

Collective bargaining: main trends in Europe

**Sectoral Collective Bargaining and Competitiveness of Sectors,
LDDK, Riga, 06.12.18**

Christian Welz _ Eurofound

Outline

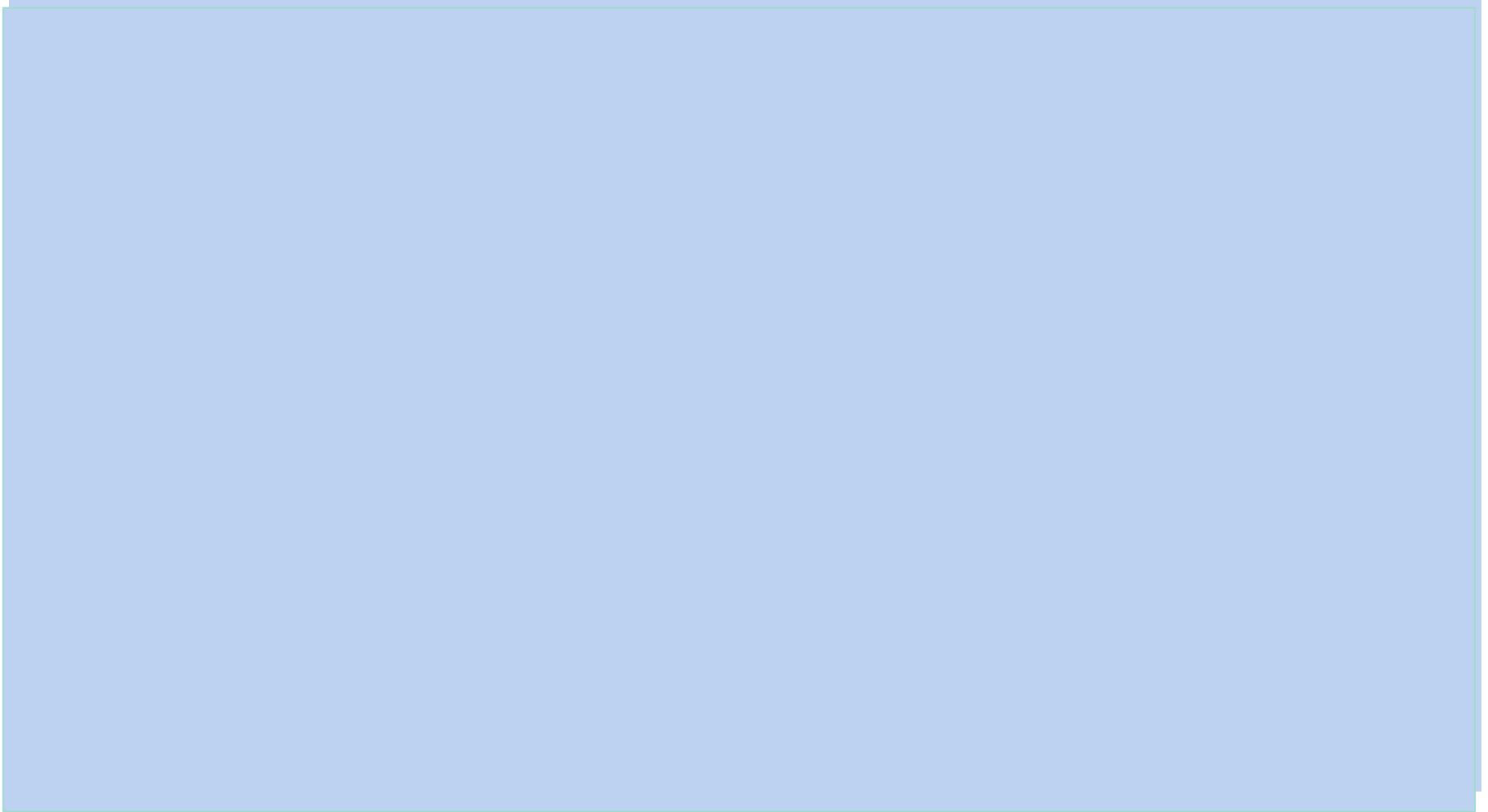
A. Varieties of national IR regimes

B. Main trends of collective bargaining

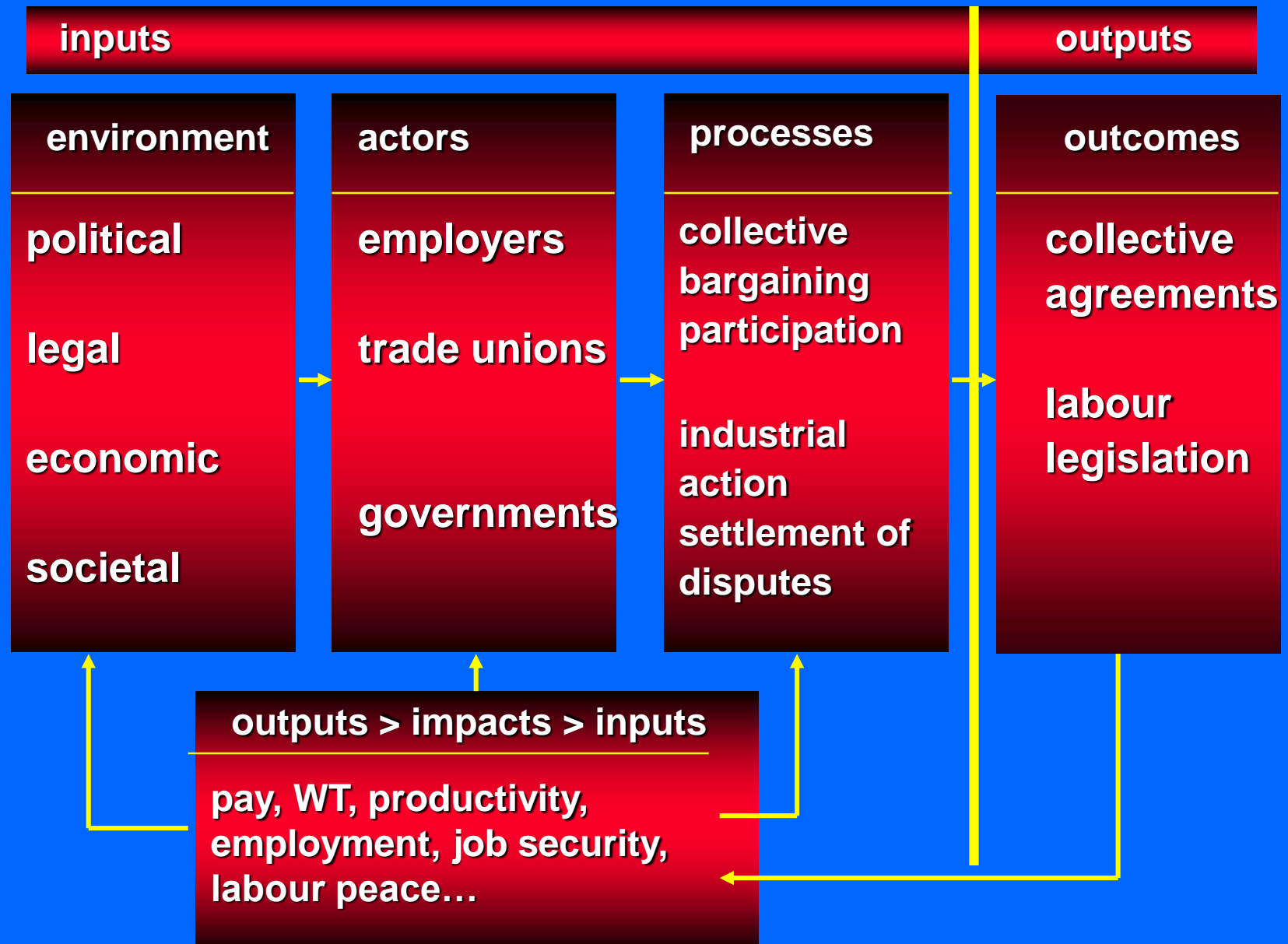
C. Discussion

sources: EC, Eurofound, Eurostat, ILO, OECD

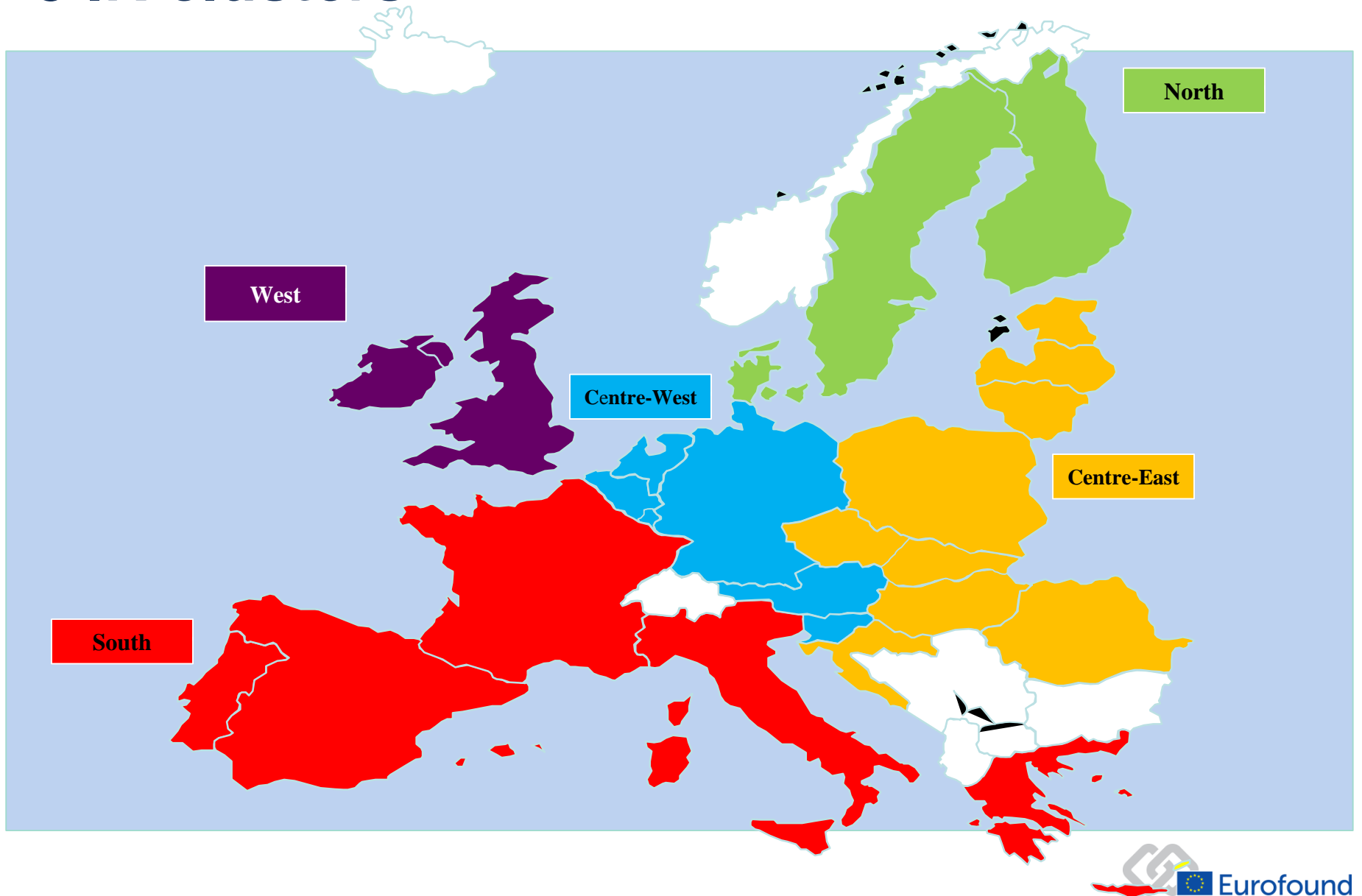
A. Varieties of national IR regimes



System of Industrial Relations



5 IR clusters

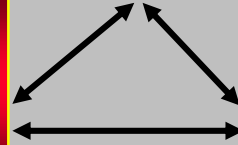


Levels of CB - wages

Government

Trade Unions
Intersectoral
level

Employers
Intersectoral
level



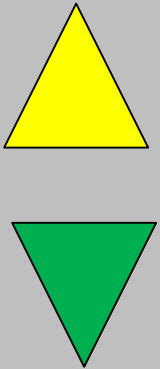
Sectoral level

Sectoral level



Company level

Company level



Belgium

Austria
Denmark1
Finland
France1
Germany
Greece
Ireland1
Italy
Luxembourg1
Netherlands
Portugal1
Spain1
Sweden1

Denmark2
France2
Ireland2
Luxembourg2
Portugal2
Spain2
Sweden2
UK

Levels of CB - wages

Government

Trade Unions

Employers

Intersectoral
level

Intersectoral level

Sectoral level

Sectoral level

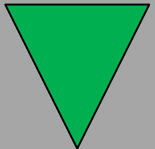
Company level

Company level

Slovenia 1

Bulgaria1
Cyprus 1
Slovakia 1
Slovenia 2

Bulgaria2
Croatia
Cyprus 2
Czech Rep.
Estonia
Hungary
Latvia
Lithuania
Malta
Poland
Romania
Slovakia 2



Trade Union density rates in 2016 (%)

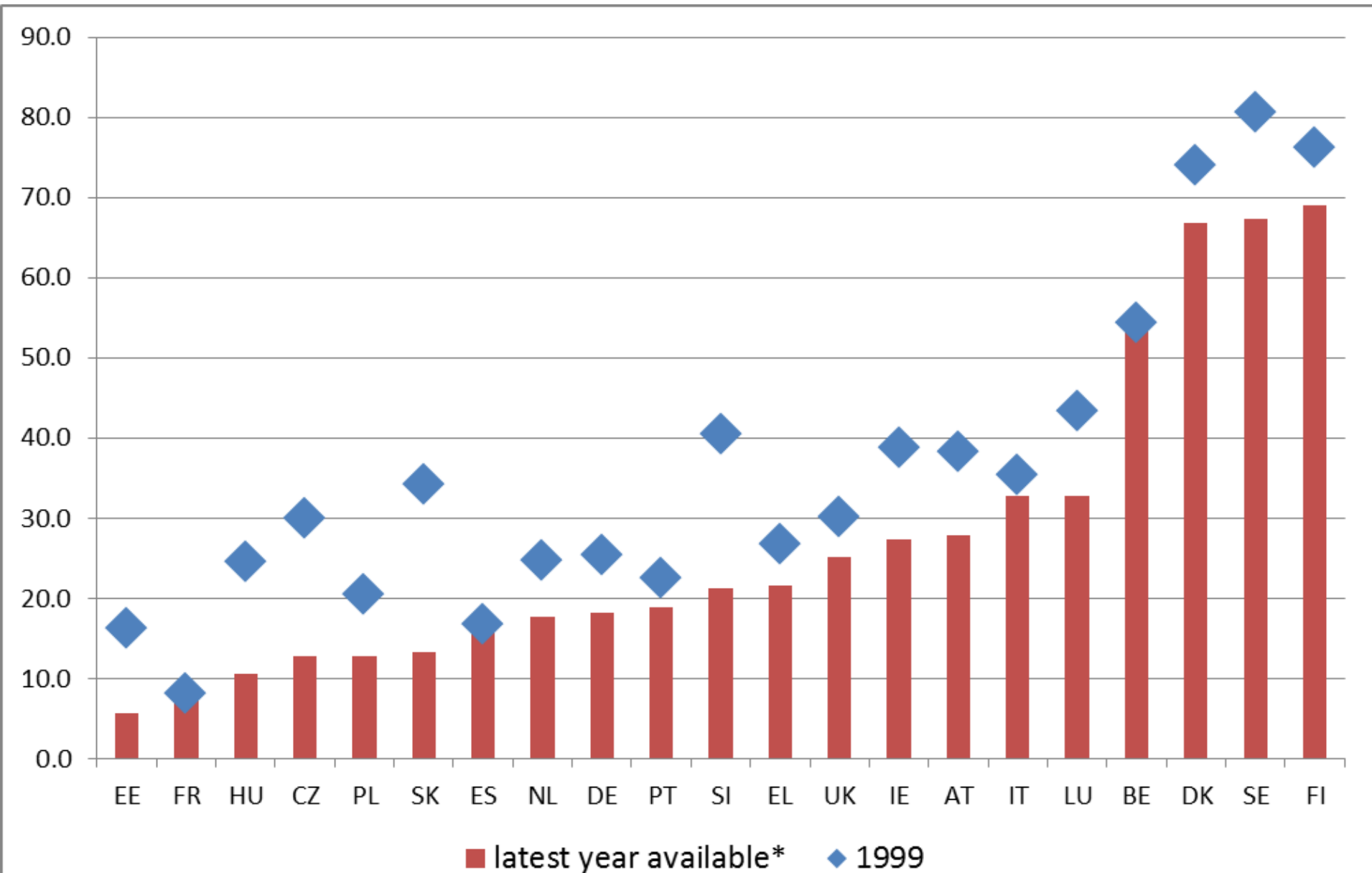
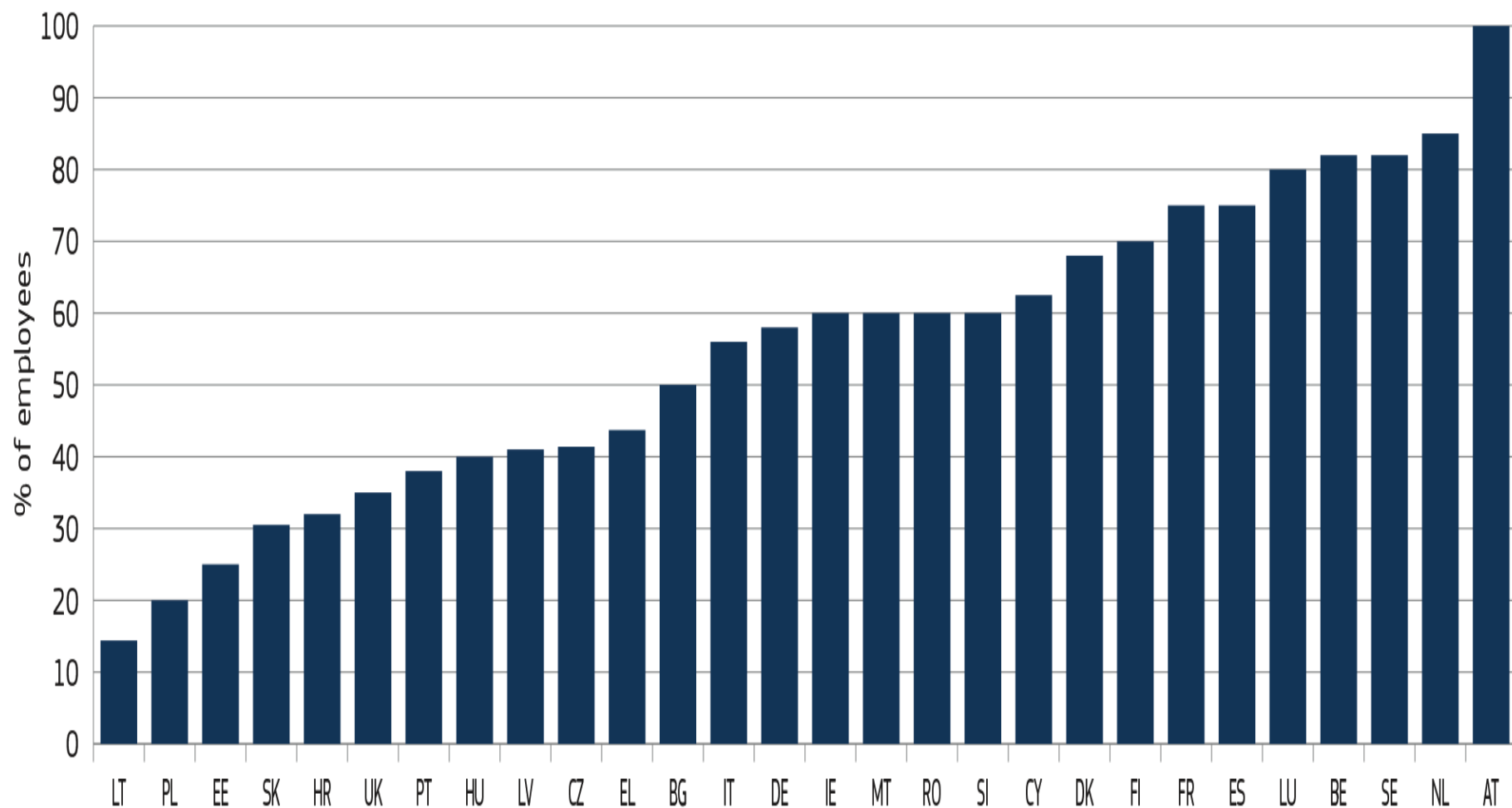


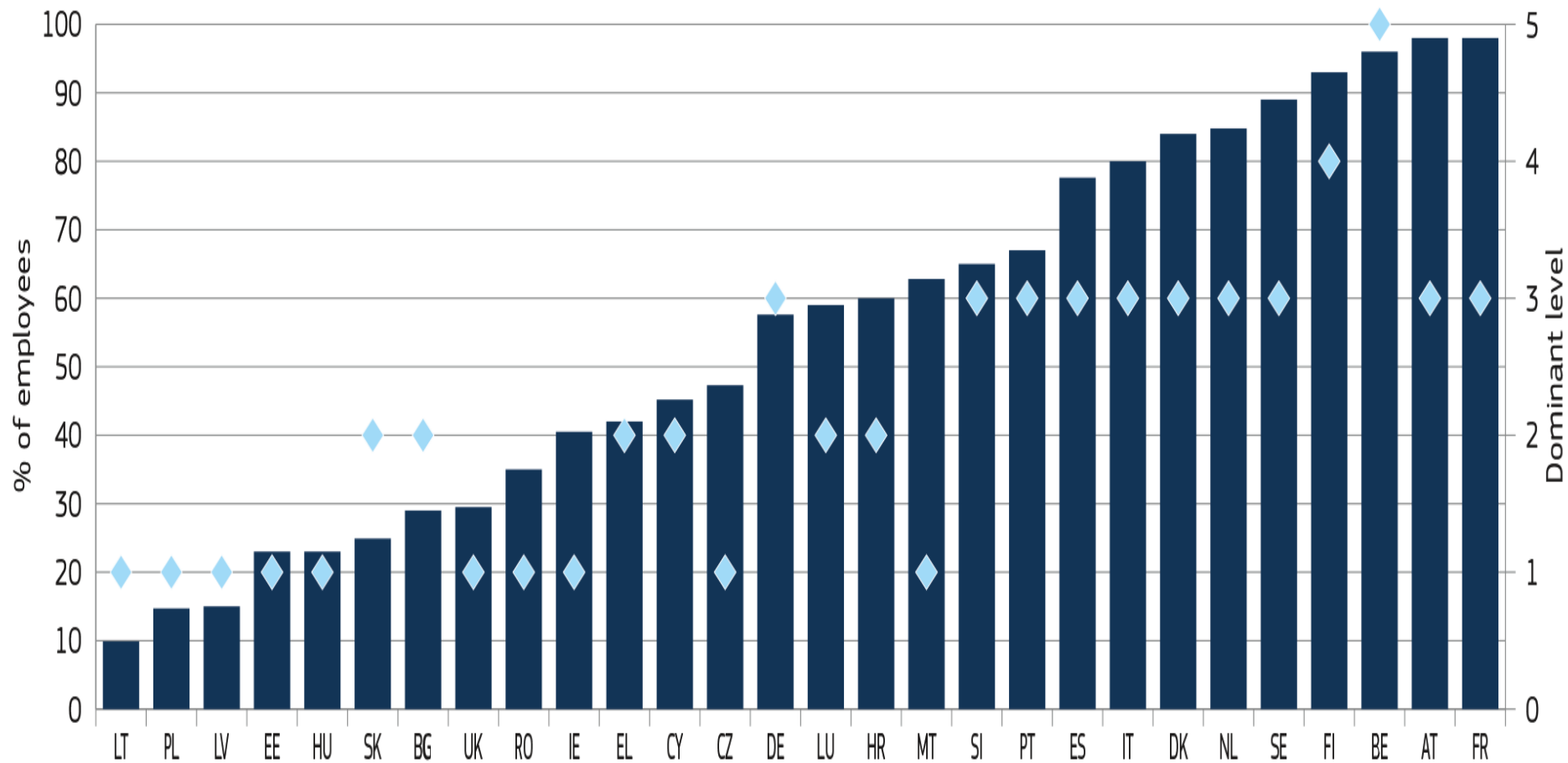
Chart 2: Employer density rate



Source: ICTWSS database (Visser, 2015).

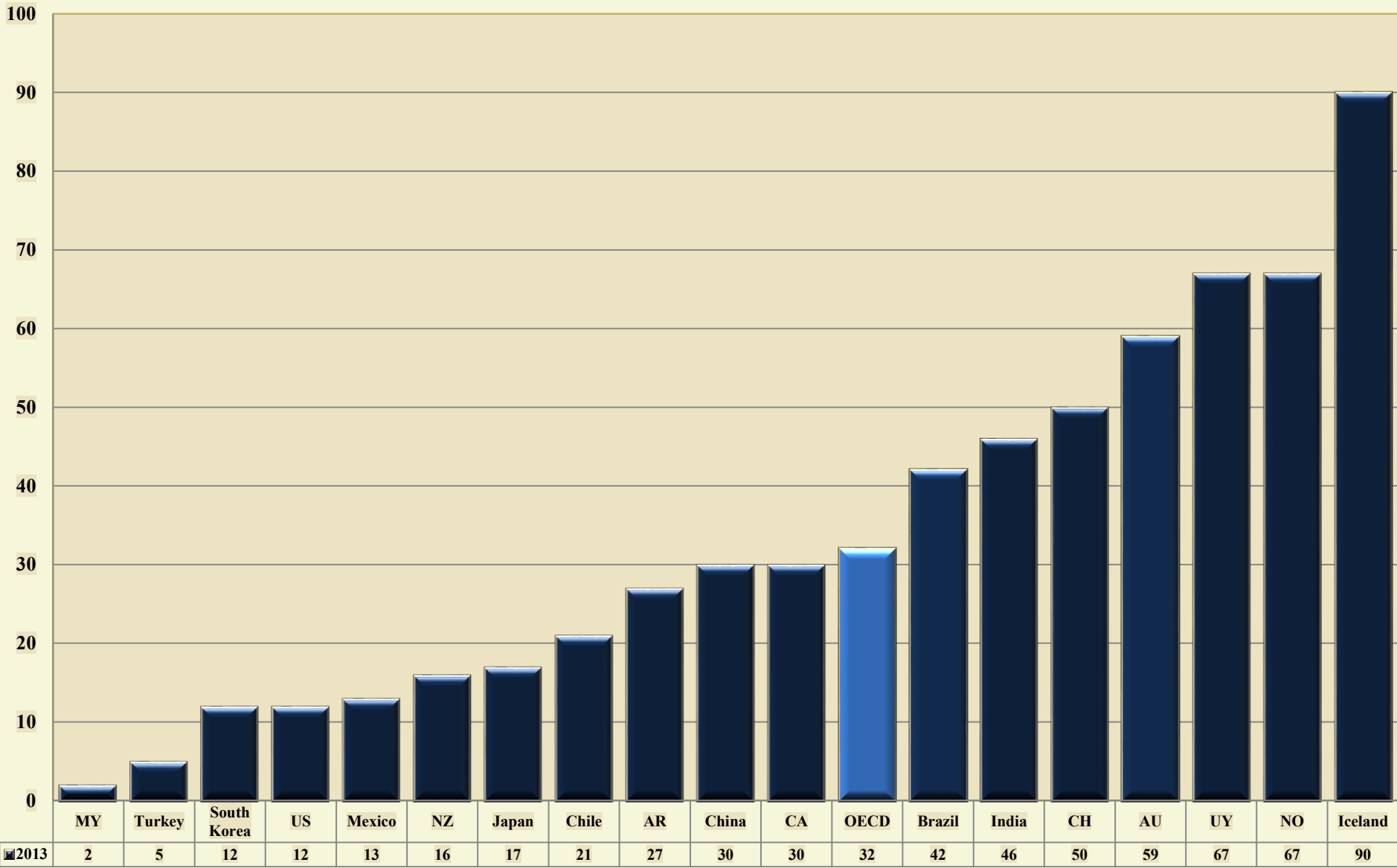
Notes: Share of employees working in establishments that are affiliated to an employers' organisation. Data years: 2014 for AT; 2013 for HR, LV, SI and SK; 2012 for BE, BG, FI, FR, IT, LT, LU and PL; 2011 for CZ, DE, EE, IE, NL, PT and SE; 2010 for DK; 2008 for CY, EL, ES, HU, MT and UK; 2007 for RO.

Chart 4: Collective bargaining coverage rate and dominant level of bargaining

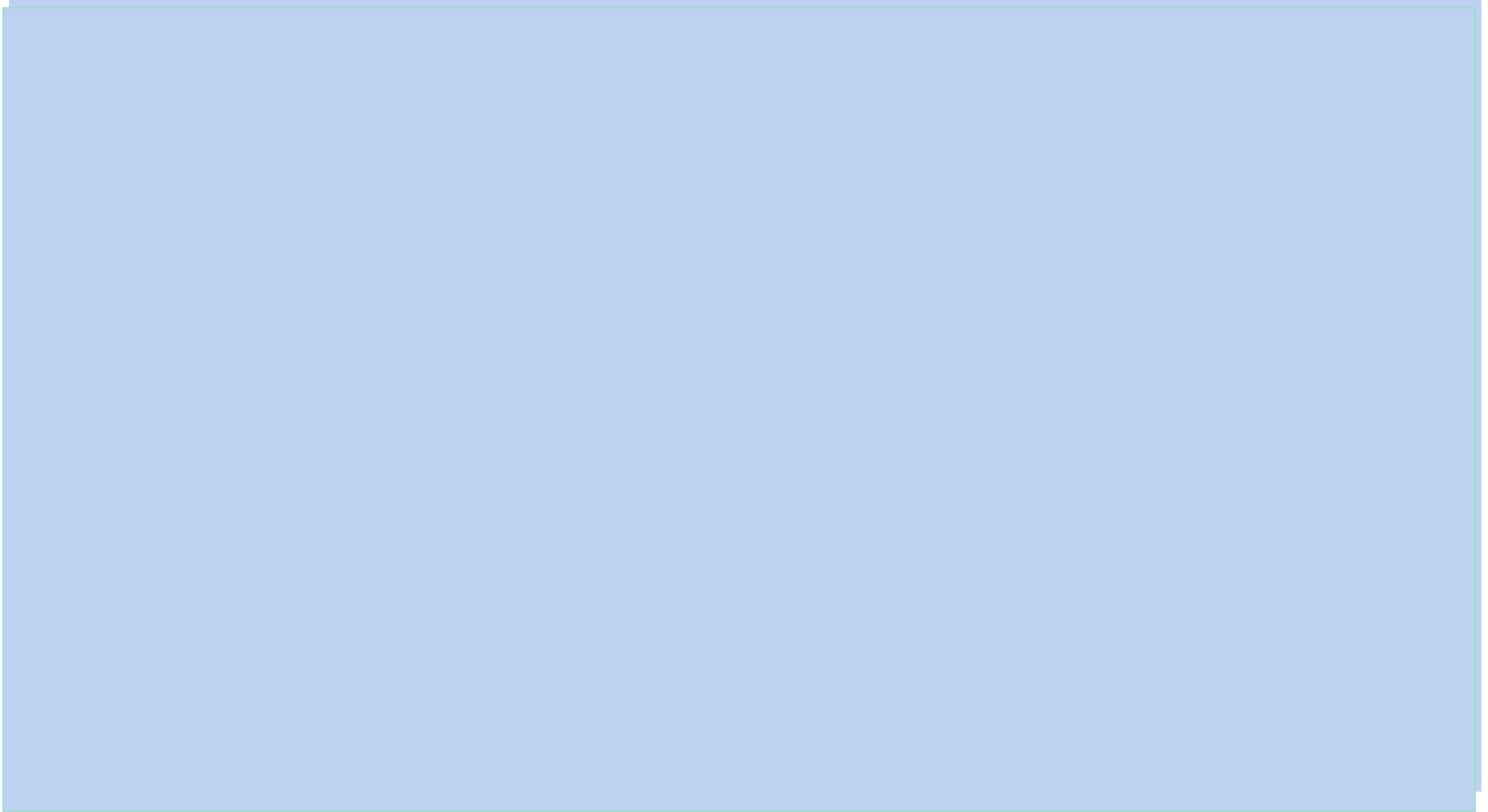


Source: ICTWSS database (Visser, 2015).

Collective bargaining coverage (2013 or later %)

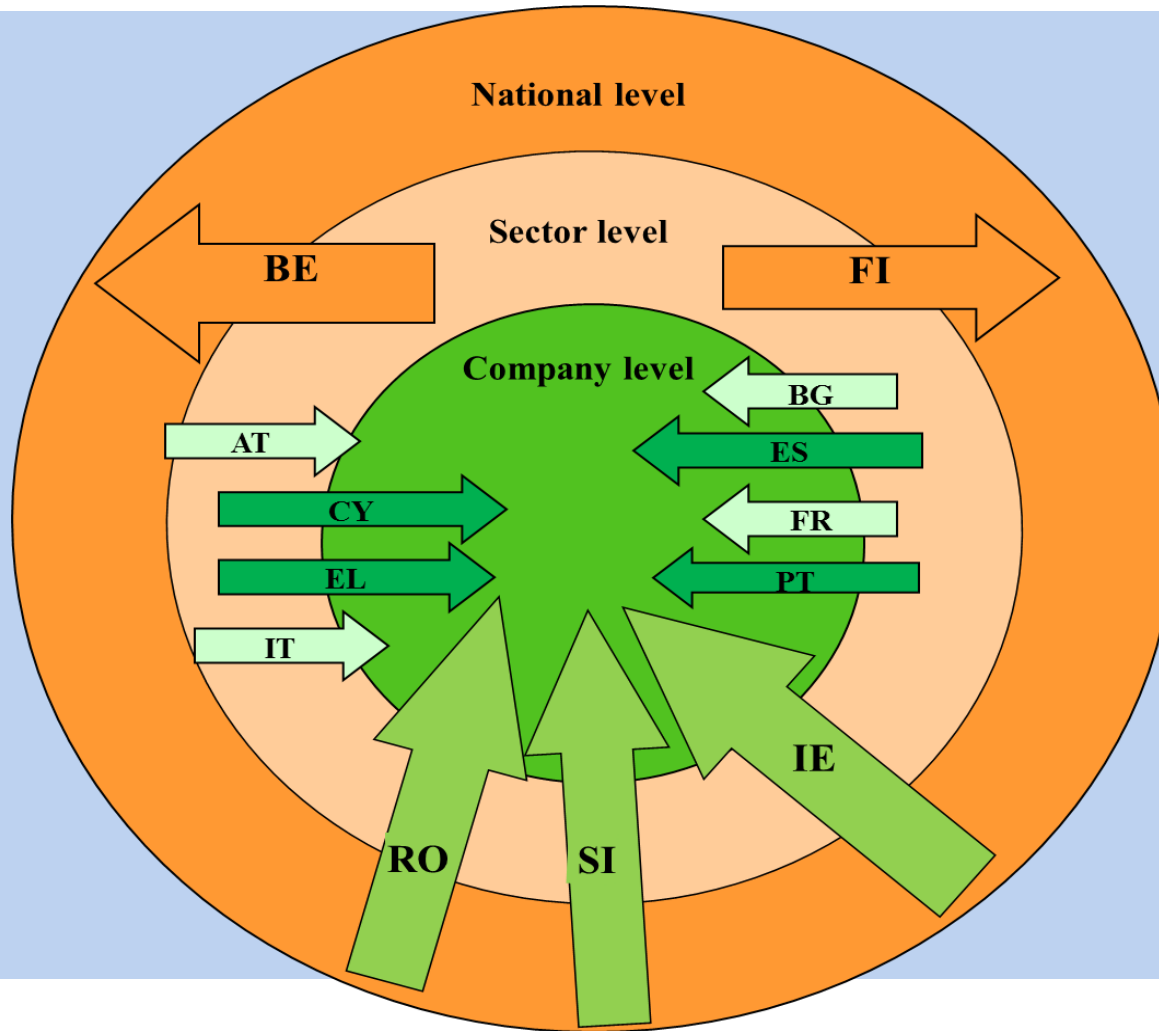


B. Main trends of collective bargaining



Country	Multi-employer (MEB) or Single-employer (SEB) bargaining prevalent	
	2008	2011
Austria	MEB	MEB
Belgium	MEB	MEB
Bulgaria	Mixed	Mixed
Croatia	MEB	MEB
Cyprus	Mixed	Mixed
Czech Republic	SEB	SEB
Denmark	MEB	MEB
Estonia	SEB	SEB
Finland	MEB	MEB
France	MEB	MEB
Germany	MEB	MEB
Greece	MEB	MEB
Hungary	SEB	SEB
Ireland	MEB	SEB
Italy	MEB	MEB
Latvia	SEB	SEB
Lithuania	SEB	SEB
Luxembourg	MEB	MEB
Malta	SEB	SEB
Netherlands	MEB	MEB
Norway	MEB	MEB
Poland	SEB	SEB
Portugal	MEB	MEB
Romania	MEB	SEB
Slovakia	Mixed	Mixed
Slovenia	MEB	MEB
Spain	MEB	MEB
Sweden	MEB	MEB
United Kingdom	SEB	SEB

Trends in main levels of CB



Ordering / favourability principle

- **continental Western, central Eastern and Nordic IR regimes** apply the **favourability' principle** to govern the relationship between different levels of CB
 - CAs at lower levels can only **improve** on standards established by higher levels
 - exceptions: IE and the UK > reflecting their different legal tradition based on voluntarism
- **FR**
 - FR made changes already in 2004 (loi Fillon)
- **ES**
 - 2011 law inverted the principle as between sector or provincial agreements and company agreements
- **EL**
 - 2011 law inverts the principle between the sector and company levels for the duration of the financial assistance until at least 2015
- **PT**
 - 2012 Labour Code inverts the principle, but allows EOs and TUs to negotiate a clause in higher-level CA reverting to the favourability principle

Changes in opening/opt-out clauses

- **opening clauses** in sector/cross-sector CAs provide scope for further negotiation on aspects of wages at company level
- **opt-out clauses** permit derogation under certain conditions from the wage standards specified in the sector/cross-sector CA
- changes in **opening clauses** → 6 MS
 - AT, DE, FI, IT, PT, SE
- changes in **opt-out clauses** → 8 MS
 - BG, CY, EL, ES, FR, IE, IT, SI

Continuation of CAs beyond expiry

- clauses providing for agreements to **continue to have effect beyond the date of expiry** until a new agreement is concluded are intended to protect workers should employers refuse to negotiate a renewal
- they are found in a **9 MS at least**
 - **AT, DK, EE, EL, ES, HR, PT, SE, SK**
- changes have been made to such provisions in **5 MS**
 - **EE, EL, ES, HR, PT**

Extension mechanisms

- of the **28 MS**
- **23 MS have extension mechanisms or a functional equivalent (IT)**
- no legal procedure for extending collective agreements in
CY, DK, MT SE and UK
- changes to either extension procedures or in their use
in 8 MS
 - **BG, DE, EL, IE, PT, RO, SK, IT**

Extension procedures - semi-automatic

	procedure	decision	rep criteria	public interest	use
Argentina	request SP	Min	yes	yes	very common
Austria	request SP	tripartie body	yes	no	Rare
Brazil	Court	court	yes	yes	common
Finland	automatic	tripartite body	yes	no	very common
France	request SP	Min	yes	no	very common
Iceland	CA apply to all employees	automatic	no	no	General
Spain	CA apply to all employees	automatic	yes	no	general

Extension procedures - supportive

	procedure	decision	rep criteria	public interest	use
Belgium	request by joint committee	royal decree	yes	no	very common
Croatia	requeté by SP	Min	yes	yes	very common
Germany	request by SP	Min	overriding importance	yes	limited
Italy	no – but functional equivalent	judges	no	no	very common
Netherlands	request by SP	Min	yes	yes	common
Portugal	request by SP	Min	yes	yes	very common
Slovenia	request by SP	Min	yes	no	common
South Africa	request by SP	Min	yes	no	Common
Switzerland	request by SP	Fed Gov	yes	yes	Common

Extension procedures - restrictive

	procedure	decision	rep criteria	public interest	use
Albania	request by SP	Min	yes	no	rare
Bulgaria	request by SP	Min	yes	no	limited
Czech Republic	request by SP	Min	yes	no	rare
Estonia	request by SP	Min	CA signed by EOs	no	rare
Hungary	request by SP	Min	yes	no	limited
India	request by SP	Min			limited
Ireland	request by SP	Labour Court		competitiveness	rare
Israel	request by SP	Min	yes	no	limited
Latvia	request by SP	Min	yes	no	limited
Norway	request by SP	tariff board	substantia/ foreign workforce/low wages	no	limited
Romania	request by SP	Min	yes	no	limited
Slovakia	request y SP	Min	EO can veto	abolish disadvantages	limited

No. of CAs in PT

	2008	2009	2010	2011	2012	2013	2014
sector CA	194	164	166	115	46	46	72
company CA	97	87	64	55	39	49	80
total CA	291	251	230	170	85	95	152
extension	137	102	116	17	12	9	13
coverage / in 1000 pers.	1,895	1,397	1,407	1,237	328	243	246

C. Discussion

- **Towards further de-centralisation of collective bargaining?**
- **Towards re-commodification of labour?**

Discussion

- Treaty of Versailles (1919: article 427)
 - first principle of the new ILO pro- claimed ‘ that labour should not be regarded merely as a commodity or article of commerce
 - introduced by British delegation
 - Gompers > personal defeat
- ILO DECLARATION OF PHILADELPHIA (10 May 1944)
 - labour is **not** a commodity

Discussion

- Labour is not a commodity > clause is *not* in the EU Treaties
- yet ➔ Albany case (1996)
- Albany used the competition rules in article 81(1) EC (now article 101(1) TFEU) claiming that mandatory pension scheme compromised their competitiveness

Discussion

- ECJ
- “ social policy objectives pursued by CAs would be seriously undermined if management and labour were subject to Article 85(1) “
- Advocate General Jacobs
- “ CAs enjoy automatic immunity from antitrust scrutiny”
- Art. 153 (5) TFEU
- The provisions of this Article shall not apply to pay, the right of association, the right to strike or the right to impose lock-outs.

Further information

- <http://www.eurofound.europa.eu>
- christian.welz@eurofound.europa.eu
- European industrial relations dictionary