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Collective bargaining decentralisation in five countries

First comparative results of the DECOBA Project

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Outline of the presentation

- The countries: Relevance and IR
- Systemic resilience?
- The questions
- Variables, actors, and processes
- Explanatory variables
- Collective bargaining features
- A snapshot of the cases. More later!
- Concluding remarks



The countries

- DE, ES, IT and FR are among the largest economies and labour markets in the EU
- They belong to 'intermediate' IR systems, which are mid-way between the highly organised Nordic countries and the disorganised systems of the UK and CEECs
- For this reason they are particularly interesting cases for our study, since they are more open to interpretations and various trajectories
- Belgium is a very interesting case too, being the continental system closest to Nordic countries, known for the institutionalisation and centralisation of its IR system. It is almost a reference case for the other ones



Systemic resilience?

- In order to identify the potential 'systemic resilience' of IR, we can locate our cases along two dimensions:
 - the degree of institutionalisation: lower or higher
 - the representation style of both/either unions and/or employers: more prone to loyalty or open to exit

		Representation style	
		Loyalty	Exit
Institutionalisation	Lower	Spain	Italy, Germany
	Higher	Belgium	France?

The questions

- Analysis of recent tendencies (descriptive)
- Identification of drivers (theoretical)
- Explanation of outcomes (analytical)



Variables, actors, and processes

- We tend to distinguish 'internal' (or 'domestic') and 'external' variables, actors, and processes, but it can be misleading since we are living in an open system, so that external factors are rapidly internalised (think of the economic context)
- We are confronted with a multi-actor, multi-level system where specific elements can represent constraints, but also opportunities for the various participants
- Main actors in our picture: Social partners, governments, EU Commission
- Negotiations about material and symbolic elements take place at national and EU levels and between them



Some key explanatory variables

- Economic growth
- Employment and unemployment
- Public deficit and debt
- Financial stability
- Political or policy orientations?

These variables have a fundamental effect on:

- Pay-offs (the gains to be distributed)
- Market position (bargaining power)
- Power resources and vulnerability in the current regulatory system (political negotiations)

GDP and government debt

GDP 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EU	100.0	100.5	96.1	98.1	99.8	99.3	99.5	101.2	103.4	105.4
BE	100.0	100.8	98.5	101.1	102.9	103.0	103.0	104.7	106.3	107.5
DE	100.0	101.1	95.4	99.3	103.0	103.5	104.0	105.7	107.4	109.4
ES	100.0	101.2	97.6	97.6	96.6	93.8	92.2	93.5	96.4	99.5
FR	100.0	100.2	97.3	99.2	101.3	101.5	102.1	103.0	104.1	105.4
IT	100.0	99.0	93.5	95.1	95.7	93.0	91.4	91.5	92.2	93.1

Public debt 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EU	57.6	60.7	72.8	78.4	81.1	83.8	85.7	86.7	84.9	83.5
BE	87.0	92.5	99.5	99.7	102.6	104.3	105.6	106.7	106.0	105.9
DE	63.7	65.1	72.6	81.0	78.7	79.9	77.5	74.9	71.2	68.3
ES	35.6	39.5	52.8	60.1	69.5	85.7	95.5	100.4	99.8	99.4
FR	64.3	68.0	78.9	81.6	85.2	89.5	92.3	94.9	95.6	96.0
IT	99.8	102.4	112.5	115.4	116.5	123.4	129.0	131.8	132.1	132.6

Labour market

Unemployment

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EU	7.2	7.0	9.0	9.6	9.7	10.5	10.9	10.2	9.4	8.5
BE	7.5	7.0	7.9	8.3	7.2	7.6	8.4	8.5	8.5	7.8
DE	8.5	7.4	7.6	7.0	5.8	5.4	5.2	5.0	4.6	4.1
ES	8.2	11.3	17.9	19.9	21.4	24.8	26.1	24.5	22.1	19.6
FR	8.0	7.4	9.1	9.3	9.2	9.8	10.3	10.3	10.4	10.1
IT	6.1	6.7	7.7	8.4	8.4	10.7	12.1	12.7	11.9	11.7

Long-term unemployment

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EU	3.0	2.6	3.0	3.8	4.1	4.6	5.1	5.0	4.5	4.0
BE	3.8	3.3	3.5	4.0	3.5	3.4	3.9	4.3	4.4	4.0
DE	4.9	3.9	3.5	3.3	2.8	2.4	2.3	2.2	2.0	1.7
ES	1.7	2.0	4.3	7.3	8.9	11.0	13.0	12.9	11.4	9.5
FR	3.0	2.6	3.0	3.5	3.6	3.7	4.0	4.2	4.3	4.3
IT	2.9	3.0	3.4	4.0	4.3	5.6	6.9	7.7	6.9	6.7

Collective bargaining features

- Our cases point to a number of possible outcomes beyond the traditional centralisation-decentralisation dichotomy:
 - Government-led centralisation/coordination
 - Opening-clause decentralisation (enabling)
 - Opt-out decentralisation (derogating)
 - Fictional decentralisation (decentralisation without decentralised agreements)
 - Fragmentation/de-concentration with or without coordination
 - De-collectivisation with decreasing bargaining coverage
 - Hollowing-out of collective bargaining, which point to the issue of the quality of collective bargaining



The processes

- The economic and financial situations are key drivers of change, which involve national and EU actors in a multi-level negotiation of measures and meaning: national actors can adopt, trade, select, re-interpret, reject EU recommendations
- The political factors at all levels have long pushed towards the almost single and uncontested direction of de-regulatory measures
- Good economic performance could not protect Germany from dualisation and de-collectivisation
- A corollary: Economic recovery does not guarantee the recovery of IR systems
- But there are signs of resilience: CB autonomy
- Trade union responses are important, but employer representation and collective action is crucial and can introduce elements of instability and erosion



A snapshot of cases

More later!



Belgium

- It shows a more diversified picture than traditionally presented, both originally and especially dynamically
- Sectors show differences in the relationship between levels and are now being consolidated across both sectors and occupational groups
- Coordination (especially horizontal coordination) is maintained and partly reinforced
- The regional level, notably of tripartite concertation and involvement in policy-making, has been reinforced
- The role of the government to centralise and coordinate has increased, notably in establishing the wage norm, with a significant role of the national-EU link and some appropriation of EU catch words (tax reform and competitiveness)



Italy

- Some elements of ‘disorganised’ decentralisation, starting from the legal framework (article 8, decree law 138/2011)
- Important results of cross-industry bargaining
- Difficult implementation of the cross-industry agreements on representation and representativeness
- Some signs of fragmentation of the collective bargaining structure, notably due to the growing temptation of exit on the employers’ side
- Last collective bargaining round in the private sector tries to provide the grounds for future developments: wait and see?
- Fictional decentralisation? Some developments linked to welfare benefits
- Slow re-start of collective bargaining in the public sector
- National social concertation has been drastically scaled-down
- The relationship with the EU level is ambivalent and politicised



Spain

- Important recent reforms, linked to EU economic governance and financial assistance (2012-2014), allow for disorganised decentralisation: priority of company agreements, limits to ‘ultra-effectiveness’
- There was some erosion of collective bargaining, but with a limited impact on the bargaining structure
- New derogatory additional agreements in the SME sector
- Stronger managerial prerogatives for unilateral implementation of internal flexibility
- Emerging union strategies to re-establish and strengthen multi-employer bargaining (e.g. first national agreement in metalworking as apposed to the traditional structure based on provincial agreements)

France

- Legislation-driven and long-term increase of company level bargaining since the Auroux laws of 1982
- Company-bargaining increased significantly, with relevant consensus among trade unions. Potentially problematic where trade union structures are not present
- Ever since, state-sponsored decentralisation, on a broad range of topics
- More recent emphasis on social concertation (still there?)
- Even more recent shift to reforms which enable some disorganisation of decentralisation, established in connection with EU governance and involving negotiations and policy trade-offs (labour market against budget tolerance – the structural reform exchange)
- Impact assessment and prospects?



Germany

- Emerging areas of de-collectivisation across sectors and regions, including through new employer associations 'without collective agreements'
- The use of opening clauses varies across sectors and company size (more in larger enterprises), but it could not stop the erosion of bargaining coverage
- Some recent trends point to more regulation in labour market and IR: minimum wage, more extension possibilities
- Decentralised 'participatory bargaining' as a union revitalisation strategy
- More possibility to derogate legislation through collective bargaining
- The role of domestic politics?
- Any role of EU governance?



Concluding remarks

- There may be some elements of an 'attack on multi-employer bargaining'
- National and EU levels are linked in a dynamic way in a regulatory framework which involves constraints but also opportunities for domestic actors
- The effectiveness of pro-decentralisation reforms can be disputed
- The most prominent cases of change are the result of long-term trends rather than short-term and crisis-led (France and Germany)
- The case mostly hit by the crisis (Spain) seems to remain rather stable
- Resilience is mainly the outcome of adaptive/reactive/proactive strategies developed by national IR actors, who use institutions as resources or references for their actions
- The scope for joint regulation seems to be 'path dependent', but can be eroded

