



WELCOME TO THE FIRST EDITION OF METALS BULLETIN BY E-MAIL – AUTUMN 2005

Autumn 2005 will give an update of sector news, but centres on the growing number of Polish workers who have been joining companies in the sector. We need to ensure that these colleagues are not discriminated against, which is why we're also running a recruitment campaign at the same time. Posters have been translated into Polish and these together with further information are available from your local regional offices.

In order to try and get a better picture of the true extent of agency workers, particularly from Poland, we're asking you to complete and return by email the questionnaire at the end of the newsletter. Many thanks for your assistance. Ideas for future articles also welcome.

STATE OF PLAY OF THE INDUSTRY

2004 was a very good year for Steel. Rapidly increasing steel demand in China and a number of other emerging economies led to rapid increases in steel prices. Price increases were also fuelled by customers' concerns about the availability of steel. Whilst this was great news for steel producers in Europe, it was not such good news for foundries. Cost rises and a shortage of raw materials put a real strain on the

industry, with many companies not able to compete.

During the course of 2004, EU steel prices rose by 60% on average. The supply of steel onto world markets began to exceed demand and major EU producers have had to trim output to try and steady the flow. Recent forecasts show that world steel consumption will rise by 4% this year and 5% next year and Chinese consumption will continue to grow, so the future continues to look reasonably promising.

This is a new e-mail newsletter for Amicus members of the Steel, Metals and Foundry sectors. It will be sent out electronically to everyone we have an e-mail address for, so if you're aware of colleagues who may not be listed let us know by reply.

Increased cost pressures are facing all sections of the industry. Energy price increases are especially hard-hitting – with some industrial users quoting UK gas and electricity price rises of 40% or more in the past year.

Climate change is probably the single largest regulatory issue facing the steel industry today, because it is such an energy intensive industry. The steel industry recognises it has a role to play in combating climate change and in Europe a consortium of companies are investing in research to find low carbon technologies for producing steel. What is clear is that future policies need to work for both manufacturing and the planet.

Much of the legislation affecting the sector, particularly on the environment, originates in Brussels. One important piece of legislation, which Amicus has been involved in, is the REACH Directive.

REACH aims to put the responsibility on manufacturers, importers and suppliers of substances to ensure that

chemical substances do not harm human health or the environment. The Amicus Steel, Metals and Foundry industrial sector has raised concerns that REACH may create disproportionate costs and bureaucratic burdens with regard to the availability of raw materials and other substances used in the steel making process. At the same time some fear that the proposals won't even benefit health and safety. Our response has been that whilst we want to maintain and improve workplace health and safety measures, we also have to protect members' jobs and the environment.

EU ENLARGEMENT, WORKERS AND MIGRATION

On 1 May 2004, the European Union was enlarged to include ten new member states; eight of these countries were from Central and Eastern Europe. Poland is often looked at for examples of good and bad practice, as it is the largest country in Central and Eastern Europe, with a population of 38 million.

Following EU Enlargement many Polish newspapers have been running adverts from agencies quick to profit from the

new situation, offering jobs in a range of industries such as nursing, engineering and general factory work in the UK. You can also find Internet sites, which announce proudly "your access to low cost workers - no hidden costs" and offering "competitive pricing" and "access to cheap Polish labourers".

EXPLOITATION

There are more horror stories out there than you'd care to imagine. Exploitation stories range from employers who pay lower rates and expect excessive hours, to recruitment and temporary labour agencies who have been charging extortionate rates and withholding wages for their services.

Most of us take for granted having a roof over our head, but there have been accounts of gang-masters providing poor, over-crowded, overpriced accommodation and deducting excessive agency fees for the privilege.

It appears that women migrants face similar problems to migrant workers in general regarding pay and working conditions, but there are additional problems relating to harassment and maternity.

EXPERIENCES WITHIN THE FOUNDRY SECTION

At the National Sector Committee in April 2005, a number of members reported an increase in the number of Polish workers being recruited in the sector. Some of the above conditions were referred to, alongside more specific sector experiences.

There is an acute shortage of foundry workers in the UK in some regions, and more and more Polish workers are being used to plug the gaps.

Questions have been raised over skills levels and qualifications with unscrupulous employers filling gaps with workers not properly qualified to do the job. Language barriers are also a worry, especially from the health and safety angle, with some workers being put at risk through a lack of understanding. A website was referred to during the meeting, called "job-down", which apparently assists contractors to "bid down" on costs to try and win contracts.

The challenge for Trade Unions is to explain to new arrivals the current rates of pay, employment practices and legal rights and basically try and organise these workers to join the union.



A quick snapshot of **EU legislation** that might help

Services in the Internal Market

This piece of legislation aims to make it easier for services to be provided across the whole of the European Union. The problem is that it contains elements, which threaten national employment rights as well as public services. The so-called "country-of-origin principle" allows companies to provide services across the EU, but only bound by the rules in their home state. The risk is that companies could move their headquarters to the EU member state with the lowest tax rates, environmental requirements and protection of workers' rights. The European Commission now looks set to take another look at these shortcomings.

Posted Workers Directive

Workers who are transferred to work on a temporary basis from one EU state to another or from outside the EU into an EU country are known as "posted workers". Such arrangements are common in the construction industry, transport, telecommunications, entertainment, repairs, maintenance and servicing.

This law gives posted workers the rights to the same minimum terms and conditions as apply to permanent workers in each EU country, even if the terms are better than in the employee's own contract. Unfortunately loopholes in the UK have meant that in many cases, clients and contractors have exploited overseas labour in terms of their wages and Health and Safety, apprenticeships etc, for example by paying the minimum wage rather than the construction collective agreement rate. Amicus has been leading the way in trying to fill these loopholes.

Temporary Agency Workers Directive

Temporary Agency Work is the most rapidly growing form of atypical work in the EU and there is a clear need for protection for temporary agency workers. The European Commission has proposed legislation to set minimum EU-wide standards and create a level playing field for companies.

It states that a temporary agency worker may not be treated less favourably, in terms of basic working conditions (working time, rest periods, holidays, pay etc) than a permanent member of staff doing a "comparable" job in the same firm. But in order to accommodate national law and practices, it also allows exceptions to be made where workers have a permanent contract with an agency, or collective agreements provide adequate protection.

Several EU countries are against the Directive for a variety of different reasons; not wanting to over-regulate the market, believing that the matter should be dealt with at national level, or that qualifying periods should exist - most countries could accept a qualifying period of differing length.

Since enlargement, Poland has been amongst the group of EU member states (led by UK) resisting the introduction of a Temporary Agency Work Directive. The UK Government, in the recent Warwick agreement stated that they will support the EU Agency Workers Directive and engage with the European Commission with a view to reaching an early agreement on the proposed Directive.

**AS A CAMPAIGNING UNION, AMICUS WILL CONTINUE
TO MONITOR AND ACT ON LEGISLATION
IMPACTING ON OUR MEMBERS.
WE WILL CONTINUE TO CAMPAIGN FOR THE FULL
AND PROPER INTRODUCTION OF THESE EU LAWS.**

The logo for Amicus the union features a stylized sunburst icon above the word "amicus" in a lowercase, sans-serif font, with "the union" in a smaller, lowercase, serif font below it.

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the union