Cross-border collective bargaining and transnational social dialogue

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Overview

1. Industrial relations in the EU
2. Record of legislative achievements
3. Latest developments
4. Six key policy recommendations
1. Industrial relations in the EU
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• A great diversity of national systems of industrial relations exists in Europe.

• A clear decrease in the coverage by collective agreements can be observed between Western and Eastern European states.

• In the EU-12 Member States, social partner organisations, in particular at the sectoral level, do not exist or are still in a nascent phase.

• In the EU-12 single-employer bargaining dominates. Within the EU-15 multi-employer bargaining is widely spread.
Figure 1: Collective bargaining coverage in 2006

% of workers covered by any collective agreement at all in total number of workers

1. Industrial relations in the EU

• A characteristic of the European model is that social dialogue plays a crucial role not only at the national but also at the EU level.

• The scope of cross-border collective bargaining is limited to an exchange of information and thus more or less to social dialogue.

• At the company level there is an increasing number of international and European framework agreements.

• European framework agreements deal with restructuring, anticipation of change, training and mobility.

• International framework agreements include core labour standards and Corporate Social Responsibility.
Figure 2: Cross-border collective bargaining and transnational social dialogue
Table 1: Union density and bargaining level in the European Union 2008

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<th>Country</th>
<th>Union density</th>
<th>Predominant level of collective bargaining</th>
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Source: Union density: Fulton, L. with data from Eurostat 2008; Predominance level of collective bargaining: Marginson, P. and Traxler, F.
2. Record of legislative achievements
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• Articles 154 and 155 TFEU form the political framework for European social dialogue.

• The Social Agenda 2005-2010 of the European Commission proposes an ‘optional legal framework for transnational collective bargaining’.

• No concrete action has been undertaken by the EU-2020 Strategy to establish such a legal framework.

• The Posting of Workers Directive, the Directive on Parental Leave and the Directive on Temporary Agency work are important steps ahead.
2. Record of legislative achievements

• The European Works Council is a good example of successful informal trilogue between the Commission, the Council and the Parliament.

• ECJ cases Laval, Viking and Rüffert have shaken the foundations of labour rights in the European Union.

• Market interests seem to get the upper hand in view of the right to take industrial action.

• The last word on how to interpret all three cases from both legal and political perspective has certainly not yet been said.
3. Latest developments
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• Cross-border collective bargaining is mainly driven by trade unions. Yet, its outcome remains muted.

• Transnational company agreements are suitable for transposing European values at the global level.

• European and international framework agreements promote core labour standards and Corporate Social Responsibility.

• International and European framework agreements have a certain influence on workers, although they are signed on a voluntary basis.
3. Latest developments

- International framework agreements can be a stepping stone for social dialogue within multinational companies.

- Transnational company agreements can be seen as a proactive method to influence both industrial relations and social dialogue.

- Improving the ownership of these agreements constitutes an important challenge for the future.

- Nevertheless, international framework agreements are instruments which concern only one employer and not the entire sector.
Figure 3: Number of transnational company agreements (until 2010)

Source: Telljohann, V. et al.
4. Six key policy recommendations
1. The social partners are potential allies of the legislative process

- The variety of national systems of industrial relations stems from historical and cultural sources and should not be ignored.

- Transnational social dialogue can help establish a common denominator in terms of social standards and values.

- In principle, cooperation between the social partners and EU institutions might serve as a preliminary stage of the following legislative process.
1. The social partners are potential allies of the legislative process

- Most notably, the case of the European Works Councils Directive showed a strong facilitating role of the social partners.

- Social partners should be seen as potential allies of the European Parliament in the realm of transnational social policy.

- However, one has to note that the role of the European Parliament is heavily constrained in both fields.
2. Further investigation of cross-border collective bargaining and transnational social dialogue

• Transnational company agreements appear to be a tool to spread core labour standards and Corporate Social Responsibility.

• It is unpredictable in which direction transnational company agreements will move (legal “no man’s land”).

• Further investigation could help assess their contribution to the system of industrial relations in Europe.
3. Raising awareness of European Works Councils as contributors in the development process of transnational company agreements

- European Works Councils are transnational bodies with growing importance.

- They have changed social dialogue in Europe and are responsible for the signing of European and mixed transnational agreements.

- They have proven to be a practical way of ensuring a space of dialogue.

- European Works Councils constitute effective contributors in the development process of transnational company agreements.
4. Providing support in initiating social partnership

• The European Parliament should further fund social dialogue between the social partners.

• The European Parliament should further call for a wide debate between EU stakeholders.

• It should also favour an effective dialogue between Parliament and the stakeholders to form a ‘transnational social dialogue pact’.
5. Modifying regulations on international private law

• Clear rules to decide about the signing and commitment of transnational social dialogue do not yet exist.

• At the European level there is a deadlock regarding a more binding character of transnational agreements.

• The European Parliament should help improve and modify the regulations on private international law.

• To advance European legislation according to the TFEU will be a very demanding task.
6. Putting transnational social dialogue in a perspective

- Interaction between employers and trade unions at the European level is an emerging policy area.

- Major progress can only be achieved if there is sufficient support from the European social partners themselves.

- Currently, there is no widespread consensus regarding the establishment of a binding European institutional framework for collective bargaining or transnational company agreements.

- Both the Commission and the Parliament should stimulate and support the development of social dialogue at the European level.