not succeed and either backed off as a result of union actions and decisiveness, or the ETYK was vindicated through the provisions of the Industrial Relations Code (an agreement which provides procedures for conflict resolution).

In 2004, ETYK also succeeded in the creation and operation of "Grievance Committees" in all banks, and the renewal of the collective agreements in the Laiki Insurance Agency and in the Housing Finance Corporation. It also succeeded in extending for another year the non-repayment of the investor loans that the banks made to their staff for the purpose of supporting the market value of their shares, while the interest paid by ETYK members on these loans will be only 1%. Another important achievement was the start of the operations of the American Institute of Bankers in Cyprus and the agreement made with the banks which provides for benefits to those who successfully complete one of the AIB programs. This has always been a key aim of ETYK, which understands that knowledge is an essential factor in the production process and that Lifelong Learning is the most effective tool in the preservation of competitiveness of the employability of workers.

CZECH REPUBLIC ***Trade Union of Banking and Insurance Employees (OS PPP)*** Social dialogue at the sectoral and company level has changed, because priorities have changed over the last ten years. But OSPPP sees social dialogue as a continual process which has real effects, and maintains permanent contact with its social partners on all levels in both the banking and insurance sectors. OS PPP is the only trade union in the banking and insurance sectors in the Czech Republic; its social partner for collective bargaining at the sectoral level is the Bank and Insurance Association (SBP), and there are collective agreements at both sectoral and company levels. Company level collective agreements are usually valid for two or three years, but wages and social funds are agreed for one year only. The new draft of the sectoral collective agreement was drawn up in June 2004 and runs from 1 July 2004 to 30 June 2007. Over 75% of employees in banking and insurance are covered by the sectoral collective agreement, and the same situation is reflected at company level. The OS PPP's priorities are: collective bargaining, wages, working time, social security, health and safety, and trade unions rights.

DENMARK ***Finansforbundet (FSU/DK)*** On 8 March 2005 a new three-year collective agreement for around 50,000 employees in banks, savings banks and mortgage institutions was concluded by the Financial Services Union (FSU/DK) and the Financial Employers' Organisation (FA), thereby suspending the strike notice that had been issued. Both sides now have to ratify the agreement. A ballot of FSU members is expected to finally endorse the agreement on 11 April 2005. If endorsed by both sides the agreement could enter into force on 1 July 2005, and would be valid until 31 March 2008.

The negotiations centred on: general wage increases; work-life flexibility; and competence building.

The total financial package amounts to 9.61% over the next three years and is distributed in the following way:

Wages
- 2005: 2.35% (general wage increase) + 0.5% (min. local wage increase)
- 2006: 2.35% (general wage increase) + 0.5% (min. local wage increase)
- 2007: 2.40% (general wage increase) + 0.5% (min. local wage increase)

Pension	0.45%
Holiday supplements	0.22%
Other	0.34%

Pension contributions will be increased by 0.75% for all employees as of 1 July 2005. This implies that the total pension contribution per employee will reach 15.75% (the employers' part is 10.5% and the employees' own contribution is 5.25%).

Freedom to choose between overtime pay and time off (6th holiday week) has been introduced in the collective agreement for all those employees who are entitled to overtime pay. Previously this option could only be negotiated at local level.

Individual flexible working time (staggered working hours) has been introduced as an experiment, so it is possible to make local agreements that give the employee more freedom to arrange working hours as he/she wants. Local agreements can cover the entire workplace or parts of it and be terminated at 3 months notice. Individual agreements can be terminated at 1 months notice.

Framework conditions for local agreements on flexible working time specify that the average working week is 37 hours, and the reference period for calculating average working time is a maximum of 26 weeks. Working time can be based on 2, 3, 4, 5 or 6 days per week, but the working day must be no shorter than 4 hours and no longer than 12 hours. The working week must be no longer than 48 hours. It is a joint responsibility to organise working hours so that daily business operations are ensured.

Additional payments for staggered working hours are:

- Weekdays between 6 - 7 and 18 - 22 20%
- Weekdays between 22 – 6 25%
- Weekend and bank holidays 6 - 22 25%
- Weekend and bank holidays 22 - 6 50%

FSU and FA have revised the agreement on competence development that was introduced in 2003. Several elements from the European bank social partners' joint declaration on lifelong learning can be found in the Danish agreement.

Training funds can still be used for both professional and personal development, such as language training, personal development, retraining, IT and managerial skills. The agreement implies that the company pays up to two-thirds of training costs and allows time-off with full pay for the purpose. FSU can pay for up to one-third of the training for its members. The innovation is that it is no longer required to set up an education council, but the local agreement can be negotiated with the local shop steward.

In order to improve gender equality, DFL, FSU and FA have agreed to set up a new maternity scheme that will equalise maternity expenses between female- and male dominated companies in the entire finance and insurance sector. The scheme increases the incentive to employ and retain women in the finance sector. Mothers are entitled to maternity leave with full pay for 28 weeks and fathers are entitled to 14 weeks. The possibility to combine maternity leave without pay, but with continued full pension contribution, has been extended to 60 weeks after the child's birth.

Corporate social responsibility (CSR) is not directly covered in the agreement; however, several provisions give the employee a better work-life balance. In addition, the agreement gives the employee the right and freedom to take care of sick children. Also, leave with full pay is granted for up to 2 weeks when the child is hospitalised. The agreement also grants employees leave with full pay to take care of seriously ill family members in their own home.

On globalisation, and offshore outsourcing, FSU and FA have set up a committee to look at agreements concerning transnational companies, including European Companies. The committee will also look at conditions for outsourcing in general.

FINLAND ***Vakuutusväen Liitto (VvL ry).*** VvL is the only union in Finland with the right to bargain collectively and to sign collective agreements in the insurance sector with the employers' union. The Finnish central organisations signed the tripartite incomes policy agreement for the years 2005 - 2007 in December 2004. VvL decided to join this agreement after staying outside for almost a decade, preferring to negotiate its own collective agreements for the insurance branch with the employers' organisation. The new collective agreement runs from 16 February 2005 to 30 September 2007. The general increase in March 2005 in the insurance branch is 18 cents per hour (€30.06 per month);

however, at least 2.5% is for wages and real salaries. In June 2006 the general increase in the insurance branch is 2.2%. The objective of this agreement is to strengthen companies' competitiveness and to improve purchasing power. The agreement includes an index clause, so the central organisations will meet in November-December 2005 to review the economic situation, price trends, and related factors. If, between October 2004 and October 2005, the consumer price index[1] exceeds 2.6%, wages and salaries will be raised by an amount corresponding to the percentage exceeding 2.6% at the next general increase. However, if it is less than or equal to 0.4%, the increase will not be paid. If the rise in prices is due to special external causes, the central labour market organisations can agree on implementing the index clause in some other way. The signatories to the incomes policy agreement meet in May 2006 to review the implementation of the goals set out in the agreement and to monitor increases in earnings, focusing on how evenly the earnings of all employees and various sectors have developed during the agreement period, bearing in mind the agreement's objectives. A special committee is to be set up to decide possible increases on the basis of this clause and the tentative increases will be implemented in the manner decided by the sectoral parties. If the parties cannot agree, the increases are to be paid with the next general increase, as an equal-sized percentage to all. The tax-free travel allowances and the basis for their determination for the years 2005, 2006 and for the part of 2007 covered by the agreement are to be determined according to the relevant decisions of the National Board of Taxes.

The incomes policy agreement includes improvements in job security, changes in legislation, and the implementation of an operational model for employment and managing change.

Working groups are to be set up for the insurance branch on:
- Working time: promotion of arrangements for working time accounts
- Personnel representatives: prerequisites for the work of personnel representatives
- Equality: gender mainstreaming of collective agreements

By following a system of continuous negotiation, the signatory and sectoral parties can be flexible in launching joint projects for developing working life. The framework of working life can be enhanced through joint development projects and by highlighting best practices.

Suora reports that over 90% of all collective agreements in Finland expired on 15 February 2005; negotiations of new collective agreements for all sectors began in early autumn 2004. In the first phase, negotiations between the labour market organisations and the government led to an incomes policy agreement being agreed at the end of November, including general principles for wage increases and some working life reforms.

After this phase, individual unions and employers´ federations had two weeks to negotiate collective agreements for each branch of the private and public sector. During this period more than 80% of the Finnish branches concluded collective agreements which more or less followed the incomes policy agreement.

Suora´s preparations for collective negotiations in the banking sector began in January 2004. Several events were organised for members and shop stewards, and questionnaires were sent to members to find out the key problems at the branch level, in companies and at workplaces. Key collective bargaining targets were centred mainly on salaries: low income development (despite the banks' good financial

[1] (year 2000=100)

results), old fashioned salary systems, uncontrolled bonus systems, and increasing wage differentials between women and men. There were also problems of workload, and pressure to work at weekends.

The final negotiations in November-December 2004 proved difficult because of the employers' attitude: they were not willing to modernize the salary system, negotiate over bonus systems, and did not accept the fact of increasing wage differentials. Their own demands included the possibility of regular work on Saturdays.

The final agreement was reached on 16 December in negotiations led by the government arbitrator. The main results for the period 16 February 2005 to 30 September 2007 are for a general increase of 2.5% on 1 March 2005, a general increase of 1,4% on 1 June 2006, an equality allowance to be paid to women of 0.5%, and a sectoral allowance of 0.2-0.4%. There has been agreement over a procedure to renew the salary system and the cost reserve for that (minimum 0.8% of total salary costs). A new regulation concerning wage drift will cause significantly more wage drifts than earlier.

Employers´ demands to expand regular working time into weekends were totally rejected.

The sectoral collective agreement did not include the implementation of life long learning. The incomes policy agreement – which is binding in the finance sector, alongside the sectoral agreement – includes issues connected with strengthening and developing competence both in the companies and at the sectoral level. A work group between Suora and the employers' association is to handle these issues during the agreement period.

As to structural changes in the sector, in spite of the incorporation of the European Company Directive into national legislation, Nordea´s plans to transform itself into a European Company have not been realised. Activities to influence the process are going on in cooperation with NFU (its national organisation) and company level affiliates.

Apart from the Nordea process, structural changes in the Finnish banking sector have been relatively stable. There were some efforts to expand business to Baltic countries by increasing ownership in the banking and insurance sector, but not - as yet - by transferring activities to those countries. In addition, outsourcing was expected at the national level in ADB services.

Corporate social responsibility was not an issue in the negotiations. The reason for that was the employers' attitude: it is not an issue which can be agreed in collective agreements, and can only be discussed on a non-binding and very general level.

FRANCE ***FGA/CFDT Branche Crédit Agricole*** recalls that the Crédit Agricole group is composed of regional banks, and constitutes a branch on its own with its own nationally negotiated collective agreement; negotiations over the creation of a European Company committee are to start soon.

There have been several years of change in employment levels; between 2000 and 2002 nearly 15,000 personnel have been brought in to replace those taking pre-retirement at age 55 (this arrangement has not been renewed). Moreover, the law of 21 August 2003 on retirement reform has changed the options of older employees, meaning a longer working life which should be accompanied by professional development. The agreement opens up the way to capitalising on the experience of employees at the final stages of their careers and to incorporating their professional development within the new legislation.

On gender equality, the agreement supported by the CFDT (and in reference to European regulations) includes the development of an approach which will promote of the mix of employees of different sexes in professional development, as well as identical access to the various systems of training. Discrimination in recruitment, remuneration, and career management should disappear. Work-absences should be managed – especially those to do with maternity – with interviews before and after the leave. On working time, attention has been given to conditions of access to part-time work, ensuring that career prospects are not penalised, and to ensuring that a return to full-time work is facilitated.

The agreement falls within the framework of the National Inter-professional Agreement signed by all unions, and the law of 4 May 2004. This agreement provides a right to training for employees in all companies. At Crédit Agricole, 6% of the total salary costs will be devoted to professional training, with the objective of training all employees each year throughout their working lives so as to preserve their employability, whilst keeping an eye on particular groups (e.g. women, older workers) who are sometimes excluded.

Salaries are discussed in an annual negotiation on the value of [scale] points and/or allowances where the unions defend purchasing power in relation to inflation. Moreover, every five years the union negotiates the guaranteed minimum number of increases in points. Within enterprises there are also negotiations over individual increases and financial returns, in relation to results. For 2005, the union has obtained a 2.11% increase in relation to an inflation level of 1.9%.

The ***Groupama*** branch of the *FGA-CFDT*, covering 17,845 employees, had for its main demand that some coherence should be restored to salary scales which had become too complex and unfair; low salaries should be given priority. The new agreement includes a 2% increase in minimum salaries (covering 10% of the workforce), but nothing for other categories; it was not agreed by the unions and was imposed unilaterally by Groupama. In the course of 2004, negotiations were also held on continuous professional training, the employment of the handicapped, and the FGA-CFDT also asked for negotiations to open on the gender balance in Groupama's workforce, which presently is 59% female and 41% male.

Fédération des Employés et Cadres, FO, (FEC-FO) At the level of the main AFB branch, with 240,000 employees, the negotiation on salaries only covered the minimum scales from the beginning of 2005. An agreement was signed by FEC-FO which translates into an increase of 4% for the first level, 3% for the second, and 2% for the others (eleven levels in total). These increases only benefit about 1,000 employees. At the company level, negotiations took place between December 2004 and February 2005, and generally produced results which were inferior to those of the previous year, despite the companies' profits being higher in 2004. The group Crédit Mutuel Centre Est Europe/CIC (with over 30,000 employees) agreed to the highest rise: 1.8% for all employees. Otherwise, in the other banking groups, salary increases are generally lower than the general rise in the cost of living. Additionally, big companies like BNP PARIBAS and Société Générale just awarded bonuses: 25% of a month's pay at BNP PARIBAS and 23% at Société Générale. Crédit Lyonnais (28,000 employees) has awarded 1% to the first two levels, 0.8% for the following two, 0.7% for the two after that and a bonus of €250 for everyone. For managers, Crédit Lyonnais has awarded a bonus of €450 for those with pay lower than €35,000 (about a third of all managers). Crédit Agricole (70,000 employees) has given a 1.5% salary increase, while Caisses d'Epargne (40,000 employees) unilaterally decided to award 0.7%.
As to training, after the signing of an inter-professional agreement on training in September 2003, branch negotiations kicked off in 2004. For the AFB branch, the negotiations resulted in an agreement signed at the end of November 2004 on alternating training with work, on periods of re-qualification, and on the introduction of a professional observatory at the branch level. This agreement is of fixed term and has to be taken up into a more general agreement by 30 June 2005. This general agreement should

include provisions for individual rights to training, validation of experience that has been gained, professional qualification certificates etc. An agreement of this type has already been signed for the Crédit Agricole network, and negotiations have started for Caisses d'Epargne.

On retirement, a branch agreement was signed with the AFB, reorganising and improving the provisions of the 1993 agreement. It starts in 2005, and covers 60,000 retired employees who can benefit from an increase of 1% in their global bank pension. Moreover, an agreement on retirement at 60, involving training and employment, has been negotiated and was due to be signed at the end of March 2005.
On restructuring, the main events have been: the internal restructuring of the CCF/HSBC (which gave rise to negotiations on employment); the reconfiguration of the Caisses d'Epargne which absorbed the Caisses des Dépôts et Consignations; and the creation of the Banque Postale (70,000 employees) which is due to start on 1 January 2006. Of all these, the creation of the Banque Postale poses the greatest concern because, with a network of 17,000 post office counters, this new establishment risks creating an overcapacity in retail banking in France, with dangerous consequences for the development of employment which - at the moment – is stable.

The FEC-FO-Assurances federal section has negotiated during 2004 in insurance and mutual societies, brokerage, assistance, and general insurance agencies. Negotiations took place over lifelong professional training, following the law adopted on 4 May 2004 by the French Parliament, as well as on salaries (the collective agreements in these branches include an obligation to negotiate the minimum levels every year). As far as lifelong learning is concerned after more than a year of negotiations the union has not signed an agreement as it included the principle that professional training could be carried out outside working time. The problem came up at the same time as the European level social dialogue on the common declaration on lifelong learning. Negotiations in the insurance branch always start off on a foundation of restructuring and outsourcing by the insurance companies, which are oriented towards securing victories in the "health market".

In the Assistance branch, the negotiations on professional training began at the end of spring 2004, and had not concluded by the end of the first quarter of 2005; the text proposed by the employers' union (SNSA), is in its sixth draft. In the Agencies branch, an agreement on lifelong learning was signed at the beginning of December by CFDT, CFTC, and CFE-CGC. The federal section of the Assurances FO did not wish to sign this agreement for the same reasons as those given in the insurance branch.

In the Brokerage branch, an agreement was signed on lifelong learning, but only the part dealing with "alternation contracts".

GREECE ***Greek Federation of Bank Employee Unions (OTOE)*** On 30 June 2004 OTOE signed a new two-year sectoral collective agreement for 2004-2005, for banks and similar institutions throughout Greece. This followed six months of intense bargaining, accompanied by industrial action (including strikes on 1 and 11 June) by bank employees. The agreement provides for pay increases of 6% in 2004 and 5.9% in 2005.

The increase of 5.9% in 2005 will be paid in two instalments: 3% to cover 1 January 2005 - 30 June 2005, and 2.9% to cover 1 July 2005 - 30 December 2005.

These increases refer to basic wages in the 'uniform pay scale' for each category of staff, and do not include increases generated by allowances expressed as a percentage of basic pay, such as the long-service allowance, pay supplements, graduate allowance or allowance for unhealthy work, or by allowances expressed as a cash sum, such as the "teller's allowance" or childcare allowance.

Article 6 of the new agreement, on housing loans, unifies the previous two categories of loans available for the purchase of a first home and establishes a single category at a single interest rate of 3% (previously 4%), valid for all employees, including those who are already making use of the loan.

Article 8 on study leave for examinations specifies that leave for secondary, university-level and postgraduate studies may not be offset against regular annual leave. Finally, Articles 9-11 provide a 5% increase in childbirth benefit, kindergarten, and summer holiday allowances which are already being paid.
This collective agreement is of particular importance, since it safeguards workers' purchasing power and makes it easier for bank employees to buy a home.

The issues of lifelong learning and corporate social responsibility in Greece are part of negotiations at company level, conducted by the union in each bank-member of OTOE and under the supervision of OTOE. In Greece there is no offshoring and relocation of jobs yet, but the issue is part of general discussions with the employers.

ITALY After almost a year of negotiations and two national sector strikes, a new collective agreement for the Italian credit sector was signed on 12 February 2005. The new agreement has been signed by six unions: Dircredito, Falcri, Fiba-Cisl, Fisac-Cgil, Uilca-Uil, and Sinfub; only Fabi has not signed it. The negotiations have been long and difficult, in a general context of national economic stagnation and political attacks on workers' rights, pensions, and welfare. The Italian Banking Association (ABI) has tried several times to deregulate the national sector collective agreement (CCNL) in order to weaken workers' guarantees, introduce more precarious forms of employment and reduce personnel costs.
A "Protocol for Bank Social Responsibility" was also signed in June 2004 aimed at making the credit sector more socially responsible and promoting sustainable development. In the Protocol, unions and employers agree on principles and values that should lead to higher quality and transparency in the relations between banks, employees, clients, and other stakeholders.

The issue of bonus systems has been dealt in depth, since they have had negative consequences for employees' working lives; quality criteria will be added to sales budgets, and negotiation procedures at company and national level will be strengthened (current regulations only provide unions a right of information).

The Protocol also includes the European Commission's definition of corporate social responsibility (CSR). Furthermore, unions and employers are to set up a national observatory that will analyse best practices, encourage them in the credit system (with reference to social reports and codes of conduct), and promote the active participation of relevant private and public institutions at national and international level on issues related to CSR. The negotiations have achieved most of the targets set by the unions: the right to guarantees against indiscriminate flexibility and precarious forms of employment, wage increases that protect purchasing power and reward professionalism, and new tools for vocational training and re-training.

Due to the inflation rate, wage increases will total 5.92% and will include the difference between the projected inflation rate and the actual one for 2002/2003, the real inflation rate for 2004, and an inflation rate of 1,9% for the year 2005 (instead of 1,6% as foreseen by the government). The two upper levels of employees, and the first three lower levels of managerial staff (middle-high professional job content), will gain a further wage increase of an average of 1.11%. Finally, banks will increase by 1% their contribution to company pension funds for employees engaged after 1994, although that will be penalized at the time of retirement by the public pension system.

The new bank collective agreement limits the application of the Labour Market Reform Law N. 30/2003 in the credit sector, preventing the uncontrolled use of precarious forms of employment. Only vocational apprenticeships will be introduced in the sector, with provisions exceeding the law, both in regard to contract length and reduction of pay. Apprentices will also be counted as other bank employees in the numbers which define a union's rights. Special contracts for the employment of particular groups of workers or unemployed people (to qualify or re-qualify them) will be limited to 5% of the number of ordinary employees. The open-ended hiring of temporary staff (e.g. through provisional contracts), shared contracts and discontinuous contracts will not be permitted in the sector.

The entire area of managerial staff has been harmonized. The general conditions of the upper two levels of managerial staff have been applied to the two lower levels, with a general improvement in conditions, especially with reference to notice, travel, availability and transfer, retirement pay and the evaluation of professional services. They will also start self-managing their working time, with a reduction of 10 hours in monthly working time (and a pay increase) and they will be entitled to ask for a special bonus due to significantly difficult annual working time. Managerial staff holding a "key position" at company level (higher than the four national levels) will be given a special allowance that will become definitive after 12 months.

Other significant gains include the strengthening of the bargaining system at group level to deal with mergers and acquisitions, restructuring, break-up and new industrial plans, so as to manage the consequences for employees. A mid-period professional evaluation will be introduced, to take place five years after recruitment or promotion, in order to foster professional development and career paths. The so called "robbery risk" will be considered as a professional hazard in the sector and be included in the register of risks which the current law on workplace health and safety obliges each company to complete.

The contractual framework for the compensation of overtime has been confirmed, and the deadline to take leave that is owing has been lengthened from ten to thirty months; in case there is no individual agreement with the employee, the bank can impose compulsory leave.

The joint declaration of the bank social dialogue on lifelong learning has been included in the new collective agreement. The Italian Banking Association will make an extraordinary contribution of €300,000 to Enbicredito, the sectoral joint body in charge of financing vocational training and re-qualification projects for bank employees.

LUXEMBOURG After a year of negotiations, union actions and a case before the National Conciliation Office (ONC), the banks' collective agreement for 2004-2006 was signed on 16 November 2004. Only two unions (OGB-L and Aleba) of the three involved in the negotiations actually signed the agreement. The LCGB-SESF rejected the final draft from the ONC, judging it to be "deceptive and insufficient in respect of the employees' expectations and the banks' financial results".

The unions' initial pay demand was to return to a contract which was genuinely collective and allowed everyone to make progress. They demanded the abandonment of performance-based pay, a general increase in salaries, and the reinforcement of automatic salary movement. However, the employers' wanted to limit - or even eliminate – all automatic salary movement and to have salary increases exclusively based on employee performance.

After having first demanded a 50% reduction in the bonuses based on the current financial situation, so as to neutralise the effects of automatic salary indexation, the employers reviewed their position and proposed a decrease of 15%. This was not acceptable to the unions. In the end, the bonuses based on the current financial situation were maintained at the 2003 level (which itself has remained fixed since 1998). This maintenance of the current level has nevertheless been estimated by the LCGB-SESF as being "insufficient in regard to banks' exceptional results and their constantly record profits".

The new agreement provides 1.1% for each year, and an increase in salaries and scales of 0.4% in 2005 and 2006. This amount of 1.1% is divided up to provide 0.55% for salary increments solely for those employees below the new level 1, and 0.55% for performance-related increases, for which only 50% of employees are eligible. The 1.1% proposed for each of the three years is relatively small and, according to the LCGB-SESF; do not give "guarantees of satisfactory increases for all employees". Only 2005 and 2006 include a collective and linear increase in salaries, but even then only 0.4%. On the other hand, the performance-related system and its lack of objectivity were never questioned.

On the question of training, the unions wanted the system adapted so as to be based on three principles:

- an absolute right of the employee to continuous professional training, especially when annual reviews point to specific needs;
- training for reorientation to allow employees faced with technological change or to economic restructuring to reposition themselves at the heart of their bank, or the bank sector;
- individual access to training, in accordance with the application of the agreement which the bank employers have signed at the national level with the social partners. This provides for the individual right to training (including training outside the bank sector) through a flexible organisation of working hours and leave without pay.
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At present the negotiations are stalled and the terms of the old agreement stand.

Employees should have their working time organised so that it takes account of their needs; this issue is inseparable from the introduction of proactive measures on the maintenance of employment levels. Bank jobs are being destroyed, so the unions have proposed concrete measures: access to part time work, the organisation of the final part of an employee's career, anticipated retirement, the right to leave without pay, time credit arrangements and so on. All these proposals have been rejected en bloc by the employers. The working group created to elaborate concrete measures at the sectoral level has not opened up anything and has not fulfilled its initial objective of secure employment in the sector. The collective agreement envisages a joint union/employer committee charged with elaborating agreements on training, and the functions and organisation of work, by 30 June 2005. All the qualitative elements are sent to a joint committee which, however, has no obligation to produce results.

In conclusion, the policy of the employers' right from the start has been to demand a reduction in social benefits, whilst playing on fears and uncertainties. So the negotiations have been punctuated by a series of union actions, with an unprecedented level of support. Negotiations finally opened up through a conciliation procedure, and ended up with two of the three unions signing an agreement, each putting their points and accepting their respective responsibilities. No progress has been made in this collective agreement on the qualitative issues, nor on the enterprises' social responsibilities or the maintenance of employment levels.

The ***Syndicat Banques et Assurances*** reports that the four main union demands were to negotiate a framework agreement which could be supplemented in individual banks by complementary agreements, as it is increasingly difficult to formulate an agreement to deal with every detail in every area. Common areas such as remuneration, working time, training, vacations, safety, equal opportunities etc would be regulated in the framework agreement which would define criteria and set minimum standards. Points which are particular to one bank (e.g. hours of work, detailed job descriptions, workplace bonuses etc) would be defined in complementary agreements with the same legal standing and only negotiable with the most representative national unions or among the workers' representatives at the enterprise itself.

On employment security, the current trend of outsourcing is causing concern among employees, and measures must be taken to limit it and to offer guarantees to the personnel concerned. Performance-related pay systems should be replaced by remuneration based on a regular minimum increase every one or two years, as existed prior to 1993. As to remuneration levels, there should be a 2.5% increase in 2004 and 2005. Work organisation should take greater account of the needs of employees, by establishing a five-day working week (Monday to Friday). The period of reference should be reduced to 4 months, and a group should be introduced in each bank with mobile working hours. Conditions of work should be improved, as should the conditions covering overtime allowances. There should be a reduction in working time for those working in basement offices or without natural light. Sabbatical leave should be introduced, with increased leave for those over 40.

It was also demanded that performance bonuses be scrapped whilst maintaining classification according to the tasks carried out. The number of job groups should be increased from six to twelve, with 40 points in each group. The growing number of functions makes it is necessary to have a system offering a wider choice of careers and constant salary development. Training should be improved in accord with the agreement between the OGB-L/LCGB and the *Union des Entreprises Luxembourgeoises* [employers]. There should be an increase in the mileage allowance for work-related travel, and banks should contribute towards the cost of public transport. A charter should be introduced in the struggle against "*mobbing*".

At the first negotiation, the OGB-L asked to first discuss issues related to the maintenance of employment in the sector, and it was agreed to set up two working groups, one on working time, and the other on training. In the working group on training, the OGB-L gave the ABBL (Association of Banks and Bankers of Luxembourg) a proposal for a new training policy which included a system based on continuous training, training in reorientation, and access to individual training. In the Working Time group, the union proposed measures such as access to part-time work, organisation of the final part of one's career, "anticipated retirement", leave without pay, and the "working time account" (with an employer's contribution). The employers wanted to dismantle acquired social rights, especially the levels bonuses. No linear increase in salaries was proposed and all qualitative issues were ignored, while they pushed for more performance-based pay, fewer automatic raises, relating the June holiday bonus to the company's competitive position, no salary increase, and a general reduction in salary costs. A series of actions were organised and the national conciliation service was called in, with the result that for the years 2004, 2005 and 2006 the bonus based on the economic situation will be retained at the 2003 level, adapted to length of service. Individual increases for 2005 will be 0.4% for those employed on 31 December 2004, with the starting scale rising by 0.4% for those newly hired, with a further 0.4% in 2006.

Six months have been allowed for a joint committee to agree on job functions, training and the organisation of working time, with differences being allowed between big and small banks, based on the number of employees. A clause has also been added which allows workers representatives to negotiate complementary agreements in companies, taking account of the specific situations.

In the insurance sector, there have been no negotiations over the last year, but the present collective agreement expires at the end of 2005, so from the end of September the three unions involved (OGB-L, LCGB and Aleba) will put together their demands.

NETHERLANDS *FNV Bondgenoten* and *De UNIE* The Dutch government provoked a lot of labour unrest by proposing legislative changes, although following a demonstration, the government has reached an agreement with unions and employers. The most significant point is the abolition of fiscal advantages for pension plans that are started before the age of 65. Furthermore, an agreement has been reached on wage moderation.

Many collective agreements that ended in 2004 have not yet been extended because of the complex legal changes. One exception was at Rabobank where an agreement was reached to replace one which will end at the end of April 2005. This agreement was possible because of a new wages system, which includes a new 'performance management' system. This adds a variable component to the salary of all employees at Rabobank, without reducing salaries. However, due to the "Social Agreement" reached in autumn 2003, no wage rises were possible.

The raising of the pension age focuses attention on the need for lifelong learning. Unions are looking for a policy based on the different stages of life:

- the young person who is ambitious but still makes mistakes
- the experienced middle-aged person who is looking for stability in her/his work
- the older worker who is able to train younger colleagues

In this discussion, efforts are being made to make lifelong learning a part of a total approach, including making jobs more secure.

On the question of off-shoring and relocation of jobs, employers in the finance sector think that off-shoring and outplacement are the best ways to achieve organisational goals of reducing costs, as employers believe that wages are too high. On the other hand, unions think that wages should rise because of the enormous profits that are being made.

However, off-shoring is a new challenge for unions throughout Europe, and unions are playing an active role in discussions on European strategy: should unions try to avoid business being off-shored to countries outside Europe or, for example, promote a new concept for the European Economy based on a high level of business knowledge, processes and development?

This issue of corporate social responsibility is of considerable importance in the Netherlands. Dutch companies – both inside and outside the financial sector - are keen to show that they take their responsibility seriously; however their day-to-day practises can be different. Nevertheless, the efforts are a fact of corporate life in the Netherlands. Unions are playing their role in this matter by pointing out the ideas and challenges.

NORWAY *Finansforbundet (FSU-N)* In Norway, the collective bargaining system is divided into two. At the first level, representatives of all the banks and insurance companies (the Employers' Union) negotiate with the FSU-N. There are two agreements at this level, the Main Agreement, and the Central Agreement. Major trends in the agreements - and for the finance sector in general - are discussed here. At the second level, negotiations take place between representatives of the union and companies. Salaries and working time regulations are discussed here.

In 2004 the Joint Declaration on Lifelong Learning was discussed in collective bargaining meetings; the parties agreed a statement which was included in the Central Agreement concerning possibilities for remodelling working time schedules on the basis of the employee's age, housing, or relation to work (e.g. a long travelling distance). Local representatives are to incorporate this statement into their local agreements over the coming years. Furthermore, all employees now have permission for leave up to a maximum of three years for the purpose of education, on the basis of the Labour Act, but no compensation for the leave has yet been agreed. Additionally, all employees have been granted the possibility of requesting leave with compensation by the employer, subject to local rules.

Offshoring and relocation of jobs is a major challenge in Norway. Because Norway is not a part of the EU, regulations in Norway give companies different working facilities. Many Norwegian companies are owned by foreigners based in Sweden or Denmark; because of that, operations (such as data) are being moved from Norway to the EU zone. There is also a lot of relocation within the borders, mainly away from provincial areas and towards the Oslo region. This is also a question of a working and living profile, which generates a lot of political discussion among the political parties.

As to Corporate Social Responsibility, a big part of this question is linked to employees' pensions. In Norway the government has proposed new regulations which are mainly aimed at reducing government costs. For employees, the proposed model will reduce the value of pensions but, on the other hand, many employees will be granted an extra pension, albeit at a low level.

The Government has also proposed a new Labour Act, widening overtime regulations and the employers' right to hire people on a short-term basis. This is a collective challenge for all unions in Norway.

PORTUGAL ***Sindicato dos Bancários do Centro(SBC), Sindicato dos Bancários do Norte (SBN), Sindicato dos Bancários do Sul e Ilhas (SBSI)*** Recent years have been characterized by radical alteration of the traditional strategy for collective negotiations. In 2004 the bank workers' unions continued to pursue negotiation of company agreements over the specific conditions in some institutions and their place in the financial sector. On the other hand, the publication in December 2003 of new labour legislation influenced negotiations, as some of its norms led to a substantial alteration of some of the clauses in agreements. The limited lifetime of collective agreements was one of the questions of deeper concern. However, the agreement reached with the bank employers made it possible for the agreements made by the unions to remain in force until they are replaced by others. This was one of the issues that generated conflict in negotiations at national level, but which was successfully resolved.

Actions continued all year, and collective negotiations were very intense and. Five collective agreements in the banking sector were negotiated. A large part of the negotiations was spent on the adjustment of the conventions to the new labour legislation, and on subjects related to the social and health protection of bank workers. Salaries and related benefits were increased by 2,7%.

As well as the lifespan of contracts, other subjects which were raised included contracts for short-term and casual employment, trial periods, union activity, exemption of working hours, flexible working hours, overtime work, shift work and nightshifts, holidays, absence from work, and discipline.

Despite the difficulties, on balance the result was positive for the unions, having contained the oppressive norms of the new labour legislation, and retained the essential rights of workers who carry out union functions. The negotiations concluded in 2004 represent significant advances in the workers' employment and conditions.

SPAIN ***FeS-UGT National Banking Sector Direction*** For the UGT, national collective agreement bargaining, which started on 2 February 2005 should lead to changes in the contents of a text that has become obsolete. Although the current Agreement ostensibly regulates working conditions, it is not the normative reference for a bank community of 110,000 workers. The text of the new agreement has great deficiencies and defects, so FeS-UGT wants to consider as a basic issue the establishment of a modified text that reflects the real needs of the banking sector. FeS-UGT believes that banks have decided to devalue the content of career structures; each company unilaterally applies its own organizational model that does not correspond to that which is established in the national collective agreement. The only position which is regulated is that of Branch Manager (Level VI), and there is no relationship between levels and responsibilities. As to promotions, the system is not comprehensive; the present system is based on seniority or examination, but only as far as level VIII (the minimum level) is concerned, so 70% of the workforce, made up of middle management and technicians, only can be promoted by the unilateral decision of the company. UGT proposes to introduce promotion by examinations up to level III and to have an equal opportunities system for all employees.

On working timetables and extended overtime, banks are modifying the national collective agreement by offering different hours of work to those provided for in bargaining agreements. Extraordinary extended hours, unpaid overtime due to threats of redundancies, and pressure to meet commercial targets are all creating stress, especially in branches. Lack of business means there is no reason to open branches on Saturdays.

The national collective agreement does not give importance to life-long learning, but UGT considers it a pillar for employees' careers. A reasonable "on the job learning" schedule must be offered to employees.

There is a need to find ways to reconcile work and family life. Overtime is creating a lack of time for families, and FeS-UGT proposes more flexible agreements, part-time jobs (unlikely in banks), childcare facilities, three more weeks time-off for parental leave, etc.

It is very important that the banking sector joins the Extra Judicial Conflicts Solutions Agreement (ASEC), in order to resolve disputes and avoid going to the courts.

The national collective agreement has to include a commitment for restricting the use of subsidiary companies (which are wholly owned by banks); in Spain these companies are under-regulated with no minimum labour standards. On health and safety, the FeS-UGT is asking for the recognition in the national collective agreement of burn-out and stress as occupational illnesses specific to the profession. It seeks to stop discrimination against union representatives in their careers and in participation in incentive-benefits, and sees this move as a way to encourage new members. There is also a need to update the amounts provided in the national collective agreement for loans, mortgages, travel fees, daily expenses etc, and there are some banks that have not externalized their pension scheme, for example, Group Santander.

In conclusion, UGT considers it fundamental for the future of the Sector, that there be a commitment to a real social dialogue. This demands a radical change in the attitude of the employers' association AEB towards bargaining over the national collective agreement to bring it more in line with the real needs of the Sector in the 21st Century. Both the AEB and unions must be committed to starting the Sectoral Observatory of Banking, as a stable forum for debate, investigation, and analysis, and to reach compromise solutions, and reinforce the agreement

UGT hopes the employer representatives will agree with the objective of establishing an up-to-date agreement. AEB has not yet responded to these points, but the planned timetable of meetings will continue.

However, Companies' Social Responsibilities, Relocation and Offshoring of companies, Life-long training, and banking Social Dialogue declaration, have not been discussed in the negotiations. Nevertheless, UGT wants them discussed in depth within the framework of a Sectoral Observatory.

SWEDEN *Finansförbundet* The present collective agreement for the banking sector runs for two years, and expires at the end of 2005, but the preparations for the forthcoming negotiations started in the autumn of 2004. The latest round of negotiations involves a number of difficulties, so the principle issues have been thoroughly discussed in the union board. One of these issues is the regulation of working time; another is to how to avoid a repeat of the last negotiations, namely the involvement of the national mediation office. Negotiations with the employer's organisation (BAO) will start at the end of September.

A draft of a life-long learning agreement has recently been accepted by the union board. However, the board of the employer's organisation has not yet accepted it. The agreement replaces four other agreements, and underlines the need for vocational training, validation of competence and the importance of life-long learning. Finansförbundet hopes that the agreement will be accepted by the employer's organisation at their board meeting in April 2005.

The possibility of transforming into a European Company has raised interest among finance companies in Sweden. Finansförbundet supports the trade union representatives in Nordea, which was the first bank to announce a transformation; a second company is now considering transforming. There are many important issues at stake regarding, for example, trade union involvement and participation.

Questions of offshoring and relocation of jobs are not dealt with in the collective bargaining agreement. There has not been so much activity on this topic yet, but there is one existing example. The Nordic Processor company, which is owned by Nordea and IBM, handles all IT-operations of Nordea and has used Indian IT-consultants with Indian salaries for work in Stockholm. The topic will be addressed in a conference later this year.

Corporate social responsibility is not a question that is being addressed in the sectoral negotiations, but the issue is quite high on the agenda on bank/company level.

The collective bargaining agreement covers all members (slightly over 30,000) working in companies affiliated to the employer's organisation; Finansförbundet also has members working in companies not affiliated to the employers' organisation. Great efforts are being made to conclude agreements directly with these employers, but unfortunately the results are poor.

UNITED KINGDOM *Amicus* The finance sector trade union UNIFI has now transferred into Amicus. This has created a financial services sector within Amicus with over 180,000 members in all major banks and insurance companies. Amicus reports that the UK financial services sector has undergone dramatic changes in recent years, driven by information and communication technologies, changes to the regulatory regime and trends such as population-ageing and the savings gap. Pressure to reduce costs has led to the transfer of call-centre and back-office administrative work to other countries, particularly India, and Amicus expects that 200,000 jobs will "go offshore" by 2008.

The offshoring of tens of thousands of service sector jobs is the biggest threat currently facing finance sector employees. Amicus believes that offshoring could have a devastating impact on the UK economy, and that it is vital that government, business and the unions devise a strategy for mitigating the effects. After lobbying by Amicus, offshoring inquiries have been held by the Trade & Industry Select

Committee, the DTI[2] and the European Parliament. At the sectoral level, the Amicus finance sector has negotiated innovative offshoring agreements with the Prudential, Axa, Royal & Sun Alliance, Barclays Bank and HSBC, so as to ensure that companies engage Amicus over any offshoring plans, and make a commitment to protect jobs and sites which are affected.

Pay settlements have averaged around 3.5% across the sector in 2005 so far. This reflects inflation, which has run at 3-3.5% in the last six months[3]. The figure of 3.5% represents the overall amount that the union negotiates with each company, which is then distributed according to the company's own pay system; these systems are usually both market-related and performance-related (individual and/or company performance).

Equal Pay has continued to be a focus of Amicus' bargaining and campaigning work. The UK's financial services sector has a pay gap larger than any other at 43%. Equal pay audits have been completed at Axa Insurance, Royal & Sun Alliance, Barclays Bank, and Legal & General. A number of other companies have made a commitment to carry out equal pay reviews. Over the course of 2005, Amicus will campaign on the issue of 'occupational segregation, which is the largest contributor to the gender pay gap in financial services. Women are clustered in lower-graded jobs and the result is a *'glass ceiling'*, which women effectively cannot move beyond. Amicus has established a joint union/employer working group to look at the issue of advancing women in the workplace.

On pensions, in 2003 a number of finance sector companies announced their intention to close their final-salary pension schemes to new members and to introduce employee contributions to previously non-contributory schemes. In a number of such companies there has been some success in keeping final salary schemes open to new members, and in keeping any new employee contributions as low as possible. The problems surrounding pension provisions continue to be an area of great concern among many Amicus members.

Amicus has campaigned to raise awareness amongst workplace representatives about using corporate social responsibility as a negotiating tool. In 2005 Amicus is also campaigning to ensure that organisations recognise their corporate social responsibilities in relation to offshoring, fulfilling their responsibilities to their employees wherever they are in the world.

Amicus continues to raise awareness about stress, and is supporting representatives who wish to promote this issue and work within their organisations on it; it has started a specific call-centre stress campaign. Amicus will continue to work with employers to formulate policies on stress; Axa has recently conducted a stress audit.

Amicus continues to make every effort to have positive and constructive relations with employers. Amicus has been at the forefront in developing **'***partnership at work'***,** ensuring that partnership agreements meet the guidelines promoted by the TUC[4]. In both Axa and Royal & SunAlliance, Amicus and UNIFI have constructive joint bargaining arrangements - in both cases the unions, in conjunction with the employers, have received funding from the (DTI) Partnership at Work Fund. Amicus has also received funds from the DTI to produce a framework for best practice within the finance sector.

On organising, Amicus has been focusing on a number of companies where its position is being threatened by forthcoming Information & Consultation legislation. These companies are Royal London,

[2] Department of Trade and Industry (DTI)

[3] figures based on the all items retail prices index

[4] Trades Union Congress, UK national trade union centre

NFU Mutual, Prudential, and Aviva (Norwich Union). Increasing membership density has been a key priority in these areas. During 2005, Amicus hopes to build on successes in 2004, having recruited large numbers of new members and workplace representatives, for example signing up 150 new members in one day during a Legal and General recruitment day.