

CHAPTER 1: Developments in European industrial relations

This chapter presents an up-to-date picture of industrial relations in the EU and discusses significant developments that have occurred, considering them in the context of changes to industrial relations taking place over the longer-term. Some changes that we are currently witnessing have been shown to be rooted in trends that began long before the economic crisis, but which have, sometimes, been intensified by it, whereas other developments have been directly induced by the crisis.

Based on a draft by Barbara Bechter and Bernd Brandl (University of York).

1.1. Introduction

Significant changes have been seen in industrial relations over the past decade. Many of these developments are part of longer-term trends affecting the institutions and processes central to industrial relations — trends caused by a rapidly changing socioeconomic environment. A number of distinct long-term trends can be identified at EU level, but there continues to be considerable variation between the developments seen in individual Member States.

The change in the economic situation that has occurred since the beginning of the crisis is clearly the main contextual factor influencing recent developments in industrial relations in Europe. Some of these developments were already analysed in the 2010 and 2012 editions of industrial relations in Europe (European Commission, 2011, 2013). This edition uses new data and evidence to map the evolution of the crisis and its impact on industrial relations⁽¹⁾, with particular attention given to the changes taking place in European economic governance.

The impact of the crisis has varied across Member States, but, throughout the EU, the institutions and processes central to industrial relations have faced serious challenges. Economic growth has remained low or negative in some

countries, whilst others have already seen their economies start to pick up. Nevertheless, growth in employment has generally remained sluggish, with labour markets reflecting the levels of spare capacity in the economy. Record youth unemployment rates in some countries (Spain and Greece), shifts in the structure of employment across different occupational groups and sectors, an increase in temporary employment and the spread of alternative forms of employment (Eurostat, 2013; European Trade Union Institute, 2014; European Commission, 2014) have combined to create a new socioeconomic environment, thus changing the context to industrial relations.

Throughout the crisis, policies in place at EU level — including Europe 2020, the new system of European economic governance, and the financial assistance programmes set up for certain Member States — have influenced the processes shaping industrial relations and their outcomes. Both of these factors — the new economic context and system of governance — have brought about changes in industrial relations.

It is not yet clear whether the crisis has been the cause of permanent changes in the way industrial relations institutions across the EU operate. The economic downturn and the fiscal consolidation that followed it may have accelerated a number of trends which predate the crisis, including the decentralisation of bargaining structures (Broughton and Welz, 2013). Studies which cover the period since 2011 emphasise the radical changes in industrial relations

resulting from both the financial assistance offered to certain Member States and the growing pressure that measures introduced at EU level put on national industrial relations systems to shift towards decentralised bargaining and to limit extension mechanisms (Schulten and Müller, 2013; Schulten, 2013). Other analyses suggest that the substantial transformation of the underlying national industrial relations systems that we are now seeing may be due to the accumulation, and recent acceleration, of a series of incremental changes (Visser, 2013; Marginson, 2014).

This chapter is divided into two main sections, one focusing on the actors in industrial relations (1.2) and the other on the processes that shape industrial relations and their outcomes (1.3). The chapter compares developments seen since the beginning of the crisis (2008) with the preceding period (from 2000). Sections 1.2.1 and 1.2.2 present the respective structural and organisational characteristics of trade unions and employers' organisations in Europe. Section 1.2.3 looks at the role of trade unions and employers' organisations in public policy-making and their interaction with the state, the third actor in industrial relations. The following sections analyse the differences and similarities in the collective bargaining systems found in different Member States, in terms of the current trends seen in bargaining coverage, centralisation and coordination (1.3.1) and the representation of employees at the workplace (1.3.2). Section 1.4 presents a summary and conclusions.

1.2. Actors in industrial relations

Previous reports have discussed both stylised facts defining the fundamental characteristics of actors in industrial relations and current trends observed in their organisation and activities. The organisational characteristics of both

⁽¹⁾ The main data sources used for this chapter are the Institutional characteristics of trade unions, wage-setting, state intervention and social pacts (ICTWSS) database (Jelle Visser, 2015), for main industrial relations indicators, and Eurofound publications on developments in industrial relations (Eurofound, 2014) and wage-setting (Marginson and Welz, 2014).

trade unions and employers' organisations vary significantly across EU Member States. Nevertheless, one common trend seen in almost all countries is that trade union membership is experiencing a long-term decline (Schnabel, 2013) while employers' organisations have more or less maintained their level of membership, when measured relative to their potential membership, i.e. their organisational density has remained fairly constant.

The organisational density of employers' organisations and trade unions has not, however, been stable in all EU Member States. Significant differences can be seen between countries, both in the change in the density of employers' organisation and in the level of unionisation. The organisational density of both employers' organisations and trade unions also varies across sectors within individual countries (Bechter et al., 2011), particularly between the public and the private sectors (see box 1.1 for updated information on industrial relations in the public sector). There continue to be significant differences between industrial relations in the pre-2004 Member States and the Member States having joined the EU since 2004 (see box 1.2 for updated information on industrial relations in these Member States).

The next section discusses the current characteristics of the actors in industrial relations across the EU, examining whether trends have persisted and stylised facts remained valid, or whether the new context in which actors are having to operate has led to a change in long-term developments.

1.2.1. Trade unions

The density, organisational structure and role of trade unions continues to vary significantly between EU countries, as has been the case for a number of

decades. Some Member States have highly concentrated and consolidated trade union systems, with only a small number of different confederations and unions, whilst in other countries, systems are more fragmented. Similarly, some countries' trade unions concentrate on their role in collective bargaining, while in other Member States, trade unions have a broader function — they are involved in public policy-making, via their representation in tripartite bodies, and are consulted by state authorities on economic and social policy issues.

The structure of national trade union systems

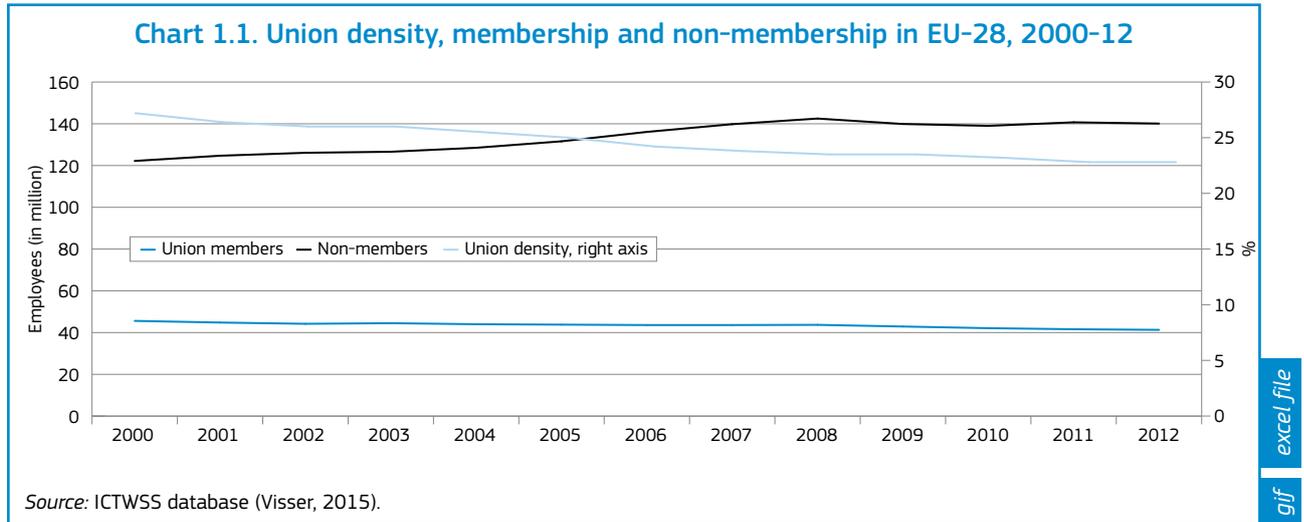
Trade unions are organised in very different ways in different EU countries. The number of trade unions involved in cross-industry social dialogue ranges from just one confederation in Ireland and Latvia to twelve organisations in Italy (Pedersini and Welz, 2013). The absolute number of organisations can, however, give a misleading picture of the actual level of fragmentation of the system, as in some countries the system is dominated by one large confederation that covers the majority of unions, such as the German Confederation of Trade Unions and the Greek General Confederation of Greek Workers.

The number of trade union confederations is relatively low in the Nordic countries, and the way in which the trade unions are split between the confederations also reflects an occupational specialisation: manual workers, non-manual workers and higher-skilled workers are each represented by their respective unions. Trade unions in southern European countries, on the other hand, tend to group together according to their political allegiance, although political and religious rivalries have weakened in the recent past. The trade union pluralism seen in some central

and eastern European countries is the result of trade union renewal after the economic and political transition of the 1990s (Pedersini and Welz, 2013). It can also be the case in some countries that trade union confederations represent particular sectors or industries, or different regions or language groups. Several of these divisions may be observed in the same country simultaneously (Visser, 2015).

While the number of trade unions affiliated to the country's largest confederation varies widely across Member States, in the vast majority of countries the number of trade unions has fallen as a result of mergers (European Commission, 2011; Broughton and Welz, 2013). This process of merging individual trade unions and restructuring the union system is usually motivated by the wish to maintain membership levels and increase efficiency. The tendency to consolidate in this way has been present for almost as long as trade unions have existed. There is evidence of recent restructuring and reorganisation of trade unions, in the wake of the crisis, in several countries, including Hungary, Portugal and Italy (Eurofound, 2014 and 2015).

Some countries have addressed the issue of the fragmentation of trade unions by introducing new legislation making the criteria for trade unions to be considered 'representative' for the purpose of participating in social dialogue stricter. France amended its legislation in 2008, increasing the minimum level of support that trade unions require: they now need to win 10% of the votes at company level and 8% at sector level to be considered representative. Bulgaria introduced amendments to the labour code in 2012, tightening the criteria for legal recognition of a trade union and/or trade union confederation at national level. Croatian legislation on trade unions was also revised in 2012. Trade unions must now enforce higher minimum requirements



for becoming a member if they wish to be able to act as a confederation, the effect of which has been to reduce the number of trade unions (Fulton, 2013).

Trade union membership and density

Trade union density is the proportion of all wage and salary earners in employment who are members of trade unions⁽²⁾. The majority of European countries have seen a steady decline in trade union density since the 1980s (European Commission, 2009, 2011 and 2013; European Trade Union Institute, 2014). There are a number of possible explanations for this long-term trend, and consistent patterns have allowed stylised facts to be identified. The decline in trade union membership has been mainly concentrated in the private sector, particularly in the services sector, with unionisation remaining significantly higher in the public sector in most countries (see box 1.1 for analysis of the proportion of employment provided by the public sector). At workplace level, there is a positive correlation between the level

of trade union membership and the size of the establishment, measured in terms of the number of employees. A trade union's presence and visibility at the workplace remains an important factor in determining membership levels, as it is often through this on-the-ground presence that trade unions are able to recruit and retain members. These two factors are closely linked, as trade union presence is more common in larger establishments. As regards individual workers, employees with fixed-term contracts and part-time workers are less likely to be members of trade unions than are full-time workers and those on open-ended contracts. Based on the evidence available, there does not appear to be a common trend across countries in terms of the link between gender and trade union membership. It can, however, be seen that younger workers are less likely to join trade unions than are workers in older age groups (see chapter 4). The overall decline in trade union density can be considered as part of a broader trend towards individualisation and reduced political participation, typified by the declining voter turn-out seen in many western societies.

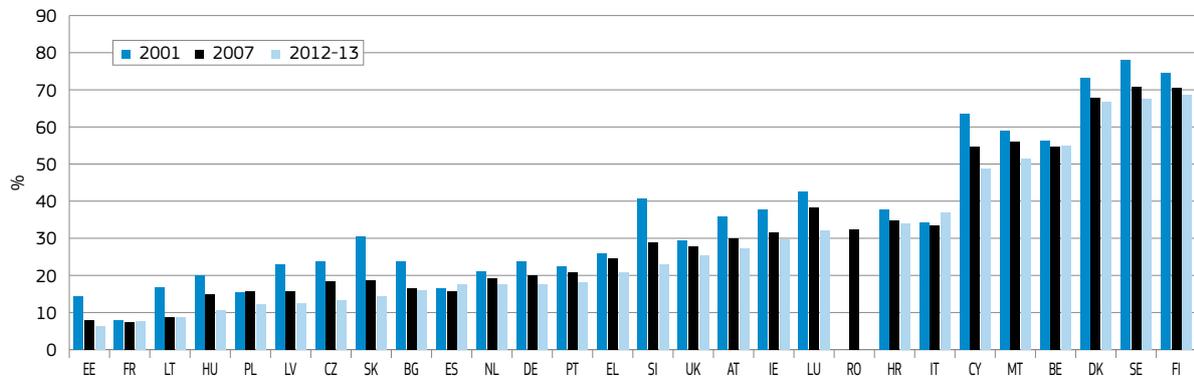
Finally, in recent decades, unemployment has tended to exert downward pressure on trade union membership (and to a lesser extent density) in the majority

of Member States. Belgium, Denmark, Finland and Sweden are notable exceptions to this trend. In these four countries, trade unions are, to varying extents, involved in the provision of unemployment benefits. This institutional set-up, known as the Ghent system, is considered the main reason for the high and relatively stable trade union density in these Member States (Schnabel, 2013). By contrast, the fall in trade union density has been particularly steep in central and eastern European countries since the transition to new economic and political systems that took place in the early 1990s (European Commission, 2013). Chart 1.1 shows the change in trade union density in the EU as a whole between 2000 and 2012.

Between 2000 and 2008, the fall in trade union density at EU level was essentially driven by a steady increase in the number of people employed and not members of a trade union, combined with a stagnant or slightly declining number of unionised employees. The dynamics have changed somewhat since the start of the crisis. The fall in the number of unionised employees has accelerated since 2008, while total employment numbers dropped initially following the onset of the crisis, before levelling out. As a result of these two trends, the decline in trade union density appears to have slowed, at least temporarily.

⁽²⁾ Based on net trade union membership, i.e. total or aggregate trade union membership minus members who do not belong to the active, dependent and employed labour force (i.e. retired workers, self-employed, students and unemployed).

Chart 1.2. Union density in EU Member States, 2001-2012/3



Source: ICTWSS database (Visser, 2015).

Note: RO: no data for 2001 and 2012/3; 2013 for AT, DK, DE, EL, IE, IT, LU, NL, PL, PT, SE and UK; other EU countries: 2012.

The trend seen in the majority of Member States is similar to that observed at EU level: a decline in trade union density over the whole period, with the rate of decline slowing in later years. There are a few notable exceptions, where the fall in density has been steeper since 2007 than before the start of the crisis (Luxembourg, Malta and Poland, and, to a lesser extent, Greece, Portugal and the United Kingdom). In Italy and Spain, by contrast, trade union density has increased slightly over the period 2001 to 2012/13.

Recent trends in trade union density have clearly been influenced by the crisis, the effects of which are reflected in the relative changes in the number of employees and the number of trade union members. These developments can be explained by the varying impact of the crisis on different categories of workers. Many young people have delayed their entry into the labour market, or have been unemployed during the crisis, while employment among older age groups in the labour force has been stable or even growing. Together with the increased use of fixed-term contracts, and the continued expansion of part-time employment, this raises questions as to the developments in trade union density likely to be seen when employment levels recover.

While trade union density provides an indication of the strength of trade unions, it could be misleading to focus exclusively on this variable. Trade unions' influence relies on their role in the institutional framework. France is an example of a Member State with low trade union density but where trade unions are nonetheless influential. Importantly, collective bargaining coverage is more closely correlated with employer organisations' membership rates than with trade union density.

1.2.2. Employers' associations

The nature of employers' associations — their organisational density, structure and role — varies widely across the EU. Associations representing their members' interests exclusively in their role as employers are the exception rather than the rule. The majority of associations represent the interests of business both in its capacity as employer and as producer. These associations, which integrate the functions of employer associations and business interest associations, are known as mixed associations. 'Pure' employer associations were more common in Europe around thirty years ago,

but mergers with business interest associations and a decline in collective bargaining at national level has seen their numbers fall significantly. Employers can be members of several employers' organisations.

The structure of employers' representation systems

There are long-standing differences between the structure of employers' associations in different countries. Membership of employers' associations is generally voluntary, and mandatory membership usually only applies to certain types of employers, such as public sector organisations, specialised agencies and chambers of commerce, especially for SMEs (Pedersini and Welz, 2013). Austria is a notable exception to this, with membership of the general and sectoral sections of the Federal Economic Chamber being compulsory. Membership of certain chambers was also mandatory in Slovenia until recently. The law was changed for the Chamber of Commerce and Industry in 2006, and membership of the Chamber of Crafts and Small Business then also became voluntary in 2012, following a referendum held among its members.

Box 1.1. Industrial relations in the public sector

Based on a draft provided by Lorenzo Bordogna, Università degli Studi di Milano.

Public sector employment levels and wage and salary dynamics have been under strain in many EU countries since the onset of the economic crisis in 2008 (European Commission, 2011: Ch. 1, 2 and 3; European Commission, 2013: Ch. 3 and 4; Vaughan-Whitehead, 2012 and 2013). Although public sector employment relations continue to vary widely across Europe, with differences rooted in country-specific legal and institutional traditions, some trends towards convergence have emerged, both between countries and between the public and the private sector.

The crisis has been one of the main drivers of convergence in recent years, as a result of the strengthening of budget constraints and the pressures to reduce public expenditure. The main trends seen included: a return to unilateralism on the part of governments, which reduced the potential for different forms of social dialogue; a weakening of the special prerogatives of public sector employees, where they had existed; top-down wage-setting; and an overall reduction in the role of trade unions.

Another notable emerging development has been the exposure of public sector employment relations to external market forces, especially in the most financially vulnerable countries: ‘the crisis challenged the traditional configuration of public sector employment relations as sheltered from international market pressures, operating in a relatively closed environment mostly shaped by the regulatory power of the state and other domestic actors’ (Bach and Bordogna, 2013, p. 291). This development can be linked to a broader, pre-existing trend of introducing or strengthening private-sector-style human resources management practices in the public sector. Such practices include, for example, variable individual pay, performance-related pay, performance-based rather than seniority-based promotions and individualised career paths. While in some cases, these had been negotiated and introduced through social partner agreement, the crisis-related reforms brought in as a result of the crisis appear to have left little scope for such dialogue.

During the crisis, governments have acted to reduce expenditure, through wage freezes, wage cuts, reductions in staff and changes to pension arrangements. Moreover, working time has been reformed and work-organisation patterns revised in order to improve cost effectiveness. Such initiatives have been more extensive in some countries than others, and the impact on public sector employment relations has varied across countries. There is a clear link between the severity of the crisis and the adjustment measures introduced in particular countries. More radical adjustments were implemented in Estonia, Ireland, Greece, Latvia, Lithuania, Hungary, Portugal and Romania. With the exception of Ireland, changes in public sector employment relations were introduced in these countries unilaterally by governments, without any significant social dialogue. In other Member States (Denmark, Germany, France, the Netherlands, Finland, Sweden and, to some extent, the United Kingdom) new measures were introduced along the lines of previous structural reforms designed to improve the efficiency and effectiveness of the public sector. These measures included pay freezes rather than pay cuts and limits on recruitment rather than reductions in staff numbers. In these cases, social dialogue has often been strained, but there have been more concerted efforts to consult and negotiate with the public sector trade unions. Italy falls between these two groups, being similar to the former group with respect to the lack of social dialogue in introducing reform measures, but closer to the latter as far as the nature of the measures implemented is concerned.

One of the main policies adopted by governments in order to contain or reduce the total public sector wage bill has been to cut the number of public sector employees, either via redundancies or by freezing turnover ratios. Over two thirds of Member States reduced staff numbers in the core public sector services (public administration, defence and essential social security services)⁽¹⁾ over the period 2008-13. Particularly substantial cuts were made in Latvia (where staff levels were reduced by 27%), but the numbers of staff employed in these core services also fell significantly in Belgium, France, Italy, the Netherlands, Portugal and the United Kingdom, all of which saw a reduction of between 10% and 15% between 2008 and 2013. The exceptions to this trend are Germany, Estonia, Croatia, Lithuania, Luxembourg, Hungary, Malta, Poland, Slovakia and Sweden, where staff numbers in core public sector services have increased, in some cases quite considerably. The largest increases were seen in Hungary (25%) and Slovakia (20%), but staff numbers also rose by between 10% and 13% in Estonia, Luxembourg and Sweden. Eight Member States (Belgium, Greece, France, Italy, Cyprus, the Netherlands, Portugal and Finland) recorded a decrease in the number of staff employed in core public sector services in both sub-periods of the economic crisis (2008-10 and 2011-13). Over the period 2011-13, staff numbers were reduced particularly heavily in Spain (-12.0%), Italy (-9.8%), Greece (-8.4%), France (-8.0%), the Netherlands (-7.2%) and Ireland (-6.1%). Significant cuts were also made in Slovenia (-6.3%), Belgium (-4.8%), Finland (-4.7%), Portugal (-4.6%) and Cyprus (-4.3%).

⁽¹⁾ As noted in the 2012 report on industrial relations in Europe (box 1.3 and p. 93-94), data based on a classification of activities can only serve as a proxy and not as an exact measurement of the public sector. Section O of the Statistical classification of economic activities of the European Community NACE Rev.2 (public administration, defence, compulsory social security) covers the core of the public sector, since most of these activities are performed directly or indirectly by public sector employers and employees. Sections P (education) and Q (human health and social work activities) also include private organisations and employees in most countries, although in varying proportions, which makes comparison more difficult.

The picture changes somewhat when the entire public sector is considered. It should, however, be noted that education and health services also include private sector providers and employees, and these employees are also included in this data. Fewer Member States have reduced staff levels in the public sector as a whole between 2008 and 2013 than have reduced employee numbers in the core public sector services over this period (eight Member States rather than eighteen), these being Bulgaria, Greece, Italy, Cyprus, Latvia, Lithuania, the Netherlands and Romania. The only country where the number of staff employed has been reduced significantly is Greece (-13.5%). Of the eight countries mentioned above, four (Greece, Italy, Lithuania and the Netherlands) reduced employee numbers in the public sector as a whole over both periods, 2008-10 and 2011-13. A further seven countries also reduced overall public sector employment levels during the most recent period. These were Belgium, Spain, Cyprus, Portugal, Romania, Slovenia and Finland.

These changes have had only a limited effect on the level of public sector employment as a proportion of total employment, as, in many countries, both public sector employment and total employment have decreased during the period under consideration. In some cases, total employment fell even more sharply than public sector employment, such as in Greece, for example, where total employment fell by 13.2% between 2011 and 2013, while total public sector employment was reduced by 9.5%. As a result, public sector employment has increased slightly as a proportion of total employment over this period. A similar situation can be seen in Portugal, where total employment fell by 6.6% per cent while public sector employment was reduced by 1.5%. Public sector employment has increased, more or less significantly, as a proportion of total employment in the large majority of countries, with the exception of only three countries where the proportion of employees working in the public sector has fallen — Lithuania, the Netherlands and Romania. The four clusters of countries identified in the 2012 report on industrial relations in Europe (p. 122) have changed only slightly. Public sector employment has remained at below 20% of total employment in four countries, namely Bulgaria, the Czech Republic, Cyprus and Romania, while Poland and Slovenia have moved from this group to the next highest, joining countries where public sector employment represents between 20% and 24% of total employment — Estonia, Greece, Spain, Italy, Latvia, Lithuania, Hungary, Austria, Portugal and Slovakia. The two upper groups remain unchanged, with public sector employment continuing to represent between 25% and 29% of total employment in Germany, Ireland, Malta and Finland, and 29% or more in Belgium, Denmark, France, Luxembourg, the Netherlands, Sweden and the United Kingdom. As mentioned above, however, these figures include private sector organisations and employees working in the education and health sectors. Data excluding these private sector employees are unfortunately not available for all countries, but would possibly present a different picture of the situation. Germany, for example, would rank among the countries with the lowest levels of public sector employment relative to total employment, as it has one of the leanest public sectors providing around or below 10% of total employment (OECD, 2014: figures 5.1 and 5.2).

Public sector employment has historically been characterised by a higher proportion of women employees, more widespread use of part-time and temporary work, an older workforce and a higher proportion of employees with tertiary education — relative to the economy as a whole. The ratio of women to men working in the public sector has increased slightly over the period 2011-13 in both the EU as a whole, in the pre-2004 Member States, and in most individual countries. The few exceptions to this, where the proportion of women decreased between 2011 and 2013, are mostly central and eastern European countries, including Bulgaria, Estonia and Latvia and, to a more limited extent, the Czech Republic and Slovakia. A very small decrease in the proportion of women employees has also been seen in Sweden. These changes have not affected the geographical divide that has historically been seen between the cluster of the Nordic and Baltic countries, plus Ireland, Poland, Slovenia, Slovakia and the United Kingdom, where women make up 70% or above of the public sector workforce, and the southern European countries (Greece, Spain, Italy, Cyprus and Malta), plus Luxembourg and Romania, where the proportion of women employees is below or close to 60%. Portugal remains an exception among southern European countries, with women representing around 68% of public sector employees, a slight increase on the level recorded in 2011. On the whole, the crisis does not appear to have affected women employed in the public sector disproportionately. The proportion of women employees remains particularly high in the education and health sectors, and much lower in public administration, defence and social security.

The proportion of public sector employees working part-time increased slightly between 2011 and 2013 in the EU as a whole and in the pre-2004 Member States. The main exceptions to this are Denmark, Estonia, Hungary and Slovenia, with Estonia seeing a particularly large decrease from around 19.0% in 2011 to 12.5% in 2013. Smaller decreases in part-time working have also been recorded in Belgium, Malta, Sweden and the United Kingdom. The traditional clusters have not, however, changed. Below the Netherlands, which remains an outlier (with 65% of employees working part-time), there are a number of pre-2004 Member States where 30% or more of employees are working part-time (Belgium, Germany, Austria, Sweden and the United Kingdom), closely followed by Ireland, France and Luxembourg. At the opposite end of the scale are the large majority of southern, central and eastern European countries: in Estonia, Italy, Malta and Finland between 12% and 15% of public sector employees are part-time, while this percentage is below 10%, and in some cases even 5%, in Bulgaria, the Czech Republic, Greece, Latvia, Hungary, Poland, Portugal, Slovenia and Slovakia. The proportion of part-time employees is usually higher in the education and health sectors

than in public administration, defence and social security, and is linked to the higher proportion of women employed in the former than the latter areas.

The changes seen in temporary employment, both in absolute terms and as a proportion of public sector employment, have been more varied. The total number of public sector employees with temporary contracts has fallen in the EU as a whole, in the EU-27 (excluding Croatia), and in the pre-2004 Member States. At country level, the same trend has been observed in half of the Member States for which data are available: Belgium, Bulgaria, Denmark, Germany, Ireland, Greece, Spain, Italy, Portugal, Slovenia, Slovakia and Finland. Particularly large reductions in the numbers of temporary workers were seen in Spain (-23.6%), Greece, Slovenia and Slovakia (between -13% and -14%), Portugal, Bulgaria and Italy (between -9% and -11%). It should be noted that the fall in the numbers of temporary workers has usually been greater in public administration, defence and social security than in the education and health sectors, with a number of exceptions (including Slovenia, Slovakia and Finland). Particularly notable increases in the number of temporary workers have been seen in France (15%), Malta (23%), Hungary and Croatia (around 55-57%). In France, the number of temporary workers increased more steeply in the education and health sectors (rising by 17.3% and 20.5% respectively) than in public administration, defence and social security (where an increase of 3.9% was recorded). The same pattern was observed in Malta whereas the opposite was true in Hungary.

The overall proportion of public sector employees on temporary contracts has fallen between 2011 and 2013 in the EU as a whole (excluding Croatia), in the pre-2004 Member States and in ten individual countries: Belgium, Germany, Ireland, Greece, Spain, Italy, Portugal, Slovenia, Slovakia and Finland. The number of temporary workers as a proportion of total employees has, however, increased in ten countries: the Czech Republic, France, Cyprus, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland and Sweden, most significantly in France and Hungary. The proportion of temporary workers has remained stable in Denmark and the United Kingdom. The proportion of employees with temporary contracts has fallen more sharply in public administration, defence and social security than in the education and health sectors. This may be due to stabilisation processes, or, perhaps more likely, may reflect the fact that temporary workers have been particularly affected by the crisis (as has been the case in Italy, for example).

These changes have not had a significant effect on the traditional clusters of countries. The proportion of staff employed on a temporary basis in the public sector as a whole varied from around 7-8% in Bulgaria, Greece, Luxembourg, Malta, Slovakia and the United Kingdom, to between 15% and 19% in Germany, France, Cyprus, Hungary, Portugal and Sweden and to above 20% in Spain and Finland. Despite these variations, temporary employment continues to be used more systematically in the public sector than in the entire economy, the only exceptions to this being the Netherlands and Poland, and, to a lesser extent, Bulgaria, Croatia and Italy.

Another policy adopted widely as a way of containing or reducing the total public sector wage bill has been to slow down, freeze or cut the wages and salaries of public sector employees. This has been achieved either by suspending the bargaining mechanisms where collective bargaining rights did exist, as has been the case in Italy, where national wage negotiations were initially cancelled for 2010-12 and subsequently until the end of 2015, or by making use of government prerogatives to determine wage increases unilaterally, as has been seen in France and, to some extent, in the United Kingdom (Bach and Bordogna, 2013; Bordogna and Pedersini, 2013). For Ireland, Greece and Portugal, such policies were included in the package of measures on which financial assistance was made conditional (Ioannou, 2013; Stoleroff, 2013; Bach and Stroleny, 2013). In countries where the economic crisis was less severe, collective bargaining was not, however, frozen, and wages continued to increase, although often more slowly and with more resistance than in the past (Keller, 2013; Mailand and Wesley Hansen, 2013).

The total cost of salaries and wages paid to public sector employees, in national currency, fell between 2008 and 2011 in eight Member States (Estonia, Ireland, Greece, Latvia, Lithuania, Hungary, Portugal and Romania), and increased in the remaining nineteen (Croatia is not included in this data). The varying picture seen across Member States can be attributed to the combined effect of the evolution of wages and salaries, and the changes seen in employment levels and in the structure of employment in each country, both of these factors having varied between countries according to the intensity of the economic crisis and the specific policy mix adopted by individual governments. The decrease in total wages and salaries was very slight in Portugal, a little higher than 3% in Estonia, between 6% and 8% in Ireland, Greece, Lithuania and Hungary, and quite considerable at 17% and 29% respectively in Romania and Latvia. The countries with the largest increases in total public sector pay, of around 18% or more, were Cyprus, Luxembourg, Malta and Poland. A further ten Member States have seen increases of between 9% and 14% (Belgium, Bulgaria, Denmark, Germany, the Netherlands, Austria, Slovenia, Slovakia, Finland and the United Kingdom), with the remaining Member States recording smaller increases, notably France (7.7%), Sweden (7.4%), Spain (5.2%) and Italy (1.2%). In countries where total public sector salaries and wages have fallen, the change has been more marked in public administration, defence and social security than in the education and health sectors.

In the last year for which data are available (2012), total public sector pay is seen to have fallen in only four countries (Spain, Italy, Cyprus and Slovenia) over the previous year. Data are not, however, available for Greece, France, Portugal and Romania, and the rate at which total wages are increasing is shown to have slowed considerably in all other countries. When the total wage cost for public administration, defence and social security is considered alone, the number of countries where wages have fallen is significantly higher. Compared to the previous period, however, the trends emerging here are also more positive.

At the end of 2014, the economic recovery remains fragile and uneven, while pressures on public budgets remain and may even increase if no significant adjustments take place in the medium term. In the absence of changes in the economic outlook, public sector employment relations are likely to remain strained.

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Vaughan-Whitehead D. (ed) (2013), *Public Sector Shock: The Impact of Policy Retrenchment in Europe*, Cheltenham: Edward Elgar

The countries with the largest number of employers' organisations involved in cross-industry social dialogue are Italy (fifteen) and Romania (fourteen). Cyprus, Croatia, Latvia and Slovakia have the fewest such organisations, with only two existing in each of these countries (Pedersini and Welz, 2013). More generally, pluralism usually indicates a differentiation of employers' associations according to different membership criteria, such as different sectors (public versus private), or employers of different sizes and types (crafts or cooperatives).

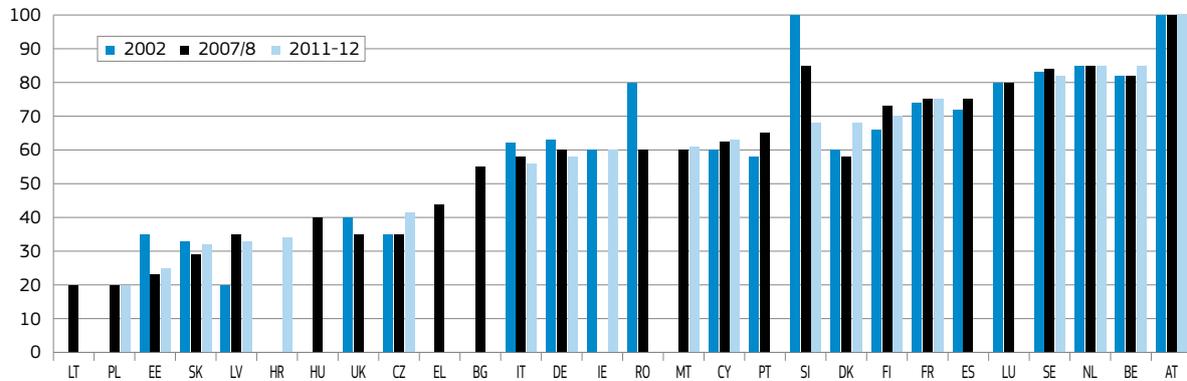
A substantial number of organisational changes have occurred in recent decades,

with employers' associations widening the scope of their activities and merging with other associations to produce new types of organisation (Traxler et al., 2007). The primary motivation behind such mergers is to maximise resources and avoid overlaps in associations' areas of activity. There are indications that the restructuring of employers' organisations has slowed since the start of the crisis, particularly during its early years (Carley, 2010). France, Italy and Malta are among the Member States that have most recently seen mergers or reorganisation of associations representing employers' interests (Eurofound, 2014; Eurofound 2015).

Employers' associations' membership and organisation rate

The employer organisation rate (or density) is the proportion of employees employed by firms that are members of employers' organisations (i.e. the proportion of firms that are members of employers' organisations, weighted by their size). The density of employers' organisations has remained relatively stable over time (European Commission, 2011, 2013) although some variations can be seen between countries (see chart 1.3).

Chart 1.3. Employer organisation rate in EU Member States, 2002-2011/2



Source: ICTWSS database (Visser, 2015).

Note: See Excel for precise data years.

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The most significant changes in the employer organisation rate occurred or started before the crisis, notably the decline in the rate seen in Slovenia (a result of the end of mandatory membership of the Chamber of Commerce and Industry in 2006) and Romania, and the large increase in Latvia between 2002 and 2008. While there is limited data available for more recent years, rates appear to be generally very stable, with the exception of increases seen in Denmark and the Czech Republic.

1.2.3. Role of actors in public policy-making and their interaction with the state

It is often the case that trade unions and employers' organisations play a role in public policy-making. They may be directly involved in the design and implementation of public policies through tripartite bodies, or may be consulted on policy issues by state authorities.

The involvement of social partners in public policy ranges from regular and institutionalised participation, such as is found in Belgium, the Netherlands, Austria and Slovenia, to the informal and ad hoc participation typical of France and Italy.

Social pacts and social concertation could be seen as useful governance tools in different economic junctures to support both economic adjustment and social cohesion. In the 1970s, consultation with social partners was mainly focused on policies to ensure price stability. A broad and influential strand of research, which had started with the seminal works of Philippe Schmitter (1974) and Gerhard Lehbruch (1977), underlined that the institutionalised cooperation between peak social partner organisations and governments in certain economically advanced countries had produced better macroeconomic performance, notably in terms of lower inflation and lower unemployment, than in countries lacking such institutional arrangements. These positive outcomes were mainly

interpreted as being linked to the ability of strong, central and inclusive trade union organisations to internalise the potential (negative) systemic effects of their actions and demands. They therefore had the capacity to moderate their wage requests, while governments integrated social partners in the design and implementation of social and labour policies, including welfare benefits.

Priorities changed over the following decades, with topics such as economic growth, employment and competitiveness becoming the main areas of discussion (Trebilcock, 1994; Brandl and Traxler, 2011). Social pacts accompanied many key reforms, especially of the pension system and the labour market in the context of the establishment of EMU (Schmitter and Grote 1997). However, the conditions which had supported the emergence of pacts in the previous decades had been eroded, most notably the possibility of a 'political exchange' between wage moderation and welfare expansion. Trade unions and industrial relations also appeared generally to be weaker.

Box 1.2. Developments in industrial relations in central and eastern European Member States

Based on a draft provided by Marta Kahancová, Central European Labour Studies Institute, Bratislava.

The 2012 report on industrial relations in Europe presented a detailed analysis of industrial relations in central and eastern European countries. It was noted that, in comparison with the pre-2004 Member States (and with the possible exception of Slovenia), the central and eastern European countries are characterised by weaker trade unions and a faster fall in trade union density, a lack of established employers' associations, no tradition of bipartite multi-employer collective bargaining, persistently lower bargaining coverage (partly due to an under-developed system of collective agreement extension), and strong formal tripartism that has, in part, replaced under-developed sector-level collective bargaining systems.

The previous report on industrial relations in Europe concluded that social partners' efforts to respond to post-enlargement and post-crisis developments through coordinated action at the European, national, sectoral and company levels have not yet brought significant changes to the decentralised, fragmented industrial relations structures in place in most central and eastern European countries. Nevertheless, the action taken by social partners in various central and eastern European countries to align their industrial relations structures more closely with those found elsewhere in the EU, with EU-level support, may, in the long run, contribute to incremental changes in industrial relations in these countries. This update summarises the main trends and developments in industrial relations seen in the central and eastern European Member States since 2012.

In 2013, Croatia became the twenty-eighth EU Member State. It has one of the lowest employment rates and the fastest growing level of government debt in the EU, which creates a challenging environment for employers, employees and industrial relations. The Croatian industrial relations system shares a number of common features with the systems in other post-socialist central and eastern European Member States. Trade union density declined rapidly in Croatia after the period of political and economic transition, and was at 34% in 2012. Employee and employer representation suffered from increasing fragmentation, and collective bargaining was increasingly decentralised to the company level⁽¹⁾. Nevertheless, compared with the systems found in some central and eastern European countries, Croatia has a well-coordinated industrial relations system. Collective bargaining coverage remains high by regional standards (at around 60% in 2008) and tripartite social dialogue plays a relatively important consultative role in policy-making⁽²⁾.

Representation through trade unions and employers' associations generally remains fragmented in central and eastern European Member States. Trade union density is still at low levels in most countries in the region, consistent with the long-term trend of declining trade union membership seen since the early 1990s. Since the start of the crisis, trade union density appears to have levelled off, at a low level, in Bulgaria, Estonia and Lithuania, but has continued to decline in other Member States in the region.

There has been a slight increase in employer density in the Czech Republic, and rates have remained at stable low levels in Estonia, Hungary, Latvia and Slovakia. In Lithuania, however, employer density fell to less than 20%. In the wake of the abolishment of mandatory membership of employers' associations in 2006, Slovenia saw a further decrease in employer density, of nearly twenty percentage points (from 85% in 2008 to 68% in 2011), but still has by far the highest level of employer density in the region.

Coverage has declined over recent years in several central and eastern European countries, in some cases dramatically, for example in Romania. The slight increases recorded in Latvia and Lithuania between 2001 and 2008 can be seen to have been reversed five years later.

Tripartite councils are still present in the majority of central and eastern European Member States, but the role they play is heavily influenced by government attitudes towards trade unions and employers' associations. In protest against unilaterally imposed government measures, trade unions in the Czech Republic refused to take any further part in tripartite councils in 2012. A similar scenario was seen in Poland in 2013⁽³⁾. In the Czech Republic, frequent changes of government have made social dialogue all the more difficult.

Strikes remain very rare in this region, with trade unions preferring street demonstrations, lawsuits and petitions as alternative ways of voicing their opinions⁽⁴⁾. These actions are mainly targeted at governments — either in their capacity as employers (in the case of employees in the public sector), or as the initiators of legislative changes (in the case of more general protests against fiscal consolidation measures and pension and labour market reforms).

⁽¹⁾ <http://www.worker-participation.eu/National-Industrial-Relations/Countries/Croatia/Trade-Unions>

⁽²⁾ <http://www.worker-participation.eu/National-Industrial-Relations/Countries/Croatia/Collective-Bargaining>

⁽³⁾ Veverková, Sona. Trade unions abandoned tripartite talks. European Industrial Relations Observatory, Dublin. 30.7.2012. <http://www.eurofound.europa.eu/eiro/2012/06/articles/cz1206019i.htm> Czarzasty, Jan. Trade unions lead largest street protest in decades. European Industrial Relations Observatory, Dublin. 10.1.2014. <http://www.eurofound.europa.eu/eiro/2013/10/articles/pl1310029i.htm>

⁽⁴⁾ Veverková, Sona. Trade unions organise biggest demonstration since 1989. Industrial Relations Observatory, Dublin. 21.-06.-2012. <http://www.eurofound.europa.eu/eiro/2012/05/articles/cz1205019i.htm> Surdykowska, Barbara. Fixed-term contract regulation under EU scrutiny. European Industrial Relations Observatory, Dublin. 17.-03.-2014. <http://www.eurofound.europa.eu/eiro/2014/01/articles/pl1401029i.htm>

Since 2012, a number of important developments have been seen in industrial relations in central and eastern European Member States. First, despite the general stability of industrial relations institutions, some consolidation took place in countries with historically highly fragmented representation by social partners. In Hungary, three of the six trade union confederations merged in 2013⁽⁵⁾. Stricter criteria introduced in Bulgaria have meant that only four of the six employer associations are now recognised as representative at national level⁽⁶⁾. Latvia and Lithuania, whose legal environments are considered the most unfavourable to trade unions, introduced labour-friendly amendments to their legislation in 2013. In Lithuania, the changes focused on legal guarantees for trade unions operating at company level, whilst in Latvia, rules on representation were clarified⁽⁷⁾, creating the potential for a revival in trade union activity. Slovakia re-introduced measures allowing the horizontal extension of multi-employer collective agreements to the whole sector. Despite criticisms from one of the dominant employers' associations, extensions became possible through the 2013 amendment to the Collective Bargaining Act, with the support of the social-democratic government and trade unions.

The collective bargaining agenda pursued in the private sector has not changed since 2012, with the possible exception of Slovakia (see earlier)⁽⁸⁾. There has, however, been a shift in the broader focus of social dialogue towards the interests of employees in non-standard, often precarious, employment. Trade unions in several central and eastern European countries are becoming increasingly active in representing the interests of employees in various forms of non-standard employment, ranging from short-term contracts and temporary agency work to involuntary self-employment and illegal jobs. Precarious employment is not a new phenomenon and it is not restricted to the central and eastern European region, but those in atypical forms of employment were hardest hit by the crisis. At the same time, the economic situation of recent years has also increased the numbers of workers in this vulnerable position, with employers becoming increasingly reluctant to offer 'regular' employment contracts. In the years immediately following the onset of the crisis, trade unions were criticised for protecting the interests of 'insider' workers with regular contracts. In the last two years, however, trade unions in central and eastern European countries have attempted to dispel this image. This strategy could be considered as an attempt to revitalise trade unions. Trade unions in Poland mobilised public support for protests against 'junk contracts', including one of the largest street demonstrations seen since 1989, and organised a general strike⁽⁹⁾. They also appealed successfully to the European Commission to condemn the practice of issuing such contracts, which had been supported by Polish employers and by the government⁽¹⁰⁾. In the Czech Republic, meanwhile, the government's clamp down on bogus self-employment was partly prompted by complaints made by trade unions⁽¹¹⁾. Sector-wide collective bargaining for temporary agency workers is being put in place in Slovakia, following an initiative launched jointly by trade unions and employers' associations representing temporary work agencies.

Minimum wages, the most centrally controlled aspect of the wage system, have been subject to significant developments. The Czech Republic, Estonia, Latvia and Lithuania increased minimum wages over the last two years for the first time since the start of the economic crisis. These increases were brought in as a result of tripartite agreements or on the basis of advice from social partners in national tripartite committees, which may be a sign of a more cooperative stance being taken by employers and governments towards trade unions, and greater support for social dialogue in general⁽¹²⁾.

⁽⁵⁾ Komiljovics, Máté. Trade union federations announce merger plans. Industrial Relations Observatory, Dublin. 22.7.2013. <http://www.eurofound.europa.eu/eiro/2013/07/articles/hu1307011i.htm>

⁽⁶⁾ Mihaylova, Tatiana. Industrial relations landscape to change after review. Industrial Relations Observatory, Dublin. 19.10.2012. <http://www.eurofound.europa.eu/eiro/2012/09/articles/bg1209011i.htm>

⁽⁷⁾ Blaziene, Inga. New rules give trade unions extended rights. Industrial Relations Observatory, Dublin. 10.1.2014. <http://www.eurofound.europa.eu/eiro/2013/10/articles/lt1310039i.htm>

⁽⁸⁾ Czírja, Ludovít. Collective bargaining rules set to change again. Industrial Relations Observatory, Dublin. 7.1.2014. <http://www.eurofound.europa.eu/eiro/2013/11/articles/sk1311019i.htm>

⁽⁹⁾ Czarzasty, Jan. Trade unions lead largest street protest in decades. European Industrial Relations Observatory, Dublin. 10.1.2014. <http://www.eurofound.europa.eu/eiro/2013/10/articles/pl1310029i.htm>

⁽¹⁰⁾ Surdykowska, Barbara. Fixed-term contract regulation under EU scrutiny. European Industrial Relations Observatory, Dublin. 17.3.2014. <http://www.eurofound.europa.eu/eiro/2014/01/articles/pl1401029i.htm>

⁽¹¹⁾ Geissler, Hana. New regulations aim to fight bogus self-employment. European Industrial Relations Observatory, Dublin. 27.2.2012. <http://www.eurofound.europa.eu/eiro/2012/01/articles/cz1201029i.htm>

⁽¹²⁾ Veverková, Soňa. Minimum wage increase comes into effect. European Industrial Relations Observatory, Dublin. 13.9.2013. <http://www.eurofound.europa.eu/eiro/2013/08/articles/cz1308019i.htm> Osila, Liina and Kadarik, Ingel. Social partners agree minimum wage rise. European Industrial Relations Observatory, Dublin. 10.1.2014. <http://www.eurofound.europa.eu/eiro/2013/10/articles/ee1310019i.htm> Karnite, Raita. Government raises minimum wage. European Industrial Relations Observatory, Dublin. 13.9.2013. <http://www.eurofound.europa.eu/eiro/2013/07/articles/lv1307019i.htm> Blaziene, Inge. Huge rise in minimum wage signals end of freeze. European Industrial Relations Observatory, Dublin. 30.7.2013. <http://www.eurofound.europa.eu/eiro/2013/02/articles/lt1302019i.htm>

Still, in the 1990s, social pacts and similar arrangements emerged in many European Member States, including in countries such as Ireland, Spain, Italy and Portugal, where this had previously been considered unlikely, given the organisational and political context (Fajertag and Pochet, 1997; Visser and Rhodes, 2011). While preparation for the introduction of the Economic and Monetary Union was by no means the sole cause of these developments, it was a factor, a number of pacts making explicit reference to the Maastricht criteria (Rhodes, 1998). A number of authors have argued that the governance functions of social pacts were subsequently incorporated into the institutions and procedures put in place under the Economic and Monetary Union (Hancké and Rhodes, 2005; also Traxler, 2003 and 2010), which would explain why they generally became less prominent in later years.

In the Member States which joined the EU after 2004, national consultation boards or tripartite councils were established either via tripartite agreements or by means of legal enactment (Marginson and Sisson, 2006, p. 141). The way in which these institutions came into being, with the possible exception of those established in Slovenia, was, however, quite different from that of equivalent institutions in place in the pre-2004 Member States (Hassel, 2009; Pochet, Keune and Natali, 2010; Traxler, 2010). On the whole, the social pacts and corporatist institutions representing business interests in the newer Member States had, during the years of the transformation of economic and political systems, mainly served to support government policies (Traxler, 2010: pp. 53, 62, 70, 74).

Since 2008, the development of common policies to overcome the crisis has become the priority (Glassner and Keune, 2010; Guyet et al., 2012; Duchemin and Weber, 2013; Søndergaard Laugesen et al., 2014). The early national measures were accompanied by social dialogue, notably in countries with established

tripartite consultation practises and collective bargaining institutions, (Freysinet 2010). Such developments were associated with the emergence of a new kind of ‘crisis corporatism’ through emergency pacts, for instance in Germany (Urban 2012).

In other cases, the formal status of existing tripartite bodies been reduced (as has been seen in Hungary, for example), and the procedures and practices of these bodies have changed since the start of the crisis, such that negotiations have become more conflictual and increasingly unsuccessful. Moreover, there has been a shift in the issues under discussion, with reform of the industrial relations system itself becoming the main areas of focus. In view of this, it should be noted that governments in several Member States have become more prominent actors in the field of industrial relations, and are making more frequent use of governmental prerogatives (Eurofound, 2014).

1.3. Processes

Distinct types and forms of industrial relations processes are embedded in the national institutional framework of each country. These processes determine which and how many actors represent the interests of the employer and employee respectively, and at what level. This section examines the way in which social partners interact via collective bargaining, and discusses the different forms of workplace representation. It also analyses the extent to which collective bargaining processes are autonomous from the state.

1.3.1. Collective bargaining

Voluntary, free collective bargaining between employees’ representatives, on the one side, and employers’ organisations, on the other, is a fundamental

element of European industrial relations. It exists throughout the EU, albeit in different forms, on different levels, and with varying relevance for the regulation of wages and living and working conditions. Since the start of the economic crisis, the new EU economic governance regime has emphasised the role of collective bargaining institutions in national wage-setting mechanisms.

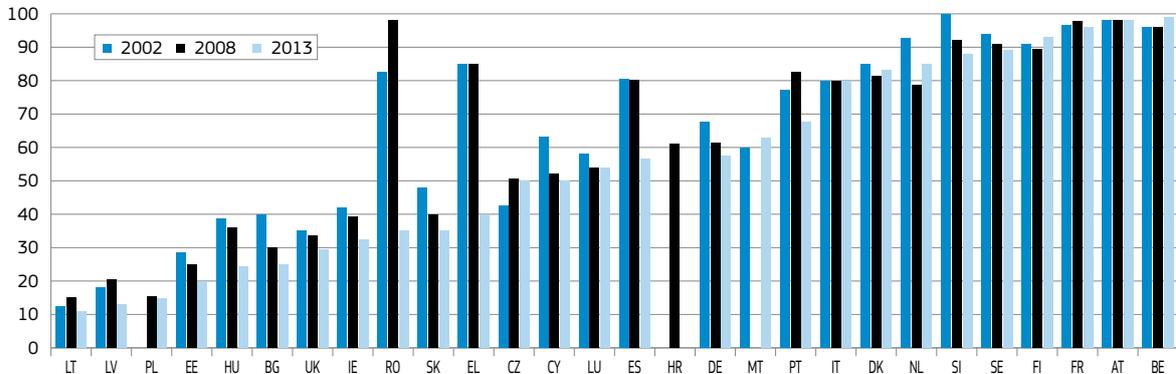
Collective bargaining coverage

Collective bargaining coverage is the proportion of all employees covered by a collective agreement⁽³⁾ (see chart 1.4). As illustrated in earlier reports on industrial relations in Europe, collective bargaining coverage is closely correlated with the level of employer organisation (European Commission, 2009, 2011, 2013).

Collective bargaining coverage has been in decline in the EU over recent years, falling from 68 per cent of workers in 2002, to just over 65 per cent in 2007, and further to 61 per cent in 2012. The decline can be seen to have accelerated since the beginning of the crisis. The situation changed most radically in Member States receiving financial stability assistance, including Greece, Spain and Portugal (see chapter 3). The sharp decline in bargaining coverage seen in Romania is a result of major changes made to legislation on collective bargaining since 2011 (the Social Dialogue Act). The increase in collective bargaining coverage that occurred in Latvia and Lithuania between the early and mid-2000s has been offset by the decline observed since the start of the crisis.

⁽³⁾ Calculated as the number of employees covered by collective (wage) bargaining agreements as a proportion of all wage and salary earners in employment with the right to bargaining, expressed as a percentage. The data therefore take into account the possibility that some sectors or occupations do not have the right to bargain (by removing such groups from the total number employed) (see Traxler, 1994).

Chart 1.4. Collective bargaining coverage in EU Member States, 2002-13



Source: ICTWSS database (Visser, 2015).

Note: BG 2003 data; CY 2011 data; LT, LV, PL, BG, RO, SK, CZ, MT 2012 data; HR no data for 2002 and 2013.

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Extension mechanisms

One of the main reasons for the differences seen in collective bargaining coverage across the EU is the variation in legal regulations on the extension of collective agreements to a wider area of application. The extension of collective agreements is permitted in the majority of Member States but the extent and scope of the extension allowed, and the actual use of existing extension mechanisms varies between countries.

There are seven EU Member States where no legal mechanism exists for the extension of collective agreements: Denmark, Italy, Cyprus, Malta, Romania, Sweden and the United Kingdom. In Italy, however, judicial practice has traditionally identified minimum collectively agreed wages as a reference for assessing the fairness of wages in institutional disputes, thereby promoting the widespread application of minimum rates of pay. While many countries have a legal framework for extensions, the right to extend a collective agreement may be subject to specific requirements (relating to the minimum coverage rate of the agreement, or the representativeness of the signatories) and/or to state authorities being involved. In contrast, there are also countries (such as the Netherlands and Finland) where it is

common for collective agreements to be extended, and others (Belgium, France, Luxembourg, Austria and Slovenia) where collective agreements are automatically or almost automatically extended (Eurofound, 2013b).

Member States' basic legal frameworks for the extension of collective agreements remained stable for some time. In recent years, this has begun to change, with fundamental reforms being introduced in several countries (Marginson and Welz, 2014). Since 2008, Ireland, Greece, Spain, Portugal, Romania and Slovakia have all introduced reforms to their legislation. Although different in their details, these reforms have all led to a reduction in the extension of collective agreements. In Greece, the extension of collective agreements was suspended in 2011 until at least 2015. The 2011 Social Dialogue Act introduced in Romania stipulated that new sectoral agreements only apply to members of employers' organisations that are signatory to the agreement. Portugal significantly revised the criteria for the extension of collective agreements in 2012, such that the members of the employers' associations that recognise the agreement must collectively employ at least 50% of the workforce in the sector concerned, thus making the extension of most collective agreements very difficult. Court decisions in Ireland, where the use of extensions had

been fairly limited, declared existing extension practices unconstitutional, although the government appears to be in favour of developing an equivalent system. Slovakia has changed its regulations on extensions repeatedly since 2008, both restricting and relaxing the criteria on different occasions (Eurofound, 2014).

In Germany and Bulgaria, the use of extensions had been fairly limited, but has increased since the crisis. The number of sectoral minimum wages declared legally binding has increased in Germany, while in Bulgaria, existing but previously 'dormant' provisions for extension have been being applied in certain sectors since 2010 (Marginson and Welz, 2014).

The duration of collective agreements

The fact that no new agreement is reached when a collective bargaining agreement expires does not necessarily imply falling coverage, as there may be legal or contractual mechanisms ensuring that, in such circumstances, the previous agreement automatically remains in place, i.e. its validity is extended. Nevertheless, the automatic continuation of old collective agreements may see agreements becoming less favourable to the workforce, as the previous provisions

on wages and working conditions do not necessarily reflect recent changes in the socioeconomic environment.

Estonia introduced a new law in 2012 replacing the automatic continuation of collective agreements after expiry with continuation conditional on the agreement of the signatories. In Greece, Spain, Croatia and Portugal, new laws introduced or shortened existing time limits on the continuation of agreements (Marginson and Welz, 2014) (see chapter 3 for details of the changes introduced in Greece, Spain and Portugal).

The length of collective agreements is a further characteristic of national collective bargaining customs and practice. Collective agreements expire after around one year in most Member States, and are then renegotiated (European Commission, 2013b). The differences seen in the length and also in the average deviation of the length of collective agreements across sectors are due to country-specific traditions and norms, which have not changed significantly over time. Some deviation from the standard length has been seen since 2008 in a number of countries and sectors. In recent years, a trend towards shorter periods has been observed in several Member States, mainly as a result of uncertainty over economic prospects (Marginson and Welz, 2014).

Centralisation of collective bargaining

The level of centralisation of collective bargaining systems measures the relative importance of the various bargaining levels within each national system. In recent decades, collective bargaining in the EU has been characterised by a continuing shift towards decentralised forms, with the company level gaining prominence vis-à-vis the sector and cross-industry level. Visser (2013) identifies several drivers of this trend, resulting from changes in economic structures. First, growing international economic integration has reduced

the capacity of national-level sector agreements to take wages out of competition, thereby eroding one of its main advantages for employers (see box 2.1 for analysis of the coordination of wage-setting across national borders). Moreover, diversification in product markets may result in a growing gap between higher-level agreements and the market conditions experienced by certain individual companies. Economic actors need to be able to readjust quickly when market conditions are volatile as a result of the influence of global market developments. It is plausible that the response time for negotiations may be shorter at a decentralised level. Nonetheless, these considerations should be weighed up against the reduction in transaction costs and in distributional conflict that centralised negotiation offers smaller firms. There is ongoing debate as to the relative merits of different wage-bargaining levels and structures (see chapter 2).

The centralisation of a collective bargaining system is assessed relative to the dominant level of bargaining, so that moving from the company or local level to the sectoral or national level represents an increase in centralisation. If, however, all or some of these levels are present in a multiple bargaining system then their relative importance in terms of their scope (the nature of their involvement), coverage (or reach) and hierarchy must be considered. In practice, if the higher-level collective bargaining covers the most important issues (such as wages and working time), applies to a large section of the national economy, and regulates in detail what can be negotiated at decentralised levels, then the system is centralised. The opposite is true where the main bargaining issues are covered by decentralised agreements, and where these agreements apply to a larger section of the economy and can operate largely independently of what is established at national, cross-industry or sectoral level.

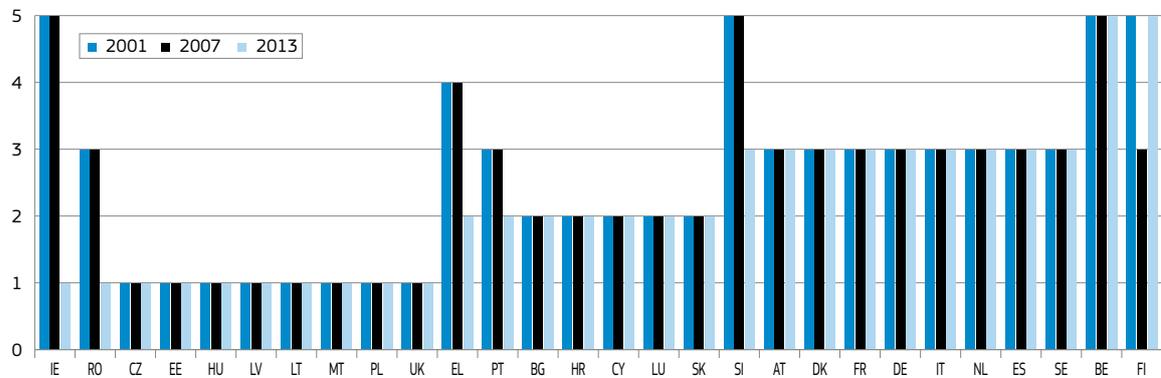
The difference between collective bargaining systems based on multi-employer as opposed to single-employer bargaining

results from the difference in the level of centralisation of such systems. Under systems based on multi-employer bargaining, trade unions mainly engage in collective bargaining with employer organisations, with the aim of signing agreements covering the whole national economy (including inter-sectoral agreements) or certain specific sections of the economy (sectors or occupational groups). Single-employer bargaining is where collective bargaining is carried out between trade unions and single employers, at group, company or plant level. While single-employer bargaining is characteristic of a decentralised bargaining system, multi-employer bargaining is a necessary aspect⁽⁴⁾ of centralisation, to a varying extent. At the extreme end of the spectrum, highly centralised bargaining systems are based on single central agreements signed by national employers' associations.

In the majority of Member States, collective bargaining takes place either at the sector or the industry level, or at an intermediate level between the sector and the company level, or can alternate between these levels. As of 2013, collective bargaining at central level was predominant in only two countries, Belgium and Finland. Company-level collective bargaining was the main form of collective bargaining in the Czech Republic, Estonia, Ireland (as of 2009), Latvia, Lithuania, Hungary, Malta, Poland, Romania (as of 2011) and the United Kingdom.

The median level of centralisation has decreased slightly between 2007 and 2013 across Member States, with the predominant level of bargaining moving from the sector or industry level to an intermediate level between the sector and the company level, or to a level alternating between sector and company bargaining. Since the beginning of the crisis, the dominant level of collective bargaining has however become more

⁽⁴⁾ Multi-employer bargaining is a necessary but not sufficient condition for centralisation, as the groups formed for the purpose of multi-employer bargaining may, for instance, not correspond to particular sectors.

Chart 1.5. Dominant level of bargaining⁽¹⁾ in EU Member States, 2001-13

Source: ICTWSS database (Visser 2015).

⁽¹⁾ 5 = bargaining predominantly takes place at central or cross-industry level and there are centrally determined binding norms or ceilings to be respected by agreements negotiated at lower levels; 4 = intermediate or alternating between central and industry bargaining; 3 = bargaining predominantly takes place at the sector or industry level; 2 = intermediate or alternating between sector and company bargaining; 1 = bargaining predominantly takes place at the local or company level.

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central once again in Belgium (due to the role played by the government in the wage negotiations of 2011 and 2013) and Finland (as a result of the return to cross-sector wage agreements in 2011 and 2013).

Notable downward shifts, but for different reasons, have been observed during the crisis period. In Ireland, no new cross-industry social pact was signed in 2009, thereby ending a series of pacts concluded since 1987, and shifting bargaining predominantly to company level. A similar development was noted in Slovenia, where in 2009 the social partners failed to renew the cross-industry pacts that determine working conditions for sectors not covered by an agreement.

Romania amended its legislation in 2011 (the Social Dialogue Act), thus abolishing the cross-industry agreement, and replacing 'branch agreements' with more decentralised 'sector agreements'. In practice, bargaining in Romania has since shifted predominantly to company level.

Marginson and Welz (2014) also report a notable trend towards decentralisation in Bulgaria, Greece, Spain, Italy, Cyprus and Austria.

Favourability principle, opening clauses and derogation mechanisms

With multi-level bargaining structures becoming more widespread, the potential for implementing decentralisation in different ways and to different extents has grown. In recent years, many European industrial relations systems which traditionally relied on sectoral or cross-industry agreements have progressively created more space for decentralised bargaining, by inverting the hierarchy of levels (the favourability principle) and by including clauses which devolve the regulation of a number of issues to lower-level agreements (opening clauses) and clauses which allow lower-level agreements to derogate from the regulations set in higher-level agreements (opt-out clauses). The progressive broadening of the scope for decentralised bargaining has been seen to have eroded the formerly centralised systems (Marginson and Welz, 2014).

In the majority of EU Member States, lower-level agreements are not allowed to deviate from the wage and working conditions agreed at a higher level in a way which would be unfavourable to

employees. A new law, the *Loi Fillon*, introduced in France in 2004 gave precedence to the company level on a number of issues (albeit not on minimum wages and job classifications) (Marginson, 2014). Since the start of the crisis, the favourability principle has been inverted in Greece, Spain and Portugal, in some cases temporarily (Marginson and Welz, 2014).

The national laws on wages and working conditions currently in place in Bulgaria, Germany, Ireland, Greece, Spain, France, Italy, Cyprus, Austria, Portugal, Slovenia and Sweden all include opening clauses. Portugal has allowed the use of opening clauses since 2012, when amendments to the labour code were brought in. In Italy, a cross-sector agreement on productivity wages concluded in 2012 provided for the extension of the scope of opening clauses relating to wages. Further notable developments were seen in Germany, Austria and Finland, where one-off opening clauses were introduced for certain sectors in response to the crisis. Sweden brought in an opening clause in 2010, relating to negotiations over short-time working at local level (Marginson and Welz, 2014).

Significant changes to the legal framework, allowing companies to derogate from higher-level agreements, were made in Greece (2010), Spain (2010) and — for certain sectors — Ireland. Cross-sector agreements introduced in Italy (2012) and France (2013) made it possible for companies to opt-out from agreements on the grounds of economic hardship (in France, this was subject to the condition of there being no redundancies). These agreements were later enacted (and, in Italy, broadened) through legislation. Bulgaria, Cyprus, and Slovenia reported an increase in the use of existing opt-out provisions (Marginson and Welz, 2014). The possibility to derogate from agreements has in many cases existed for some time, but the number of companies making use of this has increased significantly in recent years, in part due to the fact that, since the crisis, more companies have faced economic hardship, which is the main justification for derogation.

Collective bargaining coordination

Coordination refers to the relationships between the various bargaining levels (vertical coordination) or across different bargaining units at the same level (horizontal coordination).

Unlike in the case of centralisation, there is no common long-term trend in coordination that could be said to apply to most Member States.

While collective bargaining coordination is a separate concept, distinct from centralisation, there is an important link between the two, as coordination becomes relevant only in bargaining systems which are not fully centralised. The higher-level agreement, as well as being an indicator of centralisation, is one of the main tools for coordination. It is, however, important to maintain a distinction between the two concepts, as decentralisation may occur

in either organised or disorganised ways (Traxler, 1995; Traxler, Kittel and Lengauer, 1997). Moreover, coordination mechanisms can be based on different aspects of bargaining systems, namely: regulatory capacity, e.g. the norms set in higher-level agreements; organisational capacity, e.g. the control that central organisations can exert on lower-level bargaining units; or a combination of both, e.g. pattern bargaining, whereby a particular agreement sets the reference for subsequent ones. In certain circumstances, the state also acts to ensure coordination — through legislation or tripartite concertation (which would usually suggest a low autonomy of collective bargaining).

As shown in chart 1.6, there are three Member States where coordination is at the maximum level on the scale. This is, however, for different reasons in each case. In Greece, the sharp increase in the level of coordination seen since 2010 is a result of the wage freeze imposed under international pressure. Wage bargaining in Belgium, meanwhile, has remained highly coordinated in recent years, with the state playing an important role in setting ceilings for wage growth (under laws on competitiveness) and, in particular, imposing wage restraints in 2011 and 2013. In Finland, by contrast, the return to higher levels of coordination is linked to cross-sector wage agreements, which have provided a framework for subsequent sector and company negotiations. The situation is very different elsewhere, however: the collapse of social pacts in Ireland and Slovenia in 2009 triggered a fall in the level of coordination; coordination has also become far less common in Romania, as a result of legislative changes introduced in 2011.

Coordination is at fairly high, and stable, levels in Denmark, Germany, Austria and Sweden, where pattern bargaining prevails, and also in Spain, Italy and the Netherlands, whose systems are characterised by

associational coordination and informal centralisation.

Among countries where company-level bargaining predominates, uncoordinated bargaining remained the norm in Latvia, Lithuania, Poland and the United Kingdom. Bargaining has also become more fragmented in Estonia and Hungary since the start of the crisis. While there are no examples of coordination increasing among Member States with predominantly company-level bargaining, the Czech Republic and Malta have broadly maintained their level of coordination, this being, in both cases, fairly limited and state-sponsored. Visser (2013) notes that bargaining coordination is positively correlated with trade union density and bargaining coverage, as there may be a stronger incentive for social partners and the state to coordinate bargaining under such conditions.

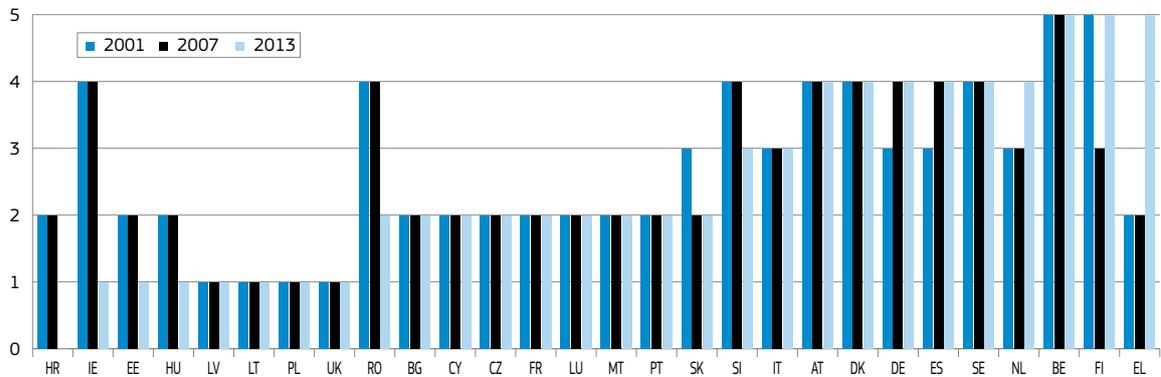
1.3.2. Workplace representation

As bargaining becomes more decentralised, increasingly occurring at company level, workplace representation gains in importance. Employee representation at the workplace level exists throughout the EU, but takes very different forms in different Member States, reflecting the varying national legal and institutional frameworks under which workplace representatives have different rights, competences, obligations and power.

The diversity of employee representation at company level

The variety of different forms of employee representation seen at company level is indicative of the range of industrial relations systems in place across the EU Member States. In addition, national systems for workplace representation vary in terms of the

Chart 1.6. Coordination of wage bargaining in EU Member States, 2001-13



Source: ICTWSS database (Visser, 2015)⁽¹⁾.

- ⁽¹⁾ Coordination of wage-setting, coded as follows: **5 = a)** centralized bargaining by peak association(s), with or without government involvement, and/or government imposition of wage schedule/freeze, with peace obligation (example: Sweden prior to 1980); **b)** informal centralisation of industry-level bargaining by a powerful and monopolistic union confederation; **c)** extensive, regularized pattern setting and highly synchronized bargaining coupled with coordination of bargaining by influential large firms. **4 = a)** centralized bargaining by peak associations with or without government involvement, and/or government imposition of wage schedule/freeze, without peace obligation (example: Ireland 1987-2009); **b)** informal (intra-associational and/or inter-associational) centralisation of industry and firm level bargaining by peak associations (both sides) (example Spain 2002-8; **c)** extensive, regularized pattern setting coupled with high degree of union concentration (example: Germany most years). **3 = a)** informal (intra-associational and/or inter-associational) centralisation of industry and firm level bargaining by peak associations (one side, or only some unions) with or without government participation (Italy since 2000); **b)** industry-level bargaining with irregular and uncertain pattern setting and only moderate union concentration; **c)** government arbitration or intervention. **2 =** mixed industry and firm-level bargaining, with no or little pattern bargaining and relatively weak elements of government coordination through the setting of basic pay rates (statutory minimum wage) or wage indexation (Example France most years), **1 =** fragmented wage bargaining, confined largely to individual firms or plants (example U.K. since 1980). [Based on Kenworthy (2001a; 2001b) with some modification, and updated after 1999. Note that this is an indicator of the "degree, rather than the type, of coordination" (Kenworthy 2001a:78), (...) "based on a set of expectations about which institutional features of wage setting arrangements are likely to generate more or less coordination" (2001a:80).]

rights accorded to employee representatives and the level of involvement in negotiations on wages.

An important distinction can be made between single-channel and dual-channel systems for workplace representation. In a single-channel system, workplace representatives are elected and/or delegated by trade unions. This is considered to give them the right to represent all employees. In dual-channel systems, workplace representation can be completely independent of trade unions, and employees are represented by a works council. In almost all countries with the dual system, the works council is, however, informally linked to trade unions in some way: either the works councillors are trade union members and/or trade unions support and supplement the activities undertaken by the works council. Systems for workplace representation vary significantly

between Member States. Moreover, classifications of countries' systems may differ, according to whether one focuses on the company level (e.g. Eurofound, 2011) or takes into account interaction with higher levels (e.g. Visser, 2013).

Some form of workplace representation of employees now exists in all Member States, as a direct result of Directive 2002/14/EC of the European Parliament and of the Council on information and consultation of employees. There had previously been no form of workplace representation in several countries, including Bulgaria, Cyprus, Latvia, Lithuania and Romania. Eurofound's 2013 European Company Survey shows that the large majority (75%) of employee representatives had received information on the company's financial situation and 80% reported having received information on its employment situation.

The legal and organisational context

Directive 2002/14/EC on information and consultation of employees has significantly strengthened workplace representation. In the vast majority of EU Member States, legal support for either union or non-union workplace representation has been established and/or strengthened over the last decade. National laws set the minimum conditions to be met when setting up workplace representation structures and give criteria for assessing the representativeness of trade unions at workplace level. It is only in a small number of countries (Bulgaria, Ireland, Cyprus, Latvia, Lithuania, Malta and Romania) that workplace representation is mainly voluntary. Increasing the legal rights relating to workplace representation at EU level has ensured that works councils benefit from a minimum level of rights in all Member States.

Box 1.3. The European Social Model: Resilience and changes

Based on a draft provided by Daniel Vaughan-Whitehead, International Labour Office.

A project carried out by the International Labour Office with financial support from the European Commission⁽¹⁾ has systematically assessed the changes having recently affected six pillars of the European social model, as identified by the project: workers' rights and working conditions, social protection, the labour market, public services, social dialogue and social cohesion.

The systematic analysis of the different pillars of the European social model — and of the various aspects within each pillar — led the International Labour Office's experts to their main conclusion, that while parts of the European social model may have been called into question before the crisis, the extent of changes seen since the crisis, affecting most aspects and pillars of the European social model, has been unprecedented. While there are a number of exceptions — such as the introduction of a general minimum wage in Germany, the development of stronger social protection in Sweden, and the strengthening of social dialogue in France — most trends identified show a general withdrawal of the state from social policy in terms of legislation, provision of services and financing. The table below provides some evidence of the magnitude of the changes seen in individual countries while also highlighting the diversity between Member States.

Table 1.1. Most significant changes in the European social model, 2008-14

Working conditions	Labour market	Social protection	Social dialogue	Public sector*	Cohesion
<ul style="list-style-type: none"> • Limitations to the freedom of association (EL, HU) • Lowering of the minimum wage (EL, HU, SI, IE, CY) or a wage freeze (PT, ES, LT, LU, UK) but also the introduction of a minimum wage (DE) and reduction in pay for overtime (HU, SI, UK, EL, PT, HR, RO, EE, LV, LT) • Weakening of health and safety legislation (SI, UK), or reduction in entitlement to sick leave (ES, BG, SL) 	<ul style="list-style-type: none"> • Deregulation with rules relating to dismissal changed for both individual (PT, EL, IT, EE, SI) and collective dismissals (SK, ES, LT, EL, RO) • Significant increase in the use of temporary contracts (EE, LT, EL, CZ, PT, PL, RO) • Scaling down of active labour market policies (UK, HU) 	<ul style="list-style-type: none"> • Pension reforms (all Member States) • Reduction in unemployment benefits (BE, IE, PT, EL, RO, HU, SI, ES), housing benefits (CZ, PT, UK) and child allowances (CY, EL, HU, IE, LV) • Reduced social security benefits and social allocations (BE, EE, IE, EL, PT, HU, UK) • But also increased social protection (SE) 	<ul style="list-style-type: none"> • Reduced scope of collective bargaining due to the removal of extension procedures (EL, HU, PT, RO, SK) • Provisions for derogation from higher-level agreements introduced (ES, IT, EL, CY, BG) • Structural changes to the institutions or mechanisms shaping the tripartite social dialogue (HU, IE) and weakening of tripartism (IT, LT, RO) • Weakening of trade union rights (LT, EL, PT) • Increased social dialogue (BE, FI) 	<ul style="list-style-type: none"> • Cuts to the budget for public health and education (almost all Member States) • Reduction in public sector wage and employment levels • Privatisation programmes 	<ul style="list-style-type: none"> • Lower regional cohesion (UK, LV, ES, EL) • Gender inequality reduced (EL, PT, IT, CZ, RO) • Unequal tax increases (HU, CZ, RO, EL, IT)

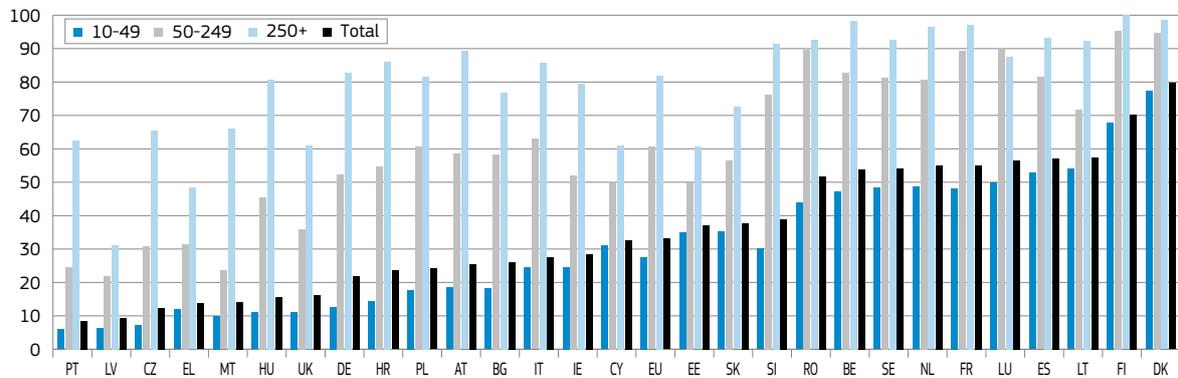
* For comparative analysis and details by country, see D. Vaughan-Whitehead (Ed.), 2013, Public Sector Shock, Edward Elgar-ILO.

The International Labour Office's project also documented the effects of these changes, and reported a significant increase in social conflict, an increasing incidence of low pay and poverty, and growing inequalities. The economic results of the reforms introduced have also been below initial expectations, in terms of their effect on employment, consumption and economic recovery.

The experts conclude that while the European social model needs to adapt to major challenges such as demographic developments and structural changes in employment, more balanced economic and social policies would allow European countries to remain competitive, while safeguarding the principles that forged their social identity and that could make their economic policies more sustainable in the long run.

⁽¹⁾ *The European Social Model in Crisis — Is Europe losing its Soul?* D. Vaughan-Whitehead (Ed.), Edward Elgar, International Labour Office, 2014.

Chart 1.7. Presence of an official structure of employee representation at establishment (>= 10 employees), in EU Member States, 2013



Source: Eurofound, European Company Survey 2013.

Major legal initiatives relating to workplace representation have slowed since 2008. Some countries are still introducing changes to their legal practices and procedures, e.g. adopting minimum criteria or thresholds that work councils must meet in order to participate in collective bargaining. In Portugal, for example, these thresholds were first set in 2009, and subsequently lowered in 2012. The organisational strength of workplace representation has started to fall recently in some Member States, most notably in Hungary. The introduction of a new labour code in 2012 has restricted the rights of work councils, including their right to be consulted on major issues affecting employment. In Slovakia, as of 2013 only trade unions are allowed to participate in collective bargaining.

New collective bargaining actors have emerged in several Member States. In Greece, a new legal framework granted 'associations of persons' the right to conclude agreements at the company level (see chapter 3). Similar changes, extending bargaining competence to non-union actors, have been observed in France (2008), Portugal (2009), Romania (2011) and Hungary (2012) (Marginson and Welz, 2014).

The proportion of employees covered by workplace representation varies

considerably across the EU, as a result of differences in legal support, in the rights and obligations of workplace representatives, and also in company size (as there is less likely to be employee representation in smaller companies). In Denmark and Finland, over 60% of all companies with ten or more employees have an official structure of employee representation at the workplace level (either a recognised trade union, works council or another form of statutory representation recognised in that country) (see chart 1.7). In Latvia and Portugal, meanwhile, only a very small proportion of companies have any form of workplace representation.

1.4. Conclusions

This chapter has discussed the way in which industrial relations processes and the actors involved in them have developed, looking at both changes which have come about since the start of the crisis and longer-term trends. The analysis presented has focused on the main characteristics by which these actors and processes can be measured or described, identifying specific changes having occurred to each. Further to this, this chapter has presented a comprehensive picture of the current industrial relations landscape in the EU. When discussing the

changes seen in industrial relations, one of the main questions asked has been to what extent these recent developments are a continuation of long-term trends, whether they have instead been brought about by the crisis, or whether existing trends have been accelerated as a result of the economic situation experienced in recent years. Overall, almost all developments seen in collective bargaining (at least until 2011) can be shown to be the continuation of long-term trends that began long before the economic crisis. Industrial relations have, nevertheless, undergone profound changes during the crisis years.

The long-term trend of steadily declining trade union density slowed in most countries in the first years of the crisis, as employment and trade union membership both fell. Whether this trend will continue as employment recovers remains to be seen. The long-term stability in the density of employers' organisations continued. Overall, industrial relations actors have not experienced significant changes in recent years, but this in itself marks an important development compared to earlier periods, during which there was ongoing restructuring and a decline in trade union density was seen.

In contrast, the changes seen in industrial relations processes over recent years have

been considerable. The trend towards decentralisation of collective bargaining has continued and accelerated (with the exception of Belgium and Finland). Certain Member States have experienced sudden and significant changes, resulting from the collapse of social pacts or amendments to legislation. In other countries, meanwhile, decentralisation has continued incrementally, with increased use being made of opt-out and opening clauses, and in some cases inversion of the favourability principle.

Collective bargaining coverage has decreased in many countries, and in some southern European countries to previously unseen levels. While bargaining coverage was already declining and a trend towards decentralisation evident before the crisis, the speed and extent of these developments has altered dramatically. Two main reasons for this have been identified. First, stricter legal regulations and changing practices for extension have made it increasingly difficult to extend collective agreements to a larger proportion of employees. Second, new regulations on the continuation of collective agreements

upon expiry have been introduced in several countries, which, together with the increased levels of uncertainty seen since the start of the crisis, have delayed negotiations, on occasion leading to bargaining impasses.

Ongoing trends in industrial relations reflect the way in which industrial relations actors (trade unions, employers' organisations and the state) are adapting themselves to the changing socioeconomic context, in order to align industrial relations to the needs of the economy and society. Other changes have been driven by political pressure, itself motivated by the current economic situation. The changes seen in some countries came as a result of external pressures, in particular policies set at EU level, including the advice communicated to Member States in the country-specific recommendations made under the EU's new economic governance regime, and/or EU reform programmes. It is not yet clear to what extent EU-level policies contributed to the changes seen in industrial relations. Various aspects of industrial relations systems have changed over recent years, and it is notable that these

changes have been more divergent, and have occurred more quickly and more frequently than was the case in the years prior to the crisis.

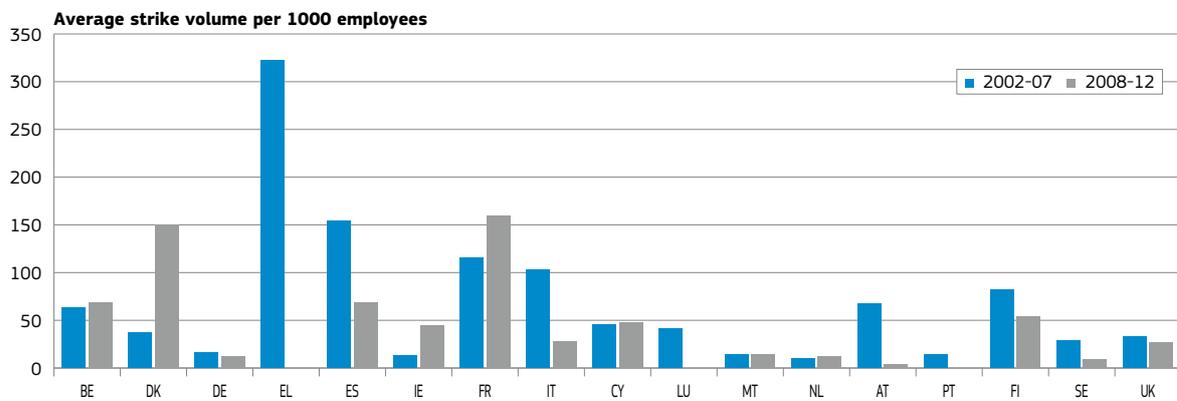
Although the sovereign debt crisis has reduced the ability of national governments to expand public expenditure, social dialogue and concertation continued to contribute to cope with the crisis and restore economic growth in a number of European countries. Finland is a case in point as a two-year cross-sector wage agreement was concluded in 2011 to face the deepening of the crisis and in 2013, after difficult negotiations, a further two-year wage agreement was concluded, which further included a plan to negotiate changes in the social dialogue and collective bargaining system (Marginson and Welz 2014). In 2013, the Slovenian government and social partners agreed on a reform of employment protection legislation, with the aim of reducing labour market segmentation (Eurofound 2015). These examples show that social pacts and social concertation continue to be useful governance tools in different economic junctures supporting both economic adjustments and social cohesion.

Box 1.4: Strike activity in the EU before and during the crisis

The level of strike activity varies widely across EU Member States. A common indicator used to compare strike activity in different countries is strike volume, defined as the number of working days lost through strikes per worker per year. It can be seen from this measure that there are historically more strikes in some countries than in others. Most southern European countries typically see more strikes than do continental European countries. There has been little change in countries' relative strike volumes over the past decades (e.g. Brandl and Traxler, 2010; Vandaele, 2014). Nevertheless, strike volume has declined steadily in absolute terms in almost all countries (see chart 1.8). This trend appears to have been continuing in recent years in the majority of countries for which data are available. The only countries in which strike volume has increased significantly during the economic crisis are Denmark and France.

Differences can also be identified in the scope and nature of strikes. Industry-wide strikes occur predominantly in northern Europe in countries with a multi-employer bargaining system. Political and general strikes are more characteristic of southern European countries, but also to a lesser extent of 'liberal' countries such as Ireland and the United Kingdom (Vandaele, 2014). In Spain, strike volume has decreased sharply since 2008. This appears contradictory at a time when there were frequent mass protests and demonstrations. These protests were not, however, necessarily accompanied by work stoppages. They were only indirectly, if at all, related to industrial relations issues and not targeted at specific employers, being mainly directed towards government policies and various supra-national organisations. Whilst it is not always easy to differentiate between the different purposes that strikes and other forms of protests may serve, and it can also be difficult to identify the direct target of such action (e.g. the government and/or an employer), it appears that there has been a shift in recent years, with action, be it strikes or other forms of protest, being increasingly often directed towards the government rather than specific employers (Hamann et al., 2013).

Chart 1.8. Strike volume in selected European countries; comparison between 2002-07 and 2008-12



Source: Vandaele (2014).

Note: Bars show the average strike volume per 1,000 employees between 2002-2007 and 2008-2012. Selection of countries on basis of availability of data. No data for 2013. For many countries, e.g. Greece and Portugal, recent data has not been collected. For details on availability of strike data see Vandaele (2014).

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