

ENTIRE VIEW

Industrial Relations in Europe: An Overview of the Current Situation, Recent Developments and Trends

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1. Introduction



This report provides a comprehensive overview of the current state and recent developments of main industrial relations actors and processes in the European Union (EU) since 1998. The information and data which forms the basis of this report draws upon a unique and detailed data collection which was based on the ENTIRE VIEW project which included all 28 European Union member states (EU28). This data is combined with data and information from Eurofound's EurWORK (2019). The analysis of the data shows that the past two decades have seen a number of transformations in industrial relations in the EU28 including some long trends as well as short-term developments. While some transformations confirm findings from previous studies like for example the general long-term decline of union density in the EU (e.g. European Commission, 2015) other developments we identified show that industrial relations some countries can develop very distinctively and there are a number of country specificities that detour from general trends.

Previous literature argued and showed that industrial relations developed, transformed and also renewed itself along a changing contextual long-term socio-economic environment, as industrial relations always did (e.g., Crouch, 1993; Brandl and Traxler, 2011). However, even though the transformation of industrial relations in the EU followed some trends that were observable before, the economic crisis which arrived in Europe in 2008 was certainly a decisive factor that shaped some fundamental transformations in the years shortly after the arrival of the crisis in a number of countries but also led to lasting transformation throughout the EU and thus on the current situation of industrial relations in the EU. Overall, in the past two decades the context for industrial relations changed significantly and so did industrial relations *actors*, i.e. employers' organisations and trade unions, and *processes*, i.e. collective bargaining. Over and above, in recent years industrial relations processes and outcomes became a key element in the new system of European economic governance, e.g. in the Europe 2020 strategy and the European Semester. Both, the new economic context as well as the new role and prominence of industrial relations in the system of EU economic governance induced transformation in some aspects and dimensions of industrial relations never seen for a long time (e.g., Dell'Aringa and Pagani, 2007; Arpaia and Mourre, 2009; Artha and de Haan, 2011; Hayter, 2011; Tridico, 2013; Blanchard et al., 2014; Meardi, 2015; Koukiadaki and Grimshaw, 2016; OECD, 2017; Brandl and Bechter, 2019).

Against this background this report aims to provide an up-to-date overview of the current situation of industrial relations in the EU28 as well to identify and point to various

significant recent developments. A comprehensive overview of both these recent developments as well as of long-term trends is provided. As outlined before, in this report it is shown that there are significant recent changes in industrial relations which are partially rooted on trends and developments in the period long before the economic crisis, but which are sometimes intensified by the crisis, and sometimes directly induced by the crisis. In any case, the main relevant *contextual factor* of recent developments in industrial relations is clearly the change in the economic situation since the beginning of the economic crisis.

In 2008 the economic situation started to change as economic prosperity began to suffer in the EU. Compared to the decades before economic growth was lower and unemployment levels hit heights never seen before and by all means never expected to be so severe (Eurofound, 2014; European Commission, 2018; ETUI, 2019). The impact of the economic crisis has been unequal in the EU member states. While in countries such as for example Croatia, Greece, Cyprus, Slovenia, Italy, Portugal and Spain economic growth was negative throughout the period of 2009 to 2013, in other countries such as Austria, Germany, Malta, Poland, Slovakia and Sweden economic growth started to pick up after the first year of the crisis (Broughton and Welz, 2013; Visser, 2013; Ball (2014); Heyes and Lewis, 2014; European Commission, 2014; Molina, 2014; Doerflinger and Pulignano, 2015; Marginson, 2015). Nevertheless the economic situation all countries remained strained as (un-)employment levels did not catch up with improving economic growth as well as the level of (public) debt excerpts a shadow on a sustainable economic recovery. Having this economic situation in the back the European labour market changed considerably during the economic crisis with skyrocketing youth unemployment rates in various countries (e.g. in Spain) and with shifts in the job structure among different occupational groups and sectors as well as with an increase in “precarious”, “a-typical” employment relationships and an increase of temporary employment (Eurostat, 2013; European Commission, 2014; 2015; ETUI, 2019). This new economic environment changed the context for industrial relations and put pressure on industrial relations actors and processes. Throughout the EU28 actors and processes were challenged and contested. In this report the changes in industrial relations due to these challenges are outlined and discussed accordingly.

Data sources

For this report various data sources were used. The main sources come from a unique, systematic data collection via a standardized expert survey as well as the combination with data provided by Eurofound's EurWORK data collection.

As regards the own data collection: We make use of data which is collected on basis of a standardized questionnaire which is addressed to country experts in each of the 28 EU member states. This data collection strategy of integrating country experts as sources of information has the following advantages:

It allowed us the development and operationalization of indicators and variables which are specifically designed for the particular research questions (e.g. questions on the coordination of collective bargaining). A precise operationalization is usually not feasible when using secondary data as in this case the analysis is limited by the content of the existing data.

Data collection through a standardised questionnaire survey guaranteed maximum comparability of the data since all country experts deliver data on the basis of a homogeneous, i.e. standardized, questionnaire. In addition, all answers given by the experts are based on consistent, homogeneous and intersubjective standards. This is rarely the case when drawing data from independent case studies and different sources. To maximize the consistency, homogeneity and intersubjectivity of the data collection we further made use of experts that monitor and control the consistency and quality over a group of countries. These country group experts coordinated the data collection and data preparation with the country experts and with the main project team. This interaction strengthened the quality of the data since country data collected by country experts may look at the world through peculiarly national lens which may lead them to exaggerating or belittling the importance of the phenomena on which they are asked to report. Therefore it was important that all country experts have been guided, trained and mentored in order to achieve maximum comparability of the data.

In order to make use of synergies with other data collections, i.e. data bases, we use also data from EurWORK instead of other data bases in the field of comparative industrial relations because EurWORK is a systematic and methodologically comparable data collection on national industrial relations systems and developments in working life through monitoring and reporting tools drawing on contributions from its network of correspondents, i.e. experienced country experts, across the EU28. Thus, it is based on a validated data collection effort which is based on national experts. Controls by Eurofound guarantee not only validity of data which is absent for other data collection efforts but also comparability of data across different countries.

2. Industrial relations actors



2.1 Long-term trends and stylized facts

As regards the main industrial relations actors in the EU, i.e. trade unions and employers' organisations, various *trends* and *stylized facts* are observable in our data. One stylized fact is that there is a large variation in the organisational characteristics of both trade unions and employer organisations. The main levels on which actors are organised, how many different and separated actors according to economical and regional organisations there are in a country differs, as well as large variations in terms of the number of members organisations have in the EU28. Another stylized fact is that this heterogeneity of actors persisted over time even though some actors' characteristics underwent some significant changes over time. Most notably is the general trend in the long-term decline of unionisation in almost all countries (e.g. Schnabel, 2013; Visser, 2013, 2019). A further stylised fact of the past decades is that different unionisation employers' organisations maintained their level of membership, i.e. their level of representativeness (European Commission, 2015; Brandl and Lehr, 2016). The latter literature also showed that this is different to trade unions. Thus, it becomes evident that the difference between employers' density and union density has increased over time. This growing gap was due to an almost universal decline of trade union density in the past decades, coupled with a relatively stable aggregate level of employers' organisations density.

However this stability of aggregate employers' organisation density does not imply that densities have been stable for all EU Member States. For example Denmark and Belgium experienced increases in density, whilst it considerably decreased in other countries such as Italy, Finland and France in the past three decades. Such diverging developments in individual countries explain the aggregate stability of density (Brandl and Lehr, 2016). The same with unionisation, even though there is an overall trend in the past three decades of declining membership, significant country variations exist. While for example in Belgium and France membership remained almost constant or decreased just slightly, in Germany, Ireland, and Slovakia unions lost many of its (potential) members over the years (EurWORK, 2019). However, another stylised identified in literature is that even in countries where unionisation is not declining, it is usually still lower than employers' density.

A further stylised fact we can observe is that compared to national union systems the systems of collective interest representation of business is more fragmented, i.e. it consists of a larger number of organisations, than the system of collective employee representation (Carley,

2010; European Commission, 2011; 2015). However, the system of collective interest representation of business has changed. There has been a clear move away from pure employer associations towards “mixed” associations, i.e. organisations which represent not only labour market interests of companies but also product market interests (Brandl and Lehr, 2016).

2.2 Trade unions

In the EU28 the representativeness, organisational structure and role of trade unions differs substantially between countries and even though there are common trends in the development of trade unions in the EU this heterogeneity persisted over the past decades (European Commission, 2015; EurWORK, 2019). With regards to the current representativeness of trade unions, there are countries such as Denmark, Finland, and Sweden, in which more than 60% of all employees are member of a trade union while there are countries, such as Estonia, France, and Lithuania, in which not only every 10th employee joins a trade union. Thus, the country variation is (still) high and spans over wide differences in terms of organizational strength.

With regards to the current organisational structure, the European trade union landscape is also quite differentiated. There are countries with very concentrated trade union systems, i.e. with a low number of union confederations and unions per se, and there are countries in the EU28 with very fragmented trade union systems. Examples of the first system are in particular in Austria but also in Germany and the Netherlands. Examples of the second type are France, Italy, and Spain where many unions and union confederations exist and are organised either along political, religious, occupational, and regional demarcations (EurWORK, 2019). As regards the role of trade unions we find that there is a division between countries in which trade union activities concentrate on their role in collective bargaining, such as in the UK, while in other countries unions are involved in the broader field of public policy making via participation in tripartite boards and are consulted by state authorities on economic and social policy issues, such as for example in Belgium, Denmark, and Sweden.

2.3 The structure of national trade union systems

In the EU28 there are currently and traditionally significant differences in the peak structure of unions, i.e. in the number of trade union confederations. Table 1 gives an up to date overview.

Table 1: Number of trade union confederations and divisions in the EU28, 2017

Country	#Confed.	Division of trade union confederations				
	2017	Political	Religious	Occupational	Sectoral	Regional
AT	1					
BE	3	important	important			existent
BG	3 ¹	important				
CY	5 ²	important		existent		
CZ	5	important	existent			existent
DE	3		existent			
DK	4 ¹		existent	important		
EE	2			existent		
EL	2					
ES	6	important	existent			existent
FI	3			important		
FR	8 ¹	important	existent	existent		
HR	4 ³					
HU	6 ¹	important			existent	
IE	1					
IT	6 ¹	important			important	
LT	3 ²	important	existent			
LU	4 ¹	important	important		important	
LV	1 ¹					
MT	3 ²	important				
NL	3	existent	important	existent		
PL	3 ¹	important				
PT	2 ²	important				
RO	5 ¹	important				
SE	3 ¹			important	important	
SI	7 ²	important			existent	existent
SK	4		existent			
UK	1					

Note: # Confed. = Number of trade union confederation. ¹ = Data from 2016. ² = Data from 2015 ³ = Data from 2014. Source: ICTWSS database 4.0 (Visser, 2013a), Fulton, (2013).

As seen in Table 1 the system of trade union confederations in the EU28 shows a relatively high degree of heterogeneity as they are organised in different ways. In four countries, i.e. in Austria, Ireland, Latvia and the UK, there is only one confederation which brings together the different unions in the country. In various other countries there are two or three trade union confederations, such as for example in Bulgaria, Germany, Greece, Lithuania, the Netherlands, and Sweden. Moreover, in some of these countries the system is basically very concentrated as one large confederation covers the majority of unions. Examples are Germany with the dominating German Confederation of Trade Unions and Greece with the Greek General Confederation of Labour which cover the vast majority of trade unions and trade union members. One characteristics of the trade union system in the Nordic countries is that not only the number of union confederations is relatively low, but also that this division reflects quite a

clear occupational specialisation (EurWORK, 2019) with manual workers, non-manual workers and higher-skilled workers are organised differently.

A separation of trade union confederations along political and/or religious differences exists in many countries (European Commission, 2015; EurWORK, 2019). We find that a political differentiation of the trade unions system is frequently associated with southern European countries but this is definitely not exclusive to southern European countries as also, for example, in Belgium, the Czech Republic, Hungary, Latvia, and Poland political differences resulted in different trade union confederations. Often alongside political differences, religious differentiations of trade unions exist. The reasons for the evolution of a trade union confederation system along both political and religious lines root in the early development of the industrial relations system (e.g. Crouch, 1993). However, even though different confederations still exist, the political and religious “rivalries” have weakened in the past decades (Fulton, 2013). Further reasons for the existence of the fragmented system of trade union confederations are specializations of confederations on different (groups of) sectors or industries. Typical country examples for the presence of sector specific confederations are Italy, Luxembourg, and Spain. In addition, confederations also exist in some countries which are concentrating on different regions in a country like for example in Belgium, the Czech Republic, Spain, and Slovenia. The reasons for the differentiation of trade union confederation system are neither exclusive nor set in stone. For example, in Slovenia and Hungary both sectoral and political factors matter for the division. There are also organisational reasons which matter for division rather than political affiliations of trade unions such as in Croatia. Even though in the EU28 political (i.e. ideological) and religious motivations for a separation of trade unions became increasingly irrelevant, there is little evidence for any mergers in the near future. Recent attempts to merge confederations in France and Romania failed. There are also good reasons to believe that the differentiation might increase in some countries, e.g. in Spain for political reasons of greater regional autonomy (Fulton, 2013; European Commission, 2015).

2.4 Characteristics of main confederations and the number of unions

By looking on the countries’ trade union structure beneath the level of trade union confederation various transformations can be observed. Table 2 gives information about the size of the largest trade union confederation in each of the EU28 countries and shows the development of the number of affiliated unions within the confederation.

Table 2: Major trade union confederation, membership and affiliations in the EU28, 2017

Country	Largest trade union confederation Name	Number of members	Number of affiliations of the largest confederation			
			2001	2007	2013	2017
AT	Austrian Trade Union Federation (OGB)	1,205,700	13	9	7	7
BE	Confederation of Christian Trade Unions (ACV/ CSC)	1,336,300	12	11	9	11 ¹
BG	Confederation of Independent Trade Unions of Bulgaria (CITUB)	200,000	n.a.	35	35	n.a
CY	Cyprus Workers Confederation (SEK)	55,800 ¹	n.a.	7	n.a.	7 ¹
CZ	Czech Moravian Confederation of Trade Unions (CMKOS)	295,600	n.a.	32	30	29
DE	German Confederation of Trade Unions (DGB)	5,995,400	8	8	8	8
DK	Danish Confederation of Trade Unions (LO-DK)	806,500 ¹	20	17	17	18 ¹
EE	Association of Estonian Trade Unions (EAKL)	20,600	20	19	19	19 ¹
EL	Greek General Confederation of Labour (GSEE)	358,800 ¹	62	n.a.	62	68 ¹
ES	Trade Union Confederation of Workers' Commissions (CC.OO)	920,900 ¹	11	12	11	7
FI	Central Organisation of Finnish Trade Unions (SAK)	929,100	24	22	21	18
FR	General Confederation of Labour (CGT) 26,77% of votes French Democratic Confederation of Labour (CFDT) 26% of votes	623,800	n.a.	15	n.a.	16
HR	Union of Autonomous Trade Unions of Croatia (SSSH/UATUC)	105,000 ²	n.a.	n.a.	23	n.a.
HU	National Confederation of Hungarian Trade Unions (MSZOSZ)	n.a.	n.a.	n.a.	n.a.	n.a.
IE	Irish Congress of Trade Unions (ICTU)	527,000 ¹	48	43	n.a.	32 ¹
IT	Italian General Confederation of Labour (CGIL)	5,518,800	19	16	14	12
LT	Lithuanian Trade Union Confederation (LPSK/LTUC)	50,000 ¹	n.a.	26	n.a.	27 ¹
LU	General Confederation of Labour of Luxembourg (OGBL)	72,000 ¹	n.a.	15	n.a.	15 ²
LV	Union of Independent Trade Unions of Latvia (LBAS)	92,200 ¹	n.a.	23	20	21
MT	General Workers' Union (GMU)	49,900 ²	2	2	n.a.	1 ²
NL	General Workers' Union (FNV)	1,060,200	13	16	22	14
PL	NSZZ Solidarnosc	722,000 ¹	20	20	9	0
PT	UGT-P (updated from 2013)	160,000 ¹	n.a.	59	80	6

RO	National Confederation of Free Trade Unions of Romania – FRATIA (CNSLR-Fratja)	250,000 ¹	n.a.	n.a.	38	n.a.
SE	Swedish Trade Union Confederation (LO-S)	1,443,000	18	15	14	14 ¹
SI	Slovenian Association of Free Trade Unions (ZSSS)	54,400 ²	n.a.	n.a.	22	22
SK	Confederation of Trade Unions of the Slovak Republic (KOZ SR)	231,000 ¹	37	n.a.	28	26 ¹
UK	Trades Union Congress (TUC)	5,552,200	n.a.	59	56	50 ¹

Notes: In AT approximately 20% of the members are retired. BE, BG and IT membership data refers to 2012. CZ and NL data to 2011, PL data to 2009, LT data to 2008, and EL data to 2007. ICTU in IE has additional 217,711 members in North Ireland. The number of affiliates in PL for 2013 refers to industry groupings. Data for the number of affiliates in CZ for 2007 refers to 2008; EE for 2001 to 2002; LU for 2007 to 2008; PT for 2007 to 2008; SK for 2001 to 2002. ¹ = data from 2016, ² = data from 2015
Source: ICTWSS data base 4.0 (Visser, 2013a), Fulton (2013).

Again, there is a high degree of variation in the number of affiliated unions to the largest trade union confederation across the EU Member States. What is striking however is that there is a European trend for individual unions to merge (EurWORK, 2019). In the vast majority of countries, the number of unions decreased through mergers. For example, in Denmark 3F arose in 2005, in the UK Unite was formed in 2007, Union was created in 2008, and in Austria GMNT and GdC merged and formed PRO-GE in 2009. In Portugal in 2011, the Federation for Metal, Chemical and Electrical Industries reorganised by merging nine unions into four regional unions. In Italy Cisl started a restructuring process on the sectoral and territorial level which is not yet complete (Broughton and Welz, 2013; European Commission, 2015). This process of merging individual trade unions and by restructuring the union system is usually motivated by the attempt to increase the cost efficacy and started as a European trend not only before the economic crisis arrived in Europe but even before our period of observation in the 1990s. A prominent example in Europe is the forming of Verdi in Germany out of mergers which became the second largest union in Europe in 2001. However, not all merger attempts succeed as exemplified in Finland in 2009 and 2010, where only some unions finally agreed to merge but not as many as targeted. There are some countries in the EU28 in which one important basis for union formation is the workplace level such as Croatia, France, Greece, Poland, Portugal, and Romania. In these countries workplace unions are formed which then join higher level unions, thereby becoming a member of a confederation. Given that the workplace level of representation became increasingly important in the last years, this form of union structure beneath the confederation level becomes increasingly important, but also increases the complexity of the structure (Fulton, 2013).

In recent years, i.e. since the crisis, in some countries the fragmentation of the union system was reduced by the introduction of new legislations of requirements which enables unions to participate in collective bargaining and in social dialogue per se. For example, in France the legislation was changed in 2008 so that the minimum requirements for union representativeness at the national, industry and company level were increased, e.g. unions need to win 10% of the votes at company and 8% at sector level to meet these requirements. In Bulgaria, the labour code was changed in 2012 in a way that tightened the criteria to be legally recognised as a union and or union confederation. Among various requirements, union confederations in Bulgaria must have the status of a non-profit organisation and have to represent at least 75,000 members instead of 50,000 as before. Also in Croatia, the legislation was changed in 2012 in a way that the fragmentation of the union system shrinks by setting high(er) minimum standards of memberships in order to be able to act as a confederation (EurWORK, 2019).

2.5 New actors in the field

Our research also showed that beside the trend of the emerging new actors out of merger activities among unions and union confederations in the EU28 (since the economic crisis) in some countries, new forms of actors entered the arena of representing the interests of workers (European Commission, 2015; EurWORK, 2019). In particular new actors arose in countries which were severely affected by the economic crisis and which had to change social and economic policies according to national and EU level requirements. However, the aims, sustainability, scope of action (i.e. the “nature”) of new emerged actors and of the representation of workers’ interests is very different in different countries, ranging from rather loose protest movements to well definable representatives in collective bargaining. Table 3 gives an overview of this variety of new actors in the arena of workers’ interest representation.

Table 3: New actors representing workers interests

Country	Name of social movement	Aim of movement	Basis of support
<i>EL</i>	<i>Association of persons</i>	Under the new role of collective bargaining, workers can establish an (informal) ‘association of persons’ to sign collective agreements at the company level.	Under the provision of the new rules on collective bargaining.
<i>ES</i>	<i>15-M Movement/Indignados Movement</i>	Mobilising protests for political change and against welfare cuts and imposed austerity measures.	No (social media)
<i>PT</i>	<i>Precarious Generation, Plataforma 15 de Outubro</i>	The primary aim was to mobilise youth and to articulate the interest of the ‘precarious generation’.	No
<i>SI</i>	<i>Direct social work (Revolution 15o and Occupy Ljubljana movements)</i>	Movement supports workers, not represented by unions and who were most severely affected by the crisis.	Partly supported by NGOs

Source: EurWORK (2019) and research.

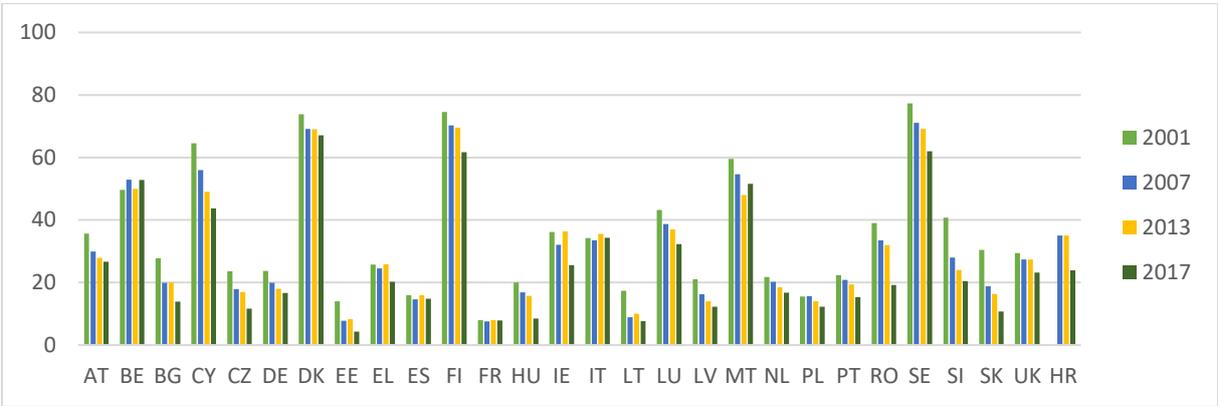
In Spain and in Portugal social movements evolved in the early years of the economic crisis which organised mass protests against social and economic policy reforms in these countries. Austerity policies of cutting welfare provisions and of tightening labour market and working conditions triggered a massive wave of support including participation in demonstrations of various kinds in both countries. Unions usually accompanied and supported these mass protests in Portugal and Spain. In Slovenia, social movements surfaced as a compliment to existing unions which failed to represent specific segments of the workforce, i.e. of migrants and younger persons which, if at all, are usually bound to precarious jobs. However, in Greece similar mass protests and social movements emerged in various waves since 2008 but also new actors in collective bargaining arose within a new legal framework. Since then, in Greece, company level agreements are frequently struck between the management and informal established associations of workers, or so-called associations of persons respectively. Such associations can be created by the support from three-fifth of the workers in the domain of the establishment. These agreements predominate over other agreements and thus do “compete” with agreements by unions on the same level as well as with higher level agreements

(EurWORK, 2019). However, these new actors are definitely increasing the fragmentation of the union system in Greece.

2.6 Union membership and density

Declining unionisation in the EU was reported over decades as union density shrank in the majority of European countries since the 1980s (European Commission, 2011; 2013; 2015; ETUI, 2019). The development of union density for all EU28 countries is shown in Chart 1.

Chart 1: Union density by country; 2001, 2007, 2013 and 2017



Note: Union density (in %).

Source: ICTWSS database 4.0 (Visser, 2019).

It can be seen that different to the general trend in many countries trade union density remained relatively stable and even increased slightly for some countries in the periods highlighted. However, this deviation from the trend of decreasing trade union density can be explained by the fact that the number of employees remained almost stable because in some periods of the economic downturn no new employees were recruited, or employees were laid off but employees did not leave unions. In some countries such as in France and Italy for example, the number of union members increased (ETUI, 2019). Overall union density remained relatively constant since 2010 over some years in countries which are heavily affected by the economic crisis such as Estonia, Italy and Spain. But, as mentioned earlier, with exception of some countries in many countries the number of union members remained stable while the number of employed persons decreased significantly.

3. Employers' associations



Employers' organisations, i.e. their representativeness, organisational structure and role, differ in the EU28 (European Commission, 2015). Past research highlighted the hybridity of employers' associations as the presence of pure employers' associations is rather the exception than the rule in the EU28 (Brandl and Lehr, 2016). This is because the majority of associations represent both the interests of business in their capacity as employers and in their capacity as producers. The former is referred to as employer associations, the latter as business interest associations, while organizations that integrate these two functions are known as mixed associations. By looking back into the early 1990s in many European countries, many pure employer associations existed but in the majority of countries in the last decade have seen many merger activities between pure employers' associations and business interest associations (Traxler et al., 2007). Nowadays, only in Germany does a pure employer organisation (i.e. the BDA) still exist. With regards to representativeness, past literature (e.g. European Commission, 2015) has shown that there are countries such as Austria, Belgium, Luxembourg, and the Netherlands in where more than 80% of all employees work in companies which are member of an employers' association while there are countries, such as Lithuania and Poland, only every 5th employee works in a company which is member of an employers' association. Thus, the country variation in membership is high.

3.1 The structure of employers' representation systems

In the EU28 there are currently and traditionally significant differences in the peak structure of employers' associations, i.e. in the number of confederations. As our research shows, membership of companies in the majority of the employers' associations is voluntary. However, in a few countries, mandatory membership exists including Austria, Denmark, Finland, France, Croatia, Italy, Luxembourg, and Sweden. Usually such a mandatory membership is restricted to certain domains of companies with exception of Austria where a mandatory membership to the general and cross-sectoral employers' association exists (EurWORK, 2019).

3.2 Number and characteristics of employers' associations

In total, there are 117 general employers' associations in the EU28, see Table 4. Thus, the number is significantly higher than on the trade union side. The reason for the higher number,

i.e. the higher fragmentation of the employers' associational system, roots in the past traditional division between employers' and business organisations. However, there is a high variation across countries in the fragmentation.

Different to that, there are countries in which the number of employers' associations is considerably high, i.e. very fragmented. For example, in Italy 10, in Romania 6, and in Hungary 9 associations exist. Usually this fragmentation corresponds with a differentiation of employers' associations along different membership domains, i.e. there are special employers' organisations for different (groups of) sectors, companies of different sizes and types (e.g. for the industry). In Cyprus, the Czech, Republic, Slovakia and Lithuania the all peak employers' associations are general and are having a cross-sectoral domain. In the majority of countries with more than one peak employers' association, general cross-sectoral associations co-exist with specialised associations for distinct (groups) of sectors and/or different company types. Our research shows sectoral differentiation of the employers' system is prevalent for Denmark, Greece, Hungary, Italy, the Netherlands, Portugal, Romania and Slovenia. Regarding the existence of employers' associations specialised for the representation of interest of small and medium sized there are 13 countries in which they exist (e.g. EurWORK, 2019). In addition, specialised employers organisations for crafts enterprises exist in five countries including Germany, Hungary, Italy, Poland, and Slovenia (Carley, 2010; European Commission, 2015; EurWORK, 2019).

Table 4: Number of employers' associations, domains and key divisions, and membership details of largest confederation in the EU28, 2018

Country	Number of general associations	Largest employer association			
	Total	Name	Membership	Member firms	Employees covered
AT	2	<i>Austrian Federal Economic Chamber (WKO)</i>	mandatory	439,477	2,257,417
BE	4 ²	<i>Federation of Enterprises in Belgium (FEB/VBO)</i>	voluntary	50,000	2,000,000
BG	4 ²	<i>Bulgarian Chamber of Commerce and Industry (BCCI)</i>	voluntary	21,977	655,714
CY	2 ³	<i>Employers' and Industrialists' Federation (OEB)</i>	voluntary	6,000	130,000
CZ	3 ²	<i>Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic (KZPS ČR)</i>	voluntary	23,000	982,000

DE	4	German Confederation of Employers' Associations (BDA)	voluntary	1,000,000	20,000,000
DK	3	Confederation of Danish Employers (DA)	voluntary	25,000	771,000
EE	3 ²	Estonian Employers' Confederation (ETTK)	voluntary	1,500	145,000
EL	4	Hellenic Federation of Enterprises (SEV)	voluntary	n.a.	n.a.
ES	2 ⁶	Spanish Confederation of Employers' Organisations (CEOE)	voluntary	1,200,000	12,000,000
FI	3	Confederation of Finnish Industries (EK)	voluntary	16,000	950,000
FR	4 ¹	Movement of the Enterprises of France (MEDEF)	voluntary	750,000	8,300,000
HR	3 ³	Croatian Employers' Association (HUP)	voluntary	5,584	394,739
HU	9 ¹	Confederation of Hungarian Employers and Industrialists (MGYOSZ)	voluntary	6,000	1,200,000
IE	5 ³	Irish Business and Employers' Confederation (IBEC)	voluntary	7,500	n.a.
IT	10 ⁶	General Confederation of Italian Industry (Confindustria)	voluntary	149,288	5,516,975
LT	6	Lithuanian Confederation of Industrialists (LPK)	voluntary	2,105	169,000
LU	1 ⁴	Union of Luxembourg Companies (UEL)	voluntary	n.a.	n.a.
LV	2 ³	Latvian Confederation of Employers (LDDK)	voluntary	5,000	255,000
MT	3	Malta Employers' Association (MEA)	voluntary	400	50,000
NL	1	Confederation of Netherlands Industry and Employers (VNO-NCW)	voluntary	115,000	4,300,000
PL	4 ¹	Employers Poland (Pracodawcy RP)	voluntary	7,500	4,000,000
PT	6 ⁶	Confederation of Trade and Services of Portugal (CCP)	voluntary	200,000	1,200,000
RO	6 ¹	General Union of Romanian Industrialists 1903 (UGIR 1903)	voluntary	n.a.	n.a.
SE	4 ⁵	Confederation of Swedish Enterprise (SN)	voluntary	60,000	1,700,000
SI	5 ¹	Chamber of Commerce and Industry of Slovenia (GZS)	voluntary	9,600	200,000
SK	4 ¹	Federation of Employers' Associations (AZZZ SR)	voluntary	5,000	330,000

UK	4	Confederation of British Industry (CBI)	voluntary	240,000	7,000,000
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Source: Carley (2010), Nestic (2012), Fulton (2013), Pedersini and Welz (2013), Brandl and Lehr (2014). Some employers organisations are listed repeatedly (i.e. in Hungary, Italy, Poland, Romania, and Slovenia) because they organise more than one specific type of company, see Carley (2010) for further details.

¹ = data from 2016. ² = data from 2015, ³ = data from 2013, ⁴ = data from 2012, ⁵ = data from 2011, ⁶ = data from 2009

3.3 Mergers and new actors

Our research showed that the development of the structure of employers' associations in Europe was characterized by a substantial number of organisational changes in many countries over the past decades. In the last decades of the old millennium many employers' associations enlarged their domain and merged. These organisational transformations happened in different ways. In some countries mergers resulted in either a simple numerical concentration of the associational system or in numerical and functional concentration. Usually pure employer and pure business organisations merged and out of this transformation new actors emerged. Notable examples in the EU member states are merger activities by numerical concentration in the Netherlands in 1995, in Italy in 1994 and in Luxembourg in 2000. Country examples of numerical and functional concentrations are Denmark in 1992, Finland in 1993, Ireland in 1993, and Sweden in 2001 (Traxler et al., 2007; Eurofound, 2013).

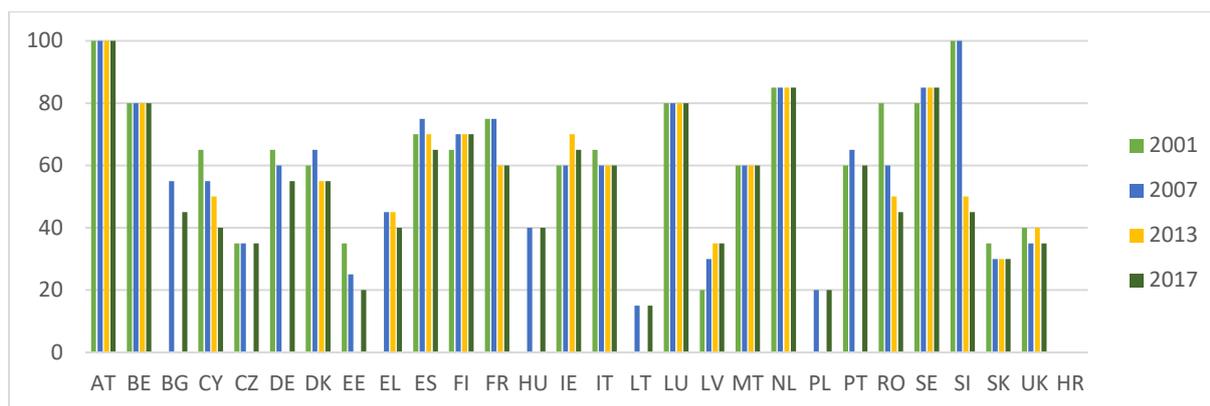
In the new Millennium, this process of organisational transformation of employers' organisations slowed down rapidly as only few structural changes and transformations of employers' organisations occurred. In the years preceding the arrival of the economic crisis few merger activities can be observed, while since the economic crisis the overall structure of peak-level representation of employers' interests remained stable. With regards to countries where changes in the structure occurred in the years before the crisis, the motivation behind the transformation was mainly to economise resources and to avoid redundancies between associations within the same or similar domains. For example, in Finland the structure changed in 2005 where the Confederation of Finnish Industry and Employers merged with the Employers' Federation of Service Industries so that the new association of Confederation of Finnish Industries emerged as the general principal association. In Malta, a new peak level employers' association, i.e. Malta Chamber of Commerce, Enterprise and Industry, emerged in 2009 as a result of consolidations between narrower bodies. In Bulgaria, the Bulgarian International Business Association merged in 2006 with the Employers' Association in Bulgaria to create the Confederation of Employers and Industrialists in Bulgaria. Beside merger

activities, there were more notable transformation in the employers' system. In Poland, a new employers' association, i.e. the Confederation of Employers emerged in 2004, stemming from the Polish Chamber of Commerce. In Slovenia, the transformation in 2006 lead to a broadening of the domain as the Slovenian Chamber of Commerce which widened its domain to more sectors and in fact became general and cross-sectoral in its domain. Different to that in Romania, the fragmentation of the employers' associations system increased as the Employers' Confederation for Industry, Services and Commerce was created in 2003 and later the Concordia Employers' Confederation was created in 2007. Completely different to the trend of mergers between employers' associations is the situation in Slovakia as in 2004 about half of the members of the Federation of Employers' Associations left and formed the National Union of Employers (Carley, 2010; Broughton and Welz, 2013; European Commission, 2015; EurWORK, 2019).

3.4 Employers' associations membership and density

Stable employers' association densities in the EU were reported in previous research (European Commission, 2015; Brandl and Lehr, 2016). Our research confirms this stability in the representativeness, i.e. membership, of employers' associations continues. There are only marginal fluctuations in the average densities when looking at the EU28 at an aggregate, e.g. average, level. However, this does not mean that individual countries experienced the same developments, i.e. stability. The development of employers' association density for four time periods for all EU28 countries is shown in Chart 2.

Chart 2: Employer density by country; 2001, 2007, 2013 and 2017



Note: Employers' associations density of the largest national employers' confederation (in % and rounded in 5% intervals). Membership data for employers' organisations which is comparable across countries is scarce. For this reason a number of different data sources were used and integrated into a dataset which allows a comparison across countries. This attempt includes two challenges. The first challenge is that different data sources use different measurement concepts. The second challenge is that in the different sources, the time of reference for the data varies slightly. Thus, both the conceptual and period leeway inherent to a comprehensive use of data demanded that all data is rounded, i.e. percentages are rounded in 5%-intervals.

Source: Brandl and Traxler (2012), European Commission (2015) and Brandl and Lehr (2016).

Our data shows that there are only a few countries in which employers' association density changed fundamentally over time. It has to be noticed that densities are rounded in 5% intervals so that changes in densities under 5% are not reflected in the figures. However, in a few countries membership declined over time, i.e. in Cyprus, Denmark, France, Romania, and Slovenia. In other countries such as Finland and Sweden densities even increased while in many other countries, such as for example in Austria, Belgium, Luxembourg, the Netherlands the membership levels remained constant. Basically the advent of the economic crisis does not change this picture as this overall stability is observable before and during the crisis. In sum, different to the development of union density where a shift from decline to stability is observable employers' association density continued to be stable.

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



In many countries in the EU trade unions and employers' organisations are involved in public policy making (European Commission, 2015). Either unions and employers' organisations are directly involved in the conceptualisation and implementation of public policies within various forms of tripartite bodies, or they are at least consulted on policy issues by state authorities. Our research shows that the form and practice of involvement of industrial relations actors in public

policy differs significantly among the member countries and ranges between regular and institutionalized participations, such as for example in Austria, Belgium, the Czech Republic, to informal and ad hoc participation such as for example in France, Italy, and Spain. In addition to that the participation varies widely regarding the topics and policy fields. The topics on which social partners' participated varied over time as policy priorities varied. As was the input and participation from social partners' side needed in the 1970s on price stability politics, the policy priorities shifted to economic growth, employment in the competitiveness priorities in the following decades (Trebilcock, 1994; Brandl and Traxler, 2011).

In the recent decades notable topics of social partners' involvement in public policy making include (active) labour market programmes including vocational training, wage policies, welfare state reforms including in particular reforms of pension systems and unemployment benefits, industrial policies, and last but not least in recent years in the development of policies which aim to overcome the economic crisis and to manage structural change in the economy (Guyet et al., 2012; Duchemin and Weber, 2013; Regalia and Gasparri, 2013; Søndergaard Laugesen et al., 2014). Table 5 gives an overview of the institutionalisation and practice involvement of social partners in public policy making in different forms.

In the majority of countries institutionalised tripartite bodies of social partners' interaction with the state exist. Institutionalised tripartite committees could be either predominantly exclusive to social partners like in Austria, Belgium, Finland, Luxembourg, the Netherlands, Poland, Romania, Slovenia and Slovakia; or broader in which various other organisations such as NGOs are invited to participate as well (EurWORK, 2019). Our research shows that many of these interactions take place on a regular basis. In many central European countries, e.g. Austria, Belgium and Netherlands, regular tripartite meetings take place on the national with cross-sectoral focus. In the Nordic countries, in particular in Denmark and Sweden, the interaction of social partners is less formally institutionalised but nevertheless existent in voluntary regular committees, hearings and consultations, at joint conferences. In most "Mediterranean" industrial relations systems countries such as Greece, Italy, Portugal, and Spain, institutionalised bodies of interaction exist but the formal practice of involvement is rather irregular and based on ad-hoc issues. With regards to the New Member States of the EU (NMS) in almost all countries institutionalised tripartite bodies exist but the practice is that meetings take place on a rather irregular basis, if at all. For example, the practice of consultation in Latvia was even closed so that the influence of social partners broke away (Broughton and Welz, 2013). The UK differs to all other EU28 countries as it is the only country in which not

only no institutionalised tripartite body exists, but also no informal ad-hoc involvement of social partners takes place (Søndergaard Laugesen et al., 2014; European Commission, 2015).

Table 5: The form and practice of involvement of social partners in public policy

	Institutionalisation		Involvement Practice		Crisis Policy	
	2002-07	2008-13	2002-07	2008-13	Joint	Bipartite
AT	Yes	Yes	Regular	Regular	Yes	No
BE	Yes	Yes	Regular	Regular	Yes	No
BG	Yes	Yes	Irregular	Irregular	Yes	No
CY	No	No	Regular	Regular	Yes	No
CZ	Yes	Yes	Irregular	Irregular	Yes	No
DE	No	No	Irregular	Irregular	No	Yes
DK	No	No	Regular	Regular	Yes	No
EE	<i>Yes</i>	<i>No</i>	Irregular	Irregular	Yes	No
EL	Yes	Yes	Irregular	Irregular	No	No
ES	Yes	Yes	Regular	Regular	Yes	Yes
FI	Yes	Yes	Irregular	Irregular	No	No
FR	Yes	Yes	No	No	Yes	Yes
HR	Yes	Yes	Regular	Regular	Yes	No
HU	Yes	Yes	<i>Irregular</i>	<i>No</i>	Yes	No
IE	Yes	Yes	Regular	Regular	Yes	No
IT	Yes	Yes	Irregular	Irregular	Yes	No
LT	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Irregular</i>	Yes	No
LU	Yes	Yes	Regular	Regular	Yes	No
LV	Yes	Yes	Irregular	Irregular	Yes	No
MT	Yes	Yes	Irregular	Irregular	Yes	No
NL	Yes	Yes	Regular	Regular	Yes	No
PL	Yes	Yes	Irregular	Irregular	Yes	No
PT	Yes	Yes	Irregular	Irregular	Yes	No
RO	Yes	Yes	Irregular	Irregular	Yes	No
SE	No	No	Regular	Regular	No	Yes
SI	Yes	Yes	Regular	Regular	Yes	Yes
SK	Yes	Yes	Irregular	Irregular	Yes	No
UK	No	No	No	No	No	No

Source: European Commission (2015), EurWORK (2019), and own data.

Our research further identifies a break in how the interaction took place, with one key event being the advent of the economic crisis in 2008. With exception of Estonia, Hungary and Lithuania basically both the existence of institutionalised tripartite bodies as well as the regularity of involvement remained unchanged in times before and after the crisis. However, looking under the surface of the existence of tripartite bodies changes can be seen. In particular, even though meetings and consultations formally took place since the crisis, many meetings did not end in common policies (e.g. in Finland on changes in retirement age, in Luxemburg on the reform of the welfare system in 2009). In addition, tripartite bodies were opened and became the arena for the participation of other actors than trade unions and employers' organisations.

For instance, in Romania in 2011 the exclusiveness of involvement of social partners was abrogated by inviting further (new) actors. The same happened in Slovakia in 2005 (EurWORK, 2019).

What certainly changed since the economic crisis is the “quality” and “efficiency” of tripartite social dialogue. Even though formal or informal (i.e. ad-hoc) tripartite meetings take place, i.e. exist, in many countries no agreements are achieved such as for example in Belgium, Greece, Finland, Croatia, Hungary, Ireland, Italy, Luxembourg, Poland, Slovenia, and Spain. For example, in Croatia tripartite negotiations lead to no agreement so that in the end the government acted unilaterally on the proposed negotiation plans. In other countries, for example in Greece, tripartite negotiations took place but the government ended negotiations (Eurofound, 2014). In any case, what changed significantly since the economic crisis is not that the formal structure of an existing tripartite body is diminished, but its procedure and functioning changed. Still, formal and informal tripartite meetings are scheduled and take place but negotiations were increasingly unsuccessful as no consensus was reached.

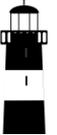
What also changed considerably regarding the participation of social partners in public policy making since the economic crisis is the number of ad-hoc large scale publicly announced formal policy contracts between governments and social partners, known as “social pacts” shrank dramatically (European Commission, 2015). It is evident that ad-hoc forms of consultation between social partners and the government via social pacts decreased in their number (EurWORK, 2019). Moreover, the majority of these social pacts were struck and announced in 2008 when the whole extent of the crisis was not fully recognised. E.g. the social pacts in Estonia, Portugal and Romania date in the year 2008. The reasons for this development are manifold and might be explained either by the rather limited “success” of many social pacts in the past, i.e. important goals targeted in pacts were rarely achieved (e.g., Brandl, 2012) and/or by giving tripartite policies a different face in not making “loud” announcements of tripartite policy agreements. The latter explanation is supported by the fact that in the majority of countries tripartite agreements on various public policies regarding the economic crisis can be observed.

Different to social pacts, the form and extent of tripartite participation of social partners’ in crisis policies is very different across the EU28. From this broad perspective and definition of tripartite involvement in crisis related public policy, it includes participation of social partners in consultations by the government (e.g. like in Slovenia) but also includes explicit tripartite negotiations of policies which are not only jointly planned, implemented but also monitored such (as for example in Austria). Moreover, the quality and policies differ

significantly across the EU28 and ranges from tripartite agreements on further decentralisation of collective bargaining (e.g. like in Lithuania) to the tying of policy bundles (e.g. like in the Netherlands) to overcome the economic crisis (EurWORK, 2019).

In sum, the formal and institutional actors' involvement in tripartite public policy making and their interaction with the state did not change in recent years. What changed is the form and quality of tripartite interaction and, of course the main topics addressed.

5. Industrial Relations Processes



The processes of interaction between representatives of the employers and employees side in the EU28 are as manifold as actors are. In all European countries, there are distinct types and forms of social partners' interaction which are embedded in different institutional national frameworks, defining which and how many actors represent which interests of both the employer and the employee side, and on which level. In this section, the interaction of social partners via collective bargaining and as well as different forms of workplace representation is portrayed and recent changes are highlighted.

5.1 *Collective bargaining*

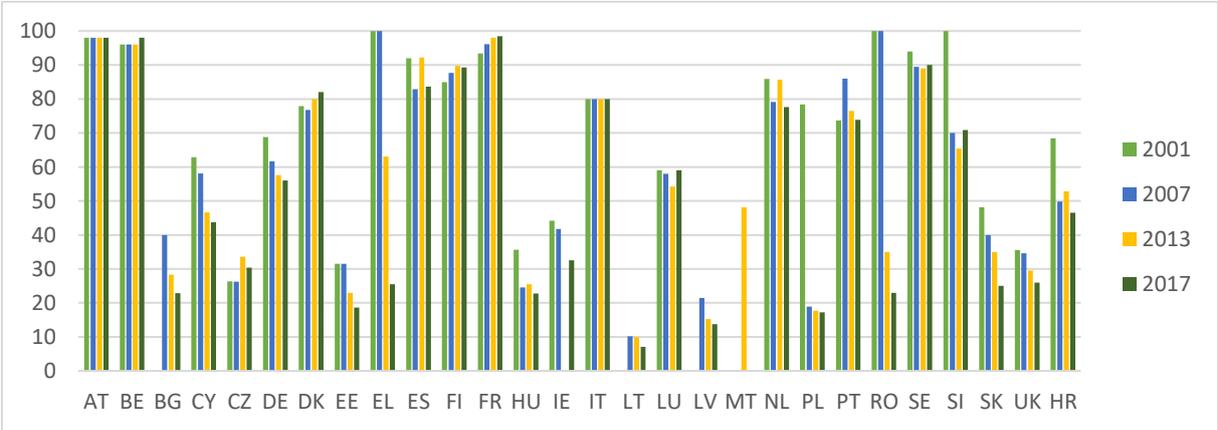
Voluntary collective bargaining between trade unions on the one side and employers' organisations and/or the company management on the other is a key pillar of European industrial relations and is existent throughout the EU28 (European Commission, 2015). Though, existing in very different forms, on very different levels, and with different relevance for the regulation of wages and living and working conditions. In the following, the relevance of collective bargaining in terms of the share of employees in a country which are covered by any collective agreement is presented. As will be explained, one important reason for differences in collective bargaining coverage is the existence of different legal ways in the extension of collective agreements to employees outside the domain of the collective agreements. For this reason, an overview of differences in extension mechanisms and practices of collective agreements in the EU28 is given. Then the "quality" and the outcomes of collective agreements are discussed further given that one important recent phenomenon in some EU member states is that an increasing number of collective agreements failed, i.e. no agreements are achieved between actors. Since the economic crisis arrived in Europe and since collective bargaining institutions and levels became of increasing interest for the EU governance this

section gives an overview of the current levels and forms of coordination of collective bargaining and highlights reforms and transformations in the structure of collective bargaining in the EU28. One main trend will be identified, that is a process of increasing decentralisation of collective bargaining. A reason for this trend is that collective bargaining changed legal frameworks and practices since the economic crisis by enabling derogations from collective agreements. For this reason, an overview of different forms and possibilities of bypassing collective agreements in the EU28 is given. The section on industrial relations processes concludes by portraying the current situation of minimum wage legislations and wage indexation mechanisms in the EU28.

5.2 Collective bargaining coverage

Collective bargaining coverage expresses the share of employees covered by a collective agreement of all employees, i.e. wage- and salary-earners in employment. Chart 3 gives an overview not only of the currently existing vast variation in collective bargaining coverage across the EU28 but also shows how coverage changed over time.

Chart 3: Collective bargaining coverage; 2001, 2007, 2013 and 2017



Note: Data from ICTWSS database 4.0 (Visser, 2019)

As can be seen the variety of collective bargaining coverage is high and relatively persistent over time. Collective bargaining coverage tops in Austria with a coverage of almost 100%. Only a few groups of employees are explicitly excluded from collective agreements in Austria. Coverage is also very high in Belgium, Denmark, Finland, France, Italy, the Netherlands, and Sweden. In comparison, coverage is relatively low in Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovakia and the UK. Regarding the development over time the

picture is diverse and there is no clear European trend. In some countries collective bargaining coverage decreased. There is a decrease in Bulgaria, Germany, Hungary, Poland, Slovenia, Slovakia, and in the UK. The most severe decreases can be seen in Romania and Greece where coverage more than halved. Overall, the developments over time in collective bargaining coverage reflect rather long-term trends than being induced by the economic crisis as almost all developments, i.e. increase, decrease, stability, are continuations of the development in the advent of the economic crisis.

There are various reasons for the differences in collective bargaining coverage between countries as well as for the development over time. One obvious reason why coverage is different is that no collective agreement is achieved between the actors on both sides. This reason rather explains shorter term development than long-term differences but is reason for very recent developments in some countries. Another reason is that actors are too “weak”, i.e. are not representative enough. Usually minimum requirements of representativeness of collective actors are necessary in order to allow them to strike (binding) collective agreements (Kerckhofs et al., 2016). These criteria were recently increased in some countries so that an increasing number of unions were not able to engage in collective bargaining anymore (EurWORK, 2019). A further reason why collective bargaining decreased in recent years in a number of countries is that various ways for companies were introduced which enabled them derogations from wide ranging collective agreements as well as offered companies the possibility to opt out. In addition to that the possibility to extend collective agreements to employment relationships outside the domain of actors was changed and/or used differently as in times preceding the economic crisis so that fewer employees were covered by a collective agreement (Bosch, 2015).

5.3 Extension mechanisms for collective agreements

The extension of collective agreements to a wider domain is possible in the majority of the EU Member States. However, the extent and scope of the extension as well as the practice in making use of existing extension mechanisms differs in the EU28 (Schulten et al., 2016; EurWORK, 2019). Table 6 provides an overview of the practice in the Member States of extending collective agreements.

Table 6: Collective bargaining extension practice in the EU28, 2018

Extension practice type	Countries
<i>Pervasive</i>	AT, BE, EL, ES , FR, IT , LU, PT , SI
<i>Common</i>	HR, FI, NL
<i>Uncommon</i>	BG, CZ, DE, EE, HU, IE , LT, LV, PL, SK
<i>Absent</i>	CY, DK, MT, RO, SE, UK

Note: Bold indicates substantial change in extension practice mechanism in the period from 1998 to 2018. Even though changes caused shifts in the categorization of countries the predominant and most indicative categorization is shown.

Categories of mandatory extension of collective agreements by (public) law and/or any other legal mechanisms or state authorities to companies outside the actual domain of the collective agreement: “Pervasive” = extension is virtually automatic and more or less general (including enlargement). “Common” = extension is used in many industries, but there are thresholds and Ministers can (and sometimes do) decide not to extend (clauses in) collective agreements. “Uncommon” = extension is rather exceptional, used in some industries only, because of absence of sector agreements, very high thresholds (supermajorities of 60% or more, public policy criteria, etc.), and/or resistance of employers. “Absent” = there are neither legal provisions for mandatory extension, nor is there a functional equivalent.

Source: Pedersini and Welz (2014), EurWORK (2019), Visser (2019), and own data.

There are six countries where no legal mechanisms for the extension of collective agreements are possible, i.e. in Cyprus, Denmark, Italy, Malta, Sweden, and the UK. Even though in many countries legal regulations for the extension exist, extension is uncommon. The reasons for this practice is that in some countries, very strict requirements for extension exist (e.g. in Estonia, Germany, and Ireland) and/or state authorities are involved which do not consider extensions as favourable. Different to these countries, there are others in the EU28 such as in particular Croatia, Finland, and the Netherlands in which it is common that collective agreements are extended. In Austria, Belgium, Greece, Spain, France, Italy, Luxembourg, Portugal, and Slovenia it is even quasi to the rule to extend collective agreements (almost) automatically. The existence of a legal framework which enables a common and pervasive practice of extending collective agreements is certainly one reason for differences in collective bargaining but is not a necessary reason as the example of Sweden shows where collective agreements are extended voluntarily (Eurofound, 2013; European Commission, 2015).

The basic legal framework for the extension of collective agreements remained stable in the EU28 for a long time even though the practices changed in some countries over some periods of time. In recent years, this started to change as in some countries fundamental reforms of the legal framework were introduced. Since 2008 reforms were introduced in Greece, Portugal, Slovakia, and Spain. Even though the reforms are very different in these countries, all

reforms lead to a cut back in the extension of collective agreements. In Greece, extension to the suspension of collective agreements was suspended by a governmental (i.e. ministerial) move which aims to negatively affect the number of employees which are covered by a collective agreement. Even though no recent data is provided on collective bargaining coverage in Greece for the past few years one can expect the reform to be materialized in a substantial drop in collective bargaining coverage. In Portugal, the criteria for the extension of collective agreements were increased continuously and sharply since 2009, e.g. by defining a necessary representativeness of more than 50% of sectoral employers' associations, which in practice makes the extension of the vast majority of collective agreements impossible. The sharp drop shown in collective bargaining (which was shown earlier) is the reflection of this legal reform. In Slovakia, the regulations were changed in a way that for extensions, the consent of the employer side is needed which lead to no (or almost no) extensions of collective agreements. However, as collective bargaining coverage in Slovakia was low before this change, extensions were uncommon even before the drop in coverage (Eurofound, 2014). In Italy, a similar development can be observed which precedes the economic crisis and materialized by a court ruling (Marginson, 2015). Overall it is evident that countries which are affected most heavily by the economic crisis witnessed the heaviest reforms of collective bargaining extension rules and practices.

However, high collective bargaining coverage and extended collective agreements does not necessarily imply that wages and working conditions are defined by a recent consent between social partners, i.e. it does not imply that there is an agreement on the “quality” of collective agreements (for both employers and employees). This is particularly the case for collective agreements which are basically expired, i.e. not renewed by any consent of the parties involved in collective bargaining, but “automatically” renewed and also extended. Such a continuation of expired collective agreements was an occasional phenomenon in various countries before the crisis but became a common phenomenon in some countries since the economic crisis.

5.4 The quality and quantity of collective agreements and outcomes

One reason for the decrease of collective bargaining coverage shown before is that because in an increased number of negotiations no agreements were achieved by the parties involved in collective bargaining. Our analysis shows that there is a significant decrease in the number of agreements, most notably in Cyprus, the Czech Republic, Estonia, Latvia, Malta, Portugal,

Romania and Slovenia since the economic crisis as the gaps between the parties were too high in order to reach an agreement. In addition to that even if agreements were struck, the quality of the agreements were frequently inconclusive in terms of outcomes such as in Austria, Cyprus, the Czech Republic, Croatia, Hungary, Ireland, Latvia, Lithuania, Malta, the Netherlands, Portugal, Slovenia, and Spain (Broughton and Welz, 2013; EurWORK, 2019).

Basically, these failed negotiations and inconclusive agreements tend to decrease collective bargaining. However, from a formal point of view failed attempts to renew existing collective bargaining agreements do not necessarily imply a falling coverage as in some countries legal mechanisms were introduced in recent years, enabling an automatic continuation of previous agreements. In Estonia, the legal option was introduced in 2012 which enabled such an automatic continuation of collective agreements after expiry. Also in Spain, an option was introduced in the process of collective bargaining which enabled that expired collective agreements can remain in force for a while until a new agreement is in place (Eurofound, 2014). This regulation provides an avenue for a party in the negotiation to delay the renewal of collective agreements if the current situation appears to be less favourable. Anyway, the automatic continuation of old collective agreements does not change the quantity of collective bargaining in terms of the number of employees covered, but it changes the quality of the agreements as wages and working conditions are not adjusted to recent changes in the socio-economic environment.

The length, i.e. duration, of collective agreements is another characteristic of national collective bargaining processes. Even though in the majority of the EU28 Member States collective agreements expire after about one year and are then renegotiated in some countries the norm, i.e. average length, is higher such as in particular in Belgium, Denmark, Italy, the Netherlands, Romania, and Sweden (EurWORK, 2019). The country specific lengths and also the average deviations of collective agreements within countries across sectors are explained by country specific traditions and norms. In some countries the length of collective agreements and the process of having a constant time schedule of renegotiation are fundamental for the functioning and efficacy of collective bargaining. This is particularly important for collective bargaining systems which rest heavily on voluntary coordination and on *mutual trust* among all actors involved in the bargaining process (Brandl, 2019; Traxler et al., 2008). Thus, any changes in the traditional expiry date of collective agreements and in the time schedule of renegotiation might influence the efficacy of collective bargaining independent whether the expire date is extended, as Austria and Germany, or shortened, as in Bulgaria, Denmark, Greece, and Sweden (Eurofound, 2014).

The reasons for these changes in the length of collective agreements are largely based by strategic considerations on union side in response to an uncertain economic climate which weakened their bargaining positions, particularly because in many countries trade unions were under pressure to agree on unfavourable outcomes. In the expectation of a near economic recovery shorter durations of collective agreements would enable them to renegotiate more favourable outcomes earlier. Against the background that the economic situation continued to be unfavourable since 2009 the effect of this strategy appears to be weak. Overall, as regards the content of collective agreements in recent years in terms of pay provision there is a clear European trend in moderate (real) wage changes. In particular in the public sector, but also in other sectors pay pauses and freezes became a common rule. In some countries and sectors real wage decreases became characteristic element for collective bargaining agreements in times of the economic crisis. Regarding working conditions and work organisation a further European phenomenon was that in collective agreements working time reduction and short-time working schemes were negotiated and agreed (Eurofound, 2014; EurWORK, 2019).

5.5 The centralisation and coordination of collective bargaining

Literature in the field of comparative industrial relations highlighted a continuing shift towards decentralized and uncoordinated forms of collective bargaining as a main trend in the transformation of European collective bargaining (European Commission, 2009; Baccaro and Howell, 2011; Dahl et al., 2013; Marginson and Welz, 2014; Marginson, 2015; European Commission, 2015; ETUI 2019). Basically, an increased number of collective agreements were struck in addition or in expense to sector level agreements (Brandl and Bechter, 2019). In more and more countries, it became not only possible via so called opening, hardship, or opt out clauses, but also a common practice that wages and working conditions were regulated predominantly on basis of agreements with a narrow, i.e. company, scope (EurWORK 2019). The idea behind this process of fostering company level collective agreements in expense and/or in addition to higher level agreements such as sectoral or national agreements, i.e. of decentralizing collective bargaining, is that agreements can address company specific problems and situations. Given that company specific problems and demands not only differ across sectors and regions but also within bargaining outcomes tend to differ. Along with decentralization the number of agreements and actors involved increased. As the number of actors increased any form of coordination of individual actions and interaction was hampered. Table 7 shows the development of the main level of collective bargaining for the EU28 and Table 8 shows the development for the coordination of collective bargaining over time.

Table 7: Dominant level of collective wage bargaining, EU28, 2002-2018

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
BE	cente																
ES	cente	inter	cente														
EL	cente	dece															
FI	cente	cente	cente	cente	cente	inter	inter	inter	inter	cente							
SI	cente	cente	cente	cente	cente	cente	inter	cente	inter								
IE	cente	cente	cente	cente	cente	cente	dece										
NL	cente	cente	cente	inter													
AT	inter																
BG	inter																
CY	inter																
CZ	inter																
DE	inter																
DK	inter																
FR	inter																
IT	inter																
LU	inter																
PT	inter																
RO	inter																
SE	inter																
SK	inter																
EE	dece																
HU	dece																
LT	dece																
LV	dece																
MT	dece																
PL	dece																
UK	dece																
HR	n.a.	dece															

Note: “cente” = Centralised wage bargaining takes place at the central or cross-industry level or it can alternate between central and industry level bargaining. “inter” = Bargaining at the intermediate level takes place at the industry-level or it can alternate between industry and company level. “dece” = Decentralised collective wage bargaining takes place at the local or company level. Source: Aumayr-Pintar et al. (2014) and EurWORK (2019).

Table 8: Predominant type of collective wage bargaining coordination, EU28, 2002-2018

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
AT	hcor																
BE	hcor																
SE	hcor																
DK	hcor																
ES	hcor																
NL	hcor																
SI	hcor																
FI	hcor																
RO	hcor																
DE	hcor																
IE	hcor																
IT	hcor																
SK	hcor																
PT	hcor																
EL	hcor																
BG	hcor																
CY	hcor																
CZ	hcor																
EE	hcor																
FR	hcor																
HU	hcor																
LT	hcor																
LU	hcor																
LV	hcor																
MT	hcor																
PL	hcor																
UK	hcor																
HR	n.a.	hcor															

Note: “hcor” = Highly coordinated bargaining can be conducted by: peak association(s) with/without government involvement and/or pay schedule/freeze imposed by the government with peace obligation, or informally by powerful, monopolistic union confederations. “mcor” = Medium level of collective bargaining coordination is characterised by: highly coordinated pattern bargaining and or centralised bargaining as above but without peace obligations, or informal centralisation of industry level bargaining by peak organisations, or pattern setting by highly concentrated unions. “lcor” = Low level of coordination is characterised by: informal coordination of industry or firm-level bargaining by peak associations, or industry-level bargaining with low regulation of pattern setting, or government arbitration or intervention. Source: Aumayr-Pintar et al. (2014) and EurWORK (2019).

With regards to the current situation and differences in the level of centralization in the EU28 it can be seen that in 10 countries the predominant level of collective bargaining is the local or company level (i.e. rather decentralised). Only in very few countries collective bargaining on a central level is predominant. In the majority of countries collective bargaining takes place either at the sector/industry level or the level alters between the sector/industry level and the company level. By looking at the development of the predominant bargaining levels over time only few variations can be noticed. In Greece, there a sharp decentralization process from a relatively central level until 2011 to a predominantly decentral level from 2012 onwards can be seen. A similar sharp drop is observable in Ireland three years before Greece. In Slovenia, the process of decentralization was not that sharp as in Ireland and Greece as from 2008 to 2013 the predominant level decreased from the central to the intermediate level including a return to the central level with the period for a short intermezzo (Daouli et al., 2013). In the other direction, the predominant level increased in Finland in 2001 back to the central level which was the predominant level for many years before 2007. From an EU28 perspective the development of the predominant levels of collective bargaining remained relatively stable (Aumayr-Pintar et al., 2013, p. 37).

Turning to the coordination of collective bargaining in the EU28 the picture is more diverse and more volatile as for centralization. There are few countries in which collective bargaining is highly coordinated, e.g. in Austria, Belgium, and Sweden. In the majority of countries collective bargaining is almost not coordinated. Many of these countries are NMS. In the remaining countries coordination is intermediate. With regards to the development over time there is a tendency towards decreasing coordination, in particular in Germany, Denmark, Greece, Ireland and Slovenia. But there are also countries in which coordination of collective bargaining increases or remains stable such as Finland and Slovakia.

What is also striking is that the predominant form of both coordination and centralization changed and altered far more frequently since 2008, i.e. since the crisis, as in the same number of years before. In sum, the period before the crisis were characterized by a higher “institutional” stability of collective bargaining in terms of the level and coordination of collective bargaining (Brandl and Ibsen, 2017). Since the crisis the main levels of action for social partners changed and also the form and complexity of interaction for both the employer and employee side. Under consideration that the economic crisis increased the instability and uncertainty of the economic environment anyway this instability and uncertainty in the framework of action and interaction in collective bargaining might not have contributed to the development of sustainable outcomes and strategies of collective bargaining. In one country,

i.e. in Finland, this problem of instability and uncertainty was addressed by re-centralizing the system of collective bargaining back to the form it proved to work effectively before the crisis. Thus, it aimed to enable an institutional stability and predictability for collective bargaining actors' strategies in turbulent times (Broughton and Welz, 2013; Eurofound, 2014).

The classification of collective bargaining centralization and coordination in the EU28 Member States along three categories and on a yearly frequency has the advantage that broad groups of countries with similar characteristics and developments over a longer period can be summarized and explained. However, as our research clearly shows, it underestimates that also within these categories differences between countries exist as well as that the process of change is often not sudden but continuous, enduring, and sneaking over several years. Also, these changes in the centralization and in the coordination differ regarding their impact and materialization and range from severe changes such as the abolition of national and/or cross-sectoral collective agreements (e.g. in Greece and Romania), the facilitation of company level agreements of non-union representatives (e.g. in Greece, Portugal, Spain, and Romania), the restriction of the extension of collective agreements (e.g. in Greece, Portugal, and Romania), see e.g. Marginson (2015), to (relatively) minor changes in one or the other revision of the labour law or the introduction of the possibility for companies to opt out of sectoral collective agreements in really extreme and rare events (e.g. Austria) (EurWORK, 2019).

In Eurofound (2014: 20f.) as well as for a current update EurWORK (2019) a comprehensive overview of changes in collective bargaining procedures and practices regarding the level of centralization and coordination processes in the EU28 can be found. It is well documented on basis of a variety of different changes and reforms observable in the EU28 that in almost all countries in the EU28 collective bargaining changed in the direction of increased decentralization and less coordination. These changes range for example from relatively minor changes in practices of collective bargaining coordination such as in Austria because of a split in the sectoral process of bargaining of the "leading" sector, to more pervasive changes in the number of company level agreements in Germany. The vast majority of these single events and changes in collective bargaining process and practices in one or the other dimension or aspect are not severe enough by themselves to cause a significant transformation of the national collective bargaining system. What is clear is that if they are geared in the same direction and consequently add up they result in fundamental change in the longer run and thus legitimize a re-categorisation. What is also clear is that the vast majority of these recent changes are geared towards further decentralization of collective bargaining.

Among these different changes towards decentralization of collective bargaining the increased introduction of derogation, opt-out, and hardship clauses and mechanisms stands out and will be discussed in the following.

5.6 Opening clauses and derogation mechanisms

One stylized fact in the European industrial relations landscape is the increasing number of possibilities and ways for companies to strike individual collective agreements and thus the possibility to derogate from higher-level collective agreements. In the multi-dimensional process of decentralization of collective bargaining such opening, or also called hardship, clauses are a key element (Broughton and Welz, 2013). Nowadays in many Member States opening clauses exist, i.e. in Austria, Bulgaria, Cyprus, Germany, Greece, France, Ireland, Italy, Norway, Portugal, Spain, Sweden, and Slovenia. In some of the countries these regulations existed for a long time but the practice of taking advantage changed over the years towards an increase in the number of companies which wish to opt out. The number increased since the crisis as an increased number of companies faced hardship situation even though the economic situation usually changed for the whole sector, i.e. for all companies in the sector in the same way (European Commission, 2015).

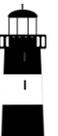
Examples of countries in which changes in the legal option and/or practice of derogations of higher-level collective agreements lead to a significant change in the character of collective bargaining are Bulgaria, Greece, Slovenia and Spain. In all these countries, not all sectors were equally prone of company derogations in collective agreements. While in Bulgaria an increased number of collective agreements in various manufacturing sectors increased in Slovenia it was in the banking and finance sector since the economic crisis. In Spain, company level agreements were traditionally a frequent element of the Spanish collective bargaining system but they increased in number since in 2012 derogations were explicitly encouraged from/in higher levels (Eurofound, 2014; European Commission, 2015).

However, the most far-reaching impact on the practice of opt-out from higher level collective agreements was the renunciation of the paradigm in some countries that lower-level agreements are not allowed to deviate unfavourably from the wage and working conditions agreed on higher level. This paradigm shift happened in France, Greece, Italy, and in Slovakia (Clauwaert and Schömann, 2012) and was recently debated in Germany (Marginson, 2015).

5.7 Wage indexation

The European semester recommendations for 2011/2012 and/or 2012/2013 included the recommendation to reform existing systems of wage indexation in Belgium, Cyprus, Luxembourg, Malta, and Spain in order to improve the competitiveness of the countries. Consequently, in these countries discussions and debates were triggered and the principle and the criteria of indexation analysed (European Commission, 2015). However, in some countries no reform of the wage indexation system and mechanisms are likely to happen in the near future. In Belgium and Malta in-depth studies on the efficacy of the indexation system and mechanisms lead to the governments' decision to take no action. In Luxembourg, the wage indexation mechanism was abolished only temporarily and soon reinstated. Different to that in Cyprus the mechanism and practices of wage indexation were adjusted so that business cycle fluctuations are adequately considered and the competitiveness of the economy is increased. The idea behind the reforms in Cyprus are that in times of severe economic downturn no wage indexation is applied but in times of recovery indexation will be applied but only by 50% of the full wage change according to the indexation criteria (EurWORK, 2019) However, what the exact criteria for economic downturn, i.e. a recession, and recovery are was, of course heavily debated and still is so that further reforms might be expected in the near future.

6. Workplace representation



Throughout the EU28 employee representation at the workplace level currently exists. Though the workplace representation manifests itself in very different forms, which are embedded in very different legal and institutional frameworks with different degrees of workplace representatives' rights, competences, obligations and power. In this section, the currently existing national variation of workplace representation in the EU28 is portrayed and recent developments are discussed.

6.1 The diversity in workplace representation on enterprise level

The variety of different forms of workplace representation on the enterprise level is again a characteristic of the EU28 industrial relations system (European Commission, 2015). This variety however, is reflected whether the representation proceeds via trade unions or not, i.e. of workplace representatives or work councils which are formally independent from trade unions.

In addition to that the national systems of workplace representation in the EU differ also regarding their rights as well as regarding their involvement in negotiations on matters of wages.

Basically, a differentiation in the system of workplace representation is made between *single* and *dual channel systems*. In the single channel system workplace representatives are legitimised in their representational activities either by being elected and/or by being delegated by trade unions. Examples of typical single channel system countries are the Czech Republic, Denmark, Finland, Ireland, Italy, Malta, Poland, Spain, Sweden, and the UK. In contrast to that in dual channel systems workplace representation can be (formally) completely independent from trade unions and employees are represented by a work council. Typical country examples of dual system countries are Austria, Belgium, Germany, Estonia, France, Hungary, Luxembourg and the Netherlands. However, in almost all countries with dual system the work council is usually (informally) linked with trade unions in different forms. Either work councillors are trade union members and/or trade unions support, complement and supplement the activities of work councillors (European Commission, 2015; EurWORK, 2019). Table 9 gives a comprehensive overview of the different forms and dimensions, i.e. of the diversity, of the workplace representation in the EU28.

As can be seen in Table 9, currently in all EU28 countries a representation of employees on the workplace exists. This was not the case before the EU Member States were obliged to implement the Council Directive 2002/14 which established a framework for informing employees and consulting with them which materialized from 2005 onwards. Before that for example in Bulgaria, Cyprus, Lithuania, Latvia, and Romania any form workplace representation was absent. Nowadays in four countries a single channel but union only workplace representation is present, i.e. in Denmark, Finland, Italy, and Sweden. In 14 countries union representation prevails but in addition to work councils exist: Austria, Belgium, Croatia, Germany, Greece, France, Hungary, Lithuania, Luxembourg, Latvia, Romania, Slovenia, Spain, and Slovakia. While in the other countries either workplace representation is split in union and non-union representation or solely based on single-channel union representation without any legal support (European Commission, 2015).

Table 9: Work council representation EU28, 2018

	Structure of work council representation (i)	Status of work council (ii)	Rights of work council (iii)	Involvement of works councils in wage negotiations (iv)	Incidence of workplace representation (as %)
<i>AT</i>	Dual-union	By law	Codetermination	No	21
<i>BE</i>	Dual-union	By law	Consultation	No	43
<i>BG</i>	Dual-both	Voluntary	Information	No	35
<i>CY</i>	Dual-both	Voluntary	Information	No	38
<i>CZ</i>	Dual-both	By law	Information	No	17
<i>DE</i>	Dual-union	By law	Codetermination	No	25.5
<i>DK</i>	Single-union	By law	Consultation	No	68
<i>EE</i>	Dual-both	By law	Information	Yes	23
<i>EL</i>	Dual-union	Voluntary	Information	No	4
<i>ES</i>	Dual-union	By law	Information	Yes	53
<i>FI</i>	Single-union	By law	Consultation	No	59
<i>FR</i>	Dual-union	By law	Consultation	Yes	50.5
<i>HR</i>	Dual-union	By law	Information	No	n.a.
<i>HU</i>	Dual-union	By law	Consultation	No	26
<i>IE</i>	Dual-both	Voluntary	Information	No	29
<i>IT</i>	Single-union	By law	Information	Yes	36.5
<i>LT</i>	Dual-union	Voluntary	Information	Yes	22
<i>LU</i>	Dual-union	By law	Consultation	No	52
<i>LV</i>	Dual-union	Voluntary	Information	No	32
<i>MT</i>	Single-voluntary	Voluntary	Information	No	14
<i>NL</i>	Dual-both	By law	Codetermination	No	45
<i>PL</i>	Dual-both	By law	Information	No	34.5
<i>PT</i>	Dual-both	By law	Information	No	4
<i>RO</i>	Dual-union	Voluntary	Information	No	51
<i>SE</i>	Single-union	By law	Codetermination	No	63
<i>SI</i>	Dual-union	By law	Consultation	No	42.5
<i>SK</i>	Dual-union	By law	Consultation	No	44
<i>UK</i>	Dual-both	By law	Information	No	22.5

Note: Data for (i) – (iv) Fulton (2013), EurWORK (2019), and own. Data for incidence: Bryson et al. (2012) and Eurofound (2015).

6.2 The legal and organisational diversity of workplace representation

As regards the legal support and backup of workplace representation again various national peculiarities in the EU 28 can be observed. For an overview see also Table 9. Even though in different ways, the vast majority of EU member countries there is legal support for either or union or non-union workplace representation nowadays. Basically, different national laws define distinct minima criteria such as company sizes and the representativeness of workplace representatives for the legal right to act as a representative. Only in a small number of countries,

e.g. Bulgaria, Cyprus, Greece, Ireland, Lithuania, Latvia, Malta, and Romania, workplace representation is mainly voluntary (European Commission, 2015; EurWORK, 2019). For more than one decade the legal framework for workplace representation was strengthened in many countries. In particular in many NMS workplace representation bodies were established and/or strengthened. For example, in Bulgaria since 2001, employees have the possibility to elect their representatives. In 2002 in Latvia the labour legislation allowed then the possibility to elect authorised workplace representatives. In Lithuania in 2005 the right to organise strike to workplace representatives is given which was previously limited to trade unions. In Estonia in 2006 the legal framework is provided which enables the election of workplace representatives. In the Czech Republic in 2007 a revised labour code gave trade unions the right to obtain and inspect company documents. The reason for this trend in providing increasing legal support for workplace representation is certainly the Council Directive 2002/14 which had a strengthening effect on the workplace representation either after the formal need for the implementation or in the advent of the Directive (European Commission, 2015; EurWORK, 2019).

Along with the upgrading of the legal framework of workplace representation came a strengthening of their rights. In particular in came to a strengthening of the rights of work councils so that at the moment throughout the EU28 a minimum right for information of work councils exists. However, in many countries, e.g. in Belgium, Denmark, Finland, France, Hungary, Luxembourg, Slovenia, and Slovakia workplace representatives have also the right to be heard and consulted on various matters. In Austria, Germany, the Netherlands, and Sweden the rights go even further as work councils do have codetermination rights and are involved in various company decisions. See Table 9 for an overview.

As mentioned earlier the reason for this increase in the organisational strength of workplace presentation from 2001 and 2007 can be found in the Council Directive. There was an increase in Bulgaria, Cyprus, the Czech Republic, Estonia, Ireland, Lithuania, Latvia, Poland, Romania, and in the UK. With one exception, i.e. Hungary, in no other country it came to a decrease in any dimension of organisational strength of the workplace representation. However, in Hungary the overall strength of workplace representation is relatively high compared to all other EU Member States (EurWORK, 2019).

What is striking since 2008, i.e. since the economic crisis, in none of the EU28 member countries the organisational strength of workplace representation was increased further. Basically, the steady increase in workplace representation support came to an end and since then the organisational strength remained on the same level. This, of course, does not imply that nothing happened and nothing changed. There are various adaptations of the legal practices

and procedures like for example the adaption of certain minimum criteria or thresholds for work councils to participate in collective bargaining like in Portugal in 2012. Moreover, very recently in a few countries the organisational strength of workplace representation even started to be dismantled. Yet, these dismantling evidences did not fully materialize so that the aggregate index remained stable but can be expected to shrink in a few countries in the upcoming years. Most notably in Hungary, as since a new labour code in 2012 the rights of work councils were restricted. The right for union work councils to be consulted of major issues affecting employment was skipped. They now only have the right to request information and communication. In addition to that number of representatives and work council members protected by law was reduced. In Slovakia in 2013 the rights of workplace representatives were cut as since then only unions are allowed to participate in collective bargaining (European Commission, 2015; EurWORK, 2019).

6.3. The coverage of employee representation on enterprise level

The differences in the legal support as well as in the different rights and obligations workplace representatives have explain differences in the incidence of workplace representation across the EU28. Table 9 also shows the most recent available data (i.e. based on figures from the European Company Survey from 2009) on the incidence of workplace representation, i.e. of the percentage of companies in which either or employees are represented in/by a work council or by trade union workplace representatives.

Once again, the country variation is considerably high. There is a considerable high number of countries in which in more than 50% of all companies, employees are represented on the workplace level. These countries are: Denmark, Finland, France, Luxembourg, Romania, Spain, and Sweden. On the other side there are also countries in which only in a few companies any form of workplace representatives exist, i.e. in Greece and Portugal not even in 5% of all companies. The reasons for these country differences among countries are manifold can be found in other characteristics of the national industrial relations systems. There is evidence that it is related to both trade union density and collective bargaining coverage (e.g. European Commission, 2011) and/or in the whole industrial relations system characteristics (e.g. Bryson et al., 2012). Support for the latter is definitely given by the striking fact that in all countries with a “Nordic” system of industrial relations (for details see European Commission, 2009), the workplace coverage is high (European Commission, 2015; EurWORK, 2019).

7. Conclusions



In this report of the ENTIRE VIEW project the recent transformation of industrial relations actors and processes during and before the crisis were investigated and an comprehensive overview of the current situation in all member states of the EU was given. Thus, the report continued the tradition of the Industrial Relations in Europe Reports of the European Commission. Specifically, in order to identify any crisis induced changes, the period before and after the advent of the economic crisis in Europe were investigated and explicitly portrayed and compared. By doing so, this report was able to reveal transformations in industrial relations, rooted in long-term trends which have continued in recent years, and highlighting the transformations which are either crisis induced and/or accelerated by the economic crisis.

In this report, it was shown that some dimensions and aspects of industrial relations actors' characteristics and processes transformed in the EU28 in a rather different way as in previous years. The findings in this report point to various detrimental developments since the economic crisis hit Europe than before it. With regards to the representativeness and organisational structure of actors a phase of stability has been reached in some countries or the decline has halted for some time. In some of the EU28 countries the long-term trend of declining union representativeness has slowed or settled down to a constant level, or even a more moderate decline. With regards to the representativeness of employers' associations a similar stability is observable which however was characteristic on the employers' side already before. This stability in the representativeness and organisational structure of industrial actors coincides mainly with the years after the economic crisis and the situation on the labour market which followed. Even though a recovery of the European economy followed in many EU countries the situation on the labour market remained "fierce". Thus, the future prediction of the relevant contextual factors for industrial relations actors' development signals a continuation in the representativeness and organisational structure of actors' in the near future. Against the background that 2020 might be another recessionary year for the European economy, a similar development in industrial relations as after the crisis in 2008 might be realistic.

With regards to industrial relations processes, one major stylized fact identified in this report is that the process of decentralization of collective bargaining structures increased. A further stylized fact is that collective bargaining coverage decreased in many countries. Both developments are based on long-term trends which were observed and repeatedly highlighted in literature and in particular in publications by the European Commission from previous years.

What is detrimental to previous years however is the speed and quality of the transformations which are mainly due to stricter legal regulations regarding the extension of collective agreements and a changing practice of extending collective agreements to a wider share of employees in many countries, the introduction of clauses in the collective bargaining system which enables companies to opt-out of higher level, i.e. sector level, collective agreements, and new regulations regarding the (non-)continuation of collective agreements upon expiry.

This report also identified changes in the European industrial relations landscape which are distinct to the period of the crisis. One notable change in this respect was the emergence of new actors, as the labour side in the employment relationship became a new and stronger voice by the emergence of various social movements, as well as by the fact that new representatives entered the arena of collective wage bargaining.

By comparing the years before and after the crisis, it is striking that industrial relations systems became instable in the sense that they changed in various dimensions and in various directions in an increased speed and frequency. Since the crisis, the main levels of action for social partners changed considerably, including the form and complexity of interaction for both the employer and employee side which increased. Under consideration that the economic crisis increased the instability and uncertainty of the economic environment, this instability and uncertainty in the framework of action and interaction might not have contributed to the development of sustainable outcomes and strategies. However, an assessment on the impact of these changes in industrial relations actors and processes on outcomes is needed.



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