European Social Dialogue

„Legal information guide on european dialogue“
The concept of "social dialogue" is associated with the transition from a culture of conflict to a culture of partnership with consideration of the common interests of the social partners involved in a broader process of "social concertation".

According to the definition proposed by the International Labour Organization (ILO), social dialogue is a voluntary act of information, consultation and negotiation of social agreements between the partners and the negotiation of collective labour agreements.

In the notion adopted at EU level, social dialogue established by the Treaty of Rome in 1957, is the continuous process of information and consultation between trade unions and employers, in order to reach to agreements regarding control of certain economic and social variables, both at macroeconomic and microeconomic level.

We can find two relatively divergent approaches. ILO promotes tripartite social dialogue while EU promotes bipartite social dialogue. In fact, both forms of social dialogue coexist, reflecting the complementary economic and social contexts.

In Romania, although from 1990 to 2000 there were various attempts to structure social dialogue, it remained preponderant circumstantial, "for intervention", practiced in crisis situations. The convergence between trade unions and employers on a national platform of common goals and interests was not achieved.

Unified conceptual approach of the national social dialogue has gained consistency since 2001, when the initiative of the Ministry of Labour, Family and Social Protection started making the legislative framework for social dialogue.

The open and constructive approach in order to promote social partnership and social dialogue mechanisms have resulted in a series of social agreements concluded at national level between national trade union confederations, employers' confederations and the government, represented by Prime Minister and Minister of Labour, Family and Social Protection. Thus were concluded:

- Social Agreement 2002

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NATIONAL INTEGRATED SYSTEM OF INSTITUTIONALIZED SOCIAL DIALOGUE IN ROMANIA
The legal framework of Social Dialogue

At present, the legal framework governing social dialogue consists of the following acts:

- Law no. 53/2003 - Labour Code, with subsequent amendments
- Law no. 62/2011 - Law on social dialogue, with subsequent amendments
- Law no. 467/2006 - Law on the general framework for informing and consulting employees
- Law no. 217/2005 - Law on European Works Councils
- GD. 187/2007 on informing and consulting employees in European companies
- GD. 188/2007 on informing and consulting employees in the European cooperative societies
- GEO no. 28/2009 on the regulation of social protection measures (sectoral committees)
- ILO Convention no. 87/1948 concerning Freedom of Association and Protection of the Right to Organize
- ILO Convention no. 98/1949 on the application of right to organize and collective bargaining principles
- ILO Convention no. 135/1971 on the protection of workers' representatives in the organizations and the rights to be granted to them.

It should be noted that the enactment that states social dialogue in Romania is the Law no. 62/2011 - Law on social dialogue, with subsequent amendments, which covers:

- establishment, organization and functioning of trade union and employers organizations
- and their acquisition of representatively criteria;
- institutionalized social dialogue structures (National Tripartite Social Council, Economic and Social Council, social dialogue committees);
- negotiating collective agreements;
- how to solve labor disputes.

Forms of institutionalized social dialogue

Tripartite social dialogue

At tripartite social dialogue, trade unions, employers organizations and central and local government representatives - as appropriate, participate as social partners. Trade unions are legally established in accordance with Law no. 62/2011, Law on social dialogue. By law, a trade union consists of at least 15 people in the same unit.

Employers organizations are legally constituted in accordance with the same law, the law of social dialogue. To establish an employers organization shall require at least two businesses in the same sector.

Tripartite social dialogue takes place on three levels:

- at national level;
- across sectors;
- the territorial level.
National tripartite social dialogue
At the national social dialogue participate as social partners:

- Nationally representative employers confederations
- Nationally representative trade union confederations
- Government of Romania

National employers” confederations shall acquire this quality in accordance with Law nr.62/2011, law on social dialogue.

Representativeness criteria prescribed by law are:

- organizational and heritage independence
- to cover at least half of the counties, including Bucharest and to comprise at least 7% of the number of employees in the national economy

*Note*

On 1st of September 2012, in Romania there were registered nine nationally representative confederations as follows:

- Confederation of Industry of Romania CONPIROM www.conpirom.ro
- National Council of Romanian Employers Co.NPR
- Romanian National Employers P.N.R. www.pnr.org.ro
- General Union of Industrialists in Romania UGIR www.infotrip.ro / mambo
- General Union of Industrialists of Romania-1903 UGIR-1903 www.ugir1903.ro
- National Confederation of Romanian Employers CNPR www.cnpr.ro
- National Council of Small and Medium Enterprises in Romania CNIPMMR www.cnipmmr.ro
- National Union of Romanian Employers UNPR www.unpr.ro
- Employers” Confederation of Industry and Trade Services
- Romania C.P.I.S.C. www.cpisc.ro

Nationally representative trade union confederations shall acquire this quality also in accordance with the Law nr.62/2011, law on social dialogue.

Representativeness criteria for statutory trade union confederations are:

- to have the legal status of trade union confederation;
- organizational and heritage independence; to include own trade union structures in at least half of the counties, including Bucharest and to comprise at least 5% of the number of employees in the national economy

*Note:*

On 1st of September 2012, in Romania were recorded five nationally representative trade union confederations as follows:

- National Confederation of Free Trade Unions of Romania – “Fratia” www.cnslr - fratia.ro
- National Trade Union Confederation "Cartel Alfa" - www.cartel-alfa.ro
- National Trade Union Bloc - www.bns.ro
- National Trade Union Confederation "Meridian" - www.csnmeridian.ro
- Democratic Trade Union Confederation of Romania.
National tripartite social dialogue takes place in the National Tripartite Council for Social Dialogue, Council where government is represented by the prime minister with the minister of labor, family and social protection, as deputy.

Ministry of Labor, Family and Social Protection as a single coordinator of social dialogue at national level and in accordance with the methodology specified in the Law nr.62/2011 duties, law social dialogue, ensure the implementation of government policies in this area.

In the Ministry of Labor, Family and Social Protection there are structures specialized in social dialogue under the coordination of the Minister for Social Dialogue, with the following tasks:

- approving and checking the compliance and representativeness of the social partners with legal provisions;
- developing criteria and forms of mediation activity and regulation of labor disputes mediation training in the field; review and approve normative acts issued by ministries and other central bodies in the field of social partnership;
- liaising with the Economic and Social Council, trade unions and employers specific problems;
- development of legislation and other documents governing the conduct of social dialogue;
- development methodology, providing methodological assistance and monitoring ongoing forms of social partnership;
- track record collective agreements at national, sectorial and by group of units level and collective conflicts;
- organization, monitoring and participating in debates in social dialogue committees constituted by the Ministry of Labor, Family and Social Protection, Inter and prefectures;
- monitoring the implementation of normative acts on social dialogue and proposing amendments thereto, if any;
- providing methodological assistance for the organization of social dialogue meetings in ministries / prefectures and public institutions;
- drafting laws and documents governing the conduct of social dialogue;
- development of policies, programs and projects in the field of social partnership legislation and the implementation thereof;
- initiating, coordinating and monitoring implementation of the social development programs in collaboration with local and central government, employers, trade unions, as well as relevant international organizations and institutions;
- methodological coordination and monitoring of social dialogue committees organized at the central and local government structures;
- records management reports from the territory of potentially conflicting state for promptly informing policy makers to defusing them;
- organization and participation in education and training of those responsible for social dialogue;
- preparation, drafting, negotiating and concluding agreements with labor tracking;
- administration and database management and record keeping for employers and workers organizations.
Institutional structures of national tripartite social dialogue

- National Tripartite Council for Social Dialogue
- Economic and Social Council - permanent structure Social Agreement Monitoring Committee - sui generis structure with continuous activity throughout the agreement
- National Crisis Committee - an ad-hoc structure, established to develop anti-crisis plan.
- National Council for Tripartite social dialogue, established by social dialogue law, is a tripartite body established at the highest level to promote good practice in tripartite social dialogue.

By law, the National Tripartite Council shall be composed of:
- Presidents confederations and trade unions nationally representative;
- Government representatives, appointed by the Prime Minister, at least at the level of state secretary of each ministry and other state structures, as agreed with the social partners;
- President of the Economic and Social Council and other members agreed with the social partners.

National Tripartite Council’s main tasks are:

- Providing consultation framework for setting minimum wages guaranteed for payment;
- discussion and analysis of programs and projects developed at government level;
- developing and supporting the implementation of strategies, programs, methodologies and standards in social dialogue;
- resolve disputes through tripartite social and economic dialogue;
- negotiation and conclusion of agreements and social pacts and other national agreements and monitoring their implementation;
- review and, if appropriate, approve requests for extension of collective agreements at sector level for all units in its industry;
- other duties agreed between the parties.
- National Tripartite Council Secretariat is provided by the Ministry of Labor, Family and Social Protection.
- National Tripartite Council operates according to the rules of organization and operation, approved by the plenary session.
- To the National Tripartite Council meetings representatives of other state authorities or experts, as agreed between the parties, may be invited.
- Economic and Social Council is a public institution of national interest, tripartite, autonomous, constituted in order to achieve national tripartite dialogue;
- between employers organizations, trade unions and representatives of organized civil society
Areas of competence of the Economic and Social Council are:
- economic policies;
- financial and fiscal policies;
- labor relations, social protection and labor policies;
- health policies;
- education, research and culture.

Economic and Social Council may investigate or may be referred by any public authority or organizations and/or national trade union and civil society representatives on some state of affairs, economic and social developments or events of national interest.

Responsibilities of the Economic and Social Council:
- to approve normative acts in the field of competence;
- to develop, at the request of the Government, Parliament or on its own initiative, analyzes and studies on economic and social realities;
- to signal the Government or Parliament about the emergence of economic and social phenomena that call for new laws;
- to aim to fulfill obligations under the Convention no. 144/1976 of the International Labor Organization concerning Tripartite Consultations to Promote the Implementation of international labor standards adopted on 2 June 1976 in Geneva, ratified by Romania by Law no. 96/1992. Monitoring Committee of Social Agreement is a national specific structure, constituted in order to follow the way of achieving the objectives agreed in the agreement. The Monitoring Committee is established every time a social accord is closed and is formed from the representatives of the signatories.

Ad-hoc structures

An example of such a structure is the National Tripartite Crisis Committee, formed in January 2009 to develop economic and social plan measures to combat the economic crisis in Romania. Social partners proposals approved and undertaken by the Government, were included in the national anti-crisis program and budget coverage received by the State Budget Law.

Ongoing forms of social dialogue

Usual forms of ongoing social dialogue are:
- Information
- Consultation
- Negotiation
- Agreement

Information and consultation procedures are regulated by Law no. 467/2006 establishing a general framework for informing and consulting employees.
This law states:

- Informing as data transmission by the employer to employee representatives, to enable them to familiarize themselves with the issues of the debate and to examine knowingly;
- Consulting as the exchange of views in the social dialogue between employer and employee representatives.

**The negotiation and the agreement**

Through negotiation at national level in 2001, 2002 and 2004, social agreements were concluded where the social partners agreed on a number of objectives of common interest in the economic and social objectives whose attainment was monitored in the Monitoring Committees above.

These agreements or social national pacts reflected the availability of social partners to social dialogue culture and its importance in the process of social concertation.

**Tripartite sectoral social dialogue**

Tripartite sector is regulated by the Law nr.62/2011, law on social dialogue stating the establishment and functioning social dialogue committees.

The law defines the parties to the sectoral social dialogue, in the social dialogue committees constituted at the level of ministries and specified authorities.

In these committees, nationally representative social partners, both trade unions and employers, shall appoint representatives to discuss legal acts, programs and strategies initiated in each ministry. Points of view of employers, expressed in the debate normative acts are recorded in a document accompanying the enactment position throughout its endorsement, including Economic and Social Council.
Tripartite Boards

For an efficient management, the social funds established in the field of pensions, health and unemployment are tripartite administrated. For this purpose, tripartite boards are constituted in:

- National House of Pensions and Other Social Insurance Rights
- National House of Health Insurance

Tripartite social dialogue at territorial level

Territorially, nr.62/2011 Law stipulates how the establishment and operation of County Commissions for Social Dialogue.

Representative social partners at national level designates representatives from within their territorial structures in these committees. The administration is represented in the management committee of two co-chairs: prefect and president of the county council.

The reason of the existence of co-chairmanship lies in the different nature of the two co-chairs authority: the prefect representing the territorial government, sogovernment structures, while the chairman of the county council has funds managementarea. In the territorial social dialogue, all the social partners are interested in working with both representatives of authority, whereas the social dialogue at this level takes predominantly forms of partnership interest of local development.

There are also board members representatives of the central government decentralized structures, and a representative of the Labour Inspectorate of the Ministry of Labour, Family and Social Protection are also members of the commission.

From the need to deepen the social dialogue at local level, the Social Dialogue Committee set up in the county may decide to establish sub-committees for social dialogue in some places in the country. These sub-committees allow social partners to engage effectively in solving specific local problems.

Note

Both the County Commissions for Social Dialogue and those created in the ministries submit regular progress reports to the Ministry of Labor, Family and Social Protection to monitor emerging issues and providing solutions, both management and stakeholder consultation.
Bipartite social dialogue

In the bipartite social dialogue, we are dealing with the social partners, employers or employers organizations and trade unions and/or employee representatives as appropriate.

Forms of conduct

Predominant form of bipartite social dialogue in Romania is negotiated collective agreement. Criteria of representativeness of the parties, the negotiation, conclusion and execution of collective agreements are regulated by the Law nr.62/2011, law social dialogue, with subsequent amendments.

Achievement levels of social dialogue

Bipartite social dialogue is realized at the following levels:
- sectors:group of units:units.
At sector level

The sectors of the national economy are set by GD. no. 1260/2011, regarding the sectors of activity stipulated in Law no. 62/2011.

Social partners in social dialogue at sectoral level are:

**Representative trade union federations at sectoral level, the Law nr.62/2011.**

Criteria:
- union federation have legal status;
- their organizational and heritage independence;
- have a number of members of at least 7% of the number of employees in the sector.

**Employers federations at sectoral level, according to Law 62/2011**

Criteria:
- their organizational and heritage independence;
- comprise at least 10% of employees in the sector.

The main objectives of the social partners at sector level are conclusion of collective agreements at this level and sectoral strategies.

Collective agreement negotiated at sector level will be recorded as such only where both the employer and the union are each more than half of all employees in the sector, according to the National Institute of Statistics. If the above condition is not fulfilled, the contract is recorded as the group of units. At the same time, if a collective agreement is registered at sector level, the parties may request the National Tripartite Council for Social Dialogue extend its application to the whole sector. Council may approve the request for extension of the contract, which was made by order of the Minister of Labour, Family and Social Protection. If the extension is not requested application or request is rejected, the contract takes effect for all employees employed in sector units having concluded collective agreement and which are part of the employers organizations signed the contract.

**Note**

We believe that a major obstacle to the negotiation and conclusion of collective agreements at sector level is the way in which business sectors were established by Government Decision no. 1260/2011. Please note that this decision of the government is mostly the result of negotiations between employers confederations and national government assuming the role of facilitator only. The result of these negotiations resulted in an oversize sectors, which in turn has generated and generates difficulties in complying with the conditions required by law to conclude a collective agreement at this level. This is compounded by the fact that there is correspondence between the areas covered by workers and employers structures established at this level.

We believe that to remedy the situation are necessary consultations with the social partners negotiating directly interested in this level, social partners structures established at federal level to review the government decision to increase the number of sectors to ensure the specific activity of each sector.

**Example:** In January 2008, France was recorded approx. 700 sectors covered by bipartite agreements.
Structures at sectoral level

For social dialogue at sectoral working various partnership structures. Among these, we mention: Structures established by law. E.g. sectoral committees as institutions of social dialogue in the public, regulated by GEO 28/2009.

Structures formed under a bipartite agreement (e.g. Construction)
- Social house of construction workers
- Holiday house of construction workers
- House for health and safety in work
- Joint committee for migrant workers
- Joint committee for transnational Trusts
At the group of units level

Groups of units can be two or more units with the same object of activity under NACE code. Groups of units is the most flexible form of organization to negotiate collective agreements, because the law does not impose legal record of the group. At the same time, the group of units that form of organization to negotiate a collective agreement, accurately reflect the collective interests of specific parties.

Collective agreement concluded at group level units effective for all employees employed in establishments which are part of the group.

National companies or autonomous public authorities may be groups that are made up of units, subordinated or other legal entities in coordination employing labor.
At the level of Units

Law no. 62/2011 states as mandatory the negotiation of the collective labor agreement for all the business establishments with over 21 employees.

Collective agreements cannot contain clauses that establish entitlement to a level below that the applicable collective labor agreement concluded at a higher level establishes. For the contract at the unit level, the Law states for the principle of majority in order to represent the employees. In this sense, the representativity criteria for a union at the unit level is at least 50% + 1 of the employees of the unit. If this condition is not met, in the negotiations are involved also the representatives of the employees elected under the law.

We mention that the law does not provide a specific procedure for election of employee representatives (individually vote on lists, electronic, elect the number of votes necessary validation, etc.), but only states the mandatory participation in the elections of more than half of the total number of employees (including temporary ones), whether or not union members.

Concrete situations in which unions and/or employee representatives involved in collective labor contract negotiations are under Law. 62/2011 for each case.

Partnership structures at the unit level

Established by JMC - Joint Committees
Established by law - Health and Safety Committees work on units with more than 50 employees.
Incorporated under the laws (Transposing Directive EU) - European Works Councils
Act. European Works Councils in Community-scale units.

A new Law no. 62/2011 in the field of collective bargaining is the introduction of the principle of mutual recognition of social partners, under which any legally constituted trade union may conclude with an employer or an employers’ organization other types of agreements, conventions or arrangements, in writing, that is the law of the parties and whose provisions are applicable only to members of the signatory organizations.

This provision ensures maximum flexibility in collective bargaining representative and not involving conditions allowing parties to represent specific interests of employees and/or employers with a limited field of application.
Example: the interests of a certain or certain categories of employees, exceptional or occasional exclusive interest of union members, etc..

Note

Mutual recognition is defined by law as a voluntary agreement that the partners recognize each other's legitimacy to establish a common approach.
Settlement of collective labor disputes

According to Law no. 62/2011, the agreements between the parties to the CCM are also part of collective agreements, which solves collective labor conflicts. By Law no. 62/2011, are regulated procedures for conciliation, mediation and arbitration, as well as how to conduct strikes.

Conciliation is a mandatory procedure which seeks amicable settlement of the conflict in its early stages, being made available through the Office of the Labour Inspection spatial structures as provided by law. In case of successful conciliation collective labor dispute ends. Besides mandatory conciliation proceedings, the parties can resolve the conflict by appealing to mediation.

This method of conflict resolution is achieved through a specialized mediator authorized by law, whose skill level allows the parties to find a solution assisted commonly accepted as the most effective way out of conflict.

In order to promote this way of amicable settlement of the conflict, Law no. 62/2011 provides for establishing the mediation and arbitration of labor disputes under the Ministry of Labour, Family and Social Protection, which is responsible for disseminating information and best practices in mediation, mediators and arbitrators setting bodies of collective labor disputes, providing professional assistance to ensure the prompt on a friendly settlement of collective labor conflict.

The arbitration procedure definitively resolve any conflict, and the arbitration decision is enforceable.

Final conclusions

We can see from the above, that the integrated system of institutionalized social dialogue in Romania is organized functionally, with a high degree of adaptation to economic and social realities of the moment at all levels, both in the tripartite and bipartite social dialogue.

We can still find a number of vulnerabilities in the system, caused by a certain dynamic of development of partnership. In this regard note the relative absence of consistency in the way of structuring the trade union organizations, leading to a major difficulty in sectoral collective bargaining, since, especially on the employer, employers' organizations are established at this level, to meet legal requirements.

Another problem is the absence of a historical culture of social dialogue, fundamental elements not being fully valued partners. Thus, whereas social dialogue is based on the three fundamental elements - identifying a common interest agreement of the parties and good faith, we find deficiencies in the implementation of effective social dialogue where not met cumulatively all 3 components.

We appreciate that still manifest forms of "dialogue" based on pressure, suspicion and mistrust, many problems whose solution takes only the goodwill of the partners, issolved by resorting to intervention and security authorities.
We believe that addressing these shortcomings can be done by disseminating good practices in social dialogue, both from experience in the field over the last 20 years in Romania and especially in European countries with traditional practice in the field. Also note that the vulnerability of social dialogue social partners expertise capacity and the absence of a body of specialized negotiators in the social partner structures. Remedying this situation requires sustained efforts of the social partners for training specialists. To achieve this goal, the Ministry of Labour, Family and Social Protection declares its full support and assistance.

We conclude that the efficiency of the system is given for the high expertise and capacity of social partners, whose openness to using social dialogue mechanisms for certifying the participation in social dialogue structures, processes of negotiation and agreements signed at all levels.

Achieving this national integrated system, based on Law no. 62/2011 - Law on social dialogue is based on experience and best practices gained international as well as assistance from the ILO, EU bodies and Member States, adapted to the specific conditions and needs in Romania.

We believe that the model developed social dialogue in Romania is perfect. Heresponds to a certain stage of development of industrial relations in our country. At the same time, the system must remain dynamic, open, able to adapt continuously to the requirements of a stable socio-economic development and sustainable.
SOCIAL DIALOGUE IN THE EUROPEAN UNION

MEMBER STATES
Social dialogue in the European Union Member States

Social dialogue and agreement at European level are based on long experience of industrial relations (and social partners and the Government) in the Member States of the Union. In recent decades, with the exception of Great Britain and several cases of France, EU Member States share between them a model of industrial relations based on strong autonomy of the social partners in defining the contractual rules - within the EU and national laws - on working time, working conditions, pay, etc. This model is still prevalent in most countries, although a high degree of flexibility in collective bargaining is spreading a more obvious role played by decentralized negotiation companies.

In most European countries, the social agreement including management, labor and government, was expressed by using "social pacts" tripartite agreements including, in particular, the basic macroeconomic, fiscal policy, support for research and innovation, in education and training, local incentives.

Prominence of social dialogue and industrial relations agreement needs a widespread presence and recognized social partner organizations.

Data on density associations give us many clues as to how different is how distinct European industrial relations. EU Nordic countries (Denmark, Finland, Sweden) shows that the proportions associations approaching 80% or more while countries like Spain, France is the opposite and 15% - 10%.

Usually high density of associations, may still mean and high levels of collective agreements that workers share in total wages covered by an agreement signed by the social partners. This happens in the EU Scandinavian countries and Belgium.

Levels contracts, especially wage levels may better define industrial relations model. Centralized, sectoral or sectoral wage salary levels negotiated contractual opposed decentralized and fragmented companies is the expression of a strong national coverage of the social partners.

Another feature of the European model of industrial relations expressed by national experiences is the relationship between political decision and the position of the social partners.

Most EU Member States have a long tradition of dialogue between government and associations of employers and employees. This was true in Germany, Norway and Italy. More recently this dialogue resulted in the form of pacts for employment and competitiveness (PEC's). While social pacts 70s were demand-side policies try to use income to maintain low inflation, nowadays these pacts are aimed at offering and are expected to maintain and increase the number of employees. In various forms of social pacts were signed in at least 11 EU countries except Britain and France.

Typically, these pacts are the result of long and complex process and take the form of a commitment in each of the three parties commit to mutually-agreed specific objectives. For example, employers' organizations can pursue wage moderation, organizations, entrepreneurs can take their commitments on increasing private investment, the state may propose to increase public infrastructure, lower taxes for families with low incomes or profits to fund several areas.
disadvantaged. Essential idea is simple, but difficult to achieve social consensus that coupled with fiscal discipline will create a stable macroeconomic framework, low inflation and a budget leading to low interest rates and lower changes of currency. In this stable environment, with a low macroeconomic uncertainty, supply-oriented policies should lead to increased revenue and number of employees.

Experiences of social pacts had varying degrees of efficiency even within the same country. A significant example is the experience of Italy in the '90s. In July 1993, an agreement between the government and social partners signed. His main objective was to create institutional mechanisms common to help Italy reduce inflation more than other EU countries have done so covering how to moderate wage dynamics, low inflation rates and current stability.

Organizations in particular, agreed that they need programmed inflation rates in order to reduce inflation gradually, their advantage being that in an environment with lower inflation, real purchasing power of wages would be well preserved. Specific procedures have been established consultation with the social partners gaining ground even in preliminary discussions with the government on policy measures in the field.

Experience Italian Agreement of July 1993 has been successful and has been the primary motivation of improving macroeconomic conditions in the economy in the last decade. Less successful were social pacts in 1996 and 1998. Virtually the entire spectrum of public policies entered into discussion of the social partners and the Government.

A framework agreement as pact of 1993 was replaced by a long list of commitments almost exclusively from the government, in virtually all detailed aspects of governance. By its nature this type of agreement is difficult to implement the risk of damaging the quality of relationships between government and social partners. Agreements in Italy in 1996 and 1998 prompted the extension phase of wage moderation and social agreement to restructure taxation.

We present the current models of social dialogue in EU Member States
Austria

Industrial relations profile
Industrial relations
Collective bargaining

Most important collective bargaining levels for setting of pay and working time

In Austria, the conclusion of collective agreements is essentially confined to the private sector. These agreements are negotiated, almost without exception, at multi-employer sectoral level. Collective agreements are legally binding and the coverage rate stands at between 98% and 99%.

Extension of collective agreements

The legislator has provided for an official procedure called an extension order (Satzungserklärung), whereby a collective agreement (or part of it) can be extended to include employment relationships of essentially the same nature which are not covered by an agreement. An extension order is issued by the Federal Arbitration Board (Bundeseinigungsamt) on application from an employer or employee organization possessing the capacity to conclude agreements. In practice, such a procedure is relatively unusual, since there are only a few areas of employment which are not covered by collective agreement.

Main mechanisms in wage bargaining coordination

Wage bargaining in Austria is only marginally influenced by tripartite consultation. Nevertheless, it is strongly coordinated across the economy. This is because a practice of „pattern bargaining” prevails, based on the leading role of the metalworking industry in the overall bargaining process. Despite this high degree of bargaining coordination, Austria’s collective bargaining system is not a case of centralized, tripartite concertation of wages. This is reflected by a high degree of pay inequalities between sectors, gender and employee statuses, and by flexibility.

Main trends in collective bargaining

In Austria, a tendency towards „organized decentralization of collective bargaining” has been observed since the late 1980s. This means that higher-level bargaining parties have deliberately devolved bargaining tasks to a lower level – in particular with regard to
working hours and, with some delay, to variable pay – but have maintained control over lower-level bargaining. For instance, some collective agreements include a so-called „delegation clause”, which leaves the regulation of explicitly defined issues to the parties at company level – that is, the management and works council.

Other issues in collective agreements

Collective bargaining in Austria mainly focuses on quantitative issues, such as remuneration and working time. Qualitative issues – such as in-service training and further training, work organisation and other aspects of labour utilisation – are of only minor significance. Many of the issues fall within the regulatory scope of establishment-level co-determination and hence the consultation rights of works councils. Training issues fall, in particular, within the competence of the statutory vocational training system, where the social partners are strongly involved – for instance, through the AMS institutionally and through consultation in the process of drafting legislation.

Focus on training and lifelong learning issues

Issues of training and lifelong learning are dealt with in collective bargaining to a very limited extent only (see above). However, some collective agreements – for example, the metalworking agreement – provide for one week of paid training leave for preparation purposes ahead of examinations.

Focus on gender equality in collective bargaining

Although certain trade unions, such as GPA-DJP and GMTN, have implemented comprehensive gender mainstreaming plans or adopted gender-mainstreamed collective bargaining guidelines, gender equality issues are either absent or do not figure prominently in collective agreements.

Industrial conflict
Frequency of strikes

The frequency and scale of industrial disputes have been extraordinarily low in Austria in recent years. Since 2005, no single industrial dispute has occurred in Austria. Only in 2003 was a very high level of strike activity reported, when some 780,000 employees were involved in industrial action and more than 10 million working hours were lost due to industrial action. However, the 2003 peak in industrial action has to be regarded as a single „runaway” event due to particular circumstances.

Sectors involved

The 2003 peak in strike activity, involving hundreds of thousands of employees, resulted from large-scale trade union mobilisation. The strikes were mainly in opposition to government reforms related to the statutory pension system, and were thus more „political” in nature rather than related to specific sectors. Apart from this, most industrial dispute
activities during the past years have been taken in relation to state-owned companies that are due to be restructured – such as the industrial action at Austrian Federal Railways (Österreichische Bundesbahnen, ÖBB) and at the national air carrier Austrian Airlines.

Main reasons for collective action

The main reason for strike activity has been opposition to forthcoming changes in the „service regulations” (Dienstrecht) in the course of large-scale restructuring of state-owned companies, such as ÖBB and Austrian Airlines.

Application of conflict resolution and arbitration mechanisms

There are no institutionalised conflict resolution and arbitration mechanisms in Austria.

Tripartite concertation
Main trends

As far as general economic and social matters are concerned, national tripartite policy-concertation is most strongly institutionalised in the so-called Parity Commission (Paritätische Kommission). This commission consists of top representatives of the government and the four major social partner organisations. The Parity Commission runs four subcommittees: the Advisory Council for Economic and Social Affairs (Beirat für Wirtschafts- und Sozialfragen), the Subcommittee on International Issues (Unterausschuss für Internationale Fragen), the Subcommittee on Wages (Lohnunterausschuss) and the Subcommittee on Competition and Prices (Wettbewerbs- und Preisunterausschuss).

The Parity Commission is the focal point for tripartite social dialogue, where matters of particular significance, common strategies and concerted action, as well as emerging conflicts, are discussed and the recommendations of the Advisory Council for Economic and Social Affairs are considered.

Social partner involvement

Apart from the Parity Commission, a series of national and territorial – that is, regional – employment pacts have been set up by the (regional) governments in close cooperation with the national and regional social partners, with the aim of implementing tailor-made employment policies at national and regional level.

The social partners’ participation in government employment policies is most strongly institutionalised in the AMS, which is the core instrument for realising labour market goals at national and regional level.

Workplace representation
Main channels of employee representation

The works council is the only body in the private sector representing employees at workplace level. In legal terms, the works council is a body which represents all employees
within establishments consistently employing five or more workers. It exercises the workplace-level consultation and co-determination rights conferred by law on the workforce as a whole. Works councils can either be established separately for blue-collar workers and white-collar workers, or may represent both categories. A works council is elected by the workforce – essentially by all employees within the establishment aged at least 18 years – for a term of four years on the basis of proportional representation, with the number of council members determined by the size of the workforce. With regard to the works council’s information, consultation and co-determination rights, the employer is required to hold regular discussions with the works council and keep it informed on matters that are relevant to the workforce. The most important instrument for the expression of works council’s co-determination rights over a specific range of „social” matters is the conclusion of a works agreement (Betriebsvereinbarung) between management and the works council.

In the public sector, a series of special rules exist regarding employee representation bodies (Personalvertretung) for each of the major employers – that is, the federal government, regional (Länder) governments, local governments and public enterprises; the rules are fixed by particular legal provisions. These bodies largely correspond to the works councils in the private sector.

**Regulation of employee representation**

The regulation of employee representation at the workplace is codified by law – in particular, as far as the private sector is concerned, the Labour Constitution Act (Arbeitsverfassungsgesetz, ArbVG).

**Employee rights**

In Austria, jurisdiction in matters relating to labour and social security law falls within the scope of ordinary courts. The competent courts of first instance are the Land Courts (Landesgerichte) domiciled in each of the provinces (Länder). Each one acts as a labour and social security court (Arbeits- und Sozialgericht), along with their other areas of jurisdiction – with the sole exception of Vienna, which has a special labour and social security court. The courts of second instance are the four Higher Land Courts (Oberlandesgerichte), and the third and final instance is the Supreme Court of Justice (Oberster Gerichtshof). These labour and social security courts are competent to rule on all disputes arising from labour law – including disagreements over issues such as employment contracts, pay, working conditions, any form of discrimination, unfair dismissal and surveillance – and all benefit claims arising from social security law.

The function of labour inspectorates is to oversee the enforcement of the protective public law provisions. The inspectorates have a duty, in certain circumstances, to report infringements of health and safety regulations; such infringements generally constitute administrative offences and are punishable by a fine.

**Main actors**

The main industrial relations actors in Austria are as follows:

- the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund, ÖGB);
Trade unions

Main trends in trade union density

Trade union density has been declining since the 1960s in Austria. This trend is mainly due to the long-term structural transformation of the economy and employment: in the strongholds of unionisation – namely in manufacturing and the public sector – employment has declined, to the benefit of the private service sector which tends to record low density rates, especially among women, white-collar workers and atypical workers.

Most important trade union confederations

There is only one trade union confederation in Austria – namely, ÖGB. After several merger projects involving the ÖGB’s affiliates in recent years, the confederation currently has nine trade unions affiliated to it. The largest and most powerful affiliates are the Union of Salaried Employees, Graphical Workers and Journalists (Gewerkschaft der Privatangestellten Druck, Journalismus, Papier, GPA-DJP), the Metalworking, Textiles, Agriculture and Food-processing Union (Gewerkschaft Metall, Textil, Nahrung, GMTN) and the Union of Public Services (Gewerkschaft Öffentlicher Dienst, GÖD).

Whereas GPA-DJP and GMTN draw part of their relative power from their pattern-setting role in collective bargaining, GÖD represents the well-organised public sector employees who enjoy high legal protection.

Main trade union developments

During recent years, the Austrian trade unions have increasingly been confronted by the need to merge in light of a combination of factors – in particular, membership decline and financial weakness, especially in the wake of the revelation regarding ÖGB’s involvement in the financial debacle concerning its former bank BAWAG PSK. As a consequence of the BAWAG crisis, ÖGB was forced to sell all of its shares in the bank in 2006.

Since then, the only source of revenue for ÖGB and its member unions has been the membership dues paid by trade union members. With the ongoing trade union restructuring and the latest merger project scheduled for November 2009, Austria’s trade union structure under the umbrella of ÖGB is being significantly streamlined, compared with the late 1990s. Within a 10-year period, the number of trade unions affiliated to ÖGB will, by November 2009, be reduced from 14 to eight unions.

Employer organisations

Main trends in employer organisation density

Due to compulsory membership of all of Austria’s companies – with the exception of those in agriculture, the liberal professions and the non-trading public sector – of the WKÖ
and its respective subunits, the density of WKÖ in terms of both companies and employees is 100%.

Apart from WKÖ, there is a voluntary employer organisation – namely, the Federation of Austrian Industry (Industriellenvereinigung, IV). The membership domain of IV encompasses manufacturing, managerial staff in the manufacturing industry and enterprises associated with the manufacturing industry.

Main employer developments

After thorough restructuring of WKÖ in the first half of the decade, which culminated in a reduction in compulsory membership fees by 30%, the chamber leadership is currently planning further reforms. The aim is to introduce a more streamlined organisational structure, additional reform of the system of membership dues, and an amendment to the current system of voting rights for member companies.

Belgium

Industrial relations profile

Industrial relations

Collective bargaining

Every two years, an intersectoral collective agreement is negotiated between the main organisations representing employees and employers at the national level. This agreement establishes the main developments in terms of wages and working conditions that will be further discussed in the next two years within the joint committees at sectoral level and/or within the National Labour Council (Conseil National du Travail/Nationale Arbeidsraad, CNT/NAR) at cross-industry level.

Pay and working time are covered by collective agreements negotiated within the sectoral joint committees (Paritaire comités/Commissions paritaires).

Collective agreements affect almost the country’s entire workforce with a coverage rate of 96%. Sectoral joint committees are composed of the three main trade unions and representatives of the employers active in the sector concerned.

Many collective agreements, including issues such as pay and working conditions, are negotiated in these sectoral committees.

Legal parameters

Collective agreements are also binding for employers, and their workers, who are not members of signatory organisations, but who are covered by the sectoral joint committee within which the agreement has been concluded. Employers are legally bound by the agreement unless they have individual employment contracts that include clauses negating the collective agreements. In other words, only employers who are not members of a signatory
organisation can deviate from a collective agreement, and only by individual employment contract.

**Extension of collective agreements**

The obligatory nature of a collective agreement can be extended by Royal Decree. In this case, the agreement will be binding for all employers covered by the bipartite structure within which the deal has been concluded, without the possibility to include opposite provisions in individual employment contracts. This procedure is initiated on request by the sectoral joint committee or by one organisation represented in the committee; this option of extending a collective agreement is used relatively often by the signatory parties.

**Trend towards decentralization**

Although Belgium is a federal country divided in several administrative entities – regions and communities – the national labour law and social dialogue remain the centralized competence in implementing and shaping employment conditions in the country. The main trade union and employer organisations cover the entire country.

Nonetheless, in 2006, the sectoral federation for the workers of the metalworking industry of FGTB/ABVV split into two regional organisations: the Metalworkers’ Union of Wallonia and Brussels (Métallurgistes Wallonie-Bruxelles, MWB) which represents the workers of the metalworking industry in the Walloon region and Brussels-Capital region, and the Flemish branch ABVV Metaal which represents metalworkers in Flanders.

**Other issues in collective agreements**

The national intersectoral agreement 2009–2010 establishes measures in accordance with the country’s situation in fighting the economic crisis, including provisions for an increase in workers net salary, indemnities for travelling to the workplace, and tax incentives for the recruitment of long-term unemployed people. In 2007, the last national intersectoral agreement focused on measures concerning working conditions, such as recognising length of service for temporary workers when granted an open-ended employment contract, corporate social responsibility, as well as vocational training and lifelong learning in companies.

**Vocational training and lifelong learning**

Since 1998, the social partners acknowledged the importance of developing vocational training. They agreed to reach the objective of an average expenditure of 1.9% of the wage bill on workers training and an additional 0.10% of the wage bill on the training of specific target groups, such as unemployed people, low-qualified workers, women, workers aged over 50 years and workers with disabilities. In the national intersectoral agreement for 2007–2008, the social partners agreed to maintain this objective of an average expenditure of 1.9% of the wage bill on training for the next two years.

The three collective bargaining levels are important in terms of vocational training:

- the intersectoral level throughout the biannual agreements settles the framework
• for the Continuous Vocational Training (CVT) system;
• the sectoral level applies the framework in the specific context of the economic sector; the company introduces a training plan respecting the provisions of the intersectoral and sectoral collective agreements, and devises a training programme that corresponds to the specific needs of the company.

At sectoral level, 71.5% of the joint committees have at least one sectoral collective agreement that includes vocational training provisions. However, if no sectoral agreement exists, the provisions of the national intersectoral agreement are applied, encouraging companies to take provisions relating to vocational training.

Some 63.5% of companies with more than 10 employees are effectively organizing training, according to information provided by the Federal Public Service for the Economy, SMEs, Self-employed and Energy (Service Public Fédéral Économie, PME, Classes moyennes et Énergie/Federale Overheidsdienst Economie, KMO, Middenstand en Energie) (see also the Belgian contribution to the 2009 EIRO comparative study on the Contribution of collective bargaining to continuing vocational training).

**Gender equality**

In the national intersectoral agreement 2007–2008, the social partners encouraged the bargaining parties at sectoral and company level to assess their wage classifications and check their gender neutrality. They were encouraged to amend the wage classifications and use the instruments developed by the federal government, such as the checklist for gender neutral wage classification.

The national intersectoral agreement No. 95 of 10 October 2008 addressed the equal treatment of workers at each phase of the employment relationship and reinforces the current legislation and collective agreements on non-discrimination.

**Industrial conflict**

Few statistics exist concerning industrial action in Belgium. However, the National Office for Social Security (Office National de la Sécurité sociale/Rijksdienst voor Sociale Zekerheid, ONSS/RSZ) collects data regarding the number of working days lost due to strike action. Each employer has to communicate to ONSS/RSZ the number of days "not worked" and the reasons for this. Eurostat also provides data on working days lost due to industrial action. Both organisations indicate a high incidence of strike activity for 2005 with 189.15 working days lost per 1,000 employees.

Important strike movements protesting against the new government plans to amend the end-of-career and retirement arrangements marked the year 2005. Strike action occurred in sectors of the economy that faced privatisation and liberalisation, such as public transport, postal services, telecommunications and electricity.

The number of working days lost due to strike action declined in 2006 with 24.75 working days lost per 1,000 employees and rose to 34.8 working days lost in 2007. The year 2007 was marked by a high number of strike movements in the public transport sector. Drivers and ticket inspectors launched several wildcat strikes to protest against increasing violence towards public transport employees.
Sectors involved

The economic sectors most affected by strike activity in recent years were manufacturing (such as metalworking or textiles), transport (essentially public transport, including train, bus and civil aviation), and healthcare and social work (particularly nurses).

Most of the strike actions were subsequent to announcements of restructuring processes or plant closures (mainly in the manufacturing sector), or related to demands for better working conditions.

The Belgian industrial relations system has an elaborate conciliation and mediation system organised within the sectoral joint committees. Several procedures are organized within a conciliation body chaired by the president of the joint committee concerned. The president acts as a conciliator between the two sides and makes proposals to solve the crisis.

Tripartite concertation

In the Belgian industrial relations system, national tripartite policy concertation takes place in two bodies – the CNT/NAR and the Central Economic Council (Conseil Central de l’Économie/Centrale raad voor het bedrijfsleven, CCE/CRB). The CNT/NAR is not only a bipartite body in charge of concluding collective agreements, but also plays a consultative role towards the government. Government members can consult the CNT/NAR on any issues concerning labour law, employment relationships and social security.

The CCE/CRB is composed of an equal number of representatives from the workers and employers sides. It has a consultative role towards the government on all economic and social issues.

Workplace representation

The Works Council (Conseil d’entreprise/ Ondernemingsraad, CE/OR) is composed of employee representatives elected at the social elections and employer representatives. It has to be summoned at least once a month by the employer in the company’s premises. The CE/OR members are informed by the employer about the company’s financial situation, its productivity, future developments in terms of employment and future objectives. The CE/OR has also the right to be consulted by the employer in the case of substantial modifications in the organisation of staff, such as restructuring, a plant closure, a merger or the introduction of a night shift, but also relating to training measures. A CE/OR is compulsory in any enterprise or plant employing more than 100 workers.

The CPPT/CPBW comprises employee representatives elected at the social elections, prevention counsellors and members of the company management who are responsible for health and safety at the workplace. The committee is in charge of any issue relating to workers’ health, the working environment and working conditions. A CPPT/CPBW has to be established in any company or plant employing more than 50 workers.

A trade union delegation (délégation syndicale/vakbondsafvaardiging) has the right to be present in any company (the minimum number of workers employed in the company is
defined by sectoral collective agreement). The members of the delegation are nominated by their trade unions or elected by staff. The trade union delegation, in contrast to the two other bodies, represents only unionised workers of the company and not the entire staff.

The trade union delegation can negotiate collective agreements in the company and intervene in any conflict the staff might have with the employer. Furthermore, the trade union delegation has the right to be informed about any changes in working conditions.

When neither a CE/OR nor CPPT/CPBW are present in the company, the trade union delegation is able to fulfil the role of these two bodies.

In order to transpose Council Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community, the national collective agreement No. 9 on the functioning of works councils was amended in 2008. Accordingly, the CPPT/CPBW were granted a residual right to employment and business information in companies or establishments employing 50–100 workers, while in the past this right was only granted to works councils in companies with more than 100 employees. In addition, in companies or establishments where only a trade union delegation is present and with no other information and consultation body, such as a CE/OR or CPPT/CPBW, management must supply this delegation with annual information concerning business turnover, profits, employment and labour costs, as well as about all decisions which could result in considerable changes in the work organization or employment relationship.

**Employee rights**

Employee’s individual labour rights can be enforced in labour courts. The labour courts are composed of one professional judge who is assisted by assessors from the trade union and employer organisations. The labour courts have the competency to resolve conflicts between employers and employees, and conflicts in the field of social security and social assistance. On the other hand, labour courts are not competent in the area of collective labour rights. Conciliation and mediation procedures are organised in the sectoral joint committees.

A labour inspectorate department exists within the department of labour law control(Contrôle des lois sociales/Toezicht op de Sociale Wetten) which is part of the General Department on Monitoring Welfare at Work (Contrôle du bien être au travail/Toezicht op het Welzijn op Werk) of the Federal Public Service Employment, Labour and Social Dialogue (SPF Emploi, Travail et Concertation Sociale/FOD Werkgelegenheid, Arbeid en Social Overleg).

A specific unit has been established to control the organisation of companies (Celluleorganisations professionnelles/Cel bedrijfsorganisatie). Its mission is to ensure the implementation of labour law in companies, such as the establishing of a works council.

The tasks of the labour inspectorate services are to:

- inform and advise employers and employees on legal provisions;
- control adherence to the law at the workplace;
- inform the national authorities on non-compliance with the law.
Main actors
Trade unions
Main trade union organizations

The main national trade union organisations are the following:
- Confederation of Christian Trade Unions (Confédération des Syndicats Chrétiens/Algemeen Christelijk Vakverbond, CSC/ACV)
- Belgian General Federation of Labour (Fédération Générale du Travail de Belgique/Algemeen Belgisch Vakverbond, FGTB/ABVV)
- Federation of Liberal Trade Unions of Belgium (Centrale Générale des Syndicats Libéraux de Belgique/Algemene Centrale der Liberale Vakbonden van België, CGSLB/ACLVB)

Trade union density in Belgium is estimated at about 50%–60%. In 2000, trade union density stood at 49.3%, while in 2005 it increased to 51.5%.

Trends in trade union development

Trade union membership did not evolve much in recent years. CSC/ACV is the most important trade union with 1.7 million members, followed by FGTB/ABVV with 1.4 million members; CGSLB/ACLVB is the least important trade union with 265,000 members.

Another way to assess the power balance between the different trade unions representing the labour force relates to the results of the nationwide social elections for the two legal bodies of workplace representation–works councils (Conseil d’entreprise/Ondernemingsraad, CE/OR) and workplace health and safety committees (Comité pour la prévention et protection au travail/Comité voor preventie en bescherming op het werk, CPPT/CPBW) – that are organised every four years. The results of the social elections are generally stable. The last social elections were held in 2008 and did not result in any fundamental changes in the balance of power between the three main trade union organisations. The Christian CSC/ACV retained its dominant position, securing almost 57% of the seats on works councils and just over 59% of these seats on the CPPT/CPBW. The socialist FGTB/ABVV is equally represented in both representative bodies, with just over one third of the seats. Meanwhile, the liberal CGSLB/ACLVB increased its number of seats on both the works councils (9.7%) and the CPPT/CPBW (6.2%).

Employer organizations

The employer organisation density rate amounts to 76% in Belgium. Most of the country’s companies are members of an employer organisation, in particular larger companies employing a significant number of workers. The Belgian Federation of Employers (Fédération des Entreprises de Belgique/Verbond van Belgische Ondernemingen, FEB/VBO) is the main national employer organisation in Belgium. FEB/VBO represents 33 sectoral employer federations. In total, it represents 30,000 companies including 25,000 small and medium-sized enterprises (SMEs). Other employer organisations are the Federation of Belgian Farmers (Fédération des Agriculteurs Belges/Belgische Boerenbond, BB), the Flemish Organisation of the Self-Employed (Unie van Zelfstandige Ondernemers, UNIZO) and the French-speaking Union of Self-Employed (Union des Classes Moyennes, UCM).
Industrial relations
Collective bargaining
Most important levels of collective bargaining

According to Bulgaria’s Labour Code, collective bargaining is a trade union right and an employer’s obligation. The system of collective bargaining is organised at three levels:

- branch/sector level;
- municipal level;
- company level.

The most important level is the company level, following the trend of decentralisation. However, the role of sector/branch collective bargaining is also growing. Since 2003, collective bargaining at sector/branch level is being extended to include annual negotiations on minimum social security thresholds.

Since 2007, the social partners at national level started to negotiate annual agreements on a recommended pay increase index in the private sector.

Main trends in collective bargaining

In 2007–2008, some 10 sectoral collective agreements were in force. Moreover, 58 branch-level agreements, 2,000 company-level collective agreements and annexes to existing agreements were also registered. The chemicals industry is the only major economic sector without an agreement. Agreements generally run for two years and the main theme is pay, especially minimum wage rates. Agreed wage increases were relatively high, notably in sectors facing skill shortages.

Extension of collective agreements

The collective agreements are binding and the Labour Code provides for their extension by ministerial decree. However, thus far, this procedure has not been used by the labour minister, despite some 16 claims from branch social partners.

Collective agreement coverage

The coverage rate of collective agreements is estimated to be at 30% of total employees, as they cover not only trade union members but all employees who adhere to it.

Other issues in collective agreements

Other significant issues that are included in the scope of collective bargaining are the following: employment and job security; compensation for night work; hazardous working conditions; paid annual leave that is longer than the statutory provision; and supplementary
pension and health insurance. Some collective agreements also include provisions for lifelong learning, including obligations for the training of workers who have been dismissed. The collective agreement in the healthcare sector contains some provisions for measures against violence in the workplace.

**Industrial conflict**

**Frequency of strikes**

There are no official statistics on the number of strikes and working days lost. While in the first decade of the transition (1990–2000), large-scale trade union protests and national strikes occurred, in more recent times the protests have moved to branch and mainly company level. The most recent large-scale protest organised by CITUB and Podkrepa CL was the nationwide one-hour warning strike, which took place in November 2004 throughout the country, involving more than 417,000 participants. Sectors involved in recent years, major industrial conflicts railways, forestry and wood processing, production and metalworking, reaching a action also arose in many private sector foreign investors.

**Main reasons for collective action**

The main reasons for the conflicts and strikes were as follows: the low level of financing in important social sectors; low pay; unpaid wages and social security contributions; poor working conditions; a high rate of overtime; and the large scale redundancies due to privatisation.

**Application of conflict resolution and arbitration mechanisms**

The main body involved in conciliation and arbitration is the National Institute for Conciliation and Arbitration (NICA), which has been founded on the tripartite principle.

**Tripartite concertation**

Main trends and strikes took place in education, energy, transport, health and social care, tobacco peak in 2007 and 2008. Protests and strike companies, most of which were owned by Social dialogue in Bulgaria started from scratch. Since the beginning of the country’s transition, legislation providing for the development of social dialogue and the corresponding institutions was promoted.

The main body overseeing national-level social dialogue is the National Council for Tripartite Cooperation (NCTC). Established in 1993, the NCTC has standing commissions on a number of issues. It instigates cooperation and consultation over issues concerning labour, social security and living standards. The council comprises representatives of the government and of the trade union and employer organisations that are recognised as representative at national level.
Social partner involvement

Tripartite cooperation at national level has been expanding in recent years. New mechanisms have been introduced such as: participation by the social partners in an advisory council under the Parliamentarian Commission for Labour and Social Policy; and the establishment of special working groups to draft new labour and social legislation. The social partners have also participated in a range of national councils built on the tripartite principle in the fields of employment, vocational education, lifelong learning, health and safety and gender equality. In addition, they have taken part in management/ supervisory bodies of institutions set up in the areas of employment, social and health insurance, vocational education and training, and health and safety. In September 2006, the first three-year National Economic and Social Pact – setting the framework for Bulgaria’s economic and social development – were agreed between the trade unions, employers and government.

Despite the relatively good institutionalisation of social partnership, it should be noted that the social partner’s involvement in some of these structures is more a formality. Furthermore, the opportunities provided are not extensive enough to influence decision making due to the high level of centralisation of power and resources established by the government.

Workplace representation
Main channels of employee representation

The main channel for employee representation at the workplace is the trade unions – that is, only the trade union organisations that have collective bargaining powers. The regulations concerning trade union organisation are stipulated by the Labour Code and the respective trade union confederations statute.

Employee representation at the workplace through other channels is complicated. Due to the trade unions opposition to the introduction of works councils provided for in the Labour Code, only three other types of employee representatives exist:

- Representatives for the protection of employees economic and social interests – these are an alternative to trade unions, although employees are not precluded from electing them at workplaces with unions. The representatives are elected by a general assembly of workers through a two-thirds majority vote. However, in practice, this possibility has not been widely taken up;
- Representatives for information and consultation (under Council Directive 14/2002 EC) – since 2006, these representatives are elected by a general assembly through a simple majority vote. The process of electing such representatives is developing slowly;
- Committees or groups for health and safety.

Employee rights

The main institutions in charge of ensuring that employees rights are enforced are the Chief Labour Inspectorate and the courts. No specific labour court exists.
Main actors
Trade unions

On the whole, trade union membership declined significantly during the transition years in Bulgaria due to different reasons, including: high unemployment, privatisation, the anti-union behaviour of employers, especially of private enterprises, and the lower trust of the trade unions. The number of trade union members dropped from 2,191,901 people in 1993 to about 777,276 persons in 1998, when the first official census of trade union members was conducted to prove the representative status of trade union confederations.

The membership further declined to reach 514,957 persons at the end of 2003. CITUB had 393,843 members, Podkrepa CL 106,309 members, and the Union of United TradeUnions „Promyana“ (Promyana) 58,613 members. According to the 2007 census, only two trade union confederations still meet the representation criteria: that is, CITUB with 328,232 members and Podkrepa CL with 91,738 members.

In the period 2003–2007, trade union density fell from 26.8% to 17.6% – although it should be noted that this figure is underestimated as it includes only the members of the nationally representative confederations.

Most important trade union confederations

CITUB is a successor of the old trade unions. The confederation was founded in February 1990 and managed to transform itself, strengthening its position and gaining recognition as the largest trade union organisation. CITUB affiliates 35 trade union federations, which are involved in collective bargaining processes at the sectoral/branch level. At company level, where the confederation has some 6,217 established trade union organisations, it covers about 60% of employees. CITUB has 243 municipal structures, representing 92% of all the municipalities.

Podkrepa CL was founded on 8 February 1989 as a dissident and illegal organisation of intellectuals and activists based on the model of Poland’s Independent and Self-Governing Trade Union „Solidarity“ (Niezależny Samorządny Związek Zawodowy Solidarność, NSZZ Solidarność). Initially, Podkrepa CL aimed to protect the civil rights of workers. After the political changes, however, the confederation became the only alternative to the thousands of workers who had been disappointed with the old party-state trade unions. Thus, the union gained strategic importance and legitimacy.

Nowadays, Podkrepa CL is the second largest trade union organisation in Bulgaria. The confederation has 24 sectoral/branch federations affiliated to it, with 2,138 trade union sections at company level, which cover 23.9% of the employees in these companies. The confederation has 143 municipal structures, constituting 54% of the municipalities. Both CITUB and Podkrepa CL are members of the European Trade Union Confederation (ETUC) and the International Trade Union Confederation (ITUC).

In 2004, the government also recognised as representative the Promyana union, with its 58,613 members. CITUB and Podkrepa CL expressed strong objections to the procedure used and accused Promyana of providing false data, appealing the decision before the Supreme Administrative Court. After verification of the membership of Promyana in 2006, the new government cancelled its representativeness recognition.
Bulgaria also has a few small unions that split from Podkrepa CL in the mid 1990s – namely, the Association of Democratic Unions and the National Trade Union. At certain points, they have been recognised as nationally representative and participated in tripartite social dialogue structures (1994–1997). Although they still have some branch and local organisations, they do not meet the representativeness criteria.

Some trade unions are organised on the basis of a kind of professional principle and are not affiliated to any branch or national trade union organisation, nor do they have many affiliated local organisations. These include the Free Aviation Trade Union, which mainly organises land aviation workers, the Bank Trade Union, the Academic Union, the National Police Trade Union and the Union of Firefighters – according to the law, they do not have the right to affiliate to any confederation. However, information on these unions is scarce and difficult to prove.

**Main trade union developments**

While Bulgaria’s trade unions became more fragmented in the mid 1990s, with some organisations splitting from Podkrepa CL, more recently the trade union spectrum has been dominated by the country’s two representative confederations. The initially hostile relations between CITUB and Podkrepa CL were eventually overcome in 1992. The process of consolidation of the affiliated federations through mergers is still not popular, despite outstanding issues, as in some sectors several parallel structures affiliated to CITUB exist – such as those pertaining to education, transport, energy and metalworking.

**Employer organizations**

The organisational structure of Bulgaria’s employer organisations is still somewhat fragmented, with the lack of clear rules regarding membership allowing for double and triple membership. This explains the difficulties involved in defining the membership coverage. The first census of employer organisations in 2003 did not include the number of employees. Moreover, the data from the 2007 census are incomplete as the Bulgarian Industrial Association (BIA) and the Bulgarian Chamber of Commerce and Industry (BCCI) did not submit information for the employees covered. The density of the remaining four employer organisations was about 24%. There is a clear trend of growing employer membership – especially of the Confederation of Employers and Industrialists in Bulgaria (CEIBG), the Union for Private Economic Enterprise (UPEE) and the Bulgarian Industrial Capital Association (BICA).

**Most important employer organisations**

At present, there are six employer organisations that are recognised as representative at national level, as follows.

- **BIA** – established in April 1980, the activities of BIA are realised mainly through its basic structural units – the 69 sectoral associations, chambers and unions. In 2007, BIA comprised 129 regional organisations, representing all sectors of the Bulgarian economy and 1,863 companies. BIA is a member of BusinessEurope (formerly UNICE). The association is
the most actively involved in social dialogue, partnership and collective bargaining at sectoral/branch levels.

- BCCI – a successor of the Bulgarian Chamber of Commerce established in 1895. BCCI had 2,662 member companies and 29 sectoral organisations in 2007. It also has 264 municipal structures.

- UPEE – established in 1989, UPEE was the first voluntary association of private enterprises in Bulgaria. In 2007, UPEE had 852 members; the members comprise private companies employing 83,902 workers, or 3.5% of the employees, along with 104 regional branch offices and 24 branch organisations. Its activities are focused on small and medium-sized enterprises (SMEs) in the private sector. UPEE is member of the European Association of Craft, Small and Medium-sized Enterprises (UEAPME).

- Union of Private Bulgarian Entrepreneurs „Vazrazhdane” (UPBE) – established in 1989, UPBE had 752 member companies employing 52,062 workers (or 2.2 % of the employees) in 2007. The union consists of 74 local (based on municipalities) and 11 branch organisations.

- BICA – founded in 1996, BICA represents the interests of holding and investment companies, branch chambers and industrial enterprises, employing altogether more than 170,000 employees (7.1 % of the employees). BICA’s members comprise 1,194 industrial companies. The association has developed an extensive network of regional structures, covering some 60 municipalities.

- CEIBG – the confederation was established in 2006 through the merger of the Bulgarian International Business Association (BIBA) and the Employers’ Association in Bulgaria (EABG). At the time of the merger, BIBA had more than 200 members. In 2007, CEIBG had 3,278 members – that is, private companies employing 351,965 workers (14.8 % of the employees) in 27 branches and 66 regional structures.

BIA, BCCI, UPEE and UPBE were recognised as representative in 1993, while BICA and CEIBG were recognised in 2004 after the first official census of employer organisations in the previous year.

In contrast to the trade unions, which have a long tradition before the changes, there was no genuine employer organisation in existence in 1989. Three dynamics have driven all of the organisational processes of employer organisations since 1990: the liquidation of loss-making state-owned enterprises; the emergence of new enterprises, mainly SMEs; and the privatisation of state-owned enterprises. The combination of these processes has led to a significant increase in the number of economic entities. Statistics show that more than 95% of all Bulgarian enterprises employ fewer than 10 employees.

The institutionalisation of the employer side in the emerging industrial relations system triggered a process of fragmentation in the representation of employer interests, which led to the existence of more than half a dozen organisations, reflecting particular sectors and directions of activities. The growing diversity of employer organisations inevitably raises the issue of the legitimacy of representation and its meaning. The dispersion of employer organisations and the unclear structure does not permit them to fulfil their main mission of representing the interests of their members and to fully participate in social dialogue at different levels, especially at sectoral/branch level. This is a source of imbalance and instability.
in the system of social dialogue at national level and does not facilitate the promotion of more centralised forms of collective bargaining at other levels – such as industry or branch levels. BIA is the most actively involved employer organisation in collective bargaining processes at sectoral/branch level. Elsewhere, UPBE is a party to the collective agreement in the transport sector, while UPEE is a signatory of the healthcare agreement. The remainder of the employer organisations is not fully involved in collective bargaining.

The consolidation process mainly initiated by the large business organisations will probably lead to further partnerships or mergers between other employer organisations representing small business interests. Bulgarian industrial relations development analysts believe that, in time, the employer organisations will unite in two conglomerates of large and small companies – similar to the practice in other EU Member States.

Cyprus

Industrial relations profile
Industrial relations
Collective bargaining

The right to collective bargaining is guaranteed and safeguarded by the Constitution of 1960. In particular, Article 26(2) of the Constitution provides that:

“a law may provide for collective labour agreements of obligatory fulfilment by employers and workers with adequate protection of the rights of any person, whether or not represented at the conclusion of such agreement”.

In the absence of relevant law, however, the collective agreements concluded thus far are considered ‘gentlemen’s agreements’. This implies that the regulatory part of the agreements – terms regulating pay and working conditions issues, along with other issues arising from the provision of labour – has no direct or obligatory effect on workers. In practice, the system of free collective bargaining developed in the framework of the IRC that applies to both the private and the semi-public sector. The system is considered a gentleman’s agreement freely negotiated and signed by the social partners on 25 April 1977. The social partners include the Ministry of Labour and Social Insurance on behalf of the government, PEO and SEK on behalf of the trade unions and OEB on behalf of the employer organisations. The IRC is associated with the philosophy of tripartite cooperation in that the three parties accept, in principle, the existence, irrespective of their own objectives, of common ground for cooperation in the general interests of the country.
Levels of collective bargaining

The concept of collective bargaining at national level, setting minimum terms and conditions of a binding nature for all employees, does not exist in Cyprus. In this context, collective bargaining is considered to be decentralised, with most agreements concluded at enterprise level. Based on the most recent data of the Department of Labour Relations of the Ministry of Labour and Social Insurance from December 2008, there are currently 17 sectoral agreements and about 400 company-level agreements, without however being able to identify the precise number of agreements concluded in 2008. As in previous years, the lack of evidence regarding the exact number of agreements signed each year is due to the failure of both employer organisations and trade unions to fulfil their obligation under the IRC and to submit the relevant data to the Ministry of Labour and Social Insurance.

At sectoral level, direct negotiations are always held between the two sides of industry, in most cases between PEO, SEK and OEB. On the other hand, collective agreements at enterprise level are drawn up and negotiated usually directly between the trade union representatives and the employer, but in a number of cases with the assistance of the company’s affiliated employer organisation.

Coverage of collective bargaining

A significant gap in knowledge has emerged relating to collective bargaining coverage. As a result, any available data are fragmented and derive from various sources, while the methods by which they are collected and processed are unknown. In this context, it is problematic to cite any specific data. For instance, according to 2002 data, bargaining coverage is estimated at about 63%. However, this figure also includes the broader public sector, where the proportion of coverage reaches almost 100%. In any case, according to data from the Cyprus Labour Institute (Ινστιτούτο Εργασίας Κύπρου, INEK-PEO) with respect to the trend of collective agreements during the period 2003–2006 in selected sectors of economic activity, coverage of collective agreements has shown a tendency to fall.

Even more worrying is the fact that this decline is occurring in sectors of the economy with relatively high rates of collective agreement coverage, such as hotels and restaurants as well as construction. According to PEO and SEK, the fall in trade union coverage is an overall problem related to a growing move towards the deregulation of labour relations, where the constant increase in the number of non-Cypriot workers – the most vulnerable category of workers – has resulted in the greater use of such workers as a cheap, casual form of labour, with the resulting consequences that this entails.

Extension of collective agreements

At all levels, collective agreements cover both organised and unorganised employees. In practice, however, almost entirely due to the lack of control mechanisms and the arising breach of collective agreements, unorganised labour is very often not covered by collective agreements. When it comes to extension procedures, in Cyprus there is no mechanism, set either by law or collective agreement, providing for the extension of collective agreements.
Given, however, the fall in bargaining coverage, trade unions are currently discussing the issue regarding the existence of a mechanism for extending collective agreements, which is officially being raised for the first time.

Other issues in collective agreements
Content of collective bargaining

In practice, the content of collective agreements is fairly limited, despite the fact that collective bargaining in the Cypriot system of industrial relations has traditionally played a primary role in regulating terms and conditions of employment. Although no study has been conducted with regard to the content of collective agreements at both sectoral and company levels, it appears that at these levels the agreements do not appear to take into account, in setting the terms and conditions of employment, factors such as gender, age, training and/or retraining, mobility and stress at work. Taking equal opportunities between men and women as an example, it could be said that there is no connection with the collective bargaining process. Nevertheless, according to the Department of Labour Relations, particular sectoral collective agreements, like those in the hotels, restaurants and catering sector and the banking sector, and other industry-wide agreements, also regulate other aspects pertaining to much more specific details of the functioning of the companies involved. In general, however, the agenda of negotiations includes mainly purely economic issues – for example, the cost of living allowance (ATA), wages and benefits – and traditional bargaining on working conditions covers working hours and annual leave.

Industrial conflict

Since 2003, a steady fall in the number of industrial actions has been reported. According to provisional data from the Department of Labour Relations, a further dramatic decline in the number of industrial actions occurred in 2008. More specifically, in 2008, the number of strikes fell to three, from eight in 2007, according to the revised data for 2007. However, no data were available on the number of workers involved, the working days lost or the distribution of strikes by sector of economic activity. In terms of the reasons for industrial action, most industrial action appears to be a result of either the failure to reach a collective agreement or the violation or non-implementation of collective agreements.

During the past decade, with regard to the resolution of labour disputes, the Ministry of Labour and Social Insurance has been playing an important role in maintaining industrial peace, by providing mediation services for the renewal of collective agreements. In this context, it is worth mentioning that, during the same period, increasingly fewer sectoral collective agreements were concluded at the direct bargaining stage, causing as a result serious delay in the renewal of agreements.

Tripartite concertation

In the present industrial relations system, as described previously, and although law does not institutionalise bodies of social dialogue, social dialogue in Cyprus is rather firmly established. In other words, a long tradition of social dialogue exists in Cyprus, where the implementation of almost all proposals and policies regarding industrial relations was and
remains the result of social dialogue between the government, the employer organisations and the trade unions. On a practical level, cooperation between the three parties is achieved through the operation of technical committees and other bodies of tripartite representation, but mainly through the representation of the stakeholders in the Labour Advisory Board within the Ministry of Labour and Social Insurance. It is important to mention that in all bodies of tripartite representation currently in place, the social partners participate at a ratio of 6 representatives each from the employer organisations and trade unions.

In the same context, the social partners participate in almost all policy-making organisations, such as the Human Resources Development Authority (Αρχή Ανάπτυξης Ανθρώπινου Δυναμικού Κύπρου, HRDA). As a result, this participation allows for an important and timely intervention in labour and social policy issues, while it is clear that almost all social and labour issues are the subject of social dialogue – such as the adoption of the EU acquis. It should be noted, however, that there is a relatively limited social dialogue agenda and a lack of initiative on behalf of the social partners to expand into new areas, including economic and monetary issues. To date, important products such as the National Action Plan for Employment (NAP) 2004–2006 and the National Lisbon (Reform) Programme 2005–2008 were not the result of social dialogue. In particular, although the Cypriot government has asked the employers and trade unions to present their own proposals, the timetable for doing so was extremely limited as it did not provide the social partners with enough preparation time or the government with adequate time to evaluate their proposals.

**Workplace representation**

In terms of employee representation at establishment level, the main representation structures to date refer exclusively to trade union representation and safety committees. It remains to be seen to what extent the existing legislation (Law 143(I)/2003) will be used to implement the institution of the European Work Councils (EWCs) in practice and increase their importance.

According to the IRC, both employers and trade unions recognise the right of employers and employees to organise freely and to belong to organisations of their own choice without any interference or victimisation from either side. As far as representativeness is concerned, in accordance with Trade Union Law (Law 71/1965) as amended up to 1996, a minimum number of 21 employees are required, with all of the provisions for setting up a trade union followed in accordance with the law. Moreover, the trade union should be registered with the Trade Union Registrar. Safety committees exist in establishments with 10 or more employees, as provided by the legislation on health and safety at work (Law 89(I)/1996) and the relevant regulations on safety committees (Regulatory Administrative Act 134/1997).

**Employees’ rights**

The main institution to ensure the enforcement of employee rights in Cyprus is the labour inspectorates that function under the inspection mechanisms of the Department of Labour Relations, which at present provides for a total of 13 inspectors.
Main actors

In Cyprus, apart from employer organisations and trade unions, no other actors are involved in collective bargaining. The government plays an advisory role and is not directly involved in collective bargaining, apart from in the public sector where it is one of the negotiating sides.

Trade unions

As far as trade unions are concerned, since 1960 the Cyprus trade union movement both in the private and the semi-public sector was firmly established and well organised both in terms of direction and structure.

Main trade union organisations

The main national trade unions are the following:

- Democratic Labour Federation of Cyprus (Δημοκρατική Εργατική Ομοσπονδία Κύπρου, DEOK) with 8,807 members;
- Pancyprian Federation of Independent Trade Unions (Παγκύπρια Ομοσπονδία Ανεξάρτητων Συντεχνιών, POAS), an independent group of small trade unions organising workers in smaller enterprises and the British Sovereign Bases of the island with 164 members;
- PEO which remains the largest trade union with 81,473 members;
- Cyprus Workers’ Confederation (Συνομοσπονδία Εργαζομένων Κύπρου, SEK) with 71,574 members.

In the banking sector, the Cyprus Union of Bank Employees (Ενωση Τραπεζικών Υπαλλήλων Κύπρου, ETYK) dominates, as it the sole trade union in the sector, with a strong position in terms of membership, collective bargaining coverage and bargaining power.

In the public or state sector, four trade unions bargain independently with the government, with little, if any, cooperation and coordination among them:

- Pancyprian Public Employees Trade Union (Παγκύπρια Συντεχνία Δημοσίων Υπαλλήλων, PASYDY), representing the civil servants and by far the biggest and strongest trade union in terms of membership and power in the public sector;
- Pancyprian Organisation of Greek Teachers (Παγκύπρια Οργάνωση Ελλήνων Δασκάλων, POED), representing primary school teachers;
- Organisation of Greek Secondary Education Teachers (Οργάνωση Ελλήνων Λειτουργών Μέσης Εκπαίδευσης Κύπρου, ΟELMEK), representing secondary school teachers;
- Organisation of Greek Technical Education Teachers (Οργάνωση Λειτουργών Τεχνικής Εκπαίδευσης Κύπρου, OLTEK), representing teachers in technical schools.
Trends in trade union development

Data on union membership are provided by the Trade Union Registrar, with 2008 as the reference year.

PEO is the oldest trade union in Cyprus and is particularly dominant among blue-collar workers, as well as semi-skilled and skilled workers. However, in recent times, it has become more active in all sectors of economic activity and among all occupations. On the other hand, as Sparsis (1998) highlights, SEK grew in stature to challenge PEO within its traditional sphere of influence and during the 1960s and 1970s brought the trade unions in public utilities under its umbrella. Finally, DEOK, although small in terms of membership, is rather influential in terms of bargaining power.

It should be noted that, in Cyprus, there is a tradition of pluralism in trade unionism, as well as strong ideological links between some (if not all) trade unions and political parties, as in the case of the left-wing Progressive Party for the Working People (Ανορθωτικό Κόμμα Εργαζόμενου Λαού, AKEL). However, despite ideological and political differences or different affiliations, the trade unions in the private and the semi-public sector fully coordinate with each other. Moreover, they have been particularly effective in their common approach to promoting the rights and interests of their members.

Trade union density

Although in Cyprus the rate of trade union density remains at relatively high levels compared with European averages, since 1990 there has been a gradual decline of over 18 percentage points in union density. More specifically, the rate of union density fell from 76.16% in 1990 to 58.06% in 2006. Based on the available statistics, the decrease in the rate of union density is a result of the excessive increase in the number of non-union members in relation to the number of union members.

This means that, during the same period, although the total number of union members showed a steady and substantial increase of about 35%, the respective increase in non-union members was around 350%. This outcome was almost entirely due to a decrease in employment in sectors of the economy with a long tradition of union membership, and a corresponding increase in employment in sectors where workers are traditionally not organised in unions.

Employer organisations

As far as employer organisations are concerned, to date, the structure, organisation and operation of the employer organisations in Cyprus have not been studied and examined in a systematic way. Most references in this regard are contained in papers that either examine issues of labour law and industrial relations in general, or approach the issue of the organisation of employer organisations historically.
Main employer organisations

The largest employer organisations in Cyprus are the following five:

- **Cyprus Employers’ and Industrialists’ Federation (Ομοσπονδία Εργοδοτών και Βιομηχάνων, OEB);**
- **Cyprus Federation of the Associations of Building Contractors (Ομοσπονδία Συνδέσμων Εργολάβων Οικοδομών Κύπρου, OSEOK);**
- **Cyprus Association of Bank Employers (Κυπριακός Εργοδοτικός Σύνδεσμος Τραπεζών, KEST);**
- **Pancyprian Association of Hoteliers (Παγκύπριος Σύνδεσμος Ξενοδόχων, PASYXE);**
- **Cyprus Chamber of Commerce and Industry (Κυπριακό Εμπορικό και Βιομηχανικό Επιμελητήριο, CCCI).**

Of these, however, the most representative employer organisations are OEB and CCCI, which are regarded as the main national employer associations in Cyprus that work as umbrella organisations representing the whole spectrum of enterprises in all sectors of economic activity. These include industry, construction, services, trade, agriculture and private education. In this context, both OSEOK and KEST are registered members of OEB and are active at the sectoral level as the main negotiating bodies for their members. In contrast, PASYXE, following a recent disagreement with OEB joined CCCI.

Trends in employer organisation development

Regarding the organisation and development of employer organisations, according to OEB’s annual report for 2003, the federation comprises 53 professional associations, while the enterprises that are members – direct or indirect – employ about 60%–65% of the employees in the private sector, also including semi-public companies. With regard to the size of the enterprises belonging to OEB, the overwhelming majority are small and medium-sized enterprises (SMEs), whereas about 80% are active in the services sector. It should be noted that in the Cyprus economy the size of enterprises is determined as follows:

- small enterprises are those employing one to 15 employees;
- medium enterprises are those employing 15–249 employees;
- large enterprises are those employing over 250 employees.

CCCI currently comprises 125 professional associations. Employers that are represented by CCCI accounted for the employment of 148,000 workers in the reference year of 1999 – this figure represents 82% of people in paid employment in the private sector.

Finally, it should also be mentioned that organisations with a mixed representation of interests exist in Cyprus. The largest of these organisations is the Pancyprian Professional Small Shopkeepers’ Federation (Παγκύπρια Οργάνωση Βιοτεχνών και Επαγγελματιών Καταστηματαρχών, POVEK). Today, POVEK has about 8,000 members, of which about 60% are employers active in technical occupations, clothing, recreation centres and petrol stations.
Czech Republic

Industrial relations profile
Industrial relations
Collective bargaining

Czech law distinguishes between enterprise-level collective agreements (ELCAs), concluded between the relevant trade union body and an employer, and HLCAs, concluded for a greater number of employees by the relevant higher-level trade union body and an organisation or organisations of employers.

The most prevalent level of collective bargaining in the Czech Republic is the enterprise level; however, there is no central register of ELCAs. As regards HLCAs, according to data from ČMKOS, out of 32 trade unions in 2008 a total of 18 agreements at higher level were concluded, covering about 5,364 employers and 607,952 employees.

Extension of collective agreements

The process of extending the scope of collective agreements to other employers continued in 2008, with three such agreements being extended. The binding nature of these HLCAs was expanded to include a further 3,975 employers with more than 362,000 employees. Therefore, the HLCAs concluded by the trade unions affiliated to ČMKOS for 2008 apply to almost 9,400 employers (compared with 9,304 in 2007) and cover more than 970,466 employees (998,435 in 2007), which represents about 23.2% of all employees.

According to the trade unions associated with ČMKOS, 3,119 ELCAs applying to 1,110,109 employees – which represent 26.5% of all employees in the Czech Republic – were concluded in 2008 with 6,344 employers where their trade union organisations are active.

Legal parameters

Collective bargaining is regulated by law, in terms of both the process and the content. Obligations arising from collective agreements are binding on the contractual parties and the fulfilment of such obligations is legally enforceable.

Extension of the binding nature of HLCAs to another employer is possible under the conditions set by law. The Ministry of Labour and Social Affairs of the Czech Republic (Ministerstvo práce a sociálních věcí ČR, MPSV ČR) possess the relevant powers. Agreements are extended based on a proposal made by both contractual parties to the agreement, provided that the conditions determined by law are met. There are no voluntary mechanisms of extension. For collective bargaining at company level, the legally binding minimum is – if an HLCA applies to the relevant employer – the value of obligations negotiated in the higher-level agreement.
Bargaining coordination

ČMKOS coordinates collective bargaining with its members by way of annual targets in the area of wages and verification of their fulfilment, but also in relation to training, social benefits and other matters. This coordination process takes place in connection with the targets announced by the European Trade Union Confederation (ETUC).

Overall, collective bargaining is relatively stable in the Czech Republic, and centralisation and decentralisation tendencies are not clearly visible.

Other issues in collective agreements

Collective agreements, especially at company level, address a wide range of issues related to labour law, such as the reduction of working hours without reducing wages and leave entitlement. The agreements also cover employment conditions, for example fixed-term work, part-time work and temporary agency work. Furthermore, the agreements consider social policy, such as employee recreation and transport, as well as continuous vocational training (CVT), health and safety, and other matters. Collective agreements usually also set principles for the cooperation of contractual partners.

The content structure of collective agreements has remained unchanged for years and is seldom subject to change. Topics such as stress at work, harassment in the workplace and gender equality are rarely reflected in collective agreements. On the other hand, arrangements relating to work-life balance tend to be relatively frequent.

The issue of CVT is traditionally a standard part of collective agreements, especially at company level; however, mainly general, universal regulations prevail. The topic of lifelong learning rarely if ever appears in collective agreements.

Industrial conflict

There is no legally defined reporting duty in relation to industrial conflicts. Such activities by the social partners have not been centrally monitored since 1997. In terms of conflict resolution, the rules in this area are set by law. According to trade union data (for ČMKOS only), a dispute was resolved through a mediator during the negotiation of an HLCA in three cases in 2008 (compared with none in 2007) and during the negotiation of an ELCA in 12 cases (five in 2007). A dispute was resolved before an arbiter during the negotiation of an HLCA in one case (none in 2007); no such case arose for an ELCA (as in 2007).

No strike alert was announced during the negotiation of an HLCA in 2008 (as in 2007). However, in the case of ELCAs, seven strike alerts were announced during the negotiation phase (one in 1007). Four strike alerts were called outside of collective bargaining in 2008 (three in 2007). No strike took place during the negotiation of an HLCA or ELCA in either 2007 or 2008. There were three strikes outside of collective bargaining in 2008 (one in 2007). The first strike was against budget cutting in relation to the regional educational system and wages. The second action was a one-day strike against public health policy. The third strike was against restructuring in a factory of the electrical and electronics manufacturer Siemens, which was moving production out of the Czech Republic.
Other protest activity and reasons for collective action

A number of protests and demonstrations also took place in 2008, such as a demonstration against pension and healthcare reform, demonstrations against public finance reform, a strike alert by workers in transport, demonstrations against mergers of public hospitals, and a demonstration of police officers, firefighters and prison guards for higher wages.

The main sector involved in strikes was the public sector.

Wages, working hours and other working conditions, threats of collective redundancy, and governmental economic measures including related legislative amendments were the main reasons for strike action.

Tripartite concertation

In the Czech Republic, the RHSD acts as the tripartite forum at national level; it is the country’s main social dialogue institution. It was created at federal and national level in 1990 at the initiative of the federal government, which anticipated that such a forum would help to preserve social peace during the economic transformation. The task of the RHSD is strictly a consultative function.

The areas on which the RHSD comments are defined by law: economic policy, labour relations, collective bargaining and employment, social issues, public service wages and salaries, public administration, safety at work, development of human resources and education, and the Czech Republic’s position within the EU. In particular, the first and the last areas are very broad and may encompass a range of various policies. In a European perspective, the Czech Republic is one of the countries in which tripartite concertation covers a wide array of activities.

Workplace representation

Employee representatives – that is, trade unions, works councils, and safety at work and health protection stewards – are statutorily required to keep employees in all workplaces duly informed about their activities, and about the content and conclusions of all information and negotiations with the employers. Employee representatives shall not be disadvantaged, advantaged or discriminated against because of their membership of the works council.

Trade unions play by far the most significant role in employee representation by virtue of regulation in terms of competency, but also in practice from the perspective of occurrence, function in social dialogue and particularly collective bargaining. Only trade unions can represent employees in labour relations, in collective bargaining while concluding collective agreements and in tripartite negotiations in the RHSD. Regulation of the role and prerogatives of trade unions is codified by law.

Employees may be represented by a works council, which, however, does not have legal subjectivity and only acts as a mediator between the employers and their employees, in order to ease the flow of information and consultation within a company. The term of office of the works council and the safety at work and health protection stewards lasts up to three years.
Employee rights

State labour inspectorates, labour offices and locally competent courts are the main institutions to ensure the enforcement of employee rights.

On 1 July 2005, the new Act No. 251/2005 Coll. on Labour Inspection came into effect. It represents the most extensive amendment in the state supervision of labour and employment law in over 10 years. As part of the changes, the Czech Bureau of Safety of Work and the local offices of inspection of safety of work were abolished. Instead, the State Bureau of Labour Inspection is directed by the MPSV ČR.

The most important amendments in comparison to the former inspectorates of safety of work is that the new labour inspectorates not only monitor compliance with legislation on safety of work and health protection at work, but also in relation to almost all labour and employment legislation, including working time, leave, pay, equal treatment, compensation and other matters. The labour inspection act also introduces a number of offences in case of employers as natural persons and administrative delicts in case of employers as legal entities, with the possibility of imposing fines of up to CZK 2 million (about €77,000 as at 13 July 2009). There are no special labour courts in the Czech Republic, as the legislation after 1990 kept labour disputes within the authority of general courts, which are competent according to the address of the plaintiff. However, the courts often work slowly; a dispute on employment termination could take three years. Furthermore, they are far from inexpensive for the employee, who must pay court fees and usually also has to hire an attorney since the evidence procedures are difficult.

Main actors

In most of the nationally important business sectors, trade union and employer federations were established shortly after November 1989. They have nationwide competency and rarely act autonomously. Most are members of one of the national confederations, where they usually occupy a significant position. They participate either indirectly or directly in the national tripartite negotiations. With a few exceptions, they are the leaders of social dialogue in their sector and negotiate HLCAs; frequently, one HLCA applies in the given sector. They are also members of at least one European and/or international sectoral structure.

Trade unions

There has been a continuous decline in trade union density in the Czech Republic. In 2008, according to trade union data, about 22% of the total number of employees in the private sector was unionised. This downward trend has affected the majority of trade unions in the country.

Main trade union organisations

The largest trade union confederation is ČMKOS, with 520,000 members in 2008, followed by the Association of Independent Unions (Asociace samostatných odborů, ASO), which had about 210,000 members in 2008. Both of these trade union confederations are
members of the RHSD. The third largest trade union organisation in terms of members and importance is the Art and Culture Confederation (Konfederace umění a kultury, KUK), which in the past was a member of the RHSD. In 2007, according to its own data, KUK had more than 43,000 members and in 2008 it had 42,000 members.

The remaining two trade union confederations are the Trade Union Association of Bohemia, Moravia and Silesia (Odborové sdružení Čech, Moravy a Slezska, OS ČMS), which has about 10,000 members, and the Christian Trade Union Coalition (Křesťanská odborová koalice, KOK), with 5,000 members. These do not match the characteristics of some of the large trade union confederations in terms of either size or importance.

Some of the largest trade union federations in the Czech Republic are members of ČMKOS, such as the:

- Czech Metalworkers’ Federation KOVO (Odborový svaz KOVO, OS KOVO), which according to trade union data had almost 180,000 members in 2007;
- Czech-Moravian Trade Union of Workers in Education (Českomoravský odborový svaz pracovníků školství, ČMOS PŠ), with about 40,000 members in 2007;
- Trade Union of the Health Service and Social Care in the Czech Republic (Odborový svaz zdravotnictví a sociální péče ČR, OSZSP ČR) and OS ECHO (Odborový svaz ECHO, OS ECHO) (CZ0409101N), with around 30,000 members each in 2007.

Other federations in ČMKOS with a membership base in 2007 of about 20,000 members each are the:

- Trade Union on State Bodies and Organisations (Odborový svaz státních orgánů a organizací);
- Trade Union of Workers in Mines, Geology and the Oil Industry (Odborový svaz pracovníků hornictví, geologie a naftového průmyslu, OS PHGN);
- Trade Union of Workers in Postal, Telecommunication and Newspaper Services (Odborový svaz zaměstnanců poštovních, telekomunikačních a novinových služeb, OSZPTNS);
- Trade Union of Building Workers of the Czech Republic (Odborový svaz STAVBA ČR);
- Trade Union of Workers in the Woodworking Industry, Forestry and Water Management (Odborový svaz pracovníků dřevozpracujících odvětvi, lesního a vodního hospodářství v ČR, OS DLV).

Comparable well-sized and influential trade union federations can also be found among the collective members of ASO, such as its founding member, the Agriculture and Nutrition Workers Trade Union – ASO Czech Republic (Odborový svaz pracovníků zemědělství a výživy – Asociace svobodných odborů ČR, OSPZV-ASO ČR), and the Trade Union Association of Railway Workers (Odborové sdružení železničářů, OSŽ).

**Trends in trade union development**

The declining trade union density is leading union federations to attempt to merge with larger and more influential units. This tendency towards integration is apparent, for example, in the membership base of ČMKOS and manifests itself in a range of trade union organisations. However, this process also encounters obstacles in the area of financing and recruitment of human resources in upper management positions, for instance, so that mergers take place only rarely. The most significant example of a merger of federations is the establishment of OS...
ECHO. The Energy Workers Trade Union (Odborovy svaz energetiku, OSE) and the Czech Chemicals Trade Union (Odborovy svaz chemie, OŠ Chemie), both affiliated to ČMKOS, merged in May 2004 to form the new federation, which has over 34,000 members. Reorganisations of trade union organisations are more frequent than mergers.

**Employer organisations**

With regard to employer organisation density, the situation is relatively stable and no fundamental changes have occurred since the new entrepreneurs founded a number of associations to represent their newly formed, specific interests after the end of the communist regime in 1989. There have been no major changes to the membership of these organisations in more recent years.

**Main employer organisations**

The most significant employer organisations in the Czech Republic are SP ČR and KZPS. Smaller private entrepreneurs are organised in the Association of Entrepreneurs of the Czech Republic (Sdružení podnikatelů a živnostníků ČR, SPŽ ČR).

SP ČR was part of KZPS until 1995. It encompasses individual and collective members, associated on the basis of sectoral, branch and regional affiliation. In addition to large companies, the confederation also represents small and medium-sized enterprises (SMEs). The interests of the latter are represented by the Union of Medium-sized Businesses (Unie středního stavu ČR), which is a collective member. Among other members are the:

- Association of Industrial Enterprises of Moravia and Silesia (Společenství průmyslových podniků Moravy a Slezska, SPPMS);
- Czech-Moravian Electrotechnical Association (Českomoravská elektrotechnická asociace, ELA);
- Association of Automotive Industries (Sdružení automobilového průmyslu, Sdružení AP);
- Transport Union (Svaz dopravy ČR, SD ČR);
- Association of the Chemical Industry of the Czech Republic (Svaz chemického průmyslu ČR, SCHP ČR);
- Czech Association of Energy Sector Employers (Český svaz zaměstnavatelů v energetice, ČSZE).

At present, KZPS consists of the following members:

- Association of the Textiles, Clothing and Leather Industry (Asociace textilního-oděvního-kožedělného průmyslu, ATOK);
- Association of Building Entrepreneurs of the Czech Republic (Svaz podnikatelů ve stavebnictví v ČR, SPS);
- Cooperative Association of the Czech Republic (Družstevní asociace ČR, DAČR);
- SPŽ ČR;
- Union of Employers’ Associations of the Czech Republic (Unie zaměstnavatelských svazů ČR, UZS);
- Employers’ Association of Mining and Oil Industries (Zaměstnavatelský svaz důlního a naftového průmyslu, ZSDNP);
- Agricultural Association of the Czech Republic (Zemědělský svaz ČR, ZSČR).

Both employer confederations are represented in RHSD bodies.
Data on the number of workers employed by companies affiliated to employer organisations are, unfortunately, unreliable.

**Trends in employer organisation development**

In the period 2004–2007, a reorganisation of employer organisations took place within the framework of the existing associations. In 2007, the new labour code specified that HLCAs were binding on employers affiliated to employer organisations that have concluded such an agreement; they are still binding if these employers leave the confederation during the time that the collective agreement is valid. This means that it should no longer be possible for certain members of an employer organisation to avoid the binding force of the HLCA by failing to provide the organisation with their consent to conclude it. An unintended consequence of this legislation could have been an increased unwillingness among employers to associate. However, it seems that with the new legal regulation coming into force employer organisations have been more unwilling to bargain collectively.

**Denmark**

**Industrial relations profile**

**Industrial relations**

**Collective bargaining - Coverage and legal parameters**

The coverage rate of collective agreements was 83% in 2008, thus ranking comparably high among the EU Member States. Coverage in the private sector is 73% and 100% in the public sector. The coverage rate has been relatively stable: up until 2007, the rate stood at 85% for several decades. Collective agreements are binding in accordance with the basic agreements reached between the social partners in the private as well as public sector. *Most important levels of collective bargaining for setting of pay and working time* The collective bargaining system is characterised by multi-level regulation and a centrally controlled decentralisation – also referred to as ‘centralised decentralisation’. At national level, DA and LO negotiate a basic agreement (*Hovedaftalen*) and a cooperation agreement (*Samarbejdsaftalen*), which have a longer validity period than the collective agreements at sectoral level. These basic agreements build a framework for bargaining the sectoral agreements by defining fundamental procedural rules – including the right to organise, a peace obligation, cooperation at the workplace or the handling of unfair dismissals.

Based on this framework, most of the collective bargaining on pay, working time and working conditions takes place at sectoral level. The sectoral agreements, in turn, are used as a comprehensive framework that is implemented at company level.
Extension of collective agreements

There is no formal extension procedure for private-sector agreements. Government action, if any, is taken to adopt EU legislation. More importantly, it is the high share of public-sector employees, who constitute about one third of the workforce, as well as the high trade union density and employer centralisation, that provide for the establishment of widely accepted informal standards far beyond those negotiated at companies covered by collective agreements (Scheuer, 1999).

Main mechanisms in wage bargaining coordination

The main pattern of wage bargaining is set by the sectoral agreements; these agreements are, in turn, increasingly supplemented by company agreements. Actual individual pay is set at company level. This relationship between the central and the local level is, as already mentioned, referred to as ‘centralised decentralisation’.

Main trends in collective bargaining

The main trend regarding collective bargaining is a higher degree of decentralisation. A provision in the trend-setting sector agreement – the Industry Agreement – allows the parties at company level to jointly take decisions that are in contrast to some of the provisions of the sectoral agreement – for example, in relation to stipulations on working time. The central parties do not have to sanction this deviation.

Other issues in collective agreements

Collective agreements cover many issues that are not solely related to pay and working time. These issues include sickness pay, maternity leave, children’s sickness and hospitalisation, vocational training, supplementary pensions and cooperation within the company. Training and lifelong learning are also integral parts of the Danish agreements.

Gender equality

The issue of gender equality is not specifically addressed in the sector agreements. Formally, the issue of equal pay was introduced in the agreements of 1973. Since then, the agreements have not distinguished between men and women. However, in 2003, DA and LO published a joint report on gender equality in the labour market which was the result of a bipartite investigation into the gender pay gap. At the bargaining round in 2007, the possibility for paternity leave was tightened. Accordingly, if the father does not make use of the leave he is entitled to, the leave will not be transferred to the mother, as was the case before.
Industrial conflict

Frequency of strikes

Industrial action has fluctuated recently. After a general strike in 1998 on pay and annual leave, no major conflicts have arisen; however, various sectoral conflicts have contributed to a comparatively high number of industrial conflicts between 2000–2004. Nonetheless, compared with the rest of the EU, Denmark’s annual average for 2004–2007 is only moderate in terms of the number of working days lost through industrial action each year. A prolonged strike occurred in the public sector in 2008. The eight-week conflict involved a strike for equal pay, and the protesting workers represented typical female professions in the public sector – such as nurses, social and healthcare workers, nursery school teachers and youth educators. The workers demanded a substantial pay rise for those working in typical female professions, as a means of evening out the gender pay gap.

Main reasons for collective action

Over the last 10 years, strike activity has been particularly prevalent in the meat processing industry, the metal sector and the public sector at regional and municipal levels. The pay issue is the most frequent reason for the strike activity, followed by working conditions and strikes for political reasons.

Application of conflict resolution and arbitration mechanisms

The resolution of conflicts in the collective labour law builds on the distinction between a ‘conflict of rights’ and a ‘conflict of interests’. A ‘conflict of rights’ arises where the matter in dispute is already covered by a collective agreement. In the event of a conflict of rights, there is generally no right to resort to industrial action or a lockout. The only exception that is relevant for employers is a case of lawful sympathetic industrial action or a lockout. If the case concerns a breach of the collective agreement, it must be referred to the Labour Court (Arbejdsretten). On the other hand, if there is disagreement concerning the interpretation of the agreement, the dispute must be settled by an industrial arbitration tribunal (Faglig voldgift). The legal basis for conflict resolution is the Standard Rules for Handling Industrial Disputes from 1910 (Danish abbreviation is Normen). A ‘conflict of interests’ occurs in periods and areas when and where there is no collective agreement in force – in these instances, industrial action, such as strikes, lockouts or blockades, can be taken provided that there is a reasonable degree of proportionality between the goal to be obtained and the means used to obtain it. This freedom applies both to the workers and the employers. Conflicts of interests may occur in connection with the renewal of a collective agreement. In this case, an attempt at mediation is made by the public conciliator (Forligsmanden) in order to avoid further conflict – that is, a general strike.

In addition, conflicts of interests may arise between the trade unions and employers not covered by a collective agreement. During the period when a collective agreement is in force, conflicts of interests could also arise if, for instance, new technology at the workplace creates new work not covered by the existing collective agreement. On both occasions, the trade unions can take industrial action against the employer in order to obtain a collective agreement.
The collective labour law deals primarily with conflicts of rights. Conflicts of interests are mainly of a political-economic nature.

**Tripartite concertation**

Traditionally, the division of labour between the social partners and the government has been relatively clear. The social partners have regulated wages and working conditions through collective bargaining and the government has regulated welfare through legislation, although the social partners in many cases have had influence over the preparation and implementation of legislation. However, this division of labour has been blurred in recent decades in so far as welfare and social affairs have increasingly emerged as issues in collective agreements. Moreover, the policy concertation between the social partners and the government has increased in the form of ad hoc invitations to tripartite cooperation from the government.

**Main issues and results of tripartite concertation**

Examples of tripartite concertation include the following: the employment political reform ‘bringing more people into employment’ from 2002; the Globalisation Council; the Tripartite committee on lifelong learning and qualification and education for all groups in the labour market; the Welfare Commission; and a tripartite agreement on reducing sickness absence. All of these initiatives are aimed at the private sector and were formed in the period 2004–2008. Furthermore, a Tripartite Committee for a Quality Reform in the Public Sector was set up in 2007. The committee is responsible for promoting an increase in the development of competencies in the public sector. In addition, the government established the Family and Working Life Commission in the autumn of 2005, as a response to an intense public debate on workers’ difficulties in trying to reconcile work and family life – especially with respect to working parents. Although the social partners were not direct members of the commission, they secured involvement in the commission’s work and discussions. The commission issued a report in 2007.

**Workplace representation**

Denmark has a so-called single channel workplace representation system, which basically gives the trade unions responsibility for representing employees at the workplace. The main channels of employee representation at workplace level are the shop stewards and the Cooperation Committee – in the public sector, the latter is referred to as the Co-determination Committee (*MED-udvalg*). These committees, or work councils in a broader sense, consist of an equal number of representatives of employees and management. The employee representatives are elected, as is the case with the shop steward. The Health and Safety Committee, along with board member representatives, are other important channels for employee representation. In the public sector, the Co-determination Committees incorporate the health and safety system; hence, it is a one-tier system as opposed to a two-tier system with cooperation committees and health and safety committees, as is the case in the private sector.
The co-influence and co-determination system is based on a framework agreement – the so-called MED agreement. The president of the Co-determination Committees in the public sector is usually the director of the municipality or county, while the vice-president is the joint shop steward.

**Employee rights**

The nationally negotiated basic agreement (*Hovedaftalen*) between LO and DA defines fundamental procedural rules concerning employee rights – including the right to organise, a peace obligation, or the handling of unfair dismissals. In addition, there are two legal regulations that can be interpreted as a basis for industrial action and the employees’ right to strike: namely, Act No. 106 of 26 February 2008 on the Industrial Court and the Industrial Arbitration Courts, which replaced Act No. 183 of 12 March 1997 on the Industrial Court. Conflicts of rights concern disagreement about questions regulated by collective agreements. In such cases, it is unlawful to take industrial action and the peace obligation applies. These conflicts must be solved in accordance with the procedural rules on mandatory conciliation and binding judicial decisions. The peace obligation is one of the most important characteristics of the Danish system. If possible, local conflicts should always be solved at the lowest level – that is, the company level. If this fails, it is followed by conciliation at organisational level. The highest level is the Labour Court or an Industrial Arbitration Tribunal. Decisions made in such instances are legally binding.

**Main actors**

**Trade unions**

**Main trends in trade union density**

The Danish labour market has a tradition of a high degree of trade union membership. This is one of the characteristics of the aforementioned ‘Danish model’, and is historically an effect of the connection to the unemployment funds (*A-kasser*). Nonetheless, in terms of the trend regarding membership, the number of trade union members has been declining steadily since 1996. Comparing figures from 2004 and 2008, there has been a decrease of 11 percentage points, with trade union density falling from 80% to 69%. It is mostly the traditional trade unions organised in the Danish Confederation of Trade Unions (Landsorganisationen i Danmark, LO) that have borne the brunt of the decrease. On the other hand, membership in other trade unions is increasing.

**Most important trade union confederations**

Danish trade unions are demarcated by occupations following the tradition of the guild system. The most important trade union confederation is LO, this was formed in 1898. In January 2008, LO had 1.25 million members, including resting members. In January 2009, this number fell to 1.22 million members, thus confirming the tendency of a steady decrease in membership in the LO-affiliated trade unions.

The largest of the 13 trade unions affiliated to LO are the Union of Commercial and
Clerical Employees (Handels- og Kontorfunktionærernes Forbund, HK) and the United Federation of Danish Workers (Fagligt Fælles Forbund, 3F). The largest LO trade union representing employees mainly working in the public sector is Trade and Labour (Fag og Arbejde, FOA). LO has been formally tied to Denmark’s Social Democratic Party (Socialdemokraterne), via interlinking directorates and financial support, for a long time. However, in 2003, the LO congress cut the last formal bonds to the party.

The second largest trade union confederation is the Danish Confederation of Professionals (Funktionærernes og Tjenestemændenes Fællesråd, FTF), which was founded in 1952 by white-collar trade unions. The confederation has 357,845 members (as at January 2009). FTF’s most important member unions are the Danish Nurses’ Organisation (Dansk Sygeplejerråd, DSR), the Danish Union of Teachers (Danmarks Lærerforening, DLF) and the Danish Federation of Early Childhood Teachers and Youth Educators (Forbundet for Pædagoger og Klubfolk, BUPL) – all of which belong to the regional and municipal sectors – as well as the Financial Services’ Union (Finansforbundet, FF). FTF also consists of several small trade unions, which mainly belong to the public sector.

The third largest confederation is the Danish Confederation of Professional Associations (Akademikernes Centralorganisation, AC). The most significant affiliated associations of AC in terms of membership are the Danish Association of Lawyers and Economists (Dansk Jurist- og Økonomforbund, DJØF) and the Danish Association of Masters and PhDs (Dansk Magisterforening, DM). AC has nine member organisations, some of them consisting of more unions, and has 133,212 members (as at January 2009).

The fourth biggest trade union confederation is the Danish Association of Managers and Executives (Ledernes Hovedorganisation, LH), which has 79,585 members (as at January 2009). LH is considered a confederation even though it does not consist of a number of trade unions any longer. The individual members are direct members of LH.

Main trade union developments

During the last three decades, the tendency has been for small trade unions to merge. Most notable in recent years has been the merger between the General Workers’ Union (Specialarbejderforbundet i Danmark, SiD) and the National Union of Female Workers (Kvindeligt Arbejderforbund, KAD). Learning from earlier unsuccessful merger attempts by other trade unions in the LO federation, the two unions conducted thorough preparations before they put the merger proposal to vote among their respective members. The merger took effect on 1 January 2005 under the new name of 3F. Another main development is the aforementioned decrease in trade union membership. The Danish industrial relations model, as it currently functions, is to a high degree dependent on strong social partner organisations.

Employer organisations

Main trends in employer organisation density

The density of employer organisations in Denmark is relatively high in a European perspective: 83% of all the employees are employed in a company which is member of an employer organisation (Confederation of Danish Employers, 2009).
Most important employer organisations

The biggest employer organisation is the Confederation of Danish Employers (Dansk Arbejdsgiverforening, DA), covering 51% of private employment and 32% of total employment. DA is the main organisation of private sector employers in manufacturing, services, retail trade, transport and construction, representing 13 affiliates with 28,000 member companies employing 665,000 full-time equivalents. In terms of density regarding the number of employees covered, DA covers approximately 90% of all employees within its demarcation. DA has traditionally been very powerful because all collective agreements have to be approved by its managerial board. DA also decides whether member associations can take industrial action regarding collective agreements. It organises substantial funds to supplement member organisations’ costs during work stoppages or strikes. However, in December 2004, the member organisations conceded that DA underwent a major structural change, including a loss of one third of its budget and the shutdown of its regional network. The financial services sector has a high rating in terms of the percentage of organised employees, at 91%. Some 95% of the sector’s employers are organised in the Danish Employers’ Association for the Financial Sector (Finanssektorens Arbejdsgiverforening, FA), covering 59,000 employees. The Danish Confederation of Employers’ Associations in Agriculture (Sammenslutningen af Landbrugets Arbejdsgiverforeninger, SALA) is the main organisation for employers in the agricultural sector, also covering gardening, forestry, dairy and machine contractors. SALA’s four member associations cover some 32,000 employees, which is equivalent to an organisation density of 84%. The most influential employer organisation at sectoral level is the Confederation of Danish Industries (Dansk Industri, DI). Together with the largest bargaining cartel on the trade union side – namely CO-Industri – DI negotiates the Industry Agreement that sets the standard for the rest of collective bargaining in Denmark. DI covers 62% of membership in DA, organising large companies and small and medium-sized enterprises (SMEs) within manufacturing, services, retail trade and transport. Already very powerful, DI merged on 1 May 2008 with the third largest employer organisation, the Confederation of Danish Commercial Transportation and Service Industries (Handel, Transport og Service, HTS). On this date, HTS took seat in the administration of DI and the members were transferred to two new business communities within DI – representing transport and trade – thus enlarging the existing service considerably.

Main employer developments

In contrast to the trade union side, membership density on the employer side has been relatively stable in recent decades.
Industrial relations
Collective bargaining

Estonia is characterised by decentralised collective bargaining with company-level bargaining as the dominant level. Nevertheless, no exact information is collected on the number of company-level agreements. The main sources of information in this regard are the trade unions and the Ministry of Social Affairs (Sotsiaalministeerium), which organises the collective agreements register. However, neither of these sources has comprehensive information on all concluded collective agreements.

The trade unions only have information on agreements concluded by their affiliates and not all of the collective agreements are registered at the Ministry of Social Affairs as no surveillance system exists; thus, no penalties for violations of agreements are issued either. At national level, only minimum wages are negotiated. As noted, sectoral agreements have only been reached in some specific sectors, including transport and healthcare.

Coverage and legal parameters

No recent information is available on the total coverage of collective agreements. The latest survey data on coverage dates back to 2005 when the Working Life Barometer indicated that 25% of employees were working in a company where a collective agreement is concluded. Where a collective agreement is concluded in an enterprise, the collective agreement becomes legally binding – in other words, the undersigned parties have an obligation to follow the agreement and to refrain from striking or a lock-out. However, in reality, cases have arisen where collective agreements are treated more as a voluntary instrument.

Extension of collective agreements

Most commonly, collective agreements only apply to the signatory parties – that is, persons working in the undersigned company or companies. However, according to the Collective Agreements Act, the terms of wages and of working and rest time in collective agreements may also be extended to those not affiliated to the signatory parties if it is a multi-employer agreement. The scope of extension is stipulated in the collective agreement. Such agreements are published by the Minister of Social Affairs in an official journal entitled Official announcements. No other voluntary mechanism applies for extending a collective agreement. The practice of extended collective agreements is not common: only four such agreements have been concluded during 2004–2008.
Other issues in collective agreements

Traditionally, the main issue in collective bargaining is pay. This is followed by working time and rest period regulations, although reductions in working time are not common in collective agreements. Other topics include further training, relations between the employer and the employee, working conditions and the working environment, including the issue of occupational health and safety. It is not possible to assess the exact extent to which training and lifelong learning are dealt with in collective bargaining as no information is gathered on the content of collective agreements. However, based on an expert opinion, these issues are present in collective agreements and they are gaining more importance. Issues of gender equality are generally not addressed in collective bargaining. Gender equality is not a topical subject for Estonian trade unions and thus it is not specifically addressed in collective bargaining. This issue tends to concern European-level discussions and is not transferred to the national collective bargaining agenda.

Industrial conflict

Industrial action is generally uncommon in Estonia and thus the data on strike action remain well below the European average. During 2004–2007, three strikes took place, only one of which lasted more than one hour. The transport sector was affected by all of these strike actions, which involved the railways, airport mechanics and bus transport. So far, only pay issues have led to strike action. According to Estonian legislation, strike action is not allowed before conflict resolution procedures are followed – that is, collective bargaining at the mediation of the National Conciliator (Riiklik Lepitaja). If no agreement is reached, collective action may be taken. Thus far, the mediation procedure has proved rather successful in terms of conflict resolution. In most cases, agreements are reached: of 50 collective labour dispute settlement applications presented to the Public Conciliator during 2004–2007, only three strikes developed.

Tripartite concertation

The system of tripartite concertation is not well institutionalised in Estonia. Social partners seek to participate in political decision making on a regular basis in terms of drafting legislation; however, they are often dissatisfied with their level of inclusion (see, for example,). Regarding health and unemployment insurance, the social partners are members of the supervisory board in the respective institutions: the Estonian Health Insurance Fund (Haigekassa) and the Estonian Unemployment Insurance Fund (Töötukassa). Similarly, the Estonian Qualification Authority (Kutsekoda) is managed on a tripartite basis, with social partner representatives on the supervisory board and the sectoral professional councils. The Kutsekoda is responsible for developing the professional qualifications system in Estonia. The sectoral professional councils are cooperation bodies which implement and develop the qualifications system in the respective sector.
Workplace representation

The law provides for a dual-channel system of employee representation in companies; in other words, trade union representatives and employee trustees may be present in a single company at the same time. While a trade union representative is elected among the trade union members working in the respective establishment, an employee trustee is elected by the employees’ general meeting to represent all employees working in the company. Up until the end of 2006, there was no general representative for all workers; instead, union workers and non-union workers had their own separate representative. According to the Employees Representative Act, collective bargaining and collective dispute resolution are the privilege of the trade unions. If no trade union representative is present in the company, the employee trustee is entitled to conclude collective agreements or represent employees in collective dispute resolution. Employee trustees mainly operate in the area of information and consultation procedures. Trade union representatives are also allowed to participate in this process, regardless of the presence of a general representative.

Main actors
Trade unions

In general, trade union density has shown a continuously decreasing trend in Estonia. According to the Labour Force Survey – and as noted above – trade union membership has declined from 11.1% in 2003 to 7.6% in 2007. This is also reflected in the membership data of the largest trade union confederations. There are two nationally recognised trade unions in Estonia, which in broad terms are divided between blue-collar and white-collar workers. The Estonian Trade Union Confederation (Eesti Ametiühingute Keskliit, EAKL) is the largest trade union organisation and the main partner in national minimum wage negotiations. EAKL has 19 affiliates with 39,185 members in 2007, compared with 47,460 members in 2003. Although a notable membership increase is found among some occupations, such as seafarers, the general trend is still declining. This is mostly explained by the mass redundancies in some economic sectors with high trade union membership, particularly manufacturing. The Estonian Employees’ Unions’ Confederation (Teenistujate Ametiliitude Keskorganisatsioon, TALO) is the second largest trade union organisation in Estonia. TALO mostly represents educational and cultural workers and public servants, with 11 affiliates and 13,009 members in 2007, compared with 16,536 members in 2005.

Employer organisations

The only employer organisation recognised as a national-level social partner is the Estonian Employers’ Confederation (Eesti Tööandjate Keskliit, ETK). As noted, the membership level of ETK has been increasing, from 55 members in 2004 to 93 members in 2007. Some 23 of these members are branch organisations and 70 are individual companies. Nonetheless, the density in terms of employees working in the affiliated companies is estimated to have remained stable at 25%.
Another important organisation representing employers is the Estonian Chamber of Commerce and Industry (Eesti Kaubandus-Tööstuskoda). However, it concentrates on developing entrepreneurship and does not represent its members in collective bargaining.

Finland

Industrial relations
Collective bargaining

During the past four decades, the national incomes policy agreement (tulopoliittinen kokonaisratkaisu, often called tupo) has been a tripartite accord drafted by the government together with trade union confederations and employer organisations. It is a policy document covering a wide array of economic and social issues, such as pay increases, taxation, pensions, unemployment benefits and housing costs, as well as a range of qualitative working life measures. The agreement represents collective bargaining taken to its logical maximum, covering virtually all wage earners. Enforcement of the agreement has been made easier by the generally binding nature of collective agreements. However, the era of centralised incomes policy agreements dating from the so-called ‘Liinamaa I’ agreement in 1968 seems to be coming to an end in the Finnish labour market. EK has announced that sectoral, company and even individual-level bargaining will be the negotiation models of the future.

The 2007–2008 collective bargaining negotiations were concluded at sectoral level. The comprehensive change-over to sectoral-level agreements ends the long era of central agreements, which continued uninterrupted for nearly 40 years – with a few exceptions.

Coverage rate and extension of collective agreements

The collective bargaining coverage rate has been about 90% in the past 10 years; in fact, it has been nearly constant since 1990. Collective agreements have a generally or universally binding nature. Since 1971, a principle of general applicability of collective agreements has been in effect in Finland. According to this principle, employers that are unorganised in terms of collective bargaining also have to comply with the national agreements that concern their field of economic activity. The generally binding nature of a collective agreement depends on various factors, especially the organising rate of the employers and employees in the sector concerned. Since 2001, a public authority (commission) formally decides whether collective agreements are generally binding. The decision of this commission may be appealed at the Labour Court (Työtuomioistuin), the decision of which is final.

The decision regarding the general validity is published in the Regulations Collection maintained by the authorities, and agreements confirmed as generally binding are available free of charge on the Internet in a list of generally binding collective agreements. All collective
agreements with erga omnes applicability are documented in the official register by the Ministry of Employment and the Economy (Työ- ja Elinkeinoministeriö, TEM). An agreement is generally applicable if it can be considered representative of the field in question. The criteria for representativeness are evaluated based on statistics that measure the general applicability of collective agreements, the established practices of agreements in the field and the organisation rate of the negotiating parties. The aim of the system of general applicability to guarantee minimum conditions is also taken into consideration.

**Wage coordination**

Finland has traditionally had a high level of wage coordination. National coordination has taken place in the incomes policy agreements, which set the minimum for wage increases. Legally binding collective agreements are negotiated at sectoral level according to the national framework agreement. Sectoral trade union organisations and their local shop stewards monitor the implementation of the agreements. During the last sectoral bargaining round, the pay increases generally followed the benchmark settled in the chemicals and metalworking sectors.

**Other issues in collective agreements**

Two important recent trends in collective bargaining are the extension of flexible working time arrangements and an increase in the proportion of locally bargained pay rises. Finland’s pay increase structure has traditionally been dominated by general wage increments, while the proportion of locally bargained pay rises has been relatively insignificant. However, in 2008 and 2009, the latter share could cover a quarter of workers in the private sector, providing for almost half of the overall pay increase agreed. The financial services sector and technology industry have been among the economic sectors leading the way in terms of locally bargained wages.

**Industrial conflict**

Some 89.68 working days per 1,000 employees were lost through industrial action each year, based on an annual average for 2004–2007, which is clearly more than the EU27 average of 37.47 days. In 2005, 672,904 working days were lost due to prolonged industrial action in the paper industry. Mediation and conciliation of labour disputes is regulated by the 1962 Mediation in Labour Disputes Act. A national conciliator deals with national disputes, while one of five district conciliators considers regional disputes. In some cases, employers and trade unions agree to Labour Court arbitration instead. In principle, it is possible to reach a collective agreement by arbitration, but so far this option has been rarely used.

**Tripartite concertation**

An emerging trend during the most recent incomes policy agreements was the so-called continuous negotiation system. Under this system, the social partners took charge of different kinds of joint projects and working groups during the agreement period. Through continuous negotiation, the signatory parties launched several mutual projects to improve working life. In
this way, the framework of working life can be enhanced through joint development projects and by highlighting best practices. The scope of the continuous negotiation system includes matters that should be considered on a bipartite basis between employer and trade union representatives or on a tripartite basis, encompassing the government as well.

**Workplace representation**

Workplace representation is organised as a single-channel system. The rights of information and consultation are expressed through workplace trade unions. Workplace representation density in companies is high; more than 80% of employees are covered by workplace trade unions.

**Employee rights**

As noted, the legal framework for collective bargaining is the Collective Agreements Act (*Työehtosopimuslaki*) of 1946, which is complemented by basic agreements between trade union confederations and employer organisations.

The Labour Court monitors the implementation of collective bargaining. Under the existing law, the court hears and tries legal disputes arising out of collective agreements or collective civil servants’ agreements, or out of the Collective Agreements Act or the Act on Collective Civil Servant Agreements.

**Main actors**

**Trade unions**

The recession in Finland in the early 1990s resulted in peak years in trade union density rates. Otherwise, union density has been stable at over 70%. During the past 15 years, the General Unemployment Fund (Yleinen työttömyyskassa, YTK), founded in 1992, has gained popularity and its membership stands at 300,000 persons.

**Main trade union organisations**

The three main trade union confederations are SAK, the Finnish Confederation of Salaried Employees (Toimihenkilökeskusjärjestö, STTK) and the Confederation of Unions for Academic Professionals in Finland (Akateemisten Toimihenkilöiden Keskusjärjestö, AKAVA). SAK, which was founded in 1907, is the largest trade union confederation in Finland. Its 22 affiliated member unions have 1.04 million members in the private and public sectors. Nearly half of the members (480,000) work in manufacturing industries, while 324,000 members are employed in the private services sector, and 240,000 are in the public sector. STTK, established in 1946, has 640,000 members in 20 trade unions. It is the confederation for unions of professional employees in a wide range of economic sectors: manufacturing, private services and the public sector at local, regional and national level.

The biggest member groups include nurses, technical engineers, police officers, secretaries, institute officers and salespersons. AKAVA, set up in 1950, has 33 member unions representing workers with university, professional or other high-level education. It was formed by 33 affiliates and has about 540,000 members. AKAVA’s bargaining rights for the public
sector are handled by its Public Sector Negotiating Commission (Julkisalan koulutettujen neuvottelujärjestö, JUKO). The Delegation of Professional and Managerial Employees (Ylempien Toimihenkilöiden Neuvottelujärjestö, YTN) conducts private sector bargaining for AKAVA.

**Trends in trade union development**

In the future, the demographic transition and the trend in working life development will lead to a diminishing number of members in SAK. On the other hand, AKAVA has succeeded in increasing its membership by 12,000 new members a year in recent times. Various attempts are being made to merge a number of trade unions in Finland. A protracted merger process concerning six trade unions, affiliated to SAK, aims to form the Union for Professionals in Technology (Teknologian ammattilaisten unioni, TEAM). Meanwhile, seven SAK-affiliated trade unions in the transport sector are planning to form a joint trade union in the field of logistics. The new union would comprise: the Finnish Transport Workers’ Union (Auto- ja Kuljetusalan Työntekijäliitto, AKT), the Finnish Aviation Union (Ilmailualan Unioni, IAU), the Finnish Cabin Crew Union (Suomen Lentomäättä- ja Stuerttiyhdistys, SLSY), the Finnish Post and Logistics Union (Posti- ja logistiikka-alian unioni, PAU), the Finnish Seamen’s Union (Suomen Merimies-Unioni, SMU), the Railway Salaried Staff Union (Rautatievirkamiesliitto, RVL) and the Finnish Locomotive Drivers’ Union (Veturimiesten liitto, VML). At the same time, four trade unions affiliated to STTK are progressing towards a merger. A new trade union with 190,000 members is due to start operations from the beginning of 2010. The project includes the Union of Salaried Employees (Toimihenkilöunioni, TU), the Federation of Special Service and Clerical Employees (Erityisalojen Toimihenkilöliitto, ERTO), the Media Union (Mediaunioni, MDU) and the Trade Union Suora (Ammattiliitto Suora).

**Employer organisations**

**Private sector**

According to administrative data, employer organisation density (72%) is higher than the EU27 average. EK is the leading business organisation. It was created by merging the Confederation of Finnish Industry and Employers (Teollisuuden ja Työnantajain Keskusliitto, TT) and the Employers’ Federation of Service Industries in Finland (Palvelutyönantajat, PT). Like the trade union central organisation, SAK, the employers’ central organisation also dates from 1907. EK represents the entire private sector and companies of all sizes. Member companies represent:

- more than 70% of Finland’s GDP;
- more than 95% of Finland’s exports;
- 35 branch associations;
- about 16,000 member companies, 95% of which are small and medium-sized enterprises (SMEs);
- about 950,000 employees in member companies.

Other private sector employer organisations include the:

- Federation of Agricultural Employers (Maaseudun Työnantajaliitto, MTL), which negotiates collective agreements for 12,000 workers in the agricultural sector;
• Federation of Finnish Enterprises (Suomen Yrittäjät, SY), with 106,000 members – most of them SMEs. It was founded in 1996. It is not a negotiating party in collective bargaining.

**Public sector**

In the public sector, social partners have the same rights and obligations as in the private sector to negotiate collective agreements. The right to strike has been in place since 1971. Employer organisations in the public sector include the:

• Commission for Local Authority Employers (Kunnallinen työmarkkinatalous, KT), which negotiates and concludes collective agreements for municipalities and federations of municipalities employing 428,000 people. Membership of employer organisations is compulsory in the public sector;

• State Employer’s Office (Valtion työmarkkinatalous, VTML), which negotiates and concludes collective agreements for the 122,000 employees working for the state;

• Church Employers (Kirkon työmarkkinatalous, KiT), which represents the Lutheran Church of Finland as an employer and negotiates a collective agreement for about 22,000 employees working for the parishes.

**France**

**Industrial relations profile**

**Collective bargaining**

Negotiations can be carried out at all levels of economic activity, provided that some recognised actors take part in the negotiations. The structure of the bargaining levels is pyramidal, and statute law plays a pivotal role. Operations between the different levels used to be organised on the principle of favourability towards the employee (*principe de faveur*) – that is, the lower level has to provide at least what had been agreed at a higher level. As long as the law is respected, the decentralised levels have more autonomy to negotiate wages and working time and more flexibility in general issues concerning the relationship between employer and worker. Some collective agreements, often framework agreements, can be signed at national level. After a decline in multi-sector bargaining in the 1970s and 1980s, it has been relaunched in the 1990s, although to a limited extent and concentrating on specific topics, such as vocational training and employment measures. The lower bargaining levels are the more frequently used. The traditional level has long been the company level, certainly for negotiating collective agreements of general significance. Sectoral bargaining covers only SMEs. Many larger companies have a company agreement. Regional-level bargaining is rare, but some economic sectors – such as metalworking and construction – engage in local and regional bargaining. More recently, a significant movement towards negotiating company-level
agreements started in the area of wages and reduced working time. The 2004 Fillon law encouraged this move towards company-level negotiation by approving derogation agreements. Collective bargaining coverage is very high in France. About 90% of workers are covered by a collective agreement. This is because collective agreements are easily extended to entire sectors of activity and/or to different geographical regions or other economic sectors. The government can extend collective agreements at the request of one of the bargaining parties. Such extensions decided by a public authority have been used in different branches to level advantages given to workers and to avoid competition. These extensions of agreements have historically been used to improve working conditions. As a consequence, even companies that are not members of an employer organisation but have signed an agreement are covered by a sectoral agreement once it has been extended by the government.

Other issues in collective agreements

On 2 July 2008, the French employer organisations and trade union confederations reached an agreement to transpose the European framework agreement on work-related stress, signed in October 2008 by the European social partners. Multi-industry negotiations on physical strain at work, which restarted in 2007 after being suspended for a year, finally broke down in July 2007. In October, negotiations on vocational training got underway but did not finish by the end of 2008, despite orders from the government for them to be completed. In September 2008, multi-industry negotiations got underway on jobs and skills planning, ending on 14 November with a draft agreement. The trade union organisations are, however, holding back from signing it while awaiting the completion of two other negotiations on vocational training and unemployment benefit. At sectoral level, a major collective agreement on age and employment discrimination for older workers in banking in July 2008 gave a fresh boost to the faltering application of the national multi-industry agreement on employing older workers, dating back to October 2005.

Several collective agreements in the civil service were also signed. In February 2007, a number of trade unions representing the civil service at national and local levels, as well as in public sector hospitals, signed each an agreement guaranteeing civil servants’ purchasing power. However, none of the trade unions signed the government’s draft agreement on the general salary rise. Salaries were raised by decree in April 2007 after the government had increased the national minimum wage (salaire minimum interprofessionnel de croissance, SMIC). In June 2008, six of the eight trade unions representing civil services employees, with the exception of CFTC and CGT-FO, signed an agreement to renew social dialogue. This has been partly inspired by the ‘common position’ on new trade union representativeness and collective bargaining rules, which was taken at multi-industry level in the private sector and reached on 10 April 2009.

Industrial conflict

The characteristics of the French industrial relations system contribute to a discordant atmosphere. Due to the lack of coordination between the state and the social partners, as well as between and within the social partner organisations, strikes are frequent in France. The strike indicator in France is higher than the European average since a significant number of working days are lost due to the considerable number of employees involved in different
strikes. However, the number of strikes has declined in recent years and the current strike indicator is only slightly higher than the EU average.

Most of the strikes occur in the public sector and especially in the public transport sector. Another feature of the strike pattern is the growing importance of wider employment issues as motives, such as working time, restructuring and downsizing. About 80% of strikes are initiated by trade unions and 20% can be defined as unofficial (at the beginning). Lastly, trade unions use mass demonstrations accompanied by one-day strikes as a major strategy to put pressure on the government. For example, in February and March 2005 several hundred thousand people rallied in the streets of Paris to put forward their demands regarding pay, employment and the 35-hour working week. Although there is little legislation on strikes, there are elaborate procedures for settling disputes, but these procedures are rarely used in practice. The most recent statistics on strike action published by the Ministry of Labour are for 2006 and therefore do not allow for an analysis of recent trends. In 2006, strike action occurred in 1.9% of companies with over 10 employees; this constituted a decline compared with the 2005 figure of 2.7%. The number of working days lost due to strike actions in 2006 amounted to 1,415,000 days, which is 23% fewer working days lost than in 2005. However, this figure does not include strike actions in the civil service, where traditionally a higher proportion of industrial conflicts occur.

In 2008, the trade unions organised several days of nationwide strike action. Several days of strike action were organised to protest against the government’s plans to increase the retirement age and to dismantle the 35-hour working week, specifically on 15 April, 22 May and 17 June. On 22 May, following a call to strike by the five representative trade union confederations, joined by the independent union organisations FSU, UNSA and SUD, 700,000 people protested in 153 towns across France, according to trade union data – 300,000 people according to official figures. On 17 June, demonstrations called by CGT, CFDT, FSU and SUD brought together 500,000 protesters, according to the trade unions. Although the large-scale retail sector is normally little affected by strike action, three trade union organisations called for a strike on 1 February 2008. According to the trade unions, 80% of workers in hypermarkets and 65% in supermarkets went on a one-day strike calling for better pay and the payment of breaks. However, the employer organisations disputed these figures and stated that only 4.5% of workers in the sector went on strike.

**Tripartite concertation**

The main tripartite body through which employer and trade union confederations can hope to influence government policymaking are purely consultative: the Environmental, Economic and Social Council (Conseil économique, social et environnemental, CESE). CESE comprises representatives of employer and trade union confederations, as well as other interest groups such as consumers, and qualified individuals nominated by the government.

This type of consultation – or social democracy (*démocratie sociale*) – remains underdeveloped and is essentially limited to the state testing the strength of opposition to its policies. CESE appears to be a body through which the government explains and informs employers and trade unions about its policies, rather than a body with whom a genuine consensus is sought. France must be characterised as a country with low concertation. Consultation (of a non-binding nature) runs high only in periods of big social reforms, for instance, the pension reform of 2003 and the health insurance reform in 2004.
Nonetheless, the social partners are still heavily involved in the management of certain social security provisions, such as public health insurance, unemployment benefits and social welfare boards. The social partners also play a central role in the supplementary private health insurance system (mutuelles) and pension plans. They are involved in the system of vocational training. The national system of policy concertation is complemented by a tripartite social dialogue in development at the regional or local level. However, French business has increasingly criticised these forms of tripartism in the past decade. Therefore, MEDEF currently has a policy of selective disengagement and withdrawal from these joint steering roles. Nevertheless in 2008, multi-industry negotiations stepped up as a result of the government’s order to negotiate a number of issues and the social and employment law reforms.

On 11 January 2008, the employer organisations and four of the five trade unions (with the exception of CGT) signed an agreement on ‘modernising the labour market’. The agreement introduced French style ‘flexicurity’, with employment contracts being made more flexible in exchange for employees keeping some of their rights in the event of their employment contract being terminated. On 16 December 2008, the employer and trade union organisations reached an agreement on unemployment benefits, which introduced a single benefit pathway. In exchange for a reduction of the minimum eligibility period, the agreement makes provision for a reduction in contributions from July 2009. However, the agreement is not yet valid, as it is only supported by one trade union confederation, notably CFDT, with the other four refusing to sign it and calling for fresh negotiations.

Moreover, the institutionalised system of the parity principle (paritarisme) in social security agencies, industrial tribunals and social welfare boards is, although diminished, not abolished and is even strengthened in the field of vocational training. Parity is an organisational principle implying strictly joint decision-making mechanisms in which the representatives of two groups with differing interests (employers and workers) carry equal weight. The parity principle – although criticised by French business – is maintained as an important value of the state bureaucracy running social affairs.

The 2007 Law on modernising social dialogue (in French) established compulsory consultations before the government can pass any reforms on:

- individual and collective industrial relations;
- employment;
- vocational training.

All such reforms would come within the remit of national cross-sector collective bargaining. However, other reforms, which have an indirect impact on labour regulations – such as social protection and tax policies – appear to be excluded from this procedure, as are reforms at sectoral level.

The new law stipulates that any proposed reform in the field of industrial relations, employment and vocational training should first be subject to consultations with the national-level representatives of trade unions and employer organisations. The government will provide these bodies with a policy document, which presents ‘diagnoses, objectives and principal options’. The social partners will then be able to indicate whether they intend to embark on negotiations and how much time they need in order to reach an agreement. This procedure will not apply in ‘emergency situations’; in such cases, the government would have to justify its decision, which can be legally challenged.
When drawing up a draft law following the consultation procedure, the government is not obliged to adopt the content of a collective agreement as it is. However, depending on the issue at hand, it must submit the bill to:

- the National Collective Bargaining Commission (Commission nationale de la négociation collective, CNNC) for reforms concerning industrial relations;
- the Higher Employment Committee (Comité supérieur de l’emploi, CSE) for reforms in relation to employment;
- the National Council for Lifelong Vocational Training (Conseil national de la formation professionnelle tout au long de la vie, CNFPTLV) for reforms with regard to training.

The social partners that are represented in these bodies have therefore the possibility of assessing whether or not the government’s proposals are in line with the relevant collective agreement and, if necessary, to give their opinion.

According to the new law, the government has to present to the CNNC each year the main policy orientations in the areas concerned, as well as its programme of reforms for the next year. At the same time, the social partners must outline the state of progress of cross-sector collective bargaining and their planned programme for the year ahead. Furthermore, the government must present to the parliament an annual report on the state of consultations in the past year.

**Workplace representation**

According to the European Social Survey, about 72% of workers state to have a trade union representation or similar body at the workplace. This is a high proportion compared with the European average.

There are many structures for employee representation. Representation about most issues is provided by two separate elected bodies:

- employee delegates (*délégués du personnel*) – they should be elected by all workers in all establishments with more than 10 employees and are responsible for presenting individual and collective grievances to management and ensuring the implementation of legislation and collective agreements;
- works councils, either at company level (*comité d’entreprise*) or at establishment level (*comité d’établissement*). They should be set up in private sector companies with more than 50 employees. They comprise the head of the company and employee representatives, who are elected by the whole workforce every two years. Works councils receive information from employers in areas such as the economic and social evolutions and new technologies. They also respond to formal consultations by employers in areas such as redundancies and vocational training, and are responsible for managing social and cultural activities, for which they have a budget. In a multi-establishment company or in a group of companies, works councils also form a central works council (*comité central d’entreprise*) or a group-level works council (*comité de groupe*), which enjoy similar rights to those of ordinary works councils.

Usually, the employee delegates and the works council are separate institutions, although the same people can be elected to both. Furthermore, under specific conditions the institutions of works council and employee delegates can merge their responsibilities to form a single entity, known as the unique delegation (*délégation unique*). This is allowed when the establishment comprises between 50 and 200 employees. A separate committee deals with
health and safety issues. Individual workers have the right of expression about their working conditions. The exact form in which this right is exercised is left to local negotiations with the trade unions, but might involve occasional meetings of groups of workers with their supervisors. Since 1968, trade union rights have been recognised in companies and trade unions have been entitled to appoint union stewards (délégués syndicaux), who have the power to negotiate and sign collective agreements at company level – a power the other worker representation bodies do not have. Agreements require the signature of only one trade union steward to be valid for all employees, even if the signatory trade union is a minority one. However, the new Fillon law on collective bargaining has introduced procedures allowing a major union to contest these minority agreements. Legislative measures have recently been taken to loosen the rules of representation for SMEs. Employees under the age of 26 years will no longer be counted to determine if a company’s workforce reaches the thresholds of mandatory elections for a worker delegation (11 employees) or a works council (50 employees). The terms of office for the elected representatives are extended from two to four years.

France has one of the most developed patterns of employees’ financial participation. The number of employees covered by profit-sharing or capital-sharing schemes is high. Company agreements form the basis of this elaborate system. However, board-level participation is rare.

Employee rights

Numerous social and employment law developments occurred in 2008, after the election of Nicolas Sarkozy as President in May 2007 and the implementation of his policy agenda. A law ‘promoting purchasing power’ that was passed on 31 January 2008 enables employees to opt for a financial payment instead of opting for a reduction of the working day (Réduction du temps de travail, RTT). On 1 May 2009, a new version of the French Labour Code came into force and constitutes a simplified version of the former code).

In July 2008, the French parliament adopted a law on ‘renewing social democracy and working time reform’, which is partly based on the multi-industry agreement known as the ‘common position’. The law changes the rules of collective bargaining, in particular for validating agreements and trade union representativeness. It also challenges the 35-hour working week. The trade unions have strongly disputed this law.

In November 2008, the French parliament adopted a social security funding law. The law includes workplace-home travel expenses benefits, more stringent early retirement access conditions and the option for employees to continue working until the age of 70 years. On the same day, the French parliament adopted a law promoting work income according to which the statutory minimum wage (SMIC) will be increased every year on 1 January from 2010 onwards. A law was also adopted launching the ‘active solidarity income’ (Revenu de Solidarité Active, RSA) funded by an additional contribution on property and investment incomes.

Main actors

Trade unions

Trade union membership is quite low in France. Trade union density has fallen to 8%, according to data from the Centre for Employment Studies (Centre d’Études de l’Emploi, CEE) (Amossé and Wolff, September 2009). Another way to measure the support for trade unions is to compare the workplace social election results. Trade union presence in the
workplace is high in large companies, but very low in smaller ones. The highest trade union membership rates are to be found in the public sector. Trade unions are mostly organised at sector or branch level and grouped in several confederations. There are five main trade union confederations with membership across the entire economy – the General Confederation of Labour (Confédération générale du travail, CGT), the French Democratic Federation of Labour (Confédération française démocratique du travail, CFDT), the General Confederation of Labour – Force ouvrière (Confédération générale du travail - Force Ouvrière, CGT-FO), the French Christian Workers’ Confederation (Confédération française des travailleurs chrétiens, CFTC), and the French Confederation of Professional and Managerial Staff – General Confederation of Professional and Managerial Staff (Confédération française de l’encadrement – confédération générale des cadres, CFE-CGC) – all considered to be representative at national level. This status automatically gives representative trade unions the rights to negotiate, to nominate candidates for elections and to have seats in some of the social security bodies, which are directed by the social partners. There are also other trade union confederations, which have significant influence but do not have a representative status at national level. These so-called autonomous trade unions are the National Federation of Independent Unions (Union nationale des syndicats autonomes, UNSA) (the more reformist union), the Independent Union – Solidarity, Unity, Democracy (Solidaire, Unitaire, Démocratique, SUD) (the more radical union) and the United Union Federation (Fédération syndicale unitaire, FSU) (essentially present in the national education sector).

Trade union representativeness

The rule determining which trade unions are considered as representative (providing them extensive rights as mentioned above) has recently been changed. Formally, in accordance with the government decree of 31 March 1966, five trade union confederations were considered to be representative at national level: CFDT, CFE-CGC, CFTC, CGT and CGT-FO. These confederations are authorised to negotiate and sign nationwide, sectoral and company-level agreements. This has recently changed. On 10 April 2008, two employer organisations, MEDEF and the General Confederation of Small and Medium-sized Enterprises (Confédération générale des petites et moyennes entreprises, CGPME), and two trade union confederations, CGT and CFDT, signed a ‘common position’ on social dialogue, basing trade union representativeness on the results of workplace elections.

In 2008 and 2009, in order to prepare for these changes, two trade union confederations, CFE-CGC and UNSA, discussed the conditions of a merger. For sectoral negotiations in the telecommunications sector (applicable to employees governed by private law), only the five trade union confederations are considered to be representative and take part in the aforementioned negotiations. Prior to the Fillon law of 2004, an agreement was valid even if signed by one trade union confederation only. Since then, a sectoral agreement is only valid if the majority of the representative trade unions at sectoral level do not oppose it – in other words, three trade union confederations out of the total of five. At company level, trade unions representing the majority of employees at the last workplace elections had a right of opposition. Trade unions recently made use of this right of opposition in two companies in the sugar production sector. Sectoral or company-level agreements are only valid if signed by trade unions representing together the majority of employees. In the common position reforming the
rule concerning the representativeness of trade unions in 2008, it has been decided that the majority rule would be abolished in five years time. Then, a trade union will have to obtain at least 10% of the votes in workplace elections in order to be representative and to be allowed to participate in company-level bargaining. This threshold has been set at 8% for bargaining at sectoral and national levels.

Each trade union confederation communicates the number of its members; it is therefore difficult to access real membership figures. Moreover, the majority of trade unions do not wish to divulge information on their membership numbers.

For most of the post-war period, the trade union movement has been ideologically divided between the communist-inspired and militant CGT and the more left-reformist CFDT. Although periods of unity have been achieved between CFDT and CGT, division has been the rule. Recently, the trade union movement in France has experienced a sharp decline in membership numbers and influence. For example, voter turnout in works council elections has declined continuously since the 1960s, while non-union candidates have gained considerable support in these elections over the years.

As a consequence of these weaknesses, the trade union movement encounters organisational and financial problems. New trade unions and other non-governmental organisations (NGOs) have been established as channels of social protest and social movement competitors for the trade unions. As a result, the financing and institutionalisation of the trade unions within the French socio-political system are a matter of discussion in the hope of restoring trade union pluralism as a positive societal factor for the entire population.

Table 3: Representative trade union confederations in France

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Translated name</th>
<th>Ideological roots</th>
<th>Founding date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGT</td>
<td>General Confederation of Labour</td>
<td>Communist origins</td>
<td>1895</td>
</tr>
<tr>
<td>CFDT</td>
<td>French Democratic Confederation of Labour</td>
<td>Christian-Democratic origins, reformist trade union</td>
<td>1919</td>
</tr>
<tr>
<td>CGT-FO or FO</td>
<td>Workers’ power</td>
<td>CGT dissidents, reformist, but radicalised trade union</td>
<td>1948</td>
</tr>
<tr>
<td>CFTC</td>
<td>French Christian Workers’ Confederation</td>
<td>Dissidents from CFDT, when this trade union abolished its Christian roots</td>
<td>1964</td>
</tr>
<tr>
<td>CFE-CGC</td>
<td>General Confederation of Professional and Managerial Staff</td>
<td>Sole occupational confederation</td>
<td>1944</td>
</tr>
</tbody>
</table>
Employer organisations

In contrast with the trade unions, employer organisational density is quite high (Traxler, 2004). Three out of four employers are members of an employer organisation. MEDEF, which is the main employer organisation, is a multi-layered confederation of sector and territorial organisations bringing together companies with more than 10 employees. MEDEF directly organises 87 federations that cover some 600 associations and 165 regional organisations. There is no direct company membership at the confederation level. MEDEF has been established in 1998 and succeeded the former National Council of French Employers (Conseil national du patronat français, CNPF). Two smaller employer associations are worth mentioning. Small and medium-sized enterprises (SMEs) are represented by the General Confederation of Small and Medium-sized Enterprises (Confédération générale des petites et moyennes entreprises, CGPME) and self-employed craft workers by the Craftwork Employers’ Association (Union professionnelle artisanale, UPA). These two employer organisations played a significant role in reducing working time in small and very small enterprises in 2002. In 2001, an employer organisation has been created in the not-for-profit sector, namely the Council for Businesses, Employers and Trade Associations in the Social Economy (Conseil des entreprises, employeurs et groupements de l’économie sociale, CEGES). As is the case for workers, membership of employer organisations is voluntary in France.

The number of members is given by each employer organisation; it is therefore difficult to access real figures. The majority of employer organisations do not wish to divulge information on their membership.

Germany

Industrial relations

Collective bargaining

The dominant level of collective bargaining is the sectoral level. Sectoral bargaining usually takes place at regional level – that is, at the level of the federal states (Länder) – and some regions have the role of the pace setter in collective agreements. Negotiations at national level are rather rare. In 2008, 46.8% of all valid collective agreements were company level agreements (Institute of Economic and Social Research, 2008), but they cover only a small minority of employees. What is the coverage rate of collective agreements?

Collective agreement coverage

Between 1998 and 2007, bargaining coverage dropped by 13 percentage points in western Germany (from 76% to 63%) and by 9 percentage points in eastern Germany (from
63% to 54%), according to the establishment panel data of the Institute for Employment Research (Institut für Arbeitsmarkt- und Berufsforschung, IAB) (Ellguth and Kohaut, 2008). In 2007, about 56% of all employees in western Germany and 41% of employees in eastern Germany were covered by sectoral collective agreements.

Company-level agreements covered 7% of employees in western Germany and 13% of employees in eastern Germany. Figures show striking regional differences in the coverage rate of establishments: In 2007, 36% of all western German and about 20% of all eastern German establishments were covered by a sectoral agreement.

Legal parameters

Collective agreements are directly binding for all members of the bargaining parties concerned, according to Article 3, Paragraph 1 of the Collective Agreements Act (Tarifvertragsgesetz) – that is, all employees who are members of a trade union and all companies who are members of an employer organisation.

Extension of collective agreements

According to Article 5 of the Collective Agreements Act, the Minister of Labour and Social Affairs may issue an order imposing extension only if the following preconditions are met:

- the trade union or employer organisation signing the agreement, or both, must have applied for such an extension;
- the employers bound by the collective agreement in question must together employ at least 50% of all employees working in the occupational and geographical area covered by the agreement;
- the procedure must be deemed to be ‘in the public interest’;
- a ‘committee on orders imposing extensions’ consisting of three trade union and three employer representatives (from other industries) must have approved the application by a majority of at least four votes.

Since 1999, the Federal Ministry of Labour and Social Affairs (Bundesministerium für Arbeit und Soziales, BMAS) is enabled to declare under certain conditions wages and working conditions to be generally binding by a ministerial directive thus circumventing the ‘committee on orders imposing extensions’. Out of 64,300 collective agreements registered with BMAS (Allgemeinverbindliche Tarifverträge) in 2008, a total of 640 agreements have been extended. Out of these, only 186 agreements covered eastern Germany.

No legal mechanisms exist for the application or extension of the terms of collective agreements. However, according to the IAB establishment panel data, about 27% of all west German and about 22% of all east German establishments voluntarily take sectoral collective agreements as wage pattern (Ellguth and Kohaut, 2008). There is no explicit wage bargaining coordination at national level.
Trend towards decentralization

There is a trend towards decentralisation of collective bargaining as collective bargaining coverage of branch-level agreements declines. Since the 1990s, the German system of collective bargaining also saw a continued extension of so-called opening clauses into sectoral collective agreements. These allow under certain conditions to diverge from collectively agreed standards. This usually requires the consent of both trade unions and employer organisations. According to the 2005 works council survey by the Institute of Economic and Social Research (Wirtschafts- und Sozialwissenschaftliches Institut, WSI) within the Hans-Böckler Foundation (Hans-Böckler Stiftung), some 75% of establishments with 20 and more employees made use of opening clauses.

Other issues in collective agreements

Apart from pay, the most important issues have been working time, including flexible working time arrangements and working time accounts. Health and safety has also been considered in a number of cases as, for example, in a new collective agreement for the steel industry in 2006. In addition, the parties in the steel industry agreed on a collective agreement on ‘demographic change’. This issue was also catered for in a collective agreement in the chemicals industry in 2008. This included ‘demography analyses’ at company level and health prevention measures for older workers.

Triggered by risks of plant closures and redundancies, IG Metall and ver.di have in several cases negotiated a new type of collective agreement (Sozialtarifverträge) to regulate plant closures or relocations of sites. These agreements usually provide for the transfer of employees to ‘job creation’ agencies, training, and redundancy payments.

Lifelong learning and training other than vocational training are rather new issues addressed by collective bargaining. In 2001, IG Metall and the employer organisation of Baden-Württemberg concluded a collective agreement on training, which was meant to be pattern setting. By now, there are agreements on training in various sectors. In the metalworking sector, collective agreements address issues such as demand assessment, learning arrangements, and costs and working time of training. In the chemicals sector, collective agreements rather focus on interplant provisions of further and vocational training (Bahnmüller, 2007).

Issues of gender equality have been rarely directly addressed in collective agreements. Typically, gender equality is reduced to the theme of work-life balance and is issued as a matter of working time flexibility (Klenner, 2005).

Industrial conflict
Frequency of strikes

The Federal Employment Agency (Bundesagentur für Arbeit, BA) does not record any statistics on the number of strikes or lock-outs, but it issues data on the number of affected establishments, the days not worked because of industrial action and the number of employees involved. Industrial actions lasting less than a day or actions involving less than 10 workers are not reported. Federal statistics and trade union strike statistics thus provide substantially different figures.
The overall level of strike action in Germany is low compared with other European countries. The relative volume of industrial action – that is, days not worked (DNW) per 1,000 employees – was on average 4.6 days a year over the period 2000–2007, according to the official BA records. On average, 3.4 out of 1,000 employees were involved in industrial action a year in the period 2000–2007.

However, the most important form of official strike action in Germany, in terms of frequency and workers’ involvement, is the so-called warning strike (“Warnstreik”) – a short token strike to demonstrate the determination of the trade union and its ability to mobilise. These strikes which may involve a great number of workers are often not fully recorded.

Sectors involved

The sector most frequently involved in strike action is the metalworking sector. Due to a great number of warning strikes, employees in this sector accounted for two thirds of all workers on strike over the period 1990–2007. Strike activity has also increased in several services sectors, such as in retail trade, financial services and healthcare sectors. In the current decade, the public sector, telecommunications, railway and the retail trade sectors have seen the longest lasting strikes for decades in Germany.

Main reasons for collective action

Reasons for strike actions were either collective bargaining demands or defending given employment standards. Most strikes were triggered by wage demands, but in the public sector they were also spurred by the employer demand to extend working time.

A number of disputes at company level were triggered by plans to relocate or close production at a site. As strikes are only legal in Germany for reasons that can be regulated by collective agreement, IG Metall tabled demands for collective agreements (Sozialtarifvertrag) to regulate relocations and plant closures. The most prominent of these disputes took place at Electrolux’s AEG site in Nuremberg.

A rather new development in post-war Germany has been strikes by small occupational trade unions bargaining for selected professions. Examples in this regard were disputes involving pilots, hospital doctors and engine drivers.

Conflict resolution and arbitration mechanisms

In many sectors, trade unions and employer organisations have concluded a joint dispute resolution agreement (Schlichtungsvereinbarung). Such resolution agreements usually define when the peace obligation expires and therefore when a trade union can call an official strike. If negotiations for a new collective agreement fail to achieve any result, the bargaining parties can apply to the agreed joint dispute resolution procedure (Schlichtung) to prevent the outbreak of industrial action. The procedure does not have to lead to a compromise, but may merely intend mediation. There is no statutory mediation or arbitration procedure.
Tripartite concertation

In Germany, no institutionalised tripartite or bipartite economic and social council exists at national level.

Workplace representation

According to the 2005 IAB findings, a works council is set up in only 11% of all private establishments. They cover 47% of western German and 39% of eastern German employees (Ellguth and Kohaut, 2008). Works councils exist in almost all of the larger establishments but are rare in small workplaces. Works councils are most often to be found in manufacturing, as well as in the public and energy sectors, and in financial services. There are considerable difficulties to set up works councils in sectors such as information technologies (IT), retail trade and healthcare, as well as in low-wage services industries.

At company level, employee representation in the private sector is governed by the Works Constitution Act (Betriebsverfassungsgesetz, BetrVG) of 1952, amended in 2001. A works council can be set up in all establishments having at least five employees. All employees – regardless of whether or not they are trade union members – have the right to stand as candidates and all employees can vote. The works council has a number of rights to co-determination, and information and consultation, but it has no right to bargain on issues that are subject to collective agreements except in cases where such agreements explicitly allow it. The works council has no right to call for strike or other industrial action.

Employee rights

According to the Labour Courts Act (Arbeitsgerichtsgesetz), individual and collective applications of labour law are assured by labour courts working at federal, regional and district level. In all instances of a process, so-called lay judges, who are nominated by the trade unions and employer organisations, participate. Both parties may also represent an individual member before the court.

Labour inspection lies with the Ministries of Labour of the federal states which, in most states, have decentralised inspection services to be carried out at district or local level. The Works Constitution Act involves the works council in health and safety issues and allows for the setting up of risk assessments. By law, health insurers and employers’ liability insurance associations have to cooperate with employers and employees to prevent health and safety risks.

Main actors
Trade unions

Trade union density declined from 25% in 2000 to 22% in 2005 (European Commission, 2009). The development has been due to an employment decline in traditional strongholds of trade union membership such as in the manufacturing and public sectors.
Main trade union organisations

Three trade union confederations are present in Germany. More than 85% of all trade union members belong to one of the eight trade unions affiliated to the Confederation of German Trade Unions (Deutscher Gewerkschaftsbund, DGB). In total, DGB-affiliated organisations accounted for a membership rate of 6,371,475 people in 2008, 32% of whom were women. The German Metalworkers’ Union (Industriegewerkschaft Metall, IG Metall), the largest DGB affiliated trade union, had 2.3 million members in 2008 (17.7% of whom were women), followed closely by the United Services Union (Vereinte Dienstleistungsgewerkschaft, ver.di) with 2.18 million members (50% of whom were women).

The second largest trade union confederation, the German Civil Service Association (Deutscher Beamtenbund und Tarifunion, dbb), comprises 40 affiliated associations operating in the public and private services sectors. DBB membership in 2008 added up to a total of 1,280,802 members.

The Christian Confederation of Trade Unions in Germany (Christlicher Gewerkschaftsbund Deutschlands, CGB) has 16 affiliated trade unions. It had a total membership of 278,412 persons in 2007.

A number of trade unions involved in collective bargaining are not affiliated to either of these confederations. The membership of these trade unions added up to about 270,000 people in 2008.

Trends in trade union development

After several trade union mergers in the 1990s, the latest and most important merger was in 2001, when seven trade unions of the public and private services sectors established the United Services Union ver.di. Since 2001, a number of occupational trade unions – notably trade unions organising pilots, medical doctors or train engine drivers – have departed from joint bargaining associations with the DGB-unions and entered into separate collective bargaining.

Employer organizations

The employer organisation density was 63% in 2007 (European Commission, 2009)

Main employer organisations

The German Confederation of Employers’ Associations (Bundesvereinigung der Deutschen Arbeitgeberverbände, BDA) and the Federation of German Industries (Bundesverband der Deutschen Industrie, BDI) have to be considered as the umbrella organisations on the employer’s side. Membership in both organisations is open to employers in all industries. However, both organisations serve different purposes.

- BDA is not directly involved in collective bargaining. As an umbrella organisation, BDA seeks to coordinate the bargaining strategies of its members. As of 2008, BDA represents 56 employer associations from all industries, as well as 14 regional associations.
In comparison to BDA, BDI is not involved in collective bargaining. BDI describes its own tasks as being to ‘coordinate the views and recommendations of its members’. It provides information concerning all fields of economic policy.

**Trends in employer organisation development**

The introduction of the so-called membership status without a binding commitment to collective agreements (*Ohne Tarifbindung Status, OT-Status*) has to be considered as the most important development on the employer’s side.

For example, the Employers’ Associations for the Metal and Electrical Industry (Arbeitgeberverbände der Metall- und Elektroindustrie, Gesamtmetall) introduced the *OT-Status* on 31 January 2005. Therefore, Gesamtmetall now offers two different kinds of membership options: The number of members bound by the sectoral collective agreements of Gesamtmetalldecreased from 4,189 members in 2005 to 3,803 members in 2007 in western Germany. However, the number of members who were not bound by the sectoral collective agreements rose from 1,432 members in 2005 to 2,229 members in 2007 in western Germany.

**Greece**

**Industrial relations**

**Collective bargaining**

The current system of collective bargaining has been in force without any changes or amendments since 1990. The law differentiates national collective agreements into the following categories.

- The EGSSE sets minimum wages and salaries for workers all over the country and is signed by GSEE on the trade union side and SEV, GSEBEE and ESEE on the employer side.
- Sectoral collective agreements cover employees of many companies of similar or related industries or sectors, and are signed by sectoral federations of employers and employees.
- Company or plant-level trade unions and company management sign company collective agreements, which cover the employees of a single company.
- National occupational and local or regional occupational collective agreements, which cover employees engaged in a specific occupation or profession at national or local level, are signed by employer federations and occupational trade unions.

Collective agreements at sectoral, company and national or local occupational level (SSEs) cannot contain terms less favourable to workers than the terms and conditions of employment set out in the EGSSE. If more than one current SSE regulates an employment
relationship, the one most favourable to workers applies, according to Article 10 of Law 1876/1990. Furthermore, a collective agreement at industry or company level overrides an occupational collective agreement if both are concurrently in force.

All dependent salaried work is covered by the EGSSE. In addition, it is estimated that the various collective agreements cover 85% of workers.

**Legal parameters**

In Greek law, the right to collective bargaining has been established as a right of constitutional order, is recognised as a social right and is set out within the framework of Article 23 of the Constitution, which states:

General working conditions shall be determined by law, supplemented by collective labour agreements concluded through free negotiations and, in case of the failure of such, by rules determined by arbitration. Thus, the terms laid down in the SSEs are binding for the parties. The Minister of Employment and Social Protection Υπουργείο Απασχόλησης και Κοινωνικής Προστασίας (ΥΠΑΚΠ) may decide to extend a collective agreement and declare it mandatory for all workers in a certain sector of economic activity if the agreement is already binding to employers employing 51% of the sector’s or profession’s workers. In practical terms, this means that, when an SSE is signed, all of the parties involved are bound by its terms and conditions irrespective of whether they are members of the representative organisations that took part in the bargaining on the SSE. There are no voluntary mechanisms for expanding and applying the regulations laid down in an SSE.

**Bargaining framework**

Normally, in December of the year when the existing EGSSE expires, GSEE invites the employers’ side to a bargaining round in order to sign a new EGSSE, usually for a two-year term. Wage-related issues, including remuneration and bonuses, are dominant in the bargaining agenda, and disagreements often arise regarding the rate of increase. To restore purchasing power, trade unions consider that, in determining the amount of wages, parties should take into account the inflation rate, increases in the prices of products and services, as well as the increase in work productivity. On the other hand, in an effort to boost competitiveness, employers consider the inflation rate as the top criterion and the rise in the cost of living as a secondary issue. Individual sectoral agreements normally follow the pay increases set by the EGSSE.

**Trend towards decentralization**

Overall, the Greek collective bargaining system is centralised, both at an intersectoral and sectoral level. However, in recent years there is a trend for decentralised bargaining at a lower level – that is, at company level – as shown by the information provided by the Organisation for Mediation and Arbitration (Οργανισμός Μεσολέβησης και Διαιτησίας, OMED), which indicates a significant increase in company collective agreements.
Other issues in collective agreements

Arrangements relating to non-wage matters are also generally included in the EGSSE. The last three agreements, concluded for 2004–2005, 2006–2007 and 2008–2009, included arrangements pertaining to individual dimensions of industrial relations. For example, the parties to the 2006–2007 EGSSE decided to proceed with the immediate implementation of the European framework agreement on telework. The 2004–2005 EGSSE included a provision for setting up a joint expert committee for submitting proposals and promoting measures for dealing with illegal or abusive practices relating to the electronic monitoring of workers by their employers at work.

That agreement also included provisions for looking into the terms applicable to the harmonisation of domestic law with EU law regarding the prevention and suppression of moral and sexual harassment in the workplace. Finally, the parties to the current EGSSE (2008–2009) decided to proceed with the immediate implementation of the European framework agreement on work-related stress.

Training and equal opportunities

A number of different EGSSEs have included arrangements about vocational training. The 2006–2007 EGSSE included a provision stating that the signatory parties promised to plan and support joint initiatives for the upgrading of lifelong learning.

Social partners have agreed that they will promote equal treatment and equal opportunities between men and women at work, and take measures for ensuring decent treatment and behaviour at work regarding gender-related issues. Notwithstanding the above, it should be noted that arrangements relating to non-wage matters both in the national and individual SSEs are only promises and guidelines. With few exceptions, such as the agreements on telework and work-related stress, such arrangements do not bring about any immediate results for workers, as no special measures are taken or announced for their implementation.

Industrial conflict

Information on the numbers of strikes, strike days, workers on strike and working days lost is only indicative, as , which is responsible for collecting such information, has not kept full records, since its regional agencies have not always sent information to the central agency of the ministry. In 2007, five strikes took place resulting in five strike days, 114,847 workers on strike and 918,776 working hours lost. However, in 2008 there was a significant increase in these figures, in a year when a new EGSSE was signed, which would normally result in a minimum consensus, at least as far as wages are concerned. More specifically, in 2008, 28 strikes took place, resulting in 43 strike days, 954,813 workers on strike and 6,922,800 working hours lost. The sectoral groups that took the lead in striking were mainly workers employed by state-run enterprises. However, all sectors of the economy took part in the social security-related strikes.
Mediation

The principal mechanism used for settling labour disputes is OMED, which is primarily responsible for helping negotiating parties when negotiations come to a halt. However, strikes in Greece are mainly against government policy and the target of the relevant claims is the government, not employers in particular. In practice, this means that strikes do not end by filing an appeal with OMED, since the relevant claims are related to broader labour issues. At company or sectoral level, when it comes to individual labour issues that are within the scope of operation of OMED, strikes are fewer, which is mainly due to the low trade union density in the private sector.

Tripartite concertation

The highest social dialogue body is the Economic and Social Council (Οικονομική και Κοινωνική Επιτροπή, OKE), which was set up in accordance with Law 2232/1994 and is similar to the corresponding EU entity – the European Economic and Social Committee (EESC). OKE comprises three segments representing employers, workers and a group that includes independent professionals, self-employed persons and local government organisation representatives. OKE advises the government in relation to taking measures on specific issues. The advisory role of OKE, through the submission of documented opinions, is a mandatory process to be followed prior to passing formal laws on matters concerning wider socioeconomic policy, and its advice is also requested by the government when considered necessary in connection with any current issues. Furthermore, OKE can take the initiative to provide advice on topics that it considers important. The opinions submitted by OKE (about 200 by the end of 2007) consist of unanimous opinions and those including at least two different viewpoints. It should be noted, however, that the government often fails to adopt the unanimous opinions of OKE, which contributes to devaluing such tripartite bodies.

Workplace representation

In accordance with the Greek labour representation system within enterprises, three main forms of representation exist at workplace level: trade unions, works councils and safety and health committees. Company trade unions in Greece are limited in number, since Law 1264/1982 requires the existence of 21 members for setting up a trade union, and private enterprises employing over 20 workers represent no more than 3% of the total number of companies.

The lack of trade union representation in companies is not offset by using alternative forms of union representation within those enterprises, since the law has not provided for the existence of a trade union representative – namely, a company employee acting as a union member or a sectoral organisation – to provide union coverage for the workplace in question. Works councils can be set up in enterprises employing over 50 workers and, in the event that there is no company trade union, in those employing more than 20 workers. Safety and health committees can be set up in companies employing over 50 workers; however, such companies represent only 2% of the total number of enterprises. Both works councils and safety and health committees are participation institutions that are functioning inadequately, since they have been established in only 30% of the eligible companies. Thus, worker representation in the workplace is inadequate overall.
Participation institutions in Greece are the result of legislative initiatives. Works councils are set up in accordance with Law 1767/1988, while safety and health committees are established in accordance with Law 1568/1985.

Employee rights

There are two ways to ensure employee rights: judicial authorities and the Labour Inspectorate. A total of three levels of jurisdiction are responsible for adjudicating cases subject to the labour disputes resolution procedure.

- The magistrate’s court of first instance has a single judge.
- The Court of Appeals is competent to adjudicate disputes.
- The Supreme Court (Areopagus) is the highest level.

The law stipulates that individual labour disputes are examined by the civil courts according to a special labour disputes procedure (Articles 663–676 of the Code of the Civil Procedure). The administrative courts are competent to adjudicate in cases involving disputes where the employment relationship is governed by rules of public law. The courts have the power to ban strikes that they find illegal or abusive. Employers are not permitted to lock out workers, or to replace striking workers.

The Labour Inspectorate (Σώμα Επιθεωρητών Εργασίας, SEPE) is an agency operating under the control of YPAKP and is set up at national and regional level.

SEPE is responsible for: supervising and controlling the implementation of labour law provisions; the investigation, exposure and prosecution of violations of the labour law and illegal employment; investigating the social security coverage of workers; and providing information and recommendations on the effective implementation of labour law provisions. Labour inspectors working for SEPE may enter all workplaces freely on a 24-hour basis.

Main actors
Trade unions

Trade union density

Union density – that is, the rate of worker participation in trade union organisations – has been calculated at about 28%, on the basis of member participation in procedures to elect representatives. More specifically, the level of trade union membership is substantially different between the private and public sectors.

In the private sector, the density does not appear to be higher than 18% or around 472,304 workers, on the basis of 2007 data. By contrast, the number of union members among public sector employees is calculated at 311,000 persons and represents about 60% of employment in the public sector. The latter number does not include unionised employees of the security forces who are not represented by the public sector trade union, nor does it include non-unionised military personnel. In certain areas of the public sector, union density verges on 90% – for example, in banks and enterprises under state control. The reason for the strong difference between the private and public sectors is obvious. The private sector is dominated by small enterprises: 97% have fewer than 20 employees. This has a negative effect on workers’ joining trade unions, which are favoured by bigger concentrations of workers, particularly when there is no possibility of union representation in the small enterprises. In fact,
the downsizing of the public sector and the increase in privatisations have had a significant
effect on trade union membership in Greece, which has already become clear from its
evolution to date.

Main trade union organisations

The Greek trade unions are represented at the highest level by two confederations:

- the Greek General Confederation of Labour (Γενική Συνομοσπονδία Εργατών Ελλάδας, GSEE), founded in 1918, which includes all trade unions covering employees under private law labour relations in the private and broader public sector – that is, 70 union federations and 83 labour centres with a total of 472,304 voting members;

- the Confederation of Public Servants (Ανώτατη Διοίκηση Ενώσεων Δημοσίων Υπαλλήλων, ADEDY), established in 1947, which includes the trade unions of public administration, where public law labour relations apply. ADEDY is a three-level organisation, encompassing 1,260 first-level trade unions organised in 46 federations and representing a total of 311,000 voting members.

The confederations differ according to various ideological, political and trade union
tendencies. The organisational structure of the trade union movement has the form of a
pyramid, with three levels of representation: primary or first level (company, regional or craft
unions), secondary (local labour centres, sectoral federations) and tertiary (national
confederations such as GSEE and ADEDY).

Trends in trade union development

The federations that are members either of GSEE or ADEDY are mainly sectoral in
character. Based on the above information, it is obvious that the Greek trade union movement
is organisationally fragmented, which is an important factor inhibiting the internal operation of
trade unions. Despite the two organisational conventions organised by GSEE in 1990 and 2003
to address this issue, the effort has not yielded any results so far. The goal set in the GSEE
conventions for establishing 19 sectoral federations has not yet been realised, which means that
combating organisational fragmentation through the merger of trade unions does not seem to be
a priority in the Greek trade union movement.

Employer organisations

A total of three high-ranking employer organisations play a pivotal role in the national
industrial relations system.

Firstly, the Hellenic Federation of Enterprises (Σύγχρονες Επιχειρήσεις, Σύγχρονη Ελλάδα, SEV) represents industries, services and big companies in general. Members of SEV are legal entities (corporations and other companies) or employer groups, which are considered extraordinary members. Its members are mainly SMEs, according to the EU definition; over 90% of Greece’s industrial enterprises are SMEs. Formerly known as the Association of Greek Industries until it changed its name in 2006, SEV plays an important role in the bargaining pertaining to the National General Collective Agreement (Εθνική Γενική Συλλογική Σύμβαση Εργασίας, EGSSE) and some 100 other sectoral and occupational collective agreements. Its
chosen strategy since the 1990s was to give priority to dialogue on all levels. SEV represents 5,000 companies with a total of about 500,000 employees.

Secondly, the National Confederation of Greek Traders (Εθνική Συνομοσπονδία Ελληνικού Εμπορίου, ESEE) represents trading concerns. ESEE incorporates 13 federations organising the country’s commercial societies by district and six Commercial Agents’ Federations.

Thirdly, the General Confederation of Professional Craftsmen and Small Manufacturers of Greece (Γενική Συνομοσπονδία Επαγγελματιών Βιοτεχνών Εμπόρων Ελλάδας, GSEBEE) represents the interests of handicraft professionals and small manufacturing companies. Its members are federations encompassing occupational categories such as booksellers, shopkeepers, café owners and hairdressers. GSEBEE incorporates 82 federations, 56 of which are local federations, while 25 are sectoral and one is a pensioners’ federation.

### Trends in employer organisation development

Representative members of the employer side have understood the need for social consultation and dialogue regarding all of the issues pertaining to industrial relations. To that end, a better organisational structure of their representative bodies has been achieved, as shown by the increase in the number of primary and secondary associations participating in the national employer organisations. So far, membership in employer organisations entails an obligation to take part in collective agreements.

### Hungary

#### Industrial relations

##### Collective bargaining

There are at least three levels of collective bargaining according to the legal regulations, as follows.

- At the tripartite OÉT, the social partners annually make recommendations on wage increases, together with setting minimum wages for the given year. The national wage agreement is not binding, thus it does not qualify as an intersectoral agreement. For public sector negotiations, there is a separate body – namely, the National Public Service Interest Reconciliation Council (Országos Közszolgálati Érdekegyeztető Tanács, OKÉT). In this council, quasi-bargaining takes place between the central government, trade unions and representatives of the local governments that operate a part of the public institutions. The outcome of these negotiations is a percentage figure for the annual rise and modified tariff tables for civil servants and public sector employees; the latter is promulgated by amendments to the relevant laws. Nonetheless, the public sector agreement is not legally enforceable either. So called multi-employer collective agreements are possible both in the private sector and in public institutions.
under the Law on Public Service Employment. However, only a proportion of such agreements can be deemed as genuine sectoral accords, as a multi-employer agreement can be concluded without a sectoral organisation. It is common that the management of companies belonging to the same group conclude multi-employer (multi-management) agreements.

- Both private and public sector collective agreements are mostly concluded at company or institution level. Such single-employer agreements may have supplements valid for an occupational group or establishment only. Although the Labour Code stipulates that only one agreement can be concluded at an employer (company or institution), such a supplement provides the company with wage flexibility across the establishments operating in different labour markets.

Private sector collective agreements are predominantly concluded at enterprise level and cover only one company. Collective agreements are usually concluded at large enterprises, while the SME sector is largely unregulated by collective agreements. Workplace-level agreements are similarly common in the public sector, although most issues concerning terms and conditions of employment are regulated by law. The coverage rates of workplace agreements in the private and public sector in 2008 were 28.5% and 29.4%, respectively. In terms of the sectoral distribution of collective agreements, the highest overall coverage rates were reported in transport, telecommunications and postal services (98%) and in the energy, water supply and sewage sector (90%). Less regulated by collective agreements were the construction sector (7%), the hospitality industry (8%) and private services (11%).

In 2007 and 2008, the number of (re)negotiated agreements registered by the SZMM further declined, with the bargaining activity shrinking mostly in the case of single-employer (company) agreements. In particular, the number of so-called wage agreements dropped further; in 2008, as few as 99 private sector employers reported to the SZMM company-level agreements on base wages hikes, while 56 reported agreements on increases in total earnings. (Please note that in Hungary, not all collective agreements include stipulations on wages. In practice, the agreements on annual wage hikes are called ‘wage agreements’.) This is a noteworthy change, as in the Hungarian decentralised system, this level of bargaining was the dominant one.

Collective agreements at sectoral level are particularly important for the publicly owned enterprise sector and major public utility companies – such as public transport, energy and water utilities, and postal services. However, they are less significant in manufacturing and the private service sectors, where their role is limited to setting minimum conditions. In 2007, a total of 17 sectoral agreements with national scope, concluded by employer organisations, were in force. Following their extension, these agreements covered 19% of competitive (private) sector employment in companies with more than four employees. Furthermore, a total of six sectoral agreements were in force with county or regional scope.

The modest increase in the sectoral agreement coverage rate since 2004 is mainly due to the extension of the agreement in the construction sector, as the other extension decrees were either issued earlier or renewed. Single-employer and multi-employer collective agreements are legally binding. However, national-level agreements of the social partners are not enforceable by legal means.
Extension of collective agreements

Genuine sectoral agreements – that is, agreements concluded by employer organisations with sectoral trade unions – can be extended by ministerial decree. However, so far only four extension decrees have been issued in the bakery, electricity and hospitality industries in the 1990s, as well as in construction in 2005. The national recommendation of OÉT on annual wage increases is considered to have an ‘orientation’ function for lower level negotiations and wage determination in the non-unionised sector. Moreover, in some sectors, trade unions and employer organisations seek to collect and disseminate data on bargaining outcomes concluded at company level. Nonetheless, in the absence of resources, not all of the sectoral trade unions are able to support local unions in the course of the bargaining rounds. The Hungarian collective bargaining structure has always been decentralised. However, an EU Phare programme, which ended in 2004, further increased decentralisation by establishing more than 30 sectoral bipartite social dialogue committees to strengthen sectoral industrial relations. The main activities of sectoral social dialogue committees have included consulting on government bills and other policy papers, developing initiatives for the preparation of professional documents, issuing recommendations and partaking in EU-level social dialogue. Nevertheless, sectoral collective bargaining is not the strongest activity of the committees. Since 2004, only two new agreements have been concluded: in 2005 for the construction industry and in 2007 for the private security industry. In several other industries, such as bus transport, bakery, electricity, water management and chemicals, sectoral agreements were concluded before 2002 and are now undergoing renegotiation within the committees, together with the supplementing of annual wage agreements.

Other issues in collective agreements

In Hungary, although company-level bargaining is the dominant level, the company-level agreements say little about the employer’s strategy regarding human resource development. Instead, the majority of agreements contain only the employer’s general intentions to support training and broad prescriptions as well as framework rules, omitting the details for the individual ‘study contract’. At company level, the Labour Code stipulates that plans regarding the training of employees should be reviewed by the works council; nonetheless, no data are available about the frequency and contents of such consultations. No significant collective bargaining developments in the area of equal opportunities have been reported during recent years. At workplace level, the equal opportunity related activities of works councils and trade unions are mostly confined to the scope of ‘equality plans’, the development of which has been obligatory for public sector workplaces (budgetary institutions and publicly owned companies) employing more than 50 people since 2004. The law (Act CXXV of 2003) defines the equal opportunity target groups on the basis of factors such as gender, ethnicity, colour of skin, nationality, mother tongue, disability, health condition, religion, political orientation, marital status, parental status, sexual orientation, age and social background. It obliges employers to conduct a survey on the employment situation of such vulnerable groups – with special attention to wages, working conditions, promotion, training, childcare and maternal allowances – and to develop measures to improve their position.
Industrial conflict
Sectors involved

In recent years, major strikes took place in the public and public utility sector – that is, in health and social care, railways, local public transport and airports. Practically, no industrial action was reported in private manufacturing and service companies. Compared with the EU27 as a whole, strike activity has been relatively low in Hungary, as reflected by the low figure for the number of ‘working days lost through industrial action per 1,000 workers’, which amounted to an average of 5.1 days during the period 2004–2007.

Main reasons for industrial action

The major reasons for industrial action were pay disputes and conflicts related to collective bargaining, accounting for 60 actions in 2005–2008. The other issues of importance were staff reduction, outsourcing and privatisation, which accounted for 15 actions in the same period. However, the largest strikes held in the recent period were related to the government’s reform programmes in the health insurance system and its planned measures to close public schools, rural hospitals and underutilised railway services.

Mediation and arbitration

Hungary’s Labour Mediation and Arbitration Service (Munkaügyi Közvetítő és Döntöbirói Szolgálat, MKDSZ) was set up in 1996, as a potential promoter of collective agreements. Given the small number of requests for mediation and arbitration in collective disputes, in recent years the service has shifted its activity towards pre-emptive mediation counselling and organising awareness-raising events in the area of managing labour conflicts in cooperation with employer organisations and trade unions.

Tripartite concertation

Since 1988, the OÉT has provided the institutional framework for social partners and the government for their tripartite negotiations and national agreements on selected labour issues. Parallel to the OÉT, the Hungarian Economic and Social Council (Gazdasági és Szociális Tanács, GSZT) was set up in August 2004 as a consultative forum for discussing major national-level strategic plans and programmes for the medium and long term. GSZT comprises the social partners, including all employer organisations and trade unions represented in the OÉT. It also encompasses various business organisations – such as chambers of commerce and industry, associations of foreign-owned companies and commercial banks – as well as experts from the Hungarian Academy of Sciences (Magyar Tudományos Akadémia, MTA), the Monetary Council of the MNB and various non-governmental organisations (NGOs). In spite of the repeated initiatives and rhetoric of the former Prime Minister, Ferenc Gyurcsány, no comprehensive social pact has yet been concluded. The OÉT provides the framework for consultation with the social partners on draft economic, social, employment and other labour-related laws, as well as on the underlying policies and priorities. It is also the forum for general discussions and the exchange of opinions on economic and social issues that are of national relevance and of major interest to the actors in the workplace. Beyond the
regularly held plenary sessions, several subcommittees and other tripartite bodies take part in the preparation of bills. In addition, special items of concertation include labour market questions, social policy, minimum wage and wage increase recommendations, and tax reforms; working time reduction and vocational training are also on the agenda. The OÉT is the platform for national-level bargaining rounds for the minimum wage, and the body issues annual recommendations for wage increases (see previous section on collective bargaining).

GSZT acquired importance by being consulted on the government’s various policy initiatives, including the strategically important New Hungary Programme, which envisages a roadmap for utilising EU funds. The council also formed various taskforces to prepare position papers on its own initiatives. So far, the most important strategic proposals have included national plans on climate change, the human resource aspects of innovation and corporate social responsibility. However, not all strategic issues underwent a process of consultation and, in 2006, GSZT remained silent on the convergence programme, as well as on the austerity and reform measures.

**Workplace representation**

In 1992, the Labour Code introduced a system of statutory works councils to be established in companies as a second channel of worker representation – particularly for information and consultation procedures. The role of the trade unions in collective bargaining was retained, while works councils were created as institutions for workplace participation. This arrangement has generated problems to this day, owing to the unclear division of targets and responsibilities and the overlapping of information and consultation rights. Thus, it can be seen as a duplication, rather than dualism, which allows employers to choose which body to cooperate with. However, the reformed and, to a greater extent, new grassroots trade unions accepted the new institution as a functioning measure of trade union representativeness by works council elections. A 2003 survey of 2,600 companies, each with more than 50 employees, shows that 49% of workplaces in the private sector had works councils, 9% of them being in companies without any trade union representation. Among the works council members, 75% were also trade union delegates. The 2004 Labour Force Survey found that works councils represented 36% of employees in medium and large companies and only 18% in companies with 14–49 employees, where a single person is assumed to be the elected representative according to the law. Most employees have no representation – especially in newly established companies, in the service and construction sectors and in SMEs. The survey also found that only 33% of respondents reported a trade union at their workplace, compared with 37% in 2001.

**Employee rights**

Following the abolition of workplace arbitration commissions operating in the state-socialist system, legal disputes have been dealt with by the labour courts. Under the Labour Code, a trade union cannot act directly on behalf of one of its members; instead, people must initiate proceedings themselves. Trade unions can play a role in initiating lawsuits if the case affects many employees.

In Hungary, the capital Budapest and each of the country’s 19 counties have a first-instance labour court. The courts have exclusive competence over the geographical territory
where the employer’s headquarters are found or where the base of operations is located, that is where the employee, according to their labour contract, performs or performed work. Another competency of the labour courts includes decision making on non-litigation cases, such as the lawfulness of strikes. Labour court rulings can be appealed in the county court competent according to the seat of the labour court. Further legal remedy in labour suits can be sought at the Supreme Court of Hungary (Legfelsőbb Bróșág, LB). It is a common view that lawsuits brought before the labour courts are too lengthy – lasting between one and two years – and that the interpretation of the law varies across the courts; therefore, the court procedures need to be improved to speed up rulings. The regard for alternative channels of conflict resolution varies: some believe that pre-court conciliation and arbitration on a voluntary basis may help. New rules were introduced in early 2008 relating to the payment of litigation costs in labour lawsuits. Previously, employees had been entitled to initiate labour lawsuits without having to pay any duties or costs in advance.

Moreover, employees were exempt from paying such duties and costs even if they lost the lawsuit. The only costs that they were obliged to pay in the event of defeat were those of the adverse party, such as the legal representative’s fee, amounting usually to no more than 5% of the compensation amount. During the early socialist period, the labour inspectorate was subordinated to the National Council of Trade Unions (Szakszervezetek Országos Tanácsa, SZOT). It became a part of the state administration in 1984; however, until the mid 1990s, inspections had primarily dealt with labour safety. Since the mid 1990s, enforcement of the labour law, especially with regard to controlling undeclared work, has become the labour inspectors’ main activity. Legislation in 2005 addressed the government’s proposals to enforce labour inspectors’ powers and to increase fines for employers that breach the employment law or that engage in undeclared work. In 1996, the collective bargaining system was strengthened through the expansion of the authority of the Hungarian Labour Inspectorate (Országos Munkabiztonsági és Munkaügyi Felügyelet, OMMF) to supervise compliance with collective agreements. With a recent reorganisation in 2007, workplace health was also integrated into the duties of the OMMF. The OMMF has a double organisational structure: separate inspectors, regional units and county offices are in place for labour law enforcement and health and safety. Nonetheless, the two branches may stage common inspections.

Furthermore, in the largest, sometimes nationwide campaigns, the OMMF carries out coordinated actions with seven other controlling authorities, such as the Hungarian Tax and Financial Control Administration (Adó- és Pénzügyi Ellenőrzési Hivatal, APEH), the Hungarian Customs and Finance Guard (Vám és Pénzügyőrség, VPOP) and the National Consumer Protection Authority (Nemzeti Fogyasztóvédelmi Hatóság, NFH). Clearly, the single biggest target of the OMFF is undeclared work, although it often controls compliance with other regulations, such as working time, temporary work agencies and student work. Providing advice is a growing field of activity, which is strictly separate from the inspection function in order to avoid corruption. The OMMF also launched a ‘Partnership Programme’ to improve the health and safety situation and compliance with labour law at companies signing up on a voluntary basis.

According to the principle of the ‘separation of powers’ (trias politica), the judiciary should be independent of the legislature and the executive power, although labour inspection belongs to the executive power. However, in many employee grievance cases, the employee has the choice whether to file the case at the labour court or at the labour inspectorate. In simple cases – for instance, if an employer fails to provide the laid off employee with
appropriate certificate – the inspectorate is more efficient than a lengthy court procedure. Of course, issues arise where only the judiciary has the authority. Another link between the inspectorate and the judiciary is that the labour court is in the position to deal with appeals against the decision of the inspectorate.

Main actors
Trade unions

Trade union density

In Hungary, two official sources supply data on trade union membership: the Labour Force Survey of the Central Statistical Office (Központi Statisztikai Hivatal, KSH), which included a separate section on unionisation in 2001 and 2004; and the Tax and Financial Control Administration (Adó- és Pénzügyi Ellenőrzési Hivatal, APEH), which publishes information annually on the number of people taking advantage of a scheme whereby trade union membership fees are tax deductible. According to the Labour Force Survey, in 2004 trade union density stood at 16.9%, which was 2.8 percentage points lower compared with 2001. In absolute terms, this means that, in 2004, there were 550,000 trade union members. The APEH figures confirm both the absolute figures and the trend: the number of employees claiming a tax deduction for trade union membership fees was 775,000 in 1999, 700,000 in 2000, 654,000 in 2001, 574,000 in 2002, and 600,000 in 2003. Prior to Hungary’s economic and political transition in 1990, APEH data had registered 3.9 million employees – constituting 83% of the country’s 4.8 million employees – paying trade union fees.

This survey evidence largely confirms earlier findings revealing that the public sector and public utilities, including transport, are trade union strongholds. In view of this, it is surprising that trade unions in the education and health and social care sectors lost most members in the 2001–2004 period, with trade union membership falling by 10 and 7.5 percentage points, respectively. Interestingly, these were the sectors that enjoyed the highest wage increases, due to the government measures of 2002.

Main trade union organisations

In Hungary, six trade union confederations are acknowledged as representative organisations, as follows (note that membership figures are based on self-reporting).

- In 1990, the former official monopoly trade union, the National Council of Trade Unions (Szakszervezetek Országos Tanácsa, SZOT), restructured to form the National Association of Hungarian Trade Unions (Magyar Szakszervezetek Országos Szövetsége, MSZOSZ). The association became the dominant union outside the state sector and currently has about 205,000 members.
- In 1988, on the eve of the beginning of the political transition, scientific workers established the first free trade union, which a year later led on to the establishment of the Democratic League of Independent Trade Unions (Független Szakszervezetek Demokratikus Ligája, LIGA). Since then, a few branch unions that left other trade union confederations have joined LIGA and, by 2007, its membership increased up to 100,644 members.
• The National Federation of Workers’ Councils (Munkástanácsok Országos Szövetsége, MOSZ) was formed in 1988, in a conscious effort to emulate its predecessors from the 1956 uprising. It is the smallest trade union confederation, with approximately 50,000 members.

• Public employees and civil servants organised themselves into the Trade Unions’ Cooperation Forum (Szakszervezetek Együttműködési Fóruma, SZEf), whose current membership stands at 225,000 members.

• The Confederation of Unions of Professionals (Értelmiségi Szakszervezeti Tömörülés, ÉSZT) primarily organises persons from academic and higher education institutes. It has about 85,000 members.

• In 1990, in view of the politicisation of trade union confederations, the Alliance of Autonomous Trade Unions (Autonóm Szakszervezetek Szövetsége, ASZSZ) was set up to counteract such a shift. This brought together the existing trade unions representing chemical workers, engine drivers and those of other public utilities. ASZSZ currently has some 120,000 members.

All of the trade union confederations are recognised as nationally representative and were invited to take part in the tripartite OÉT by the government. Moreover, all of the confederations have been members of the European Trade Union Confederation (ETUC) since 1993.

Trends in trade union development

The trade unions agree that the Hungarian union structure is too fragmented and that there are too many confederations. While the conflicts between the unions – arising in the early 1990s over inherited assets and legitimacy – have been settled formally, the divisions between ‘old’ and ‘new’ unions are still evident.

Despite certain efforts in the 1990s, expectations of mergers between confederations have not yet been met. In recent times, the only noteworthy organisational development relates to the fact that certain branch unions – such as those of armed forces personnel, electricity workers and physicians – joined LIGA; such workers were either formerly independent of confederations or had left another confederation to join LIGA.

Employer organisations

Membership

In the absence of survey results, the estimates regarding the membership of employer organisations are rather uncertain. The only source seems to be the self-reporting of figures by organisations; however, adding up each organisation’s reported figures results in an upward biased estimation due to frequent multiple membership and overlaps between different confederations. Moreover, in several peak organisations, members may be regional or subsectoral organisations with an unknown membership size and include members with different organisational status. In any case, European statistical sources indicate a coverage rate of about 40% – which corresponds to the share of employment of member companies as a proportion of the total number of employees (see, for instance, European Commission, 2006, p. 37).
Main employer organisations

The employer organisations are represented by the following nine confederations, all of which are members of the OÉT (note that membership figures are based on self-reporting):

- the Confederation of Hungarian Employers and Industrialists (Munkaadók és Gyáriparosok Országos Szövetsége, MGYOSZ) – Hungary’s largest employer organisation, with about 6,000 member companies in 51 branch sections and 17 regional associations. The members employ 20% (1.2 million) of Hungarian workers. MGYOSZ was formed by a merger between the former Hungarian Employers’ Association (Magyar Munkaadók Szövetsége, MMSZ) and the Confederation of Industrialists (Gyáriparosok Országos Szövetsége, GYOSZ) in 1998;
- the National Association of Entrepreneurs and Employers (Vállalkozók és Munkáltatók Országos Szövetsége, VOSZ) – represents 40 branch and professional associations, with approximately 500,000 employees;
- the Agrarian Employers’ Federation (Agrár Munkaadói Szövetség, AMSZ);
- the National Federation of Agricultural Cooperatives and Producers (Mezőgazdasági Szövetkezők és Termelők Országos Szövetsége, MOSZ);
- the National Federation of Craftsmen Boards (Ipartestületek Országos Szövetsége, IPOSZ) – represents 100,000 small and medium-sized enterprises (SMEs), with about 500,000 employees;
- the National Federation of Traders and Caterers (Kereskedők és Vendéglátók Országos Érdekképviseleti Szövetsége, KISOSZ);
- the Hungarian Industrial Association (Magyar Iparszövetség, OKISZ);
- the National Federation of Consumer Co-operatives (Általános Fogyasztási Szövetkezetek Országos Szövetsége, ÁFEOSZ);
- the National Association of Strategic and Public Utility Companies (Stratégiai és Közszolgáltató Társaságok Országos Szövetsége, STRATOSZ).

Trends in employer organisation development

By legal definition, employer organisations have voluntary membership. Besides the above employer organisations, there are economic chambers, also with voluntary membership: namely, the Hungarian Chamber of Commerce and Industry (Magyar Kereskedelmi és Iparkamara, MKIK) and the Hungarian Chamber of Agriculture (Magyar Agrárkamara). The chambers are not allowed to conclude collective agreements, and are not present in the OÉT or at other traditional social dialogue bodies. However, in recent times, they have become increasingly involved in consultation on macroeconomic issues, and several new forums have been set up in which they play an important role. All of the aforementioned employer organisations also act as business associations, providing various business services and acting as lobbying organisations. In most cases, lobbying is the most important activity. Only five of the organisations are involved as employer associations in collective bargaining. Thus, membership without binding collective agreements is far from being an exceptional feature of the Hungarian associations. At European level, STARATOSZ became affiliated to the European Centre of Employers and Enterprises Providing Public Services (CEEP) in the early 1990s, while MGYOSZ became a member of BusinessEurope (formerly UNICE) in 2005.
With the establishment of the Sectoral Social Dialogue Committees (Ágazati Párbeszéd Bizottságok), member associations of the confederations have strengthened their activities related to industrial relations.

Ireland

Industrial relations
Collective bargaining

Since 1987, the national level has been the most important arena for setting wages and working time through tripartite bargaining; in this regard, Ireland has quite a highly centralised bargaining system. With the notable exception of the construction industry, the sectoral level is generally not a prominent level for collective bargaining. While wages are set at national level, collective bargaining may also occur ‘around this’ at company level – for instance, in relation to productivity, restructuring or new work practice agreements (national wage agreements prohibit ‘cost-increasing’ pay claims).

Coverage of collective bargaining

The fact that national agreements do not have legal effect, and extension mechanisms are not common, means that it is difficult to calculate a precise figure for collective bargaining coverage. However, it is estimated to be in the region of 44%, which is higher that the rate of trade union density. The presence of centralised bargaining is likely to expand bargaining coverage beyond union members. While there are few formal or legal mechanisms extending collective bargaining in Ireland, the presence of national agreements means that, in practice, some companies with no trade union present often ‘shadow’ the results of nationally bargained pay deals. Furthermore, in certain companies that have union members and non-union employees, the terms of national wage agreements may also be extended in some circumstances to non-union employees. Collective agreements remain principally voluntarist, but legally binding elements seem to be increasing – for example, employer ‘inability to pay clauses’ in national agreements.

Extension of collective agreements

Extension mechanisms for collective agreements are not common, apart from Joint Labour Committees (JLCs) which set minimum pay and conditions in a number of low-pay industries. It is also possible to have a registered agreement – registered with the Labour Court – that covers an entire industry, including employers that are not members of the relevant employer organisation. The latter is rarely used, however. In recent times, ICTU has been calling for legally-based extension procedures, such as those found in countries like Belgium and Germany. However, Ireland does not have a strong system of sectoral bargaining.
**Bargaining coordination**

Regarding wage bargaining coordination, national wage agreements set wage rates for unionised employers – many non-union employers would also ‘shadow’ national wage rates. The national minimum wage is also important for wage bargaining coordination, in terms of setting a minimum pay floor. The Irish wage bargaining model has been quite highly centralised since 1987, but with scope for organised decentralisation at company level ‘around’ the terms of national wage agreements.

**Other issues in collective agreements**

In terms of other major collective bargaining issues, issues relating to pensions have proved to be the biggest challenges facing the social partners. In the private sector, there have been significant pressures to move away from defined benefit (DB) pension schemes to less attractive – from an employee perspective – defined contribution (DC) schemes. DB pensions grant a guaranteed sum on retirement, unlike DC schemes, which do not offer this security. A number of innovative ‘third way’ or ‘hybrid’ pension deals – that is, a combination of DB and DC elements – were agreed between company management and trade unions in 2008, notably in the banking and finance sector.

For example, in a landmark development in the pension’s area, Allied Irish Bank (AIB) and the Irish Bank Officials Association (IBOA) agreed a new hybrid pension scheme in 2007 for staff joining the bank since 1997, who, up until now, only had access to a DC scheme. The deal offers all employees a DB pension up to a certain limit, while leaving the original DB scheme unchanged for those employed prior to 1997. At the heart of the deal is the recommendation that AIB should establish a combined DB/DC scheme. The most significant feature is that the DB element will apply on the basis of a salary cap of €61,997, which is the equivalent of the bank’s assistant manager salary range. An enhanced DC scheme will apply above this DB cap with the bank’s contribution increasing by 2%, from 8% to 10%. Member contributions will be compulsory for staff and will thus be set at 5% of pensionable pay.

A major issue to contend with will be whether to make pension schemes mandatory. ICTU wants the government and employers to undertake to introduce mandatory pensions to protect the 50% of the working population without a pension. However, IBEC is opposed to mandatory provision, given the perceived costs that this would impose on employers. The issues of vocational training or lifelong learning and gender equality have also featured highly on the national bargaining agenda, particularly the former.

**Industrial conflict**

**Frequency of strikes and sectors involved**

In historical comparative terms, strikes remain at a very low level in Ireland, due to a range of factors. According to official CSO data, a total of 6,038 days were lost to industrial disputes in 2007, compared with 7,352 days in 2006. Overall, six industrial disputes occurred in 2007, compared with 10 in 2006. The six disputes in 2007 affected 1,436 workers and six companies. In 2007, the manufacturing sector accounted for 2,700 (45%) of the total days lost, while 2,315 (38%) were lost in the transport, storage and communication sector. Some 3,941 were days lost in the fourth quarter of 2007 compared with 1,090 days lost in the same period.
of 2006. The three disputes in progress during the fourth quarter of 2007 involved 1,001 workers and three companies. However, the CSO data on industrial disputes does not present the full picture on industrial conflict. For instance, disputes are only included in the CSO calculations if they involve a stoppage of work lasting at least one day and the total time lost is 10 or more person-days. Clearly, many forms of industrial action are now falling outside this definition. In particular, a serious nurses’ dispute in 2007 – which involved a nationwide work-to-rule protest and a series of short and sharp work stoppages – involving nearly 40,000 members of the Irish Nurses Organisation (INO) and PNA, was not factored into the CSO dispute data. If the nurses’ dispute was included, every one hour stoppage would have added to the existing total. Of course, only a relatively small number of nurses out of the total trade union membership were involved in these short stoppages, which took place over six days – although not successively – in about 12 hospitals. Moreover, the work-to-rule action involved most nursing staff. More generally, it seems that most disputes in Ireland today last for less than one day. Therefore, many are not included in the CSO data.

**Tripartite concertation**

Since 1987, Ireland’s model of national tripartite policy concertation has developed and evolved to adapt to changing times. One of the key benefits associated with centralised agreements is the opportunity for longer-term policy formulation. This national policy concertation has focused on economic and social policy-making through the involvement of the government, employers, trade unions and consultative groups. For trade unions, in particular, social partnership has provided them with a policy influence at the highest level and has, according to some, allowed them to ‘punch above their weight’. Moreover, they have a broader influence above and beyond economic workplace issues.

**Social partner involvement**

There are three main consultative bodies: the National Economic and Social Council (NESC), the National Economic and Social Forum (NESF) and the National Centre for Partnership and Performance (NCPP). The operations of these bodies date back to the 1960s and they can be regarded as part of a social corporatist structure, designed to integrate economic and social objectives. They operate under the umbrella of the National Economic and Social Development Office (NESDO), which provides administrative support to the three bodies and facilitates and promotes complementary programmes of research, analysis and discussion.

**Developments in social partnership**

While the process of social partnership is centred on the involvement of the government, employers and trade unions, over time a range of other groups, representing the community and voluntary pillar, have joined the process. High-level negotiations on macroeconomic strategies have been complemented by an expanding array of advisory committees, workings groups, conferences and forums. However, some commentators argue that social partnership has spawned too many such groups and committees. There has been a growing concern in relation to a range of supply-side initiatives including business
development, work organisation, lifelong learning, social housing, poverty and social exclusion. Nonetheless, industrial relations problems are central to the process. Pay has always been the main issue that has bound the national agreements. A key feature of national agreements over the years has been the tax-wage trade-off, although some observers argue that this has been at the expense of investing in quality public services. This tax-wage trade-off involved reductions in personal taxation in return for moderation in wage increases. Added to this have been reductions in corporate tax rates to 12.5%. These corporate taxation measures were seen by many as rendering Ireland highly attractive to foreign direct investment.

Social partnership is only one of a number of factors, albeit an important one, that contributed to the growth of the so-called ‘Celtic Tiger’, and the causal relationship is sometimes questioned. A non-exhaustive list of other variables that commentators have variously attributed to the economic miracle include labour force growth, the currency devaluations of 1986 and 1993, rising domestic demand, EU membership, the tourism revival, the construction boom, the international attractiveness of an English-speaking investment destination and low corporate tax rates.

**Content of new Transitional Agreement**

The most recent national agreement – the Transitional Agreement – was concluded by the government and social partners in the autumn of 2008, at a difficult time when the economic downturn was seriously taking effect in Ireland. The main elements in the Transitional Agreement are outlined below.

In terms of pay, the Transitional Agreement, which is the successor to the first module of the Towards 2016 national social partnership agreement, provides for pay rises in the public and private sectors of 6% over 21 months. The pay deal includes different pay pauses and phased increases for public and private sector workers.

Provisions in the private sector include:
- a pay pause of three months, including in the construction sector;
- a pay increase of 3.5% for a period of six months;
- a pay increase of 2.5% for a period of 12 months – or a pay increase of 3% for workers earning €11 an hour or less on the date that the increase falls due.

Provisions in the public sector (or public service) include:
- a pay pause of 11 months;
- from 1 September 2009, a pay increase of 3.5% for a period of nine months;
- from 1 June 2010, a pay increase of 2.5% – except for workers earning up to and including €430.49 a week (€22,463 annually) on that date, who will receive a 3% increase.

The agreement also covers a range of initiatives on issues beyond the basic pay terms, including:
- setting up a process to develop a national framework on the employment rights of temporary agency workers, while prohibiting their use in the case of official strikes or lockouts;
- optional recourse to voluntary arbitration on change at enterprise level;
- setting up a time-bound process in which the issue of union representation and proposed changes to the legislative framework will be addressed;
• introducing a statutory prohibition on the victimisation of employees based on their membership or non-membership or activity on behalf of a trade union, and on incentivising non-membership of trade unions;

• making provision for pensions under Council Directive 2001/23/EC on the approximation of the laws of the Member States relating to the safeguarding of employees’ rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses;

• commitments in relation to public service modernisation, including responding to the Organisation for Economic Co-operation and Development (OECD) report Ireland: Towards an integrated public service.

**Workplace representation**

The two main channels of employee representation at workplace level are trade unions and various types of works councils. Workplace trade unionism is based on voluntarism, although certain rules regulating union activities are codified by law. Regulation of statutory works councils is codified by law.

**Trade union representation**

By far, the most common channel of employee representation at workplace level continues to be trade unions – either through collective bargaining or joint consultation. Workplace collective bargaining may encompass negotiations with management over issues such as pay, working time, terms and conditions of employment, pensions, sick pay and work organisation. Workplace collective bargaining is voluntarist, and workplace trade union representatives – shop stewards – engaged in collective bargaining are elected by union members.

As well as collective bargaining, trade unions may represent employees at the workplace by engaging management in Joint Consultative Committees (JCCs). Again, JCCs are voluntarist, and their core function is consultation of workers. The subject of consultation may vary widely, but may consist of consultation over ‘lower-level’ operational issues like pensions, employment and work organisation, as well as ‘higher-level’ strategic issues such as business plans, the financial situation and productivity. Trade union representatives or shop stewards are elected by union members. JCCs comprise members of management and union representatives. JCCs may also consist of non-union staff representatives. The committees are sometimes associated with voluntarist workplace ‘partnership’ agreements between employers and unions. However, partnership agreements, especially those formally and explicitly labelled as such, are seldom concluded.

**Non-union representation**

For many years, workplace trade unionism was the sole channel of employee representation. This has changed, however, in recent years, as non-union employee representative structures have increased. In particular, for the first time, under Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community, Ireland now has general statutory legislation governing employee
representation. It is significant, however, that the information and consultation rights contained in Irish legislation have to be ‘triggered’ by groups of workers rather than being automatically applicable. The Employees (Provision of Information and Consultation) Act 2006 gives employees the right to request that an employer enters into negotiations on an information and consultation structure – a ‘negotiated agreement’. In order to exercise this right, 10% of employees in an undertaking must make such a request (subject to a minimum of 15 and a maximum of 100 employees), with applications made in confidence either directly to the employer or to Labour Court, unless employers volunteer to introduce information and consultation arrangements. The timeline for concluding a ‘negotiated agreement’ is six months from the commencement of negotiations.

Alternatively, or following failure to conclude a ‘negotiated agreement’, Standard Rules – as set out in Section 10 of the 2006 act – provide for elected representative Information and Consultation Employee Forums, which will be set up along the lines of ‘continental style’ employee representative works councils. However, Standard Rules must provide representative arrangements – that is, it is not possible for employers to inform and consult directly with employees under Standard Rules. The Standard Rules stipulate that employee representatives must be employees of the undertaking, elected or appointed for the purposes of the information and consultation act. The employer is obliged to arrange for the election or appointment of representatives. An Employee Forum must be composed of not less than three or more than 30 elected/selected employee representatives only, who must be employees of the undertaking. As intended in Directive 2002/14/EC, trade unions are not the sole channel for employee representation.

However, the employees act provides that where it is the practice of the employer to conduct collective bargaining negotiations with a trade union or excepted body, and a union or excepted body represents at least 10% of the employees, those employees are entitled to have their own representatives on a pro-rata basis to non-union representatives. Therefore, much depends on trade union density and bargaining levels. Undertakings with at least 50 employees came within the scope of the Employees (Provision of Information and Consultation) Act 2006 as of 23 March 2008. Irish legislation was enacted in July 2006, but few new information and consultation agreements have been concluded. Many commentators suggest that the Irish government transposed the legislation in a minimalist manner.

A concern not to do anything that could jeopardise inward investment from American multinationals has loomed large in government policy in this regard. Other forms of employee representation include various voluntary employer-sponsored non-union staff associations, company councils or ‘excepted bodies’ in the private sector. Moreover, there are also provisions for worker directors (company board) and representative forums (at sub-board level) in a number of commercial semi-state bodies. As of 2003, there were about 60 worker directors across the commercial semi-state sector.

Employee rights

Apart from trade unions, the main institutions to ensure the enforcement of employee rights are the Labour Court, NERA (the Labour Inspectorate), and the Health and Safety Authority (HSA). Other institutions with a remit to enforce employee rights and resolve employment-related disputes include the Equality Tribunal, Employment Appeals Tribunal (EAT) and the LRC Rights Commissioner Service. The Irish industrial relations system is
heavily reliant on dispute resolution procedures to resolve conflicts of interest that arise from the process of collective bargaining. Accordingly, the state has introduced auxiliary institutions with the intention of resolving these disputes in order to promote industrial peace. The most prominent of these institutions, the Labour Court, was established under the Industrial Relations Act 1946. The Labour Court is an independent tripartite body that was originally established to support collective bargaining through a conciliation, mediation and arbitration service.

The court consists of nine full-time members: a chair, two deputy chairs, three employee representatives and three employer representatives. Members of the Labour Court are appointed by the Minister for Enterprise, Trade and Employment. The court’s duties involve the investigation of industrial disputes that have not been resolved by the LRC, on the basis of submissions made by both employee and employer representatives, and the issuing of recommendations following its investigations. However, the Labour Court’s recommendations are – apart from the special ‘inability to pay’ and trade union recognition dispute procedures – not legally binding and the parties are not obliged to use the services of the court in the event of a dispute. Moreover, access to the Labour Court is dependent on both parties having exhausted all other dispute resolution procedures. Ireland is currently undergoing a major overhaul of its employment rights and compliance framework. The aim of this move is to strengthen the enforcement of employee rights.

This was agreed by the government and social partners under the Towards 2016 national agreement. In the agreement, a major package of measures was agreed by the parties, including:

- the establishment of a new, statutory office dedicated to employment rights compliance – NERA;
- a trebling in the number of labour inspectors;
- greater coordination among organisations concerned with compliance;
- new requirements in respect of record-keeping;
- enhanced employment rights awareness activity;
- the introduction of a new and more user-friendly system of employment rights compliance;
- increased resourcing of the system;
- higher penalties for non-compliance with employment law.

In particular, a new Employment Law Compliance Bill was published in March 2008. The bill gives effect to the relevant provisions of Towards 2016 for the appointment, on a statutory basis, of the director of NERA to secure better compliance with employment law through information and enforcement activities.

This is supported by the appointment of 90 labour inspectors with extensive powers, and for the appointment of a statutory tripartite Advisory Board to advise the director in relation to those activities. The parties have been invited to nominate members of the interim Advisory Board. The bill will extend the remit of NERA Inspection Services to include enforcement of certain provisions of the Employment Permits Acts 2003 and 2006.
Main actors

Trade unions

Main trade union organisations

The right to form and join trade unions is protected by the Irish Constitution. However, this does not imply an obligation on employers to recognise or to negotiate with any trade union. One main trade union confederation exists in Ireland, the Irish Congress of Trade Unions (ICTU), which has 56 affiliated trade unions. ICTU’s remit covers both the Republic of Ireland (hereafter Ireland), where 43 trade unions operate, and Northern Ireland where 32 affiliated trade unions operate. As of 2008, ICTU had 602,035 members in Ireland.

Trade union density

A note of caution is required in relation to trade union membership or density data in Ireland. The ICTU membership estimate is based on unions’ own membership records of actual ‘paying members’ submitted to the Registrar of Friendly Societies and the Department of Enterprise, Trade and Employment (An Roinn Fiontar, Trádála agus Fostaíochta). One problem associated with trade union figures is that they are likely to include a number of people officially calculated as being union members, but who may be lapsed or inactive members, or retired. It is difficult to put a precise figure on the number of lapsed, inactive or retired union members who are included in the total figure. However, it seems clear that the unions’ own calculation of 632,035 members – including about 30,000 members of non-ICTU affiliated trade unions – is an overestimation of the true level of union membership.

ICTU estimates that there are currently 632,035 union members in Ireland as of 2008, including an estimated 30,000 members of non-ICTU affiliates, such as the National Bus and Rail Union (NBRU), the Psychiatric Nurses Association (PNA), garda representative organisations and the Permanent Defence Force Other Ranks Representative Association (PDForra). Perhaps a more accurate, and independent, assessment of real trade union membership is provided by special modules compiled by the CSO as part of its Quarterly National Household Survey (QNHS). According to the CSO, some 551,700 union members were calculated in the second quarter of 2007 (out of an estimated 1,749,200 employees at that time), which represents a very slight increase from the 550,600 members in the same quarter of 2003 (out of an estimated 1,473,800 employees). The CSO data indicate that union membership density rates fell to 31.5% in the second quarter of 2007, ‘continuing a trend of annual decreases that began in the second quarter of 2003 when 37.4% of employees were union members’.

However, ICTU has argued that the CSO data do not constitute a comprehensive census of union membership and density levels. Rather, ICTU claims that the CSO household survey simply provides a ‘snapshot’ sample of workers. ICTU insists that its own data of actual ‘paying members’ is a more accurate reflection of union density. Going by ICTU’s own estimates, trade union density as of 2008 stands at 36% (632,035 union members out of an estimated total of 1,757,800 employees), which is more than the CSO 2007 estimate, but is still likely to be a concern for trade unions.
Trends in trade union development

The main organisational change on the trade union side, in 2007, related to a merger between two UK-based trade unions: Amicus and the Transport and General Workers’ Union (T&G), to form the super-union UNITE. UNITE has about 100,000 members in Ireland – divided equally between Ireland and Northern Ireland.

Employer organisations
Main employer organisations

As of 2004, 11 employer representative bodies existed in Ireland representing 11,457 member companies. The Irish Business and Employers Confederation (IBEC) is by far the largest employer organisation with 3,485 member companies in Ireland. It was formed in 1993 following the merger of the Federation of Irish Employers (FIE) and the Confederation of Irish Industry (CII). IBEC is the umbrella body for leading business groups and sectoral associations, and it performs the dual functions of an employer organisation (handling industrial relations) and a trade association (promoting business more generally). In particular, it participates in centralised bargaining, and is the equivalent of ICTU on the trade union side. Other notable employer organisations include the Construction Industry Federation (CIF), with 2,435 members across the construction industry. CIF also represents members in centralised bargaining.

ITALY

Industrial relations
Collective bargaining
Coverage rate

As no data are available on the coverage rate of collective bargaining, estimates are used. According to Visser (2008), coverage of sectoral agreements was about 80% in 2006. Similarly, the Organisation for Economic Co-operation and Development (OECD) (2004) estimates collective bargaining coverage for 1980, 1990 and 2000 at about 80%. Coverage is at the lower end of the scale in the textiles and clothing industry and at the higher end in metal manufacturing.

Levels of collective bargaining

Since the beginning of the 1990s, important changes have occurred in the institutions regulating the wage-setting system. These changes were accompanied by a new attitude in industrial relations that, after a period of conflict among the social partners, gradually became
more cooperative. The main feature of the previous model, which survived until July 1992, was a mechanism of automatic wage indexation (*scala mobile*). This mechanism, substantially reformed in the mid 1970s, was characterised by identical wage adjustments, in response to past inflation, for all workers (*punto unico di contingenza*). It was only partially reformed in 1985–1986, and definitively abolished by the tripartite agreement of July 1992; the abolition of this mechanism was confirmed by the tripartite agreement of July 1993.

Currently, the dominant level of wage bargaining is the sector, but there is an increasing focus on the second, decentralised level. Collective bargaining at company or territorial level is restricted to matters and practices that have not already been covered by the industry-wide agreements. While decentralised bargaining usually takes place at company level, in certain sectors (notably agriculture, construction and crafts) territorial agreements are the norm.

<table>
<thead>
<tr>
<th>Principal or dominant level</th>
<th>National level (intersectoral)</th>
<th>Sectoral level</th>
<th>Company level</th>
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<td>Important but not dominant level</td>
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<td>Existing level</td>
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Industry-wide agreements set minimum pay increases for all employees, whereas company-level agreements usually include variable, performance-related wage elements. It is estimated that company-level bargaining covers about 30% of companies and 50% of employees in the industry and services sectors. Confindustria maintains that company-level bargaining in its jurisdiction covers about 30% of companies and 70% of employees.

According to Visser’s index of wage bargaining (2008), the degree of bargaining centralisation has remained stable in the 2000s and stood at a level of 39 in 2007, a level close to the EU average.

**Wage coordination**

According to the 1993 rules, wage coordination is defined by the income policy framework and namely by the alignment of industry-wide agreements with the planned inflation rate set annually by the government. The new experimental collective bargaining system introduced in 2009 assigns a similar coordination function to the actual inflation rate (excluding energy products), as measured by the European Harmonised Indices of Consumer Prices (HICP).

**Extension of collective agreements**

There is no formal extension mechanism for collective agreements, as these agreements are generally binding only for the companies and employees affiliated to the associations that
sign the collective agreement. However, courts usually refer to collectively agreed minimum pay rates in order to assess the appropriateness of actual wages in individual disputes, according to Article 36 of the Constitution.

Therefore, employers tend to apply such minimum rates to avoid strife. Nonetheless, it should be emphasised that this possible incentive to abide by collective agreements only refers to minimum wage rates and not to all of the other economic and normative content of collective agreements.

Other issues in collective agreements

The matters most frequently covered by agreements are economic aspects (such as pay levels, collective performance-related pay and wage increments), employment issues (for example, the use of fixed-term employment), the work environment, and industrial relations procedures and structures. In terms of flexibility, agreements often deal with working hours and work organisation.

Industrial conflict

The Italian index figure on strike activity is significantly higher than the EU average. According to Eurostat, in 2007, working days lost per one thousand workers amounted to 47.3 days in Italy, compared to 37.5 days in the 27 EU Member States (EU27). As for the tripartite agreement of 1993, the social parties are tied to a cooling off period of four months – three months before and one after the expiration of the existing contract – during which unilateral actions cannot be taken. Arbitration and conciliation procedures are not widely practised, but the experimental reform of 2009 introduced the possibility to resort to the intersectoral level for mediation in case of controversies or deadlocks in industry-wide negotiations.

Tripartite concertation

Even if there is no institutionalised framework, policy concertation has been very important on various occasions. The tripartite agreement of July 1993 – on establishing a new institutional framework for income policy, restructuring bargaining procedures, modification of forms of workplace union representation, policies on employment and measures to support the production system – can be interpreted as a major turning point in the history of Italian industrial relations.

In the 1990s, other concertation agreements have covered pension reform (1995), labour market reform (1996) and economic growth (1998). In the 2000s, social concertation has become less frequent and more controversial.

In 2002, the government together with employer organisations and trade unions (except Cgil, the largest trade union confederation) agreed on the so-called ‘Pact for Italy’ (Patto per l’Italia). The pact dealt with income policy, labour market reform, tax concessions, investment and employment. The agreement also included the government’s commitment to reform unemployment benefits and social shock absorbers.

Cgil’s reasons for not signing the agreement included fundamental concerns about a weakening of the dismissal protection attributed to this agreement. In 2007, a protocol on the welfare system was signed concerning six fundamental areas relating to welfare, the labour
market and pensions. The agreement passed an employee referendum in the autumn of 2007, but was harshly criticised by some trade unionists – namely the Italian Federation of White-Collar and Blue-Collar Metalworkers (Federazione Italiana Operai Metalmeccanici, Fiom) affiliated to Cgil) – and received only mild support from the employers. In 2009, the government and the social partners, with the notable refusal of Cgil, signed the previously mentioned agreement on the experimental reform of the collective bargaining structure.

Workplace representation

The Workers’ Statute of 1970 gives the workers the right to organise a plant-level union representation structure (Rappresentanza sindacale aziendale, RSA). The tripartite agreement of July 1993 introduced – in addition to the RSA – a so-called unitary workplace union structure (Rappresentanza sindacale unitaria, RSU). This body is elected by all employees, but representatives are usually elected through trade union lists. Therefore, it includes features of both works councils (the broad active electorate) and trade union bodies (the almost exclusive inclusion of trade union representatives). In general, it can be associated with trade union bodies.

The establishment of RSUs confirms the traditional system of single-channel representation in Italy, whereby union and employee representation are entrusted to a single body, as opposed to dual-channel systems where union delegates operate alongside works councils. Two thirds of the representatives in the RSU are elected by the workforce (both union and non-union members); one third of the positions is reserved for the trade union organisations affiliated to the signatory organisations of the sectoral national collective agreement (Contratto Collettivo Nazionale di Lavoro, CCNL) applied in the company. RSUs, when present, have all of the rights attributed to RSAs by law or collective agreements (1970 Workers’ Statute rights, as well as rights regarding information and consultation).

Since 1993, RSUs can negotiate at plant level on issues that are delegated from the industry-wide level. RSUs have tended to replace RSAs, which are now usually found only in very small companies.

Employee rights

Individual labour disputes are decided in specific sections of the civil courts (sezione lavoro), which are the functional equivalent of labour courts. The court for second-level judicial decisions is the Corte di appello whereas the Corte di Cassazione covers the third level.

Main actors

The freedom of association (Libertà sindacale) is based on Article 39 of the Italian Constitution. Article 39 declares that trade union organisation is free. It guarantees freedom to organise, join a trade union and engage in trade union activity in the workplace. Discrimination because of trade union membership or activity is forbidden even if it is positive – for example, collective benefits granted on the basis of union membership.
Trade unions

Trade union density

Trade union density in Italy is above the EU27 average, according to administrative data of the three trade union confederations listed below. In 2008, 35.6% of employees were members of a trade union (retired employees excluded; in 1995, net trade union density was 38.1%).

Main trade union organisations

The three major union confederations are:

- Cgil;
- the Italian Confederation of Workers’ Trade Unions (Confederazione Italiana Sindacati Lavoratori, Cisl);
- the Union of Italian Workers (Unione Italiana del Lavoro, Uil).

The confederations represent different political orientations. Cgil was mostly linked to the parties of the left (the former communist and socialist parties, which disbanded in the early 1990s, and other leftist parties), and political affiliations are to some extent still important. Cisl was close to the former Christian Democratic Party, which also disbanded in the early 1990s, but also includes members who sympathise with parties of the centre-left and left of the political spectrum. Uil was mainly associated with the non-communist, reformist left (Socialist Party and Republican Party).

All of the trade unions represented by the three confederations are organised by industry (except, partly, Uil in the public sector). However, despite these divergent political orientations, the three largest confederations have, since the mid to late 1960s and for a long time, adopted a form of united front, except on several occasions when divergences have emerged, especially in 1984–1985 and since the early 2000s.

The divisions among the unions have somehow widened with the refusal of Cgil to sign the experimental reform of the collective bargaining structure in January 2009, but the implementation of such an agreement at sectoral level could narrow the distance between labour organisations. For instance, in September 2009, the renewal of the industry-wide agreement for the food sector was signed by all three confederations. In addition to the unions represented by the three main confederations, there are several other confederations and some independent autonomous unions, particularly in the transport and the public services sector. These confederations include the General Union of Workers (Unione Generale del Lavoro, Ugl), the Italian Confederation of Autonomous Workers’ Unions (Confederazione Italiana Sindacati Autonomi Lavoratori, Cisal), the General Confederation of Autonomous Workers’ Trade Unions (Confederazione Generale dei Sindacati Autonomi dei Lavoratori, Confsal), the Italian Confederation of Service Workers’ Unions (Confederazione Italiana Sindacati Addetti ai Servizi, Cisas), the National Confederation of Management and Managerial Staff in the Civil Service (Confederazione nazionale dei quadri direttivi e dirigenti della funzione pubblica, Confedir) and the Confederation for Managerial and Professional Staff (Confederazione Italiana dei Dirigenti e delle Alte Professionalità, Cida).
Employers
Employer organisation density

Employer organisation density is estimated at slightly above 50% (Visser, 2008). Employer confederations vary by sector of activity and company size. Until Italy’s process of privatisation of public utilities in the mid and late 1990s, they were also divided by type of ownership (publicly-owned or privately-owned companies).

Main employer organisations

The most important employer confederation is the General Confederation of Italian Industry (Confederazione Generale dell’Industria Italiana, Confindustria). According to Confindustria data, the confederation has 135,000 member companies employing almost five million workers. Confindustria companies come from all industrial sectors, including construction and also some services sectors. Confindustria acts, on the one hand, on behalf of private employers in their relations with trade unions and, on the other hand, as the employers’ national representative for economic and industrial policy issues. It is divided into territorial and sectoral subgroups (103 territorial associations, 22 sectoral federations and 96 trade associations). Other major employer confederations include the Italian Confederation of Small and Medium-sized Industry (Confederazione Italiana della Piccola e Media Industria, Confapi), which represents smaller private companies.

According to Confapi’s statistics, it represents some 50,000 companies with about one million workers (as at 31 December 2006). Artisans have their own associations that were traditionally structured by political orientation – Confartigianato for the centre-right and the National Confederation of Crafts and Small and Medium Enterprises (Confederazione Nazionale dell’Artigianato e della Piccola e Media Impresa, CNA) for the centre-left.

In the agricultural sector, the employer association for larger companies is Confagricoltura; smaller companies are represented by either Coldiretti, which had a close association with the former Christian Democrats, or the Italian Farmers’ Confederation (Confederazione Italiana Agricoltori, CIA), a rather left-wing organisation. Employer organisations in the commercial and tourism sectors were also structured by political orientation: the General Confederation of Enterprises, Professional Occupations and Self-employment (Confederazione Generale Italiana delle Imprese, delle Attività Professionali e del Lavoro Autonomo, Confcommercio), centre; and Confesercenti, left. The banking sector is organised within the Italian Banking Association (Associazione Bancaria Italiana, ABI).

In general, the links between employer representation and the political system have somehow weakened over the past two decades, which have seen significant changes in the national political scene and a reconfiguration of the post-World War II cleavages between the right, the centre and the left political spectrums.
Latvia

Industrial relations

Collective bargaining

The most important level of collective bargaining for the setting of pay and working time is company-level bargaining. Sector-level bargaining – so-called ‘general agreements’ – occurs in some sectors such as railways and metalworking, and regional agreements are concluded with local governments and other regional organisations in other sectors. For instance, LIZDA has concluded 380 general agreements with local governments and other organisations.

Legal parameters

The conditions for a collective agreement to be legally binding are mostly stated in the Labour Law, under Sections 18 to 20.

Section 20 on the Effect of a Collective Agreement with Respect to Persons of the Labour Law sets forth the following provisions:

- Item (1): A collective agreement shall be binding on the parties and its provisions shall apply to all employees who are employed by the relevant employer or in a relevant undertaking of the employer, unless otherwise provided for in the collective agreement. It shall be of no consequence whether legal employment relationships with the employee were established prior to or after the coming into effect of the collective agreement;
- Item (2): An employee and an employer may derogate from the provisions of a collective agreement only if the relevant provisions of the employment contract are more favourable to the employee.

Section 18 referring to the Parties to a Collective Agreement (item (3)) of the Labour Law establishes a norm that a general agreement entered into by an employer organisation or an association of employer organisations shall be binding on members of the organisation or the association of organisations.

Extension of collective agreements

Section 18 of the Labour Law also outlines the following norms regarding the extension of the collective agreement.

Item (1) states that a collective agreement in an undertaking shall be entered into by the employer and an employee trade union or by authorised employee representatives if the employees have not formed a trade union.

Item (2) outlines that a collective agreement in a sector or territory – hereinafter called a general agreement – shall be entered into by an employer, a group of employers, an employer organisation or an association of employer organisations, and an employee trade union or an association (union) of employee trade unions if the parties to the general agreement have
relevant authorisation or if the right to enter into a general agreement is provided for by the articles of association of such associations (unions).

Item (4) provides that if members of an employer organisation or an association of employer organisations employ more than 50% of the employees in a sector, a general agreement entered into by the employer organisation or association of employer organisations and an employee trade union or an association (union) of employee trade unions shall be binding on all employers of the relevant sector and shall apply to all employees employed by the employers. With respect to such employers and employees, the general agreement shall come into effect on the day of its publication in the official Gazette of the Government of Latvia *Latvijas Vēstnesis*, unless the agreement specifies another time for coming into effect. The parties shall publish the general agreement in *Latvijas Vēstnesis* on the basis of a joint application. Other voluntary mechanisms of extension or application of the terms of collective agreements do not exist in Latvia.

**Bargaining coordination**

Special extension mechanisms do not exist. Wages are agreed individually and a wage agreement is formalised in the employment contract. General wage conditions are agreed in the collective agreement at company level and in the general agreement at sectoral level, as well as through bargaining on the minimum wage and non-taxable minimum wage at national level. Intensification of sector-level collective bargaining is the internal strategy of LBAS. On the basis of the existing examples of the railways, health and education sectors, trade unions have understood that sector-level bargaining is a more efficient way of protecting employers’ interests. Thus, almost every sector-level trade union is involved in finding a partner for sectoral collective bargaining. LBAS has expanded its operations in the country’s regions and its cooperation with LPS. In 2008, four regional LBAS centres were established in Daugavpils in the southeast of the country, Jelgava in central Latvia, Valmiera in north-central Latvia and Liepaja in the west of the country.

**Other issues in collective agreements**

Education, training and workers’ skills development, as well as social provisions – including social benefits, contributions to the social insurance system and pension funds – are issues of high importance on the collective bargaining agenda. Stress and harassment are not popular collective agreement issues. Issues relating to vocational training and lifelong learning are usually dealt with in collective agreements. Gender equality issues are usually not addressed in collective bargaining. Rather, issues such as protecting women against work that is too strenuous and social benefits or some non-standard privileges for young mothers are included in the collective agreement.

**Industrial conflict**

**Frequency of strikes and sectors involved**

 Strikes are a rather rare phenomenon in Latvia. No major strikes occurred in recent years, except a strike among healthcare workers where they stayed at their workplaces but did
not work, and several demonstrations or pickets, organised by education, healthcare and police trade unions.

**Main reasons for collective action**

The main reasons for collective action by trade unions include low pay and difficult working conditions. For healthcare workers, low pay and unpaid overtime work are the main reasons for collective action. For police officers, inadequate social guarantees compared with other civil servants and low pay are the main issues of contention. Low pay is the main reason for collective action among education workers.

**Resolution and arbitration mechanisms**

Both conflict resolution and arbitration mechanisms were applied in cases of disputes. Conflict resolution starts with a negotiation process, usually resulting in a solution that is acceptable to both sides.

**Tripartite concertation**

Established in 1996, the NTSP includes seven sub-councils. The council deals with a wide spectrum of issues: social security, employment and professional education, healthcare, regional development, taxation and environmental protection.

**Main results**

Tripartite cooperation results in negotiations between the parties involved, with negotiations regarding taxation, the minimum wage and the non-taxable minimum income being the most important. The non-taxable minimum is the sum determined by law which is not taxed in all taxable wage payments.

**Workplace representation**

Employee representation at the workplace is regulated by Section 10 of the Labour Law on the Representation of Employees. The Law sets out the following provisions:

- employees shall exercise the defence of their social, economic and occupational rights and interests directly or indirectly through the mediation of employee representatives. Within the meaning of this Law, employee representatives shall mean:
  - an employee trade union on behalf of which a trade union institution or an official authorised by the articles of association of the trade union acts,
  - authorised employee representatives who have been elected by the workforce in accordance with the Code in enterprises with five or more employees (as outlined in the next point);
- authorised employee representatives may be elected if an undertaking employs five or more employees. They shall be elected for a specified term of office by a simple majority vote at a meeting in which at least half of the employees employed by an undertaking of the relevant employer participate. The course of the meeting shall be
recorded in the minutes of the meeting and decisions taken shall be entered in the minutes. Authorised employee representatives shall express a united view with respect to the employer;

- if there are several trade unions, they shall authorise their representatives to participate in joint negotiations with an employer in proportion to the number of members of each trade union. However, each union should have at least one representative. If representatives of several trade unions have been appointed for negotiations with an employer, they shall express a united view;
- if there is one employee trade union or several such trade unions and authorised employee representatives, they shall authorise their representatives to participate in joint negotiations with the employer in proportion to the number of employees represented. However, each union should have at least one representative. If representatives of one employee trade union or representatives of several such trade unions and authorised employee representatives have been appointed for negotiations with an employer, they shall express a united view;
- employees with a fixed-term contract have to be taken into account when calculating the number of authorised employee representatives to be elected.

**Employee rights**

Employment rights are ensured with the help of labour legislation and institutional control which is the responsibility of the State Labour Inspectorate (Valsts Darba Inspekcija, VDI). It appears that Latvian Labour Law may be more favourable for employees, meaning that employee rights are widely stipulated by the Law while employee obligations are modest. Labour courts do not exist in Latvia. Employment issues are resolved in regular courts, and employee rights are protected free of charge at the first instance court (**Pirmās instances tiesa**).

**Main actors**

**Trade unions**

**Trade union density**

Trade union density in Latvia has declined. The largest trade unions are in state institutions covering education and healthcare workers, current or privatised state companies – such as the energy company Latvenergo, Latvian Railways (Latvijas Dzelzceļš) and Latvia Post (Latvijas Pasts) – and the major foreign-owned companies. Trade unions seldom exist in retail trade companies – including those that are foreign owned – and small private companies. In some services sectors, trade unions do not exist – for example, in the inland water sector, barber shop sector and personal services sector.

**Main trade union organisations**

LBAS is the sole trade union peak organisation in Latvia. In 2007, it had 23 affiliated organisations. Of these, the largest are the Education and Science Workers’ Trade Union (Latvijas Izglītības un zinātnes darbinieku arodbiedrība, LIZDA) (45,000 members, 30% of the total LBAS membership), the Trade Union of Railway and Communication Workers (Latvijas
Dzelzceļnieku un satiksmes nozares arodbiedrība, LDzSA) (18,600 members, 12.3% of the total membership), the Health and Social Care Workers Trade Union (Latvijas Veselības un sociālās aprūpes darbinieku arodbiedrība, LVSADA) (16,400 members, 10.8% of the total membership) and the Trade Union of Public Service Employees LAKRS (Latvijas Sabiedrisko pakalpojumu darbinieku arodbiedrība LAKRS, LAKRS) (14,000 members, 9.3% of total membership). The existence of one single politically independent union confederation is advantageous for two reasons – simplicity of dialogue with the government and employer organisations and a lack of rivalries between different peak organisations.

**Trends in trade union development**

Mergers and divisions have occurred among trade unions, with new trade unions being formed and others ceasing to exist. Similarly, the same is true for peak organisations – the total number of members has decreased from 26 to 23, and internal changes have occurred. For instance, in 2007, the trade union organisation representing book publishers, with its 320 trade union members, split from LBAS, because leaders of the organisation did not agree with the strategic goals of LBAS. However, the majority of the members of the book publishers’ trade union left the organisation and joined the Trade Union Federation for People Engaged in Cultural Activities (Latvijas Kultūras darbinieku arodbiedrību federācija, LKDAF), which is a member of LBAS. Three trade unions representing metalworkers (members of LBAS), namely the Trade Union Latvijas metals (Apvienotā arodbiedrība Latvijas Metāls), the Metalworkers’ Trade Union (Latvijas Metālistu arodbiedrība, LMA) and the Metallurgic Workers Trade Union of Liepaja (Liepājas metalurgu arodbiedrība) amalgamated into LMA. In 2008, several developments occurred in the banking sector. Trade union organisations were established in three banks – SEB Banka, Nordea and BIG Banka. The largest trade union organisation was established in SEB Banka with about 500 members and a collective agreement was concluded.

The number of members in some trade unions has declined. For instance, the trade union of local government workers has lost 3,914 of its 5,294 members due to the country’s administrative territorial reform, LIZDA has lost 2,542 of its 47,528 members due to the closure of small rural schools, and the Communication Workers Trade Union (Latvijas Sakaru darbinieku arodbiedrība, LSAB) has lost 1,908 of its 7,246 workers due to reforms in Latvia Post, a former state-owned company. Another remarkable development is the more intensive activity at national level regarding issues that go beyond the usual field of trade union activities, notably workers’ interest representation. For instance, the individual trade unions and LBAS were initiators of the national referendum on the amendments to the Latvian Constitution (Satversme) in 2007–2008, a measure that would allow voters to recall the Latvian parliament (Saeima) through a referendum.

**Employer organisations**

**Employer organisation density**

Although employer organisations have been trying to increase their density levels, the lack of such organisations jeopardises the development of sector-level social dialogue. Typically, trade unions have a sector-oriented structure in Latvia, while the employer organisations show a different structure. Many sectors are not represented by an employer organisation. Moreover, many sectoral organisations – such as the Latvian Shipowners’
Associations (Latvijas kuģu īpašnieku asociāciju) – do not recognise themselves as employer organisations. In some sectors of the economy, the largest companies act as social partners, while only in a small number of sectors – such as metalworking, railways and light industry – employers are represented by an active organisation. These employer organisations recognise themselves as the social partner and meet the requirements stipulated by law.

**Main employer organisations**

LDDK is a single national-level employer organisation, established exclusively for social dialogue purposes. LDDK acts as a partner in socioeconomic negotiations with the Saeima, the Cabinet of Ministers of the Republic of Latvia, LBAS and the Latvian Association of Local and Regional Governments (Latvijas Pašvaldību savienība, LPS). LDDK unites 42 branch and regional associations and federations, as well as several enterprises that employ over 50 people. Members of LDDK employ about 35% of employees in Latvia.

The most important sectoral employer organisations are those listed below:
- the metalworking sector is represented by the Association of Mechanical Engineering and Metalworking Industries of Latvia (Mašīnbūves un Metālapstrādes Rūpniecības Uzņēmēju asociācija, MASOC);
- the railways sector is represented by the Latvian Railway Sector Employers’ Organisation, (Latvijas Dzelzceļa nozares darba devēju organizācija, LDzDDO);
- the light industry is represented by the Latvian Association of Textile and Clothing industry, (Latvijas Vieglās rūpniecības uzņēmumu asociācija, VRUA).

**Trends in employer organisation development**

Employers support social dialogue and use it for lobbying their interests with the government. Through social dialogue, the employers find a healthy compromise between their needs to make labour relations more flexible and trade unions’ wish to protect employees’ rights at work. Since LDDK was established as a sole employer organisation for social dialogue purposes, it promotes the idea of social dialogue through its daily tasks. Every year, LDDK organises a public activity, promoting good practice in the area of social dialogue and social responsibility.

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**Lithuania**

**Industrial relations**

**Collective bargaining**

Although the trade union density level is relatively low in Lithuania, collective bargaining is present and collective agreements are signed in the majority of enterprises with functioning trade unions. As no collective bargaining occurs at the national or sectoral levels and no collective agreements are signed at these levels, the company level is the most
important level of collective bargaining for the setting of pay and working time in Lithuania. On the other hand, since working time and minimum wage are set by regulatory legislation in Lithuania, and all legislation in the domain of the labour market and industrial relations is agreed on by the national social partners at the LRTT prior to its adoption, the role of national-level social dialogue also plays an important role in Lithuania. Therefore, social dialogue at the national level may be considered even more important than that at the company level, because it affects the working conditions of all employees in the country.

Collective agreement coverage

As is the case regarding the density levels of trade unions and employer organisations, no official information is available on the coverage of collective agreements in Lithuania. Expert analyses estimate that some 15% of the country’s employees are covered by collective agreements. Once signed, collective agreements are legally binding.

Extension of collective agreements

The Labour Code of the Republic of Lithuania (Lietuvos Respublikos Darbo Kodeksas, DK) provides for the possibility to broaden the scope of application of sectoral collective agreements. In general, a sectoral collective agreement is applicable only to the members (that is, companies) of the employer organisation that has signed the agreement, or to those companies that have joined the employer organisation after an agreement has been signed. However, if the provisions of a sectoral collective agreement are of importance for the respective economic sector or occupational groups in the sector, the Minister of Social Security and Labour may extend the application of a sectoral collective agreement, or its specific provisions, to the entire sector, occupational groups or particular services in the sector. A sectoral agreement’s provisions will only be extended if a request has been submitted by one or several trade union or employer organisations which have been participating in the negotiations of the sectoral collective agreement. Nevertheless, this provision of the Labour Code has never been put into practice; therefore, there has been no extension of a sectoral collective agreement’s application in Lithuania to date.

Collective bargaining trends

As already mentioned, actual collective bargaining in Lithuania takes place at the company level only. Nonetheless, the national social partners have made efforts to initiate collective bargaining and to sign collective agreements at the sectoral level for several years, but these efforts have been in vain. This leads to the conclusion that collective bargaining is rather stable in Lithuania and is not exposed to centralisation or decentralisation efforts. The national level has been playing a relatively important role in Lithuania for a number of years when dealing with some employment issues such as the minimum wage and working time. Discussions of the social partners at the LRTT, however, cannot be considered as real collective bargaining. Agreements signed at this level are more of a declarative nature and are not considered to be collective agreements.
Other issues in collective agreements

No surveys have been conducted in Lithuania which would allow for clearly identifying the issues that are usually addressed in collective agreements. However, bearing in mind that the LRTT secretariat has drafted a template for a collective agreement, which the social partners use to draw up collective agreements in their companies, the following issues are those addressed in most company-level collective agreements in force in Lithuania:

- terms and conditions for entering into, amending or terminating employment contracts;
- working and rest time;
- pay;
- social issues;
- health and safety at work;
- guarantees of trade union activities.

It is worth noting that, along with pay and working time issues, collective agreements generally place great emphasis on issues relating to the terms and conditions for entering into, amending and terminating employment contracts, as well as additional social guarantees to workers. On the other hand, topics such as stress at work, harassment and violence at work or gender equality issues are omitted in collective agreements. As for issues related to vocational training and lifelong learning, company-level collective agreements are confined to the employer’s obligations ‘to create proper conditions for employees’ for improving qualifications or reskilling. In terms of conditions, this mainly relates to the payment of an average wage during a training period or awarding the required leave for training.

Industrial conflict

In the period 2002–2006, only one strike was registered in Lithuania, while in 2007 and 2008 more than 100 strikes a year were recorded. All of the strikes were launched in the education sector. The main reasons for strike activity included teachers’ dissatisfaction with the existing conditions of work and insufficient professional reputation of teachers among the public. Although the strikes took place in the education sector only, in 2007–2008 Lithuanian employees finally started exercising their right to protest. In addition to the strikes, a number of other various protest actions were held in Lithuania during the 2007–2008 period, including some actions initiated by trade unions. The number of strikes may rise further due to the legislative amendments adopted in 2008 which simplify the strike launching procedure.

Frequency of strikes

In 2007, strikes accounted for 40% and warning strikes for 60% of all officially registered strikes; in 2008, strikes accounted for 87% and warning strikes for 13% of all strike activity. The average duration of strikes in 2007 was 2.7 working days, while warning strikes lasted 0.3 working days; in 2008, strikes lasted on average 7.4 working days and warning strikes 0.4 days.
Conflict resolution and arbitration mechanisms

Although conflict resolution and arbitration mechanisms are provided for in the Labour Code of the Republic of Lithuania, they are seldom applied in practice. With the aim of facilitating the application of such mechanisms, in May 2008, after several years of discussions, the social partners finally adopted amendments to the Labour Code and introduced a conciliation procedure for resolving collective labour disputes with the help of an intermediary.

Tripartite concertation

A number of tripartite councils and commissions operate in Lithuania. Most of these organisations are specialised and operate at national level, while some of them have extended their activities to the regional level. The main tripartite organisation, the LRTT, was established in 1995 following the agreement on trilateral partnership by the Government of the Republic of Lithuania (Lietuvos Respublikos Vyriausybe, LRV), the trade unions and employer organisations in compliance with the provisions of the International Labour Organization (ILO) Tripartite Consultation (International Labour Standards) Convention (Convention No. 144) of 1976. According to the parity principle, the LRTT consists of 15 members, including five representatives each from the trade unions, employer organisations and LRV. The LRTT holds its sittings at least once a month. The analysis of some issues is delegated by the LRTT to its standing (permanent) or temporary commissions – at present, four permanent specialised commissions function under the tripartite council dealing with pay, labour relations, employment and social guarantees, and tripartite consultations for the implementation of international labour standards. According to Lithuanian law, legislative drafts that are submitted to the government on relevant labour, social and economic issues should be agreed in advance with the LRTT. Despite the fact that the LRTT reviews all draft legislation, the opinion of the national social partners is often neglected at a later stage, notably when the drafts are being adopted by the Parliament of the Republic of Lithuania (Lietuvos Respublikos Seimas, LRS). With the view to changing the existing situation, in 2008–2009 the social partners undertook some initiatives to increase the significance of social dialogue at national level. Tripartite councils and commissions operate almost under all main state institutions including: the Lithuanian Labour Exchange (Lietuvos darbo birža, LDB) and local labour exchanges, the State Social Insurance Fund Board (Valstybinio socialinio draudimo fondo taryba, SODRA), and the Lithuanian Labour Market Training Authority (Lietuvos darbo rinkos mokymo taryba, LDRMT). In the meantime, the national tripartite agreement on collaboration between the social partners as signed in 2005, is in force in Lithuania. Based on this agreement, every two years, the social partners develop and approve social dialogue development measures in Lithuania.

Workplace representation

According to the Labour Code, in labour relations the rights and interests of employees may be represented and protected by the trade unions. Where a company, agency or organisation has no functioning trade union and the staff meeting has not transferred the function of employee representation and protection of employees to the trade union of the
appropriate sector of economic activity, the workers shall be represented by the works council elected by secret ballot at a general staff meeting. The activities of trade unions are regulated by the law on trade unions. Trade unions shall have the right to prepare the regulations and rules of their activities, freely choose their representatives, organise their operations and activities, and prepare their programme of activities. The trade union regulations set out the composition of the organisation, and each trade union is free to determine the structure of its organisation.

More than one trade union may operate in a company. The core functions of trade unions include: negotiation, information and consultation with the employer, harmonisation of corporate legislation, representation of its members’ rights, and monitoring if the employer complies with labour legislation. According to expert estimates, about 10% of the country’s companies have trade unions established. The activities of works councils are regulated by the law on works councils. A works council shall be established for a term of three years, which shall begin when a works council starts its operation. The works council has the same rights and obligations in the company as the trade union, including the right to call a strike. According to different sources, about 4% of companies have works councils elected.

**Employee rights**

As there are no labour courts in Lithuania, the State Labour Inspectorate (Valstybinė darbo inspekcija, VDI) is to be considered the main institution ensuring the enforcement of employee rights. Among other functions, the VDI performs the ‘prevention of violations of legal acts regulating occupational safety and health, labour relations, as well as the prevention of accidents at work and occupational diseases in enterprises, by controlling the compliance with these legal acts (6%–7% of registered enterprises in the country are inspected annually) and by providing consultations to employees, their representatives, trade unions, employers, occupational safety and health services and committees in enterprises’.

**Main actors**

To date, three national trade union confederations and two national employer organisations operate in Lithuania.

**Trade unions**

It is important to note that in Lithuania there are no official publications of data on trade union density. In 2008, the three national trade union organisations had about 121,000 members, covering together approximately 8% of all employed individuals in Lithuania. No information is available on the number of Lithuanian trade unions that do not belong to the national trade union confederations and therefore no information exists on the number of their members. Nevertheless, overall trade union density in Lithuania is estimated to amount to about 10%. In the period 2004–2007, due to the rapidly growing number of individuals emigrating from Lithuania and the individualisation of industrial relations, trade union membership began to decline. It did, however, not decline significantly, partly as a result of the favourable conditions for enhanced social dialogue. According to expert analysis, trade union density is believed to have declined by a few percentage points.
Main trade union organisations

Three main national trade union organisations operate in Lithuania, namely the:
- Lithuanian Trade Union Confederation (Lietuvos profesinių sąjungų konfederacija, LPSK);
- Lithuanian Labour Federation (Lietuvos darbo federacija, LDF);
- Lithuanian Trade Union ‘Solidarumas’ (Lietuvos profesinė sąjunga ‘Solidarumas’, LPS ‘Solidarumas’);

All three trade union organisations are represented on the national-level tripartite body, the Tripartite Council of the Republic of Lithuania (Lietuvos Respublikos Trišalė taryba, LRTT). They are identified as ‘entities entitled to represent employees’ interests at national and sectoral levels’ and recognised as ‘national trade union organisations in the “Declaration of mutual recognition” of the social partners’. Although all three trade union organisations officially have equal rights, LPSK, which is the largest of the three organisations, is considered to be the most important one. Frequently, the other two national trade unions – LDF and LPS ‘Solidarumas’ – delegate their collective bargaining power to LPSK. LPSK is indeed the trade union that has signed most of the collective agreements in Lithuania.

Trends in trade union development

In the past, joint actions and cooperation were not common between the national trade union organisations. However, in recent times, they have managed to increasingly reach agreement on trade union actions and to better coordinate their initiatives. On 1 May 2007, the three trade union confederations signed a ‘Declaration of cooperation’, which lays down the main trends for their cooperation. In the declaration, the trade union confederations decided to establish, along the principles of parity, a coordination centre as a national structure for organising joint union activities.

Employer organisations

Employer organisation density

As is the case for the trade unions, no official information is available on employer organisations’ density in Lithuania. The employer organisations do not provide any data on their membership numbers and employed individuals. According to the representatives of employer organisations, the membership rate of employer organisations has been gradually increasing in recent times. According to expert analyses, the main reasons contributing to these processes include efforts to have some influence in adopting business-related decisions, as well as the prestige to be a member of a ‘sound’ employer organisation.

Main employer organisations

Two national employer organisations are present in Lithuania, namely the:
- Lithuanian Confederation of Industrialists (Lietuvos pramonininkų konfederacija, LPK);
- Lithuanian Business Employers’ Confederation (Lietuvos verslo darbdavių konfederacija, LVDK).
It is not possible to establish whether one employer organisation is more important and influential than the other, since they represent both small and large companies. In September 2004, the two organisations signed a memorandum and agreement to foster greater cooperation. Since then, both organisations have been making common causes: they coordinate their positions, hold joint events and settle relevant problems together. The social partners’ ‘Declaration of mutual recognition’ defines both employer organisations as ‘entities entitled to represent employers’ interests at national and sectoral levels’ and recognises them as ‘national employer organisations’.

Luxembourg

Industrial relations
Collective bargaining

A collective agreement can be concluded between one or more trade union organisations and one or more employer organisations, a particular company, a group of companies whose production or activity is of a comparable nature, or all of the companies operating in the same line of business.

Coverage of collective agreements

The law defines two kinds of collective agreements, but both apply certain common basic rules:

- ordinary collective agreements – either the employer (or a group of companies of which it is part) has negotiated and signed an agreement with a trade union organisation, or the employer is a member of an organisation which has negotiated on its behalf;
- collective agreements with a declared general obligation – these agreements for a particular area of economic activity can be declared obligatory for all of the employers and staff of the industry for which they have been signed.

Extension of collective agreements

The extension of the terms of a collective agreement to all employers and employees in a sector is permitted through a Grand-Ducal regulation. The filing and publication of the agreements are regulated, as are their duration, validity and content. The large majority of collective agreements are negotiated at company level. It is, therefore, mainly at this level that pay and working time agreements are established. To determine which staff members are covered by a collective agreement, the employer’s economic activity is decisive and not the
staff member’s occupation within the company. In theory, even if the employer has several activities in different economic sectors, only one agreement would apply to the workforce.

**Single status changes**

As the distinction between blue-collar and white-collar workers no longer exists, the characteristics attributed to this distinction can be disregarded. However, in certain provisions of the Labour Code that were unaltered by the law introducing the single status, the differentiation by occupational type persists. A new article in the Labour Code puts forward the principle of a collective agreement covering all of a company’s paid staff while allowing for the possibility of excluding or envisaging divergent conditions for supervision or support functions that are not directly related to the execution of the company’s core business. It should be noted that the parties can enter into a framework collective agreement. Transitional provisions allow collective agreements signed under the terms of the former regulations to remain in force until 2013. Employers and trade unions also have the possibility of entering into agreements through intersectoral and/or national social dialogue, thus substituting the legislator in fields where they are best placed to find viable solutions. Such agreements can relate to the following aspects:

- transposition of collective agreements adopted by management and labour at European level in accordance with the provisions of the Treaty of the European Union (also known as the Treaty of Maastricht);
- transposition of European directives envisaging the possibility of transposition at national level following agreement between the national management and labour, and in particular directives based on the agreement of management and labour at the European level;
- national or intersectoral agreements relating to subjects on which management and labour have signed a deal – for example, the organisation and reduction of working time, continuous vocational training and telework.

**Other issues in collective agreements**

The minimum content of collective agreements is laid down by law. In addition to issues such as recruitment, dismissal, working hours and pay, the agreements must include provisions for enforcing the principle of equal pay between men and women and those concerning the fight against sexual and moral harassment at work. In the case of a collective agreement covering a sector of economic activity, a subsector or several companies, the agreement can also provide for the conditions under which its provisions are to be implemented – this can be laid down by an agreement between management and labour at the appropriate level, with regard to training policy in particular.

**Industrial conflict**

Industrial disputes and particularly strikes are very rare in Luxembourg. Referral to the ONC is obligatory in the event of conflict. The ONC, in theory, has three main tasks:

- solving collective disputes relating to working conditions;
settling collective disputes that have not culminated in a collective agreement or a collective convention;
giving notice of demands for the extension of collective agreements and conventions relating to national or intersectoral social dialogue.

Conflict resolution

In order to resolve a dispute, employers and trade unions can jointly formulate a conciliation proposal. If this proposal is rejected by at least one of the parties, the chairperson can submit a conciliation proposal on his or her own initiative. The rejection of such a proposal by at least one of the parties would signify irretrievable breakdown. Irretrievable breakdown can also be put on record by a unanimous vote of the two groups within the joint committee. If no settlement has been reached after the expiry of a 16-week period starting from the first meeting of the joint committee, the parties to the dispute, or one of them, can declare irretrievable breakdown.

Should the parties reach consensus, the dispute will be settled by the signature of an agreement by the parties to the dispute. In the absence of agreement of all of the trade unions included in the pay delegation, the agreement can validly be signed by the trade unions that have a majority mandate. In the event of irretrievable breakdown before the ONC, each group in the joint committee can refer the matter, within two weeks, to the Minister of Labour and Employment for the designation of an arbiter. The minister has to propose an arbiter to the parties within two weeks. The parties are then required to express their opinion about this proposal within two weeks.

Tripartite concertation

Tripartite Coordination Committee

Today, the major social dialogue institution in Luxembourg is incontestably the Tripartite Co-ordination Committee (Comité de coordination tripartite). This committee, commonly called the ‘Tripartite Committee’, was created by the Act of 24 December 1977 authorising the government to take measures to stimulate economic growth and to maintain full employment.

Social partner involvement

The Tripartite Committee comprises the following membership:

- four members of the government: the Minister of State (currently also called ‘Prime Minister’); the Minister of Economy and Foreign Trade; the Minister of Labour and Employment; and the Minister of Finance;
- four representatives designated by the trade unions’ representative at the national level, including one representative from the civil service;
- four representatives of the employer organisations: two to be appointed by the CDC; one to be appointed by the Chamber of Trades; and one to be appointed by the Chamber of Agriculture.
**Role of committee**

In cases where employers and trade unions are more directly concerned, the Tripartite Committee is competent to look into the declared topics with the aim of implementing the following measures:

- limiting overtime;
- extending the short-time working compensation regime to companies facing structural difficulties;
- reducing production costs in the interest of safeguarding employment.

The committee also has the power to give an opinion regarding measures designed to safeguard employment. Its consultation mission involves, in particular, an examination of the overall economic and social situation and an analysis of the nature of unemployment. The committee has the possibility of setting up work groups and of resorting to the opinion of experts who fulfil an advisory capacity. Tripartite bodies occasionally also function on a sectoral basis in the steel industry and in the public transport sector.

**Development of committee**

The Tripartite Committee has undergone some development in recent years. Its role has been extended beyond the legislative milieu that the Act of 24 December 1977 had envisaged. Indeed, since Luxembourg, like other EU Member States, has been obliged to establish an annual National Action Plan (NAP) on employment, the Tripartite Committee has taken on a new role, as the provisions of successive NAPs were negotiated between the employers, the trade unions and the government. The Tripartite Committee has thus become the main institution for the negotiation of the most important agreements at national level. Its consensus-building role has been enhanced and emphasised, without involving any amendment of a legislative nature. The committee will henceforth take charge of the construction of the National Reform Plan, which has become the successor of the various NAPs. It is within the Tripartite Committee that interesting developments concerning industrial relations took place in 2006 on the occasion of a ‘decline’ in prosperity within the country. Thus, the government, the trade unions and employer organisations have agreed on a set of measures concerning the state’s budget policy, public investment policy, indexation of salaries and wages, adjustment of revenues and pensions, and financing of health insurance.

**Workplace representation**

In accordance with the Luxembourg Labour Code, every private sector employer is required to have trade union delegates designated in establishments regularly employing at least 15 people, whatever the nature of its activities, legal form or branch of industry. The same is required for any public sector employer regularly employing at least 15 people. In this case, the regulation covers employees working for an administration or a public corporation, but who are not governed by a statute of public law similar to civil servants or public employees. The staff delegation represents the interests of the employees in the company and makes every effort to prevent and mitigate any individual and collective conflicts that could emerge between the employer and the workforce. The staff delegation can, in the absence of any conflict resolution, refer to the Labour and Mines Inspectorate (Inspection du Travail et des Mines,
ITM) any complaint or observation relating to the application of the legal, regulatory, administrative or contractual provisions (such as those laid down in a collective agreement) relating to the working conditions and protection of employees at their workplace.

The Labour Code imposes the creation of a joint committee for all companies that have employed at least 150 employees during a three-year base period. The joint committee shall comprise an equal number of employee representatives (appointed by secret ballot) and employer representatives (appointed by the head of the company), according to the size of the workforce employed. The joint committee has jurisdiction for making decisions in the following fields:

- introducing or applying technical installations intended for controlling the behaviour of staff members and their performance at work;
- introducing or changing measures concerning health and safety of the staff as well as preventing occupational diseases;
- establishing or changing the general criteria concerning personal selection in the event of recruitment, promotion, transfer and dismissal and, if applicable, the priority criteria for early retirement;
- establishing or changing the general staff appraisal criteria;
- establishing or changing the company’s policies and procedures;
- granting rewards to staff members who, by their initiatives or proposals for technical improvements, have made a particularly useful contribution to the company.

The regulations envisage an obligation for the management to inform the joint committee twice a year about the company’s financial and economic results, and once a year about staff-related matters, such as recruitment forecasts or training. The joint committee plays, in addition, an advisory role with regard to decisions concerning the company (such as measures referring to production instruments), temporary agency workers and part-time positions. It also has a joint decision-making role in relation to measures intended for controlling staff members at their workstations, as well as health and safety at the workplace. The committee also monitors the company’s benefit schemes.

Employee’s rights

ITM’s mission is to ensure the application of the legal, regulatory, administrative and contractual provisions relating to working conditions and the protection of staff members as they conduct their business. Such provisions include those relating to working time, pay, safety, hygiene and well-being, the employment of children and teenagers, equal treatment between men and women, protection against sexual harassment during work relationships, and other related matters.

Moreover, ITM is tasked with the prevention and settlement of all industrial disputes that do not fall within the ONC’s remit (see previous section on ‘Industrial conflict’). The labour inspectorate system applies to any employer, company or establishment employing people in all remunerated activities, without exception, that are subject to legal, regulatory, administrative or contractual provisions relating to working conditions and the protection of staff members as they conduct their work, with the sole exception of civil servants.
Main actors
Trade unions
Trade union density

Trade union density has remained stable or may even have increased slightly in Luxembourg in recent years. Union density stood at 45% in 1990 and 46% in 2004. The latest figure is based on trade union membership data calculated from the European Social Survey (ESS). This net union density is above the EU average. In absolute figures, trade union membership has also risen in the period 1990–2004, which can partly be explained by employment growth.

Main trade union organisations

Luxembourg trade unionism is marked by a structural pluralism. Two trade union confederations are recognised as nationally representative unions and are mainly active in the private sector:

- the Independent Trade Union Confederation of Luxembourg (Onofhängege Gewerkschaftsbond Lëtzebuerg, OGB-L) comprises a group of 16 trade unions with a total of 60,000 members. While socialist in nature and orientation, OGB-L is not organisationally attached to the Luxembourg Socialist Workers’ Party (Lëtzebuerger Sozialistesch Arbechterpartei, LSAP);
- the Luxembourg Confederation of Christian Unions in Luxembourg (Lëtzebuerger Chrëschtleche Gewerkschafts-Bond, LCGB) represents 40,000 members. It groups 16 federations including 10 sectoral federations and six federations that organise specific target groups such as migrant workers and women.

As well as these two confederations, the Luxembourg Association of Bank and Insurance Employees (Association Luxembourgeoise des Employés de Banque et Assurance, ALEBA) is active in the banking, financial services and insurance sector. In the public sector, the General Public Sector Confederation (Confédération Générale de la Fonction Publique, CGFP) is the most representative trade union. It is composed of 11 trade unions, including for example the teachers’ union. CGFP dominates the elections for the Chamber of Civil Servants and Public Employees (Chambre des fonctionnaires et employés publics, CHFEP), holding 80% of the votes. In the local public sector, the General Federation of Local Authority Employees (Fédération Générale de la Fonction Communale, FGFC) is active. To be representative at national level, the trade union must, at the previous elections to the CSL, have won an average of at least 20% of the vote. A trade union claiming nationally representative status must also be functionally active in most sectors of economic activity. These conditions for obtaining nationally representative status were formulated by the Industrial Relations Law of 2004 and amended by the law introducing the single status for workers. The law’s detailed stipulations are the result of several court cases brought forward by trade unions representing specific categories of professional and managerial staff – first, the Federation of Private Sector White-Collar Employees–Independent Workers’ Federation (Fédération des employés privés – Fédération indépendante des travailleurs, FEP-FIT), and then ALEBA. The unions aimed to obtain this national representation status and the accompanying membership of institutions involved in social concertation.
Employer organisations

Employer organisation density

Organisational density is high on the employer side, with an estimated 80% of companies being members of an employer organisation in 2003 (Visser, 2004).

Main employer organisations

The main employer confederation is the Union of Luxembourg Enterprises (Union des Entreprises Luxembourgeoises, UEL), representing all private sector companies except those related to the primary sector. UEL was founded in 2000 as a result of formalising an existing liaison committee of sectoral business organisations.

UEL currently has eight member organisations:

- the Business Federation Luxembourg (Fédération des industriels luxembourgeois, FEDIL) represents companies in construction, manufacturing and services;
- the Luxembourg Bankers’ Association (Association des Banques et Banquiers Luxembourg, ABBL);
- the Association of Insurance Companies (Association des Compagnies d’Assurance, ACA);
- the Luxembourg Trade Confederation (Confédération Luxembourgeoise du Commerce, CLC);
- the Federation of Craft Workers (Fédération des Artisans), which is the umbrella organisation for the Luxembourg craft industry encompassing 51 professional federations;
- the Hotel and Catering Employers’ Association (Fédération Nationale des Hôteliers, Restaurateurs et Cafetiers, HORESCA);
- the Chamber of Commerce (Chambre de Commerce du Luxembourg, CDC);
- the Chamber of Trades (Chambre des Métiers).

This reflects a system of guild chambers with mandatory membership of employers. Affiliation to the Guild Chamber is mandatory for all private individuals or legal entities established in the Grand Duchy as craftspersons. This is also the case for the CDC, which is an institution of public law, encompassing all companies, except those in agriculture and the craft industry, which have their own guild chambers.

Chamber system

Luxembourg has an elaborate chamber system. At present, five chambers exist: three for employers (CDC, the Chamber of Trades and the Chamber of Agriculture (Landwirtschaftskammer Luxemburg)) and two for employees (CSL and the Chamber of Civil Servants and Public Employees). Although the trade unions were initially excluded from the single status for workers introduced on 1 January 2009, they now have all of the seats in the employee-side chambers and use the system as an instrument of influence. Chambers have legal status and membership is obligatory.

They have the statutory right to be consulted by the public authorities on all social and economic issues affecting their members’ interests. They also have the right to submit proposals for legislation. In certain policy areas, such as statistics and vocational training,
even function as public administrative bodies. Chamber delegates are generally elected every five years. The law also prescribes the financing of the chambers. They are entitled to raise a membership fee and ask for contributions for services rendered.

Malta

Industrial relations

Collective bargaining

Collective bargaining in Malta is carried out at enterprise level. Collective agreements, carried out between the trade unions and the employers concerned, are legally binding. Such agreements are not extended by legislation or voluntary mechanisms.

In the public sector, a Central Bargaining Unit coordinates wage bargaining negotiation on behalf of the government with the representative trade unions in the different entities. In the case of private companies, no formal mechanism exists for the coordination of wage bargaining. Moreover, no efforts have been made to centralise collective bargaining.

Other issues in collective agreements

Issues related to health and safety at the workplace are receiving increased attention from the trade unions. Training and lifelong learning are encouraged by the unions as long as the courses are related to the employee’s work. Collective agreements, on occasion, specify that if employees refuse essential training, they can be demoted. Issues related to work-life balance are sometimes included in collective bargaining in order to improve gender equality at the workplace.

Industrial conflict

Frequency of strikes and sectors involved

The average number of strikes a year between 2003 and 2007 was seven. The main sectors of economic activity involved in industrial action during this period consisted of the transport, postal, education, utilities and food processing sectors.

Minor strikes were also registered in the manufacturing and the gambling and betting sectors during these years. The main reasons for collective action concerned the failure to renew collective agreements and disputes relating to salaries.
Conflict resolution and arbitration mechanisms

The main conflict resolution and arbitration mechanism system in Malta arises from the EIRA 2002, which states that ‘where a trade dispute exists or is apprehended, the parties to the dispute may agree’ to refer it to the director of the DIER. Where the parties fail to nominate or agree on the appointment of a conciliator, or when the appointed conciliator reports a deadlock in negotiations, the DIER is obliged to refer the matter to the government minister in charge who can appoint a court of inquiry in order to establish the causes and circumstances of the dispute. The DIER can also intervene to pre-empt strike action.

Tripartite concertation

The Maltese government, and the main trade unions and employer organisations meet regularly in the MCESD to discuss issues of national and economic importance. The council has an advisory role and makes recommendations to the Maltese government prior to any reforms or measures being implemented. The main issues discussed are often influenced by the external environment and by the daily experiences of the social partners. The topics for discussion can be put forward by any of the tripartite members. The council is described as being ‘a tool for analysis, and at times, a catalyst for change’. Moreover, the council is expected to reconcile individual sectoral interests in order to achieve results in the national interest, and can examine, assess and make recommendations regarding draft legislation.

Main results

The fact that the representatives of the government, employer organisations and trade unions meet to discuss issues of national relevance is an important achievement in furthering the development of social dialogue in Malta. At times, however, the social partners accuse the government of failing to consult the council properly, as the government appears to ignore the advice given by the social partners.

Workplace representation

Workplace representation is normally carried out by shop stewards, acting on behalf of trade unions. Trade unions are regulated by the EIRA 2002 and by collective agreements that specify their actions at enterprise level.

Employee rights

The DIER is in charge of enforcing employee rights. The department has the duty to ‘protect the interests of parties in employment contracts while actively promoting a healthy employment relationship in a spirit of social partnership, and to contribute towards stable industrial relations’. Additionally, the DIER provides information on conditions of employment and regulates employment contracts to ensure that the rights and obligations are observed by all. The department endeavours to resolve trade disputes and promotes good
practice in line with existing employment legislation. The Occupational Health and Safety Authority (OHSA) has the duty to see that the levels of occupational health and safety protection established by the Occupational Health and Safety Act (Act Xxvii, 2000) are maintained. Its main functions include monitoring compliance, promoting and disseminating information regarding health and safety, and carrying out investigations on any matter concerning health and safety at the workplace. Most cases regarding individual and collective disputes are solved in unofficial ways. Workers normally seek the help of trade unions, through the intervention of shop stewards representing the union at the workplace. When no agreement is reached between the unions and employers, the EIRA 2002 provides for the voluntary settlement of disputes through mediation and conciliation. Cases are referred to the director of the DIER. The large majority of the cases referred to conciliation have been solved at this stage. When other means of settlement are not possible, individual disputes are normally brought to the Industrial Tribunal, as set out by the Industrial Relations Act (IRA) of 1976 and confirmed by EIRA 2002. The Industrial Tribunal has the exclusive jurisdiction to consider and decide on all cases of alleged unfair dismissal, plus all cases related to: employment contracts; conditions of employment such as working hours and overtime; wages and other kinds of remuneration; cost of living increases; occupational health and safety; maternity leave, parental leave and leave for urgent family reasons; discrimination and gender equality; rights of employees to minimum information; and redundancy issues. Other instruments, such as the Maltese general law courts, are at times used to settle cases in which the law was allegedly infringed at the workplace.

Main actors
Trade unions
Trade union membership and density

Official statistics from the Department of Industrial and Employment Relations (DIER) within the Ministry for Social Policy show that trade union membership increased from 86,156 members in 2004 to 88,017 members in 2007. This rise in membership translates into a slight increase in trade union density, from 59% in 2004 to 60.3% in 2007, which is a high level by European standards. In recent years, these official figures have been questioned by industrial relations experts, as they do not appear to correspond to the actual situation in reality, where heavily unionised sectors of employment have decreased in size in recent years.

Main trade union organisations

In June 2007, there were 31 registered trade unions in Malta. Unions are mostly occupation based and competition for members takes place in the same sector among various unions. There is only one official trade union confederation – the Confederation of Malta Trade Unions (CMTU). CMTU embraces within its fold several independent trade unions, including UHM, Malta’s second largest union. In December 2008, CMTU suspended its second largest member – the Malta Union of Teachers (MUT) – over alleged ‘unfair and unfounded’ criticism of the confederation’s leadership. Subsequently, MUT withdrew its membership of the confederation. This outcome has confirmed that the confederation’s formal power in relation to its direct affiliates is rather weak. On the other hand, the power of individual trade unions, particularly the larger ones, is far-reaching. GWU is by far the largest trade union in Malta. It
is organised in eight quasi-autonomous trade sections, collectively representing 52% of union members. In recent years, GWU passed through considerable turmoil, after a failed attempt to oust the current secretary general by the then deputy secretary general. In 2006, GWU registered a number of resignations and two dismissals within its top ranks. The secretaries for its Maritime and Aviation Section and the Services and Media Section resigned, while both the secretary and the president of the union’s Public Sector Section were dismissed. In December 2006, the former secretary for the Public Sector Section resorted to the Industrial Tribunal to declare that her dismissal from GWU was abusive and illegal. Meanwhile, two new craft trade unions were formed, namely the Malta Dockers’ Union (MDU) and the Professionals and Services Employees Union. Both unions include former members of GWU.

**Main trade union developments**

In November 2004, eight trade unions not directly represented on the MCESD, joined forces in an association called FORUM in an attempt to persuade the government to change legislation and include their representative on the council. However, the government rejected the request of these unions, which together have about 3,000 members. In 2006, the possibility of setting up a trade union council was raised by the CMTU president. A lack of trust seemed to be the reason behind the rejection of both GWU and FORUM towards the proposal. Increasing market forces constraints have not yet had the impact of forcing the trade unions to find a common ground to establish such as important institution. In 2008, after a rare manifestation of unity by a large group of trade unions that took part in a joint protest against the government’s decision to increase energy tariffs, MUT once again proposed the idea of establishing a trade union council. However, this proposal received an unenthusiastic reception from the other major trade unions.

**Employer organisations**

**Employer organisation density**

Employer organisations promoting the interests of private sector businesses and employers have existed in Malta since the 19th century. However, most of these organisations have been set up over the last 40 years. The government’s official ‘Register of Employer Associations’ listed 20 employer associations in June 2007, compared with 23 such associations listed in 2003. A slight decline in the overall membership of employer organisations was registered. Membership declined from 8,960 to 8,474 members over the four-year period 2003–2007. Most of these associations listed represent sectoral interests. Employer organisations are regulated by the EIRA 2002.

**Main employer organisations**

The following three bodies are viewed as the most important employer associations in Malta:

- Malta Chamber of Commerce, Enterprise and Industry;
- Malta Chamber of Small and Medium-sized Enterprises (GRTU);
- Malta Employers’ Association (MEA);
Trends in employer organisation development

Employer associations do not normally take part in collective agreements. However, they are a powerful lobby to the government on issues that affect their members. In addition, they offer services and expertise to their member organisations. The Malta Chamber of Commerce, Enterprise and Industry is not listed in the Register of Employer Associations. It was formed by the merger of the Malta Chamber of Commerce and Enterprise and the Malta Federation of Industry in 2008. The merger took place after lengthy discussions during which the structure and statute of the new organisation were established. The merger aims to pool the resources of both organisations and to avoid duplication of work.

The Netherlands

Industrial relations
Collective bargaining

Although collective bargaining is increasingly organised on a decentralised level at sectoral and company level, the national level plays an important coordinating role by means of central agreements that are concluded within the Labour Foundation (Stichting van de Arbeid, STAR) (see section on ‘Tripartite concertation’). A national agreement is reached in the form of a recommendation. This means that if the recommendation is not generally followed, the agreement does not immediately have to be cancelled. For example, in the 2003 national agreement it was agreed not to raise wages.

The sectoral level is the primary level where the employer organisations and trade unions meet for negotiations. In 2004, 174 collective agreements were concluded at this level; sectoral agreements can be framework agreements, with the detailed provisions being negotiated at company level. Some framework agreements distinguish between provisions from which deviations at a lower level are not permitted and those from which deviations are allowed.

Such lower-level deviations are possible only in agreement with the trade unions or, increasingly, with the works councils. In 2005, collective bargaining ran into difficulties, because of a package of strict austerity measures agreed in the so-called 2004 ‘autumn agreement’ between the government and the social partners. However, after three years of wage moderation, collectively agreed wages showed a slight upward trend.

Coverage of collective bargaining

Collective bargaining coverage is high in the Netherlands. Only 19% of employees do not fall under a collective agreement. In the private sector only, this figure is about 21%. These percentages have not increased in the period 2000–2004.
Extension of collective agreements

In many sectors, the agreement is, at the request of the respective social partners, extended to all employees by the Ministry of Social Affairs and Employment (Ministerie van Sociale Zaken en Werkgelegenheid, SZW). This adds some seven or eight percentage points to the coverage rate of collective agreements. The extension of collective agreements is regulated in the 1937 Act on Administrative Extension and non-Extension of Collective Labour Agreements (AVV). The purpose of the act is to prevent employers who are not members of the signatory association from stipulating employment conditions below the collectively agreed sectoral level. The procedure for the extension of collective agreements is based on the following principles:

- a request must be made by one or more of the signatory parties;
- the extension applies to all employees and employers in a given sector;
- the minimum requirement for extension is that the agreement must cover at least 55% of relevant employees.

The extension has to be approved by the SZW. Are there other voluntary mechanisms of extension / application of the terms of collective agreements? Some companies ‘follow’ other agreements voluntarily, but this is not an extensive practice.

Collective agreements are legally binding for the members of the trade unions that are party to the agreement. The same is true for the employer or employer organisation that is party to the agreement. The employer (organisation) is obliged to offer the same conditions to non-organised employees as to trade union members. Non-organised employees do not have to accept the terms of a collective agreement; they generally do so without exception.

Bargaining coordination

No strict coordination mechanism is currently in place, although the federations usually publish a ‘bandwidth’ (or alternatively a maximum) percentage for the next bargaining round. It should be noted that since 1982 the Netherlands has been characterised by relatively modest trade union demands.

What are the main trends with regard to collective bargaining, i.e. centralisation or decentralisation? There is some decentralisation, but it takes place rather gradually. The number of company agreements is rising, but the sector remains the dominant bargaining level. Within existing sectoral agreements, centralisation takes two forms.

- One form of centralisation relates to creating different levels within the (sectoral) agreement. For example, level A is fixed for all parties bound by the agreement, level B allows for deviations on the conditions that the contracting parties give permission and level C allows for deviations without the need for permission from the contracting parties, but on the condition that the works council at the company level agrees. Level A addresses pay and the duration of working time, while detailed arrangements on working time are the subject of level C.
- In the second form, there are no different levels, but arrangements (especially on working time) allow for deviations at company level when agreed with the works council.

A third form of decentralisation exists in both sectoral and company agreements. A growing number of agreements allow, within certain limits, for individual choices. These
agreements are termed ‘cafeteria’ or ‘à la carte’ agreements, which offer employees the option to trade off a limited number of terms and conditions, thus giving them more latitude in choosing their own terms and conditions.

Other issues in collective agreements

Which other issues are of high importance on the collective bargaining agenda (e.g. stress, harassment)? Apart from the core issues of working time and pay, the following issues are of high importance on the collective bargaining agenda:

- work and care;
- employability;
- variable pay;
- working conditions (including stress at work).

These issues have gained importance over the past decade, as is shown by the biannual reports of the Labour Inspectorate (Arbeidsinspectie) on collective bargaining. There are two factors that increase the likelihood that these issues will gain even more importance:

- the idea to link dismissal procedures (including the granting of a dismissal permit) to the amount of training and education an employee has received from the employer;
- the financial crisis: employers can ask the government for compensation to finance a temporary reduction of working hours for their employees to bridge the economic recession. One of the conditions is that this extra time will be used for training and education.

To a growing extent, gender equality is addressed in collective bargaining. The main issue in this regard is equal pay. The gender gap still stands at almost 19%, of which seven percentage points cannot be explained by other factors (see section on ‘Pay and working time developments). Many agreements stipulate that employers should try to close the gender pay gap.

Industrial conflict

Frequency of strikes

By international standards, the frequency of strikes in the Netherlands is traditionally very low. One recent exception was in 2002, with major strikes in the public sector, but even then the figures were modest from a comparative perspective. There is no sign that this rather peaceful climate will change in the near future.

Sectors involved

In the period 2003–2008, the main sectors hit by industrial action were industry and construction, commercial services, and transport and communications. Every so often, the public sector and non-profit sector (healthcare and education) might see large-scale industrial action by Dutch standards.
Main reasons for collective action

The main reasons for collective action cited by CBS are ‘other’ and ‘collective agreement’. In practice, the main issue is pay. On occasion, strikes occur as a result of restructuring plans and collective dismissal.

Resolution and arbitration mechanisms

In the overwhelming majority of cases, conflicts are resolved by the negotiating partners themselves. Only in exceptional cases, mediators play a role. Sometimes, employers go to court to try (partly or completely) to stop industrial action.

Tripartite concertation

The most important tripartite body is the Social and Economic Council (Sociaal Economische Raad, SER). Its membership is equally divided among employee representatives (the three main trade union confederations), employer representatives (the three main employer confederations) and independent members, appointed by the government. In this case, it is worth mentioning the bipartite STAR, which has an equal number of members from the social partner federations. STAR has no specific legislative powers, but its recommendations carry significant weight for trade unions and employers that are represented by their confederations in STAR. Moreover, in several cases the legislator has taken agreements concluded within STAR (and sometimes also within SER) as the basis for legislation. Examples of this are the 1999 Act on flexibility and security and the 2007 Act on working time.

Main results of tripartite concertation

All major social and economic issues are covered by SER, including worker participation, labour market, innovation, environment and social security. On the main issues, SER has the overall authority. This may result in a kind of proto-legislation: for instance, both the Law on working time and the Law on flexibility and security are closely modelled on recommendations by SER.

Workplace representation

What are the main channels of employee representation at workplace level with regard to incidence, composition and competences of these bodies? The main channel for employee representation is the works council (Ondernemingsraad). The system is ruled by a dualistic philosophy. On the one hand, the council must represent the interests of all employees. On the other hand, it is legally obliged to operate in the interest of the company in general. The Dutch Works Councils Act dates from 1950 but has been changed and extended several times. In smaller establishments, mini works councils may be established. Works councils consist of employees only and its members are elected by all employees. By international standards, they have extensive rights on a wide range of issues, including all major strategic company decisions. The attitude of managers towards the works council is generally positive and this
form of indirect participation has become an accepted fact in the business system. Works councils have the right of initiative, the right to give advice, and the right of consent on a lot of human resources issues such as working hours, holiday rules, pension plans and training. They also have extensive rights to information. Every company with at least 50 employees is obliged to set up a works council with a range of information and consultation rights. In 2005, 76% of these companies had set up a works council (Engelen and Kemper, 2006). Employees and trade unions can go to court to force employers to set up a works council; however, in practice, this rarely happens. Since 1979, the works council is an employee-side only body, elected by the workforce. A majority of works council members have links with the trade unions (65% are union members). In addition, companies with between 10 and 50 employees are required to set up a personnel delegation, which is a body with a more limited set of powers than the works council, when a majority of employees request it. These small companies are, in any case, obliged to organise a personnel meeting twice a year. The regulation of works councils is codified by the Law on works councils (Wet op de ondernemingsraden).

**Employee board-level representation**

Strictly speaking, the Netherlands does not have employee representatives at board level – for example, worker directors. There is a two-tier governance model for large companies, distinguishing between executives and non-executives on different boards. Works councils can nominate candidates for membership of the supervisory board. An enhanced right to nominate candidates applies to a maximum of a third of the members. This means that the supervisory board is obliged to accept such nominations. In general, the works councils are not very active in this respect and, therefore, the practical meaning of this nomination rule is limited. The system also prescribes that a supervisory board must balance different interests, such as those of shareholders, workers and the company in general. This means that, although the law gives both shareholders and works councils a stronger position in appointing supervisors, those appointed are not meant to serve partisan interests on the board.

**Employee rights**

Which are the main institutions and mechanisms to ensure the enforcement of employee’s rights (i.e. labour courts, labour inspectorates) No specialised labour courts exist in the Netherlands. However, there are different mechanisms in place to ensure the enforcement of employee rights, depending on the issue:

- with regard to all individual matters, individual employees have the right to go to court;
- when an issue is covered by a collective agreement, the trade unions may also proceed to court;
- with regard to works council issues, the works council can go to court. Strategic issues (like mergers, restructuring or investments) are handled by a specialised court – the Enterprise Chamber of the Amsterdam Court of Appeal;
- some issues (such as minimum wages, working time and working conditions) are monitored by the Labour Inspectorate, which can issue fines to employers;
- discrimination issues (regarding gender, race or disability) can be brought to court, but can also be brought before the Equal Treatment Commission (Commissie Gelijke Behandeling, CGB), which however has only the right to give an opinion.
Main actors
Trade unions
Trade union density

Between 20% and 25% of employees are trade union members. Although membership used to be much higher than this level in the past, density rate losses have been marginal over the past decade. However, the ageing union membership might pose problems for trade unions in the future.

Main trade union organisations

There are three main trade union confederations in the Netherlands.

The Dutch Trade Union Federation (Federatie Nederlandse Vakbeweging, FNV) is the largest union structure, with some 15 affiliated trade unions. The biggest FNV-affiliated union is the Allied Unions (FNV Bondgenoten), which is the result of a merger of trade unions in industry, transport, agriculture and services. In 2004, FNV Bondgenoten had around 465,000 members.

The civil servants’ trade union Afvakabo FNV is another relatively large union, with about 360,000 members. In total, the trade unions affiliated to FNV organise some 1.2 million employees. FNV was established in 1976 by a merger between the socialist and Catholic confederations. The unions, not the confederation, conduct collective bargaining; the confederation only coordinates the bargaining process. FNV is mainly responsible for issues that go beyond the limitations of individual sectors of the economy, such as consultation with the government and employers.

The second largest trade union confederation is the Christian Trade Union Federation (Christelijk Nationaal Vakverbond, CNV), which has 11 affiliated trade unions working in various sectors, such as manufacturing, transport, defence, services, the public sector, education and healthcare. In total, the affiliated trade unions have about 360,000 members. CNV still describes itself as a Christian trade union, coming from a tradition of Protestant trade unionism and an affiliation with the Christian Democratic Appeal (Christen Democratisch Appèl, CDA).

The members of the Federation for Managerial and Professional Staff (Vakcentrale voor Middelbaar en Hoger Personeel, MHP) is the third largest trade union federation with about 175,000 affiliated employees. MHP was set up in 1974 to represent senior staff facing increasing demands in the workplace. Today, MHP also organises blue-collar workers, although on a small scale. A number of small trade unions also exist that are not affiliated to these three main confederations.

Main trade union developments

No major trade union developments took place since the late 1990s. In 2008, the Dutch Association for Elderly People (Algemene Nederlandse Bond voor Ouderen, ANBO) joined.
Employer organisations

Employer organisation density

No official data are available on employer organisation density, but density levels appear to be stable and quite high.

Main employer organisations

The Confederation of Netherlands Industries and Employers (Vereniging van Nederlandse Ondernemingen-Nederlands Christelijk Werkgeversverbond, VNO-NCW) is the result of several mergers during the past three decades. It is now the only confederation in industry and services, and unites directly about 180 sectoral and branch organisations and indirectly about 115,000 affiliated companies. Most of the largest companies in the country are direct members of VNO-NCW. These companies often have a tradition of collective bargaining at company level. Employers in the small and medium-sized enterprises (SMEs) sector are organised in the Dutch Federation of Small and Medium-sized Enterprises (Midden-en Kleinbedrijf Nederland, MKB-Nederland). MKB has 125 sectoral business associations among its members, as well as about 400 regional associations. It indirectly represents the interests of about 175,000 SMEs (generally defined as companies with fewer than 100 employees). Associations of sectors, which are a mix of large companies and SMEs, can be members of both MKB-Nederland and VNO-NCW. Employers in the agricultural sector are represented by the Dutch Federation of Agriculture and Horticulture (Land- en Tuinbouworganisatie Nederland, LTO Nederland).

Main employer developments

Employer organisations hold a strong and often unified position in policy debates. They meet at the Council of Central Employers’ Associations (Raad van Centrale Ondernemingsorganisaties) to determine common viewpoints. In 2005, the two most influential organisations, VNO-NCW and MKB-Nederland, even considered an organizational.

Norway

Industrial relations

Collective bargaining

The dominant form of collective bargaining in Norway is a two-tier system of negotiations where national agreements are supplemented by negotiations and agreements at enterprise level. The national agreements are biannual agreements, but pay is subject to negotiations in the intervening years. All existing agreements run from 2008 to 2010. The
biannual collective agreements are normally subject to ballots among the trade union members, as well as among the employers.

**Legal parameters**

The Labour Disputes Act (*Arbeidstvistloven*) includes rules of mediation and regulates institutions such as the Office of the State Mediator and the Labour Court (*Arbeidsretten*). The public sector is covered by the Public Service Labour Disputes Act (*Tjenestetvistloven*). Ad hoc compulsory arbitration is occasionally used to put an end to unresolved wage negotiations by means of enforcing a peace obligation and arbitration with binding effect. This method is restricted to situations where an industrial conflict is seen to damage health and safety.

National collective bargaining in the private sector may be carried out as negotiations between the main confederations – in which several agreements are renegotiated collectively – or at industry level where each nationwide agreement is negotiated separately. The 2008 wage settlement was carried out as nationwide bargaining – in other words, all agreements within the LO-NHO agreement area were negotiated together. In 2002, 2004 and 2006, however, bargaining was carried out as industry-level negotiations, although with a large degree of coordination. In so-called intermediate settlements, where only the pay rates are regulated, agreements are always negotiated collectively. Similarly, in the state and municipal sectors, bargaining cartels negotiate on behalf of member trade unions of a confederation. There is a peace obligation in the period between the annual pay negotiations, and this obligation not to take strike action or any other industrial action is respected almost without exceptions.

Nationwide collective agreements regulate a number of issues related to pay (such as general pay increases, minimum or ordinary wage rates, overtime or shift work compensation), working hours, as well as other rights. Occupational pensions may be regulated in collective agreements, but in the private sector these types of arrangements are usually not part of sector-level agreements, but pensions are sometimes regulated though company-level agreements. Social security rights related to sick pay and parental leave, for example, are mainly regulated by law. Moreover, a number of issues related to agreement procedures, the contractual rights and duties of the parties involved, employee co-determination and participation are regulated in so-called Basic Agreements (*hovedavtaler*) between the main confederations. These agreements run for a period of three years and regulate industrial relations and cooperation more generally. Agreements at the enterprise level are subordinate to the national agreements, and as such may not contradict the provisions of the national agreements. However, in large parts of the private sector, not least in the manufacturing industries, the company level constitutes an important bargaining arena. In industries where so-called minimum pay agreements dominate, company-level bargaining is set as a precondition. The parties involved in national-level bargaining agree that these negotiations should be carried out on the basis of four established criteria: the profitability, productivity, future prospects and competitiveness of the company.

Company-level bargaining is conducted within the framework of a peace obligation – that is, the parties cannot resort to any kind of industrial action. Agreements are legally binding, and violations of the agreements may be brought before the Labour Court by the parties to the agreement.
Collective agreement coverage

No exact figures are available on the collective agreement coverage rate in Norwegian working life. Surveys among workers estimated the overall collective agreement coverage to be about 74%, but such surveys tend to exaggerate the actual coverage in the private sector. Estimates based on register-based statistics suggest that 50%–55% of the employees in the private sector are covered by collective agreements, which implicates a share of agreement coverage of just below 70% (Nergaard and Stokke, 2006).

Extension of collective agreements

No longstanding tradition exists in Norway of making collective agreements generally applicable. However, since 1993, the legal framework has allowed for scope to extend parts of nationwide agreements if it becomes evident that foreign workers are subject to wage and working conditions that are inferior to normal conditions in the relevant agreement area of Norwegian working life. In light of increasing labour migration from the new EU Member States that joined the EU in May 2004, key clauses of collective agreements have been made generally applicable within several industries, such as construction and ship building.

Main mechanisms in wage bargaining coordination

An important characteristic of Norwegian collective bargaining is the longstanding tradition for incomes policy or tripartite policy concertation, which is made possible by the role played by the main confederations in pay negotiations. There is broad consensus about the main principles underpinning the so-called trend-setting trade model for wage formation, which assumes that wage growth in the industries most exposed to international competition provides the framework for wage growth in other sectors of economic activity, including the public sector. In practice, such coordination across industries and sectors is made possible by allowing the exposed industries to negotiate first in the annual wage settlements, and ensuring that no agreements are finalised in the other sectors until a result has been achieved in the exposed industries. The trend-setting trades model has been subject to significant debate in recent years. It has led to adjustments to the basis on which the economic framework is calculated – for example, by including wage growth for both blue-collar and white-collar workers in the calculation.

Trend towards decentralisation

An argument can be raised that there has been a certain trend towards decentralisation in Norwegian bargaining over the years, particularly through the emergence of company-level bargaining in the public sector. However, such negotiations are conducted within a strict economic framework set by the national-level agreements. In the private sector, a substantial share of wage formation traditionally takes place at company level, especially within the manufacturing sector. The national collective agreements, however, have maintained their important role, and the Norwegian system may thus be described as a type of articulated decentralisation or organised decentralisation.
Other issues in collective agreements

A number of topics could potentially be placed on the agenda in collective bargaining or in consultations between employers and employees outside the formal bargaining system. Vocational training and lifelong learning created a central theme in negotiations during the period 1998–2001, but both have not been high on the agenda in later bargaining rounds. Collective agreements, however, facilitate discussions and consultations on these matters between the social partners at company level, and initiatives are also taken at the national level to promote lifelong learning. Issues pertaining to social inclusion in the workplace have been subject to agreements and cooperation between the social partners. A framework agreement between the labour market parties and the national authorities from 2001 provides the basis for comprehensive measures to reduce sickness absenteeism, as well as improving the conditions for and inclusion of older and disabled people in the workplace. Gender equality issues have been on the social partners’ agenda for some time, not least the issue of equal pay. LO-affiliated trade unions emphasise the importance of increases in the lowest wages, which will benefit large female-dominated employee groups. In recent years, increasing attention has been paid to evidence of low pay among female-dominated occupations in the public sector, at least when compared with occupations with similar educational requirements in the private sector.

Industrial conflict
Frequency of strikes

Norwegian working life is characterised by relatively few labour disputes. However, where a conflict arises, it may involve a potentially large number of workers. Labour disputes occur mainly in connection with the renegotiation of national collective agreements. Nevertheless, conflicts may also arise from demands put forward calling for the establishment of collective agreements in companies that are not members of an employer organisation. In years involving the total revision of collective agreements, over the past few years about 10–20 conflicts have occurred, while in years of intermediate settlements there have been only around three to five conflicts. The number of working days lost due to conflict has been significantly lower in recent years compared with previous periods. In the period 2001–2008, the annual number of working days lost per 1,000 workers has on average been 30 days, compared with an annual average of more than 90 working days lost during the periods 1981–1990 and 1992–2000.

Sectors involved and main reasons for collective action

Today, no particular sectors are more prone to labour disputes than others. Pay and other issues related to employee rights – often pay-related issues, such as pensions – are the main reason behind conflicts. Often, on the topic of pay, several points of dispute normally arise between the parties.

Conflict resolution and arbitration mechanisms

Norway has a system of compulsory mediation in connection with bargaining; if the parties involved fail to come to an agreement, the dispute will be subjected to a process of
mediation. This arrangement is an integral part of the bargaining system – in many cases, the state-appointed mediator will assist the parties involved in the final stages of negotiations. The system is not controversial and receives broad support from the social partners. Moreover, the Norwegian parliament may intervene in a labour dispute by adopting an act of compulsory arbitration if the conflict is perceived to threaten the life and health of the population. The use of compulsory arbitration is often controversial, and the Norwegian government has had to be careful in recent years not to resort to compulsory arbitration too early in a labour dispute. Disagreement in company-level negotiations is usually resolved with assistance from the national organisations or by means of various dispute resolution mechanisms.

**Tripartite concertation**

Norway has a long tradition of incomes policy cooperation, both in relation to wage settlements, but also through the inclusion of social partner organisations in public deliberative committees and in political decision-making relevant to working life. Tripartite incomes policy cooperation will usually entail the state contributing to a moderate settlement through, for example, social policy reforms or an active labour market policy. It may take the form of social pacts, such as the cooperative venture on incomes policy called the ‘Solidarity Alternative’ (Solidaritetsalternativet), or state aid to finalise negotiations – for example, when the system of occupational pensions was to be revised in connection with the 2008 wage settlement.

The social partners also cooperate on other non-pay issues such as the Inclusive Working Life Agreement (Inkluderende arbeidsliv, IA-agreement) which was first concluded in 2001. In this case, the government and the social parties agree on a number of measures that aim to prevent sick leave and the use of disability pensions, as well as increased labour market participation among vulnerable groups in the labour market. Part of the IA-agreement is the government’s pledge to maintain the present sick leave scheme in its current form. Various bodies facilitate incomes policy cooperation and tripartite concertation in Norway.

Employers and employees meet regularly in the government’s so-called ‘contact committee on incomes policy’ (Kontaktutvalg for inntektpolitikken), where matters of importance to wage formation are discussed. Moreover, the Technical Calculation Committee for Income Settlements (Teknisk beregningsutvalg for Inntektsoppgjørene, TBU) generates and presents statistics on wage developments and other relevant statistics prior to the annual wage settlements. TBU is a national committee with representation from employer and employee organisations, the national authorities and Statistics Norway (Statistisk sentralbyrå, SSB). As a result, disagreement over pay statistics rarely occurs in connection with bargaining. Employers and employees are also represented in a number of public committees that handle matters of relevance to working life.

**Workplace representation**

The main channel of employee representation at workplace level is trade union representatives – that is, shop stewards. The rights and duties of company-level trade union representatives are mainly regulated in the so-called Basic Agreements, and other national collective agreements, including the duties of the employer when it comes to information, consultation and negotiation. The Norwegian legal framework provides employees with a right to be represented on company boards and in general assemblies. Normally, trade unions take
the initiative to draw up a list of potential candidates, and also nominate representatives to participate in these types of bodies. In a similar fashion, cooperation also takes place between trade union representatives and health and safety representatives in the company. The system of health and safety representatives, however, is established in the Act relating to the working environment, working hours and employment protection – the Working Environment Act (Arbeidsmiljøloven, AML). This act also provides provisions on employer duties with regard to information and consultation in companies that are not covered by the agreement (see also the EU Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community). The Working Environment Act also stipulates specific issues that the employer is required to discuss with trade union representatives. In companies with elected trade union representative(s), the establishment can go beyond provisions stipulated in the legal framework through collective agreements – for example, extended use of overtime or the use of temporary agency workers in situations where this is not permitted by the legal framework.

**Employee rights**

Disputes over employee rights regulated through collective agreements will ultimately be a matter for the Labour Court, and it is the parties to the agreement themselves that may bring a case before the court. Issues relating to statutory rights – such as work environment issues or workplace safety – may be dealt with by the Norwegian Labour Inspection Authority (Arbeidstilsynet), or the Petroleum Safety Authority Norway (Petroleumstilsynet) in the oil sector. Such issues may also be brought before the ordinary courts – for example, in the case of dismissal. In the last type of case, unionised workers will often be entitled to legal support from their representative trade unions. In some cases, dispute resolution commissions may also be used, and issues relating to discrimination may be brought before the Equality and Anti-discrimination Ombud (Likestillings- og diskrimineringsombudet, LDO).

**Main actors**

**Trade unions**

**Trade union density**

Trade union density in Norway was 52% in 2007. Union density has fallen somewhat since the early 1990s, when it was 57%. Union density levels vary considerably between industries and sectors. Density is highest in the public sector and manufacturing industries. In parts of the private services sector, including retail trade and hotels and restaurants, only 20%–25% of workers are unionised.

**Main trade union organisations**

The vast majority of unionised workers are members of nationwide trade unions, most of which are affiliated to one of the four main trade union confederations. The Norwegian Confederation of Trade Unions (Landsorganisasjonen i Norge, LO) is the largest trade union confederation with 21 affiliated trade unions and about half of all unionised workers. The second largest confederation is the Confederation of Unions for Professionals (Hovedorganisasjonen for universitets- og høyskoleutdannede, Unio) whose 10 member
associations organise mainly professional groups in the public sector, including teachers, nurses, police officers and scientists. The two other main trade union confederations are the Federation of Norwegian Professional Associations (Akademikerne) and the Confederation of Vocational Unions (Yrkesorganisasjonenes Sentralforbund, YS). Akademikerne organises employees with higher academic education, including doctors, lawyers and civil engineers. YS is in direct competition with LO over many groups of workers, but has traditionally had a larger proportion of white-collar workers among its membership base. Norway's largest trade union federations are the LO-affiliated Norwegian Union of Municipal and General Employees (Fagforbundet), followed by the Norwegian United Federation of Trade Unions (Fellesforbundet), and, thirdly, the Union of Education Norway (Utdanningsforbundet), which is a member of Unio.

**Trends in trade union development**

The number of trade unions has declined slightly over time. While there were 130 national trade unions in 1980, the number had dropped to 90 unions in 2005. The smaller trade unions, in particular, have disappeared, mainly though mergers, but there have also been mergers between larger unions.

**Employer organisations**

About 60% of private sector employees work in a company associated with an employer organisation. Organisational density on the employer side in the private sector has increased slightly over time. Larger companies are more often members of an employer organisation, while the organisational density rate among smaller businesses is lower.

**Main employer organisations**

The largest employer organisation in the private sector is the Confederation of Norwegian Enterprise (Næringslivets Hovedorganisasjon, NHO), which organises 17,000 member companies with about 500,000 workers in industries such as manufacturing, construction and parts of private services. NHO has 21 nationwide member associations, of which the Federation of Norwegian Industries (Norsk Industri) is the largest with 2,200 member companies employing about 120,000 employees. Norsk Industri organises, among others, companies in the engineering and processing industries. Other major industrial associations are the Federation of Norwegian Construction Industries (Byggenæringens Landsforening, BNL) and the National Federation of Service Industries (NHO Service). The Federation of Norwegian Commercial and Service Enterprises (Handels- og serviceværnsgens Hovedorganisasjon, HSH) is another major employer organisation in the private sector, which organises companies in the retail sector. The employer association Spekter organises mainly deregulated publicly-owned enterprises, including railways, postal services and state-owned hospitals. An employer organisation also exists for companies in the banking and insurance sector, as well as one for agriculture. The Norwegian Association of Local and Regional Authorities (Kommunenes Sentralforbund, KS), which organises the municipal sector, has bargaining responsibility on behalf of the entire municipal sector, with the exception of the city of Oslo. The Ministry of Government Administration and Reform (Fornyings-
ogadministrasjonsdepartementet) has employer and bargaining responsibility for the state employees.

**Trends in employer organisation development**

NHO and HSH combine the roles of employer and business organisations, and both are the result of mergers between former traditional employer and industry organisations. Spekter is, however, a relatively new organisation established in the wake of the deregulation of enterprises such as the national postal service Norway Post (Posten Norge) and the Norwegian State Railways (Norges Statsbaner, NSB).

Membership of NHO and HSH does not automatically mean that companies are covered by collective agreements. Moreover, a significant amount of smaller member companies will only concern themselves with cooperation on industry-related matters. No rules exist in Norway that make collective agreements automatically binding on employers joining an employer organisation. It is up to the parties involved to call for the establishment of an agreement on an individual basis, and trade unions may only present such a demand to an organised employer if they have union members in the company concerned. In many cases, trade unions are required to unionise at least 10% of the workforce in a company to be entitled to enter into a collective agreement. In cases where such formal requirements have been met, the employer is required to sign the relevant sector-level agreement.

**Poland**

**Industrial relations**

**Collective bargaining**

The legal regulations provide for concluding collective agreements at two levels:

- company agreements – between an employer and the trade union organisation(s) at company level;
- multi-employer agreements – between the sectoral or regional trade union organisation and the employer organisation representing a group of employers.


In total, 2,648 company-level collective agreements were in force in 2007. Some 164 were new collective agreements, 54 of which were initiated by employers that had not engaged in collective bargaining before. The registered collective bargaining agreements involved 121,500 employees.

The company level remains the predominant level of negotiations. Moreover, the process of decentralisation and abandonment of multi-employer or sectoral agreements has been confirmed as a permanent tendency in the industrial relations system.
Multi-employer and sectoral collective agreements

As of 21 April 2008, the multi-employer and sectoral collective bargaining agreements register comprised 169 items. Such agreements concerned 500,000 employees in 3,480 companies. According to the law, if there is a collective agreement at company level, it covers all of the employees. The collective agreements mostly regulate wages, working time and social benefits. Sectoral collective agreements establish minimum standards for company-level negotiations.

Other issues in collective agreements

Apart from the above matters, the agreements refer to issues such as training and trade union rights. Other topics covered by the collective bargaining agreements are marginal.

Industrial conflict

In recent years, there has been an increasing number of collective disputes and strikes. In the last three quarters of 2008, the Central Statistical Office (Główny Urząd Statystyczny, GUS) reported 12,800 strikes, involving more than 208,000 employees. This represents a significant increase compared with the same period of 2007, when 1,700 strikes were reported, involving almost 36,000 employees. Strikes in 2008 were much shorter than in 2007. The GUS surveys show that, in 2008, strikes lasted only few hours while, in 2007, strike activity lasted on average 20 hours.

Protest action mostly occurred in the public sector, with employees in educational institutions, healthcare institutions and transport going on strike. Workers in the machine industry, metalworking and food factories also went on strike. Regarding the collective disputes that preceded strikes, the most recently published data come from the 2007 report of the National Labour Inspectorate (Państwowa Inspekcja Pracy, PIP). They show that, during the period in question, PIP obtained 2,869 notices of collective disputes, which was 4.5 times more than in 2006.

Reasons for collective action

The most common reason for collective disputes was remuneration, especially higher wages. One of the explanations for the increase in industrial action was the expanding economy and declining unemployment in 2008, which augmented trade union demands. Trade unions demanded pay raises, an annual pay review and a change to the rules on calculating bonuses. In addition, the breach of trade union rights and freedoms was a significant cause of disputes, especially with regard to respecting the trade union rights provided by agreements signed between employers and trade unions.

The disputes usually ended in the signing of an agreement or a protocol of disagreements. The law requires that mediation procedures be launched as the next step. However, only in rare cases was the conflict resolved by mediation of a third party. This means that in reality the parties tend to remain in a state of collective dispute for a long time.
Tripartite concertation

The forum of tripartite dialogue in Poland is the TK, which operates by virtue of the Act of 6 July 2001. The TK members are government representatives, appointed by the prime minister, and representatives of the national-level trade union and employer organisations. The TK has competencies in two areas only: setting of the pay increase indicators in companies and in the state budget sector, which has direct impact on wages in the wider public sector; and participating in the preliminary phase of drawing up the state budget. In addition, the TK has the right to express opinions on every matter of significant importance to the economy or social affairs if it presumes that resolving the matter would be important to preserving social peace. A total of 10 thematic teams function within the TK in the areas of:

- state economic policy and the labour market;
- labour law and collective bargaining agreements;
- social dialogue development;
- social insurance;
- public services;
- the budget, wages and social benefits;
- cooperation with the International Labour Organization (ILO);
- European Structural Funds;
- the revised European Social Charter;
- EU affairs.

Beyond the issues discussed within the teams, the TK had a dozen or so meetings in 2007 during which it tackled items such as the:

- annual pay increase indicator in the state budget sector in 2008;
- amount of the national minimum wage;
- current situation of healthcare employees.

Workplace representation

Apart from company trade union organisations – which remain the most important body representing the interests of workers – works councils have recently been established. Regulations regarding works councils form part of the Act of 7 April 2006 on employee information and consultation (O.J., No. 7, item 550). The act aims to implement the obligations resulting from EU Directive 2002/14/EC establishing a general framework for informing and consulting employees. The transition period for the establishment of works councils in companies employing at least 100 people lasted until 23 March 2008. After that date, works councils should also be established in companies employing at least 50 people. According to data from the Ministry of Labour and Social Policy (Ministerstwo Pracy i Polityki Społecznej, MPiPS), by 1 March 2007 agreements had been signed by employers and trade unions in 4,400 companies before the act took effect in order to implement its recommendations without establishing works councils. Some 17,000 entities met the criteria obliging them to implement the recommendations of the act. A total of 1,900 works councils had been established by the end of 2008. According to the act, the employer is obliged to inform the works council about the following matters:

- operations and the economic situation of the employer, and envisaged changes in this respect;
the state of affairs, structure and envisaged changes with regard to employment, as well as actions aiming to maintain the current level of employment;

- actions that may cause important changes in the organisation of work or employment.

The employer is also obliged to consult the works council regarding the last two points. Works councils were established mostly in enterprises with active trade unions, even though a works council is an independent body with its own structure and separate competencies. Nevertheless, in a company with at least one active trade union organisation, members of the works council are elected by leaders of the trade union organisations. Each trade union organisation has the right to elect at least one member of the council. Furthermore, trade unions operating in one company can agree on a different number of representatives in the works council, as well as on differing rules for the functioning of the council. In addition, members of works councils are protected against dismissal in the same way as trade union activists. In these circumstances, trade unions quickly overcame their initial reluctance towards works councils. There was much more resistance among employers against the establishment of works councils in non-unionised companies; consequently, the number of works councils set up in such enterprises is rather small, at only a few percent.

**Employee rights**

Employee rights result directly from the Labour Code. At company level, the body responsible for overseeing health and safety at work and the protection of employee rights is the ‘social labour inspectorate’. It is a social service performed by employees; its purpose is to ensure that employers provide safe and healthy working conditions and protect employee rights stipulated by law. The social labour inspectorate represents the interests of all employees but it depends on the trade unions in organisational matters as the company unions organise the election of the social labour inspector. The social labour inspectorate has mostly supervisory competencies with regard to the employer’s observance of labour law regulations and the provisions of the collective bargaining agreements. The labour regulations cover: the health and safety of employees; leave; working time; the protection of working women, minors and people with disabilities; as well as social benefits resulting from accidents at work and occupational diseases.

Social labour inspectorates can issue a recommendation and the employer is obliged to provide for its implementation. The employer may also submit an objection to the appropriate national labour inspector, who shall issue a decision or apply other legal measures. PIP is the state body responsible for the supervision and control of compliance with the labour law; it is regulated by the National Labour Inspectorate Act of 13 April 2007. PIP monitors and inspects the observance of labour law and also gives opinions on draft legal acts in the area of employment. In their work, labour inspectors cooperate with trade unions, employer organisations, self-governing staff bodies, employee councils, social labour inspectorates, the state administration and local authorities.

Disputes pertaining to labour law are adjudicated by the labour courts. The Labour Code states, however, that the employer and employee should seek a friendly settlement of a dispute through a reconciliation committee established jointly by the employer and the trade union organisation. Alternatively, this committee can be established upon employee approval if no trade union is present in the company.
Main actors

The main actors in Polish industrial relations are the organisations that participate in the work of the Tripartite Commission for Social and Economic Affairs (Trójstronna Komisja ds. Społeczno Gospodarczych, TK), operating on the basis of the 2001 Act on the Tripartite Commission for Social and Economic Affairs and the Voivodeship Committees of Social Dialogue. The act specifies the criteria of representativeness for the social partners that need to be met in order to be entitled to participate in the TK. In the case of trade unions, it is over 300,000 members; in the case of employer organisations, it is over 300,000 employees in the companies affiliated to the employer organisation.

Trade unions

Main trade union organisations

A total of three trade union organisations in Poland meet the above criteria. They are the:

- Independent and Self-Governing Trade Union Solidarity (Niezależny Samorządy Związek Zawodowy ‘Solidarność’, NSZZ Solidarność);
- All-Poland Alliance of Trade Unions (Ogólnopolskie Porozumienie Związków Zawodowych, OPZZ);
- Forum of Trade Unions (Forum Związków Zawodowych, FZZ).

Trade union density in Poland is relatively low. As shown by a Public Opinion Research Centre (Centrum Badania Opinii Społecznej, CBOS) survey published in January 2009, 6% of the adult population in Poland are trade union members, which corresponds to some 16% of all employees. NSZZ Solidarność is the biggest trade union, comprising 48% of all union members. The second largest trade union is OPZZ, representing 43% of all union members. Almost 8% of trade union members are organised in FZZ. The remaining union members belong to organisations that are not affiliated with any of the three largest trade union federations.

Profile of membership

Trade union membership is most often chosen by skilled workers and white-collar workers who are not university graduates. On the other hand, there is a relatively stable membership among blue-collar workers. Membership is also stable among those employed in the public sector – for example, teachers or doctors. In fact, trade union organisations operate in the majority of education and healthcare institutions, as well as in administration. Trade unions are also resilient in transport, telecommunications, manufacturing and coal mining. The construction and services sectors have the least trade union representation, which is strongly determined by the type of employment contract.

Trends in trade union development

An important matter concerning trade union operations in Poland has been the debate on the criteria of representativeness, due to the problems connected with the excessive plurality of trade unions within companies. Trade unions in Poland are organised from the bottom up: company-level unions are the most important. Just 10 workers can establish a trade union at
company level. In extreme cases, companies may have 10 or more trade unions, all legally authorised to engage in collective bargaining. Obviously, the large number of trade union organisations in a single company creates problems for negotiations during collective disputes. The more participants at one table, the harder it is to reach a consensus. For this reason, a meeting was held in May 2008 among social partners at the TK with the aim of finding a common position on the issue of enhancing social dialogue through more precise principles of trade union representativeness. Both trade unions and employers were in favour of making these principles more precise. However, they had a difference of opinion regarding the thresholds. The employers proposed that representative trade unions within a company should unite at least 33% of personnel. Trade unions object to this proposal, arguing that such a high threshold would make it impossible to organise strikes in most companies. Instead, the trade unions propose to double the existing thresholds.

Employer organisations

Main employer organisations

A total of four representative employer organisations are members of the TK, namely the:

- Confederation of Polish Employers (Konfederacja Pracodawców Polskich, KPP);
- Polish Confederation of Private Employers ‘Lewiatan’ (Polska Konfederacja Pracodawców Prywatnych Lewiatan, PKPP Lewiatan);
- Polish Crafts Association (Związek Rzemiosła Polskiego, ZRP);
- Business Centre Club (BCC).

These organisations represent both individual companies and regional or sectoral organisations. They operate by virtue of the Act on employer organisations of 23 May 1991. An employer organisation is set up based on a resolution taken in the course of a founders’ meeting of at least 10 employers. Only employer organisations established on the basis of this act have the right to take part in collective disputes and can sign collective agreements. The above employer organisations are representative according to the TK criteria. Therefore, they have further competencies at national level, such as the authority to take part in the TK meetings and the evaluation of draft legal acts.

Trends in employer organisation development

National employer organisations do not engage in collective negotiations at company level. At national level, employer organisations are relatively well organised; however, at regional and sectoral levels, they have hardly any form of organisation. Therefore, they are reluctant to engage in multi-employer collective bargaining. Many employers do not belong to any employer organisation – hence the conviction, especially among some trade unionists, that the employer organisations do not represent all employers, but only lobbyists. This opinion is not entirely justified, as employer organisations are in fact a party of the TK in accordance with the accepted criteria of representativeness.

Another matter is the specificity of Polish companies, which are rather dispersed in terms of employee numbers, mainly consisting of small and medium-sized enterprises (SMEs) – which are not usually interested in a common voice and wider coordination. Nevertheless, employers realise that the employer organisations have limited reach. For this reason, a
Congress of employers was held in January 2008, to which small associations were invited along with the large groups. The congress sought to mark the beginning of the cooperation of a wider group of businesses.

Portugal

Industrial relations
Collective bargaining

Branch agreements set pay and working time for about 94% of the labour force in the private sector. The rest of the workers are covered by multi-employer and single employer agreements. There are no central agreements at national level. The total number of workers covered by valid collective agreements, including those that have not been renegotiated in recent years, is about 2.7 million persons.

Legal parameters

Collective agreements are published in the official bulletin of the Ministry of Labour and Social Solidarity (Ministério do Trabalho e da Solidariedade Social, MTSS) and are legally binding. It is common practice to extend such agreements. MTSS issues extension decrees at the request of the signing parties.

Bargaining coordination

The last tripartite macro-level agreement on wage bargaining was signed in 1997. Since then, wage bargaining coordination is exclusively the responsibility of each national-level association. During the last years, the relation between the number of agreements signed at the different levels – sectoral, multi-company and company – has been largely constant. In 2008, however, this has changed.

The proportion of company agreements among the total number of negotiated agreements increased from 25% in 2007 to 33%, and the share of company agreements in terms of the total number of workers covered grew from 2.1% to 3.7%. Nonetheless, the proportion of sectoral agreements in relation to worker coverage only decreased by 0.2 percentage points, from 94% to 93.8%.

Other issues in collective agreements

Trade union organisations systematically introduce the topics of training and lifelong learning into the negotiations. The same applies to gender equality. Both trade union confederations address these issues.
Industrial conflict

Strike activity in Portugal is rather moderate. Only 10 days per 1,000 employees were lost due to industrial action in each year between 2003 and 2007. However, this figure does not include the public sector and general and political strikes. The profound restructuring of careers and mobility in public services is one of the main causes of current industrial action. During recent years, teachers were the most active group in this respect. It should be noted that levels of industrial action used to be much higher. During the first half of the 1980s, Portugal averaged more than 100 days lost per 1,000 employees due to industrial action each year.

Frequency of strikes

MTSS is responsible for the publication of statistical data on strikes in the private sector. Due to unusual delays in this process, no data were available for 2008 at the time of writing. However, CGTP estimates that the decrease in strikes and working days lost registered in 2007 has continued in 2008.

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<th>Strikes in private sector, 2003–2007</th>
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Source: MTSS

Since May 2007, the Ministry of Finance and Public Administration (Ministério das Finanças e da Administração Pública) has published data with regard to seven general strikes in public administration: four during 2007 and three in 2008. According to the ministry, participation in these protests ranged between 1% and 21.9%; however, due to methodological problems, these numbers may be considerably below the actual scale of strike participation. Trade unions claim much higher participation rates than those calculated by the ministry.

Sectors involved and reasons for collective action

In the private sector, manufacturing and transport and communication are by far the most affected areas, followed by financial intermediation. Almost half of the strikes concern pay disputes, about a quarter result from conflicts over working conditions and some 10% pertain to conflicts about employment and vocational education and training (VET).
Conflict resolution and arbitration mechanisms

The new Labour Code (2009) establishes the following mechanisms for conflict resolution in collective bargaining:

- conciliation, mediation and voluntary arbitration – mechanisms that depend on the will of the conflicting parties to achieve a compromise;
- compulsory arbitration, as a further step in the process that is initiated by MTSS if the majority of the trade unions and employers in the CPCS agree;
- the necessary arbitration that may be initiated by MTSS in areas where the expiry of an agreement leaves at least 50% of the workers without the protection of any collective agreement.

In 2006, a system of compulsory arbitration on minimum services was set up within the CES. Since then, the arbitration courts have passed about 50 sentences a year, mostly in relation to strikes in transport and communication.

Tripartite concertation

The CPCS was created in 1984. Trade unions are represented by CGTP and UGT, while employers are represented by CIP, CCP, CAP and CTP. The CPCS is formally part of the Economic and Social Council (Conselho Económico e Social, CES), which was set up several years after the CPCS as a consultative body between the government and civil society in a broader sense. In practice, however, the CPCS is a completely autonomous institution.

Main issues

During the first years of its existence, income policies were a central issue at the CPCS. The Economic and Social Agreement signed in 1990 opened the way for negotiations on other issues, including VET and health and safety issues. After a period of crisis, concertation gained new momentum with the signature in 2001 of four specific agreements on VET, health and safety, and public pension schemes. These agreements marked the end of income agreements and broad pacts, and initiated an era of agreements in specific areas. In 2005 and 2006, social partners signed their first bilateral agreements on collective bargaining and VET. In 2006 and 2007, three tripartite pacts followed, dealing with the same issues as those concluded in 2001. New topics were introduced with the tripartite agreement on the increase in the national minimum wage in 2006 and the agreement on the revision of the Labour Code. The first of these two agreements was signed by all social partners, but CGTP opposed the latter accord.

Workplace representation

Workers’ Commissions (Comissão de Trabalhadores, CT) are elected by all employees at a company. In companies with fewer than 50 workers, the CTs have two members while, in companies with more than 1,000 workers, they may have between seven and 11 members. The CTs have information and consultation rights, in particular regarding processes of restructuring, setting up plans and reports on VET, and changes in working conditions. Trade unions have the exclusive legal right to call a strike and to sign collective agreements. At company level, they are represented by shop stewards (delegados sindicais) who elect a trade
union committee (Comissão sindical or Comissão intersindical). In companies with fewer than 50 organised workers, one shop steward may be elected; in enterprises with more than 500 union members, it is possible to elect more than six shop stewards. In companies without a CT, the trade union committee may exercise its information and consultation rights. The network of shop stewards and trade union committees has a larger coverage than that of workers’ commissions. Both workers’ commissions and trade union bodies have a stronger presence in large companies. Workers’ commissions and trade unions are protected by constitutional law. Their competences and procedures are regulated in the Labour Code. Since 2005, employees have the right to elect worker representatives for safety, hygiene and health in the workplace (Representantes dos trabalhadores para a segurança, higiene e saúde no trabalho). The labour legislation guarantees information and consultation rights for these representatives.

**Employee rights**

The Authority for Working Conditions (Autoridade para as Condições de Trabalho, ACT) is responsible for enforcing labour law. ACT inspectors may visit companies in the course of their usual work and also at the request of worker representatives. However, trade unions argue that ACT does not have the necessary means to carry out its remit in a satisfactory manner. Legal disputes on work-related issues are taken to the labour courts.

**Main actors**

**Trade unions**

**Trade union density**

During the last decades, trade union density has been constantly decreasing. In the 1980s, the major trade union confederation – the General Portuguese Workers’ Confederation (Confederação Geral dos Trabalhadores Portugueses, CGTP) – lost more members than the newly created General Workers’ Union ( União Geral de Trabalhadores, UGT) was gaining. Since the 1990s, both trade union organisations are losing members. Today, CGTP, UGT and unaffiliated trade unions together may have between 700,000 and 800,000 members, with CGTP representing about two thirds of the organised workforce. Overall, average density is about 20%, reaching considerably higher levels in public services and in some larger companies. Density is low in the manufacturing sector and private services with precarious employment relations and/or a high rate of small and medium-sized enterprises (SMEs).

**Main trade union organisations**

CGTP is the largest trade union confederation but UGT has a central position in macro-level concetration. Due to the trend of membership losses in the private sector, the federations and unions of public servants in general and of specific groups like teachers and nurses have gained a strong position within CGTP.

Nonetheless, CGTP’s federations in the manufacturing sector and private services still have critical mass for the representation of workers’ interests. UGT’s largest member unions are located in the banking sector, in public services and in large companies in public utilities. CGTP and UGT are the only trade union confederations with access to the Standing Committee for Social Concertation (Comissão Permanente de Concertação Social, CPCS).
Trends in trade union development

Since 1995, CGTP has carried out a major plan of restructuring, with numerous mergers of trade unions and branch federations. This process has simplified the confederation’s structure and has produced in some cases considerable synergy effects. UGT comprises a heterogeneous group of trade unions with several overlaps and is only beginning its internal restructuring process.

Employer organisations
Main employer organisations

The Confederation of Portuguese Industry (Confederação da Indústria Portuguesa, CIP) and the Confederation of Trade and Services of Portugal (Confederação do Comércio e Serviços de Portugal, CCP) are the most important employer confederations. They cover the largest part of the economy, with CIP representing industry and services and CCP focusing on services.

The Confederation of Farmers of Portugal (Confederação dos Agricultores de Portugal, CAP) and the Confederation of Portuguese Tourism (Confederação do Turismo Português, CTP) are limited to economic sectors that represent a relatively small part of the total labour force – agriculture and tourism. Both CIP and CCP encompass large, medium and small-sized companies in their membership; nevertheless, CIP’s strategy reflects more the interests of big companies, while CCP tends to emphasise SME-oriented positions. CIP, CCP, CAP and CTP are the only employer organisations with access to the CPCS. Banks are represented by the Portuguese Association of Banks (Associação Portuguesa de Bancos, APB), which does not belong to any confederation.

Trends in employer organisation development

During the first two decades of its existence, the representation of employers’ interests at the CPCS was exclusively exerted by CIP, CCP and CAP. In 2003, CTP was admitted as a further member of the CPCS, with the unanimous consent of the three other employer confederations. The background to this important step was the fact that the sector represented by CTP had been growing at a fast pace, accounting in 2001 for about 5% of the salaried labour force. In June 2009, a group of employer organisations in the construction and real estate sectors left CIP and created a new confederation named the Confederation of Construction and Real Estate (Confederação da Construção e do Imobiliário, CCI) CCI aspires to be recognised as a social partner and to be admitted to the CPCS. However, this would only be possible if the employer confederations who already are CPCS members were to accept CCI’s entry. Membership of employer organisations without binding collective agreements is not an issue in Portugal, because the extension of collective agreements by ministerial decree is a common practice which guarantees under the existing labour law that employers cannot opt out of agreements.
Slovakia

Industrial relations
Collective bargaining

Both multi-employer and single-employer collective bargaining play a significant role in forming employment conditions and wages. About 35% of employees are covered by some kind of collective agreement legally bounded for contracting parties. Multi-employer collective agreements can be extended to other employers according to the rules specified by the Collective Bargaining Act, as amended. Previously, extensions were rarely applied because of the required consent of employers concerned by the extension. However, as noted, this limitation was abolished and extensions are now more often applied. Nonetheless, this practice may change again as employers are unhappy with the current situation. Voluntary extension mechanisms are not used. Wage bargaining is coordinated only at sectoral level by multi-employer collective agreements, which include provisions on minimum pay increases in companies covered by the agreement. There is a trend to decentralise collective bargaining to the local and company level, and to reduce the importance of multi-employer collective agreements. However, the latter still play a significant role.

Other issues in collective agreements

Besides wages, collective bargaining often deals with conditions for employee dismissals and the creation and utilisation of the company Social Insurance Fund. Training and lifelong learning are not yet priority issues of collective bargaining. Gender equality issues are increasingly being addressed.

Industrial conflict

As noted, strikes rarely emerged and only two genuine strikes took place during 2004–2007. One strike concerned the healthcare sector in 2006, involving a limited number of hospital workers, while the other occurred in the civil aviation sector in 2007, involving air traffic controllers. Trade unions’ demand for higher wages was the main reason for the strike in the healthcare sector. The air traffic controllers went on strike seeking better air traffic safety. Mechanisms for the labour dispute resolution were successfully applied. During the period 2004–2007, almost all collective labour conflicts were settled by mediation and/or arbitration procedures, and none of them resulted in strikes.

Tripartite concertation

For a long period of time, the Economic and Social Concertation Council (Rada hospodárskej a sociálnej dohody, RHSD) was the forum for national tripartite social dialogue. In 2004, this body was renamed the Economic and Social Partnership Council (Rada
hospodárskeho a sociálneho partnerstva, RHSP). Since 2007, it operates as the Economic and Social Council (Hospodárska a sociálna rada, HSR). In some fields of economic activity, effective sectoral tripartite social dialogue takes place, for example in the transport, post and telecommunications sectors. Tripartite social dialogue usually concerns policies and legislation related to the development of the business environment as well as the standard of living and working conditions of employees.

Workplace representation

The main employee representative bodies at the workplace are trade unions, which are entitled to engage in collective bargaining. Regardless of the existence of trade unions at the company, employees can elect works councils or employee trustees. These bodies are, however, not entitled to bargain collectively. The operation of employee representatives is regulated by the Labour Code.

Employee rights

The National Labour Inspectorate (Národný inšpektorát práce, NIP) is the main body entitled to control the implementation of the labour legislation in force. Trade unions also have the right to monitor the implementation of labour legislation, including occupational health and safety matters. Regarding some issues, such as temporary agency work and undeclared work, the Centre for Labour, Social Affairs and Family (Ústredie práce, sociálnych vecí a rodiny Slovenskej republiky, ÚPSVaR SR) is entitled to carry out controls. In the event of collective and individual labour conflicts, civil courts decide on the cases.

Main actors

Trade unions

There is one dominating trade union confederation – the Confederation of Trade Unions (Konfederácia odborových zväzov Slovenskej republiky, KOZ SR) – in the country and it had undergone no significant organisational changes up until the end of 2008. Current changes are mainly mergers of some member sectoral trade union organisations. For instance, the Construction Trade Union Association has merged with the Textiles, Clothing and Leather Association and the Public Transport Association: the Integrated Trade Union Association was established on 1 January 2009. Trade union density has declined over the last 10 years. In 2003, union density was 27%, but it had decreased to 20% by 2007.

Employer organisations

The Federation of Employers’ Associations (Asociácia zamestnávateľských zväzov a združení Slovenskej republiky, AZZZ SR) was the only national-level representative body up until recent years. However, a new national employer organisation split from AZZZ SR in March 2004 – the National Union of Employers (Republiková únia zamestnávateľov Slovenskej republiky, RUZ SR). About half of the members of the original AZZZ SR joined RUZ SR. The density of employer organisations in terms of number of employees covered decreased from about 30% in 2004 to about 25% in 2007. In 2008, some internal changes
occurred in the membership of both national employer organisations: RUZ SR membership declined by about 15% and AZZZ SR membership increased by about 20%. According to the available information, in order to avoid multi-employer collective bargaining some employers decided to leave the employer organisations to which they were affiliated. In 2008, the most significant employer organisations in industry left RUZ SR and did not join any other national employer organisation.

Slovenia

Industrial relations
Collective bargaining
Bargaining on pay and working time

The wage system in the private sector is regulated by sectoral collective agreements and the CAMPA, which covers about 40,000 mainly private sector workers who are not covered by a relevant sectoral collective agreement. The CAMPA also details the pay adjustments that apply, as well as the bonuses for night work, overtime, work on Sundays and annual leave. The wage system in the public sector is regulated by the Law on the Pay System in the Public Sector, which came into force in July 2005 and the Collective Agreement for the Public Sector, which came into effect in July 2007.

The latter presents a basic framework for sectoral collective agreements, which is necessary for executing the new pay system in the public sector. According to the legislation, a full working week consists of 40 hours. Deviations are possible due to various reasons, such as the extent, nature and seasonal character of work that people perform.

Coverage rate and legal parameters

Slovenia’s coverage rate of collective agreements used to be 100%, but due to changes in legislation that introduced free collective bargaining, the coverage rate in 2007 was 96% (www.worker-participation.eu). Collective agreements in the private sector in Slovenia used to be legally binding, but the new Law on Collective Agreements, adopted by the Slovenian parliament on 4 March 2006, introduces free and voluntary collective bargaining. In the public sector, several provisions of the new Law on the Pay System in the Public Sector from 2005 require implementation through collective agreements, thus having the effect of making such agreements compulsory.

Extension of collective agreements

A collective agreement for one or more sectoral branches can be extended by the minister responsible for labour at the request of one of the parties to the collective agreement. The minister decides on the extension of part or all of the collective agreement if it was signed by one or more representative trade union organisations and one or more representative
employer organisations representing more than half of the workers employed in the companies that would be affected by the extension. Regarding the pay provision, the employer and company trade union may agree in writing on a lower amount than that set by the CAMPA for a maximum period of six months, if this contributes to the preservation of jobs. Moreover, the employer and company trade union may agree to prolong this measure.

**Wage bargaining coordination**

Wage bargaining at sectoral level in the private sector is coordinated between representative sectoral trade unions and representative employer organisations. At intersectoral level, the main actors in the private sector are seven representative trade union confederations and four representative employer organisations. In the public sector, the main actors are representatives of the Ministry of Public Administration (Ministrstvo za javno upravo, MJU) and representative trade unions for the public sector.

**Trend towards decentralisation**

Collective bargaining in Slovenia in the private sector is becoming more decentralised. Collective agreements apply at all three levels – national, sectoral and company level. However, with the voluntary principle, collective agreements are no longer legally binding. In June 2006, the employers and trade unions concluded the CAMPA for the first time without government participation. In the public sector, collective bargaining remains centralised.

**Other issues in collective agreements**


**Debate on gender pay gap**

The discussion on the gender pay gap has only recently entered the public debate; the topic appears in public policy documents, such as National Action Plans (NAPs) on employment, and the social partners – mainly trade unions – have started to put it on their agendas.

In 2007, ZSSS organised a workshop with experts from the Statistical Office of the Republic of Slovenia (Statistični urad Republike Slovenije, SURS). The participants tried to identify the factors causing the gender pay gap.
Industrial conflict
Frequency of strikes

At present, no reliable official data are available on strike action in Slovenia. According to the ZSSS representative, the number of strikes in individual companies has declined in recent years. In 2005, 14 strikes took place in individual companies with ZSSS members; in 2006, there were seven strikes and in 2007 only one strike was organised. On 17 November 2007, after the failure of negotiations with employers about changes to the CAMPA, all six private sector trade union confederations – ZSSS, KNSS, KSS Pergam, Konfederacija '90, Alternativa and Solidarnost – organised a mass rally in the capital city of Ljubljana. When no further agreement was signed, a general warning strike in the private sector went ahead on 12 March 2008. It was the third such strike in Slovenia’s history and about 165,000 workers took part. In April 2008, the European Trade Union Confederation (ETUC) and its Slovenian member organisation, ZSSS, organised a European demonstration in Ljubljana for better pay.

Sectors involved and reasons for collective action

All sectors of economic activity were involved in the general strikes. The six private sector trade union confederations organised the general strikes in 2007 and 2008; public sector trade unions, representing pensioners and students, and many other groups also participated. Trade union confederations demanded better pay, a fairer distribution of company profits in light of strong GDP growth, pay adjustments due to high inflation levels and living costs, and the conclusion of the CAMPA 2008–2009 in the private sector. As noted, on 30 May 2008, social partners in the private sector finally signed the CAMPA for 2008 and 2009.

Tripartite concertation

Slovenia’s central body for tripartite cooperation is the ESSS, established in 1994. At present, the employers and government have seven representatives each on the ESSS, while the trade unions have eight representatives. Since each side of the three partners has only one vote regardless of the number of their representatives on the ESSS, it is not essential for each side to have the same number of representatives. The field of activity of the ESSS is limited and mainly pertains to industrial relations, working conditions, labour legislation, social rights and employment policy, as well as other broader economic and social issues concerning the interests of workers and their families, employers’ interests and government policy.

Workplace representation
Trade unions

Employees at workplaces in Slovenia are represented by trade unions and works councils. The core function of trade unions or shop stewards is the protection of the rights and interests of workers, as well as negotiation and consultation. The main issues that they deal with are pay, working time, working conditions and dismissals. In order to represent employees on economic and social protection issues and to participate on a company’s management board, trade unions must be representative. A trade union is representative at
company level if the membership represents at least 15% of workers employed in the company. About 60%–70% of companies have trade unions or shop stewards.

**Works councils**

The primary function of works councils is joint consultation, information and cooperation in the decision-making process. The main issues that they address are working conditions, leave, dismissals, health and safety at work, discrimination and the protection of young workers. A works council can be set up in companies with more than 20 employees, while in case of fewer than 20 employees, a workers’ delegate has the same rights and obligations. The incidence of works councils and workers’ delegates in companies with fewer than 50 employees is 20%, in companies with 50–249 employees it is 30% and in companies with more than 250 employees the proportion is about 75%.

**Legal framework**

Provisions on the activity of trade unions or shop stewards, their number and their protection are defined by the Law on Labour Relations, while representativeness is regulated by the Law on Representativeness of Trade Unions. Provisions on the activity, composition and protection of works councils are regulated by the Law on Worker Participation in Management.

**Employee rights**

The Labour Inspectorate of the Republic of Slovenia (Inšpektorat Republike Slovenije za delo, IRSD) is authorised to monitor whether all social partners are respecting the regulations of collective agreements and to ensure the enforcement of employee rights. In 2007, the IRSD published a report on its work, warning the public about the increase in labour law violations with regard to the employment relationship.

**Main actors**

**Trade unions**

**Trade union density**

In recent years, trade unions have lost one third of all members. The latest available data for 2007 show that 44% of employees were in a trade union in Slovenia (www.worker-participation.eu), decreasing from 63.5% in 1994. According to union representatives, the trade union density rate for some confederations has remained the same, namely the Association of Free Trade Unions of Slovenia (Zveza svobodnih sindikatov Slovenije, ZSSS), KNSS – Independence, Confederation of New Trade Unions of Slovenia (KNSS – Neodvisnost, Konfederacija novih sindikatov Slovenije, KNSS) and the Union of Workers’ Solidarity (Zveza delavcev Solidarnost, Solidarnost). Union density even increased in the Confederation of Trade Unions of Slovenia Pergam (Konfederacija sindikatov Slovenije Pergam, KSS Pergam). The trade union density rate of ZSSS is about 40.8%, while it is 4% for KNSS and KSS Pergam currently has an 11.7% union
density rate. The Confederation of Public Sector TradeUnions (Konfederacija sindikatov javnega sektorja, KSJS), established in 2006, has a 10% union density rate.

**Main trade union organisations**

There are seven trade union confederations in Slovenia:
- ZSSS;
- KNSS;
- KSS Pergam;
- Confederation of Trade Unions ’90 of Slovenia (Konfederacija sindikatov '90 Slovenije, Konfederacija '90);
- Solidarnost;
- Slovene Union of Trade Unions Alternativa (Slovenska zveza sindikatov Alternativa, Alternativa);
- KSJS.

**Trends in trade union development**

On 1 February 2006, five Slovenian public sector trade unions founded KSJS. The five unions comprised: the Education, Science and Culture Trade Union of Slovenia (Sindikat vzgoje, izobraževanja, znanosti v kulture Slovenije, SVIZ), the Trade Union of Health and Social Services of Slovenia (Sindikat zdravstva in socialnega varstva Slovenije, SZSVS), the Police Trade Union of Slovenia (Polički sindikat Slovenije, PSS), the Nursing Workers’ Trade Union of Slovenia (Sindikat delavcev v zdravstveni negi Slovenije, SDZNS) and the Independent Trade Union of Workers at the University of Ljubljana (Neodvisni sindikat delavcev Ljubljanske univerze, NSDLU). With 81,000 members, KSJS is now the second largest trade union confederation.

**Employer organisations**

**Employer organisation density**

Up until 2006, two employer organisations, the Chamber of Commerce and Industry of Slovenia (Gospodarska zbornica Slovenije, GZS) and the Chamber of Craft and Small Businesses of Slovenia (Obrtno-podjetniška zbornica Slovenije, OZS), represented 100% of entrepreneurs due to compulsory membership. With the new legislation adopted in 2006, membership of chambers of commerce and industry is voluntary for companies; thus, in the last two years, the density rate of employer organisations has decreased. Based on 2008 figures, all member companies of employer organisations in Slovenia employ 80%–90% of private sector employees.

The total density rate is expected to decline in the near future to 63%–73%. If the density rate declines further, in a few years it could fall below the required density threshold of over 50% that is necessary for the extension of collective agreements. This would have serious consequences for collective agreements.
Main employer organisations

Currently, there are five employer organisations in Slovenia:

- GZS;
- Association of Employers of Slovenia (Združenje delodajalcev Slovenije, ZDS);
- Slovenian Chamber of Commerce (Trgovinska zbornica Slovenije, TZS);
- OZS;
- Association of Employers for Crafts Activities of Slovenia (Združenje delodajalcev obrtnih dejavnosti Slovenije, ZDODS).

Trends in employer organisation development

Since the introduction of voluntary membership, according to the Law on Chambers of Commerce and Industry (2006), two forms of employer representation have emerged: ‘pure’ employer organisations, which specialise in representing interests related to the labour market and industrial relations; and ‘dual’ associations, such as chambers of commerce and industry, which combine the representation of labour market interests and product market interests. OZS will soon cease to function as an employer organisation due to its compulsory membership. The transitional period of three years during which the chamber was allowed to conclude collective agreements expired in April 2009. The new employer organisation, TZS, organising companies in the commerce sector, was set up on 17 November 2006. Its members generate over 20% of Slovenia’s total turnover and over 60% of the total turnover of the sector. With the consent of all signatories, TZS acceded to the new Collective Agreement for the Retail Sector on 15 December 2006.

Spain

Industrial relations

Collective bargaining

In Spanish law, collective agreements have the category of laws and their application affects all workers and companies included in the level of agreement. Provincial sectoral agreements concern over half of the workers covered by collective bargaining, while national agreements affect about a quarter. Company agreements cover only 10% of the workers, due to the predominance of small companies in Spain.

This collective bargaining structure has remained stable over the years, although since 2005 there has been an increasing number of company agreements. In the same period, the coverage of national sectoral agreements has increased, whereas that of provincial sectoral agreements has decreased. The tendency is towards rationalisation of the bargaining structure following a decentralised model of organisation. As noted, since 2002, pay agreements have been based on the guidelines and criteria established in the successive AINC. Pay increases
take as a reference the government’s inflation forecast, with the possibility of higher increments based on productivity and wage revision clauses that come into effect when the real inflation – normally the retail price index (RPI) for December – is higher than forecast. Such clauses are widespread and affect about 70% of the workers covered by collective bargaining.

**Other issues in collective agreements**

The content of collective bargaining has been extended and enriched due to the AINC and new possibilities of collective autonomy in the national regulations.

**Gender equality**

Equal treatment and equal opportunities for men and women took on new importance with the coming into force of Law 3/2007 for the effective equality of men and women. Furthermore, in the 2007 AINC, the social partners emphasised the contribution of collective bargaining to the promotion of greater equality at work. When the agreement was extended to 2008, it made special reference to the development and application of equality plans in companies and measures to facilitate a work-life balance.

However, the collective agreements show a certain continuity with those reached before the equality law came into force. This was largely due to the fact that the law had only recently been passed. Most sectoral agreements referring to the negotiation of equality plans in companies with more than 250 workers refer to the provisions of the law and state that the companies must negotiate such plans. The majority of company agreements containing references to the law merely create joint commissions on equality or state that the joint commission of the agreement must draw up a preliminary diagnosis and the plan can be drafted at a later stage.

**Training**

The social partners have given greater attention to the issue of lifelong learning and training as a vital element for achieving a more sustainable and competitive economic model. About 40% of the agreements registered in 2007 contained clauses on continuing vocational training, which affected 51% of the workers covered by collective bargaining. These rates of coverage have remained stable in recent years. Training is increasingly dealt with at the more decentralised levels: about 45% of the company agreements contain clauses on this subject, affecting 70% of the workers covered by this level of bargaining. However, the official figures do not reflect the real extent of training practices in companies as there is no obligation to negotiate training initiatives with the worker representatives. Collective agreements mainly consider company training plans and, to a lesser extent, individual training leave.

**Industrial conflict**

Industrial conflict has shown a progressive decline over the last few decades. The number of disputes and their importance in terms of participation and working days lost have decreased considerably, excluding the general strike in 2002. This reduction in the number of strikes is due to the duration and intensity of the economic growth cycle, the bipartite social
dialogue expressed through the AINC establishing common guidelines for pay bargaining to ensure industrial peace, and the consolidation of the bodies and procedures for resolving labour disputes out of court. Strikes are mainly called over the bargaining of collective agreements; this issue is responsible for about 57% of lost working days. The strikes are used to apply pressure during the bargaining processes, to protest against the refusal to sign or revise an agreement or – less often – as a result of differences in interpretation of the prevailing agreement.

**Tripartite concertation**

In the last few years, the national social dialogue process has been intense. It has adopted a new working method, with the issues for discussion being agreed in advance and then taken up during the dialogue phase within an agenda or programme covering the whole legislature. This method gave rise to the signing of the declarations for social dialogue of 2004 and 2008 by all of the most representative trade unions and employer organisations at national level.

At present, social dialogue has been extended to many economic, labour and social issues with a common strategic objective: to promote a sustainable economic model based on improving company competitiveness and increasing productivity to reach a higher level of development and employment equality.

As a result, a wide range of agreements have been reached to improve the functioning of the labour market and the social protection system. These include the Agreement for the improvement of growth and employment of May 2006, the Agreement on social security measures of July 2006 and the Agreement on the protective action of dependent care of 2008. These agreements aimed, respectively, to foster the creation of stable employment, improve the prospects of balancing the social security system, and provide a new framework of rights and benefits to meet the needs of dependent persons.

**Workplace representation**

In Spain, workers have two channels of representation at company level: the trade unions and the joint bodies that represent all workers of the company. The joint bodies – the workers’ committees (comité de empresa) and the workers’ delegates (delegados de personal) – are also highly unionised in practice because most of the candidates are presented by the trade union sections of the company. Workers’ committees are elected in all companies or workplaces with more than 50 workers.

The number of representatives is determined according to the electoral audience of each candidacy and the mandate is for four years. The competencies of the worker representatives are regulated by the Workers’ Statute (Estatuto de los Trabajadores) and include the right to receive information from the employer and to ensure fulfilment of the agreed working conditions.

**Employee rights**

Collective disputes that arise between employers and workers may be resolved through an agreement between the parties, or through mediation or arbitration by the labour
inspectorate or another competent body, which must be accepted as a solution by both parties to the dispute. Different mediation bodies exist at the various levels of action. At national level, there is the Multi-sector Mediation and Arbitration Service. This is a body for resolving labour disputes out of court, established through the first Agreement on resolving collective disputes out of court (Acuerdo sobre Solución Extrajudicial de Conflictos, ASEC) of 1996, signed by CEOE, CEPYME, CCOO and UGT.

At regional level, several bodies have been set up to resolve disputes out of court, all of them composed jointly of representatives of the ASEC signatories. The activity of such bodies set up through collective autonomy has increased in the last 10 years and they now channel most labour disputes. They have thus become more important than the mediation bodies of the MTIN and the equivalent bodies in the autonomous communities. The social courts are strictly judicial bodies; these courts are organised hierarchically according to their jurisdiction and level of competency – at provincial level, in the High Court of each autonomous community, and at national level in the National Court and the Supreme Court.

Main actors

Trade unions

Spain has traditionally had one of the lowest rates of trade union membership among the EU15. Moreover, the increase in the wage-earning population in Spain has not been accompanied by an increase in trade union density, although membership has adapted to the changes in the structure of employment.

The most important national trade unions in terms of number of members are the Trade Union Confederation of Workers’ Commissions (Confederación Sindical de Comisiones Obreras, CCOO) and the General Workers’ Confederation (Unión General de Trabajadores, UGT), in that order.

These two organisations represent over 70% of all trade union membership in Spain and are recognised as the most representative organisations. This means that any of their trade union organisations and federations are authorised to negotiate at their respective levels, regardless of their number of members and representatives.

Employer organisations

For an employer organisation to be considered most representative at national level, its member companies must employ at least 10% of all the workers at each level of bargaining. The employer organisations that have attained this status at national level are the Spanish Confederation of Employers’ Organisations (Confederación Española de Organizaciones Empresariales, CEOE) and the Spanish Confederation of Small and Medium-Sized Enterprises (Confederación Española de la Pequeña y Mediana Empresa, CEPYME). It is not possible to comment on trends in the membership density of employer organisations due to lack of information.
Sweden

Industrial relations
Collective bargaining

A main agreement between the parties at national level defines the framework of their roles and the regulation between them. This agreement – Saltsjöbadsavtalet – is the foundation for the cooperation between the social partners in the Swedish labour market model. At sectoral level, general agreements with guarantee or minimum levels are negotiated for pay and working time. These sectoral agreements are indicative and set the parameters for negotiations at local level, where more detail is provided in local collective agreements.

Trend towards decentralization

Sweden’s structure of collective bargaining has become more decentralised during the last 15 years. The social partners tend to delegate the power to negotiate wages and working time to the local level. Some collective agreements are concluded without any definite figures on pay or only specifying guarantee levels, thereby leaving it to the local parties to decide the details in their negotiations for wage formation and the setting of wage rates. The employer and trade union confederations still conclude certain types of cross-industry agreements, such as pensions and collective insurance.

The employment transition agreement has become important, not least in times of financial crisis. Through this agreement, a percentage of the wage sum is paid into a fund – known as the Employment Security Council (Trygghetsrådet, TRR) – which finances measures to help redundant workers to get a new job or education. In the event of redundancy or dismissal, TRR is able to offer both employers and trade union representatives support and advice. Similar agreements apply in the public sector, with the Employment Security Fund (Trygghetsfonden).

Pay bargaining

Up until 1975, the local parties had limited scope for bargaining. In the 1980s, the social partners began to negotiate at sectoral level, abandoning the central negotiation model. In 1997, the negotiation model changed again by increasing the amount of coordination in negotiations. One central element was that negotiations in the manufacturing sector became normative and the dominant level for other sectors of economic activity.

Thus, the Agreement on Industrial Development and Wage Formation (Industrial Agreement) reached in 1997 has a normative role in the collective bargaining rounds for wages. There are two levels of collective bargaining in relation to pay, wage formation and other working conditions: national or sectoral level (förbundsavtal) and local (company) level. However, both levels have a supplementary relationship because, as noted, industry-wide agreements provide leeway for company agreements on the differentiation and individualisation of wages. In this way, parts of the centrally agreed wage increase are distributed at local level according to the preferences of the local actors. The negotiation model
also implied that bargaining should be based on pay increase developments in main European competitors in the sector.

The manufacturing sector has taken macroeconomic responsibility and has contributed to a gradual improvement in wage formation, according to the National Institute of Economic Research (Konjunkturinstitutet, KI). In Sweden, collective bargaining is the sole system of wage formation, both in the private and public sector. The trade unions at sectoral level handle most of the pay bargaining, in negotiation with the social partners on the employer side. Many employees have some kind of individual wage flexibility, for example based on work performance.

While trade union density is one indicator of potential bargaining strength and solidarity among employees, bargaining coverage measures the extent to which employees benefit from union-negotiated terms and conditions of employment. The coverage rate of collective agreements was 92% in 2001 and 91% in 2007. Having remained at this level since the 1990s, the coverage rate continues to be well above the EU average.

**Extension of collective agreements**

The labour law does not include the principle of statutory extension of collective agreements to cover an entire industry. The trade unions at national and sectoral level and the local trade unions (or representatives of trade unions), on the one hand, and employer associations and organised employers, on the other, are authorised by law – according to the MBL – to sign a collective agreement.

Unorganised employers can sign an application agreement (hängavtal) with a trade union in the company. It is not possible under Swedish law to extend collective agreements by some kind of decree or legislation. However, practices with an extended effect are used. For example, a trade union may sign an application agreement with a previously non-signatory employer that the agreement also applies to that particular company, or the employer may have to apply the provisions of the collective agreement to external workers, unless otherwise agreed with the signatory union.

**Other issues in collective agreements**

The social partners focus on many other issues in the collective bargaining rounds. Work-life balance is addressed, as well as flexible working hours, telework and long-distance working in order to increase the flexibility for the workers. Continuous vocational training (CVT) is another essential issue in order to adjust the workers’ competencies to the needs of the labour market. For instance, during the economic crisis, CVT is being used as an alternative to dismissals in many cases.

Gender equality is also addressed in collective bargaining. For example, LO had a goal during collective bargaining rounds in 2007 that occupations dominated by women should reach the same pay levels as male-dominated occupations. A specific central equality pool was established in order to achieve this objective. Pay inequalities and the right of both genders to improve their skills are an important topic for most trade unions in collective bargaining. The Swedish Gender Equality Act (Jämställdhetslagen) – which was replaced on 1 January 2009
by the Antidiscrimination Act – has contributed to bringing the issue of gender onto the agenda in the labour market.

**Industrial conflict**

The number of working days lost through industrial action and the number of workers involved usually varies depending on the scale of the bargaining rounds. Most agreements stretch over three years; the last major bargaining round was in 2007, when about 500 out of 600 agreements in total were negotiated.

During 2007, nine strikes occurred in both the private and public sectors. In 2008, when only about 90 agreements were negotiated, three strikes took place. In 2007, 13,666 days were lost due to strikes and 3,636 employees were involved.

The National Mediation Office (Medlingsinstitutet, MI) estimates that about 13,000 individuals were involved and about 110,000 workdays were lost. These high numbers were mainly caused by the protracted conflict between the Swedish Association of Health Professionals (Vårdförbundet) and SKL. About 10,000 individuals were involved in this national strike, which lasted for just over five weeks.

In comparison with other European countries, the number of strikes is low in Sweden and their range is limited. MI is often used in occasions of conflict. It was founded in 2000 and is an agency for central government activities in the mediation field. It mediates in labour disputes and aims to promote an efficient wage formation process. It is also responsible for public statistics relating to wages and salaries.

The number of strikes has declined in recent years, which may be at least partly due to MI’s role and work. Forced interventions in mediations between the social partners are not necessary as the partners themselves request such help if required.

**Tripartite concertation**

In Sweden, tripartite negotiations are rare because the social partners do not welcome the government or any other party intervening in collective bargaining. The idea of self-regulation through collective bargaining by the social partners is strong in Sweden.

**Workplace representation**

The regulation of the employee representation bodies is codified by laws such as the MBL and LAS but also by the main agreement, *Saltsjöbadsatalet*. Table 3 sets out the main channels of employee representation in the workplace.
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<th>Role and competence</th>
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<tr>
<td><strong>Trade union</strong> (local representative or local branch of trade union)</td>
<td><strong>Health and Safety Committee</strong> (local safety representative, regional safety representative or Safety Committee)</td>
<td><strong>Work Environment Committee</strong> (local safety representative, regional safety representative or Safety Committee)</td>
<td><strong>Workers’ delegate</strong> (Employee Board representation, in the private sector only)</td>
</tr>
<tr>
<td>Handle all issues between employees and employer, and negotiate between the parties. This is the core foundation of the labour movement</td>
<td>Ensure safety at the establishment, both physical and psychological, meaning the work environment. Ensure compliance with employer obligations according to legal framework and systematic work environment management</td>
<td>Work environment, health and safety issues</td>
<td>Informative role and power of influence in board decision making regarding general development issues</td>
</tr>
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</table>

**Incidence**

About 5%–10% of the workforce are trade union representatives. No statistics on sectors are available

It is mandatory by law with few exceptions; therefore, almost all establishments have safety representatives

Concerns the whole economy

All companies with more than 25 employees have worker representatives on the board. Concerns about 18,000 workers

**Source:** EIRO
Employee rights

As noted, the MBL gives trade unions the right to act as collective agents for their members. The right of information and consent has also been extended to workplaces not covered by collective agreements. Individual workplace disputes are resolved either through negotiations between the social partners or through arbitration in the Labour Court or a district court.

The collective agreements and labour legislation regulate where disputes are handled. In addition, the Ombudsman works for employees’ rights, supervising and supporting employees in discrimination situations. LAS also gives protection for employees in the workplace.

The Labour Disputes Act governs the judicial procedure in disputes between the social partners; the Labour Court (Arbetsdomstolen) is the institution in charge in this regard. Parties that are not subject to collective agreements must take their disputes to the ordinary civil court system, with the Labour Court as the last resort. However, employers that are not members of an organisation often make an application agreement, enabling them to use the Labour Court in disputes.

Main actors

The existing main agreement (Saltsjöbadsavtalet) was negotiated in 1938 between the social partners and gives them the right and responsibility to regulate pay and employment conditions. Self-regulation through collective bargaining is therefore strong. The social partners are often represented in advisory bodies or reference groups to government committees or enquiries.

Trade unions

Trade union density

Trade union membership rates have historically been high in Sweden, especially in the public sector. An important explanation for the relatively high trade union density is the high unionisation among white-collar workers.

However, an ongoing trend of declining membership has occurred since the beginning of the 1990s and it has become more pronounced in recent years. Trade union density decreased by as much as 8% between 2004 and 2008. The decline is broadly based and equally distributed among white-collar and blue-collar workers, men and women. It is a particular problem that young employees often neglect to become trade union members. The decrease in membership is mainly due to the government’s amendments of the fees to the unemployment funds in January 2007.

Main trade union organisations

Trade union confederations are demarcated by occupation. There are three main confederations: one for skilled and unskilled blue-collar workers, although it often includes
clerical employees and lower grade public servants; one for white-collar employees; and one for academic professionals. More specifically, these trade union organisations are the:

- Swedish Trade Union Confederation (Landsorganisationen i Sverige, LO), with 1.28 million members among blue-collar workers;
- Swedish Confederation of Professional Employees (Tjänstemännens Centralorganisation, TCO), with about 950,000 members – mainly white-collar workers;
- Swedish Confederation of Professional Associations (Sveriges Akademikers Centralorganisation, SACO), which organises almost 460,000 civil servants and professional employees with academic degrees.

What were the main developments on the trade union side (e.g. TU mergers)?

**Trends in trade union development**

LO and, to a lesser extent, TCO are based on the ‘industrial principle’; this means that the trade unions are organised according to the economic sector in which employees work rather than according to the employees’ occupations. Not all of the trade unions have experienced a decline in membership.

For SACO, the number of members has slightly increased in recent years, unlike the other two major trade union confederations. TCO and LO are campaigning to attract new members and try to reverse the losses of the last few years. The largest trade union within LO is the Municipal Workers’ Union (Kommunal), with about 500,000 members. Two other LO-affiliated trade unions, the Swedish Metalworkers’ Union (Svenska Metallarbetareförbundet) and the Swedish Industrial Labour Union (Industrifacket), decided to merge at the beginning of 2006 to form the Union of Metalworkers (IF Metall).

This new trade union has about 400,000 members. The Union of White-collar Workers (Unionen) has about 491,000 members. This trade union was constituted at the beginning of 2008 and is the result of a merger between the Union of White-collar Workers in Industry (Svenska Industrijänstemannaförbundet, Sif) and the Salaried Employees’ Union (Tjänstemannaförbundet, HTF).

This makes Unionen the largest trade union for white-collar workers. The Association of Undergraduate Engineers (Ingenjörsförbundet) and the Swedish Association of Graduate Engineers (Sveriges Civilingenjörersförbund) were both trade unions within SACO that organised engineers. In January 2007, they merged into the Swedish Association of Graduate Engineers (Sveriges Ingenjörer) and the new trade union has 120,000 members.

**Employer organisations**

The three main employer organisations are the:

- Confederation of Swedish Enterprise (Svenskt Näringsliv), which was founded in 2001 after a merger between the Swedish Employers’ Confederation and the Federation of Swedish Industry. It represents employers in the private sector and has a membership of about 50 employer organisations or trade organisations from different industries;
- Swedish Association of Local Authorities and Regions (Sveriges Kommuner och landsting, SKL). It represents the governmental, professional and employer-related interests of Sweden’s 290 municipalities, 18 county councils and two regions;
- Swedish Agency for Government Employers (Arbetsgivarverket). A state agency, it is responsible since 1994 for the employer policy of agencies in the public sector at national level and negotiates on behalf of about 270 public authorities.

The largest employer organisation is the Confederation of Swedish Enterprise, which represents 54,000 small, medium and large-sized enterprises employing about 1.7 million people. Its density rate was estimated at 80% in 2008, surpassing the trade union density in the private sector.

Other employer organisations are the Swedish Association of Entrepreneurs (Företagarförbundet), with 35,000 members – mainly comprising small companies – and the Federation of Private Enterprises (Företagarna), with 55,000 members. These organisations do not have the mandate to negotiate collective agreements.

**Hungary**


The Commission is an independent body of parliament and government, with the role of consultation and advice, composed of representatives of trade unions, chambers of commerce, NGOs of national policy, local and foreign representatives of scientific life, or representatives denominations, with the role of ensuring a platform for discussion to debate important issues relating to the economy and society that provide a framework for national strategies necessary to discuss long-term development.

It should be noted that the recent amendment (2011) of social dialogue in the sense that the government is not actually participate in the dialogue due to measures taken by the second Orbán government in June 2011. Before this period there was a tripartite social dialogue. Newly established Commission took over the powers of the three structures of social dialogue: National Commission for Social Dialogue, Economic and Social Commission for Social Dialogue and Economic Forum. Extent caused deep dissatisfaction within trade unions and employers, accusing the government that by reorganization of social dialogue, actually a real dialogue with social partners is not wanted.

The Commission has an advisory role, develops opinions and proposals and has the following responsibilities:

- Monitor and analyze economic and social development of the country,
- Develop proposals to Parliament and the Government on major macroeconomic problem solving;
- Discuss government strategies for the employment policies of labor, economic change and social policies;
- Undertake analysis of future governmental measures, in terms of employment, interest and issues of social protection,
- Participate in the assessment of the effects of government measures and inform the government about these results;
• Undertake analysis on strategic issues with EU;
• Discussing the economic and social problems which were introduced by a vote of 2/3 on the Commission's agenda;

Parliament president, presidents of parliament commissions, government, members of the government may request the Commission's view; request that the Commission is obliged to respond.

Commission proposals recipients are obliged to consider proposals submitted and to inform the Commission about the solutions adopted in these matters. At the Committee meetings will participate as permanent ministers or persons appointed by them with consultation role and without the right to vote. The president and vice presidents of the Competition Commission and NIS will also participate at the meetings of the Commission.

The Commission's work is provided by a secretariat. The material and human resources required for the secretariat is provided by the ministry responsible for developing civilian government relations.

Commission Secretariat is organized as a directorate within the Directorate General for Social Dialogue, under Undersecretary of State responsible for dialogue with civil society and minorities. It is part of the Secretariat of State for social dialogue and relations with minorities and religions of the Ministry of Human Resources.

Law No. 93/2011 on the National Economic and Social Committee

Parliament recognizing the role and importance of social dialogue in assessing the economic and social strategies respectively to form a consensus among different interest groups in society and given the experience of the EU and principles set out in the Accession Treaty elaborates the following law:

1. Law effect

1. The law takes effect on National Economic and Social Committee, committee members, institutions and persons involved in the work of the Commission.
2. Purpose of establishing the Commission, operating principles

2. (1) The Commission is an independent body of parliament and government, with the role of consultation and advice, composed of representatives of trade unions, chambers of commerce, NGOs of national policy, local and foreign representatives of scientific life, that religious representatives, whose role is to provide a platform for discussion to debate important issues relating to the economy and society that provide a framework for national strategies necessary to discuss long-term development.

2. (2) The Commission works with members from:
   a) trade union confederations and employers’ organizations or their representatives,
   b) national chambers of commerce,
   c) civil organizations active in national policies;
   d) historical religions established by special laws
   e) scientific life of the country and abroad.

2. (3) The Commission's interest is to achieve a broad national consensus, and in it’s work take’s into account the European social dialogue procedures.
3. Functions of the Commission

3. (1) In performing the duties of consultation and approval of proposed Commission shall:
   a) Monitor and analyze economic and social development of the country,
   b) Make proposals to the Parliament and Government to address issues of major economic and social life,
   c) Discuss government strategies on employment policies of economic change and social policy work,
   d) Undertake analysis of future governmental measures, in terms of labor market and issues of concern to social protection
   e) Participate in the assessment of the effects of government measures and informs the government on these results,
   f) Undertake analysis on strategic issues with EU
   g) Analyze economic and social problems which were introduced by a vote of 2/3 on the Commission's agenda.

(2) President of the Parliament, presidents of the parliament’s commissions, government, government members may request the Commission's view, request that the Commission is obliged to respond within 30 days and must submit parliamentary committee.

(3) Recipients of Commission proposals are obliged to consider proposals submitted and to inform the Commission about the solutions adopted in these matters.

4. Commission members

4. (1) Members of the Commission are organized according to interest groups:

1. Representatives of economic life
   • Presidents of employers' organizations or employers' confederation presidents,
   • Presidents of the chambers of commerce and industry of national interest,
   • Representatives of foreign chambers of commerce or mixed,
   • Representatives of other public organizations whose documents are provided for establishing economic representation or representatives of organizations whose contribution in economic life are consistent;

2. Presidents of unions and trade unions;
3. Representatives of civil organizations including representatives of civil organizations in the field of national policy;
4. Representatives of the scientific life
   • President of the Hungarian Academy of Sciences,
   • Representatives of economic and social components of the Academy, Association of University Rectors, and the Association of Economists from Hungary,
   • The representative of Hungarian scientific life communities abroad which is assigned at the proposal of the Hungarian Academy of Sciences;
5. Religious representatives.
4(2) Members appointed by various organizations are members of the Commission. The mandate of the members is for four years.
4(3) Commission members, for their work, do not receive any compensation.

4(4) In the context of this law assigned organization can be an organization that is established in accordance with the law on the organization and functioning of organizations to protect various interests,
  - Or of the organization whose main business is to protect the interests of employees or
  - Among the objects of activity is provided the protection of employees interests

4(5) Confederation is the organization beyond those laid down in Art. 5
  - Includes other trade unions, or trade union alliances or
  - includes employers and employer organizations or alliances
  - Are organized nationally.

4(6) At the works of the Commission may participate:
  a) Trade union alliance that:
    - encompasses trade unions in at least 12 areas of the economy in at least four major areas of the national economy, and
    - is present in at least eight counties or
    - at company’s level is at least 150 based organizations, or
    - is a member of the European Trade Union Confederation;
  b) employers' alliance that:
    - has business organizations in at least six areas of two key areas of the national economy, and
    - is present in at least 10 counties, who are affiliated with at least 1000 employees with at least 100,000 persons, respectively
    - is a member of the Employers’ Confederation of Europe.

4(7) In carrying out the conditions set above trade unions and employers may form alliances.

4(8) Should be considered as members of organizations accredited by the Commission Tripartite Commission for Social Dialogue at the time of entry into force of this law.

5. Permanent guests of the Commission

  5. (1) At the meetings of the Commission, will participate as permanent guest ministers or persons appointed by them with the role of consultation and without the right to vote.
  5. (2) At the Commission shall participate in meetings presidents or vice presidents of the Competition Commission and the National Institute of Statistics.

6. Commission President

  6. (1) The chairman shall make all arrangements for convening, organizing, conducting meetings and representing the Commission to third parties.
6. (2) Commission presidency is ensured by presidents interest by rotation of 3 in 3 months in order referred to in paragraph (1) of Art. 4

7. **Organization and functioning of**

7. (1) The Commission shall exercise the plenary activity. In preparation plenary committee is assisted by working groups on various issues. Plenary Meeting shall be convened at least four times a year or whenever required. The meeting is convened by the President. The Plenary Meeting will be convened also if requested by two interest groups or one-third of its members.

7. (2) Commission on issues on the agenda

- consult, organize debates
- approves,
- make suggestions,
- proposals
- adopt the recommendations,
- adopt the recommendations of its own activity.

7. (3) The Commission's work is provided by a secretariat. The materials and human resources required for the secretariat is provided by the ministry responsible for developing civilian government relations.

7. (4) The activity of the working groups are organized in coordination secretariat.

7. (5) The Secretariat is an independent organization and coordination structure

- such administrative and information support solving issues that are related to the functioning of the Commission,
- provide the infrastructure for the functioning of the Commission.

7. (6) Members of the Commission are required to form opinions based on interest groups. Decision making, each interest group has one vote. If the operating rules and organization of the Commission provides otherwise, decisions of the Commission are adopted by a simple majority.

7. (7) Regulation of organization and functioning and activity plan is prepared by the Commission. Adoption or amendment of rules of organization and operation can be done only with the consent of 2/3 of the members.
SELECTIVE BIBLIOGRAPHY

• Law no.62/2011-Law on social dialogue, as amended and supplemented;
• Law no.53/2003- Labour Code, as amended and supplemented;
• Law no.467/2006- Law on the general framework for informing and consulting employees;
• Law no.217/2005-Law on European Works Councils;
• GD. 187/2007 on information and consultation of employees in European companies;
• GD. 188/2007 on informing and consulting employees in the European cooperative societies;
• H.G. no.1260/2011 on business sectors established under Law no.62/2011;
• GEO. 28/2009 on the regulation of social protection measures (sectoral committees);
• ILO Convention no.87/1948 concerning Freedom of Association and Protection of the Right to Organize;
• ILO Convention no.154/1981 on the promotion of collective bargaining;
• ILO Convention no.98/1949 on the application of the principle of the Right to Organize and Collective Bargaining;
• ILO Convention no. 135/1971 on the protection of workers' representatives in the undertaking and facilities to be granted;

• http://www.eurofound.europa.eu
"The modern society in which we live faces a major communication problem between the citizens and the society, a problem that affects our personal life as much as our professional one. The Social Dialogue Institution, currently under M.M.F.P.S., wishes to bring to life, intentionally, a communication process, a bridge, through dialog between people, groups, from different organizational levels - government, trade unions, and employers organizations - with the purpose of obtaining an efficient collaboration in the benefit of the society. A dialog is only efficient when the necessary information is transmitted in time and to the right people. Our wish is that, through this book, we can introduce you into the field of social dialogue, which is so necessary, even essential, for a democratic society.”

Liviu Marian POP
Delegate Minister of Social Dialogue