

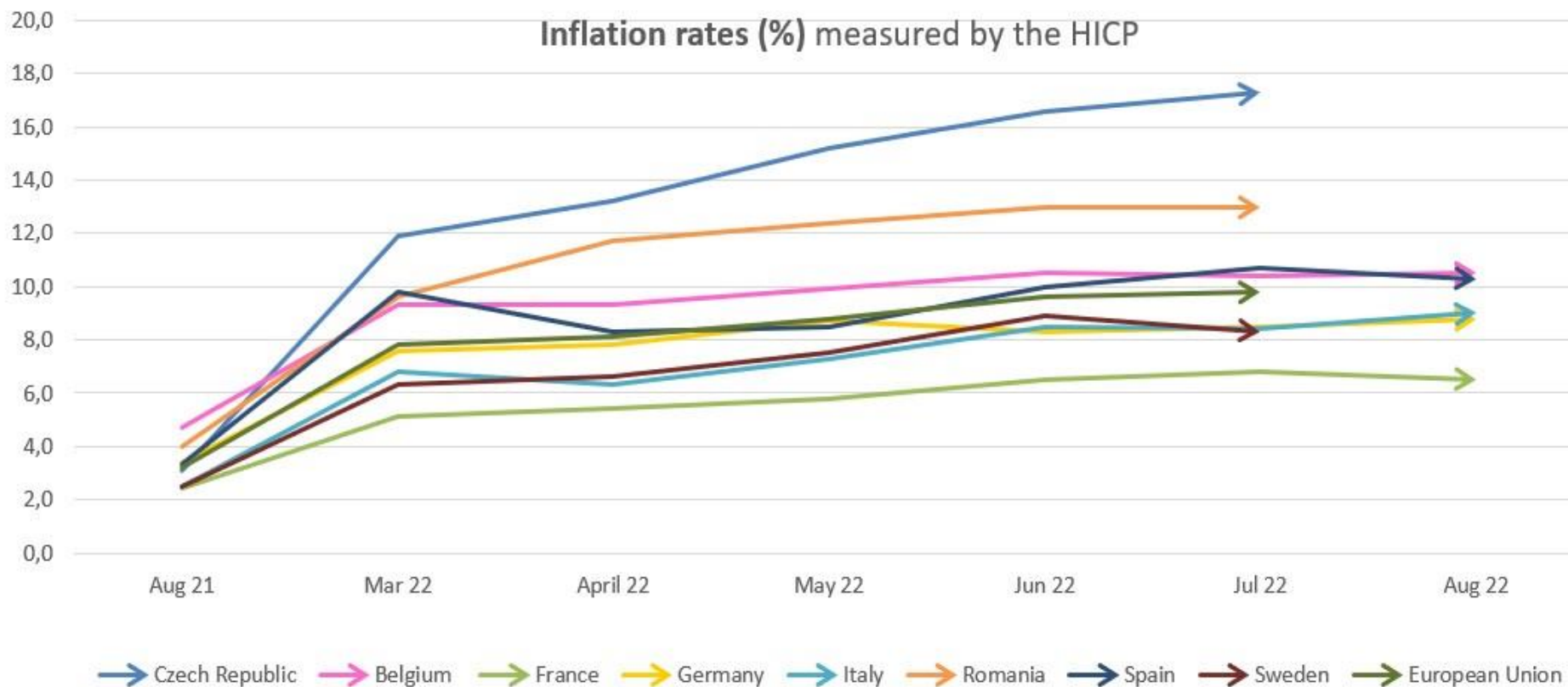
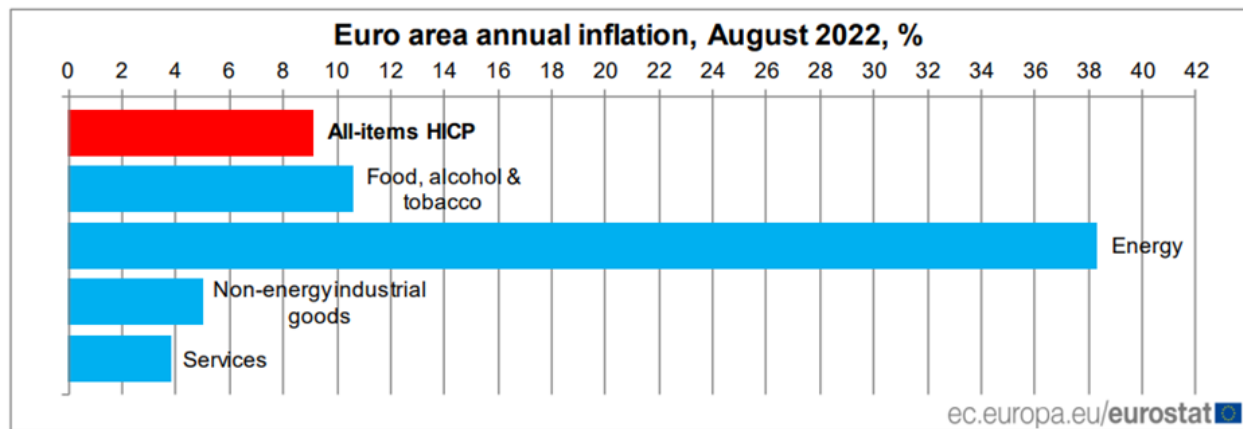


## IndustriAll Europe's Answer to the Cost-of-Living Crisis

IndustriAll Europe and its affiliates are joining forces to send out common demands in a European-wide campaign

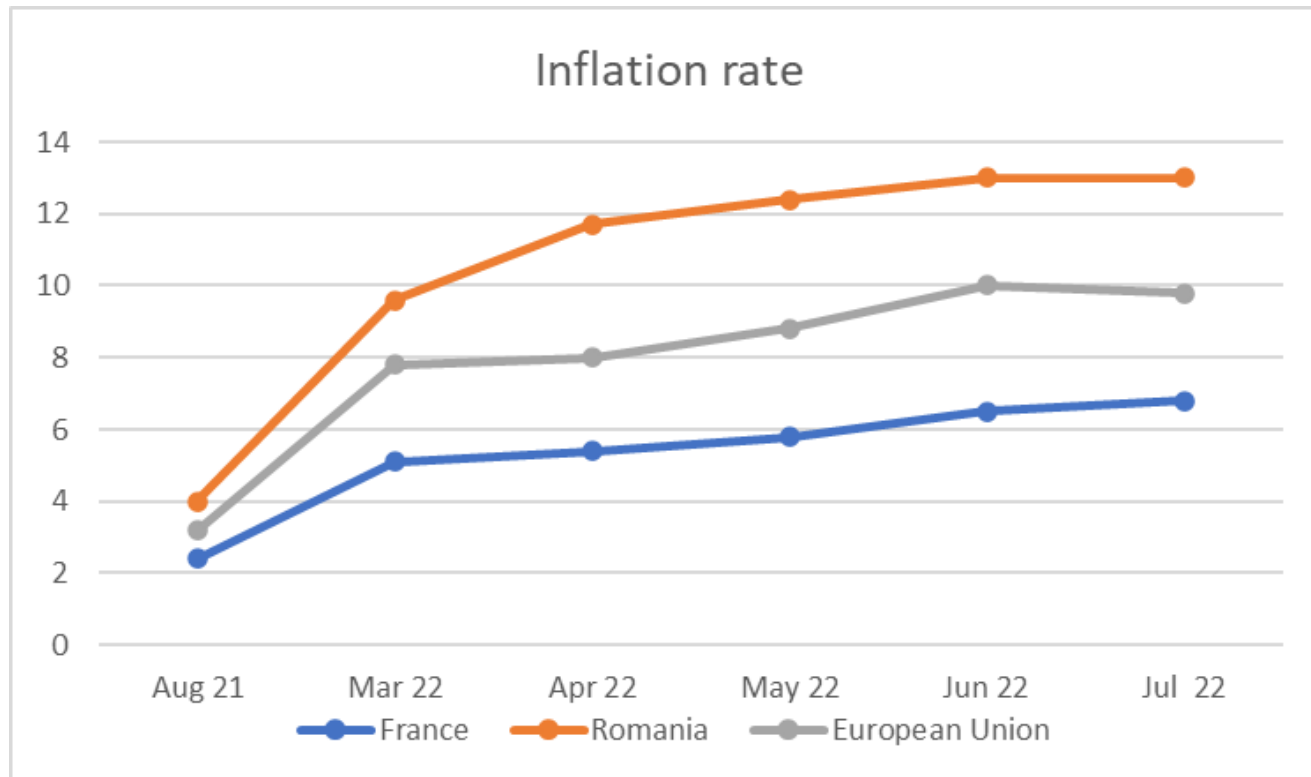
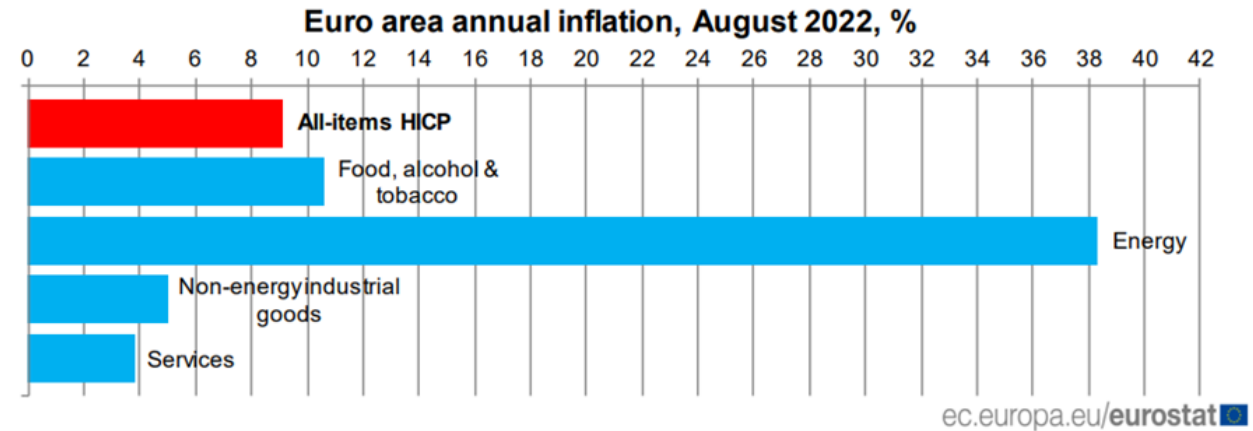
**Together.**  
**In Action.**  
**For Higher**  
**Wages.**

# Inflation continues to rise (mainly fueled by energy prices, not wages)



- August 2022:
- Eurozone inflation: 9.1%
  - EU inflation: 9.8%

**Wage policy not enough!  
We need also anti-crisis  
measures (not austerity)!**



- Energy is the key driver of inflation, but political responses are critical to control or soar inflation:
- France: “*bouclier tarifaire*”, froze gas prices at October 2021 rates (but unsustainable high cost for the state €24billion), putting the brakes on inflation and protecting households.
  - Romania: imported inflation (fueled by excessive imports) + measures only for most vulnerable
  - EU: the ECB’s decision to raise interest rates rings the austerity alarm bells (will not reduce energy-price led inflation, but cause a recession)

# Wages are falling Purchasing power is eroded In-work poverty is on the rise

Cost of living metric

April 2021 - April 2022

Euro area annual inflation rate



Energy price inflation rate

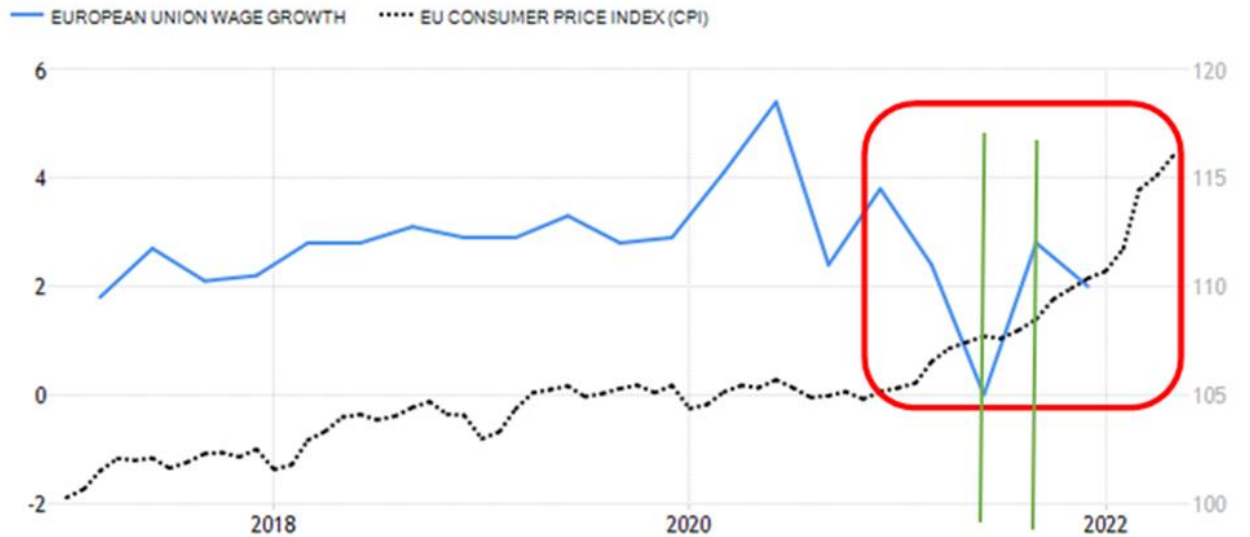


Difficulty in making ends meet



Euro Area

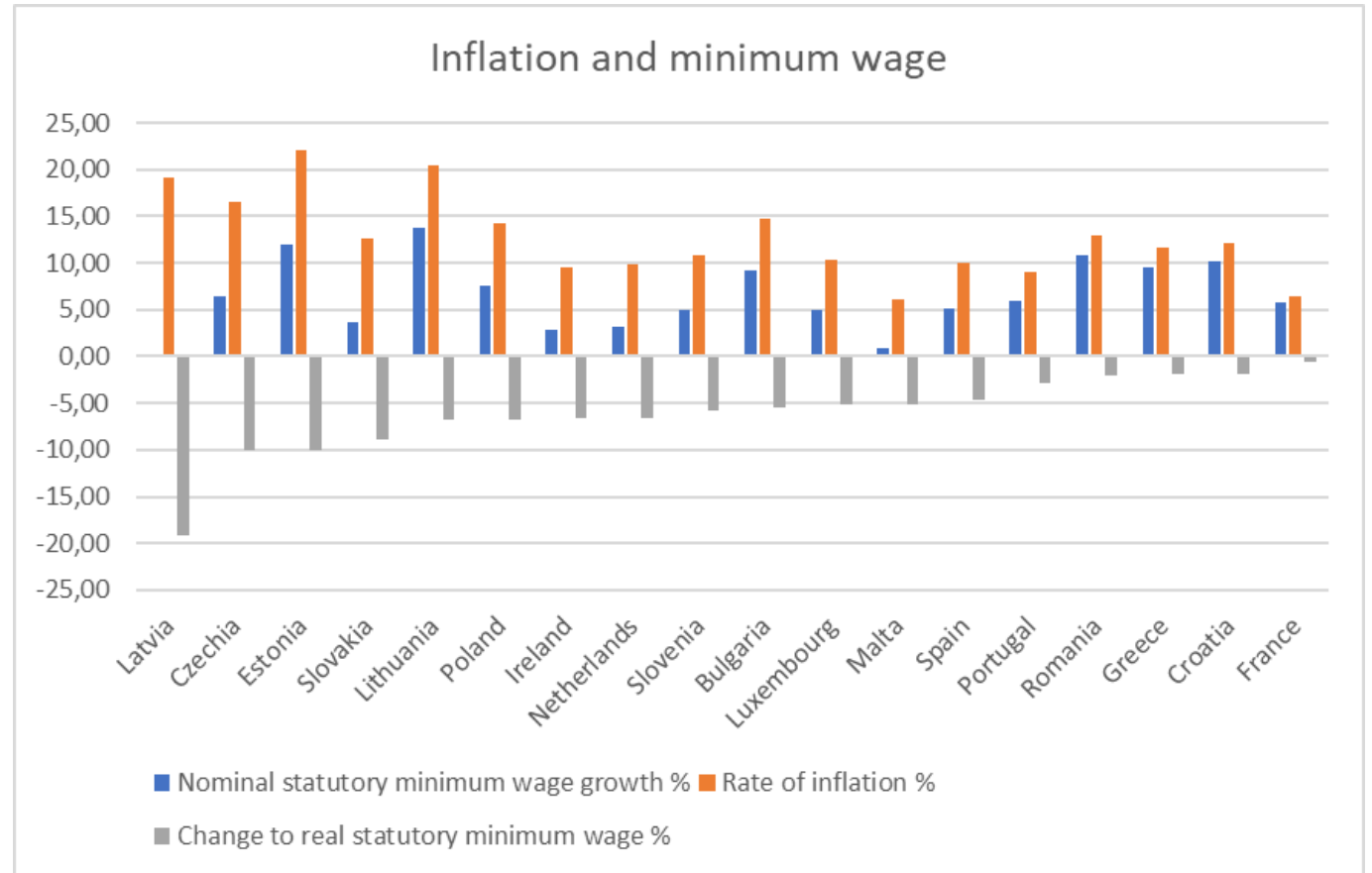
Consumer Price Index CPI



- More than half (53%) of households in EU struggle to make ends meet (Eurofound study)
- Real wages are falling, while prices are soaring
- We are moving from a campaign on wages towards one on the cost-of-living crisis and on safeguarding employment
- Recovery depends also on ensuring demand and ensuring trust through wage growth (some companies are stopping production due to low demand, not only energy prices)

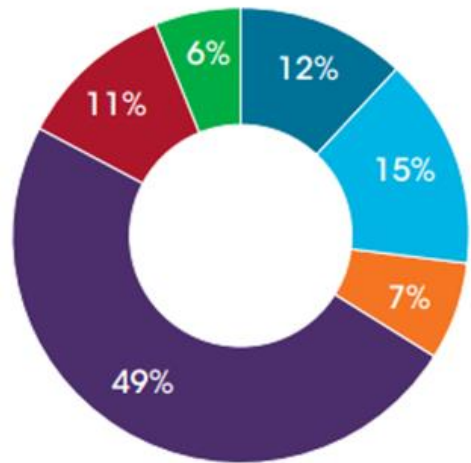
# Danger of exploding poverty: Record fall in value of statutory minimum wages

- **Biggest fall in real minimum wages this century:** Europe's lowest paid workers have seen the value of their wages fall by up to 19% this year. (Because inflation is much higher than MW increases resulting in a wage cut!)
- Only the second time since 2000 that growth in real minimum wages has fallen below zero and this cut is much higher - at the height of austerity in 2012, real minimum wages growth was -0,7% (the average today is -5%).
- Real statutory minimum wages have fallen most dramatically since last summer in Latvia (-19%), Czechia and Estonia (-10%), and Slovakia (-8%).



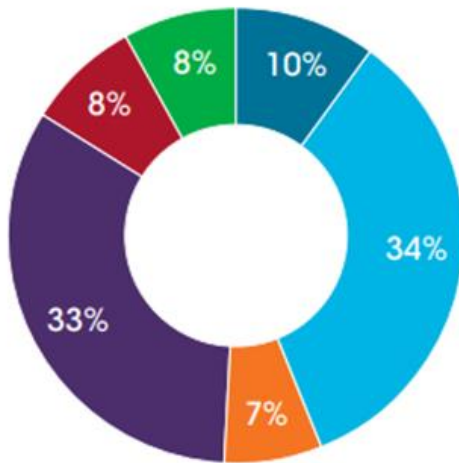
# Workers need a pay rise and big business can afford it!

2021 FULL YEAR DIVIDENDS BY REGION



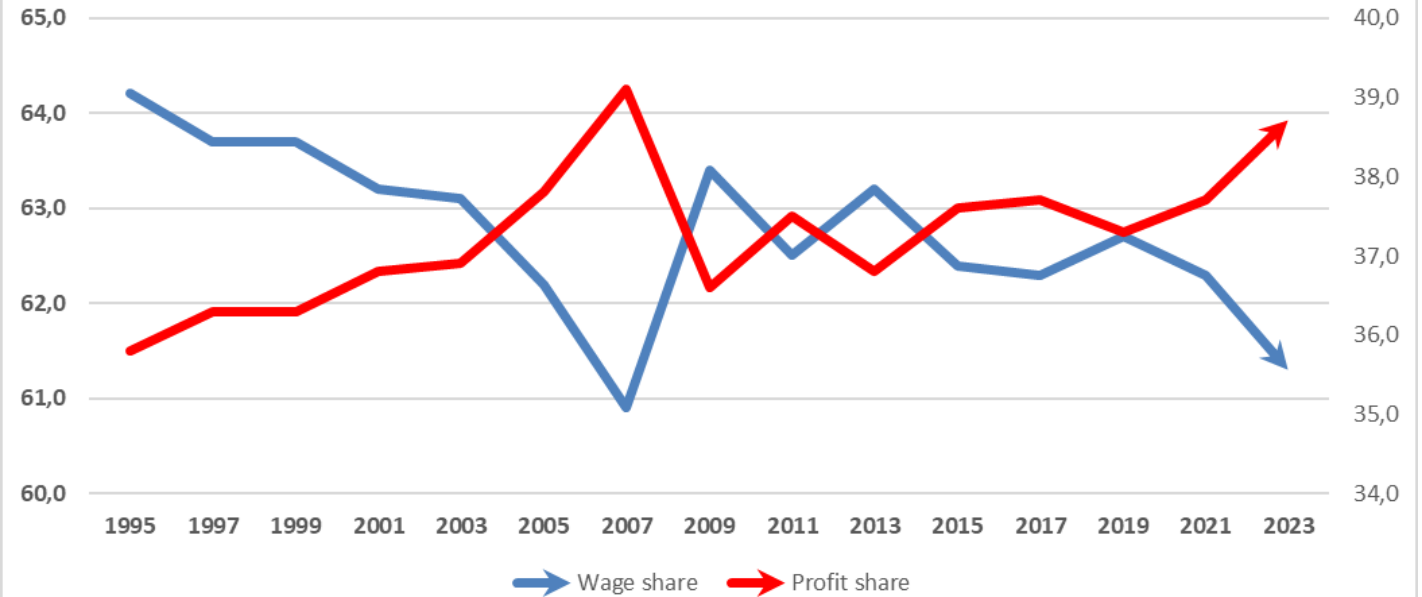
Emerging Markets  
Europe ex UK  
Japan  
North America

2022 Q2 DIVIDENDS BY REGION



Asia Pacific ex Japan  
UK

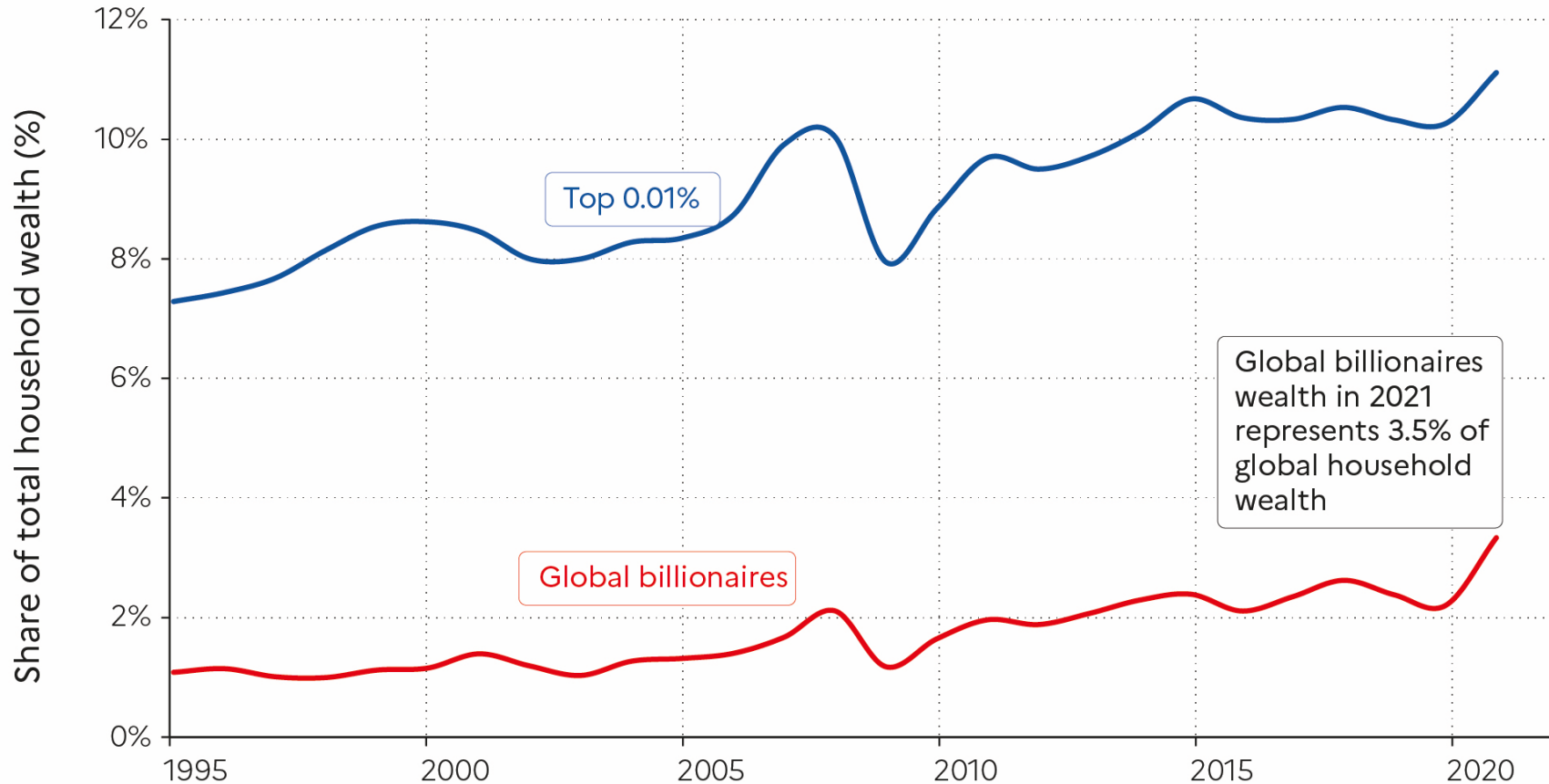
Adjusted wage share and capital share the EU  
% of GDP at factor cost



- Record profits in some sectors: energy, steel, pharmaceutical, automotive...
- Real wages are shrinking, while dividend pay-outs are growing faster than inflation. Dividend pay-outs were 15.5% higher in the second quarter of this year than in the same quarter of the pre-pandemic year of 2019.
- European and UK firms were key drivers of Q2 dividend growth globally. European firms have increased their pay-out to shareholders by 28.7% in euro terms compared to last year.

# Crisis of redistribution: Explosion of inequality continues! Need fairer taxation and sectoral collective bargaining for fairer redistribution!

**Figure 10** Extreme wealth inequality: the rise of global billionaires, 1995-2021













**Interpretation:** The share of wealth detained by the global top 0.01% rose from 7% in 1995 to 11% in 2021. The top 0.01% is composed of 520 000 adults in 2021. The entry threshold of this group rose from €693,000 (PPP) in 1995 to €16,666,000 today. Billionaires correspond to individuals owning at least \$1b in nominal terms. The net household wealth is equal to the sum of financial assets (e.g. equity or bonds) and non-financial assets (e.g. housing or land) owned by individuals, net of their debts. **Sources and series:** [wir2022.wid.world/methodology](http://wir2022.wid.world/methodology), Bauluz et al. (2021) and updates.

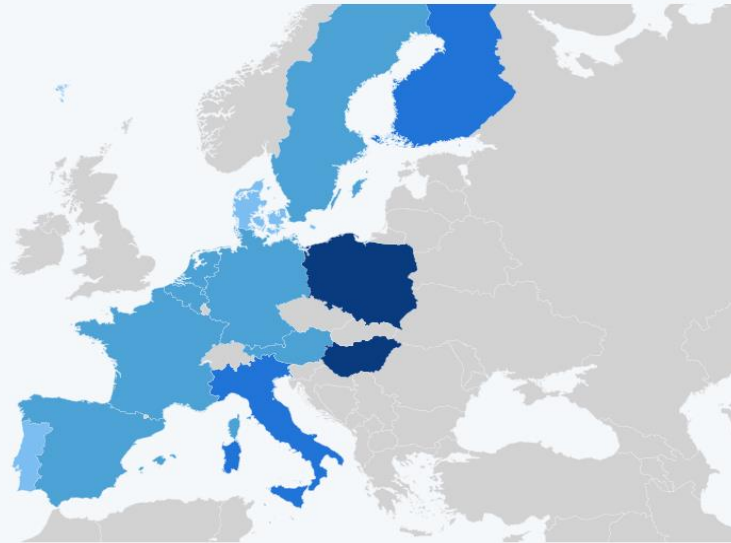
- Global wealth inequality rose during the pandemic.
- Number of super-rich individuals swells by a fifth (in 2021, 21% more people worth 100 million dollars, according to Credit Suisse Global); more than 1000 people in Germany only.
- Inequality also in anti-crisis measures which risks increasing economic divides in Europe: Countries with more fiscal room for manoeuvre will be able to keep pumping money while those with fiscal constraints won't → Need reform of economic governance

**Danger of social unrest and the rise of far-right parties!**  
Low and middle income earners are squeezed. Inequality is felt and reacted to during elections (voters are attracted to easy answers of far right). We must not leave them the stage! We must mobilise 'Together. In Action. For Higher Wages'!

## How Much Sway Does the Far-Right Have?

Share of seats held by the major right-wing party\* in the national parliament of selected EU countries

	59%	Fidesz
	51%	PiS
	21%	Ligue
	20%	PS
	18%	SD
	17%	FPÖ
	15%	RN
	15%	Vox
	12%	VB
	11%	PVV
	11%	AfD
	9%	Chega
	9%	DF



As of June 23, 2022.

\* Ideologically, these parties share a stance on nationalism, social conservatism and anti-immigration.

Sources: Respective parliaments, Statista research



statista

September 2022 YouGov poll:

- majorities across Europe worried about social unrest caused by the cost-of-living crisis, (57% in UK, 75% in Poland).
- In France and Poland, only 1 in 20 are coping with rising prices.
- 1 in 5 in the UK, France and Poland are using savings to pay their bills and 1 in 10 are skipping meals.



**Together.**  
**In Action.**  
**For Higher Wages.**





**industriAll**  
EUROPEAN TRADE UNION

**Together.  
In Action.  
For Higher  
Wages.**

The trade union movement in Europe is totally aligned with this campaign. Together we are stronger!

## ETUC: 6 Points Plan End the Cost of Living Crisis:

### Increase Wages, Tax Profits, Invest for the Future!



“Why are electricity prices so high when electricity from renewables is so cheap?”

End the cost of living crisis!



“My bills were lower before energy companies pumped up their profits”

End the cost of living crisis!

- 1** Fair pay rises to meet the increase in the cost of living and ensure workers receive a fair share of productivity gains, as well as measures to promote collective bargaining as the best way to achieve fair pay.
- 2** Payments targeted for people struggling to afford their energy bills, put food on the table and pay the rent; the right to food and a warm home are human rights and must be protected.
- 3** A cap on the cost of energy bills and a watertight tax on extra profits of energy companies to ensure they aren't allowed to speculate on this crisis, along with other measures to stop profiteering such as limits on dividends and to prevent speculation on the price of food.
- 4** National and European anti-crisis support measures to protect incomes and jobs in industry, services and the public sector, including SURE-type measures to protect jobs, incomes, and to finance social measures to cope with this crisis and just transition processes.
- 5** Investment to tackle the root causes of the crisis like the under-investment in green energy and the consequences of privatisation.
- 6** A seat at the table for trade unions to design and implement anti crisis measures through social dialogue.



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# **IndustriAll Europe and its members mobilise: Together. In Action. For Higher Wages**

Key messages of the campaign (organised around 3 thematic weeks):

- **Workers need a pay rise and big business can afford it!**
- **Inflation is not wage-driven!**
- **Workers need stable purchasing power and anti-crisis measures, not austerity!**

Key demands to tackle the cost-of-living crisis (from already adopted Position Papers):

1. A pay rise that guarantees decent living standards
2. Fair taxes on companies and the wealthy
3. Support for workers affected by the cost-of-living crisis
4. Financial support for companies struggling with energy costs, with guarantees to save jobs and raise wages
5. Sectoral bargaining so workers can win better pay

# Growing pressure! IndustriAll Europe's affiliates are pushing for bold pay increases



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- In Austria, PRO-GE and GPA: demand 10.6% (metal sector). On 17 September, 30,000 people took to the streets calling for higher wages and anti-crisis measures.
- In the Netherlands, FNV: won 11%.
- In Belgium, trade unions mobilised on 21 September, 20,000 people called for action on energy prices and higher wages. A general strike is planned on 9 November (and maybe before).



**From South to North and from East to West, trade unions mobilise across Europe!**

**We are 'Together. In Action. For Higher Wages'!**

- **Czechia:** 5 September Manifestation meeting 'Against Poverty'. Demonstration planned for 8 October in Prague.
- **Italy:** Demo on 7 September, **next demo 8 October in Rome (industriAll Europe present)**
- **Germany:** IGM demands 8% increase (industriAll Europe present at start of CB round in NRW)
- **France:** CGT and NGO demo on 29 September + CGT's energy and gas union strike on 13 September



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In Action.  
For Higher  
Wages.**





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Send us your plans!  
How can we support ?  
#TogetherInAction  
#Together4HigherWages